



AGENDA COVER MEMO

Memorandum Date: May 19, 2023
1st Reading Date: June 6, 2023
2nd Reading/Public Hearing Date: June 27, 2023

TO: Board of County Commissioners

DEPARTMENT: Public Works

PRESENTED BY: Keir Miller, LMD Manager

AGENDA ITEM TITLE: ORDINANCE/ 23-04 In the Matter of Amending the Land Management Division's Building Program Fee Schedule, Effective July 1, 2023 and Adopting an Emergency Clause

I. MOTION

First Reading: Move approval to set the Second Reading and Public Hearing on Ordinance No.23-04, to amend the Land Management Division (LMD) Building Program fee schedule to June 27, 2023.

Second Reading Public Hearing: Move approval to adopt Ordinance No._____, to amend the Land Management Division (LMD) Building Program fee schedule, effective July 1, 2023.

II. AGENDA ITEM SUMMARY

The Board is being asked to review and approve a Consumer Price-Index (CPI) based adjustment to the Land Management Division's Building Program fee schedule in order to keep Building, revenue in proportion to the rising the costs of service delivery.

BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Since the early 2000's the Land Management Division has operated on an enterprise funding model. The Division's fund (570) is intended to be supported primarily through user fees assessed to building, sanitation, and land use permit applications. Over the years fees have been periodically updated to account for rising business costs. However, fee adjustments have not kept pace with growing costs.

Between 2020 and 2021 the Board of Commissioners approved the addition of 7.0 FTE in LMD to respond to the increase in permitting demands resulting from the Holiday Farm Fire. The Board also waived permit fees for residents rebuilding after

the fire. In this same period, the majority of LMD staff received a 3% COLA increase or other wage increases due to market adjustments.

As a result of significantly increased labor and overhead costs, fee waivers and permit fees that do not reflect 100% cost recovery, LMD's budget became structurally unbalanced in FY22-23 and the division began drawing down reserves to cover the revenue gap. LMD's proposed FY23-24 budget includes a revenue shortfall of \$1,380,000 that will need to be pulled from existing reserves if alternative funding is not secured or services are not significantly reduced. At the current rate, usable reserves will be depleted within 2-3 years.

LMD is exploring options to close this budget gap. This includes a comprehensive review of existing fees and service delivery costs that may be used as the basis of a larger fee adjustment proposal in FY 23-24. The current 2.8% fee adjustment will not significantly correct this budget gap but it will prevent the gap from increasing further.

On April 11, 2023, the Finance and Audit Committee approved a 2.8% fee increase to LMD's Building, Planning and Sanitation Program fees. The Planning and Sanitation fees increases will take effect on July 1, 2023. However, subsequent to F&A's approval of these fee adjustments, it was determined that amendment of Building Program fees schedule be done by Ordinance following a public hearing.

This agenda item places the fee increase proposal before the Board for consideration following a public hearing on June 27, 2023.

B. Policy Issues

The policy issue before the Board is whether permit fees should be raised to keep pace with increased costs of providing services or if they should kept lower, recognizing that doing so without an alternative funding source will have impacts on the division's fiscal stability and its ability to provide quality services over the long term.

C. Board Goals

If adopted, the proposed fee adjustments will directly support Priority 2, Objective 4 of Lane County's 2022-2024 Strategic Plan:

Invest in the Land Management Division to ensure adequate and sustainable staffing levels and resources are available to be responsive and agile in meeting current and future housing needs and customer service expectations.

Preventing fee revenue from falling further out of step with the costs of providing services will help limit further impacts on LMD's reserves.

D. Financial and/or Resource Considerations

In Oregon, the majority of cities and counties partially finance their permitting programs with General Fund revenue. Permit offices in these jurisdictions are less reliant on fees to cover program costs. In contrast, the Land Management Division

receives no General Fund support. Therefore, costs need to be recuperated through user-fees. As a result, Lane County permit fees generally run on the higher end of the spectrum in comparison with similar counties. However, it is important to note that overall development costs in Lane County remains lower compared with other areas, such as within the City of Eugene, where significant system development charges (SDCs) are assessed through the permitting process.

E. Health Implications

There are no immediate health implications related to this item.

F. Analysis

LMD is proposing a 2.8% increase to the base fee amount for residential and commercial building permits. A base fee is the cost of a permit without any surcharges or overhead fees applied.

If approved, it is estimated that a 2.8% fee adjustment could increase revenues by approximately \$153,500. The impacts of the proposed fee increase on permit applications for a typical 2,200 square foot dwelling are shown below.

