



AGENDA COVER MEMO

Memorandum Date: February 7, 2025
1st Reading Date: February 25, 2025
2nd Reading/Public Hearing Date: March 11, 2025

TO: Board of County Commissioners

DEPARTMENT: Public Works

PRESENTED BY: Keir Miller, LMD Manager

AGENDA ITEM TITLE:

For February 25, 2025: FIRST READING and SETTING THE SECOND READING and PUBLIC HEARING on ORDINANCE/ In the Matter of Amending the Land Management Division's Building Program Fee Schedule

For March 11, 2025: ORDER/In the Matter of Amending the Land Management Division's Fee Schedule to Adjust Planning, Stormwater, Onsite Sanitation, and Code Enforcement Program Fees, and
SECOND READING and PUBLIC HEARING on ORDINANCE/ In the Matter of Amending the Land Management Division's Building Program Fee Schedule

I. MOTIONS

For February 25, 2025:

Move to set the Second Reading and Public Hearing on Ordinance/In the Matter Amending the Land Management Division's Building Program Fee Schedule.

For March 11, 2025:

1. Move to approve Order/ In the Matter of Amending the Land management Division's Fee Schedule to Adjust Planning, Stormwater, Onsite Sanitation and Code Enforcement Program Fees.
2. Move to approve Ordinance/ In the Matter Amending the Land Management Division's Building Program Fee Schedule.

II. AGENDA ITEM SUMMARY

The Land Management Division (LMD) contracted with FCS Group to conduct a cost-of-service study for its building plan review, inspections, sanitation, and land use planning functions. The study found that, based on existing fees, the Division currently recovers only 35% of fee-eligible operating costs. The cost of providing these services has risen

sharply in recent years and will continue to rise. Forecasting suggests that, if LMD's recovery rate remains the same and staff reductions or other cuts are not made, LMD will face an approximate \$1,350,000 budget shortfall in FY25-26.

The Finance and Audit (F&A) Committee unanimously recommended that the Board adopt adjustments to the Land Management Division's fee schedule that would: 1) Increase the base fee for permits by 22.5% , 2) reduce the base fee for a reconsideration of an application that has been remanded by LUBA, the Oregon Court of Appeals, or the Oregon Supreme Court from \$4,481 to \$3,933/\$1,700, 3) establish a new fee of \$45 for building permit extensions, 4) increase the Code Enforcement Special investigation fee by \$110. The Board is being asked to review the proposed increases and following a public hearing, approve an ordinance to adjust LMD's Building fees. LMD's Planning, Stormwater, Onsite Sanitation and Code Enforcement fees may be adopted by order.

III. 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 receives no General Fund support and services are intended to be funded primarily through user fees charged for permit applications. In reality, user fees have never fully supported LMD operations and in recent years the gap between fee revenue and cost of service has increased significantly.

The Division's last comprehensive fee analysis was conducted in 2015. The study found that LMD was recovering about 65% of the actual costs of service delivery. Despite this finding, only minimal fee increases to a small number of fees occurred at this time. In the decade since then, LMD's fees have been updated periodically to adjust for inflation as reflected in the Consumer Price Index (CPI) – West Region. However, these small adjustments did not close the structural revenue gap identified in the 2015 fee analysis nor did they keep pace with the quickly rising costs of services in recent years. As a result, LMD now has an average cost recovery rate of approximately 35%.

For several years the gap in LMD's cost recovery was mostly offset through a combination of sources including, video-lottery funds, ARPA awards, and tipping fees. Recently, these supplemental funding sources have not fully bridged LMD's funding gap and the Division has been forced to rely on reserves to balance its budget.

In October of 2023, LMD contracted with FCS Group to conduct a comprehensive cost-of-service study for its building plan review, inspections, sanitation, and land use planning functions. The purpose of this study was to determine what percentage of LMD costs are currently recovered through fees, what percentage of additional costs could legally be recovered, and how the County's rates compare to other jurisdictions. The FCS report is included at Attachment 3 to this memo.

On December 19, 2024, the Finance and Audit Committee received a presentation from FCS, which outlined the findings of their study. They also considered

recommended adjustments to LMD's fee schedule. Committee members voted unanimously to forward a recommendation to the Board to approve the proposed fee adjustments as described in Section E, 1-4 of this memo.

Pursuant to Oregon Administrative Rule 918-020-0220, notice of the proposed Building Program fee schedule change was provided to Oregon State Building Codes Division (BCD) 45 days in advance of the March 1 public hearing. This notice was published to the BCD website.

Policy Issues

The issue before the Board is whether permit fees should be raised to help cover increased costs within LMD or if they should be kept lower, recognizing that doing so without an alternative funding source will have severe impacts on the Division's fiscal stability and its ability to provide the level of service the public expects and deserves.

B. 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.

Increasing fees to the level necessary to close LMD's structural deficit will ensure LMD can maintain adequate staffing levels and resources appropriate to meet housing needs and customer service expectations.

C. Financial and/or Resource Considerations

Financial considerations are provided in Section E - Analysis.

D. Health Implications

There are no immediate health implications related to this item.

E. Analysis

The cost recovery rate for LMD permitting services has dropped from an average of 65% in 2015 to 35% in 2024. This is due to expenses rising faster than revenues, including sizable increases in labor and healthcare costs and county/departamental indirect and direct charges. LMD's five-year forecasting model suggests that if this recovery rate remains the same, and staff reductions or other cuts are not made, LMD will face a budget shortfall of approximately \$1,350,000 in FY25-26. To address this gap staff are recommending a minimum 22.5% increase in base permits fees as well as other lesser adjustments and clarifications to the LMD fee schedule. The following changes were supported by the Finance and Audit Committee:

1. Increase the base fee of all permits by 22.5%;
2. Reduce the reconsideration of an application fee from \$4,481 to \$3,339;
3. Establish a building permit extension fee of \$45; and
4. Increase the Code Enforcement Special Investigation Fee from \$500 to \$610 and clarify that this fee applies to investigations of all code infractions, not just building permit violations.

1. Base Fee Adjustment

Base fees are the fees charged for permits without any surcharges or overhead fees applied. In recent years, base fees have undergone periodic CPI-based adjustments. As discussed, these adjustments have not closed the Division's structural deficit.

Considering the \$1,350,000 budget gap projected for FY 25-26, the Board is being asked to approve a 22.5% increase to the base fee for all permit and application types. If approved, this increase would correct LMD's structural deficit and enable the Division to maintain and continue to enhance customer service standards to the level that the Board and the public expect without further drawing down the Division's reserves.

Impact on Housing Affordability

An increase in residential permit fees will impact the overall cost of development - but minimally. Under the proposed 22.5% increase, estimated costs to construct a typical 2,500 sq ft. dwelling would increase by just over ½ of 1%. The impact on the average sale price of home would be less than ½ of 1% percent.

Average permitting costs for a typical 2,500 square foot dwelling, including all electrical, mechanical, and septic permit costs are shown in Table 1. Impacts on fees under four scenarios are also shown. Scenario 1 reflects fee increases if a CPI-based methodology was used. Scenarios 2-4 show impacts to permit costs based on 15%, 22.5%, and 25% increases, respectively.

Scenario 3 is recommended. Under this option an estimated \$1,383,750 in revenue would be generated, closing LMD's current structural deficit.

Table 1.

		Scenario			
Permit Type	Current Fees	1. 5.6% (CPI*)	2. 15%	3. 22.5%	4. 25%
Structural	\$6,998	\$7,390	\$8,048	\$8,573	\$8,748
Electrical / Mechanical	\$1,076	\$1,136	\$1,237	\$1,318	\$1,345
Septic System Install	\$1,201	\$1,268	\$1,381	\$1,512	\$1,501
Totals Permit Costs	\$9,275	\$9,794	\$10,665	\$11,402	\$11,594
Total Increase	N/A	\$519	\$1,391	\$2,127	\$2,319

*Cumulative of 2024 CPI-U West and 2025 Oregon Department of Administrative Services estimate

Table 2 illustrates the impact as a percent of the total build costs and as a percent of the average Lane County home sale price under the Scenarios 1 – 4.

Table 2.

Increase as a Percentage of:	Scenario 1.	Scenario 2.	Scenario 3.	Scenario 4.
Average Build Valuation (\$350,000)	0.14%	0.39%	60.0%	0.66%
Average Home Sale Price (\$470,000)	0.11%	0.29%	0.45%	0.49%

The Board should also consider the likely impacts on the overall costs of residential development if LMD's structural deficit is not corrected, reserves¹ must be depleted and positions must be eliminated. Reducing staff would result in diminished service delivery including but not limited to longer customer service wait times, reduced hours of operation, shuttering the Florence satellite office, and most significantly, increased permit processing timelines. Permit delays are often cited as a significant reason for project cost overruns.

Comparable County Fees

It is difficult to compare development permit fees across counties because each jurisdiction uses different naming conventions and have different processes for similar permits. FCS was able to identify some similar permit types from fee schedules of comparable counties. These are shown on Pg. 17 of Attachment 3.

Traditionally, Lane County fees have been higher, but not always the highest, among our five comparator counties. However, in the last two years all comparable counties have increased fees. Some have adopted major fee increases to address rapidly rising costs. For example:

- On July 1, 2023, Washington County raised fees for all building permits and land use applications in by 50% and is considering additional increases in fees to reflect growing technology and permitting software costs.
- Marion County increased fees in 2023, by 15-20% using a mix of flat percentage increases.
- In March of this year, Deschutes County adopted fee increases of up to 20% for several building and planning permits.

Due to these changes, LMD's fees are now more in alignment with comparable counties, and in some cases, lower.

2. Reduce the Reconsideration of a Hearings Official Decision from \$4,481 to \$3,933 or \$1,700

The current base fee that is charged when an applicant requests reconsideration of a decision that has been remanded by the Land Use Board of Appeals, the Oregon

¹LMD spent several years building service stabilization reserves in preparation for the next downturn in the traditionally volatile residential construction market. Without proper emergency reserves, such downturns have resulted in large staff reductions in LMD. These reductions have left the county ill-equipped to properly respond to permit demands when market recovery begins. This can cause further delays in local economic recovery.

Court of Appeals, or the Oregon Supreme Court is \$4,481. This fee reflects the costs associated with a previous process when all such remands were reviewed by the Board of Commissioners. The current process is that these remands are heard by the Hearings Official. Costs for this process are lower and therefore the fee should be reduced to reflect the typical costs of this process, which is calculated at \$3,339. Alternately, in some situations, the Hearings Official may be able to address the remand in writing and not require a new hearing. In these instances, staff recommend a fee of \$1,700.

3. Set a Building Permit Extension fee of \$45.

By Statute, building permits expire if a period of 180 days elapses between the issuance of the permit and the first inspection or between any two inspections unless an extension is requested. Current practice is to process extensions free of charge even though there is a small administrative cost to process the paperwork and perform data entry. Staff recommend a fee of \$45 be established to capture these costs.

4. Special Investigation Fee

The special investigation fee helps offset costs associated with Code Enforcement investigation of violations to building and land use regulations. The fee is currently set at \$500. Staff recommends this fee be increased to \$610 to reflect rising costs.

Additionally, staff are recommending that the title of this fee be changed to “Special Investigation Fee for Land Use and Building Code Violations.” This change is recommended because the county’s authority to charge an investigation fee for land use violations was recently called into question and a revised fee schedule title would clarify the original intent of this fee.²

Alternatives/Options

Option 1: Adopt the attached Order and Ordinance approving adjustments to the LMD fee schedule for Building, Planning, Stormwater, On-Site Sanitation and Code Enforcement.

Option 2: Adopt different changes to the LMD fee schedule (specify recommended changes)

Option 3: Do not approve the fee changes.nm

RECOMMENDATION

Staff recommends Option 1.

IV. TIMING/IMPLEMENTATION

² This and other fees were described in Lane Manual Chapter 60.850. The description of the Special Investigation Fee was included at 60.851(5)(a). The definition explained that the fee also applied to violations of Chapter 16, which is the land use code. Fees were removed from Lane Manual in 2022 and departments began posting fee schedules directly on their websites. When this change occurred descriptions/justification of certain fees were no longer published, causing the current confusion over the applicability of the fee.

If approved, amendments to the LMD fee schedule will become effective July 1, 2025.

ATTACHMENTS

1. Board Order/
Exhibit A - Proposed Land Use, Stormwater, Sanitation and Code Enforcement Fee Schedule
2. Ordinance/
Exhibit A - Proposed Building Program Fee Schedule
3. FCS Report

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO:

IN THE MATTER OF AMENDING THE
LAND MANAGEMENT DIVISION'S FEE
SCHEDULE TO ADJUST PLANNING,
EROSION, ON-SITE SANITATION, AND
CODE ENFORCEMENT PROGRAM FEES,
Effective July 1, 2025

WHEREAS, the Land Management Division operates as an enterprise fund providing Planning, Erosion, On-Site Sanitation, and Code Enforcement services; and

WHEREAS, increases in the Division's fees are necessary to adjust for the increasing costs to provide these services.

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

1. Fees shall be adjusted per proposed fee schedules included as Exhibit 1 to this Order.

ADOPTED this ____ day of _____, 2025.

David Loveall, Chair
Lane County Board of Commissioners

Planning Fee Schedule		
TYPE I (ADMINISTRATIVE)	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Access Verification	\$596.00	\$731.00
Farm Processing Facility Determination	\$237.00	\$291.00
Farm Stand	\$360.00	\$441.00
Final Partition Plan	\$1,784.00	\$2,186.00
Final Subdivision Plan	\$2,378.00	\$2,914.00
Final Replat Plan	\$1,784.00	\$2,186.00
Floodplain Development Permit	\$596.00	\$731.00
Floodplain Minor Development Permit	\$91.00	\$112.00
Floodplain Fill/Removal Permit	\$719.00	\$881.00
Floodplain Verification: Field	\$539.00	\$661.00
Floodplain Verification: Office	\$237.00	\$291.00
Floodway Fish Enhancement Structure	\$719.00	\$881.00
Fuel Break Field Investigation/verification	\$589.00	\$722.00
Hazards Checklist	\$1,190.00	\$1,458.00
Hazards Checklist Simple	\$562.00	\$689.00
In-Home Commercial Activity	\$216.00	\$265.00
Type I Zoning Determination Simple	\$125.00	\$154.00
Type I Zoning Determination Complex	\$596.00	\$731.00
Legal Lot Verification	\$360.00	\$441.00
M49 Final Partition	\$1,947.00	\$2,386.00
M49 Final Subdivision	\$2,595.00	\$3,179.00
M49 PreApplication Conference	\$650.00	\$797.00
Minor Amendment Administrative (Minor Replat)	\$309.00	\$379.00
Pre-Application Conference	\$596.00	\$731.00
Property Line Adjustment Review	\$719.00	\$881.00
Property Line Adjustment Review (Over the Counter)	\$227.00	\$279.00
Removal of Plat Notice	\$360.00	\$441.00
Research Request	\$237.00	\$291.00
Riparian Declaration	\$539.00	\$661.00
Riparian Setback Preliminary Investigation	\$909.00	\$1,114.00
Setback Delcaration	\$539.00	\$661.00
Shoreline Boundary Preliminary Investigation	\$909.00	\$1,114.00
Site Investigation Report	\$954.00	\$1,169.00
Phase 1 Site Investigation Report	\$954.00	\$1,169.00
Telecommunications Tower: Changeout	\$360.00	\$441.00
Telecommunications Tower: Collocation - Spectrum Act	\$719.00	\$881.00
Time Extension of a Director Approval	\$237.00	\$291.00
Time Extension of Hearings Official Approval	\$539.00	\$661.00
Verification of Conditions of Approval - field visit required	\$954.00	\$1,169.00
Verification of Conditions of Approval - office only	\$719.00	\$881.00
Verification of Lawfully Existing Use (16.290/16.291/16.292) w/o notice	\$596.00	\$731.00
Verification of Replacement Rights - same site (16.210/16.211/16.212)	\$360.00	\$441.00
Wetlands Office Verification	\$91.00	\$112.00
Wetlands Verification - Notice to DSL	\$125.00	\$154.00
Winery or Cider Business Determination	\$360.00	\$441.00
RENEWALS	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar

