

**DATE:** January 15, 2016  
**TO:** Mayor and City Council  
**CC:**  
**FROM:** Cynthia Wagner  
**RE:** Consider Ordinance Extending Temporary Discount Program for Building Permits

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In 2011, as a result of the decrease in the number of permits being pulled for construction of new homes, the City Council authorized a temporary discount program for building permits. The program recognized the importance of the construction industry to the economy of the City of De Soto. The program was extended again this past July to January 2016.

Developers within the community continue to be extremely supportive of an extension of the discount program as it assists in their development costs. The number of building permits is not yet increasing at a pace we would expect or hope to see. The total number of homes built in 2013 was 22 as compared to 13 in 2014 and 12 in 2015. As has been discussed previously, a significant reason for these low numbers is the rapidly declining availability of building lots and developable land.

At this time, it is recommended that the temporary discount program be extended another six months to allow further review of the current housing market by the Council/staff and the EDC. As directed by Council in December, in the next several weeks, the EDC, with Dave Anderson and Steve Chick participating, will be hosting a series of meetings with our builders and developers to seek feedback from them on residential development in De Soto. In addition to providing information on housing needs in the community, the feedback obtained in these meetings can assist in review of the discount program.

**Should the council deem it appropriate, an ordinance extending the temporary discount program to July 22, 2016 is attached for consideration.**

**Ordinance No. \_\_\_\_\_ Summary**

On January 21, 2016, the City of De Soto, Kansas, adopted Ordinance No. \_\_\_\_\_ extending the temporary discount program for fees associated with building residential structures within the City of De Soto, Kansas.

A Complete copy of this ordinance may be obtained or viewed free of charge at the Office of the City Clerk at City Hall, 32905 West 84<sup>th</sup> Street, De Soto, Kansas or at [www.desotoks.us](http://www.desotoks.us). This summary is certified by Patrick G. Reavey, De Soto City Attorney pursuant to K.S.A. 12-3001, et seq.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE EXTENDING TEMPORARY DISCOUNT PROGRAM FOR FEES ASSOCIATED WITH BUILDING RESIDENTIAL STRUCTURES WITHIN THE CITY OF DE SOTO, KANSAS**

WHEREAS, pursuant to Ordinance No. 2277 the City implemented a temporary discount program for building permit fees for residential structures and, since passage of Ordinance No. 2277, the City has extended the program to continue to spur building within the City; and

WHEREAS, the program is scheduled to expire on January 21, 2016 but the governing body desires to continue the program until the Friday after the second meeting in July, 2016, specifically **January 22, 2016**.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF DE SOTO, KANSAS:**

**SECTION 1.** That the previously adopted temporary De Soto discount program for residential building within the corporate boundaries of the City of De Soto is hereby amended to remain in effect through **July 22, 2016** as set forth in the attached **Exhibit A**.

**SECTION 2.** This Ordinance shall take effect upon its adoption by the City Council, approval by the Mayor and publication in the City's official newspaper.

ADOPTED BY THE GOVERNING BODY OF THE CITY OF DE SOTO, KANSAS AND APPROVED BY THE MAYOR ON THE 21ST DAY OF JANUARY, 2016.

(seal)

\_\_\_\_\_  
TIMOTHY J. MANIEZ, Mayor

ATTEST:

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LANA R. McPHERSON, MMC  
City Clerk

APPROVED AS TO FORM:

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PATRICK G. REAVEY  
City Attorney

# EXHIBIT A

Amount of Fees Waived	*Single-Family House			Tri-Plex Unit		
	Hook-up to City Water/Sewer	Hook-up to City Water	Hook-up to City Water	Hook-up to City Water/Sewer	Hook-up to City Water	Hook-up to City Water
	Current Building Fees	Building Fees Before 07-22-16 100% Discount	Current Building Fees	Building Fees Before 07-22-16 100% Discount	Current Building Fees	Building Fees Before 07-22-16 100% Discount
Building Permit Fee	\$1,033	\$0	\$1,033	\$0	\$1,794	\$0
Plan Review Fee	\$30	\$0	\$30	\$0	\$30	\$0
Park Fee	\$350	\$0	\$350	\$0	\$405	\$0
** Water Meter (3/4")	\$1,500	\$880	\$1,500	\$880	\$4,500	\$2,078
Water Connection Fee	\$30	\$0	\$30	\$0	\$90	\$0
Water Development Fee	\$2,600	\$0	\$2,600	\$2,600	\$5,400	\$5,400
Sewer Development Fee	\$3,000	\$3,000	\$0	\$0	\$7,500	\$0
New Sewer Connection Permit	\$500	\$0	\$500	\$0	\$1,500	\$0
New Sewer Connection Inspection	\$100	\$0	\$100	\$0	\$300	\$0
<b>Total All Fees (excluding Excise Tax)</b>	<b>\$9,143</b>	<b>\$3,880</b>	<b>\$6,143</b>	<b>\$3,480</b>	<b>\$21,519</b>	<b>\$7,478</b>
<b>Net Fee Discount</b>		<b>-58%</b>		<b>-62%</b>		<b>-65%</b>
<b>Cost Savings to Developer</b>	<b>\$0</b>	<b>\$5,263</b>	<b>\$0</b>	<b>\$2,663</b>	<b>\$0</b>	<b>\$6,541</b>

\*Specific fee amounts in above example are based on 1,800 sf single-family house with 576 sf garage.  
 \*\* Water Meter--In all discounted cases, meter charge is set at amount to simply recover City's cost for meter, pit, and labor.

## OTHER DISCOUNT POLICY COMPONENTS

1. Begin construction within 45 days after issuance of building permit.
2. Completes housing unit within one year of issuance of permit.
3. Discount program is only for applicants in currently approved/platted subdivisions AND:
4. Discount program available for unlimited number of qualifying permits.