

Community Development

Building and Land Use Review
Cost of Service and Fee Review

Board of County Councilors Workshop

March 16, 2016



Agenda

- Review Objectives & Assumptions
- Overall Cost Recovery
- Permit Fee Comparisons
- Stakeholder Feedback
- Permit Fee/Policy Proposals



Objectives & Assumptions

Review Objectives

- Determine whether Building and Land Use Review permit fees are sufficient to cover the County's cost of processing the permits
- Identify how Clark County's Building and Land Use Review fees compare to the fees in other local jurisdictions
- Identify any needed adjustments to permit fees based on cost recovery analysis and comparisons



Objectives & Assumptions

Current Cost Recovery Framework

- RCW 82.02.020: Allows reasonable fees from an applicant to cover the cost of processing applications, inspecting and reviewing plans
- CCC 6.100.020
 - ...adopt application and services fees at the level necessary to cover the costs of conducting the review or providing the service.
 - General Fund support for key activities will be identified where necessary.



Objectives & Assumptions

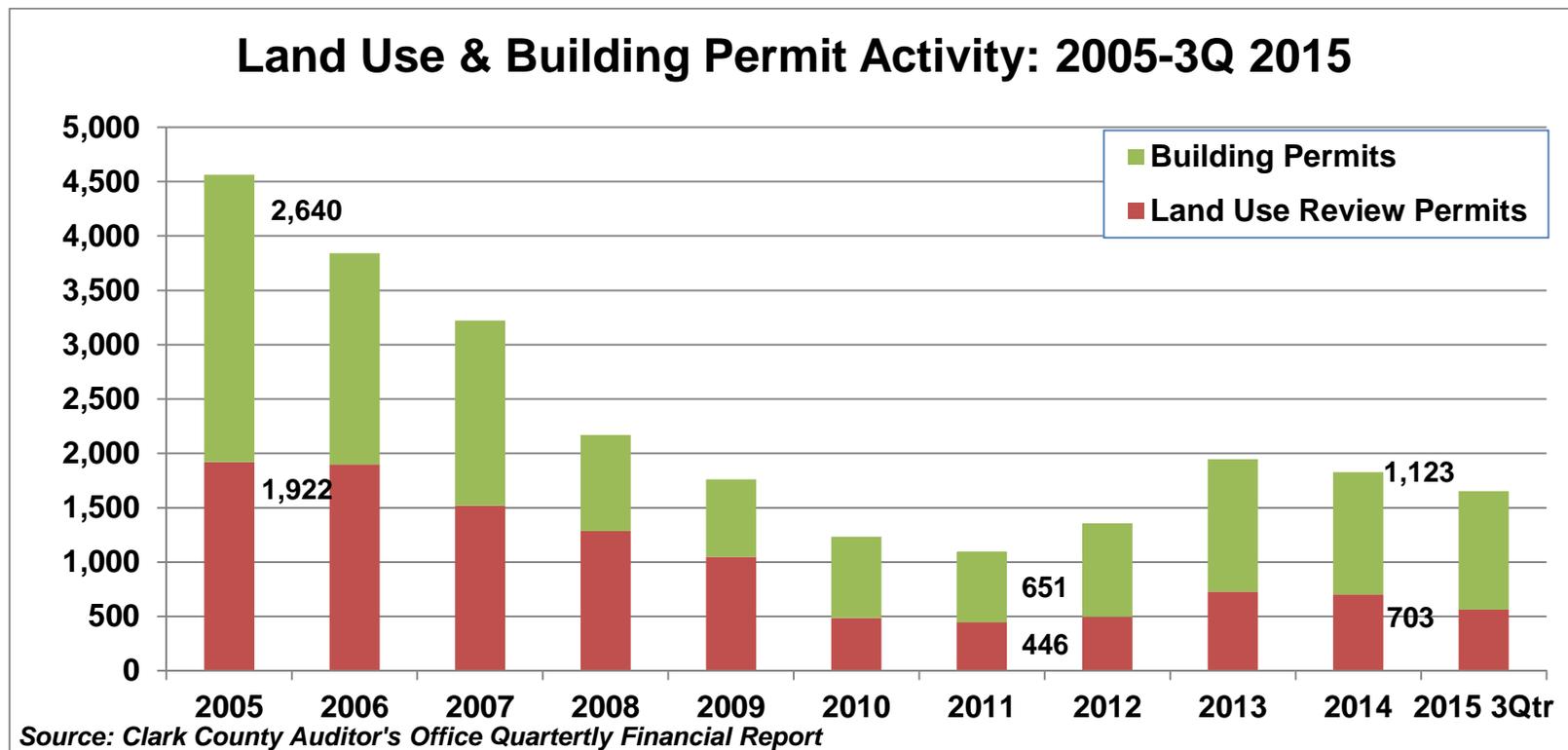
Key Assumptions

- Revenue is based on adopted permit fees and actual transactions
- Revenue excludes General Fund support for Land Use Review
- Expenses include direct operating expenses, allocated administration and permit center costs – excludes new system expense
- “2015 Adj”: Full year of new 2015 positions