Home Occupation Renewal	\$237.00	\$291.00
Temporary Hardship MH renewal - no sanitation	\$57.00	\$70.00
Temporary Hardship MH renewal - sanitation insp.**	\$57.00	\$70.00
TYPE II (PLANNING DIRECTOR)	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Elavated Type I to Type II Procedure	\$2,378.00	\$2,914.00
Farm Dwelling: 160 Parcel Farm Dwelling (Low Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: Accessory Family Farm Dwelling	\$2,378.00	\$2,914.00
Farm Dwelling: Accessory Farm Dwelling (High Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: Accessory Farm Dwelling (Low Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: Commerical Dairy Dwelling (High Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: Commerical Dairy Dwelling (Low Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: Farm Dwelling (Low Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: Farm or Woodlot Dwelling (Low Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: High Value Soils	\$2,378.00	\$2,914.00
Farm Dwelling: Historic	\$2,378.00	\$2,914.00
Farm Dwelling: Nonfarm Dwelling (Low Value Soils)	\$2,378.00	\$2,914.00
Farm Dwelling: Nonfarm Dwelling East of Coast Range	\$2,378.00	\$2,914.00
Farm Dwelling: Nonfarm Dwelling West of Coast Range	\$2,378.00	\$2,914.00
Floodplain Development Permit: Watercourse Alteration/Relocation	\$2,378.00	\$2,914.00
Floodway Development Permit: Stepback Water Analysis	\$2,378.00	\$2,914.00
Forest Dwelling: Large Tract Dwelling	\$2,378.00	\$2,914.00
Forest Dwelling: Lot of Record Dwelling	\$2,378.00	\$2,914.00
Forest Dwelling: Template Dwelling	\$2,973.00	\$3,642.00
Greenway Development Permit	\$2,378.00	\$2,914.00
Home Occupation	\$2,378.00	\$2,914.00
Final Legal Lot Verification with Notice	\$954.00	\$1,169.00
Legal Lot Verification	\$2,378.00	\$2,914.00
+ Additional Fee per Deed Submitted	\$57.00	\$70.00
M49 Farm Dwelling	\$954.00	\$1,169.00
M49 Forest Dwelling	\$954.00	\$1,169.00
M49 Tentative Partition	\$3,568.00	\$4,371.00
M49 Tentative Subdivision	\$4959 +237/lot	\$6075 +291/lot
M49 Special Use Permit	\$2,378.00	\$2,914.00
Minor Amendment Director Decision (Minor Replat)	\$1,645.00	\$2,016.00
Modify Planning Director Application or Decision other than timelines	\$954.00	\$1,169.00
Non Conforming Use: Verification	\$2,378.00	\$2,914.00
Non Conforming Use: Alteration	\$2,378.00	\$2,914.00
Non Conforming Use: Increase	\$2,378.00	\$2,914.00
Phase 2 Site Investigation Report (Chp 10)	\$2,378.00	\$2,914.00
Property Line Adjustment Type II Review	\$1,907.00	\$2,337.00
Property Line Adjustment & Legal Lot Verification Review + Notice	\$1,907.00	\$2,337.00
+ Additional Fee per Legal Lot Research	\$1,706.00	\$2,090.00
+ Additional Fee per Deed Submitted	\$57.00	\$70.00
Riparian Setback Special Use Permit: Development Plan	\$2,378.00	\$2,914.00
Riparian Setback Special Use Permit: Enhancement Plan	\$596.00	\$731.00
Riparian Setback Special Use Permit: Modification	\$2,378.00	\$2,914.00
Riparian Setback Special Use Permit: Restoration Plan	\$2,973.00	\$3,642.00
Small Wireless Facility with New Pole	N/A	N/A
Small Wireless Facility (up to five)	N/A	N/A
Additional Small Wireless Facility Fee (per facility)	N/A	N/A

TYPE II (PLANNING DIRECTOR) - CONTINUED	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Site Review	\$2,378.00	\$2,914.00
Telecommunications Tower: Collocation	\$2,378.00	\$2,914.00
Temporary Medical Hardship Dwelling	\$1,313.00	\$1,609.00
Tentative Partition	\$3,568.00	\$4,371.00
Tentative Subdivision	\$4959 +237/lot	\$6075 +291/lot
Tentative Replat Plan	\$3,568.00	\$4,371.00
Type II Application (Special Use Permit)	\$2,378.00	\$2,914.00
Validation of a Unit of Land Research & Notice	\$1,313.00	\$1,609.00
+ Additional Fee per Deed Submitted	\$57.00	\$70.00
Variance: Chapter 10	\$2,378.00	\$2,914.00
Variance: Chapter 13	\$2,378.00	\$2,914.00
Variance: Chapter 15	\$2,378.00	\$2,914.00
Variance: Chapter 16	\$2,378.00	\$2,914.00
Variance: To Wet Floodproof	\$2,378.00	\$2,914.00
Verification of Lawfully Existing Use (16.290/16.291/16.292) w/ notice	\$2,378.00	\$2,914.00
Verification of Replacement Rights: Exclusive Farm Use	\$2,378.00	\$2,914.00
Verification of Replacement Rights: Impacted Forest Land	\$2,378.00	\$2,914.00
Verification of Replacement Rights: Other	\$2,378.00	\$2,914.00
Verification of Resource Zone Siting Standards	\$954.00	\$1,169.00
Vested Rights	\$3,568.00	\$4,371.00
TYPE III (HEARINGS OFFICIAL)	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Modify HO Conditions - other than timelines	\$1,067.00	\$1,308.00
Review of Operations Plan - Sand & Gravel Committee	\$7,145.00	\$8,753.00
Special Use Permit by HO (Chapter 16)	\$4,611.00	\$5,649.00
Conditional Use Permit by HO (Chapter 10)	\$4,611.00	\$5,649.00
Telecommunications Tower: New	\$5,945.00	\$7,283.00
Telecommunications Tower: Replacement	\$5,449.00	\$6,676.00
Temporary Permit	\$4,611.00	\$5,649.00
Zone Change	\$4,611.00	\$5,649.00
TYPE IV (PLANNING COMMISSION/BCC)	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Conformity Determination Amendments (RCP Goal 2, Policy 27)	\$8,771.00	\$10,745.00
Intergovernmental Agreements	\$4,050.00	\$4,962.00
Metro Plan Amendment Type II *	\$15,322.00	\$18,770.00
Metro Plan Amendment Type II * with Zone Change	\$20,076.00	\$24,594.00
Metro Plan Amendment Type III	\$19,751.00	\$24,195.00
Metro Plan Amendment Type III with Zone Change	\$24,518.00	\$30,035.00
Plan Amend/Zone Change no exception	\$11,755.00	\$14,400.00
Plan Amend/Zone Change w/Exception (Rural)	\$14,132.00	\$17,312.00
Plan Amendment Major * (rural plan amendment only)	\$19,605.00	\$24,017.00
Plan Amendment minor no exception	\$10,566.00	\$12,944.00
Plan Amendment minor w/exception	\$11,755.00	\$14,400.00
Request for BCC Interpretation	\$2,973.00	\$3,642.00
Small City Plan Amendment	\$10,566.00	\$12,944.00
Small City Plan Amendment w/Exception	\$11,755.00	\$14,400.00

APPEALS	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Appeal of PD Decision to the HO	\$250.00	No Change
Remand from the HO to Planning Director	\$1,306.00	\$1,600.00
Remand from the BCC to the HO	\$2,725.00	\$3,339.00
Request for HO Reconsideration	\$1,067.00	\$1,308.00
Reconsideration of Application remanded by LUBA, Oregon Court of Appeals, or Oregon Supreme Court to the HO (With Hearing)	\$4,481.00	\$3,339.00
Reconsideration of Application remanded by LUBA, Oregon Court of Appeals, or Oregon Supreme Court to the HO (Without Hearing)	N/A	\$1,700.00
ADDITIONAL FEES	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Modification of Application (Type II)	\$954.00	\$1,169.00
Modification of Application (Type III)	\$1,067.00	\$1,308.00
Land Use Notice or Renotice fee	\$472.00	\$579.00
Request Change of Hearing (renotice of hearing)	\$472.00	\$579.00
Continuation of HO Hearing	\$1,325.00	\$1,624.00
Special Investigation Fee of Land Use Violations	\$500.00	\$610.00
ASSEMBLIES AND GATHERINGS	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Winery OR Cider Business Event License	\$1,370.00	\$1,679.00
Outdoor Assembly License	\$898.00	\$1,101.00
Extended Outdoor Mass Gather (ORS 433.763)	\$5,811.00	\$7,119.00
PLANNING & SETBACK DETERMINATION ON BUILDING PERMITS	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Chapter 11 Fees (Base Fee + additional fee)		
Major Chapter 11 Permit Base Fee	\$416.00	\$510.00
Minor Chapter 11 Permit Base Fee	\$114.00	\$140.00
Major Septic Repairs & Major Sepic Alterations Base Fee	\$125.00	\$154.00
Emergency RV Base Fee	\$237.00	\$291.00
Temporary MH/RV Base Fee	\$237.00	\$291.00
Agricultural Building Base Fee	\$416.00	\$510.00
Additional Review Component Fees		
Access Review	\$91.00	\$112.00
Agricultural Building (each additional after the first one)	\$125.00	\$154.00
Airport Safety Combining Zone	\$91.00	\$112.00
Coastal Combining Zones	\$91.00	\$112.00
Fire Break Photo review	\$91.00	\$112.00
Floodplain Minor Development Permit	\$91.00	\$112.00
Greenway Determination	\$91.00	\$112.00
Legal Lot Determination	\$91.00	\$112.00
Wetlands Notice to DSL	\$91.00	\$112.00
Wildlife referral (ODFW)	\$125.00	\$154.00
CHAPTER 15 - ROADS	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Appeal to Public Works Director	\$1,122.00	\$1,375.00
Appeal to County Commissioners	\$3,141.00	\$3,848.00
Road Dedication	\$2,087.00	\$2,557.00

Addressing (Chapter 15)	\$299.00	\$367.00
MISCELLANEOUS	Base	Base
LC Chapter 10: hard copy	\$75.00	No Change
LC Chapter 13: hard copy	\$35.00	No Change
LC Chapter 14: hard copy	\$35.00	No Change
LC Chapter 16: hard copy	\$75.00	No Change
Rural plan policies: hard copy	\$35.00	No Change
Zoning and RCP maps: hard copy	*See LC GIS for Printing Costs	
8.5 x 11 Black and White (per page)	\$0.25	No Change
8.5 x 11 Color (per page)	\$1.00	No Change
11 x 17 Black and White (per page)	\$0.50	No Change
11 x 17 Color (per page)	\$2.00	No Change
Scanning Fee (per page)	\$0.15	No Change
CD's with requested information	\$40.00	No Change
Requested LC 14.160(1)(b) Notice	\$140.00	No Change
Requested Notice of Application Acceptance	\$320.00	No Change

SUBSURFACE SANITATION FEE SCHEDULE		Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
<u>Site Evaluations</u>			
Site Evaluation		\$809.00	\$992.00
Commercial each 500 gallons over first 1000 gallons		\$208.00	\$255.00
<u>On-Site Sewage Disposal System Installation Permit</u>			
Standard		\$1,201.00	\$1,472.00
Alternative Treatment Technologies (ATT)		\$1,471.00	\$1,802.00
Capping Fill		\$1,471.00	\$1,802.00
Disposal Trenches in Saprolite		\$1,201.00	\$1,472.00
Gray Water Waste Disposal Sump		\$534.00	\$655.00
Holding Tank		\$1,027.00	\$1,259.00
Pressure Distribution		\$1,471.00	\$1,802.00
Redundant		\$1,201.00	\$1,472.00
Sand Filter		\$1,807.00	\$2,214.00
Seepage Pit		\$1,201.00	\$1,472.00
Seepage Trench		\$1,201.00	\$1,472.00
Steep Slope		\$1,201.00	\$1,472.00
Tile Dewatering		\$1,471.00	\$1,802.00
Add for each 500 gallons over 1000 Gallons		\$129.00	\$159.00
Pressurized Seepage Bed		\$1,471.00	\$1,802.00
Bottomless Sand Filter		\$1,807.00	\$2,214.00
<u>Commercial Facility System, Plan Review</u>			
Daily flow 600 gallons to 1,000 gallons		\$438.00	\$537.00
for each add'l 500 gallons beyond 1000 up to 2,500 gallons		\$78.00	\$96.00
<u>Permit Renewal</u>			
Permit Renewals with Site Visit		\$618.00	\$758.00
Permit Renewals without Site Visit		\$180.00	\$221.00
<u>Alteration Permit</u>			
Major		\$875.00	\$1,072.00
Minor		\$372.00	\$456.00
<u>Repair Permit</u>			
Major		\$640.00	\$784.00
Minor		\$304.00	\$373.00
<u>Authorization Notice</u>			
Authorization with Site Visit		\$742.00	\$909.00
Authorization without Site Visit		\$192.00	\$236.00
<u>Alternative System Inspection Fee</u>			
Holding Tank		\$461.00	\$565.00
Alternative Treatment Technologies (ATT)		\$629.00	\$771.00
Bottomless Sand Filter		\$629.00	\$771.00
Sand Filter		\$629.00	\$771.00
Pressure Distribution		\$629.00	\$771.00
Pressurized Seepage Bed		\$629.00	\$771.00
Recirculation Gravel Filter (RGF)		\$629.00	\$771.00
<u>Annual Evaluation of Temporary Medical Hardship</u>			
Sanitation Eval of TMH		\$192.00	\$236.00
<u>Annual Report Evaluation Fees</u>			
Holding Tank		\$36.00	\$45.00
Sand Filter		\$72.00	\$89.00
Bottomless Sand Filter		\$72.00	\$89.00
Recirculation Gravel Filter (RGF)		\$72.00	\$89.00
Pressure Distribution		\$72.00	\$89.00
Pressurized Seepage Bed		\$72.00	\$89.00

Alternative Treatment Technologies	\$72.00	\$89.00
Pumper Truck Inspection (first vehicle)	\$141.00	\$173.00
Pumper Truck Inspection (each additional vehicle during same inspection)	\$80.00	\$98.00
Existing System Evaluation Report	\$763.00	\$935.00
Sanitation Referral - Land Use Clearance	\$70.00	\$86.00
Septic Records Research Fee	\$29.00	\$36.00

EROSION PREVENTION FEE SCHEDULE		Proposed Base Fee Increase (22.5%) *rounded to the dollar
Current Base Fee		
Erosion Control Permits		
Tier 1	\$550.00	\$674.00
Tier 2A	\$700.00	\$858.00
Tier 2B	\$450.00	\$552.00
Tier 3	\$100.00	\$123.00
Additional Erosion Prevention Fees		
Additional Information (AI) Review (with 1 hour minimum)	\$81.00	\$100.00
Additional Inspection (each)	\$90.00	\$111.00
Additional Disturbance Area (for each additional area)	\$150.00	\$184.00

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDINANCE NO: 25-04

IN THE MATTER OF AMENDING THE LAND
MANAGEMENT DIVISION'S BUILDING PROGRAM
FEE SCHEDULE, EFFECTIVE JULY 1, 2025

WHEREAS, the Land Management Division operates as an enterprise fund providing building plan review and inspection services; and

WHEREAS, current Building Program fees were last adjusted on July 1, 2023, and do not generate revenue sufficient to support vital Building Program services; and

WHEREAS, on December 19, 2024, the Lane County Finance and Audit Committee unanimously recommended that the Board of Commissioners adopt adjustments to the Land Management Division's Building Program fees, including a 22.5% base fee increase; 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, on March 11, 2025, 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 fees as shown in Attachment 1 of this Ordinance are approved.

