



CITY OF
ASHLAND

BUILDING PERMIT FEE SCHEDULE PROPOSAL

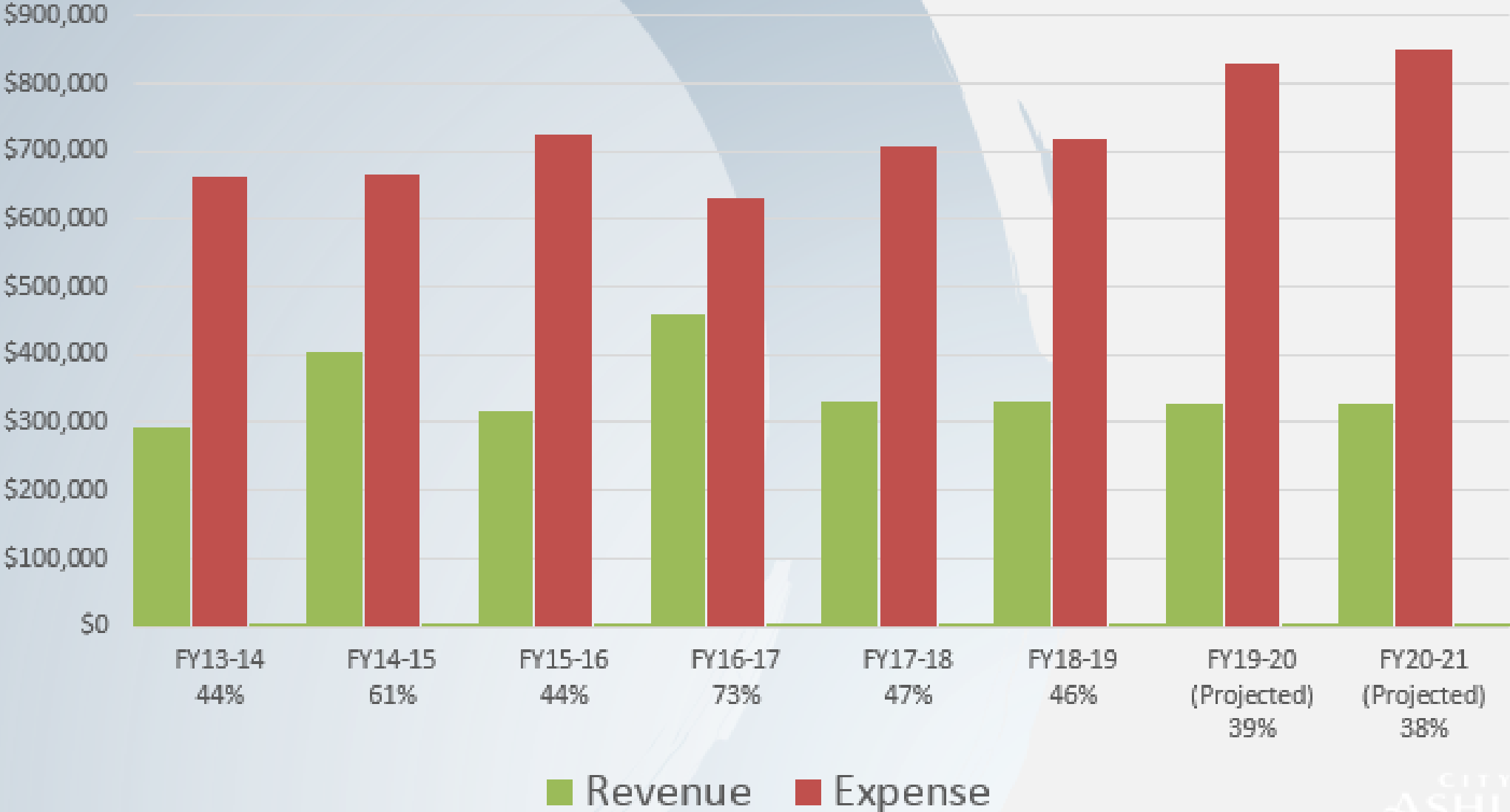
CITY COUNCIL STUDY SESSION
SEPTEMBER 30, 2019

Objective – Improve Cost Recovery

- **Biennium 2019/21 Budget – “General Fund Balancing Proposal”**
 - Expenditure reductions and revenue enhancements
 - Proposal to increase building fees
 - Citizen Budget Committee endorsement
- **Improve Cost Recovery for the Building Division**
 - Growing Gap – Permit revenues not keeping up with the cost of providing building program services
 - 2003 - Last building permit fee increase
- **Building Division – 4 FTE (Building Official, Inspectors (2) & Permit Technician)**
 - Comprehensive plan review, inspections and building code compliance
 - Oregon Building Code – Continuing education and certification maintenance

Cost Recovery History (Building Division)

Revenue vs Expense



Total Permit Cost – What's Included?

System Development Charges

- Transportation
- Water
- Sanitary Sewer
- Storm Water
- Parks



Additional Misc. Fees

- School Construction Excise Taxes
- Fire Protection Review Fees
- Community Development Fees
- Engineering Fees