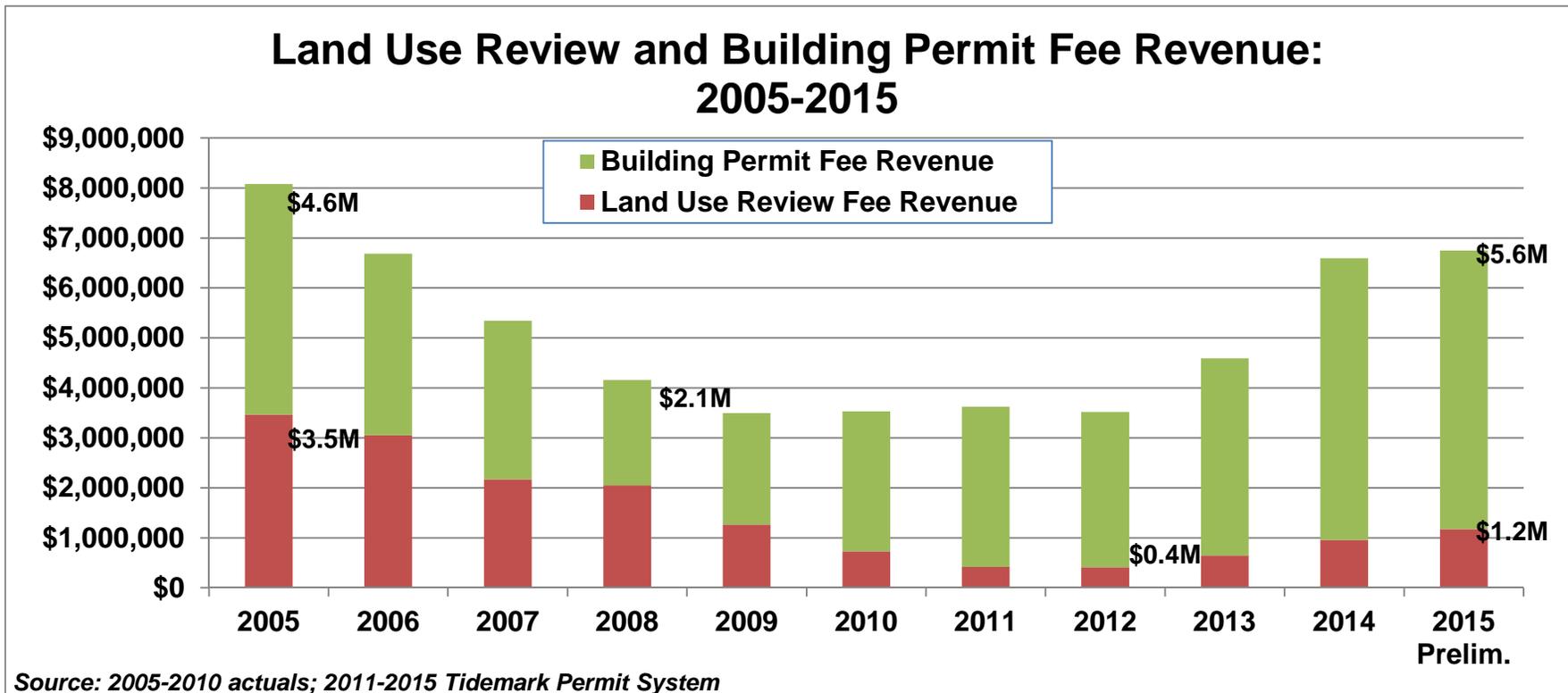
Overall Cost Recovery

Context – Number of Permits



Overall Cost Recovery

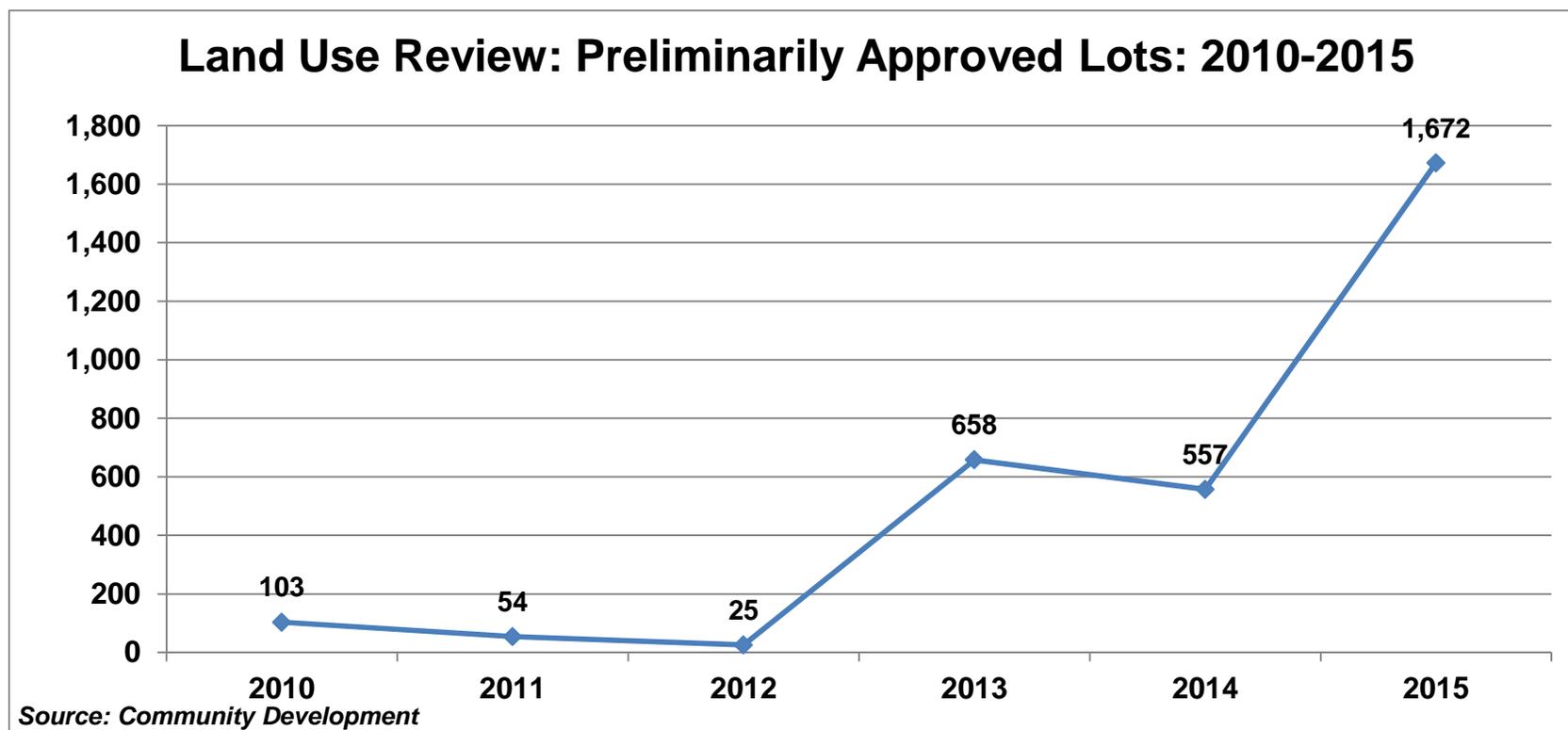
