



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>

April 23, 2009

To: INTERESTED PARTIES

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

Subject: CITY OF WEST LINN 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 David Davies, 503-656-4211, or attend the local municipal hearing on Monday, June 8, 2009, 7:00 PM, in the City Hall Council Chambers located on the second floor at 22500 Salamo Road, West Linn. 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 30 days of the municipality's fee adoption date.

cc: West Linn

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BUILDING CODES

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April 23, 2009

Oregon State
Building Codes Division
Attn: Chris Huntington
1535 Edgewater St. NW
PO Box 14470
Salem, OR 97309-0404

Dear Chris Huntington,

The intent of this document is to comply with notification provisions contained in:
OAR 918-020-0220 Fee Adoption Standards.

(1)

(a) The municipality shall notify the division of such adoptions 45 days prior to the adoptive date. The notification shall include a summary of the following:

(A) The affected specialty code or program areas;

Structural (residential, commercial, and industrial), Mechanical, and Plumbing Specialty Codes and miscellaneous permits are included in this proposal.

(B) A description of the purposed building inspection program fees including the approximate percentage increase when applicable;

The fees for structural, plumbing, and miscellaneous permits will increase approximately 15% and approximately 33% for mechanical permits. The minimum and hourly fees will be increased to \$100/hour, 1-hour minimum.

(C) The purposed effective date;

July 1, 2009.

(D) The date of the last fee increase in the specialty code or program area if applicable;

November 2006.

(E) The anticipated date, time and location of the local hearing scheduled pursuant to ORS 294.160;

June 8, 2009, at approximately 7 p.m., in the City Hall Council Chambers located on the second floor at 22500 Salamo Rd. West Linn, OR 97068.

(F) The name, phone number and title of a contact person;

David W. Davies, Building Official, (503) 656-4211,

ddavies@westlinnoregon.gov.

(G) A narrative explaining the purpose of the purposed fee adoption;

See the attached page.

Sincerely,



David W. Davies
Building Official
(503) 656-4211
ddavies@westlinnoregon.gov

(G) NARRATIVE

2009 Proposed Fee Modification

Purpose:

The purpose of this proposal is to; one, update the existing fees; two, build a contingency fund; and three, make payments on an existing fund loan. Staff reductions have been made that should account for this current economic slowdown; these modifications are **NOT** intended to make up for that reduced revenue.

Background:

In the 2000/01 fiscal year, the City created a dedicated fund for the Building Division. At that time, there was a strong desire to ensure that the building division be self-sufficient and rely exclusively on the permit revenues for its operating budget now and in the future. One of the goals of the 2006 updates was to create a contingency fund that could eventually provide the means to support the building division, at current high levels of customer satisfaction, for a period of six months to twelve months during periods of slower growth and decreased permit revenues. However, due to City Council priorities, building permits fees were not updated for several years which, created deficiencies in the Building Division fund. In November 2006 the building permit fees were updated; however, because of previous deficiencies, even with the updates to the building fees, later in 2006 it was necessary for the Building Division Fund to borrow \$250,000 to balance the Building Division's 2005/2006 fiscal budget. The monies were borrowed from the City's Storm Water Fund. Due to financial regulations, in 2008 the \$250,000 intercity loan had to be restructured to a conventional bank loan for the amount of \$175,000. To date we have not been successful in meeting our goal of building a contingency fund nor have we been able to reduce the principal of the fund loan. The 2006 updates recognized that further adjustments could be necessary after evaluating the effects of the modifications; also, there were no provisions in the 2006 modifications for paying off a \$250,000 fund loan. The current adjustments are intended to finalize the adjustments that are necessary to meet our goals; however, it must be recognized that because of the amount of the fund loan, if these adjustment are not adequate to make sufficient payments to pay the loan off in 3 to 5 years, then a "*limited time*" surcharge may also be imposed.

Summary:

The Building Division finds it necessary to raise permit fees to build a reserve fund and payoff a fund loan. Staff reductions were necessary because of the current economic downturn; an adequate reserve fund that could have supported the Division during this time.

Efforts have been made to compare the building fees to 15 of the surrounding jurisdictions and even though the purposed fees will be above average, they will be significantly lower that the highest average.