



Oregon

Theodore R. Kulongoski, Governor

Department of Consumer and Business Services

Building Codes Division
1535 Edgewater Street NW
PO Box 14470
Salem, OR 97309-0404
(503) 378-4133
FAX (503) 378-2322
<http://bcd.oregon.gov>

August 18, 2010

To: INTERESTED PARTIES

**From: CHRIS HUNTINGTON, MANAGER
POLICY AND TECHNICAL SERVICES**

Subject: CITY OF EUGENE PROPOSED FEE ADOPTION

The State Building Codes Division (division) has received the enclosed notice of intent to adopt building inspection program fees from the above listed municipality. Pursuant to Oregon Administrative Rule 918-020-0220, municipalities seeking to adopt fees are required to provide the following summary information 45 days prior to the proposed adoptive date.

- (A) The affected specialty code or program areas;
- (B) A description of the proposed building inspection program fees including the approximate percentage change when applicable;
- (C) The proposed effective date;
- (D) The date of the last fee increase in the specialty code or program area if applicable;
- (E) The anticipated date, time and location of the local municipal hearing scheduled pursuant to Oregon Revised Statute (ORS) 294.160;
- (F) The name, phone number, and title of a contact person; and
- (G) A narrative explaining the purpose of the proposed fee adoption.

The division is required to notify interested parties after receiving a notice of intent to adopt building inspection program fees from a municipality. Enclosed is the information the municipality provided to the division pursuant to the above administrative rule requirements.

If you have concerns about this proposed fee change, you may contact the municipality directly by contacting Shelly Warren at (541) 682-5513. The local municipal comment period will be posted during the first week of September. If you still have unresolved concerns, you may, pursuant to ORS 455.210(3) and 479.845, appeal this fee adoption by sending a written request to the division within 60 days of the municipality's letter of notice to the division.

cc: CITY OF EUGENE



August 17, 2010

Trevor Johnson
Oregon Building Codes Division
P.O. Box 14470
Salem, OR 97309

City of Eugene
99 West 10th Avenue
Eugene, Oregon 97401
(541) 682-5086
(541) 682-6806 Fax
www.eugene-or.gov

Dear Trevor;

SUBJECT: Notification of Proposed Fee Increases

The Building and Permit Services Division of the City of Eugene Planning and Development Department proposes a fee increase for services provided under the structural, mechanical, plumbing and electrical codes, to be effective no later than October 18, 2010. Eugene fee adjustments are adopted through administrative order and after a 30 day public comment period, scheduled for posting the first week in September.

In addition to providing inspection, plan review, and permit issuance services inside Eugene's city limits, the division also serves the Eugene portion of the Urban Growth Boundary (UGB) as described in the Eugene-Springfield Metropolitan Area General Plan; this fee proposal also applies to the UGB area.

Eugene typically looks at a three-year cycle for fees to streamline efforts and create stability for customers. Under that model, year one normally over-recovers costs, year two comes close to breaking even, and year three runs at a slight deficit and is funded by the over-recovery in year one. Given current economic conditions and instability in local building activity, it is a challenge to predict activity levels for the current fiscal year, with little upon which to reliably base future projections. As a result, the analysis for this fee proposal is based upon FY11 needs, a desire to keep Eugene's fees comparable to similar jurisdictions in Oregon, and a balance between customers' tolerance of fee increases with the business needs of this service area.

The recession and a 34% decline in issued permits have negatively impacted Eugene's ability to recover costs. At the beginning of FY08 the reserve balance in the Construction Fund was nearly \$6 million; three years later the reserve balance is just over \$1 million. During the worst of the recession, the City of Eugene made a commitment to customers not to increase fees, and a commitment to employees not to eliminate jobs. This service area fully funds all costs through assessed fees, so our normal response to changes in service demand were not available. After two years of using the reserve fund to bridge the revenue gap, we reduced 13 positions at the beginning of FY11 and are now seeking an increase in revenue to help better recover costs.

The most recent across-the-board increase in State fees occurred on January 1, 2008. In January 2009 Eugene revised fees to comply with state-wide consistent fees methodology, and updated the square foot construction cost table most recently in April 2010 to stay current with state-wide methodology. Those fees, currently in effect, allow for projected FY11 recovery rates of 89%. The attached fee petition proposes across-the-board increases of ten percent plus some adjustments to individual fees that have proven problematic to administer or are not meeting funding goals.

