



AGENDA COVER MEMO

Memorandum Date: January 17, 2025

Meeting Date: February 11, 2025

TO: Board of County Commissioners

DEPARTMENT: Public Works

PRESENTED BY: Becky Taylor, Senior Transportation Planner

AGENDA ITEM TITLE: ORDER/ In the Matter of Amending Certain Facility Permit Fees to Add a Utility Permit Fee, Reduce the Deposit Requirement for Certain Permits, and Rename the Permit Types

I. MOTION

Move approval to amend the Facility Permit fees.

II. AGENDA ITEM SUMMARY

The Board is being asked to review and approve amendments to the Facility Permit fees to:

- Add a utility permit fee per Senate Bill 1566.
- Reduce the deposit requirement for certain permits to reduce County costs associated with refunds.
- Rename the permit types to reflect actual work categories.

The proposed amendments are attached.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Lane Code 15.500.020 requires Facility Permits for infrastructure and activities within the County right-of-way. The primary goals of the Facility Permit program are protection of public safety and preservation of the public's investment in infrastructure. The permit process includes verification of applicable standards, including proper traffic control, and on-site inspections to ensure the right-of-way is properly restored.

Facility Permit fees were established by the Board of County Commissioners in 2005 (Order 05-10-19-2). Prior to 2005, Facility Permits were issued at no charge to applicants. The costs were absorbed by the Road fund. The direction of the 2005 Order was full cost recovery, primarily due to Road fund limitations, both in terms of certain activities not being Road fund eligible (such as parades and bicycle races) and declining revenue associated with fewer gas tax sales receipts. The resulting Facility Permit fees from the 2005 Order ranged from \$250 to \$350.

Following direction to report back to the Board in two years with any needed changes to achieve cost recovery, the fees were increased in 2007 (Order 07-4-11-8). In addition to increasing flat fees for some permit types, fees for several permit types were established as “actual costs” in which a deposit was required at the time of permit application and actual costs of direct labor and operating overhead for permit processing, plan review, applicant consultations, and on-site inspections were calculated and collected prior to permit issuance. This fee structure was determined to be an equitable means of recovering costs that would also serve as an incentive for applicants to provide required information and to reduce compliance activities.

Facility Permit fees have not changed since 2007 and are as follows:

Permit Type	Fee
Driveways	
Commercial	\$450
Residential	\$450
Logging	\$250
Special Events	
Public Benefit	\$0
Non-Public Benefit	\$1,000 (deposit) + actual costs beyond deposit
Road Construction	\$1,000 (deposit) + actual costs beyond deposit
Donated Amenities	\$450
Drainage, Vegetation (except logging), and Other Activities	\$850 (deposit) + actual costs beyond deposit

The fee for Public Benefit Events (that are open and free to the public) was waived by the Board in 2007; however, since it was determined to not be an eligible Road fund expense, actual costs for processing those permits are charged to the General fund. The 2007 analysis accurately predicted that the significant costs working with community groups may go down in future years as community groups know what is expected, such as electrical service arrangements for holiday lighting or traffic control for bicycle races; therefore, the current proposal is to reduce the required deposit from \$1,000 to \$250 for

those permit types to reduce costs associated with issuing refunds when actual costs are lower than the deposit.

Notably, the 2007 recommendation also included the following:

Because permits for utility installation and relocation are the largest category of permits both in terms of number of permits and total expenditure, Lane County may wish to pursue efforts through the County's Intergovernmental Relations Manager and through organizations such as OACES to amend ORS to allow counties to charge fees for issuance of permits for utility placements and relocations within County rights-of-way.

In 2024, the ability for counties to impose a permit fee for utility work was enabled by Senate Bill 1566. Prior to this act, cities and ODOT were allowed to collect utility fees, but counties were prohibited. For reference, the City of Eugene charges \$890 and the City of Springfield charges \$711 for utility permits. Under the new law, counties may collect fees beginning January 1, 2025, but ending January 2, 2031. In addition to time limits, Senate Bill 1566 establishes a maximum fee of \$500 per permit and exempts certain activities from permit fees, such as routine replacement and maintenance and emergency work. Further, regardless of whether a county chooses to collect permit fees, the new law requires utility permits to be issued within 15 days.

On January 7, 2025, the Board of County Commissioners approved Ordinance 24-09 which enables the County to charge utility permit fees consistent with Senate Bill 1566. On January 16, 2025, the Finance and Audit Committee unanimously recommended the Board approve the Facility Permit Fee Schedule, as attached.

B. Policy Issues

The fundamental policy issue before the Board is whether to: 1) impose a fee for utility fees to offset the program being subsidized by the Road Fund; or 2) continue Road Fund reliance, thereby detracting from funding needed for road and bridge operations and maintenance.

C. Board Goals

If adopted, the proposed utility fee will further Strategic Priority 3, Robust Infrastructure. Reducing reliance on the Road Fund for operating the Facility Permit program will protect this limited revenue resource for road and bridge operations and maintenance priorities.

D. Financial and/or Resource Considerations

Add Utility Permit Fee: The proposed \$500 utility permit fee could increase revenues by \$141,500 annually. This would help offset the cost of administering the program which is

\$374,797.56 annually. Without fees, the program would continue to be subsidized by the Road Fund, which is the primary source for operating and maintaining Lane County's roads and bridges.

Reduce Deposit to Reduce Refunds: The proposed reduction to the deposit required for right-of-way use permits from \$850-\$1,000 to \$250 will reduce County costs associated with issuing refunds. Without reducing the required deposit, refunds would be more common with event permits from annual applicants.