Context – Permit Fees





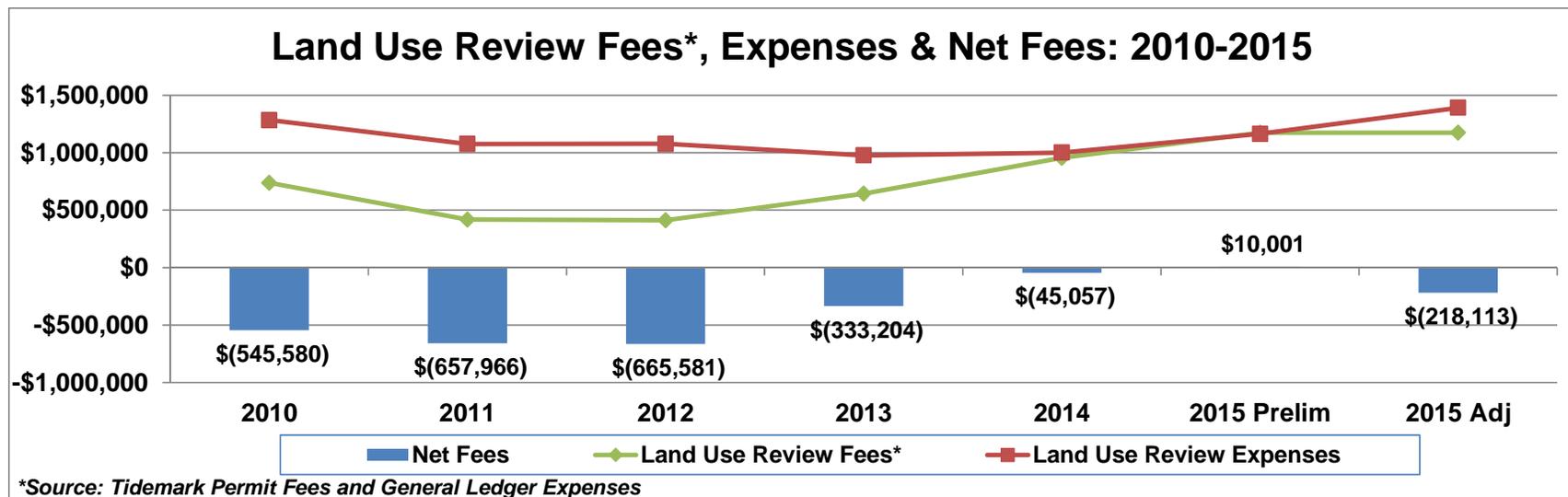
Overall Cost Recovery

Context – Approved Lots



Overall Cost Recovery

