

# MEMORANDUM

**To:** Town of Paradise Valley  
**From:** Tony Thrasher, Senior Project Manager  
 Willdan Financial Services  
**Date:** September 9, 2022  
**Re:** Town of Paradise Valley - Short-Term Rental Permit Program Fee Analysis  
 and Results

Willdan reviewed the proposed service of the Short-Term Rental Program which is a cross departmental process involving positions in Planning, Building, Information Technology and Finance. Town staff provided reasonable time estimates for providing the service directly on a per occurrence basis as well as for positions that oversee the overall program. Fully burdened hourly rates were calculated for each position and include salary and benefit cost as well as direct overhead representing a pro rata share of other departmental costs, as well as indirect overhead support costs representing Town central service support cost such as the Mayor & City Council, Town Manager, and Town Clerk.

The full cost has been determined to be \$373.58 per permit and also includes the material cost involved with administering, monitoring, and operating the program. Refer to the table below for the detail of the cost per permit calculation.

Position	Hourly Rate	Time (hrs)	Cost	Note
Bldg - Code Compliance Officer (STR)	\$125.36	2	\$250.73	
Plng - CDD Assistant	\$60.11	0.5	\$30.06	
IT - Information Technology Analyst	\$138.84	0.068	\$9.44	Time spread over all permits
Fin - Senior Finance & Budget Analyst	\$167.52	0.020	\$3.35	Time spread over all permits
Material Cost			\$80.00	Cost spread over all permits
<b>Total Cost per Permit</b>			<b>\$373.58</b>	

Per Arizona Statute §9-500.39 the fee is not to exceed the full cost or \$250, whichever is less. As such it is recommended that the permit be adopted at \$250.

Based on an estimated 250 permits the program would provide for \$62,500 in revenue to the City and would recover 67% of the total program cost of \$93,394.