	Current	+2.8%
Building Permit	\$6,807	\$6,998
Electrical Permit	\$1,047	\$1,076
Total	\$7,855	\$8,075

Notice of the proposed fee change has been posted on the LMD webpage and provided to State Building Codes Division as required by law. At the writing of this memo no comments have been received regarding the proposed fee increase.

G. Alternatives/Options

Option 1

Adopt the attached Ordinance adjusting LMD Building Program fees by 2.8%.

Option 2

Do not approve the Ordinance.

III. RECOMMENDATION

Staff recommends Option 1.

IV. TIMING/IMPLEMENTATION

If approved, the proposed fee amendments will take effect July 1, 2023, and notice of the adopted fee change will be provided to the Oregon Building Codes Division.

ATTACHMENTS

1. Building Program Fee Schedule Adjustments

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDINANCE NO: 23-04

IN THE MATTER OF AMENDING THE LAND
MANAGEMENT DIVISION'S BUILDING PROGRAM
FEE SCHEDULE, EFFECTIVE JULY 1, 2023 AND
ADOPTING AN EMERGENCY CLAUSE

WHEREAS, the Land Management Division Fund (570) is designated as an Enterprise Fund that is supported, in part, through a fee-for-service model; and

WHEREAS, it is the policy of the Land Management Division to regularly perform Consumer Price Index-based inflationary adjustments to its fee schedules; and

WHEREAS, on April 11, 2023, the Lane County Finance and Audit Committee unanimously approved a 2.8% increase in LMD's Building, Sanitation and Land Use fees ; and

WHEREAS, pursuant to OAR 918-020-0220, adjustments to building permit fees must be adopted by ordinance or resolution following a public hearing; and

WHEREAS, enactment of this ordinance on or before July 1, 2023, is necessary to ensure building permit fee adjustments take effect simultaneously with approved sanitation and land use fees at the beginning of the fiscal year; and

WHEREAS, on June 27, 2023, the Board of County Commissioners conducted a public hearing and is ready to take action.

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDAINS** as follows:

1. Adjustments to the Land Management Division Building Program fee schedule as shown in Attachment 1 of this Ordinance are approved.
2. An emergency is declared and this Ordinance will take effect on July 1, 2023.

ENACTED this ____ day of _____, 2023.

Pat Farr, Chair
Lane County Board of Commissioners

Recording Secretary for this Meeting of the Board

APPROVED AS TO FORM

Date _____

LANE COUNTY OFFICE OF LEGAL COUNSEL

Building Program Fee Schedule		Current Fees	Proposed 2.8% Fee Increase
<u>Total valuation</u>			
\$1 to \$500		\$100.00	\$103.00
\$500.01 to \$2000			
First \$500, plus		\$100.00	\$103.00
each additional \$100 to \$2,000		\$6.00	\$7.00
2,000.01 to \$25,000			
First \$2,000, plus		\$190.00	\$196.00
each additional \$1,000 to \$25,000		\$12.00	\$13.00
\$25,000.01 to \$50,000			
First \$25,000, plus		\$466.00	\$480.00
each additional \$1,000 to \$50,000		\$9.00	\$10.00
\$50,000.01 to \$1000,000			
First \$50,000, plus		\$691.00	\$711.00
each additional \$1,000 to \$100,000		\$6.00	\$7.00
\$100,000.01 and up			
First \$100,000, plus		\$991.00	\$1,019.00
each additional \$1,000		\$5.00	\$6.00
<u>Additional fees</u>			
Structural plan review fee		65% of building permit fee	65% of building permit fee
Fire / Life Safety plan review fee		40% of building permit fee	40% of building permit fee
<u>Permit Fee</u>			
Manufactured Dwelling or Park Model Placement permit		\$510.00	\$525.00
Temporary Manufactured Dwelling or Park Model Hardship placement permit		\$510.00	\$525.00
Recreational vehicle (six months, no utilities)		\$58.00	\$60.00
Structures relocation investigation fee		\$200.00	\$206.00
Swimming pool		\$128.00	\$132.00
Demolition of structure (each structure)		\$111.00	\$115.00
Agricultural buildings not located in flood hazard areas		\$45.00	\$47.00
Change of occupancy inspection fee		\$319.00	\$328.00
Building Code Administrative Variance Fee		\$46.00	\$48.00
Building Appeals Hearing Filing Fee		\$128.00	\$132.00
Code interpretation conference fee - per hour		\$89.00	\$92.00
<u>Other Inspection and Fees</u>			
Reinspection / Reinstatement fee		\$100.00	\$103.00
Additional plan review time - per hour with 1/2 hour minimum		\$89.00	\$92.00
Alternate methods and materials review - per hour		\$89.00	\$92.00
<u>Mechanical Permit Fees</u>		Current Fees	Proposed 2.8% Fee Increase
Minimum mechanical permit fee		\$99.00	\$102.00
<u>Residential</u>			
Furnace or burner, including ducts and vents attached to such appliance, up to and including 100,000 Btu/h		\$54.00	\$56.00
Installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance over 100,000 Btu/h.		\$59.00	\$61.00
Installation or relocation of each residential heat pump		\$70.00	\$72.00
Installation or relocation of each floor furnace, including vent		\$54.00	\$56.00
Installation or relocation of each suspended heater, recessed wall heater or floor-mounted unit heater		\$54.00	\$56.00
Installation, relocation or replacement of each appliance vent installed and not included in an appliance permit		\$42.00	\$44.00