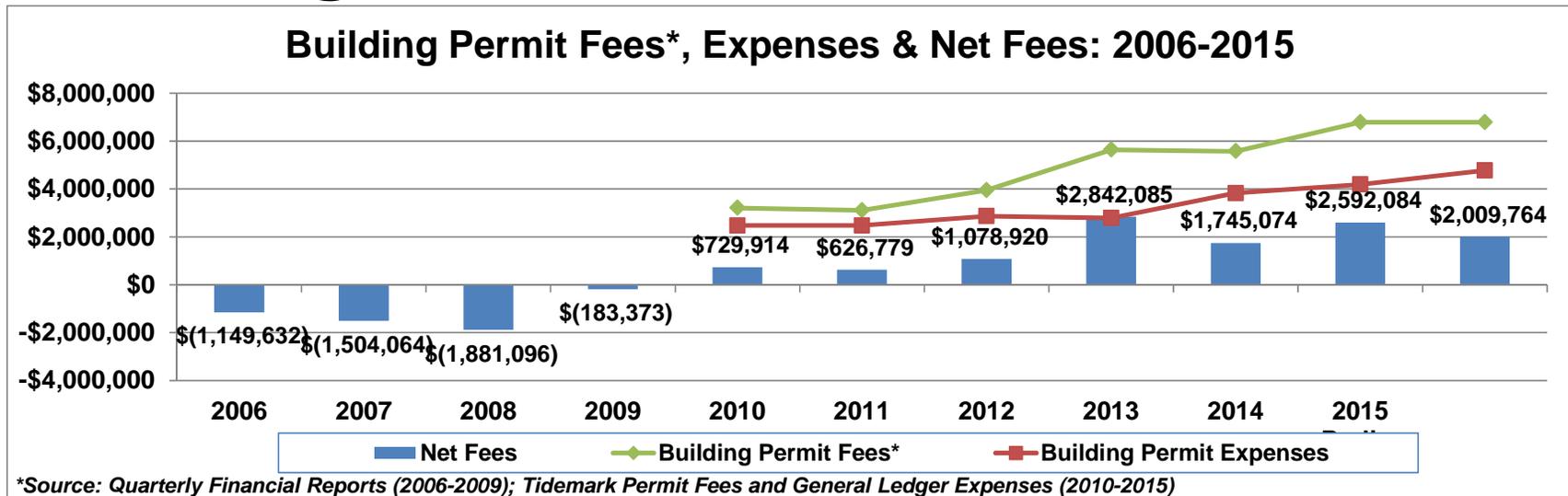
Land Use Review



- Land Use Review expenses exceeded total fees until 2015
- 2015 Adjusted cost recovery percentage ~84%