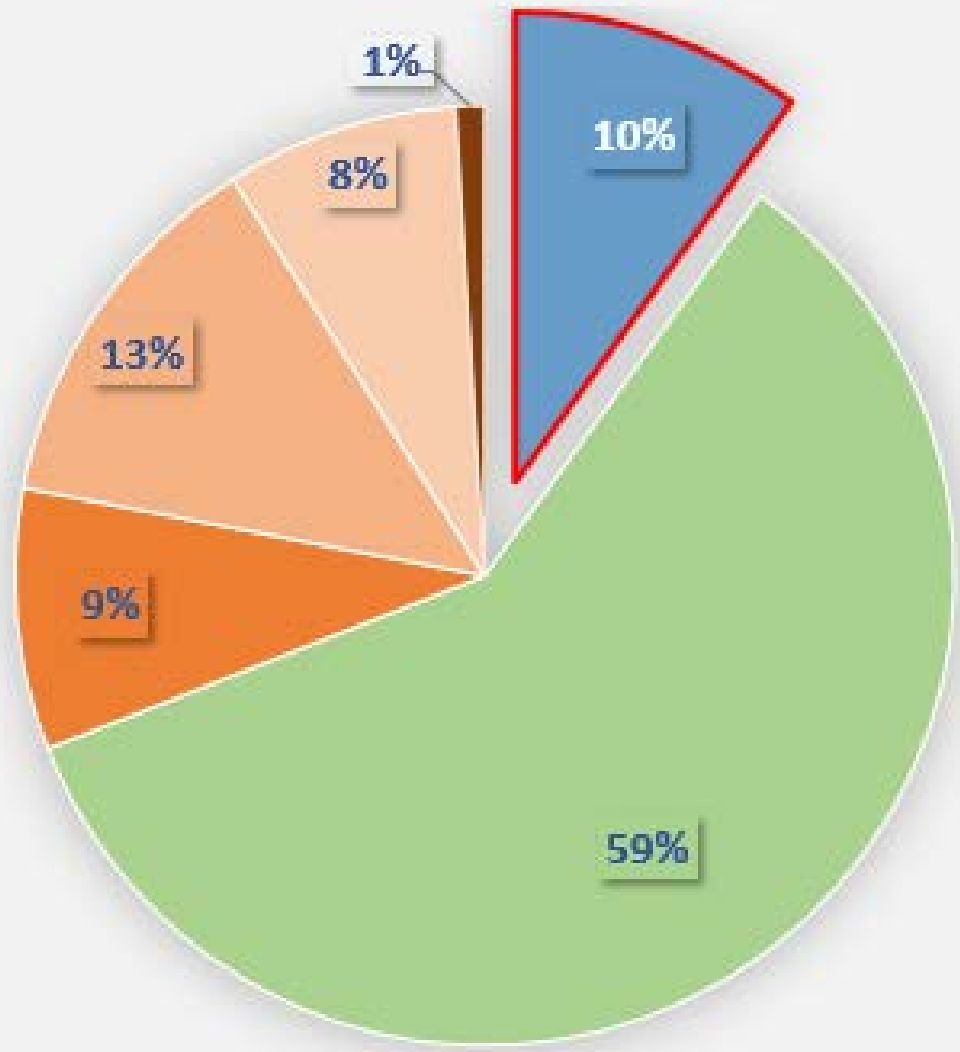
Building Permit Fees

- Plan Check fees
- Structural Permits
- Plumbing Permits
- Mechanical Permits
- Electrical Permits
- State Surcharges



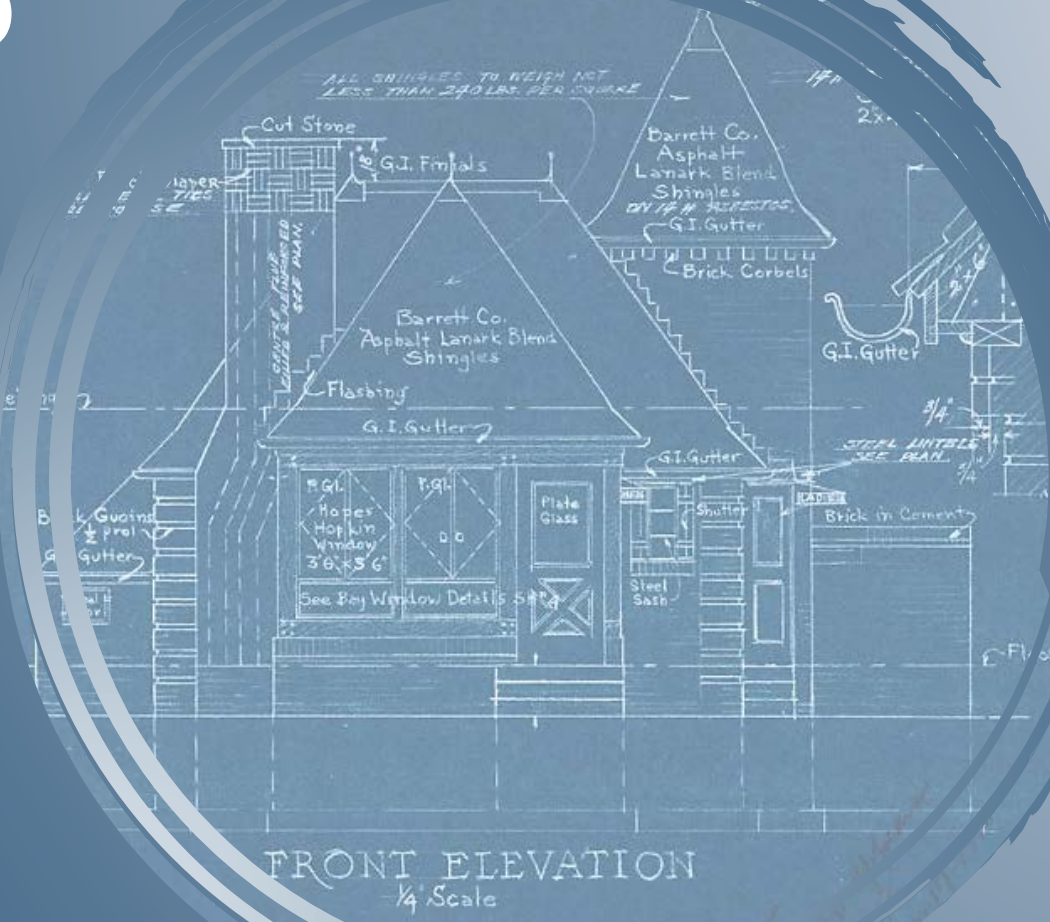
Single Family Housing (Current)

Total Permit Cost \$23,525



- Building Permit Fees
- SDCs
- School CET
- Community Development Fee
- Engineering Fee
- Fire Dept. Fee