E. Health Implications

There are no immediate health implications related to this discussion regarding Facility Permit fees; however, the Facility Permit program helps to minimize public safety risks, thereby supporting public health.

F. Analysis

To meet the 15-day processing mandate of Senate Bill 1566, collecting a processing fee is essential to providing sufficient staffing resources. The greatest number of Facility Permits is utility work. The latest average (between 2019 and 2023) is 566 utility permits annually. About half of those permits would be eligible for fee collection (whereas the other half would be exempt as maintenance/repair activities).

Assuming about 283 utility permits per year that would be eligible for fee collection, charging the maximum \$500 permit fee is estimated to generate \$141,500 revenue annually. Operating the utility permit program requires two full-time positions (an Engineering Analyst and Engineering Tech II) to review plans and conduct inspections plus administrative support for records management. The resulting total cost of wages and overhead is \$374,797.56.

Annual Program Cost Eng Tech II \$137,200 + Eng Analyst \$156,000 + Overhead (27.83%) \$81,597.56	\$374,797.56
Projected Annual Revenue \$500 permit fee x 283 permits	\$141,500
Amount Remaining as Road Fund Subsidy	\$233,297.56

As for other Facility Permit types, no changes to the fees are proposed – other than to lower the required deposit on right-of-way use permits. Since right-of-way use permits are often obtained by repeat customers (e.g. bike race events), efficiencies have been developed regarding expectations, such as traffic control, which contribute to lower

processing costs. Staff recommends lowering the deposit from \$1,000 to \$250 to reduce the likelihood of the County needing to issue a refund if actual costs are lower than the deposit. Staff recommends keeping the \$1,000 deposit on Road Construction permits because those costs exceed the deposit amount as they are more complex.

Lastly, the proposed amendments rename permit categories to better reflect the scope of work. As proposed, there would be four categories of permits:

- 1) Driveways. Instead of identifying the use of the land (i.e., commercial, residential, or logging), staff proposes identifying the use of the access connection within the public right-of-way (i.e., permanent, or temporary). The permit processing costs for permanent accesses are greater because plan review and inspections require compliance with more standards. Although the permit fee is lower for temporary accesses, Lane Code requires applicants to provide a financial guarantee that the temporary access will be removed, and the road properly restored.
- 2) Right-of-Way Use. This category would encompass all activities that are not Driveways, Road Construction, or Utilities (e.g., events, donated amenities, drainage, and vegetation).
- 3) Road Construction. No changes are proposed.
- 4) Utility Work. This is an existing permit type that has previously not appeared on the fee schedule due to state law limitations which have been lifted by Senate Bill 1566. Staff recommends making use of this law by adding the allowed fee.

The options for this item are listed below.

Option 1: Approve the proposed Facility Permit fee amendments (as attached), which include the following:

- o Add a utility permit fee per Senate Bill 1566.
- o Reduce the deposit requirement for certain permits to reduce County costs associated with refunds.
- o Rename the permit types to reflect actual work categories.

Option 2: Deny the proposed Facility Permit fee amendments.

Option 3: Recommend review of the proposal by the Board of Commissioners.

IV. RECOMMENDATION

Staff recommends Option 1.

V. TIMING/IMPLEMENTATION

If approved, the amended fee schedule would take effect 30-days following the decision, notice of the pending fee change will be posted on the Public Works webpage.

VI. FOLLOW-UP

Staff will monitor Facility Permit fees over the year following implementation of the revised fees and may return to the Board with additional recommendations as needed.

VII. ATTACHMENTS

Proposed Facility Permit Fee Amendments

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO:

In the Matter of Amending Certain Facility
Permit Fees to Add a Utility Permit Fee,
Reduce the Deposit Requirement for Certain
Permits, and Rename the Permit Types

WHEREAS, Lane Code 15.500.020 requires Facility Permits for performing work or placing facilities within a County Road right-of-way; and

WHEREAS, Lane Code 15.500.040 allows fees to be collected in connection with the issuance of Facility Permits; and

WHEREAS, the Board established Facility Permit fees in 2005 (Order 05-10-19-2) and increased those fees in 2007 (Order 07-4-11-8) to achieve cost recovery in processing permits and reduce the Road Fund subsidy; and

WHEREAS, the Board passed Ordinance 24-09 on January 7, 2025, to exercise the power to charge utilities right-of-way permit fees, consistent with Senate Bill 1566 (2024); and

WHEREAS, on January 16, 2025, the Finance and Audit Committee recommended the Board approve the revised fee schedule for Facility Permits as attached.

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

Facility Permit fees are hereby amended as shown in Attachment A.

ENACTED this ____ day of _____, 2025.

David Loveall, Chair
Lane County Board of Commissioner

Exhibit A

Lane County Public Works Facility Permit Fee Schedule January 10, 2025

Permit Type		Permit Fee	
Existing	Proposed	Existing	Proposed
Commercial Driveway	Permanent Driveway	\$450	\$450
Residential Driveway	Permanent Driveway	\$450	\$450
Logging Driveway	Temporary Driveway	\$250	\$250
Special Events – Public Benefit	Public Benefit Events	\$0	\$0
Special Events – Non- Public Benefit Events	Non-Public Benefit Events and Other Activities	\$1,000 + Actual Costs	\$250 (deposit) + Actual Costs (beyond deposit)
Drainage, Vegetation, and Other Activities	Non-Public Benefit Events and Other Activities	\$850 + Actual Costs	\$250 (deposit) + Actual Costs (beyond deposit)
Road Construction	Road Construction	\$1,000 + Actual Costs	\$1,000 (deposit) + Actual Costs (beyond deposit)
Utility Work	Utility Work	\$0	\$500