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November 8, 2019

HONORABLE CITY COUNCIL

RE: Fees for Processing Rezoning Requests (RECOMMEND APPROVAL)

This report provides an analysis and recommendation from the City Planning Commission (CPC) for a new fee schedule for processing rezoning requests and other land use reviews for Your consideration.

In January 1995, City Council first established fees for the CPC processing rezoning requests, and, since that time, these fees have never been increased. For this report, the City Planning Commission studied the land use fees charged by other City of Detroit departments, estimated the costs of processing land use requests, and surveyed the fees charged by other cities.

Background and Current Fees

For the past 24 years, the CPC has charged applicants for the processing of rezoning requests a base fee of \$350 plus \$25 for each acre over one acre, to a maximum of \$1,000.

For the past several years, the CPC has had three different rezoning applications:

- (1) standard zoning changes;
- (2) development proposal approval in the Planned Development (PD), Public Center (PC), and Public Center Adjacent (PCA); and,
- (3) Special Development District, Casinos and Casino Complexes (SD5).

Even though the PD and SD5 amendments usually require significantly more staff hours, the same \$350 fee has been charged for all three applications.

Also, oftentimes land is already zoned PD, PC, PCA, or SD5, and developers request to make minor or major changes to the subject property. In these instances, CPC staff conducts a special district review to be reviewed by the CPC and/or City Council, and to date, has not charged a fee. Lastly, regarding text amendments, most Zoning Ordinance text amendments originate from CPC staff or are requested by City Council or City agency. However, some text amendment requests come from the public, for which no fee is charged.

Land Use Fees Charged by Other City of Detroit Departments

In late 1994, when the City Council was deciding whether or not to establish rezoning fees, the Buildings, Safety Engineering and Environment Department (BSEED) was already charging

\$450 for Special Land Use hearings and the Board of Zoning Appeals (BZA) was charging \$300 to process variance requests. Presently, BSEED charges \$1,000 for Special Land Use hearings and \$160 for Preliminary Plan Review (PPR). BZA currently charges \$1,200 to process variance requests. The Planning & Development Department (P&DD) presently does not charge for its site plan review or special district review services.

Estimated CPC Staff Costs

The CPC studied the steps involved when processing various land use requests and projected the average number of staff hours devoted to each step. However, the total hours can vary more or less depending on the complexity of the particular land use review. The table below summarizes the estimated total planning staff hours spent on the various land use requests. Based on the current average salary of a Legislative Policy Division Planner III of \$36.78 per hour, the estimated staff costs are listed as well. For this analysis, PC/PCA major review is defined as substantial changes to several aspects of a building, including the façade, signage, etc. PC/PCA minor review includes changes that are limited to one aspect of a building such as a new sign, outdoor café, etc.

	Estimated Total CPC Hours	Estimated CPC Costs
Standard Rezoning	61	\$2,244
PD (including PD Major Modification), SD5, SD4 (3 or more acres), PC or PCA Rezoning	78	\$2,869
PC/PCA Major Plan Review	25.5	\$938
PD/PC/PCA Minor Plan Review	11.5	\$423
Zoning Text Amendment Major	66	\$2,427
Zoning Text Amendment Minor	42	\$1,545

Attachment A shows a more detailed table summarizing estimated average staff hours to process land use requests. The bottom of Attachment A also lists estimated hours from other departments, which adds hundreds of dollars to the cost of each review.

Survey of Cities

Back in 1994, in order to establish the initial rezoning fee, CPC staff conducted a survey of 25 municipalities in Michigan and found fees ranging from \$150 to \$600. For the current analysis, CPC staff conducted a survey of the following:

- Eleven major US cities (most of which are in the Midwest or just beyond),
- The 21 largest cities in Michigan (which includes five cities in Wayne County), and
- Twenty-two remaining other cities in Wayne County.

Attached to this report is a spreadsheet summarizing the survey results. The survey lists the fees for the following: 1) standard rezoning; 2) PD rezoning; 3) zoning text amendment; and 4.) site plan review.