PERMIT FEE COMPARISONS CURRENT AND PROPOSED





Permit Comparisons – Construction Types



Single Family Home

- 2,000 Sq. Ft. Living Space
- \$250,000 Construction Valuation

Multi-Family Project

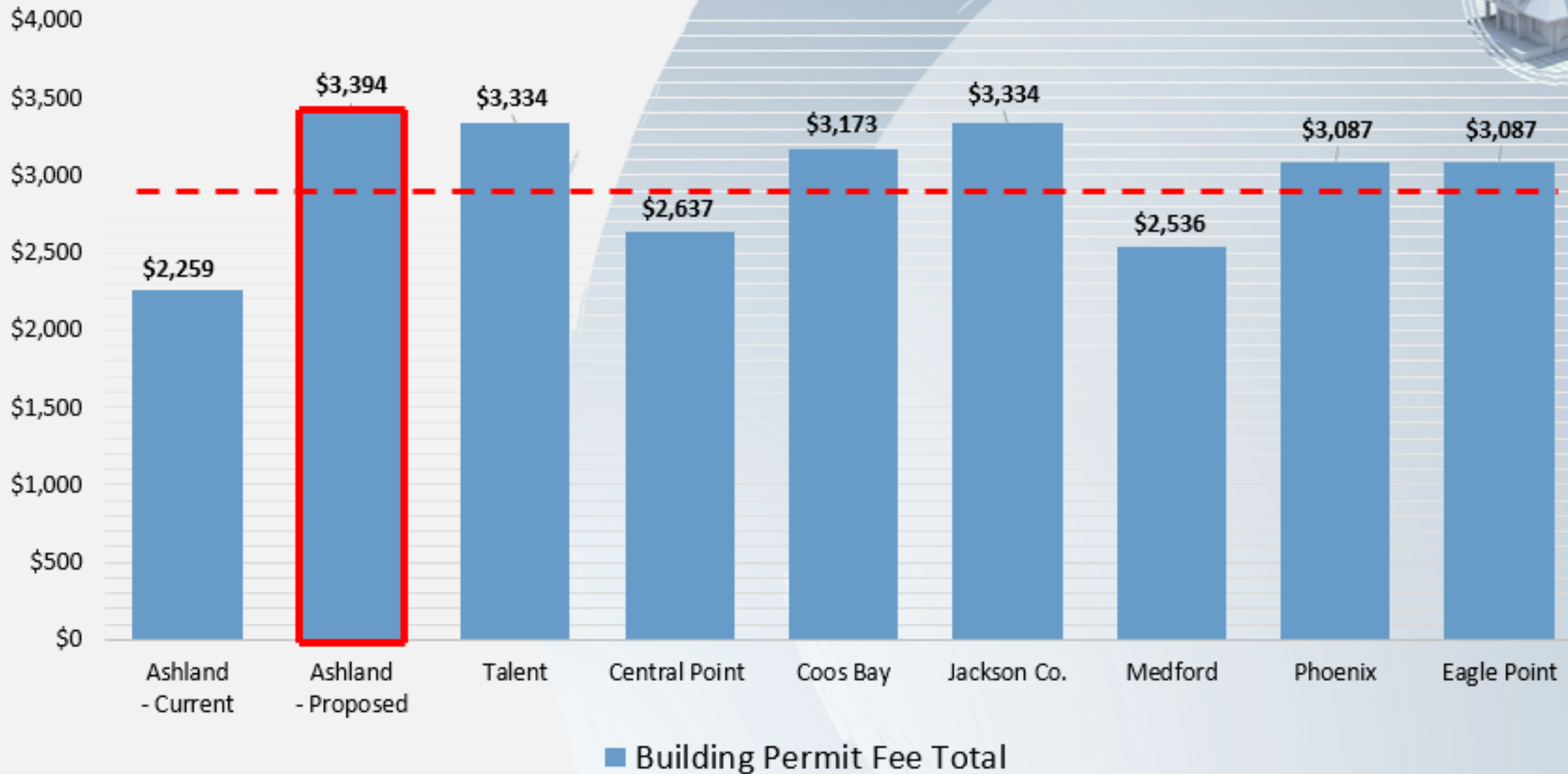
- 8,000 Sq. Ft. Living Space
- 10-Units
- \$870,000 Construction Valuation

Commercial

- 30,000 Sq. Ft.
- \$3,700,000 Construction Valuation

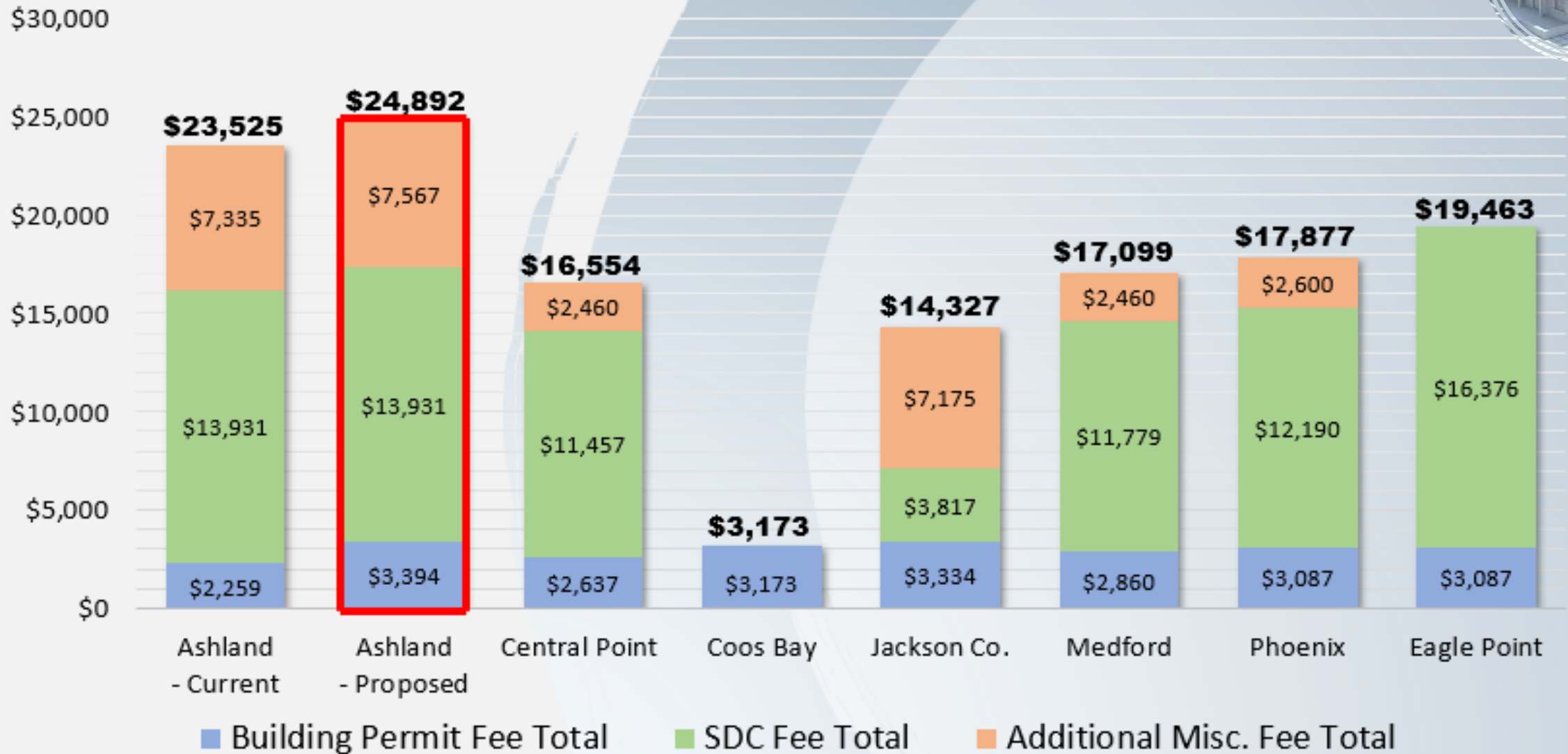
SINGLE FAMILY RESIDENCE (Proposed) - Building Permit Fees Only