ENACTED this ____ day of _____, 2025.

David Loveall, Chair
Lane County Board of Commissioners

Recording Secretary for this Meeting of the Board

Exhibit 1 to Attachment 2 Proposed Building Program Base Fee Schedule

BUILDING PROGRAM FEE SCHEDULE	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
<u>Total valuation</u>		
\$1 to \$500	\$103.00	\$127.00
\$500.01 to \$2000		
First \$500, plus	\$103.00	\$127.00
each additional \$100 to \$2,000	\$7.00	\$9.00
2,000.01 to \$25,000		
First \$2,000, plus	\$196.00	\$241.00
each additional \$1,000 to \$25,000	\$13.00	\$16.00
\$25,000.01 to \$50,000		
First \$25,000, plus	\$480.00	\$588.00
each additional \$1,000 to \$50,000	\$10.00	\$13.00
\$50,000.01 to \$1000,000		
First \$50,000, plus	\$711.00	\$871.00
each additional \$1,000 to \$100,000	\$7.00	\$9.00
\$100,000.01 and up		
First \$100,000, plus	\$1,019.00	\$1,249.00
each additional \$1,000	\$6.00	\$8.00
<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	\$525.00	\$644.00
Temporary Manufactured Dwelling or Park Model Hardship placement permit	\$525.00	\$644.00
Recreational vehicle (six months, no utilities)	\$60.00	\$74.00
Structures relocation investigation fee	\$206.00	\$253.00
Swimming pool	\$132.00	\$162.00
Demolition of structure (each structure)	\$115.00	\$141.00
Agricultural buildings not located in flood hazard areas	\$47.00	\$58.00
Change of occupancy inspection fee	\$328.00	\$402.00
Building Code Administrative Variance Fee	\$48.00	\$59.00
Building Appeals Hearing Filing Fee	\$132.00	\$162.00
Code interpretation conference fee - per hour	\$92.00	\$113.00
<u>Other Inspection and Fees</u>		
Reinspection / Reinstatement fee	\$103.00	\$127.00
Additional plan review time - per hour with 1/2 hour minimum	\$92.00	\$113.00
Alternate methods and materials review - per hour	\$92.00	\$113.00
Permit extension fee	N/A (new fee)	\$45.00

Exhibit 1 to Attachment 2 Proposed Building Program Base Fee Schedule

Mechanical Permit Fees	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Minimum mechanical permit fee	\$102.00	\$125.00
Residential		
Furnace or burner, including ducts and vents attached to such appliance, up to and including 100,000 Btu/h	\$56.00	\$69.00
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.	\$61.00	\$75.00
Installation or relocation of each residential heat pump	\$72.00	\$89.00
Installation or relocation of each floor furnace, including vent	\$56.00	\$69.00
Installation or relocation of each suspended heater, recessed wall heater or floor-mounted unit heater	\$56.00	\$69.00
Installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	\$44.00	\$54.00
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	\$56.00	\$69.00
Installation or relocation of each compressor to and including three horsepower (10.6kW), or each absorption system to and including 100,000 Btu/h	\$56.00	\$69.00
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	\$77.00	\$95.00
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	\$93.00	\$114.00
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	\$123.00	\$151.00
Installation or relocation of each refrigeration compressor over 50 horsepower (176 kW), or each absorption system over 1,750,000 Btu/h	\$187.00	\$230.00
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)	\$49.00	\$61.00
Each air-handling unit exceeding 10,000 cfm	\$61.00	\$75.00
Each evaporative cooler other than portable type	\$49.00	\$61.00
Each ventilation fan connected to a single duct	\$44.00	\$54.00
Each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	\$49.00	\$61.00
Installation of each hood which is served by a mechanical exhaust, including the ducts for such hood	\$49.00	\$61.00
Installation or relocation of each domestic-type incinerator	\$61.00	\$75.00
Installation or relocation of each commercial or industrial-type incinerator	\$156.00	\$192.00
Installation or relocation of each wood/pellet/gas stove or insert	\$109.00	\$134.00
Vent pre-inspection for inserts	\$97.00	\$119.00
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	\$49.00	\$61.00
Fuel gas piping		
Each gas-piping system of one to four outlets	\$21.00	\$26.00
Each additional outlet above four, per outlet	\$7.00	\$9.00

Temporary Campground	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Temporary Campground (2 inspections + plan review)	\$248.00	\$304.00
Solar Energy Systems	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Solar Energy Systems (non-prescriptive)	Based on Valuation of Proposed Work	Based on Valuation of Proposed Work
Prescriptive Solar Energy Systems	\$160.00	\$196.00
Plumbing permit fees	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Minimum plumbing fee	\$102.00	\$125.00
Residential		
New Construction (includes: DWW/water distribution, the first kitchen, and the first 100 feet of water service, sanitary sewer and storm sewer.)		
Single Family: 1 Bath	\$351.00	\$430.00
Single Family: 2 Bath	\$464.00	\$569.00
Single Family: 3 Bath	\$565.00	\$693.00
Each additional bath over three or kitchen over one	\$116.00	\$143.00
Residential Fire Suppression Systems. Fee calculated as separate flat fee based on square footage of structure		
0 to 2000 square feet	\$104.00	\$128.00
2001 to 3600 square feet	\$155.00	\$190.00
3601 to 7200 square feet	\$196.00	\$241.00
7201 square feet and greater	\$239.00	\$293.00
Accessory, Addition, or AlterationNumber of fixtures X	\$21.00	\$26.00
Manufactured Dwelling Park Sewer Collection and Water Distribution System (per space)	\$68.00	\$84.00
Manufactured Dwelling or Park Model Service Connection (sewer, water and storm).		
(first 30 ft)	\$68.00	\$84.00
(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

Exhibit 1 to Attachment 2 Proposed Building Program Base Fee Schedule

Water Service/Sanitary/Storm Sewer		
Water Service (first 100 feet or fraction thereof)	\$73.00	\$90.00
Water Service (each additional 100 feet or fraction thereof)	\$57.00	\$70.00
Building Sewer (first 100 feet or fraction thereof)	\$73.00	\$90.00
Building Sewer (each additional 100 feet or fraction thereof)	\$57.00	\$70.00
Building Storm Sewer or Rain Drain (each 100 feet or fraction thereof)	\$68.00	\$84.00
Storm or Rain Drain (each additional 100 feet or fraction thereof)	\$57.00	\$70.00
Alternate Potable Water Heating Systems (coil, extractor, heat pumps, etc.)	\$68.00	\$84.00
Commercial/Industrial		
Fixture charge per each fixture	\$21.00	\$26.00
Water Service/Sanitary/Storm Sewer		
Water Service (first 100 feet or fraction thereof)	\$73.00	\$90.00
Water Service (each additional 100 feet or fraction thereof)	\$57.00	\$70.00
Building Sewer (first 100 feet or fraction thereof)	\$73.00	\$90.00
Building Sewer (each additional 100 feet or fraction thereof)	\$57.00	\$70.00
Building Storm Sewer or Rain Drain (each 100 feet or fraction thereof)	\$68.00	\$84.00
Storm or Rain Drain (each additional 100 feet or fraction thereof)	\$57.00	\$70.00
Alternate Potable Water Heating Systems (coil, extractor, heat pumps, etc.)	\$68.00	\$84.00
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 Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Minimum electrical permit fee	\$102.00	\$125.00
Electrical Master Permit Program		
Enrollment Fee	\$120.00	\$147.00
Inspection Time - Per Hour	\$103.00	\$127.00
Residential		
Dwellings per unit, service included		
1,000 sq. ft. or less	\$197.00	\$242.00
Each additional 500 sq. ft. or portion thereof	\$36.00	\$45.00
Limited / restricted energy	\$60.00	\$74.00
Each manufactured home, park model, or modular dwelling service or feeder when not included as part of a placement permit	\$108.00	\$133.00
Service or Feeders: (installation, alterations, relocation)		
200 amps/5 kva or less	\$138.00	\$170.00
201 to 400 amps/5.01 to 15 kva	\$152.00	\$187.00
401 to 600 amps/15.01 to 25 kva	\$239.00	\$293.00
601 amps to 1,000 amps	\$357.00	\$438.00
Over 1,000 amps or volts	\$715.00	\$876.00
Reconnect only	\$98.00	\$121.00
Temporary services or feeders: (installation, alteration, relocation)		
200 amps or less	\$107.00	\$132.00
201 amps to 400 amps	\$132.00	\$162.00
401 amps to 600 amps	\$215.00	\$264.00
601 amps to 1,000 amps	\$357.00	\$438.00
Branch Circuits (new, alteration, extension per panel)		
Each circuit with purchase of service or feeder	\$10.00	\$13.00
First circuit without purchase of service or feeder	\$102.00	\$125.00
Each additional circuits beyond first without purchase of service or feeder	\$10.00	\$13.00
Miscellaneous: (service or feeder not included)		
Each pump or irrigation circle	\$101.00	\$124.00
Each sign or outline lighting	\$98.00	\$121.00
Signal circuit(s) or limited / restricted energy panel or alteration or extension of limited energy circuits	\$98.00	\$121.00

Exhibit 1 to Attachment 2 Proposed Building Program Base Fee Schedule

Renewable Energy		
5 kva or less	\$138.00	\$170.00
5.01 to 15 kva	\$179.00	\$220.00
15.01 to 25 kva	\$228.00	\$280.00
>25 kva	\$230.00	\$282.00
each additional kva (max \$999.00)	\$14.00	\$18.00
Wind generators		
25.01 to 50 kva	\$287.00	\$352.00
50.01 to 100 kva	\$572.00	\$701.00
Other		
Each additional inspection	\$103.00	\$127.00
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	\$92.00	\$113.00
Miscellaneous	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Composting toilet	\$46.00	\$57.00
Masonry fireplace installation (existing structure)	\$177.00	\$217.00
Temporary certificate of occupancy	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Residential fee	\$156.00	\$192.00
Commercial and multi family fee	10% of building permit fee	10% of building permit fee
Service Fee	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
with inspection	\$177.00	\$217.00
without inspection	\$92.00	\$113.00
Phased project and Deferred submittal review	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Fee - plus 10% of total project building permit fee not to exceed \$1,500 for each phase	\$115.00	\$141.00
Alteration and Remodel	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
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	\$60.00	\$74.00

Exhibit 1 to Attachment 2 Proposed Building Program Base Fee Schedule

Other Fees	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
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	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
GIS Output (maps, reports, etc.)	\$50.00	\$62.00
Special Investigation Fees for Building and Land Use violations	\$500.00	\$610.00
Technology Assessment (Limited to \$100 for any single permit transaction)	8% (\$140 max per permit)	8% (\$140 max per permit)
Permit Acceleration Fee	A processing fee of 1.5 times the hourly plan review rate	A processing fee of 1.5 times the hourly plan review rate
Administrative Fee	15%	15%
Coordinated Services Surcharge	13%	13%
<u>Expired Permit (more than 6 months)</u>	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Misc. Structure (fence, RAS)	\$125.00	\$154.00
Accessory Structure	\$208.00	\$255.00
Combo Permit w/Multiple Inspections Remaining	\$208.00	\$255.00
Additions <1000 SF	\$208.00	\$255.00
ADU (Guest House)	\$208.00	\$255.00
Additions >1000 SF or Change of Occupancy	\$208.00	\$255.00
New Building	\$208.00	\$255.00
<u>Residential Work w/out Permits</u>	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Single Discipline or Only Final Inspection Remaining	\$125.00	\$154.00
Misc. Structure (fence, RAS)	\$208.00	\$255.00
Accessory Structure	\$299.00	\$367.00
Combo Permit w/Multiple Inspections Remaining	\$299.00	\$367.00
Additions <1000 SF	\$299.00	\$367.00
ADU (Guest House)	\$596.00	\$731.00
Additions >1000 SF or Change of Occupancy	\$596.00	\$731.00
New Building	\$596.00	\$731.00
<u>Commercial for Multi-Family Work w/out Permits</u>	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Single Discipline or Only Final Inspection Remaining	\$125.00	\$154.00
Misc. Structure (fence, RAS)	\$208.00	\$255.00
Accessory Structure	\$299.00	\$367.00
Combo Permit w/Multiple Inspections Remaining	\$299.00	\$367.00
Additions <1000 SF	\$596.00	\$731.00
ADU (Guest House)	\$596.00	\$731.00
Additions >1000 SF or Change of Occupancy	\$596.00	\$731.00
New Building	\$596.00	\$731.00

Exhibit 1 to Attachment 2 Proposed Building Program Base Fee Schedule

<u>Commercial Work (FLS) w/out Permits</u>	Current Base Fee	Proposed Base Fee Increase (22.5%) *rounded to the dollar
Single Discipline or Only Final Inspection Remaining	\$125.00	\$154.00
Misc. Structure (fence, RAS)	\$208.00	\$255.00
Accessory Structure	\$299.00	\$367.00
Combo Permit w/Multiple Inspections Remaining	\$596.00	\$731.00
Additions <1000 SF	\$596.00	\$731.00
ADU (Guest House)	\$596.00	\$731.00
Additions >1000 SF or Change of Occupancy	\$893.00	\$1,094.00
New Building	\$893.00	\$1,094.00



LANE COUNTY

Comprehensive User Fee Study

Submitted by:

FCS, a Bowman company

7525 166th Ave NE
Ste D-215
Redmond, WA 98052
P: (425) 867-1802

Submitted to:

Lane County
Land Management Division
3050 N. Delta Highway,

Eugene, OR 97408
P: (541) 682-8921

November 4, 2024



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Executive Summary

In October 2023, Lane County (County) Department of Public Works Land Management Division (Division, or LMD) engaged FCS to conduct a cost-of-service study for its plan review, inspections, and permit services related to building and planning program areas within Land Management. The County additionally included for review any recoverable fee services from the sanitation division. The study identifies the labor and non-labor resources that support development permit services. It also establishes the full cost of service and cost recovery level for these services. The technical results of the study provide a rational and defensible foundation for changes to fees that support the County's cost recovery and other development goals.

This study found the following:

- Staff spent 53,882 hours on tasks related to recoverable LMD activities in 2023.
- The cost to deliver permit review services, including direct labor, operating expenses and allocated overhead is projected to total \$7.0 million in 2023 or \$138.87 per hour.
- Overall, based on existing fees, the Division currently recovers about 35 percent of its costs of operations. The three main LMD division's program areas have the following cost recovery rates:
 - » Building (including recoverable code enforcement): 35%
 - » Planning: 27%
 - » Sanitation: 55%
- FCS also calculated the full cost recovery fees for individual fees based upon the estimated staff time necessary to review, adjudicate, and approach each individual fee service. The Division has the ability to adopt increases in fees up to the cost of service for each fee, though it is not recommended that any adopted fee exceeds its individual cost of service.
- The County should be aware that annual revenues can and will vary, sometimes considerably, with ebbs and flows of development activity and general economic conditions. Thus, the County and the Division should review these findings as a current point-in-time snapshot of the financial performance of the Division and its Program Areas.
- This study also included a comparative survey of current Program Area fees that are charged in neighboring communities. It should be noted that the identified fees for these other communities may or may not be at the cost of service and may or may not have been recently increased for cost inflation. Hence the comparative survey should be reviewed as a general point-in-time reference based on available publications from each community.

Going forward, it is recommended that the County and the Division annually adjust all LMD fees by a weighted application of labor, benefits, and general cost inflation as each of these cost centers can rise at different rates. For example, labor cost inflation could be indexed to increases in the County's salary adjustments as determined through its labor contracts, while benefit and general cost inflation would be increased based on anticipated increases in medical/dental cost inflation or general cost inflation.