A summary of some of the major findings of the survey include the following:

- Seven of 11 major US cities, have standard rezoning fees starting at a minimum of \$1,000, with the median fee of \$1,500. Fees from other major US cities include Chicago (\$1,025), Pittsburgh (\$1,250), and Milwaukee (\$1,500);
- Four of the 11 major US cities charge additional fees based on the number of acres;
- Six of the 11 major US cities have equal or higher fees for PD rezonings, with the average fee being \$2,416. PD fees from other cities include Chicago (\$1,500), Milwaukee (\$2,500), and Columbus (\$3,200);
- Three of the 11 major US cities list specific zoning text amendment fees, including \$500 from Denver, \$1,180 from Nashville, and \$1,500 from Charlotte;
- Eleven of the 21 largest Michigan cities have rezoning fees \$1,000 or greater with the median fee at \$1,500. Fees from other large Michigan cities, include Southfield (\$1,000), Warren (\$1,500), and Grand Rapids (\$2,921);
- Ten of the 21 largest Michigan cities charge higher fees for larger parcels or additional acreage;
- Fourteen of the 21 largest Michigan cities list a different fee (mostly higher) for PD rezonings - fees from other cities, include Grand Rapids (\$2,055), Warren (\$2,500 for 2 acres or less plus \$50 per acre) and Taylor (\$3,000);
- Eight of the 21 largest Michigan cities list specific text amendment fees ranging from \$330 for Kalamazoo to \$2,921 for Grand Rapids;
- Eighteen of the 21 largest Michigan cities list specific fees for site plan approval, including Pontiac (\$500 preliminary and \$990 final), Warren (\$1,000), and Grand Rapids (\$1,675); and,
- Of the other Wayne County cities surveyed, seven of the 22 cities have rezoning fees \$1,000 or greater (including any escrow funds). Fees from other Wayne County cities, include Romulus (\$1,500) and Inkster (\$2,050).

Policy Issues

When CPC staff receives a rezoning map request, sometimes the petition is expanded to rezone nearby properties or the entire block, and the CPC is often listed as a co-petitioner. In these instances, the CPC recommends that unless the petition comes from a non-profit community-based organization, the petitioner should still be responsible for paying a fee for the portion of the rezoning they are requesting.

The vast majority of zoning text amendments originate from City staff or elected officials. If the CPC receives a text amendment request from outside City government, then the CPC recommends a fee be charged unless it is determined that the amendment has broad significance for the public good of the City.

For proposed fees, CPC recommends the following policies:

- If the CPC expands a rezoning request to include additional parcels, the petitioner should be responsible for fees associated only with the original request;
- For text amendments, there should be a fee for requests originating outside City government, but the fee should be waived if the CPC determines the amendment has broad significance for the public good of the City; and,
- Minor vs. major changes within PC and PCA district fees, and minor vs. major text amendment fees be determined by the CPC staff.

Recommendation

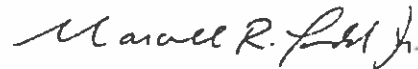
The City Planning Commission recommends that rezoning fees should be increased and fees for different types of land use requests should be added. The current fees established in 1995 have not been raised for the past 24 years. At its meeting on October 17, 2019, the CPC voted to recommend the following fees:

	Recommended Fee
Standard Rezoning	\$1,500 for the first acre + \$50 for each additional acre to a maximum of \$2,250
PD, PD Major Plan Change SD4 (3 or more acres), SD5, PC, and PCA Rezoning	\$1,750 for first acre + \$50 for each additional acre to a maximum of \$2,500
PC/PCA Major Plan Review	\$700
PD/PC/PCA Minor Plan Review	\$400
Text Amendment Major	\$1,500
Text Amendment Minor	\$1,000

The CPC thinks the proposed fees are fair and reasonable, in part, because they are in line with fees charged by other City departments and other large cities in Michigan and throughout the US. The proposed fees still only cover a portion of the actual costs accrued by the City when processing land use requests. Attached is a resolution for Your Honorable Body’s consideration.