2,000 SQ. FT. HOUSE WITH 500 SQ. FT. GARAGE. \$250,000 VALUATION.



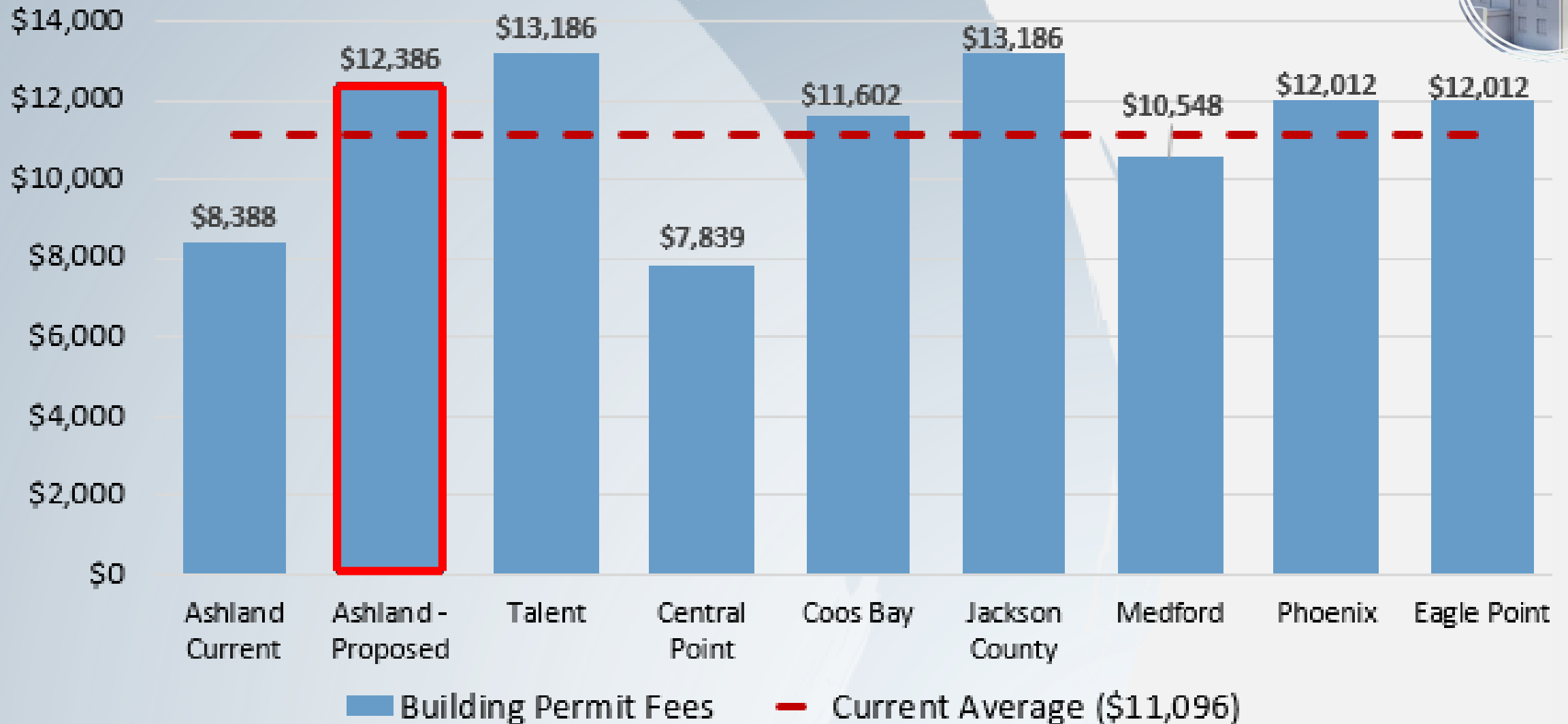
SINGLE FAMILY RESIDENCE – Total Permit Cost

2,000 SQ. FT. HOUSE WITH 500 SQ. FT. GARAGE. \$250,000 VALUATION.