Introduction

In October 2023, Lane County (County) Department of Public Works Land Management Division (Division, or LMD) initiated a cost-of-service study for its development-related permit fees with FCS. This current cost-of-service study identifies the labor and non-labor resources that support development fee-related services. It also establishes the full cost of service and cost recovery level for these services. The technical results of the study provide a rational and defensible foundation for changes to fees that support the County's cost recovery and other division goals. The calculated fees should be reviewed as one data point for reference when setting fees. Other reference points may include what other neighboring communities charge for similar services as well as the importance of price-based incentive for compliance with County policies and objectives.

The approach used to conduct the study included:

- Working with LMD management and staff who are involved with fee and non-fee related services for its program areas - building, planning, and sanitation services.
- Analyzing historical and budgeted financial documents and data associated with development related services and fees.
- Working with LMD staff to analyze the existing fees and to estimate the direct labor time needed to provide each permit service.
- Reviewing the direct and indirect labor estimates, non-labor and overhead cost allocations, and historical permit volumes and revenue data.
- Reporting and reviewing the cost of service and cost recovery for each service fee with LMD staff.

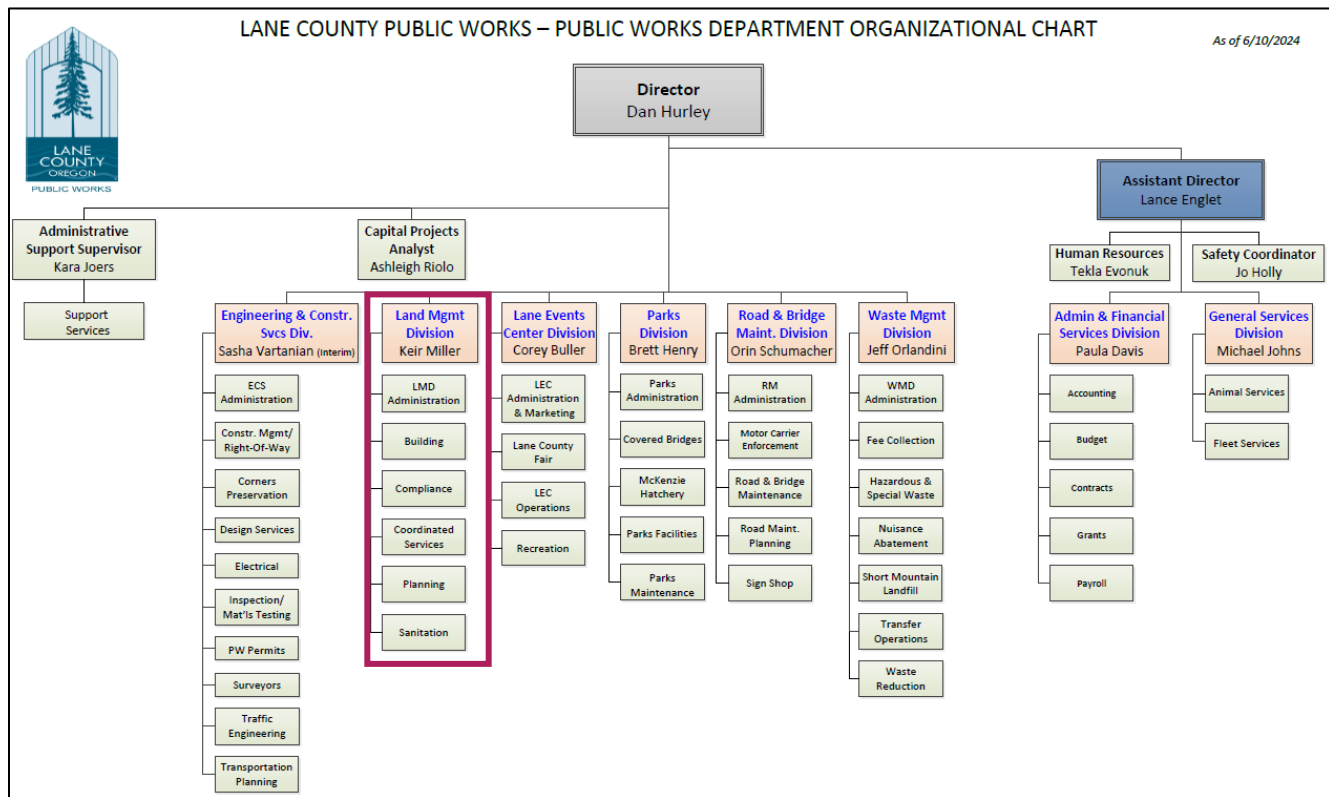
The process used for collecting and analyzing the data required active participation by LMD staff. We want to take the opportunity to recognize the time, participation, and effort the LMD project team devoted to the study.

Development Services Background

The LMD is organized into six program areas: Land Management Administration, Building, Compliance, Coordinated Services, Planning and, and Sanitation. **Exhibit 1** shows the Public Works Department's organization structure and the relevant grouping containing the Land Management Division.

LMD is one of eight divisions within Lane County's Public Works Department. The Department's mission is to maintain and enhance the livability and sustainability of Lane County's natural and built environments by providing safe and cost-effective public infrastructure and related services. The Public Works Department consists of nine different funds and four sub-funds for eight divisions. As part of Lane County's Public Works Department, the Land Management Division provides land use planning, building, electrical, subsurface sanitation, and code compliance services to the public. These programs implement and enforce the Lane County Rural Comprehensive Plan and portions of the Lane Code, Uniform Building Code, Oregon Electrical Code, and Oregon Administrative Rules for On-Site Sewage Disposal. The Division's mission is "To provide quality public service in the administration and regulation of land use planning, building construction, code compliance and subsurface sanitation systems."

Exhibit 1. Organizational Chart (2023)



Cost Basis for Development Fees

The cost basis for fees reviewed in the study is primarily supported by actual financial activity in 2023 related to labor and non-labor expenses for the building, planning, and sanitation divisions, as well as expenses for County staff that support development services including administration and coordinated services. The study also relies on the following regulatory and industry publications to establish a cost basis for fees:

- International Conference of Building Officials Uniform Building Code.
- International Conference of Building Officials Uniform Administrative Code.
- County code section 16.001.015 establishing the right to recover costs incurred by the County not surpassing the average cost to provide permit services.

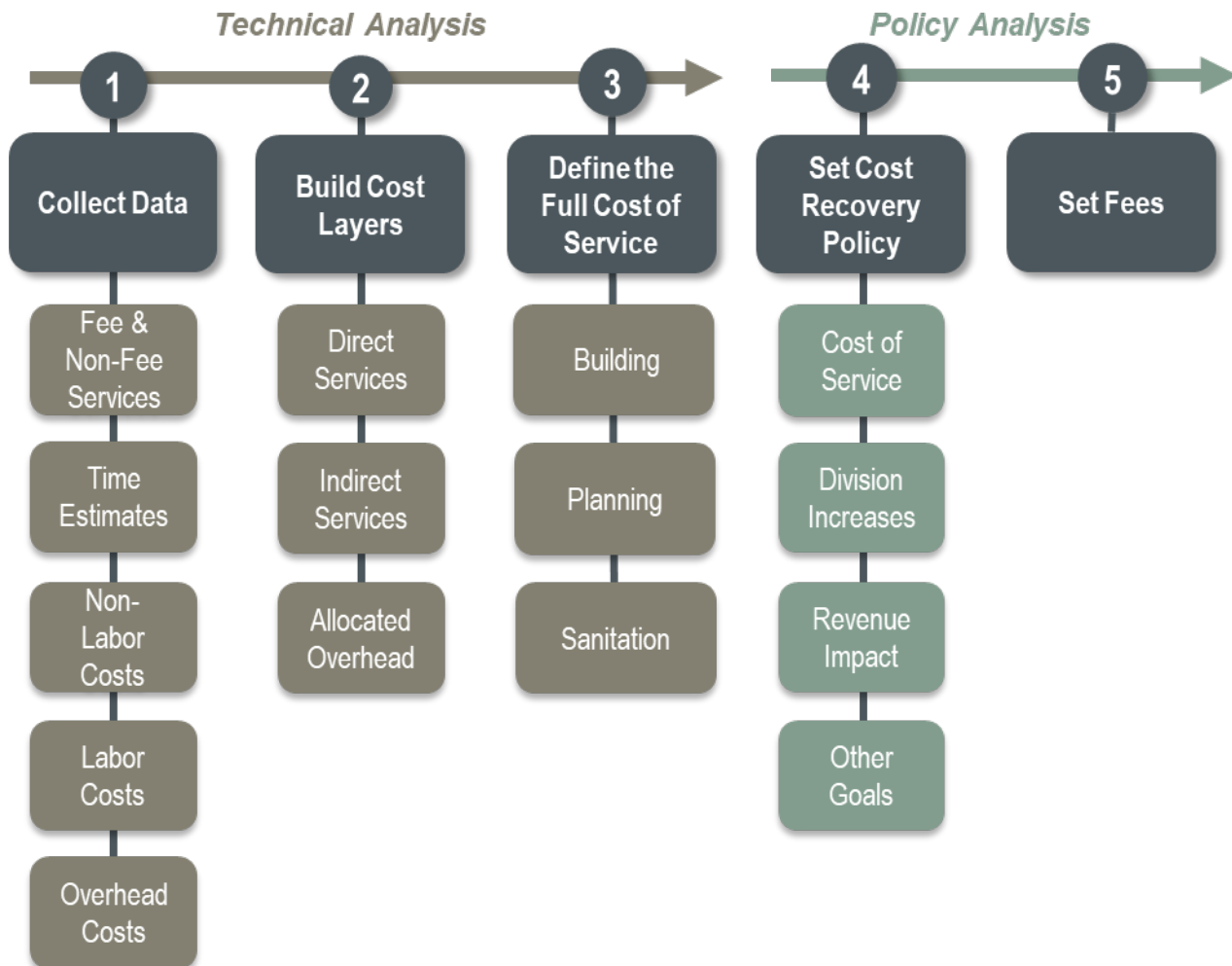
Study Framework

The methodology for this cost-of-service study was prepared consistent with the aforementioned guiding principles, precedents, and legal opinions. For example, the role and responsibilities included under other (long range) planning is an example of a program that has broad social benefit, and its costs have therefore been 100% excluded from this study.

Methodology

To determine the cost-of-service and the appropriate fees, a defined task plan was followed as outlined below in **Exhibit 2**. The methodology identifies both the labor and non-labor resources that are required to perform the services, activities and analyzes the cost-of-service for each of the fee and non-fee permit services performed by County staff. The analysis provides the County's elected officials, management, and staff with the cost basis for its services and fees.

Exhibit 2. Cost of Service Methodology



The following sections summarize the assumptions and methodology that support each step in the cost-of-service analysis.

Step 1: Collect Data

Identify Fee and Non-Fee Permit Services

The first part of the study process identifies the permit services to be evaluated – determining the divisions, services, and administration that support the County in providing services to the general public. In addition to

establishing the framework for the study, this step also provides the opportunity to review and identify potential efficiencies and/or consolidations in the fee schedule. Based on County recommendations, select fees were available for elimination, creation, or consolidation.

Identify Staff Time Requirements for Services

With the permit service fees identified, the data collection effort focuses on financial and time data from all staff involved in processing fees. County staff provided two sets of timekeeping records for each staff member for 2023. The first data set included total work hours, leave hours, and paid hours for each role. The second data set provided detailed work hours by task for each role. These two data sets were used as the basis for establishing the total number of annual work hours available and the distribution of work hours by fee. The detailed work hours by task were bucketed into the following three categories:

- **Direct Services** – Services provided as the result of a project, permit application, or specific related activity and that are often tied to a specific fee (e.g. plan review). These services were allocated based on the time spent processing permits.
Direct services also include services provided directly for or to the public that are not fee-related (e.g., code enforcement and long-term planning). It is of note that no portion of the LMD enforcement division contributed to recoverable fee-related services.
- **Indirect Services** – Services that cannot be assigned to a specific project, application, or activity (e.g. front counter customer service, administrative duties, and annual leave). Staff time assigned to indirect services is then allocated between fee and non-fee permit services based on the proportion of direct service hours assigned to fee and non-fee permit services. County staff reviewed the work activities in 2023, and the following activities were assigned as indirect services:
 - » Public Information and Customer Service – Time spent assisting customers and the public with information and questions about permit service fees.
 - » Management and Administrative Duties – Time spent on general office tasks, such as organizational management, supervision, internal meetings/calls/e-mails, filing, and other miscellaneous activities in support of processing permits.
 - » Training and Certification – Time spent for continued professional education and maintaining currency with laws and regulations.
- **Overhead Services** – Division and Countywide general management and administrative time.
 - » The Division overhead expenses include the labor and non-labor expenses for the Division's administrative (Land Management Administration) / overhead (Coordinated Services) programs that are not specifically assigned to direct services. Administrative and overhead expenses are allocated across in different ways depending on the expense. Examples of allocation include being based on the allocation of revenue or volume, the allocation of FTEs, or by assigning an individual program area directly.

The combined estimated annual work hours for direct services, indirect services, and overhead services for each employee in 2023 were then compared to and reconciled with the timekeeping data for each employee's reported work hours for the year. A summary of direct service hours that support fee and non-fee permit services is outlined in **Exhibit 3**.

Exhibit 3. Direct Service Labor Allocation by Fee Program Area and Division

LMD - Program Areas							
Direct Service Hours by Fee Category and by Division/Program Area		Building	Code Enforcement	Planning	Sanitation	Coordinated Services	Total
Program Area	Building	13,758	2,189	5,991	274	8,392	30,603
	Code Enforcement	-	-	-	-	-	-
	Planning	8,005	-	7,984	-	2,054	18,043
	Sanitation	-	-	188	4,016	1,032	5,236
	Coordinated Services	-	-	-	-	-	-
Total Direct Service Fee Hours		21,762	2,189	14,162	4,289	11,479	53,882
Program Area	Building	666	-	2,437	-	2,928	6,031
	Code Enforcement	292	3,283	-	-	-	3,575
	Planning	1,902	-	6,395	339	2,820	11,456
	Sanitation	-	-	-	-	-	-
	Coordinated Services	-	-	-	-	-	-
Total Direct Service Non-Fee Hours		2,859	3,283	8,832	339	5,748	21,062

Source: FCS Lane County Development Services Fee Model, Labor Summary - 2024

County staff identified the time required to process permit applications. The time estimates varied by the permit service and by position classification. County staff met several times to discuss and refine the estimates for each permit service.

Step 2: Build Cost Layers

The next stage in the process is to develop an analytical model for calculating the costs related to each fee category.

Labor Costs

Division Labor

To build the labor cost layer, the staff time allocations for each activity (i.e. direct, indirect, and overhead) were multiplied by each staff member's loaded hourly rate. The loaded hourly rate for one staff member equals the person's annual salary and benefits divided by the available work hours (i.e. total annual hours minus leave) in 2023.

Division Overhead Labor

Division overhead labor expenses for the administration (Land Management Administration) / overhead (Coordinated Services) services are allocated to each development service category in proportion to LMD revenue: building (55 percent), planning (25 percent), and sanitation (20 percent).

Non-Labor Costs

After the labor costs for each staff member and each service were calculated, the non-labor costs were analyzed. The Division accounts for non-labor costs for building, planning, and sanitation services separately. Each non-labor account was analyzed and reviewed with County staff to determine the appropriate allocation.

For all non-labor expenditures, capital outlays, debt payments, and contingency accounting were excluded. Staff also reviewed expense data to identify any one-time or non-recurring items to remove from the forecast.

Building

As identified by staff time, the majority (88%) of the building program area's non-labor costs support permit review and inspection services (e.g., travel, training, and dues) and are allocated to permit fee and non-fee services in proportion to reported direct service hours. Programs included as a part of building non-labor costs consisted of #368020 Building and #362825 Electrical.

It is noted that the building program area budgets compliance program activities separately. Due to the non-recoverable nature of code enforcement activities, the non-labor expenditures found within #3628070 Compliance Program were excluded from recovery.