Respectfully submitted,

ALTON JAMES, CHAIRPERSON



Marcell R. Todd, Jr., Director

Christopher J. Gulock, AICP, Staff

Attachments

cc: Dave Bell, BSEED

By Council Member: _____

Whereas, the City Planning Commission has not proposed any increase in rezoning fees since January 1995; and

Whereas, the Detroit City Charter in Section 9-507 presently allow for application filing fees; and

Whereas, the City Planning Commission has conducted a fee study to justify the fee charges;

Now, Therefore, Be It Resolved, That the Detroit City Council hereby approves the following fees proposed by the City Planning Commission:

	Fee
Standard Rezoning	\$1,500 for the first acre + \$50 for each additional acre to a maximum of \$2,250
Planned Development, Planned Development Major Plan Changes SD4 (3 or more acres), SD5, PC, and PCA Rezoning	\$1,750 for first acre + \$50 for each additional acre to a maximum of \$2,500
PC/PCA Major Plan Review *	\$700
PD/PC/PCA Minor Plan Review *	\$400
Zoning Text Amendment Major *	\$1,500
Zoning Text Amendment Minor *	\$1,000
* as determined by the City Planning Commission staff	

ATTACHMENT A

Estimated average hours processing land use requests 10-29-19

CPC Staff Task	Standard Rezoning Hours	PD, PD Major Change, SD4 (3 or more acres), SD5, PC, PCA Rezoning Hours	PC/PCA Major Plan Review Hours	PC/PCA Minor Plan Review Hours	Text Amendment (major) Hours	Text Amendment (minor) Hours
Inquiry	.5	.5	.5	.5	.5	.5
Pre-application meeting	2	3	2	1	1	1
Review at staff meeting	1	1	1	1	1	1
Inform/consult PDD	1	1	1	1	1	1
Community meeting	3	3				
Prepare for CPC						
- Review site plan		1	1			
- Labels	2	2			3	3
- Visit site & photos	2	2	1			
- Research & write report	12	16	6		16	8
- Presentation	4	6	2		4	2
CPC hearing	2	2	2		2	2
Write recommendation	8	12			8	4
CPC presentation/vote	3	3			3	3
Create ordinance	8	10			10	5
Draft report for City Council	4	6	4	3	6	3
City Council regular session	1	1	1	1	1	1
PED Committee	2	2	2	2	2	2
Council set hearing	.5	.5			.5	.5
PED Hearing	2	2			2	2
CC Vote	2	2	1	1	1	1
Zoning map update	1	1			4	2
CPC staff sign off		1	1	1		
Total CPC staff hours	61	78	25.5	11.5	66	42
Rate at \$36.78/hr	\$2,244	\$2,869	\$938	\$423	\$2,427	\$1,545

Other City Staff	Standard Rezoning Hours & Cost	PD, PD Major Change, SD4 (3 or more acres), SD5, PC, PCA Rezoning Hours	PC/PCA Major Plan Review Hours & Cost	PC/PCA Minor Plan Review Hours & Cost	Text Amendment (major) Hours & Cost	Text Amendment (minor) Hours & Cost
LPD administrative support (\$20/hr)	4 (\$80)	4 (\$80)			8 (\$160)	8 (\$160)
City Engineering sign-off (\$45/hr)	3 (\$135)	3 (\$135)				
Law Department sign-off (\$56/hr)	8 (\$448)	16 (\$896)			24 (\$1,344)	16 (\$896)
PDD review (\$35/hr)	8 (\$280)	16 (\$560)	16 (\$560)	8 (\$280)	24 (\$840)	8 (\$280)
Total Additional	\$943	\$1,671	\$560	\$280	\$2,344	\$1,336