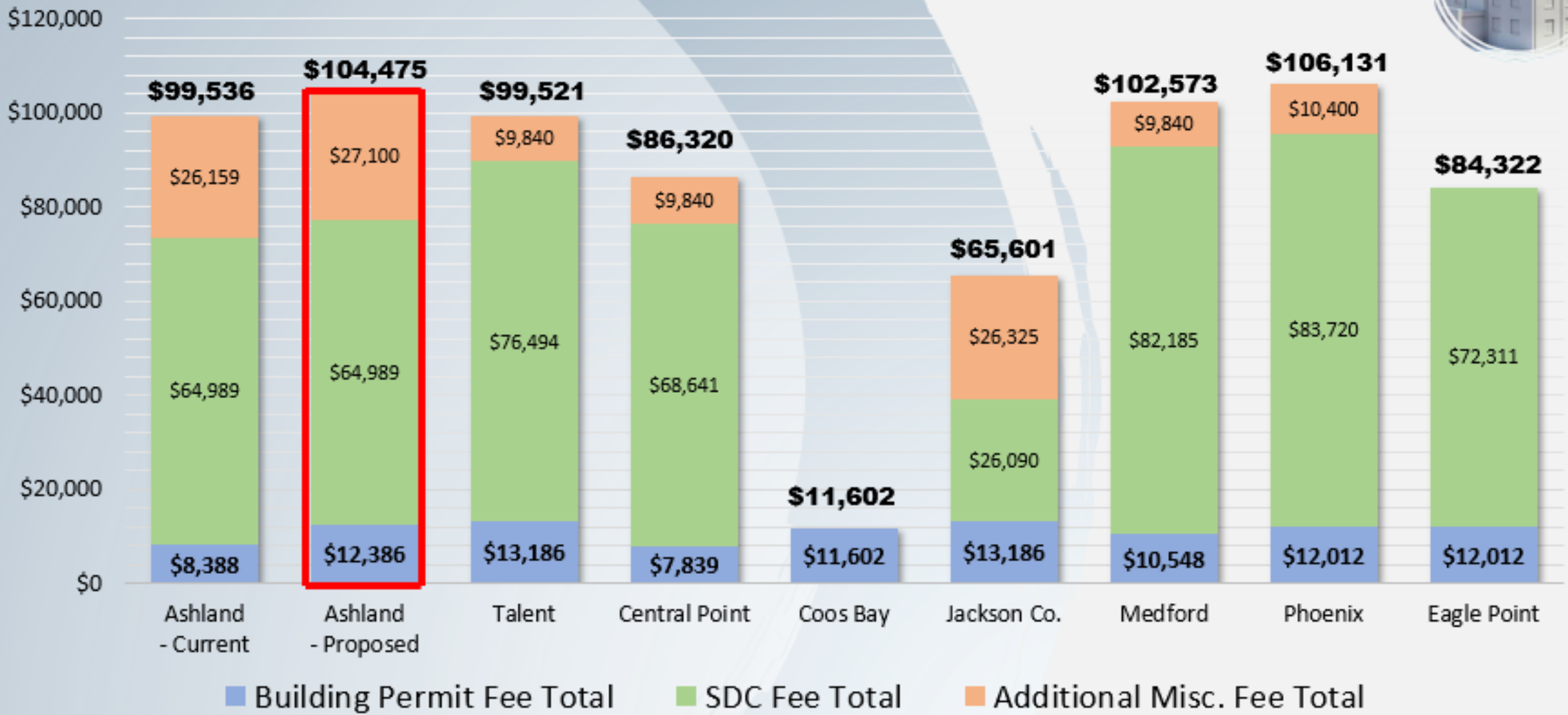
MULTI_FAMILY HOUSING (Proposed) Building Permit Fees Only

10 Units, 8,000 SQ.FT. \$870,000 Valuation



MULTI-FAMILY HOUSING - Total Permit Cost

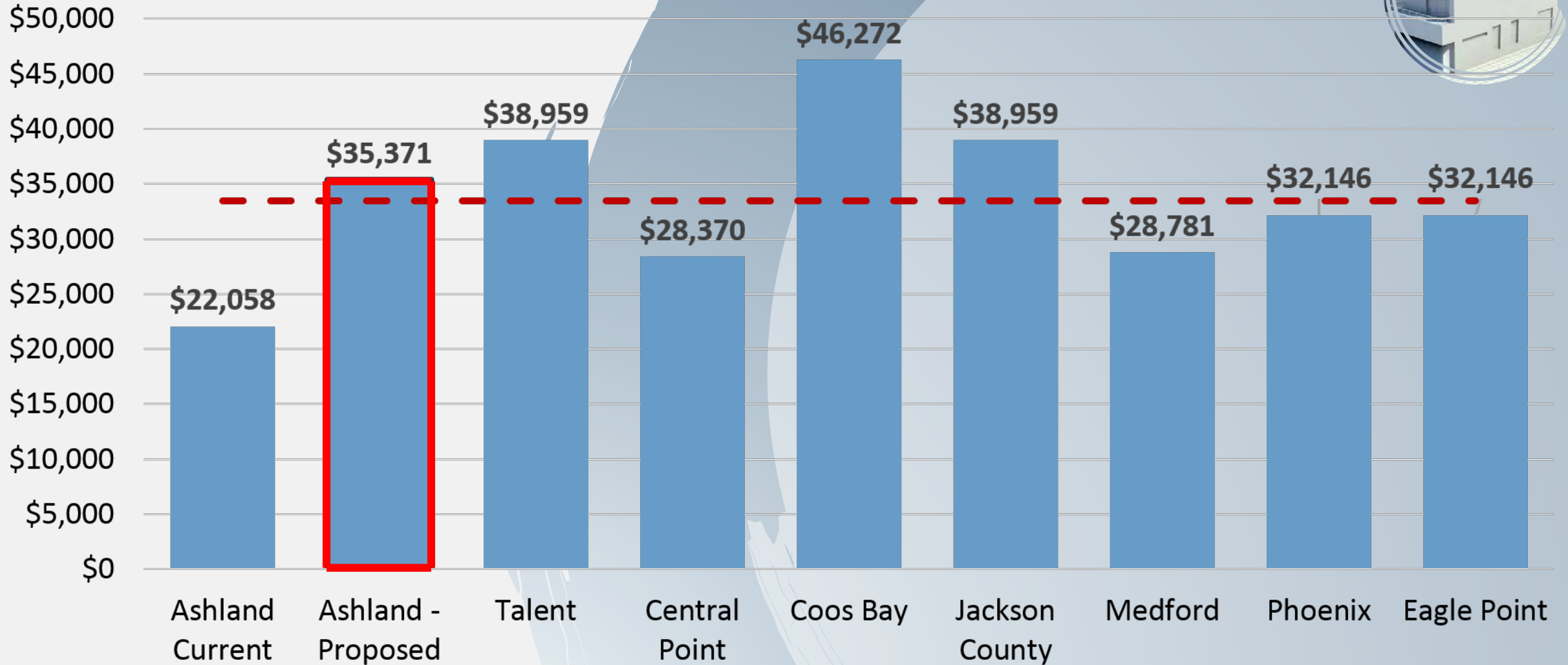
10 UNITS. 8,000 SQ.FT. \$870,000 VALUATION.





COMMERCIAL BUILDING (Proposed)

30,000 SQ. FT. \$3,700,000 VALUATION.