Planning

As identified by staff time, the majority (62%) of the planning program area's non-labor costs are available for recovery through fees. Non-labor expenses include training, supplies, advertising, membership dues, and intergovernmental non-labor costs. Programs included as a part of planning non-labor costs consisted of #3628010 Planning and #3628045 Land Management Development Services.

It is noted that the planning program area budgets for the long range planning activities separately. Due to the non-recoverable nature of long range planning activities, the non-labor expenditures found within #3628015 Long Range Planning were excluded from recovery.

Sanitation

As identified by staff time, the majority (93%) of the sanitation program area's non-labor costs are available for recovery through fees. Non-labor expenses include training, supplies, advertising, membership dues, and intergovernmental non-labor costs. Programs included as a part of planning non-labor costs consisted of #3628050 Subsurface Sanitation.

Division Overhead Non-Labor

Division overhead non-labor expenses for the administration (Land Management Administration) / overhead (Coordinated Services) services are allocated to each program area's service category in proportion to LMD revenue: building (55 percent), planning (25 percent), and sanitation (20 percent).

Step 3: Define the Full Cost of Service

The cost of service was calculated for building, planning, and sanitation services for portions related to development services. The cost of service was also calculated for individual permit fee services within each of these categories for select fees at the request of the County.

Cost of Service by Development Service Category

After establishing the different cost layers, the full cost of service was calculated for building, planning, and sanitation program areas. The full cost of service includes labor and non-labor costs for direct permit fee services as well as the allocated share of indirect service and administration / overhead expenses.

The cost-of-service analysis was also compared to the 2023 actual expenses for each program areas within the LMD. FCS coordinated with County staff to identify potential reasons for differences in the cost of service and how costs have historically been allocated within the Division.

Cost of Service by Individual Permit Service Fee

Fully loaded hourly rates were calculated for each County staff member. Fully loaded hourly rates differ from the loaded hourly rates as defined:

- **Loaded hourly rates** divide a staff member's annual salaries and benefit costs by available work hours.
- **Fully loaded hourly rates** divide a staff member's annual salaries and benefit costs plus a proportionate share of non-labor and overhead expenses by available work hours.

The methodology for each of these components making up the fully loaded hourly rate is outlined in **Exhibit 4**. The fully loaded hourly rates were then applied to the time estimates provided by County staff to perform individual fee services to determine the cost of service for each fee service.

Exhibit 4. Fully-Loaded Hourly Rate Components

	Labor	Non-Labor
Direct Service	Based on employee's total salary and benefits divided by annual work hours	Based on direct service costs allocated to the permit fee category divided by direct service fee hours within the permit fee category
Indirect Service	Based on indirect service labor costs allocated to the permit fee category divided by the direct service hours within the permit fee category	Based on indirect service non-labor costs allocated to the permit fee category divided by direct service hours within the permit fee category
Overhead Service	Based on overhead labor costs allocated to the permit fee category divided by direct service hours within the permit fee category	Based on overhead non-labor costs allocated to the permit fee category divided by direct service hours within the permit fee category

Exhibit 5 details the current estimated division-wide fully-loaded hourly rate calculation. In this example, direct labor expenses are based on staff member's annual salary and benefit costs divided by available work hours (\$78.50 per hour). Direct service non-labor (\$23.82 per hour), indirect service labor (\$9.41 per hour), indirect service non-labor (\$2.46), overhead labor (\$5.00 per hour), and overhead non-labor (\$10.43 per hour) rates are then layered on top of the loaded hourly rate to generate the fully loaded hourly rate (\$138.87 per hour).

Exhibit 5. Division-Wide Fully-Loaded Hourly Rate

Component	Allocated Cost	Divided by	Hourly Rate
Direct Service Labor	\$ 4,229,889	53,882 direct service hours	\$ 78.50
Direct Service Non-Labor	1,283,587	53,882 direct service hours	23.82
Indirect Service Labor	507,015	53,882 direct service hours	9.41
Indirect Service Non-Labor	154,312	53,882 direct service hours	2.86
Overhead Labor	745,541	53,882 direct service hours	13.84
Overhead Non-Labor	562,013	53,882 direct service hours	10.43
Total	\$ 7,482,358	53,882 direct service hours	\$ 138.87

Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Step 4: Set Cost Recovery Policy

Once the full cost of service is identified and the fully loaded hourly rates are calculated, the next step is to identify the cost recovery levels and to establish cost recovery objectives. Overall cost recovery levels for development services were determined by comparing each fee category's total cost of service to the forecast permit fee revenue in 2024. Cost recovery levels for individual fees were also determined by comparing the costs of the various services to the individual fees charged (e.g. percentage of full costs compared to revenue generated). Each fee category's cost of service provides a general cost estimate, and the cost recovery levels might also be affected by these estimates. When services cost more than the revenue generated, funding from the General Fund or other funds is needed to cover the gap between costs and revenues.

Cost recovery objectives can be based on a variety of factors, including a measure of the public versus private benefit provided by the service. For this reason, the target cost recovery policy for a fee service is a decision generally made by legislature within the County. If a permit has a public benefit, it might be more appropriately supported by the General Fund. Conversely, if a permit has mostly private benefits, it might be more appropriately supported 100 percent by fees. Permits and applications that have a mix of public and private benefits might be supported by a combination of fees and the General Fund.

Step 5: Set Fees

The final step of the cost of service and fee analysis was to calculate the cost of service of individual fees and potential revenues. The cost of service is calculated based on time estimates provided by County staff on length of time needed to complete a permit. Often, time is collected based on position, before being averaged across the number of employees responsible. By multiplying the time estimates by the fully-loaded hourly rate (as detailed in **Exhibit 5**), the cost of service for an individual fee can be determined. The division hourly rates used in the calculations of the respective cost of service for each division are listed in **Exhibit 6**.

Exhibit 6. Division Fully-Loaded Hourly Rate

Division	Allocated Cost	Divided by	Hourly Rate
Building	\$ 4,042,956	30,603 direct service hours	\$ 132.11
Planning	2,601,221	18,043 direct service hours	144.17
Sanitation	838,181	5,236 direct service hours	160.09
Total	\$ 7,482,358	53,882 direct service hours	\$ 138.87

Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Cost of Service and Cost Recovery

Based on the methodology described in the previous section, the estimated 2024 full cost of service and cost recovery levels were calculated for building, planning, and sanitation program areas. Combined, the recoverable portion of these services total an estimated \$7.5 million as shown in **Exhibit 7**.

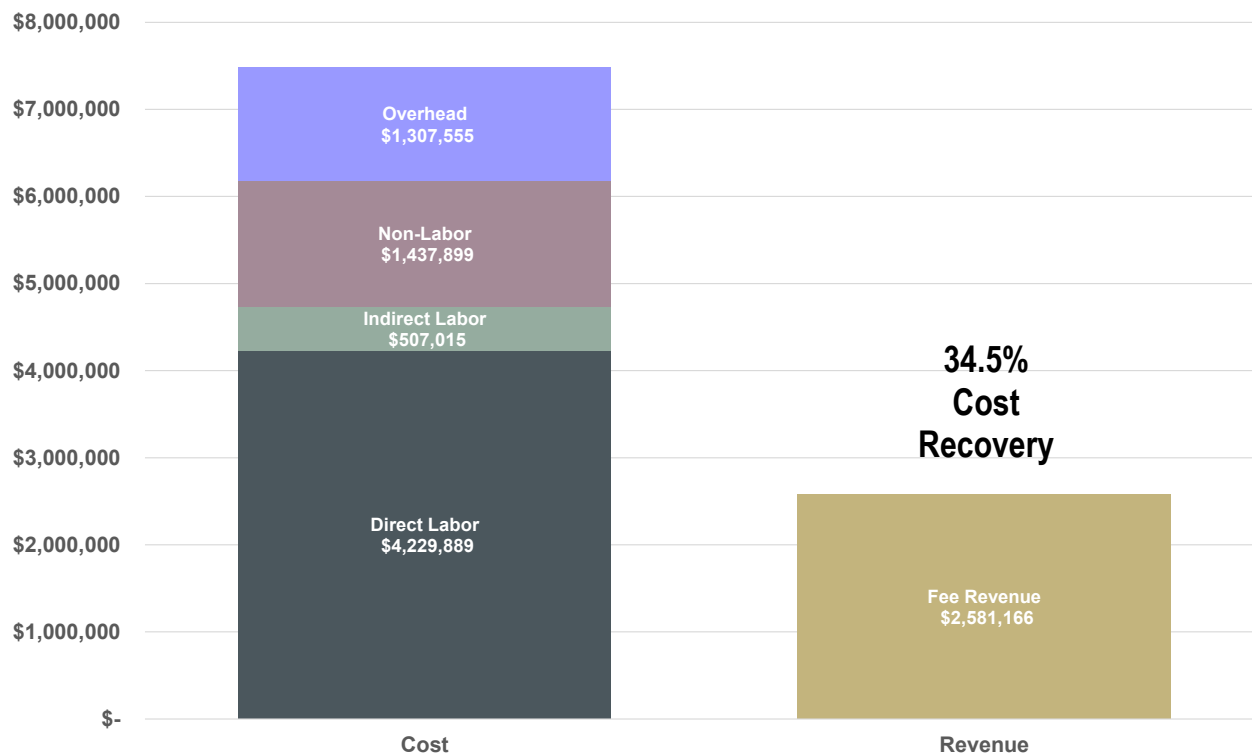
Direct services were about 74 percent of the full cost of service, while indirect services were 9 percent of the full cost of service. Division overhead costs represented the remaining 13 percent of the full cost of service.

Exhibit 7. 2024 Full Cost of Service for Development Services

Division Cost of Service	Full Cost of Service			Rate Components			Direct Hours
	Labor	Non-Labor	Total	Labor	Non-Labor	Total	
Direct Services	\$ 4,229,889	\$ 1,283,587	\$ 5,513,476	\$ 78.50	\$ 23.82	\$ 102.33	53,882
Indirect Services	507,015	154,312	661,327	9.41	2.86	12.27	53,882
Overhead Services	745,541	562,013	1,307,555	13.84	10.43	24.27	53,882
Total Direct Fee Services	\$ 5,482,445	\$ 1,999,913	\$ 7,482,358	\$ 101.75	\$ 37.12	\$ 138.87	53,882

The analysis shows the cost of service at both the at the division level and program areas level. **Exhibit 8** details the total recoverable expenses for the entirety of the LMD. The result was a division-wide cost recovery level of 34.5 percent.

Exhibit 8. 2024 Full Cost of Service for LMD



Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

A cost recovery of 34.5 percent means that fees must be adjusted to reach full cost recovery by the program area. An across-the-board increase was suggested to be used to increase fees for those that were not adjusted based on individual cost of service methodology.

Building

Building Program Area-Wide

As shown in **Exhibit 9**, the full cost of building permit fee services is estimated at \$4.0 million.

Within the building program areas, direct services were about 74 percent of the full cost of service, while indirect services were 8 percent of the full cost of service. Program area overhead costs represented the remaining 18 percent of the full cost of service. It is of note that the building cost of service includes recoverable time from the code enforcement program area.

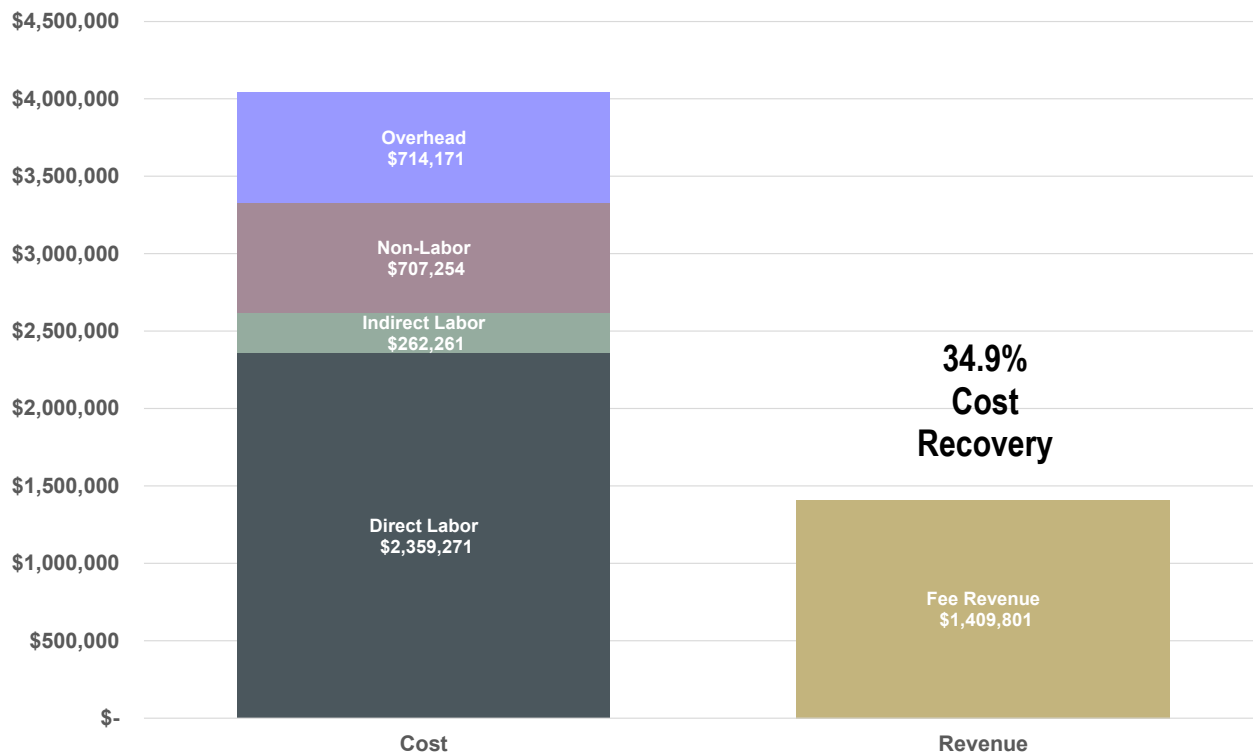
Exhibit 9. 2024 Full Cost of Service for Building Permit Services

Building Cost of Service	Full Cost of Service			Rate Components			Direct Hours
	Labor	Non-Labor	Total	Labor	Non-Labor	Total	
Direct Services	\$ 2,359,271	\$ 639,136	\$ 2,998,407	\$ 77.09	\$ 20.88	\$ 97.98	30,603
Indirect Services	262,261	68,117	330,378	8.57	2.23	10.80	30,603
Overhead Services	407,206	306,965	714,171	13.31	10.03	23.34	30,603
Total Direct Fee Services	\$ 3,028,737	\$ 1,014,219	\$ 4,042,956	\$ 98.97	\$ 33.14	\$ 132.11	30,603

Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Exhibit 10 compares the cost-of-service results from **Exhibit 9** with the revenue generated from building permit fee services. Building permit fee revenue in 2024 is forecast to generate \$1.4 million, resulting in an overall cost recovery rate of 34.9 percent compared to building permit service expenditures.

Exhibit 10. 2024 Cost Recovery for Building Program Area



Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Most revenue from building permits is determined by the value of construction. Periods of relatively strong development and/or major construction projects will result in higher than normal revenue. Conversely, periods of low development will result in lower than normal revenue levels. A single multi-family or commercial construction project will generate substantial permit fee revenue. While major construction projects generate significant permit revenue, they do not occur every year and should not be relied upon as a recurring revenue source to offset the cost of the County's fee services.

Individual Building Permit Services

In addition to the building fee services that are based on construction value, the County also provides building, mechanical, and plumbing permit services at a fixed rate or on an assessed hourly basis. Based on the selected time estimates for each permit service as well as loaded-hourly rates for each employee, the full cost of service select permit services was calculated. The cost of service for each permit was then assigned a policy fee tier with assistance from the County or increased by an amount that fell below the calculated maximum. The result was the final proposed adjustment for the selected individual building permits.