Overall Cost Recovery

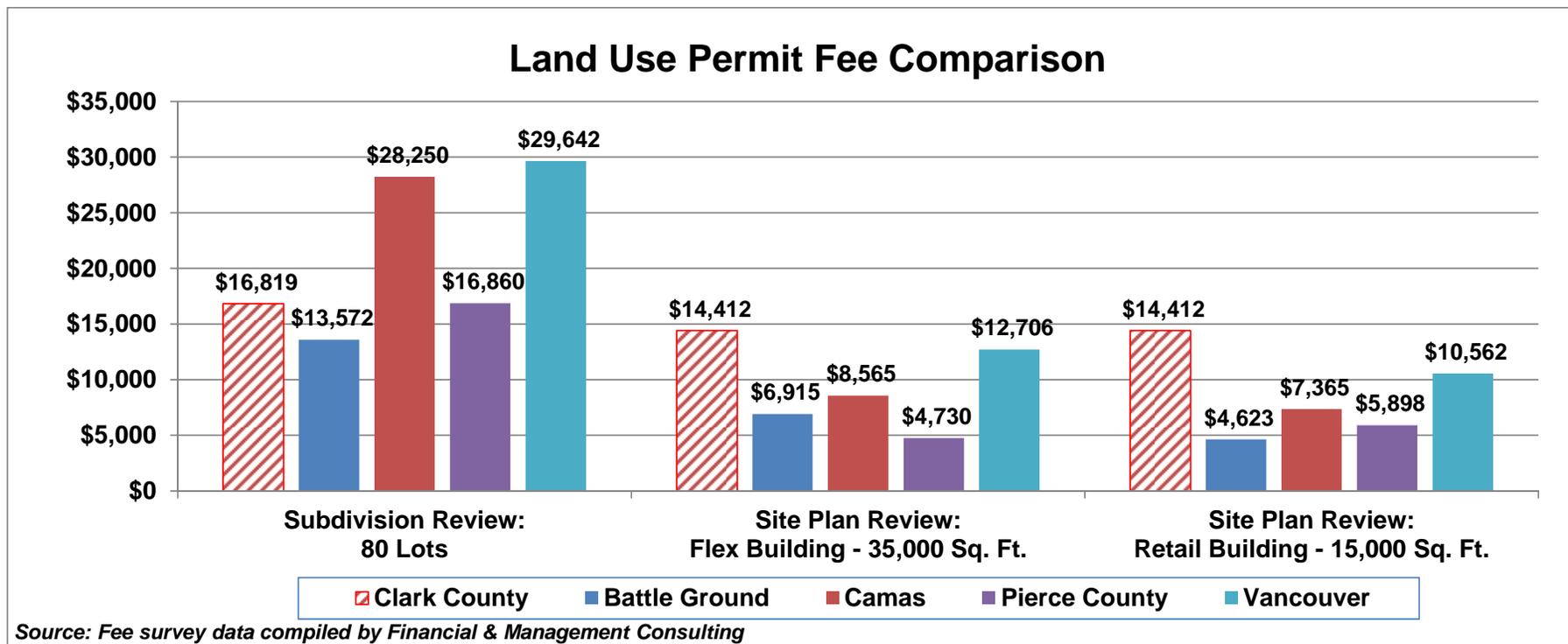
Building Division



- Building Permit fees exceeded expenses in recent years but expenses exceeded fees from 2006-2009
- 2015 Adjusted cost recovery ~142%