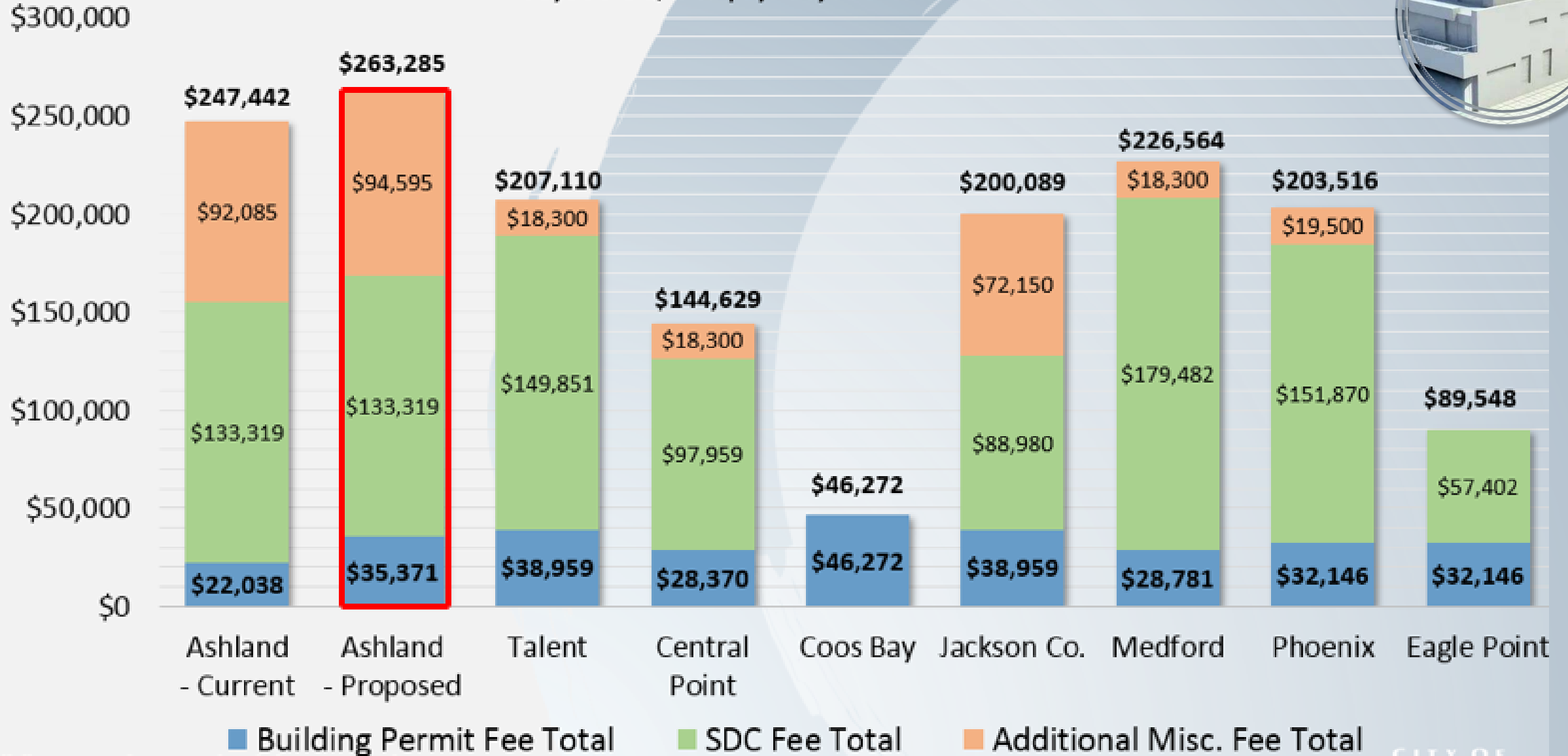


■ Building Permit Fees

— Current Average (\$33,461)

COMMERCIAL BUILDING – Total Permit Cost

30,000 SQ. FT. \$3,700,000 VALUATION.

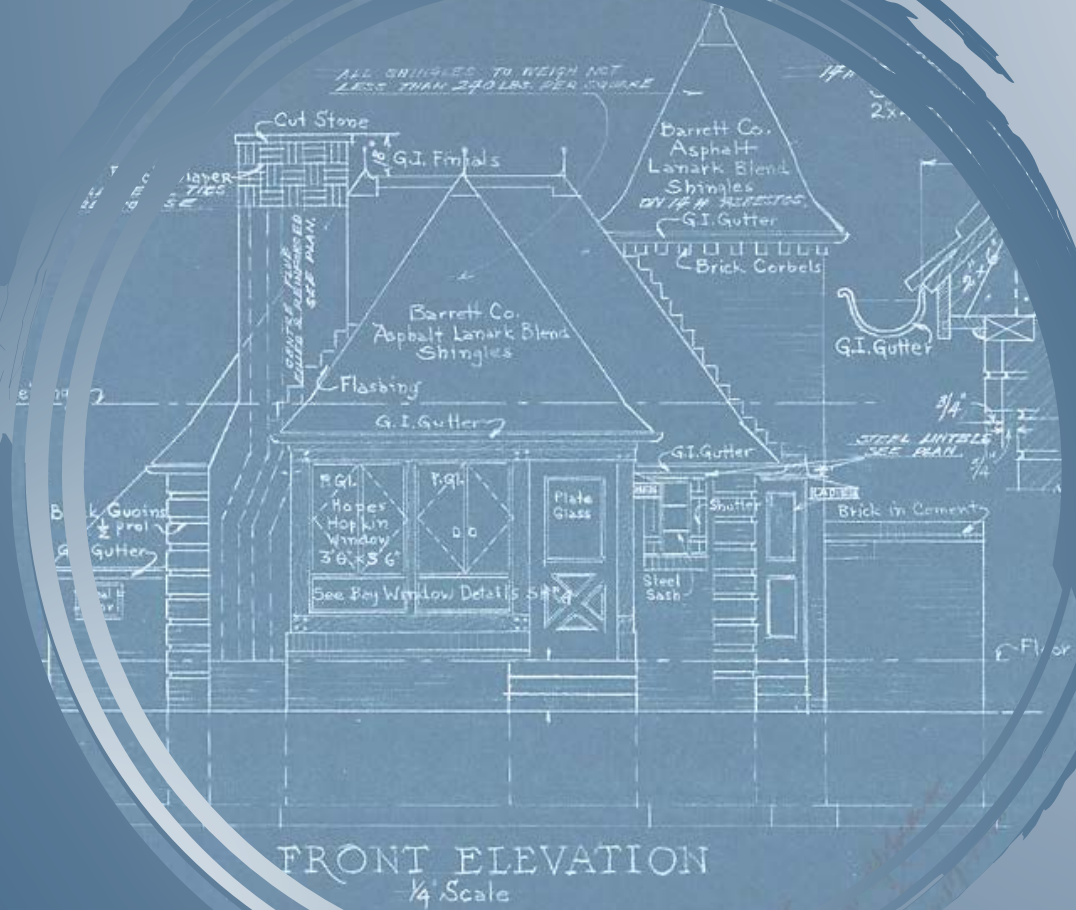


■ Building Permit Fee Total

■ SDC Fee Total

■ Additional Misc. Fee Total

PROPOSED BUILDING PERMIT FEE SCHEDULE



Revised Permit Fees and Projected Revenues

- Followed a similar fee schedule and format as other cities within the region
- Applied updated fee schedule to key permit types – comparison in the region
- Construction valuation of \$25 million used as a baseline year for projecting changes in permit revenue
- \$25 million in construction valuation is projected for both FY20 & FY21
- Set a 60% cost recovery target for the building division