Repair of, alteration of, or addition to each heating appliance, refrigerator unit, cooling unit, absorption unit or each heating, cooling, absorption, or evaporative cooling system, including installation of controls regulated by the code	\$54.00	\$56.00
Installation or relocation of each compressor to and including three horsepower (10.6kW), or each absorption system to and including 100,000 Btu/h	\$54.00	\$56.00
Installation or relocation of each compressor over three horsepower (10.6kW) to and including 15 horsepower (52.7 kW), or each absorption system over 100,000 Btu/h (29.3 kW) to and including 500,000 Btu/h	\$74.00	\$77.00
Installation or relocation of each compressor over 15 horsepower (52.7kW) to and including 30 horsepower (105.5kW), or each absorption system over 500,000 Btu/h (146.6 kW) to and including 1,000,000 Btu/h	\$90.00	\$93.00
Installation or relocation of each compressor over 30 horsepower (105.5kW), to and including 50 horsepower (176kW), or each absorption system over 1,000,000 Btu/h (293.1 kW) to and including 1,750,000 Btu/h	\$119.00	\$123.00
Installation or relocation of each refrigeration compressor over 50 horsepower (176 kW), or each absorption system over 1,750,000 Btu/h	\$181.00	\$187.00
Each air handling unit to and including 10,000 cubic feet per minute (4720 L/s), including ducts attached thereto. (Note, this fee shall not apply to an air handling unit which is a portion of a factory-assembled appliance, cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in the code)	\$47.00	\$49.00
Each air-handling unit exceeding 10,000 cfm	\$59.00	\$61.00
Each evaporative cooler other than portable type	\$47.00	\$49.00
Each ventilation fan connected to a single duct	\$42.00	\$44.00
Each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	\$47.00	\$49.00
Installation of each hood which is served by a mechanical exhaust, including the ducts for such hood	\$47.00	\$49.00
Installation or relocation of each domestic-type incinerator	\$59.00	\$61.00
Installation or relocation of each commercial or industrial-type incinerator	\$151.00	\$156.00
Installation or relocation of each wood/pellet/gas stove or insert	\$106.00	\$109.00
Vent pre-inspection for inserts	\$94.00	\$97.00
Each appliance or piece of equipment regulated by this code, but not classed in other appliance categories or for which no other fee is listed in this code	\$47.00	\$49.00
Fuel gas piping		
Each gas-piping system of one to four outlets	\$20.00	\$21.00
Each additional outlet above four, per outlet	\$6.00	\$7.00

