

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: April 19, 2011 Time: 10:00 AM Length: 30 minutes

Presentation Title: Engineering and Land Use and Zoning Proposed Fee Changes

Department: Transportation & Development (DTD)

Presenter: Cam Gilmour and Barbara Cartmill

POLICY QUESTION

Should fees charged for various land use and engineering services be adjusted to the next annual step toward a goal of achieving 80 percent cost recovery in permit issuance costs in the Land Use & Zoning and Engineering Divisions?

Should the Department's price index (DPI) that adjusts fee amounts to account for price inflation be used again this year? In the last two years, this adjustment has helped keep fee revenue closer to costs internal to the department (payroll costs, overhead and allocated charges).

ISSUE & BACKGROUND

For fiscal year 2011-12, Engineering and Land Use & Zoning are requesting fee changes and/or increases and proposing some new fees for services:

- Engineering permits related to development historically have recovered approximately 40 percent of permit issuance costs. Five years ago the Board of Commissioners approved a goal that 80 percent of permit issuance costs should be covered by the fee charged.

The attached recommended fee increases, will move us closer toward recovering a greater percentage of the permit issuance costs, but with the added dynamic of lower application numbers, well below 80 percent of actual costs.

- Proposed fee adjustments in Land Use & Zoning will maintain current cost recovery percentage of 45 – 50 percent.

Beginning in August, 2010, the Development Services Division implemented a job costing system that tracks all tasks performed by staff. They are in the process of compiling the costs to date toward determining what the actual costs are for service delivery. Once those costs are determined, they will be brought to the Board for discussion relating to the level of cost recovery to be targeted for each service.

Engineering -- Engineering permit activity has fallen far behind projected levels. As development activity increases, the proposed fee increases will help Engineering continue to close the gap between the costs of processing and issuing permits and the revenue those permits generate. The attached fee schedule provides a list of current fees and the proposed increases. Fee increases for development-related permits range from \$20 to \$163, with higher fee increases for road vacations. With the proposed increases, the cost recovery is in the range of 15 percent. This increase will offset some of the costs until the job costing results are completed.

Land Use & Zoning -- Revenues used to fund land use permitting activities are derived from two sources, the General Fund and fees charged to people applying for land use permits. The percentage of cost recovery for individual applications varies by type and complexity, and ranges from 30-60 percent. Overall, application fees cover approximately 45 – 50 percent of the cost of processing all land use applications.

The attached fee schedule identifies the proposed fee increases needed to maintain a 55 percent cost recovery for land use applications. The schedule generally includes a 5 percent (DPI) increase, which will result in fee increases ranging from \$10 to \$100 for most applications. Higher fee increases are proposed for more complex applications including Comprehensive Plan amendments, applications involving mining proposals and groundwater hydrologic peer reviews.

Additional cost recovery is also proposed in the form of new fees for a variety of services the Division performs. This includes nominal fees ranging from \$50 to \$100 for Land Use Compatibility Statements, Department of Motor Vehicle Certificates, grading permits, agricultural and accessory buildings and replacement dwellings. Fees are also proposed for specialty services including \$3,500 for a mass gathering permit, \$10,000 for urban growth boundary / urban reserve amendments and \$200 for non-required pre-application conferences.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Should the BCC accept and implement all of the proposed scheduled fee increases and new fees?

OPTIONS AVAILABLE

1. Approve all of the proposed fees and amend the fee schedule as proposed for the Department of Transportation & Development.
2. Approve and amend the Fee Schedule with changes as directed by the Board.
3. Maintain our current fee schedule.

RECOMMENDATIONS

Staff recommends approval of the proposed fee increases and new fees.

SCHEDULE FOR STUDY SESSION

Division Director/Head Approval _____

Department Director/Head Approval *Law Wilson*

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Danielle Couch @ 503-742-4697