The estimated time and cost of service for many of these permit services are small relative to valuation-based building permit services. As a result, the cost recovery rate when measured as a percentage for these permit services may suggest significant differences between existing fees and cost of service; however, the actual difference in dollars may be relatively minor.

Planning

Planning Program Area-Wide

As shown in **Exhibit 11**, the full cost of planning permit fee services is estimated at \$2.6 million.

Direct services were about 76 percent of the full cost of service, while indirect services were 10 percent of the full cost of service. Program areas overhead costs represented the remaining 14 percent of the full cost of service.

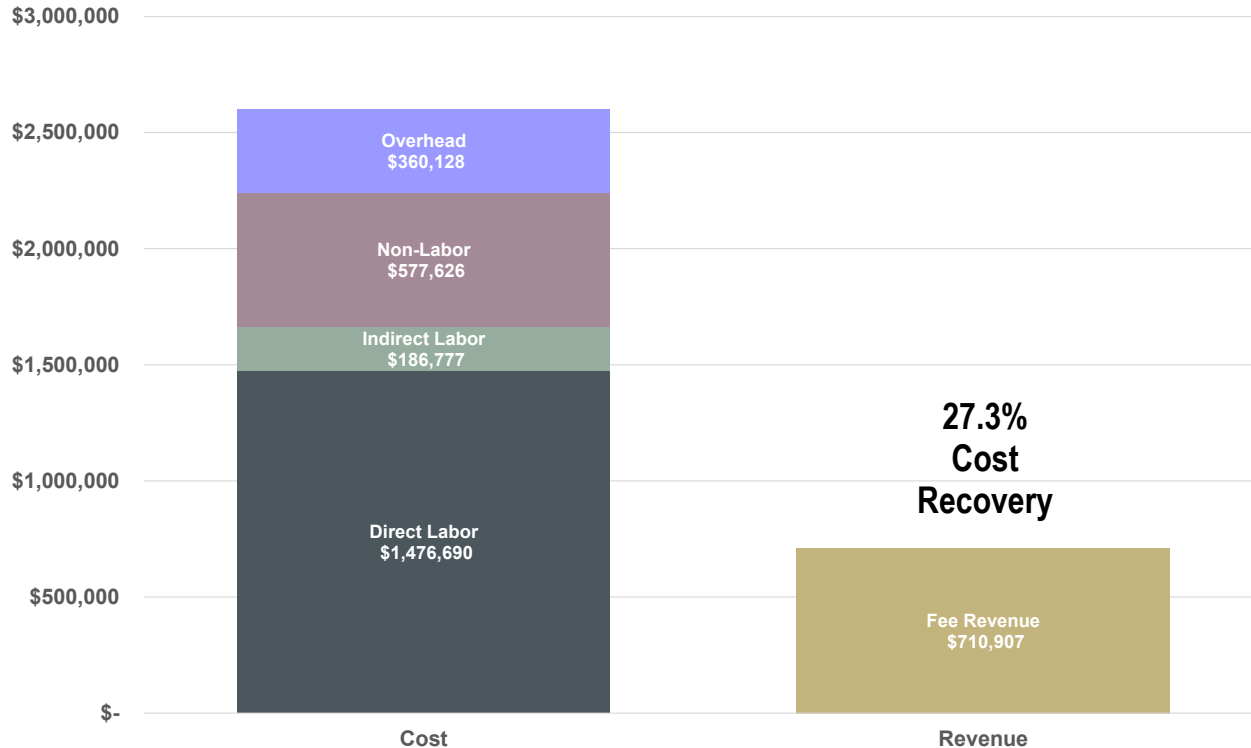
Exhibit 11. 2024 Full Cost of Service for Planning Permit Services

Planning Cost of Service	Full Cost of Service			Rate Components			Direct Hours
	Labor	Non-Labor	Total	Labor	Non-Labor	Total	
Direct Services	\$ 1,476,690	\$ 510,664	\$ 1,987,354	\$ 81.84	\$ 28.30	\$ 110.15	18,043
Indirect Services	186,777	66,962	253,739	10.35	3.71	14.06	18,043
Overhead Services	205,338	154,790	360,128	11.38	8.58	19.96	18,043
Total Direct Fee Services	\$ 1,868,805	\$ 732,416	\$ 2,601,221	\$ 103.58	\$ 40.59	\$ 144.17	18,043

Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Exhibit 12 compares the cost-of-service results from **Exhibit 11** with the revenue generated from permit fee services. Permit fee revenue in 2024 is forecast to generate \$0.7 million, resulting in an overall cost recovery rate of 27.3 percent compared to planning permit service expenditures.

Exhibit 12. 2024 Cost Recovery for Planning Program Area



Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Individual Planning Permit Services

The County provides planning permit services both at a fixed rate or on an assessed hourly basis. Based on the identified time estimates for each permit service as well as loaded-hourly rates for each employee, the full cost of service was calculated. The cost of service for the selected permits was then assigned a policy fee tier with assistance from the County or increased by an amount that fell below the calculated maximum. The result was the final proposed adjustment for the selected individual planning permits.

Sanitation

Sanitation Program Area-Wide

As shown in **Exhibit 13**, the full cost of sanitation permit fee services is estimated at \$0.8 million.

Direct services accounted for approximately 63 percent of the full cost of service, while indirect services accounted for 9 percent of the full cost of service. Program area overhead costs represented the remaining 28 percent of the full cost of service.

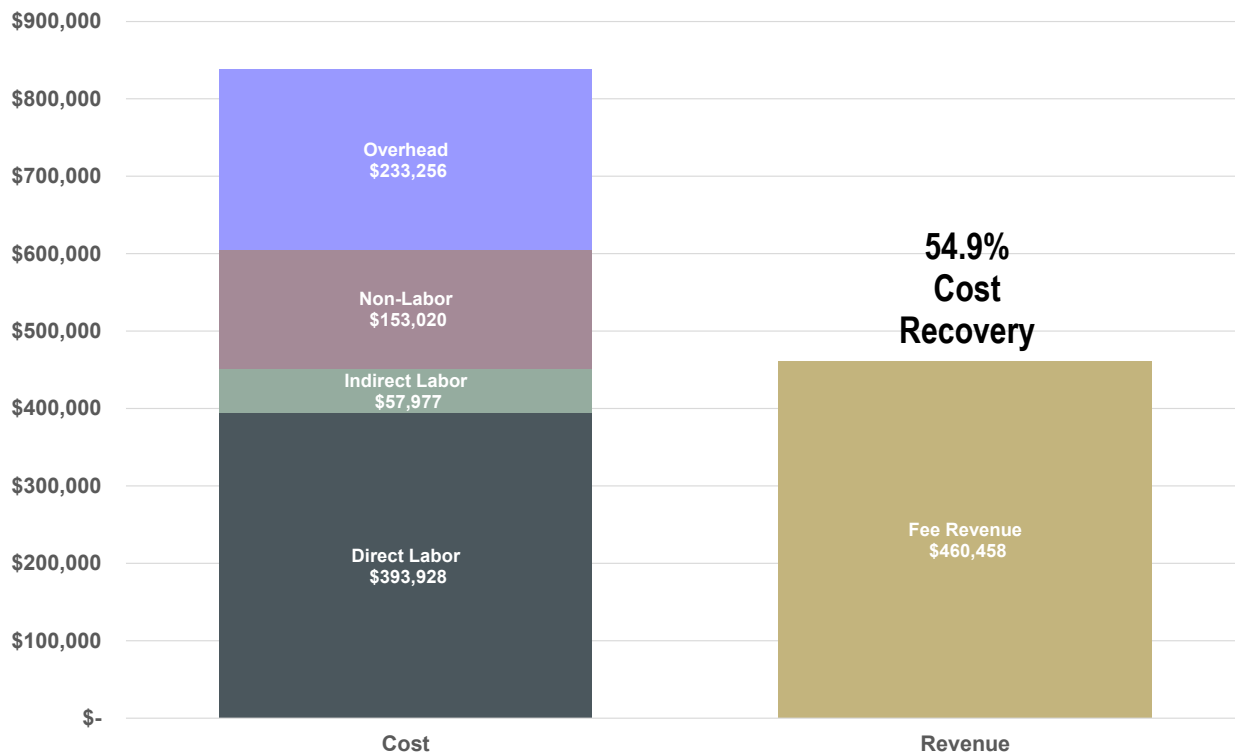
Exhibit 13. 2024 Full Cost of Service for Sanitation Permit Services

Sanitation Cost of Service	Full Cost of Service			Rate Components			Direct Hours
	Labor	Non-Labor	Total	Labor	Non-Labor	Total	
Direct Services	\$ 393,928	\$ 133,787	\$ 527,715	\$ 75.24	\$ 25.55	\$ 100.79	5,236
Indirect Services	57,977	19,232	77,209	11.07	3.67	14.75	5,236
Overhead Services	132,998	100,258	233,256	25.40	19.15	44.55	5,236
Total Direct Fee Services	\$ 584,903	\$ 253,278	\$ 838,181	\$ 111.71	\$ 48.37	\$ 160.09	5,236

Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Exhibit 14 compares the cost-of-service results from **Exhibit 13** with the revenue generated from permit fee services. Permit fee revenue in 2024 is forecast to generate \$0.5 million, resulting in an overall cost recovery rate of 54.9 percent compared to sanitation permit service expenditures.

Exhibit 14. Estimated 2024 Cost Recovery for Sanitation Program Area



Source: FCS Lane County Development Services Fee Model, Cost of Service - 2024

Individual Sanitation Permit Services

The County provides sanitation permit services both at a fixed rate or on an assessed hourly basis. Based on the identified time estimates for each permit service as well as loaded-hourly rates for each employee, the full cost of service was calculated. The cost of service for the selected permits was then assigned a policy fee tier with assistance from the County or increased by an amount that fell below the calculated maximum. The result was the final proposed adjustment for the selected individual sanitation permits.

Cost Recovery Strategies

County and FCS staff reviewed the preliminary results of the study, comparative fees from benchmark communities, and historical permit revenue data to establish calculated fees for select individual development permit services. The purpose of this section is to summarize the calculated fee adjustments.

Guiding Principles for Cost Recovery

The County is seeking to gain knowledge on the current cost recovery of fees to later make an informed decision adjusting fees to recover the full cost of providing development permit-related services through applicant fees.

Due to the cyclical nature of development, permit revenue may exceed the cost of service in a particular year. This net revenue can be used to support permit-related services during low development cycles.

Calculated Cost Recovery Policy

The County establishes fees to sustainably recover the full cost of providing development services. The County's approach to fee setting for individual services are evaluated based on several factors, including:

- The cost of issuing the permit.
- Fees for similar services in comparable cities.
- Ensuring that fees do not discourage applicants from the permitting process.

Fee Survey

A fee survey was conducted for several services in comparable jurisdictions including Clackamas County, Deschutes County, Jackson County, Marion County, and Washington County. Some of the County's permit services do not have "like-for-like" comparisons in other jurisdictions. Comparable cities may also provide similar permit services; however, the fee structure is different from the County's fee structure (e.g., charging a fixed fee versus an hourly rate). As a result, the survey provides a general benchmark to the County's existing fees.

Exhibit 15 details the comparative fee survey for select building and planning fees. These fees were selected based on the most common permits and applications received by the County in 2023.

Exhibit 15. Development Fees Comparative Survey

Planning Fee Comparison	Lane County	Clackamas County	Deschutes County	Jackson County	Marion County	Washington County
Land Use Application - Adjustment	\$719.00	\$1,980.00	\$730.00	\$953.00	\$600.00	\$3,083.00
Annexation	N/A	\$2,700.00	N/A	\$1,069.00	N/A	\$7,950.00
Comprehensive Plan Amendment	N/A	\$3,290.00	\$9,890.00	Actual Cost	N/A	\$1,100.00
Conditional Use	\$4,611.00	\$2,080.00	\$3,620.00	N/A	N/A	\$3,083.00
PUD Concept Development Plan	N/A	Actual Cost	\$5,774.00	N/A	N/A	\$21,579.00
PUD Final Development Plan	N/A	\$3,250.00	\$7,598.00	\$2,577.00	N/A	\$2,028.00
Sign adjustment (variance)	N/A	\$250.00	\$205.00	N/A	N/A	\$186.00
Final Subdivision Plan / Plat	\$2,378.00	\$1,500.00	\$4,217.00	N/A	\$2,710.00	\$2,700.00
Legal Lot Verification / Subdivision	\$2,378.00	\$2,600.00	\$3,356.00	\$2,690.00	\$2,670.00	\$2,700.00
Variance	\$2,378.00	\$2,150.00	\$3,580.00	\$2,284.00	\$1,565.00	N/A

Building Fee Comparison	Lane County	Clackamas County	Deschutes County	Jackson County	Marion County	Washington County
Plumbing Permits						
Plumbing Permits - Tier 1	\$351.00	\$761.00	\$371.25	\$316.19	\$285.00	\$669.75
Plumbing Permits - Tier 2	\$464.00	\$864.00	\$477.25	\$372.00	\$363.00	\$860.00
Plumbing Permits - Tier 3	\$565.00	\$956.00	\$530.50	\$446.38	\$441.00	\$1,046.75
Plumbing fixtures permits	\$21.00	\$31.00	\$29.50	\$18.63	\$17.50	\$30.75
Electrical Permits						
SFR electrical permit - Tier 1	\$197.00	\$270.00	\$304.50	\$132.50	\$139.75	\$301.50
SFR electrical permit - Tier 2	\$36.00	\$55.00	\$51.75	\$23.75	\$26.00	\$84.00
Pump or irrigation circuit	\$101.00	\$109.00	\$141.75	\$78.75	\$67.25	\$195.00
Sign or Outline Lighting	\$98.00	\$109.00	\$141.75	\$78.75	\$67.25	\$195.00
Signal circuit(s) or limited-energy panel, alteration, or extension	\$98.00	\$109.00	\$141.75	\$78.75	\$67.25	\$195.00
Limited energy (residential)	\$60.00	\$109.00	\$69.50	\$31.25	\$67.25	\$195.00
Services or feeders permits, temp services or feeders permits	\$715.00	\$882.00	\$1,043.00	\$586.25	\$491.50	\$1,162.50
Branch Circuits (new, alteration, or extension, per panel)	\$10.00	\$12.00	\$13.50	\$5.00	\$5.50	\$17.25
Mechanical Permits						
Heating/Cooling	\$49.00	\$24.75	\$21.75	\$12.80	\$20.75	\$17.00
Fuel Appliances	\$49.00	\$18.75	\$30.75	\$7.30	\$20.75	\$17.00
Environmental Exhaust and ventilation	\$49.00	\$12.50	\$16.25	\$7.30	\$10.25	\$17.00
Fuel piping	\$21.00	\$8.25	\$8.25	\$5.50	\$20.75	\$17.00
Mechanical Permit - Residential (Min)	\$102.00	\$80.00	\$87.75	\$79.80	\$67.25	\$195.00
Other Building Permits						
Inspections outside of normal business hours	N/A	\$160.00	\$126.00	\$178.78	\$95.00	\$145.50
Fire Life & Safety Plan Review	40% of building permit fee	40% of building permit fee	40% of building permit fee	40% of building permit fee	40% of building permit fee	40% of Permit Fee
Temporary Certificate of Occupancy Fee	\$156.00	\$250.00	\$161.25	N/A	\$50.00	\$267.50

LAND MANAGEMENT DIVISION PROPOSED FEE SCHEDULE UPDATES

MARCH 11, 2025

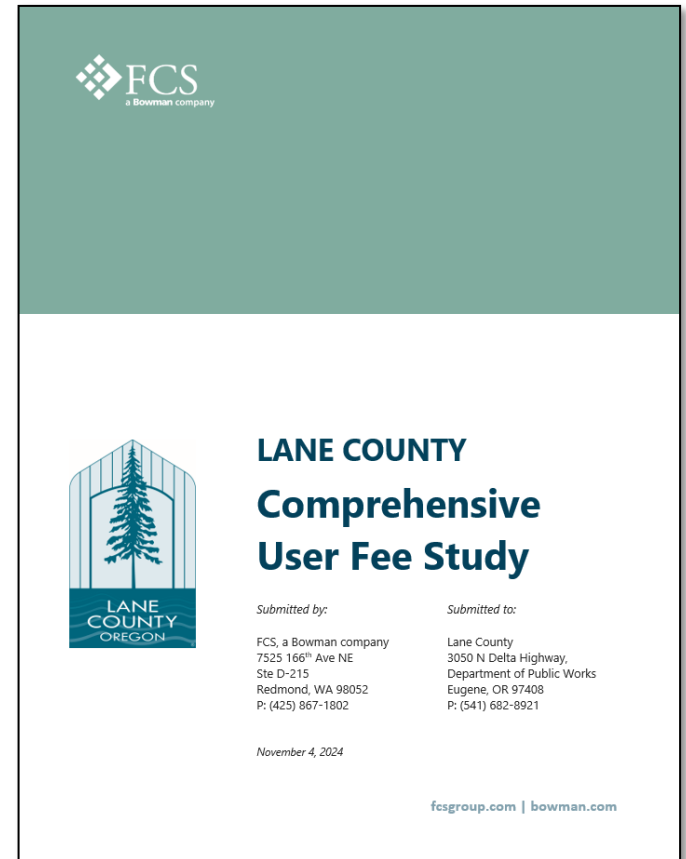


BACKGROUND

LMD operates on an enterprise fund model. Eligible permitting services are intended to be 100% fee supported.