Temporary Campground		Current Fees	Proposed 2.8% Fee Increase
Temporary Campground (2 inspections + plan review)		\$241.00	\$248.00
Plumbing permit fees		Current Fees	Proposed 2.8% Fee Increase
Minimum plumbing fee		\$99.00	\$102.00
Residential			
New Construction (includes: DWV/water distribution, the first kitchen, and the first 100 feet of water service, sanitary sewer and storm sewer.)			
Single Family: 1 Bath		\$341.00	\$351.00
Single Family: 2 Bath		\$451.00	\$464.00
Single Family: 3 Bath		\$549.00	\$565.00
Each additional bath over three or kitchen over one		\$112.00	\$116.00
Residential Fire Suppression Systems. Fee calculated as separate flat fee based on square footage of structure			
0 to 2000 square feet		\$101.00	\$104.00
2001 to 3600 square feet		\$150.00	\$155.00
3601 to 7200 square feet		\$190.00	\$196.00
7201 square fee and greater		\$232.00	\$239.00
Accessory, Addition, or AlterationNumber of fixtures X		\$20.00	\$21.00
Manufactured Dwelling Park Sewer Collection and Water Distribution System (per space)		\$66.00	\$68.00
Manufactured Dwelling or Park Model Service Connection (sewer, water and storm). (first 30 ft)		\$66.00	\$68.00
(each addition 100 feet)	Each additional 100 feet or fraction thereof charged accordance with Water Service/Sanitary/Storm Sewer subsection below	Each additional 100 feet or fraction thereof charged accordance with Water Service/Sanitary/Storm Sewer subsection below	
Water Service/Sanitary/Storm Sewer			
Water Service (first 100 feet or fraction thereof)		\$71.00	\$73.00
Water Service (each additional 100 feet or fraction thereof)		\$55.00	\$57.00
Building Sewer (first 100 feet or fraction thereof)		\$71.00	\$73.00
Building Sewer (each additional 100 feet or fraction thereof)		\$55.00	\$57.00
Building Storm Sewer or Rain Drain (each 100 feet or fraction thereof)		\$66.00	\$68.00
Storm or Rain Drain (each additional 100 feet or fraction thereof)		\$55.00	\$57.00
Alternate Potable Water Heating Systems (coil, extractor, heat pumps, etc.)		\$66.00	\$68.00
Commercial/Industrial			
Fixture charge per each fixture		\$20.00	\$21.00

Water Service/Sanitary/Storm Sewer		
Water Service (first 100 feet or fraction thereof)	\$71.00	\$73.00
Water Service (each additional 100 feet or fraction thereof)	\$55.00	\$57.00
Building Sewer (first 100 feet or fraction thereof)	\$71.00	\$73.00
Building Sewer (each additional 100 feet or fraction thereof)	\$55.00	\$57.00
Building Storm Sewer or Rain Drain (each 100 feet or fraction thereof)	\$66.00	\$68.00
Storm or Rain Drain (each additional 100 feet or fraction thereof)	\$55.00	\$57.00
Alternate Potable Water Heating Systems (coil, extractor, heat pumps, etc.)	\$66.00	\$68.00
Plumbing plan review fee	Plumbing plan review fees shall be 30% of the plumbing permit fee.	Plumbing plan review fees shall be 30% of the plumbing permit fee.
Electrical permit fees	Current Fees	Proposed 2.8% Fee Increase
Minimum electrical permit fee	\$99.00	\$102.00
Electrical Master Permit Program		
Enrollment Fee	\$116.00	\$120.00
Inspection Time - Per Hour	\$100.00	\$103.00
Residential		
Dwellings per unit, service included		
1,000 sq. ft. or less	\$191.00	\$197.00
Each additional 500 sq. ft. or portion thereof	\$35.00	\$36.00
Limited / restricted energy	\$58.00	\$60.00
Each manufactured home, park model, or modular dwelling service or feeder when not included as part of a placement permit	\$105.00	\$108.00
Service or Feeders: (installation, alterations, relocation)		
200 amps/5 kva or less	\$134.00	\$138.00
201 to 400 amps/5.01 to 15 kva	\$147.00	\$152.00
401 to 600 amps/15.01 to 25 kva	\$232.00	\$239.00
601 amps to 1,000 amps	\$347.00	\$357.00
Over 1,000 amps or volts	\$695.00	\$715.00
Reconnect only	\$95.00	\$98.00
Temporary services or feeders: (installation, alteration, relocation)		
200 amps or less	\$104.00	\$107.00
201 amps to 400 amps	\$128.00	\$132.00
401 amps to 600 amps	\$209.00	\$215.00
601 amps to 1,000 amps	\$347.00	\$357.00
Branch Circuits (new, alteration, extension per panel)		
Each circuit with purchase of service or feeder	\$9.00	\$10.00
First circuit without purchase of service or feeder	\$99.00	\$102.00
Each additional circuits beyond first without purchase of service or feeder	\$9.00	\$10.00
Miscellaneous: (service or feeder not included)		
Each pump or irrigation circle	\$98.00	\$101.00
Each sign or outline lighting	\$95.00	\$98.00
Signal circuit(s) or limited / restricted energy panel or alteration or extension of limited energy circuits	\$95.00	\$98.00