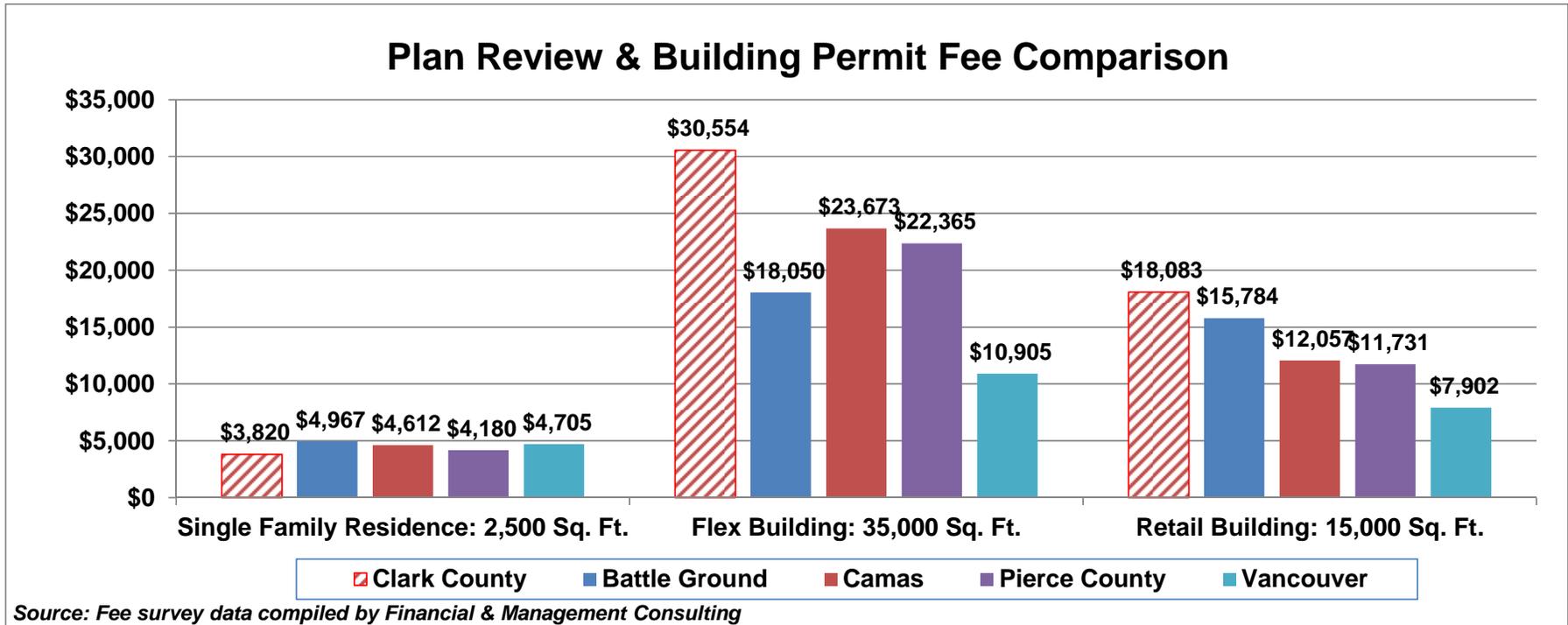
Permit Fee Comparison

Land Use Review Permit Fee



Permit Fee Comparison

Plan Review & Building Permit Fee





Permit Fee Comparison

Other Fee Survey Observations

- Building permit fees are not high when compared to Portland Metro area cities
- Pre-Application fee & SEPA fee appear high
- Subdivision Land Use review fee appears low
- Commercial building permit fee is high and valuation table is different than residential valuation table – which is not typical
- Land Use fee table is longer/more complex



Stakeholder Feedback

Perspective on Fees v. Service Levels

- Appreciate the efforts to improve customer service and processing times: Ex: Streamlined SFR permits
- General belief that County staff supports applicants
- Most indicated time savings and predictable review process/times are more important than lower fees
- Fees for some smaller projects can exceed the cost of the permitted work or can make land use action not economical – look at revising process &/or fees
- Clark County development permit fees seem high in comparison to other jurisdictions



Permit Fee/Policy Proposals

Summary Observations

- Building Permit fees (if all paid) have recently exceeded expenses with the increase in activity
- Land Use Review fee revenues have generally been less than expenses – which is expected/appropriate
- Commercial building permit fees are higher than other cities; residential building permit fees are lower
- Some Land Use Review fees are higher and some lower than those in comparable cities
- Land Use Review Fee table is longer/more complex



Permit Fee/Policy Proposals

Land Use Review Fees

- BoCC, Budget, CD & Finance to establish a consistent approach for General Fund support
- At Adjusted 2015 cost recovery of 84% no general adjustment to Land Use Review fees is required
- Targeted adjustments to be considered
 - Lower pre-application & SEPA fees
 - Increase to subdivision/PUD fees
 - Simplify building and land use fee tables