In reality, LMD's services have never been fully fee supported and are subsidized through different sources such as Video Lottery, but not the General Fund

LMD's last user fee study was completed in 2015, which found the division was only recuperating about 65% of overall cost



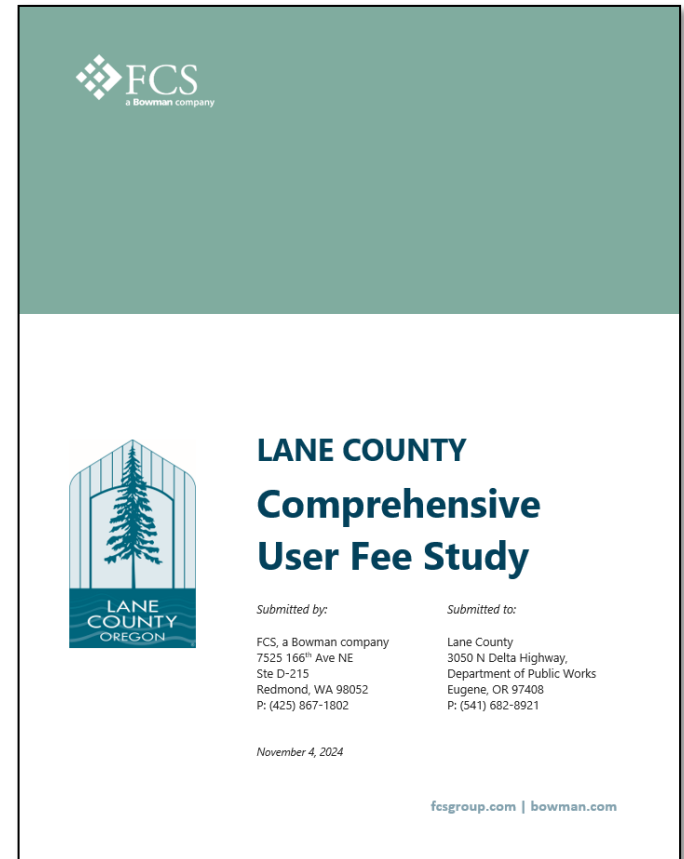
BACKGROUND

The periodic small (CPI-based) adjustments have occurred since the 2015 study, but these adjustments have not kept pace with growing expenses.

LMD faces a structural deficit of approximately \$1,350,000.

In 2023, LMD contracted with FCS group to conduct a new comprehensive user fee study

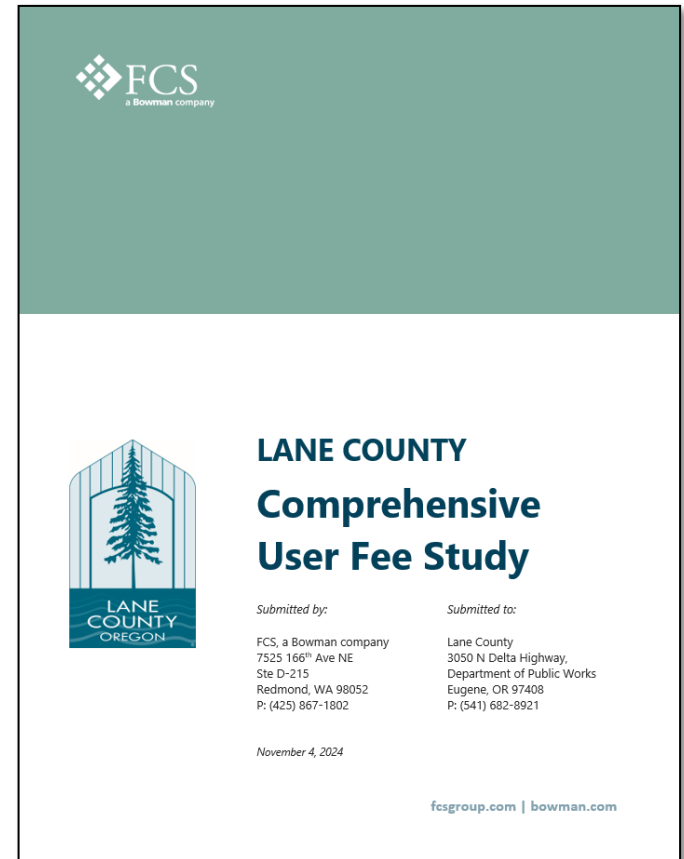
The current study shows that LMD's cost recovery rate has dropped to 35%



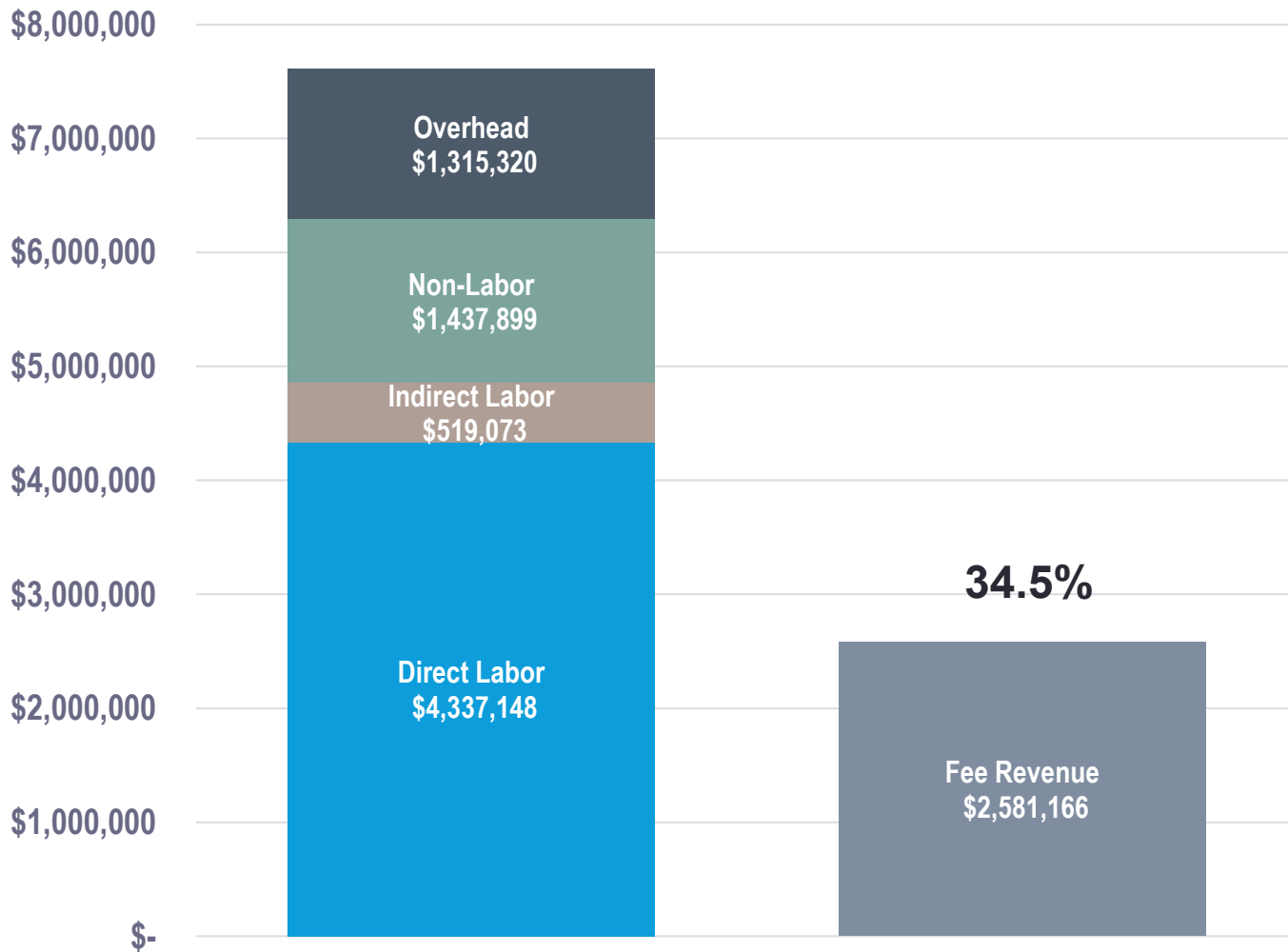
BACKGROUND

To purpose of the study was to determine:

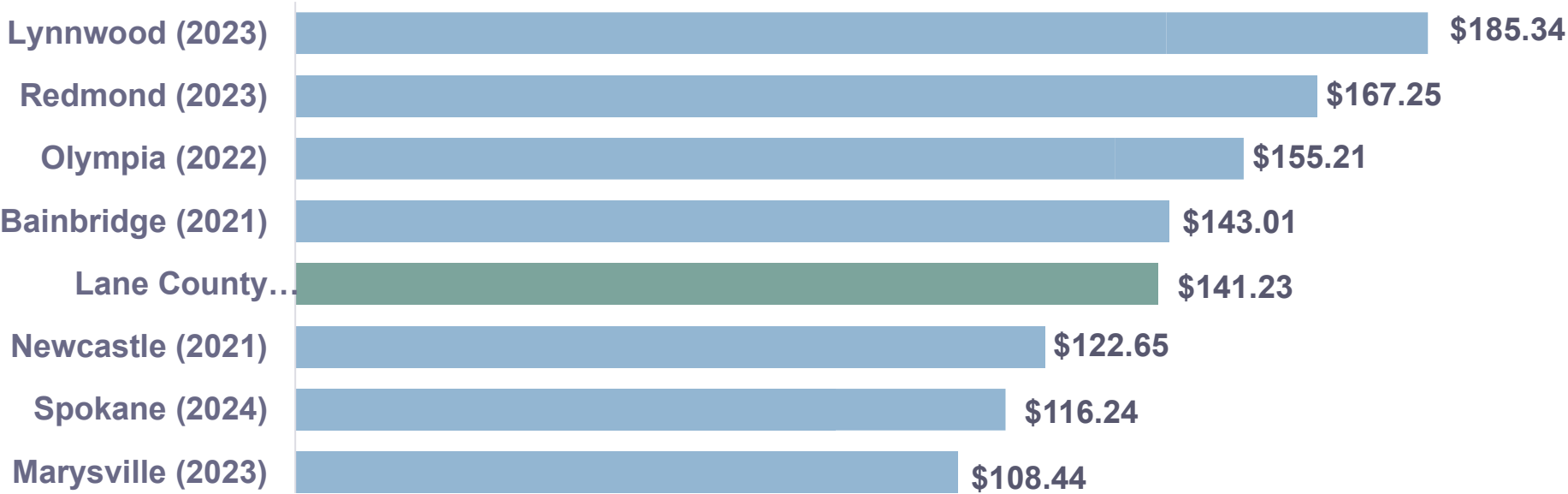
- What percentage of LMD costs are currently recovered through fees?
- What percentage of additional costs can legally be recovered?
- How do the County's current rates compare to other jurisdictions?



