‘PLANNING FOR THE FUTURE’

FEASIBILITY STUDY OF CITY-ISSUED BUILDING PERMITS

FOR THE CITY OF PEMBROKE

ALEX FLOYD AND MAX HOLLOWAY

PUBLIC AND NON-PROFIT FINANCIAL MANAGEMENT

NOV. 14, 2016
BACKGROUND

- North Bryan County, Georgia.
- 1905 Savannah and Western Railroad.
- County Seat
- 7.61 square miles
- Coastal sandy-soils in seasonal floodplains.
- 2,400 people in 850 households.
- Average Pembroke citizen: white, 28.8 years old, earns $16,500 annually and lives in a home with a value of $119,000.
- High Commuter Traffic
LOCATION
MAPS
PEMBROKE’S GOVERNMENT

- Council-Mayor
- Water and street depts.
- Public Safety: Police dept., Fire chief
- Staff: three clerks, a planner and a downtown development director
PURPOSE OF THE STUDY

- City Building permits as an alternative source of revenue.
- Residential, accessory and commercial buildings, adding onto existing buildings and mobile homes with a value over $1,000
- Issued by Planner Dain Reams
CURRENT PERMITTING PROCESS (PERSONNEL)

- Issued by Bryan County Planning and Zoning
- Staff include inspectors, a planner and an office manager
- Supervised by County Manager and Board of Commissioners
- Volume: 20-25 permits a year in north Bryan
- Average of 10 within Pembroke city limits
CURRENT PERMITTING PROCESS
(RESIDENTIAL)

- Residential Rate: .273 per square foot of finished structure or $30 whichever is more
  - 110 square feet is the ‘break even’ point
- Average permit 2,600 square foot house ($709.80)
- $16,000 per year on north Bryan residential permits
- Power-related inspections
CURRENT PERMITTING PROCESS (COMMERCIAL)

- Commercial Rate: .007% of estimated finished cost up to $1,000,000 ($7,000)
  - For projects over $1,000,000, .004% is charged. ($4,000+)
- Not many within city limits
- Lack of existing commercial space
- Pembroke would likely earn less than $2,000 per year on commercial permitting.
PROPOSED PERMITTING PROCESS

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>Planner 1, currently $13.58 per hour</td>
</tr>
<tr>
<td>Training</td>
<td>Courses at GSU, ArcGIS training, 32 hours, $5,000</td>
</tr>
<tr>
<td>Software</td>
<td>ArcGIS $2500 per year</td>
</tr>
<tr>
<td>Equipment</td>
<td>Projector, Drone $2000-$3000</td>
</tr>
<tr>
<td>Continuing Education</td>
<td>yearly GMA classes, $400-$600</td>
</tr>
<tr>
<td>Inspector?</td>
<td>Planner 1, new position, county, contract</td>
</tr>
<tr>
<td></td>
<td>Each permit would take an estimated 6 hours (6*13.58= $81.48)</td>
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COSTS AND PROJECTED BREAKEVEN POINT

- Startup Cost: $7,500
  - $5,000 Planning training
  - $2,500 drone
- Yearly Maintenance Cost: $4,630
  - $3,000 in yearly training and ArcGIS renewal
  - 120 permit hours @ $13.58 per hour
- Potential Revenue: $8,100
  - 10 residential permits @ $710 each
  - $1,000 in commercial permitting

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startup Cost</td>
<td>($7,500)</td>
<td>($4,030)*</td>
<td>($560)*</td>
</tr>
<tr>
<td>Yearly Cost</td>
<td>($4,630)</td>
<td>($4,630)</td>
<td>($4,630)</td>
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<tr>
<td>Yearly Revenue</td>
<td>$8,100</td>
<td>$8,100</td>
<td>$8,100</td>
</tr>
<tr>
<td>Yearly Totals</td>
<td>($4,030)</td>
<td>($560)</td>
<td>$2,910</td>
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</tbody>
</table>

* Negative amount from previous year totals
LIMITATIONS

- Planning certification will not transfer to a new employee
- Less revenue generation
  - Majority of permits are for additions to current structures
  - Most commercial permits happen outside of city limits
- Additional cost:
  - Drone maintenance
  - Electrical License or contracting out
SURVEY RESULTS

• Reidsville: 2,600, 7.68 square miles, seat of Tattnall County, 31 miles from Pembroke

• Reidsville: handled by City planning and code enforcement officer, sees 25-30 per year. Less than 5 are new construction, 5-10 demolitions, 10-15 remodels, add-ons, etc.

• For new or add-on: $0.10 per residential square foot, $0.20 per commercial square foot with no minimum.

• +$65 ‘trade fees’ for electric, plumbing and HVAC and $50 administrative fee.

• Stand alone structures with no electric or plumbing are a $50 flat fee.

• Placement of manufactured home is $150 flat fee

• Demolition/ moving is a $50 flat fee
COST-BENEFIT ANALYSIS (SHORT TERM)

- Not enough potential revenue for new position
  - Less than what a trained planner’s salary demands
- Not enough demand
  - 0 single family residential units built in Pembroke City limits in 2016
- Undue burden on new residents
  - $3,300 ‘tap fees’ for water/sewer system
  - Trash fees, fire fees and property taxes
COST BENEFIT ANALYSIS
(LONG TERM)

• City would benefit from a trained planner’s expertise.
  • Professional services
  • Up-to-date tax digest

• Other departments benefit from ArcGIS
  • Water/Sewer lines, hydrants, power easements, etc.

• Building inspector’s undivided attention.
  • County divided by Fort Stewart
  • 80% of projects are on south end
PROPOSED ALTERNATIVE

- Diversified codes and ordinances
  - Greater flexibility in residential stock.

- New ordinance lowering the minimum square footage
  - 1,000 square feet to 400 square feet (tiny homes)
  - ‘mother-in-law’ homes behind existing houses.

- Two developments of multi-family structure under construction

- Senior-focused apartment complex
THANK YOU

- City of Pembroke staff
  - Dain Reams
- Bryan County staff
  - Lori Tyson
- City of Reidsville staff

- [www.pembrokega.net/demographics](http://www.pembrokega.net/demographics)
- [www.bryancounty.net/mapping](http://www.bryancounty.net/mapping)
- [www.google.com/maps](http://www.google.com/maps)
- [www.citydata.com](http://www.citydata.com)