

DECISION PAPER



December 7, 2017

2018 Architectural Standards Fee Schedule

Issue:

As required by the Covenants and Restrictions, changes to Architectural Standards Fee Schedule must go out for 45-day member notification prior to board consideration and approval.

Background:

Pursuant to Tahoe Donner Covenants and Restrictions Article V Environmental and Architectural Regulation, modifications to the architectural standards fees and fines must go out for 45-day member notification prior to board of director consideration and approval.

In 2015 the Architectural Standards Committee and management recommended and the Board of Directors approved modest Architectural Standards fee increases after more than ten years of no fee changes. In the fall of 2016 the Committee and management recommended the elimination of fees for a subset of minor fees- maintenance projects.

Since April 2017, the Architectural Standards Committee and management have discussed the topic of fee adjustments based on:

- scope of projects,
- associated extension fees
- inspection scope
- inflationary factors since the last fee changes in 2015, and
- member feedback.

Scope of Projects

The effects of larger fees for the smaller major projects which require neighbor notification, along with projects deemed beneficial to the property owner (e. garages, additions under 500sqft) thought to deter the property owner from submitting applications to add beneficial improvements.

The re-categorization of garages and additions (under 500sqft) will reduce fees by \$2,860 and \$610 respectively along with a reduction in extension fees by \$400 for the first extension and \$750 for the second extension.



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Extension Fees

The ASC were concerned the first and second extension fees for smaller major projects which require neighbor notification such as sheds, fences, artificial grass, small additions, garages, and variances etc. were \$500 for the first six-month extension and \$1000 for the second sixth-month extension. They identified the fee should be reduced to right size the fee relative to administrative tasks needed.

Inspections

The Committee identified that the site inspection requires the same planning, time, analysis and scope as that of a final inspection; thus, the fee should be the same \$90 rather than the current \$65 for site inspections and \$90 for final inspections. This recognizes the scope of inspections while simplify the fee structure and communication to members.

Inflationary Factors

Additionally, a recommendation to increase administration fees for all projects by 20% to offset the rising operating cost impacts such Affordable Care Act, minimum wage increases, and labor market. These fees have been held flat since approved changes in 2015.

The Architectural Standards Committee finalized their recommended proposed changes during a special committee meeting on September 17, 2017; meeting minutes included herein.

The proposed recommended changes are addressing scope of projects relative to fees, fees relating to extensions, inflationary factors and member feedback. Overall impact is:

- Reduction in fees to some project fees through project category reclassification
- Reduction in extension fees
- Increase to the administrative fees across all projects of 20%
- Normalize inspection fees to one fee of \$90 for any inspection

Options:

Option 1: Make no adjustments to existing Architectural Standards Fee Schedule in 2018.

Option 2: Consider approving for 45-day member notification for changes to the Architectural Standards Fee as presented below.

1. Introducing a **Minor Project (with Neighbor Notification)** category and recategorize current Major projects: garages and additions (under 500sqft), decks, sheds, auxiliary structures, variances & miscellaneous.



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Additions and Garages (over 500 sqft): Current Fee Schedule versus Proposed Fee Schedule

	Current Fee Schedule	Proposed Fee Schedule	Comments
Administration Fee	\$850	\$465	Reduction in fee
Site Inspection Fee	\$65	\$90	Increase in fee
Final Inspection Fee	\$90	\$90	No change
Deposit	\$3,000	\$500	Reduction in deposit
Total	\$4,005	\$1,145	

Additions and Garages (under 500sqft), decks, sheds, auxiliary structures: Current Fee Schedule versus Proposed Fee Schedule

	Current Fee Schedule	Proposed Fee Schedule	Comments
Administration Fee	\$850	\$465	Reduction in fee
Site Inspection Fee	\$65	\$90	Increase in fee
Final Inspection Fee	\$90	\$90	No change
Deposit	\$750	\$500	Reduction in deposit
Total	\$1,755	\$1,145	

2. Extension Fees

	Current Fee Schedule	Proposed Fee Schedule	Comments
First 6-month Extension Fee	\$500	\$100	Decrease in fee



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Second 6-month Extension Fee	\$1000	\$250-500	Decrease in fee
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3. Inspection Fees

	Current Fee Schedule	Proposed Fee Schedule	Comments
Site Inspection Fee	\$65	\$90	Increase in fee
Final Inspection Fee	\$90	\$90	No change

4. Administrative Fees

	Current Fee Schedule	Proposed Fee Schedule	Comments
Major Project Administration Fee	\$850	\$1020	20% increase
Minor Project w/Neighbor Notification Administration Fee	\$850	\$465	New Category: decrease in fees for project reclassification as shown above in #1
Minor Project w/o Neighbor Notification Administration Fee	\$100-125	\$125-150	20% increase
Maintenance Projects	No Administrative Fee	No Administrative Fee	No Change



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Recommendations:

The Architectural Standards Committee as of the committee meeting on 9/27/17 and management are requesting the Board of Directors consider approving for 45-day member notification Option 2.

If approved for member notification, Proposed Fee Schedule changes will go out to the 45-day member notification in the January Tahoe Donner News followed with the Board of Directors consideration and action at the February 24 Board of Directors meeting.

Prepared By: Architectural Standards Committee

Reviewed By: Annie Rosenfeld, Director of Risk Management and Real Property

Board Meeting Date: December 16, 2017