SURVEY OF FEES OTHER CITIES

MAJOR USA CITIES	POPULATION 2010 CENSUS	GENERAL REZONING FEE	PD/PUD REZONING FEE	ZONING TEXT AMENDMENT FEE	SITE PLAN APPROVAL FEE
Chicago	2,695,598	\$1,025	\$1,500		\$5.5 per square foot for PD plan review
Philadelphia	1,526,006	\$0 - rezoning requests are made through City Council and staff; Council members introduce changes for their districts			<ul style="list-style-type: none"> • \$500 zoning permit review • \$150 use registration
Indianapolis	820,445	<ul style="list-style-type: none"> • \$479 for dwelling district three acres or less; • \$2,789 for commercial, industrial, etc., & dwelling district > three acres + \$19/acre; • \$5,499 for a special use district + \$69/acre 	\$3,499 plus \$19/acre for over one acre		
Columbus	787,033	\$1,800 for 1st acre + \$180/acre (max fee \$7,000)	\$3,200 for 1st acre + \$320/acre (max \$15,000)		\$475 zoning clearance/site compliance
Detroit	713,777	\$350 for one acre or less; \$350 for each additional acre (\$1,000 max)	\$350 for one acre or less; \$25 for each additional acre (\$1,000 max)		
Charlotte, NC	731,424	\$2,100		\$1,500	\$125 - \$1,290 zoning plan review based on construction costs
Nashville	601,222	\$2,200	\$2,800	\$1,180	\$250 building permit review
Denver	600,158	\$1,000 one acre or less; \$500/acre for each additional acre (\$50,000 max)	<ul style="list-style-type: none"> • \$1,000 under one acre; • \$1,500 for 1st acre + \$500/acre each additional acre (\$50,000 max) 	\$500	<ul style="list-style-type: none"> • \$500 for one acre or less • \$2,500 more than one acre, plus \$500 for each additional acre (max \$50,000)
Milwaukee	594,833	\$1,500	\$2,500 to establish; \$1,500 to amend		
Cleveland	396,815	No fee; zoning map changes are only initiated by the City; \$50 charged for use variances			

SURVEY OF FEES OTHER CITIES

Lansing	114,297	<ul style="list-style-type: none"> • \$500 less than one acre; • \$650 one-three acres; • \$800 greater 3 acres 			<ul style="list-style-type: none"> • \$560 less than one acre; • \$850 one-three acres; • \$1,210 greater three acres
Ann Arbor	113,934	<ul style="list-style-type: none"> • \$1,400 	<ul style="list-style-type: none"> • \$7,940 combined zoning & site plan (+\$45 per lot or \$45 per 1,000 square feet of new gross floor area); • \$10,850 combined zoning & site plan with stormwater review (+\$105 per lot or \$1,000 square feet of new gross floor area); • \$10,150 site plan approval with stormwater review (+\$85 per lot or \$1,000 square feet of new gross floor area) 	\$2,000	<ul style="list-style-type: none"> • \$7,550 site plan for Planning Commission approval (with storm water review); • \$12,350 site plan for City Council approval with stormwater (\$85 per lot or 1,000 square feet of new gross floor area) • \$1,002 residential + \$5 per unit or lot; • \$1,002 commercial/industrial + \$25 over one acre
Flint	102,434	\$1,253	<ul style="list-style-type: none"> • \$1,002 + \$2.5/unit preliminary site plan; • \$626 + \$2.5/unit final site plan 		
Dearborn	98,153	\$1,500 (includes \$1,200 application fee & \$300 publication fee)	<ul style="list-style-type: none"> • \$1,750 preliminary review; • \$1,125 final review 	\$1,500	\$750 site plan review
Livonia	96,942	<ul style="list-style-type: none"> • \$400 low density residential; • \$550 high density residential; • \$700 commercial; • \$800 industrial (+ additional \$20-\$40 for square feet over certain amount) 			\$600 + \$20 for each 1,000 square feet of gross floor area
Westland	84,094	<ul style="list-style-type: none"> • \$650 one acre or less; • \$850 more than one acre 			\$650 plus \$25 per acre

