

## SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** September 9, 2004

**SUBJECT:** Proposed Changes to the Protocol Agreement Regarding Building Permit Fee Refunds

**AFFECTED COUNCIL DISTRICTS:** Citywide

**STAFF REPORT BY:** Gary Mumford

**ADMINISTRATIVE DEPT. AND CONTACT PERSON:** Department of Community Development  
David Dobbins

**NOTICE REQUIREMENTS:** Not required

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### KEY ELEMENTS:

The Administration is requesting two changes to the protocol agreement relating to fee waivers:

1. Place a six-month time limit on fee refunds.
2. Change the word publicly-owned facility to government-owned facility.

On February 16 1999, the Council adopted a protocol agreement between the City Council and the Administration regarding waiving of building permit fees under certain conditions:

- The organization requesting the refund must be a government agency or a contractual manager of a publicly owned facility.
- The facility being constructed provides a direct benefit to the resident of Salt Lake City.
- The property upon which the project or facility is being constructed will become a publicly owned facility.

Only two fee refunds have been granted since February 1999 under the protocol agreement: (1) a building constructed on state property at “This is the Place State Park,” and (2) the “Celebration of Life” monument on the southeast corner of the Library Square. Prior to the protocol agreement, the Council considered requests for fee waivers on a case-by-case basis.

Subsequent to granting a refund to “This is the Place State Park” the Park came back with a request for waivers of past building permit fees for several years. The Administration denied the request and is proposing a six-month time limit be added to the protocol agreement. Upon reviewing the protocol agreement for any other concerns, the Administration determined that a word change was needed because there wasn’t a clear definition of publicly-owned facility. For example, a non-profit entity could claim that its facility qualifies because it is open to the public.

## **MATTERS AT ISSUE/POTENTIAL QUESTIONS FOR ADMINISTRATION:**

The Council may wish to ask the Administration to clarify what criteria are used to determine whether a constructed project provides a direct benefit to the resident of Salt Lake City. Many non-profit organizations serve very worthy purposes for which Salt Lake City could support by waiving permit fees.

The Council may wish to consider the effect that government or non-profit fee waivers have on City taxpayers. Permit fees are a component in the City revenue stream, and such refunds decrease actual revenue received by the City. In addition, building permit fee revenue from prior years has been spent and is not available for refund. An appropriation from the City's emergency or rainy-day fund balance would be necessary to refund permit fees from past years.

The Council may wish to ensure that there is consistency in providing fee refunds. Perhaps not all government agencies are aware of the possibility of fee refunds. Another possibility for the few refund requests is that there may not be a great need. As an alternative to the proposed amendments, the Council could consider eliminating building permit fee refunds except for those specifically approved by City ordinance such as fees relating to low-income housing.

Currently the City charges its enterprise funds and the Library for building permit fees. The Council may wish to weigh the justification for refunding permit fees to other entities. Council staff is not aware of specific fees or charges that other entities waive for the City.

## **OPTIONS:**

The Council may wish to consider the following options:

1. Forward the amendment to the protocol agreement relating to building permit fee refunds to a Council Meeting for consideration.
2. Establish alternative or additional criteria.
3. Eliminate fee refunds except those specifically allowed under City ordinance.

cc: Rocky Fluhart, Sam Guevara, Lee Martinez, David Dobbins