



Annual License Fee, Inspection Fee and Incentive Schedule

- ❖ New structures that are three years old or newer will be licensed, including payment of the fee, upon receiving their certificate of occupancy, but will enter the inspection portion of the program on year 4.

Proposed Administrative Fees

- No show for inspection - \$25
- Appeal filing fee - \$25
- Re-inspection after initial re-inspection - \$50 per inspection

Proposal

Number of rental units	Annual License Fee	Inspection Fee (Paid in year of inspection)	Inspection Schedule (every 3 years)	Incentive Schedule (50% of Inspection Fee)
1-10	\$15/Unit	\$50/Unit	All units	5 or less minor violations
11-50	\$15/Unit	\$50/Unit	Greater of 11 units or 50% of all units	10 or less minor violations
51+	\$15/Unit	\$50/Unit	Greater of 26 units or 33% of all units	20 or less minor violations

Cost Examples

Number of Rental Units	Annual License Fee \$15 per unit	Inspection Fee \$50 per unit	Costs in year of inspections	Total Costs in the two years of no inspection	Total Costs for first 3 years	3 Year total of rent generated with all units occupied (\$500 per Unit)
6 units	\$90	6 x \$50 = \$300	\$390	6 x 15 x 2 = \$180	\$570	\$108,000 (.53%)
20 units	\$300	11 x \$50 = \$550	\$850	20 x 15 x 2 = \$600	\$1,450	\$360,000 (.40%)
100 units	\$1,500	33 x \$50 = \$1,650	\$3,150	100 x 15 x 2 = \$3,000	\$6,150	\$1,800,000 (.34%)

Costs Examples for Incentive-Eligible Properties

Number of Rental Units	Annual License Fee \$15 per Unit	Inspection Fee \$25 per unit (half of normal fee)	Costs in year of inspections	Total Costs in the two years of no inspection	Total Costs for years 4 – 6.	3 Year total of rent generated with all units occupied (\$500 per unit)
6 units	\$90	6 x \$25 = 150	\$240	6 x 15 x 2 = \$180	\$420 (-\$150)	\$108,000 (.38%)
20 units	\$300	11 x \$25 = \$275	\$575	20 x 15 x 2 = \$600	\$1,175 (-\$275)	\$360,000 (.32%)
100 units	\$1,500	33 x \$25 = \$825	\$2,325	100 x 15 x 2 = \$3,000	\$5,325 (-\$825)	\$1,800,000 (.29%)

Revenue Generated vs. Cost of Program

Estimated revenue generated from annual license and inspection fees.

Number of Units	Annual License Fee Revenue	Annual Inspection Fee Revenue	Total Annual Revenue Generated	Cost of program
20,000 (est.)	20,000 x \$15 per unit = \$300,000	5,000 (est.) x \$50 =\$250,000	\$550,000	\$526,092

- ❖ Annual inspections of 5,000 are estimated as the number of units inspected per year in structures with at least 11 dwelling units is not known at this time. Therefore, the revenue generated by the inspection fee may be lower or higher depending on that variable as well as number of units that have minor violations during initial inspection thus receiving the reduced inspection incentive for next required inspection.
- ❖ Fee schedule to be analyzed every 3 years to ensure that the program's fees are appropriate to maintain a program that does not require funds to be drawn from the general fund and ensuring that the program is not a profit center.

2013 Implementation Schedule

- Q1 – Adopt ordinance and begin the licensing of properties. Outreach to landlords on inspection program.
- Q2/Q3 – Continue the licensing process and hire/train staff.
- Q4 – Continue licensing properties and begin inspections.
Promote licensed properties through website and KU.

Total Cost of Program

First year in 2013 dollars

Position	Total Compensation Salary + benefits	Computer, Office Furniture, Phone, etc...	Vehicle Cost, Fuel & Maintenance	Total Cost for Each Position
Code Enforcement Officer	\$41,614	\$2,300 ¹	\$16,800	\$60,714
Code Enforcement Officer	\$41,614	\$2,300	\$16,800	\$60,714
Code Enforcement Officer	\$41,614	\$7,800 ²	\$16,800	\$66,214
Code Enforcement Officer	\$41,614	\$7,800	\$16,800	\$66,214
Code Enforcement Officer	\$41,614	\$7,800	\$2,500 ³	\$51,914
Code Enforcement Officer II ⁴	\$61,650	\$2,300	\$2,500	\$61,796
Administrative Support III	\$37,213	\$7,800	Not Applicable	\$45,013
Administrative Support III	\$37,213	\$7,800	Not Applicable	\$45,013
Code Enforcement Manager (60%)	\$54,000	Not Applicable	\$500 ⁵	\$54,500
Planning Director (10%)	\$14,000	Not Applicable	Not Applicable	\$14,000
			Total Program Costs	\$526,092

¹ Division has two unoccupied work stations available therefore the cost of computers/phone of \$2,300 is shown for two of the new officers.

² Price of office furniture (\$5,500) added for three Code Enforcement Officer positions.

³ Division has one extra vehicle to utilize therefore fuel and maintenance account for the total expenditure.

⁴ Existing Code Enforcement Officer position upgraded to act as Field Supervisor.

⁵ Manager utilizes a vehicle and averages approximately 1/5 of fuel consumption as inspection staff.