SURVEY OF FEES OTHER CITIES

Troy	80,980	<ul style="list-style-type: none"> • \$1,800 application + \$1,500 escrow 	<ul style="list-style-type: none"> • \$300 pre application meeting • \$3,000 + \$5,000 escrow, concept plan review; • \$1,500 + \$5,000 escrow, preliminary plan review; • \$500 final plan review 	\$1,500	<ul style="list-style-type: none"> • \$1,000 preliminary + \$1,500 escrow • \$300 administrative site plan review • \$100 final site plan review
Farmington Hills	79,740	<ul style="list-style-type: none"> • \$750 one acre or less; • \$900 over one acre to 20 acres; • \$1,100 over 20 acres to 40 acres; • \$1,400 (over 40 acres) 	<ul style="list-style-type: none"> • \$1,060; + \$35/acre + \$135 (for engineering + plan review fee (\$470 - \$1,160)) 		<ul style="list-style-type: none"> • \$470 + \$135 for engineering + \$5 dwelling unit for multi-family; • \$650 + \$135 + \$30/acre for commercial, industrial or other
Kalamazoo	74,262	<ul style="list-style-type: none"> • \$550 1st acre & \$55/acre each additional 	<ul style="list-style-type: none"> • \$0 preliminary PD plan • \$500 final PD plan; • \$500 combined PD approval; • \$500 + \$330 + \$6 per each 500 square feet of gross floor area (rezoning + plan) 	\$330	<ul style="list-style-type: none"> • \$330 + \$6 per unit, multi family. • \$330+\$6 per each 500 square feet of gross floor area site plan, non-residential
Wyoming	72,125	<ul style="list-style-type: none"> • \$600 under one acre; • \$1,000 one acre or over 	<ul style="list-style-type: none"> • \$700 under 41 acres; • \$1,200, 41 acres and over 	\$600	<ul style="list-style-type: none"> • \$600, multifamily, plus \$4 per unit up to \$1,800 • \$400 commercial/industrial, under one acre • \$600 commercial/industrial, one acre or over
Southfield	71,739	<ul style="list-style-type: none"> • \$1,000 + \$40 for each acre over one acre 			<ul style="list-style-type: none"> • \$1,000 + \$5 for each 1,000 square feet of gross building area residential and commercial reviewed by Council • \$750 + \$5 for each 1,000 square feet of gross building area industrial reviewed administratively

SURVEY OF FEES OTHER CITIES

Rochester Hills	70,995	\$750 fee + \$75/hour if fee exceeded			<ul style="list-style-type: none"> • \$1,000 + \$18 per unit multi-family • \$1,500 + \$75 per acre commercial & industrial
Taylor	63,131	\$1,500	<ul style="list-style-type: none"> • \$3,000 + \$65/acre conceptual; • \$1,500 preliminary; • \$500 final 	\$1,800	<ul style="list-style-type: none"> • \$1,800 + \$65 /acre under 10 acres • \$2,100 + \$65/acre 10-20 acres • \$2,300 + \$65/acre over 20 acres • \$2,100 + \$65/acre multi-family • \$500 + \$5 for each 500 square feet of gross floor area, commercial/industrial; • \$300 two-family; • \$300 + \$5 for each dwelling unit, multi-family; • \$500 + \$5 for each dwelling unit, single-family cluster
St. Clair Shores	59,715	\$500			<ul style="list-style-type: none"> • \$500 preliminary multi-family, \$25 each additional acre • \$990 final multi-family, \$100 each additional unit, max fee \$10,000 • \$500 preliminary non-residential \$25 each additional acre • \$990 final non-residential, \$100 each additional 1,000 square feet (max \$10,000)
Pontiac	59,515	• \$1,350 one acre or less plus \$100/acre over one acre		\$1,000	
Dearborn Heights	57,774	\$500		\$500 + \$1/unit up to \$1,000	
Royal Oak	57,236	\$1,000		<ul style="list-style-type: none"> • \$1,000 preliminary site plan; • \$1,000 final site plan; • \$2,000 rezoning plus development agreement/City Commission review 	<ul style="list-style-type: none"> • \$500 site plan review • \$900 with public hearing

SURVEY OF FEES OTHER CITIES

Novi	55,224	\$1,000 plus \$5/acre single family, \$15/acre multi-family, or \$20/acre commercial	<ul style="list-style-type: none"> \$500 plan review, 50 acres or less; \$800 greater than 50 acres 	\$600					
WAYNE COUNTY CITIES	POPULATION 2010 CENSUS	GENERAL REZONING FEE	PD/PUD REZONING FEE	ZONING TEXT AMENDMENT FEE	SITE PLAN APPROVAL FEE				
Detroit	713,777	\$350 for one acre or less; \$350 for each additional acre (\$1,000 max)	\$350 for one acre or less; \$25 for each additional acre (\$1,000 max)						
Lincoln Park	38,144	\$300 admin fee + \$600 escrow (nonrefundable)							\$300 administrative + \$2,250 escrow - unused monies will be refunded
Garden City	27,692	\$500 fee + \$1,000 escrow	\$500 + \$3,000 escrow						
Wyandotte	25,883	<ul style="list-style-type: none"> \$300 residential; \$600 commercial 	<ul style="list-style-type: none"> \$1,000 PD rezoning; \$400 preliminary PD review \$300 final PD review 						\$750 site plan development
Inkster	25,369	\$2,050 (includes \$1,700 + \$350 public hearing fee)							<ul style="list-style-type: none"> \$1,750 commercial less than 1 acre \$1,800 + \$50 per acre, commercial an acre or more \$1,450 + \$6 per unit, residential less than 1 acre \$1,500 + \$6 per unit, residential an acre or more