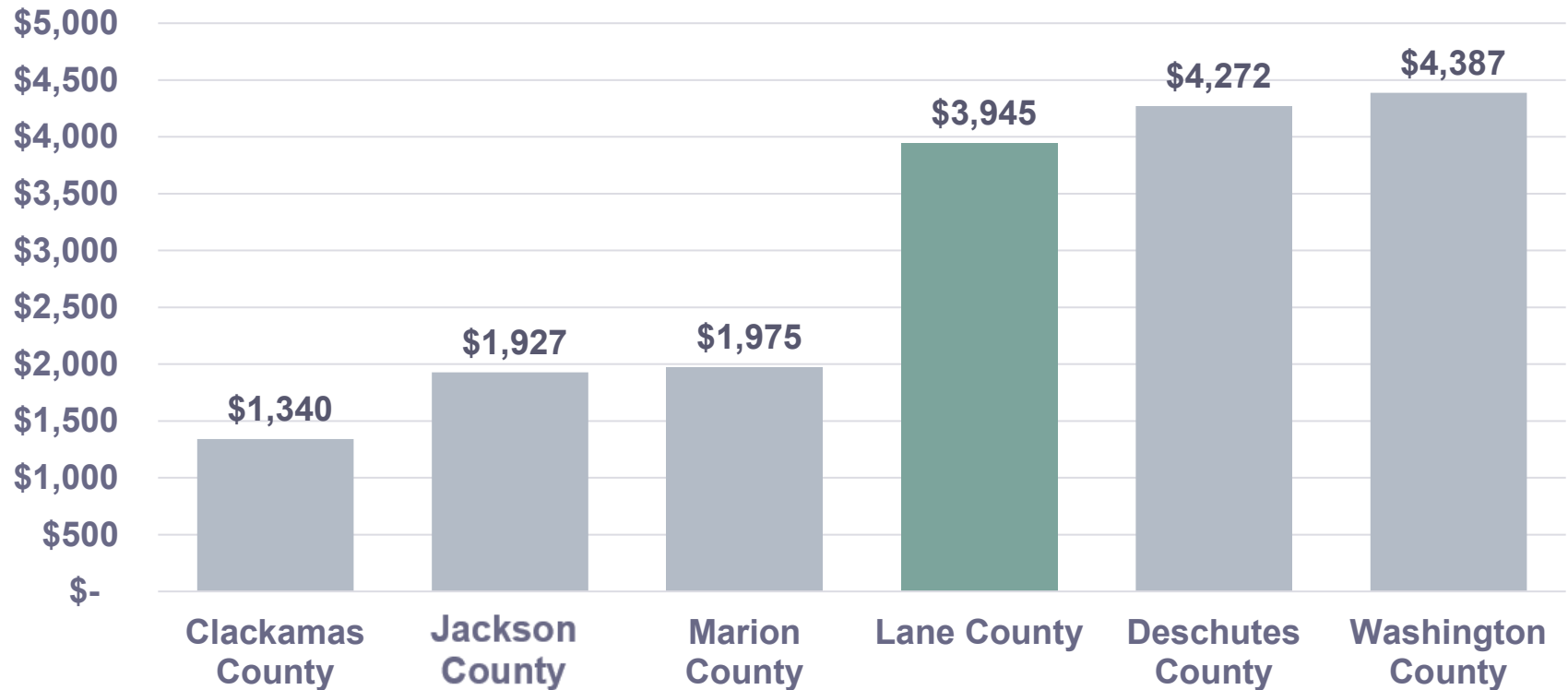
FEE SERVICES – COST RECOVERY



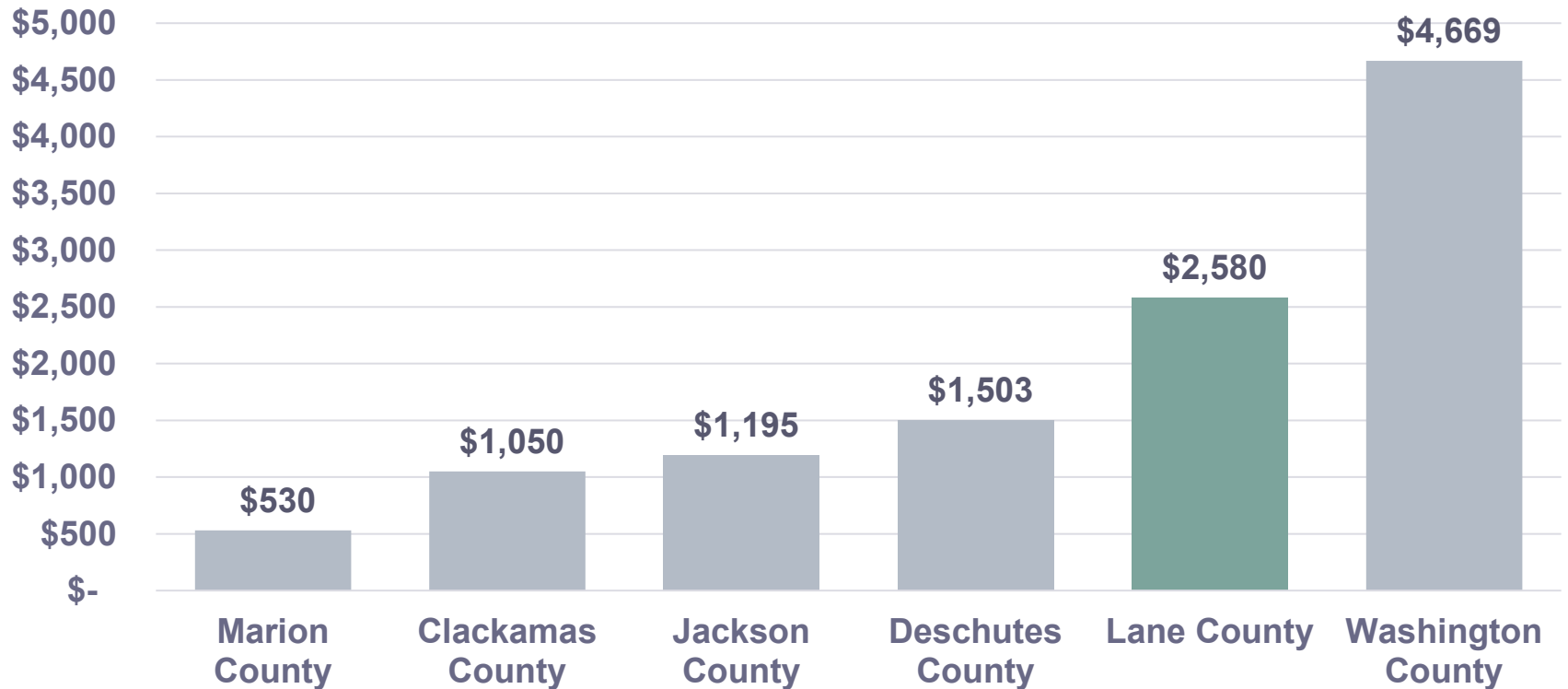
HOURLY RATE COMPARISON



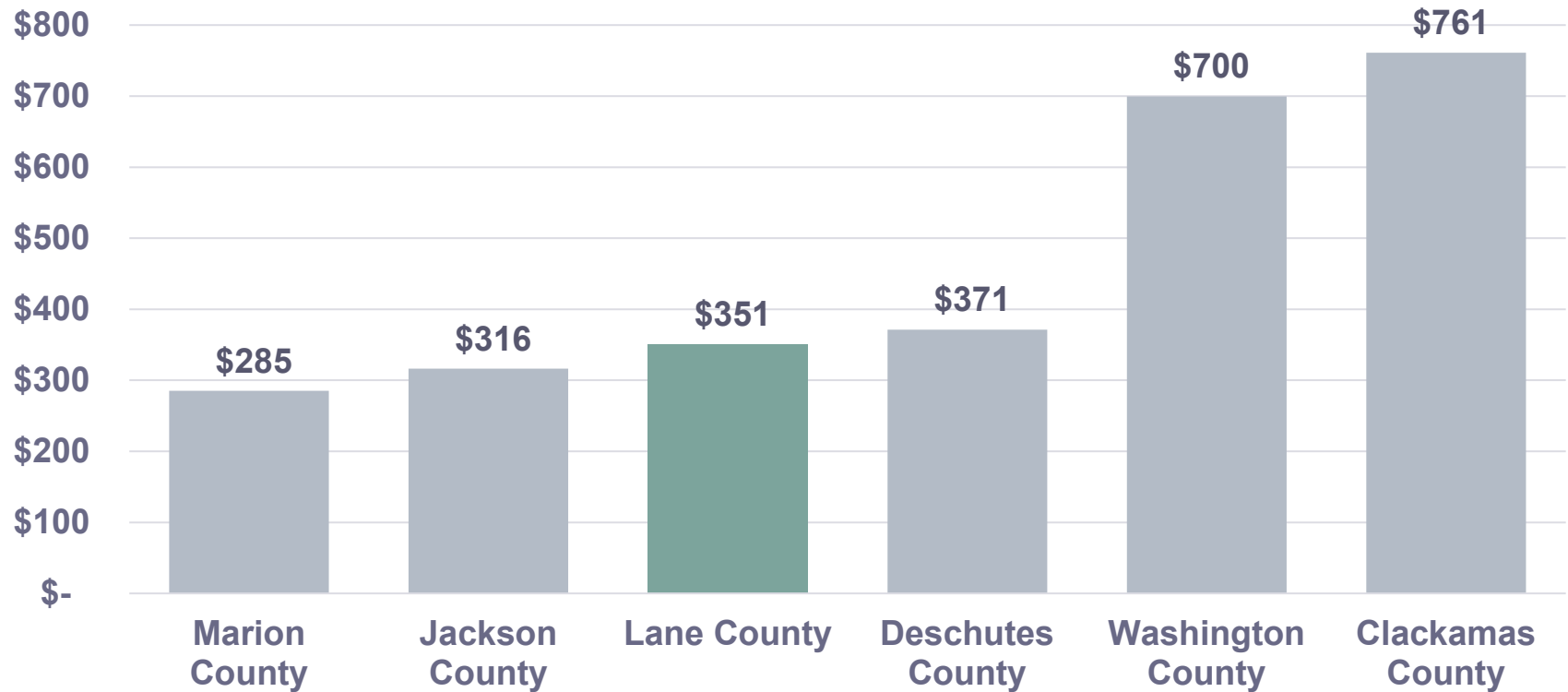
FEE SURVEY: TEMPLATE DWELLING



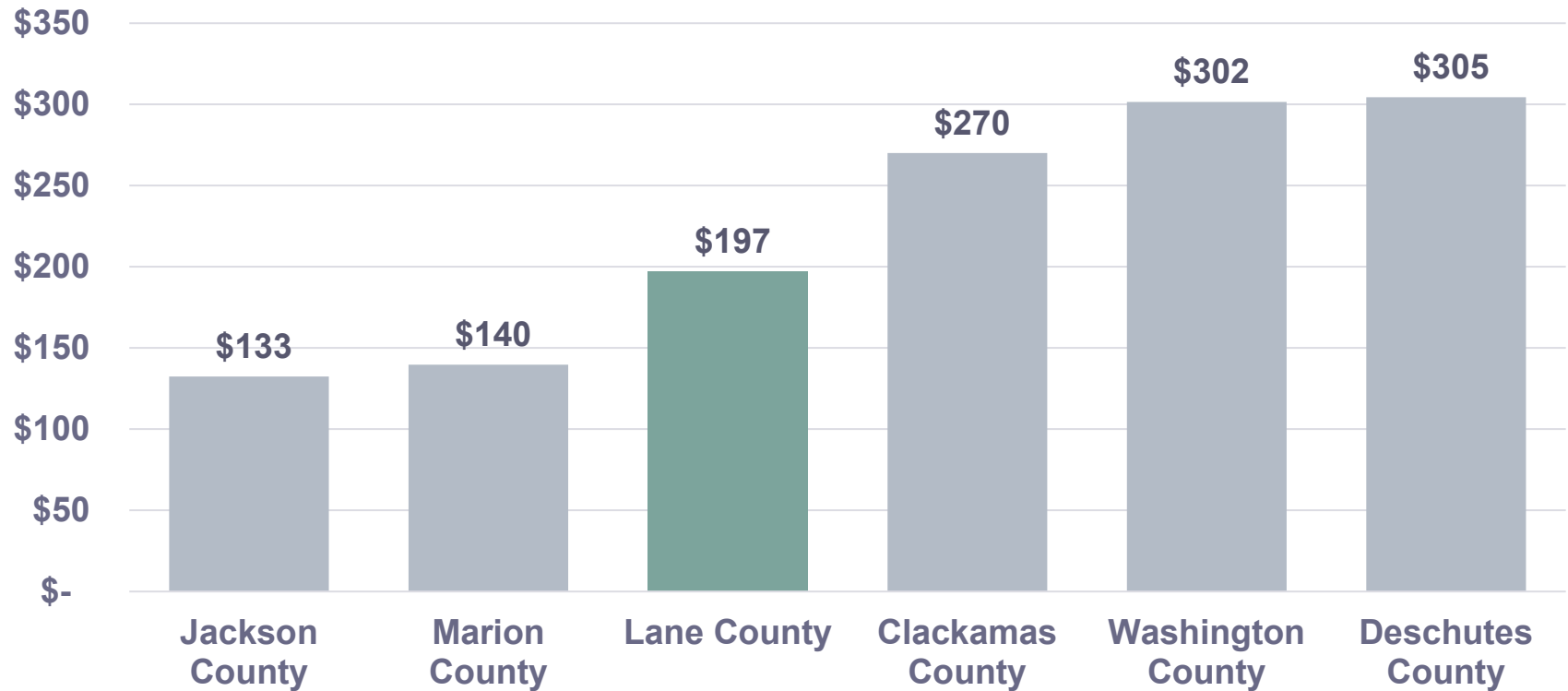
FEE SURVEY: TYPE II PROPERTY LINE ADJUSTMENT



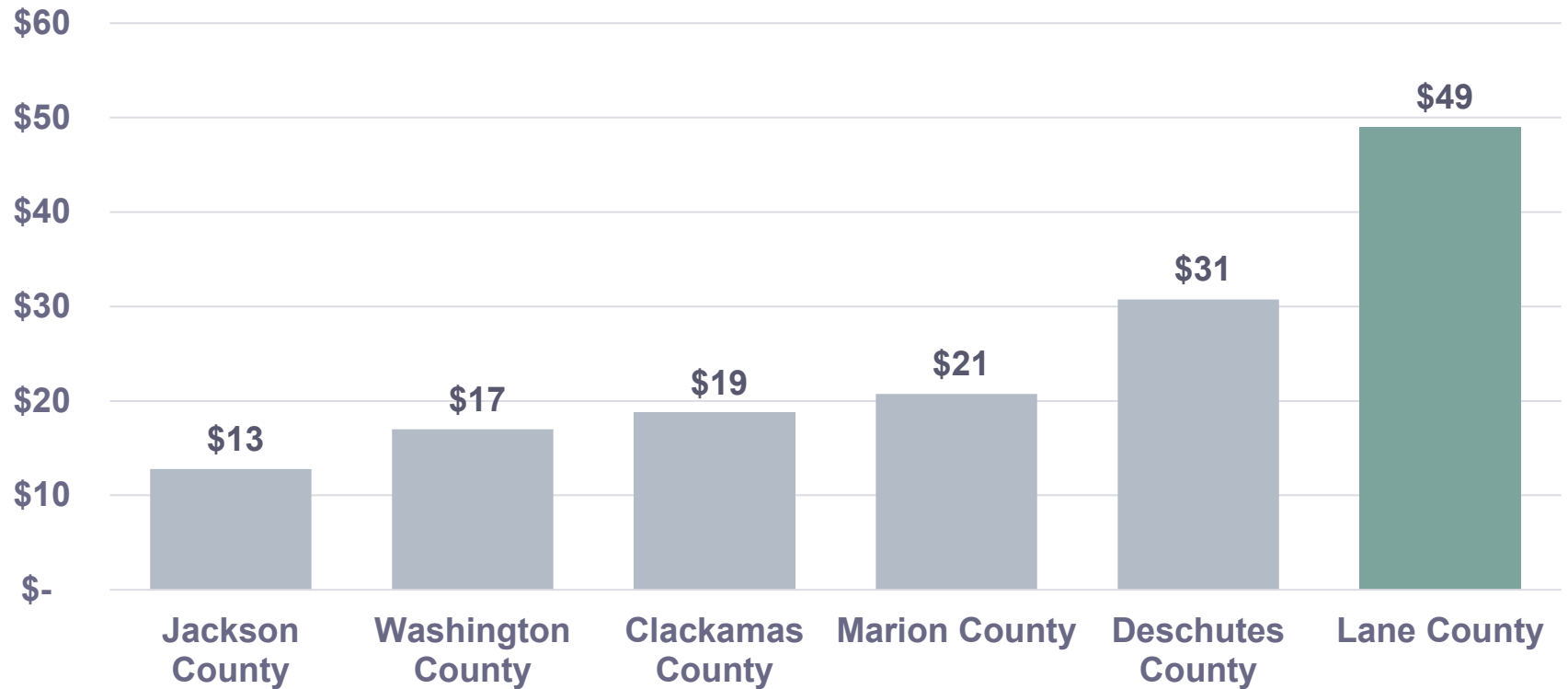
FEE SURVEY: PLUMBING PERMIT



FEE SURVEY: ELECTRICAL PERMIT



FEE SURVEY: MECHANICAL PERMIT



PROPOSED LEVELS OF INCREASE

Permit Type	Current Fees	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Structural	\$6,998	\$7,390	\$8,048	\$8,573	\$8,748
Electrical / Mechanical	\$1,076	\$1,136	\$1,237	\$1,318	\$1,345
On Site Sanitation	\$1,201	\$1,268	\$1,381	\$1,512	\$1,501
Permit Costs	\$9,275	\$9,794	\$10,665	\$11,402	\$11,594
Total Increase	-	\$519	\$1,391	\$2,127	\$2,319


5.6%
 Increase
(CPI)


15.0%
 Increase


22.5%
 Increase


25.0%
 Increase

RECCOMENDATION

On December 19, 2024, the Lane County Finance and Audit Committee unanimously recommended that the Board adopt Scenario 3 (22.5% Base Fee Adjustment)

This increase would correct LMD's structural deficit and enable the Division to maintain and continue to enhance customer service standards to the level that the Board and the public expect without further drawing down the Division's reserves.

ADDITIONAL FEE SCHEDULE ADJUSTMENTS

- Reduce the reconsideration of an application fee from \$4,481 to \$3,933/1700
- Set a building permit extension fee of \$45; and
- Clarify that the \$500 the Code Enforcement Special Investigation Fee applies to investigations of all code infractions, not just building permit violations, and increase this fee by \$110.

NEXT STEPS

- Deliberate on Order No. 25-03-11-08/ In the Matter of Amending the Land Management Division's Fee Schedule to Adjust Planning, Stormwater, Onsite Sanitation and Code Enforcement Program Fees.
- Hold the Second Reading and Public Hearing on Ordinance No. 25-04/ In the Matter of Amending the Land Management Division's Building Program Fee Schedule.
- If approved, adjusted fees will take effect July 1, 2025

QUESTIONS