Renewable Energy			
5 kva or less		\$134.00	\$138.00
5.01 to 15 kva		\$174.00	\$179.00
15.01 to 25 kva		\$221.00	\$228.00
>25 kva		\$223.00	\$230.00
each additional kva (max \$999.00)		\$13.00	\$14.00
Wind generators			
25.01 to 50 kva		\$279.00	\$287.00
50.01 to 100 kva		\$556.00	\$572.00
Other			
Each additional inspection		\$100.00	\$103.00
Electrical plan review			
Fee	Electrical plan review fees shall be 25% of the electrical permit fee.	Electrical plan review fees shall be 25% of the electrical permit fee.	
Additional plan review fee per hour		\$89.00	\$92.00
Miscellaneous		Current Fees	Proposed 2.8% Fee Increase
Composting toilet		\$44.00	\$46.00
Masonry fireplace installation (existing structure)		\$172.00	\$177.00
Temporary certificate of occupancy		Current Fees	Proposed 2.8% Fee Increase
Residential fee		\$151.00	\$156.00
Commercial and multi family fee	10% of building permit fee	10% of building permit fee	
Service Fee		Current Fees	Proposed 2.8% Fee Increase
with inspection		\$172.00	\$177.00
without inspection		\$89.00	\$92.00
Phased project and Deferred submittal review		Current Fees	Proposed 2.8% Fee Increase
Fee - plus 10% of total project building permit fee not to exceed \$1,500 for each phase		\$111.00	\$115.00
Alteration and Remodel		Current Fees	Proposed 2.8% Fee Increase
Permit fees for alterations and remodels, other than additions, are based on the cost of the project, 50% current per square foot value for new construction, or actual valuation of project provided by applicant, whichever is greater	50% current per square foot value for new construction	50% current per square foot value for new construction	
Minimum building fee does not include surcharge. Square foot area computation applied to the remodeled portion of the structure. (State) or plan check fee		\$58.00	\$60.00

Land Management 60.850 Fees			Fees
Research Fees		Full cost rate of LMD Staff at the hourly rate times 2.5, plus any photocopy charges shall be charged. The department will provide an estimate to the requestor if fees will exceed \$25 and will wait to receive confirmation that the requestor wants the department to proceed with the research. Charges will be computed on quarter-hours.	No Change
GIS Output (maps, reports, etc.)		\$50.00	No Change
Special Investigation Fees		\$500.00	No Change
Technology Assessment (Limited to \$100 for any single permit transaction)		8% (\$140 max per permit)	No Change
Permit Acceleration Fee		A processing fee of 1.5 times the hourly plan review rate	No Change
Administrative Fee		15%	No Change
Long-Range Planning Surcharge		13%	No Change
Expired Permit (more than 6 months)			
		Current Fees	Proposed 2.8% Fee Increase
Misc. Structure (fence, RAS)		\$121.00	\$125.00
Accessory Structure		\$202.00	\$208.00
Combo Permit w/Multiple Inspections Remaining		\$202.00	\$208.00
Additions <1000 SF		\$202.00	\$208.00
ADU (Guest House)		\$202.00	\$208.00
Additions >1000 SF or Change of Occupancy		\$202.00	\$208.00
New Building		\$202.00	\$208.00
Residential Work w/out Permits			
		Current Fees	Proposed 2.8% Fee Increase
Single Discipline or Only Final Inspection Remaining		\$121.00	\$125.00
Misc. Structure (fence, RAS)		\$202.00	\$208.00
Accessory Structure		\$290.00	\$299.00
Combo Permit w/Multiple Inspections Remaining		\$290.00	\$299.00
Additions <1000 SF		\$290.00	\$299.00
ADU (Guest House)		\$579.00	\$596.00
Additions >1000 SF or Change of Occupancy		\$579.00	\$596.00
New Building		\$579.00	\$596.00
Commercial for Multi-Family Work w/out Permits			
		Current Fees	Proposed 2.8% Fee Increase
Single Discipline or Only Final Inspection Remaining		\$121.00	\$125.00
Misc. Structure (fence, RAS)		\$202.00	\$208.00
Accessory Structure		\$290.00	\$299.00
Combo Permit w/Multiple Inspections Remaining		\$290.00	\$299.00
Additions <1000 SF		\$579.00	\$596.00
ADU (Guest House)		\$579.00	\$596.00
Additions >1000 SF or Change of Occupancy		\$579.00	\$596.00
New Building		\$579.00	\$596.00
Commercial Work (FLS) w/out Permits			
		Current Fees	Proposed 2.8% Fee Increase
Single Discipline or Only Final Inspection Remaining		\$121.00	\$125.00
Misc. Structure (fence, RAS)		\$202.00	\$208.00
Accessory Structure		\$290.00	\$299.00
Combo Permit w/Multiple Inspections Remaining		\$579.00	\$596.00
Additions <1000 SF		\$579.00	\$596.00
ADU (Guest House)		\$579.00	\$596.00
Additions >1000 SF or Change of Occupancy		\$868.00	\$893.00
New Building		\$868.00	\$893.00