SURVEY OF FEES OTHER CITIES

Romulus	23,989	\$1,500 (includes \$700 + \$800 consultant escrow)			<ul style="list-style-type: none"> • \$2,000 + \$100 acre commercial for planning commission; • \$2,000 + \$4 per residential unit for planning commission; • \$1,150 non-residential administrative; • \$450 residential administrative
Hantramck	22,423	<ul style="list-style-type: none"> • \$350 + \$500 escrow residential • \$350 + \$1,500 escrow commercial 			<ul style="list-style-type: none"> • \$300 preliminary site plan review • \$300 final site plan review • \$1,000 zero-20 acres, \$100 each additional acre
Trenton	18,853	\$500			<ul style="list-style-type: none"> • \$200 under 7,500 square feet • \$300 between 7,500-15,000 square feet • \$500 15,001 square feet and over
Wayne	17,593	\$500	\$750		
Grosse Pointe Woods	16,135	<ul style="list-style-type: none"> • \$375 Residential; • \$500 Commercial 			\$350
Harper Woods	14,236	\$450 + staff fees + 10% admin fees (escrow \$1,500 for residential & \$2,500 commercial)			\$400
Woodhaven	12,875	\$1,500			<ul style="list-style-type: none"> • \$1,350 residential • \$1,300 non-residential • \$620 cluster residential • \$735 multiple-family residential • \$435 two acres or less office, commercial, industrial, etc. • \$555 over two acres, office, commercial, industrial, etc.
Riverview	12,486	\$500	\$620 + hourly fee + \$85/acre	\$250	<ul style="list-style-type: none"> • \$800 + \$10 per unit residential • \$2,400 + \$50 per acre non-residential
Highland Park	11,776	\$600 + \$25/acre			<ul style="list-style-type: none"> • \$600 + \$25/acre

SURVEY OF FEES OTHER CITIES

	10,715	\$250 + cost of notice/mailing			\$200 + \$20 administrative fee (\$1,000 escrow)
Melvindale					
Flat Rock	9,878	\$350 + \$47/acre	<ul style="list-style-type: none"> • \$331 + \$6/unit preliminary residential; • \$140 + \$3/unit final residential; • \$365 + \$48/acre industrial or commercial; • \$365 + \$48/acre industrial or commercial 		
Ecorse	9,512	\$1,500 escrow			
Grosse Pointe Farms	9,479	\$450 + \$10/acre + escrow fee		\$500	
Plymouth	9,132	\$750	<ul style="list-style-type: none"> • \$2,000 preliminary plan (initial review and one revision) + \$50/acre; • \$1,750 final plan (includes one revision) 	\$700	\$1,500 plus \$50/acre
Northville	5,970	\$500 (up to 1 acre) + \$50/acre	<ul style="list-style-type: none"> • \$820 preliminary site plan & rezoning + \$70/acre + \$17/dwelling unit; • \$820 final site plan + \$70/acre + \$17/dwelling 	\$720	<ul style="list-style-type: none"> • \$700 preliminary site plan, \$75 per acre • \$700 final site plan, \$75 per acre • \$1,130 preliminary and final concument
Grosse Pointe City	5,421	\$450 + \$10/acre + escrow fee			
Belleville	3,991	\$350			
Rockwood	3,289	\$500 + \$30 per acre	<ul style="list-style-type: none"> • \$500 + \$50/acre preliminary review • \$250 + \$25 per acre final review 		<ul style="list-style-type: none"> • \$495 + \$10 per unit residential • \$495 + \$50 per acre non-residential