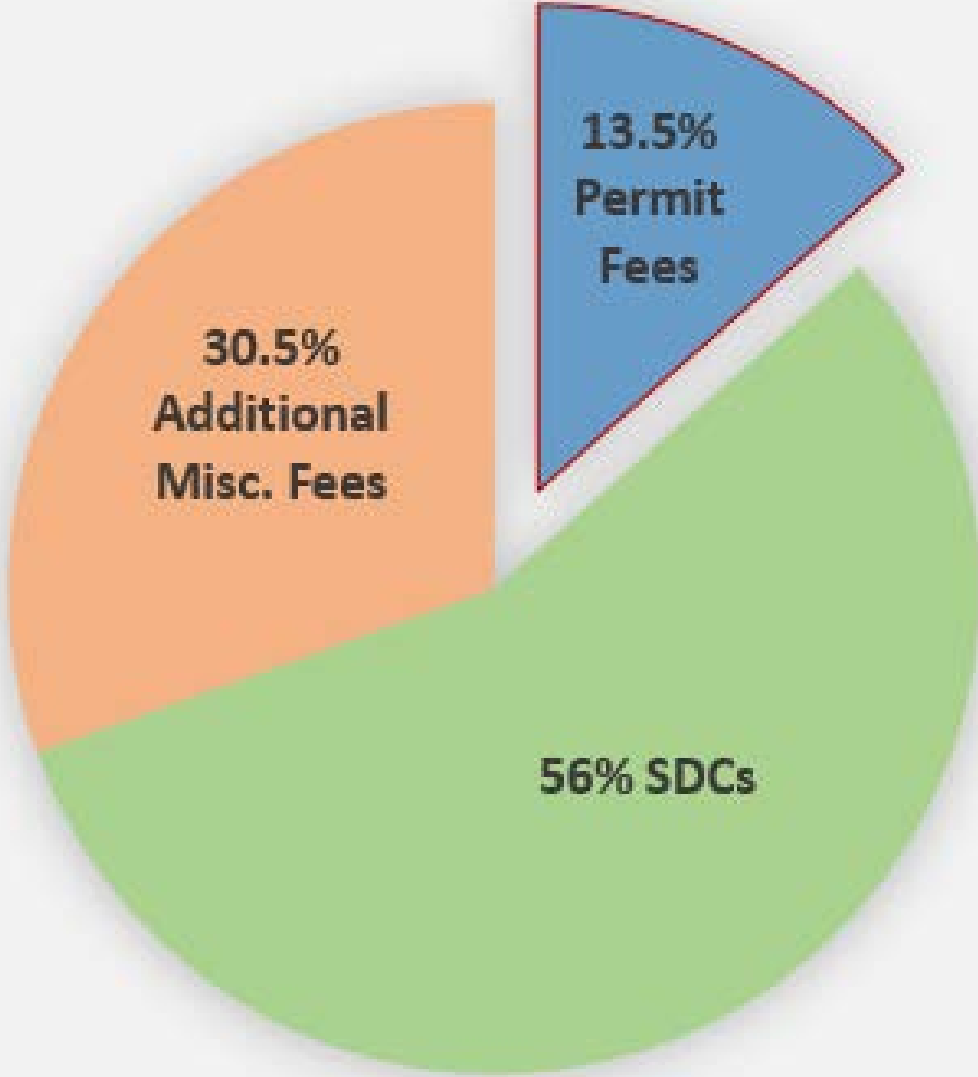
Building Permit Fees - Proposal Summary



Single Family Residence

- Building Permit Fee increases from \$2,259 to \$3,394 or by 50%
- Total Permit Cost (including SDCs and Additional Fees) increases by \$1367, or approximately 5.8%.