- Adjust staffing levels to meet review times with increased application volume



Permit Fee/Policy Proposals

Building Permit Fees

- Fees should recover +/-105% of expenses to build up reserves for system/equipment replacement
- Consider a consolidated building permit fee valuation table; lower fees on commercial permits
- Consider implementing a maximum building permit fee or maximum building valuation
- CD, Budget & Finance to establish appropriate cash reserve levels (business cycle; system replacement)
- Adjust staff to respond to workload and review times



Permit Fee/Policy Proposals

Permit Center Fees

- Consider lowering the applicant paid issuance fee and charging County departments a transaction fee for the balance of Permit Center costs
- Adjust staffing to keep application appointment wait times at a maximum of two weeks and walk in wait times reasonable
- Continue to look at ways to have Permit Technicians issue more permits



Permit Fee/Policy Proposals

Other

- Monitor cost recovery and fund balance annually vs. framework and targets
- Monitor fee levels relative to other jurisdictions
- Empower planners to be an applicant's internal project manager for site plan review and subdivisions; actively monitor and manage review times



Permit Fee/Policy Proposals

Summary

- Selected Land Use Review fee adjustments
- Lower commercial Building Permit fees
- Establish framework for General Fund support and Building fund reserves
- Monitor cost recovery and reserves annually
- Adjust staffing to maintain service levels
- Adjust fees as needed to cover expenses and fund needed reserves



Next Steps

- Briefing/feedback from DEAB in April
- Staff to fully develop proposed fee adjustments based on Council and DEAB feedback
- Return to Council in April/May with fee ordinance and specific fee changes
- Include fee changes in new permit system implementation



Questions/Discussion

- Questions/discussion
 - Cost recovery analysis & fee comparisons
 - Proposed approach to fee adjustments
 - Reserve targets
- Acknowledgements

Thank you!