



County of El Dorado

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Legislation Text

File #: 07-1215, Version: 3

Hearing to consider adoption of Resolution **180-2007** establishing a Building Fee Schedule to become effective September 10, 2007, superseding Resolution 057-2006 that sets forth the current fees.

BUDGET SUMMARY:		
Total Estimated Cost		\$ 1,391,457
Funding		
Budgeted	\$	
New Funding	\$ 653,591	
Savings	\$ 241,511	
Other	\$	
Total Funding Available	\$ 895,102	
Change To Net County Cost		\$ 496,355

Fiscal Impact/Change to Net County Cost:

The department has identified a FY 2007-08 funding shortfall of \$1,391,457. Revenues from the revised fee schedule will generate an additional \$653,591 for FY 2007-08. Additionally the department has identified \$241,511 in savings from vacant positions, resulting in an increased net county cost of \$496,355.

Background:

The County of El Dorado, through the Development Services Department - Building Services, provides for the enforcement of mandated public health and safety laws, including local amendments, relating to private sector construction. Building Services is expected to fully fund its expenses with revenue generated from fees derived from permit activity.

In response to declining permit activity and permit revenues, the Development Services Department proposed fee increases to cover an estimated \$1.6 million budget shortfall. After meeting with building industry officials and receiving direction from the Board of Supervisors on June 19, 2007, the department has prepared a resolution reflecting a 6% increase in building fees for permits subject to the 2004 General Plan Traffic Impact Mitigation (TIM) Fee Program, and 25% increase in building fees for permits not subject to the 2004 General Plan Traffic Impact Mitigation (TIM) Fee Program. The fee resolution also reflects the Board's desire to increase the minimum fee from \$50 to \$100.

Reason for Recommendation:

For FY 07-08 the Development Services Department faced an estimated budget shortfall of \$2,748,804 in the Building Services Division. To help close this gap, the department proposed eliminating 15 vacant positions in Building Services for a total savings of \$1,129,870. In its next step in reducing the remaining shortfall of \$1,618,934, the department looked at both permit fee revenue increases and additional expenditure reductions. The department identified further budget cuts of \$227,477, which reduced the shortfall to \$1,391,457.

The department also met with building organizations and officials, and made several presentations to the Board of Supervisors reporting on different fee increase options. At the June 19, 2007 Board of Supervisors meeting, the Board recommended to increase permits with Traffic Impact Mitigation (TIM) fees by 6%; increase non TIM fee permits by 25%; increase the minimum fee to \$100; institute policy pertaining to cost recovery for repeat plan submittals; and add \$496,355 of general fund monies to said department's budget.

Based on current permit activity the department estimates that the proposed fee increase will enhance revenue by \$653,591 in FY 07-08. With the addition of \$496,355 of general fund monies, the adjusted budget shortfall can be closed with further reductions in salaries and benefits.

This resolution is required to implement the Board's desire to increase permit fees with the following actions:

- Adjust valuation modifier. Building permit fees are determined by the valuation per square foot as published by the International Code Council's Building Safety Journal multiplied by the valuation modifier. The current modifier is .01. Building Services proposes to adjust this modifier to .0106 for permits subject to the 2004 General Plan Traffic Impact Mitigation (TIM) Fee Program, and adjust to .0125 for permits not subject to the 2004 General Plan Traffic Impact Mitigation (TIM) Fee Program.
- Modify the minimum permit fee from \$50 to \$100.
- Address New Grading and Encroachment Permit Fees. Since July 2006, Development Services - Building Services assumed the responsibilities for issuing additional grading and encroachment permits from the Department of Transportation. We have been collecting fees for these permits under the authority of existing DOT resolutions but are now incorporating this authority within this resolution.

As part of the building permit fee review process, the department met with the Building Industry Advisory Committee (BIAC) numerous times and identified several process improvement opportunities. As per direction of the Board of Supervisors, the department will meet the BIAC on a monthly basis to monitor the process improvements, identify new areas of improvement, and review budget information, including revenues and expenditures. Additionally, the department will return to the Board in six months to provide an update on the process improvements and their effect on the building plan check process. The department will also provide budget update, including permit revenue information.

Development Services is currently in dialogue with the Department of Transportation (DOT) preparing for the proposed transfer of development related functions from DOT to Development Services. These functions currently charge applicants rates based on a DOT fee study. When the transfer to

Development Services is complete, Development Services will prepare a rate study to not only capture the functions transferred from DOT, but also update the hourly rates for the planning and building functions within the department. The department will return to the Board when the study is complete.

Public notices of the hearing to take place at this meeting, prior to your Board's consideration of this matter, were placed in the Mountain Democrat, the Georgetown Gazette and the Tahoe Tribune per current law. Should your Board approve the recommended change in fees, the new fees will become effective on September 10, 2007.

Attachment 1: Proposed Fee Schedule

Attachment 2: Proposed Fee Schedule (Comparison to Current)

Action to be taken following Board approval:

Action to be taken following Board approval:

- 1) Board Chair to sign Resolution adopting new Development Services - Building Services Fees effective September 10, 2007.
- 2) Copy of signed Resolution to be sent back to the Department.

Contact: Greg Fuz

Concurrences: County Counsel