Current Total Permit Cost **\$23,535**
Proposed Total Permit Cost **\$24,892**



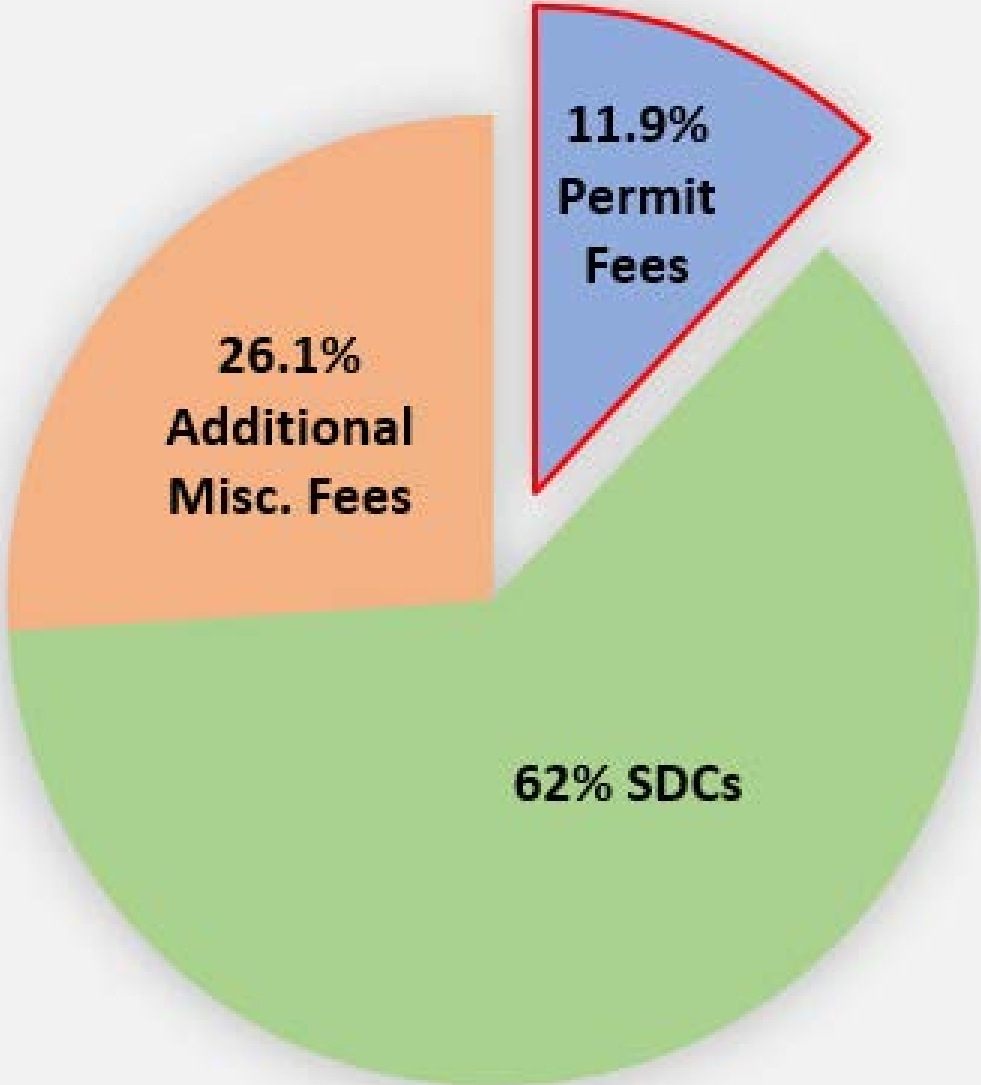
Building Permit Fees - Proposal Summary



Multi-Family Housing

- Building Permit Fee increases from \$8388 to \$12,385 or by 47.5%
- Total Permit Cost (including SDCs and Additional Fees) increases by \$4,939 or approximately 5%

Current Total Permit Cost **\$99,536**
Proposed Total Permit Cost **\$104,475**



Building Permit Fees - Proposal Summary

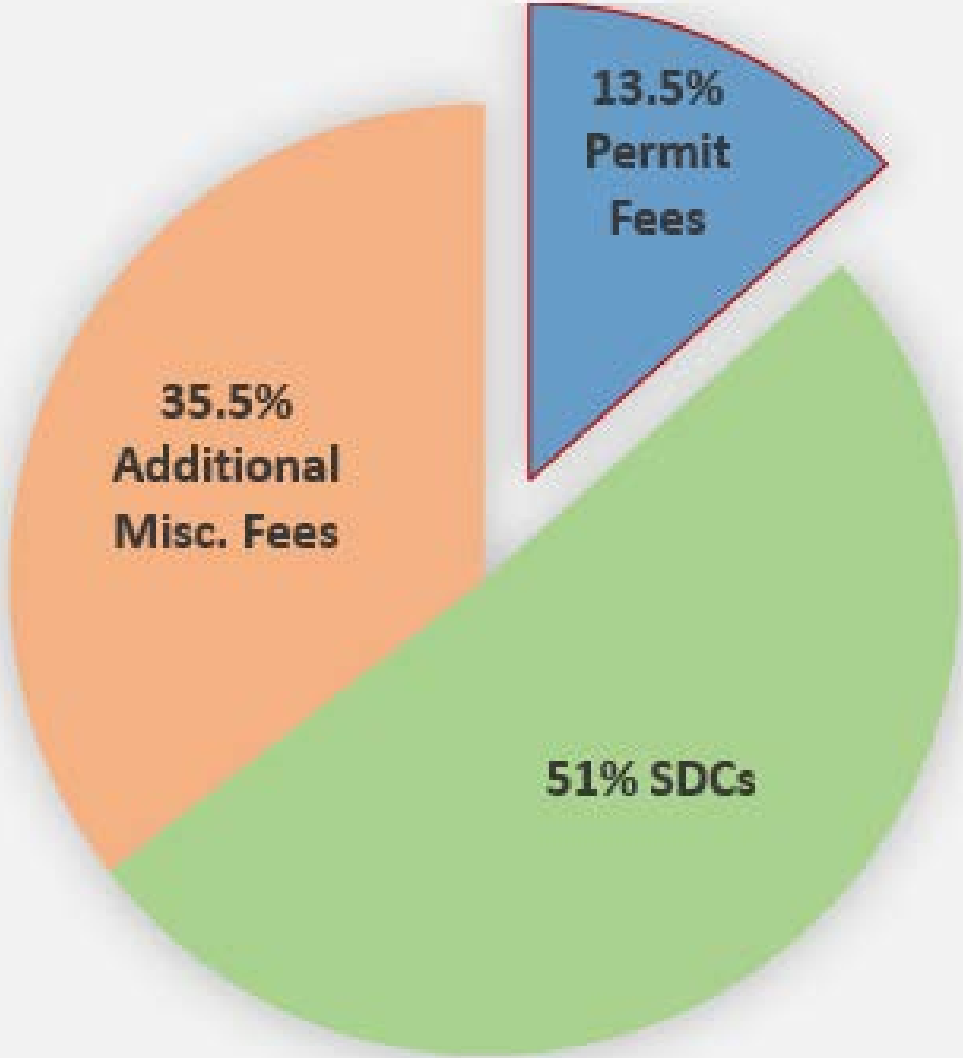


Commercial Building

- Building Permit Fee increases from \$22,038 to \$35,371 or approximately 60%
- Total Permit Cost (including SDCs and Additional Fees) increases by \$15,843 or approximately 6.4%

Current Total Permit Cost **\$247,442**

Proposed Total Permit Cost **\$263,285**



Permit Revenues – Projected Increase

- \$25,000,000 annual construction valuation
- Estimate an increase in annual permit revenue of approximately \$170,000
- Permits revenues would account for 60% of the cost of providing building division services



		FY18	FY19	FY20*	FY21*
Existing	Expenditures	\$710,000	\$717,200	\$829,100	\$848,500
	Revenues	\$330,600	\$331,200	\$326,150	\$326,150
	Cost Recovery	0.47	0.46	0.39	0.38
Proposed	Expenditures	-	-	\$829,100	\$848,500
	Revenues	-	-	\$415,000	\$500,000
	Cost Recovery	-	-	0.5	0.59

* Projected expenditures and revenues for FY20-21

Building Permit Fees Adoption Process – Questions & Next Steps

- **November** - Public Hearing & 1st Reading
- **December** – 2nd Reading
- **Early January 2020** – Effective Date