SUMMARY OF CHANGES BY PROGRAM AREA

Structural Program

- Increasing the minimum building permit fee from \$57 to \$80.
- The minimum building permit fee is now good for the first \$2,000 in valuation, it was previously good for the first \$5,000 in valuation.
- Increasing by ten percent the building permit fee for each \$1,000 in valuation after paying the minimum fee.
- Increasing by ten percent fees for: manufactured dwellings, demolition permits, excavation and grading, quick starts, phased permits, commercial reroof permits, same-as-plans and same-time-plans, and spa/hot tub/swimming pool permits.
- Increasing fees assessed on an hourly basis from \$80/hour to \$88/hour, including: inspections not included in base permit fees, additional plan review fees for additions and changes to plans, alternative materials and methods, and the expired application processing fee.
- Adding a new fee for solar installation permits of \$150 for installations in compliance with section 305.4 of the proposed Oregon Solar Installation Specialty Code. All other installations will be charged based on valuation applied to the building permit table.
- Changing methodology and increasing fees for Temporary Certificates of Occupancy, distinguishing between residential, commercial, tenant infill, and multi-family dwellings, and adding an hourly rate fee to recover time spent on additional consultations and inspections.

Electrical Program

- Increasing permit fees by ten percent.
- Increasing fees assessed on an hourly basis from \$80/hour to \$88/hour, including: inspections not included in base permit fees, additional plan review fees for additions and changes to plans, and the expired application processing fee.
- Adding new fees for renewal energy systems between \$110 and \$180, based on KVAs

Mechanical Program

- Increasing the minimum commercial permit fee from \$57 to \$80.
- The minimum commercial permit fee is now good for the first \$2,000 in valuation, it was previously good for the first \$5,000 in valuation.
- Increasing by ten percent the commercial permit fee for each \$1,000 in valuation after paying the minimum fee.
- Increasing residential permit fees by ten percent.
- Increasing fees assessed on an hourly basis from \$80/hour to \$88/hour, including: inspections not included in base permit fees, additional plan review fees for additions and changes to plans, and the expired application processing fee.
- Adding a new "generator inspection" fee of \$265 to more accurately recover the cost of this service.

Plumbing Program

- Increasing the minimum permit fee from \$72 to \$80.
- Increasing permit fees by ten percent.
- Increasing the minimum medical gas system permit fee from \$57 to \$80.
- The minimum medical gas system permit fee is now good for the first \$2,000 in valuation, it was previously good for the first \$5,000 in valuation.
- Increasing by ten percent the medical gas system permit fee for each \$1,000 in valuation after paying the minimum fee.
- Increasing fees assessed on an hourly basis from \$80/hour to \$88/hour, including: inspections not included in base permit fees, additional plan review fees for additions and changes to plans, and the expired application processing fee.

**City of Eugene
Permit and Information Center**

**CONSTRUCTION AND DEVELOPMENT FEE SCHEDULE
Effective Date: October 18, 2010**

BUILDING PERMIT, PLAN CHECK & INSPECTION FEES		
	CURRENT FEES	PROPOSED FEES
Building Permit Fee See the ICC Building Valuation Data Table. <i>This table is used to calculate the project value and is based on the type of construction and proposed building use. Project value is then applied to the table below to determine the building permit fee.</i>	Calculated using the ICC Building Valuation Data Table current as of April 1 each year. (Attachment 1)	Calculated using the ICC Building Valuation Data Table current as of April 1 each year. (Attachment 1)
Use the total value of construction work determined above to calculate the Building Permit fee:*		
\$1 - \$5,000	\$57.00 minimum fee	
\$1 - \$2,000		\$80.00 minimum fee
\$5,001 - \$25,000	\$63.78 plus \$6.78 for each additional \$1,000 or fraction thereof	
\$2,001 - \$25,000		\$89.20 plus \$7.46 for each additional \$1,000 or fraction thereof
\$25,001 - \$50,000	\$197.69 plus \$5.09 for each additional \$1,000 or fraction thereof	\$298.80 plus \$5.60 for each additional \$1,000 or fraction thereof
\$50,001 - \$100,000	\$324.94 plus \$3.39 for each additional \$1,000 or fraction thereof	\$468.70 plus \$3.73 for each additional \$1,000 or fraction thereof
\$100,001 and up	\$489.35 plus \$2.83 for each additional \$1,000 or fraction thereof	\$689.13 plus \$3.12 for each additional \$1,000 or fraction thereof
<p>*Definition of Valuation: The valuation to be used in computing the permit fee and plan check fee shall be the total value of all construction work for which the permit is issued, as well as all finish work, painting, roofing, electrical, plumbing, heating, air conditioning, elevators, fire extinguishing systems and other permanent work or equipment, and the contractor's profit.</p>		
Building Plan Check Fee	65% of building permit fees	65% of building permit fees