



**STAFF REPORT**  
**City of Dripping Springs**  
**PO Box 384**  
**511 Mercer Street**  
**Dripping Springs, TX 78620**

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**Submitted By:** Laura Mueller, City Attorney

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**Council Meeting Date:** September 2, 2025

**Agenda Item Wording:** **Discuss and consider approval of an Ordinance Repealing and Replacing Appendix A: Article A100 (General Provisions) of the Dripping Springs Code of Ordinances; Amending Fees and Updating Fee Schedule Formats.** *Sponsor: Mayor Bill Foulds, Jr.*

**Agenda Item Requestor:**

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**Summary/Background :** The City has been reviewing its fee schedule to determine whether the fees adequately reflect the cost and time involved in regulating building and providing other services. In addition, Staff has determined that a chart format will be easier for staff and the community to use.

**Parks**

The Parks & Community Services department is proposing the following fee changes to Section 9: Parks & Community Services.

- Creating one category for Business or Organization and eliminating the “within City Limits” and “outside City Limits” options. This fee category is rarely used at all, so we recommend simplifying the options.
- Changing the Additional Lifeguards for rentals with over 50 people from 1 lifeguard per 25 people to 1 lifeguard per 50 people. Currently for a party of 50 or under we have three lifeguards on duty. Whether there are 25 more people or 50 more people, the need for lifeguards remains at 4. Anything over 100 people would require an additional lifeguard bringing the total to 5.
- Adding the following fee options to Pavilion Rentals:
  - o Electricity at \$10 extra
  - o Pavilion Lawn Area:
    - ☐ Resident at \$15/hour
    - ☐ Non-Resident at \$25/hour

- Changed the Commercial Activity in a Park Permit Fee from \$30/day to \$50/90 days for Residents and \$75/90 days for Non-Residents. This improves the efficiency and enforcement of administering this permit. Applicant would still potentially need to reserve a facility within the park for their activity.
- Changed the Itinerant Vendor License Application Fee from \$30/day to \$50/90 days for Residents and \$75/90 days for Non-Residents. This improves the efficiency and enforcement of administering this permit and it aligns with what surrounding cities are doing.

### **DSRP**

There are a few amendments to the current fee schedule that need to be corrected and added. The inclusion of the recently donated dressage arena with letters and the change of the outdoor arena fees to cover the new outdoor arena.

### **Farmers Market**

1. Elimination of yearly membership fee
2. Offset by \$2 booth fee increase across the board (all four categories)
3. Application fee increase from \$30 to \$40.

The purpose of these changes is to streamline the process for vendors and staff so that they are only paying for the: (1) application fee; and (2) booth fee and not a yearly membership fee.

### **Planning**

The proposed changes to the Fee Schedule are minor:

1. Add License to Encroach Fee - \$250;
2. Add Tree Removal Waiver fee -\$100.

These two new fees are reflective of new processes that have been added to our code. The License to Encroach Fee is designed to cover the cost of reviewing License to Encroach Applications. The Tree Removal Waiver originated from the new Landscaping Ordinance and is for the cost of staff and DRC review of tree removal waivers. Our standard Waiver/Variance Fee is \$500 per variance, but the tree removal waiver fee is reflective of the amount of review time needed for the tree waiver. Staff will continue to monitor both fees to ensure that they match the staff time involved.

## **Building**

The Building Department Staff has nearly tripled in size since permit fees were updated (Residential 2020 and Commercial 2009). The current permit fees do not cover the Department Operating Costs.

Using data from May of 2024 to May of 2025, the total Department Operating Costs were \$2,099,737, and total revenue (not including reinspection or impact fees) was \$1,237,476, leaving a deficit of \$862,260.

Reinspection fees collected during that same time period totaled \$470,613.

				Total Permit fees Collected May '24 to May '25	Total at \$0.90	Total at \$1.20
				\$1,237,476	\$2,107,895	\$2,106,803
Total Department Spend May '24 to May '25:				\$2,099,737	\$2,099,737	\$2,099,737
Shortfall May '24 to May '25				\$862,260	\$8,158	\$7,066
Reinspection fees collected:				\$470,613		
Shortfall including re-inspection fees:				\$391,647		

Using current permit fee requirements (sqft of living space, covered porches, garages, and driveways) we would need to charge \$0.90/sqft to cover department costs. However, the current permit fee requirements are problematic as square footage is not consistently reported by the applicant. I want to use conditioned space as the single number we use for residential permit fees. Conditioned space is a reliable number as reported on the Manual J, ResCheck, and Energy Reports. The builders can't manipulate this number. Using conditioned space only to determine permit fees, we would need to charge \$1.20/sqft to cover department costs. The average difference across

501 permits in square footage reported vs conditioned space is a reduction of 958 sqft.

Using the same data with the proposed permit fees based on conditioned space only would have resulted in a total revenue of \$2,106,803, leaving an excess of \$7,066.

The doubling reinspection fee accounts for the majority of the reinspection fees collected (58%); The largest single reinspection fee collected for Residential was \$3,200 and Commercial was \$6,400. Removing the compounding effect of doubling will make budgeting more predictable. A flat reinspection fee covers our expenses for the time to conduct the reinspection.

I did not use the reinspection fees collected as part of the formula for determining future permit fees as they are unpredictable and we knowingly set fees that are not guaranteed to cover department operating costs. Reinspection fees should be used to cover forecasting shortfalls. If the department revenue exceeds expenses by FY close out, Council can direct how to use the funds; Shawn's proposal is paying down debt.

To see what the fee increase would look like for any permit type, open the "May '24 to May '25 permit fees collected" spreadsheet and look at the "Monthly Report backup data" spreadsheet.

Current fees collected by project type: Column F

Proposed fees collected: Column Q

Difference between current and proposed: Column S. The only permit type that is different is New Residential (noted below).

New Residential current fees collected: Column F.

Fees collected at \$0.90/sq ft: Column Q (using reported square footage of living area, covered porches, and garages - column I).

Difference between current and proposed at \$0.90/sq ft: Column S.

Fees collected at \$1.20/sqft: Column N (using reported conditioned space only - column K).

Difference between current and proposed at \$1.20/sq ft: Column O.

**Commission  
Recommendations:**

PRC recommended approval of Parks Fee Changes. Farmers Market Committee recommended changes to those fees. DSRP recommended approval of the DSRP fee changes.

**Recommended  
Council Actions:**

Approval of updated fee schedule.

**Attachments:**

Fee Schedule Ordinance. Fee Schedule. Appendix to Fee Schedule.  
Back up information for Building Fees.

**Next Steps/Schedule:**

If approved, these fees will go into effect on January 1, 2025. The fee updates, especially those related to Building, as they are extensive.