

delays, and costs are added to the construction process.

As we continue to monitor workload and economic conditions, the data is showing a need to increase our staffing levels. We monitor these conditions to be as far ahead of needs as possible, however we also have to react to current conditions as they arise. Over the last several months we have seen a large increase in permit activity, and several projects changed their anticipated schedules resulting in more simultaneous work. Some of those projects include:

- Paragon Star - Apartment complex, Medical Office Building, and Class A Office Building
- Streets of West Pryor Phase 2 - Mine remediation, Apartment complex, Villas
- Adessa Property - Ownership has changed
- The Grove - Ownership has changed
- Aria - Apartment complex
- Subdivisions - They are approximately 600 single family lots currently undeveloped, with a high level of interest from developers in other property

In addition, there are several large projects the City is undertaking that will have timing impacts as well.

- Downtown Market Plaza
- 291 N and 50 Hwy Redevelopment
- Fire Stations 4 and 5

This workload is in addition to any impacts from the development of the PRI property. The completion of the Ignite Comprehensive Plan also sends an additional signal to the development community about additional opportunities in Lee's Summit. The estimates included in the plan also indicate a higher, sustained level of activity is expected.

A few key indicators of inspection workload are single family permits and overall revenues collected. When there is a sustained increase in single family permit issuance, there is a sustained increase in inspections required to be performed. This also an indicator of overall demand. Prior to single family permits being able to be issued, buildable lots have to be developed, which includes the installation of streets, storm sewers, sanitary sewers, water lines, and mass grading. With high permit numbers, we see an increase in subdivision development to make lots available.

Listed below are new single family permits by Fiscal Year for the last 5 years:

FY17 = 420
FY18 = 414
FY19 = 297
FY20 = 392
FY21 = 538 (Only includes 11 months of data)

As you can see above, the number of new single family permits has already substantially increased throughout

FY21 with one more month to go.

Development Revenues also represent future workload. A permit fee is collected at the beginning of the construction process to help offset the City's cost of providing plan review and inspection services. The inspection services are performed throughout the construction project, which can represent an additional 9-24 months of work after fees are collected.

Listed below are Development Revenues by Fiscal Year for the last 5 years:

FY17 = \$2,451,236
FY18 = \$2,336,734
FY19 = \$2,179,752
FY20 = \$3,218,078
FY21 = \$3,156,164 (Only includes 11 months of data)

It is anticipated that additional revenue of approximately \$200,000 will be collected over the month of June, resulting in an increase over FY20.

Impact/Analysis:

The initial cost, including all equipment, vehicle, and labor costs, is anticipated to be \$208,332. The annual labor cost after the first year is anticipated to be \$147,320.

The total costs are anticipated to be covered by associated increases in revenue. When the original revenue projections for FY21 were completed, we were anticipating more negative effects from the COVID-19 pandemic and originally budgeted revenues of \$2,407,625. During the normal projection period, the revenue amount was increased to \$2,874,600. As you can see from the chart above, FY21 actual revenue is \$748,539 above the original revenue budget with one month of fee collection remaining.

Based on the most current information available at the time, FY22 revenues were estimated to be \$3,000,000. Based upon information available today, FY22 revenues are now estimated to be \$3,200,000.

Timeline:

We will begin the hiring process as soon as possible, and are anticipating having the positions filled within 8 weeks from advertising.

Other Information/Unique Characteristics:

Revenue collected from Development Projects represents future work to be performed. When a building permit is issued, a portion of those fees cover the review services that are provided and the remaining portion of the fee covers the inspections required to complete the work. This translates to an additional 9 - 24 months of work to be performed based upon the individual project.

Ryan A. Elam, Director of Development Services

Recommendation: Staff recommends approval of this request.

Committee Recommendation: