

RESOLUTION NO. 2051

A RESOLUTION OF THE CITY OF WILSONVILLE ADOPTING A NEW FEE SCHEDULE FOR ENGINEERING PLAN CHECK, AND INSPECTION SERVICES, AND REPEALING RESOLUTION NO. 1720.

WHEREAS, the Wilsonville City Council finds it necessary and reasonable to establish fees for the purpose of defraying actual costs of the Engineering Department's plan check and inspection services for certain public improvements within the City; and

WHEREAS, as set forth in the staff reports of November 29, 2006 and June 13, 2006 attached as Exhibit "B", Community Development Staff completed an analysis of costs and fees and services, and based on that analysis developed a schedule of fees; and

WHEREAS, the proposed fee increase was presented to the Wilsonville Chamber of Commerce Government Affairs Committee (GAC) on July 12, 2006 and April 4, 2007; and

WHEREAS, a public forum for the development community was held on February 22, 2007, comments from the forum are attached as Exhibit "C"; and

WHEREAS, the Wilsonville City Council finds that Oregon state law allows the City to recover its actual costs; and

WHEREAS, Engineering fees associated with development (those that are project driven and benefit a specific party) projects were last increased in 2001 (Resolution No. 1720); and

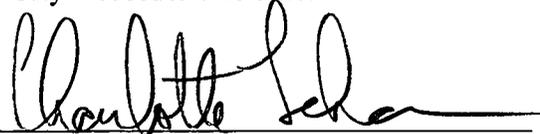
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

Section 1. The City Council finds the proposed recovery of administrative costs for engineering plan checks and inspection services are actual, reasonable and necessary, therefore, the Engineering fees are hereby established as set out in Exhibit A, which is attached to this resolution and incorporated by reference as if fully set forth herein.

Section 2. The fee schedule as proposed shall become effective on July 1, 2007 in order to allow time for data entry into the EDEN System, through which all applications and fees are processed. These fees may be adjusted annually to reflect the increase in the Portland/Salem area consumer price index.

Section 3. Resolution No. 1720 is hereby repealed.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 7th day of May, 2007, and filed with the Wilsonville City Recorder this date.



CHARLOTTE LEHAN, MAYOR

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Kirk	Yes
Councilor Knapp	Yes
Councilor Núñez	Excused
Councilor Ripple	Yes

Exhibit A

	Current Fee	Proposed Fee
Plan Check Fee		
\$0 – 999	15	2% of total construction cost*
\$1,000 – 1,999	30	
\$2,000 – 4,999	55	
\$5,000 – 9,999	80	
\$10,000 – 19,999	100	
\$20,000 – 29,999	135	
\$30,000 – 39,999	165	
\$40,000 – 49,999	195	
\$50,000 – 74,999	225	
\$75,000 – 99,999	260	
\$100,000 – 149,999	290	
\$150,000 – 199,999	320	
\$200,000 – 299,999	360	
\$300,000 – 399,999	405	
\$400,000 – 499,999	470	
\$500,000 and above	.0011 of total construction costs	
Admin and Inspection Fee		
\$0 – 999	40	5% of total construction cost*
\$1,000 – 1,999	95	
\$2,000 – 4,999	167	
\$5,000 – 9,999	341	
\$10,000 – 19,999	646	
\$20,000 – 29,999	1,025	
\$30,000 – 39,999	1,391	
\$40,000 – 49,999	1,740	
\$50,000 – 74,999	2,290	
\$75,000 – 99,999	3,081	
\$100,000 – 149,999	4,148	
\$150,000 – 199,999	5,532	
\$200,000 – 299,999	7,434	
\$300,000 – 399,999	9,914	
\$400,000 – 499,999	12,324	
\$500,000 and above	.0315 of total construction cost	
Title Fee	-	\$250/easement

*Total construction costs are for those public improvements dedicated to the City of Wilsonville for maintenance such as roads, water, storm drains, sewer and open space.

Plan Check Fee – Collected at the initial plan submission and again at every other submission until approved for construction. Plans resubmitted by the Engineer/Applicant after initial approval shall be subject to a supplemental 2% fee based on the cost of the change/modification being requested.

Exhibit B
Part 1

COMMUNITY DEVELOPMENT STAFF REPORT

Date: November 29, 2006

To: Arlene Loble, City Manager

From: Eldon R. Johansen, Special Projects Manager
Michael Bowers, Community Development Director

Subject: Community Development Fund

Council last reviewed the proposals for increases in the community development funds on August 21, 2006. The consensus of the Council at that time was to increase the planning permit fees in phases with an initial increase of 60% as opposed to the staff recommendation of a one time 123% increase. Attached is a copy of the previous staff report concerning the status of the community development fund.

The recommendation for transfers from the capital projects funds to the community development fund based on the cost of providing service to the various capital projects funds needed to be increased by 33% and that change became effective on July 1st. The increase in the public works plans review and inspection funds was recommended at 40% for an overall increase from 5% to 7% of project costs.

Staff had previously gone over the proposed increases with the Chamber Government Affairs Committee on July 12, 2006 and had only one concern expressed by one of the Chamber members. That was whether we could look at reducing costs rather than increasing fees and the impact of reduced service would be significant. The primary concern about the meeting with the Chamber was that the Chamber members that were present were, for the most part, not involved in development projects and would not be significantly impacted by the proposed increases in planning and public works permits.

Since August 21, 2006, the action increasing the planning and the public works plans review and inspection fees has been on hold pending other higher priorities. Subsequently we are now in a position to move ahead with the increases.

November 29, 2006

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As a basis of comparison the planning permits collected so far this year are \$137,773 as compared to a budgeted requirement of \$308,599 and a requirement for \$688,000 if the planning income was to remove all support from the general fund. The transfers from the capital projects funds to community development so far this fiscal year have been \$208,200 as compared to a requirement of \$667,000. The collection for public works plan review and inspections have been \$328,142 as compared to a budget requirement of \$182,500 and a requirement for \$256,000. The collections above projections appear to be temporarily based on issuing the Public Works Permits for PDP-1 Central and PDP-4 South in Villebois.

A proposed schedule leading to adoption of fee increases is as follows:

Date	Action
December 4, 2006	Review of proposed scope of fee increases by Council.
January 3, 2007	Update Chamber Government Affairs Committee.
Week of January 8, 2007	Meeting between staff and developers.
January 16, 2007	Advertise for Public Hearings on Planning fee increases and Public Works Fee Increases.
February 5, 2007	Council conducts Public Hearings and acts on resolutions proposing fee increases.
April 1, 2007	New Fees in Effect

ERJ:bgs

Cc: IOC-CD File
Staff Report File

Exhibit B
Part 2

COMMUNITY DEVELOPMENT STAFF REPORT

Date: June 13, 2006
To: Arlene Loble, City Manager
From: Eldon R. Johansen, Interim Community Development Director
Subject: Community Development Fund

One message from the budget process was to remove the general fund as a source of funding for the Community Development Fund. For convenience, I will separate out the building inspections fund since it is self sufficient. I also will analyze the planning fund separately from the CD administration and engineering fund. The overall summary is as follows:

Planning

In FY 2006/07 planning funding requirements are \$842,078. The budgeted funds to meet this requirement are as follows:

Permits	\$308,599
Interfund Charges (Urban Renewal)	\$150,000
Intergovernment (Grants)	\$5,000
CD Fund Revenues (largely General Fund)	\$379,079

To balance the planning budget the increase in planning fees would be calculated as follows:

Total Budget	\$842,678
Less Urban Renewal Payment and Grants	\$155,000
Net to be collected from fees	\$687,678
Current permit fees	\$308,599
Increase required in dollars	\$379,079
Increase as percent	123%

Our initial breakdown of costs indicates that our long range planning is approximately \$186,159 per year. This would indicate that of the 123% increase required, approximately half is to ensure that the current planning program is fully funded and half is to pick up the costs for long range planning.

We have attempted to obtain comparisons from other cities on planning fees. Although high, the planning fees with the increase are not significantly out of line with the higher fees from other cities.

Community Development Administration and Engineering

In FY2006/07 the combined total fund requirements for Community Development administration and engineering are \$1,992,406.00. Current estimated revenues and a contingency after adjustments for reimbursements from anticipated services to the capital improvement program are as follows:

Revenue Requirements	Engineering	Administration	Combined
Revenue Sources	\$1,108,295	\$884,111	\$1,992,406
Charges for services (traffic rpts)	\$51,800		\$51,800
Interfund charges			
Road operating	\$49,584	\$12,416	\$62,000
Water operating revised	\$41,208	\$29,792	\$71,000
Sewer operating	\$49,584	\$12,416	\$62,000
Stormwater operating	\$34,504	\$60,496	\$95,000
Services to UR	\$275,000	\$500,000	\$775,000
Building share of admin expenses		\$75,000	\$75,000
Charges for maps and pubs	\$1,800		\$1,800
Estimated services to CIP	\$450,153	\$50,017	\$500,170
Permits	\$182,500		\$182,500
Subtotal	\$1,136,133	\$740,137	\$1,876,270
Added requirement to balance	\$-27,838	\$143,974	\$116,136
Contingency			\$80,000
Recommended increase			\$196,136

The estimate from the capital improvement plan is somewhat different than is included in the budget. Our current estimate for FY2005/06 is \$365,000. I have increased this figure because of the addition of the Deputy City Engineer for capital projects and an additional civil engineer that will be added sometime during the fiscal year. With the additions my project is slightly above \$500,000 for the estimate revenue from service to the capital improvement plan.

The additional requirement in CD administration and engineering to balance the budget is \$116,136 with an additional need to establish a contingency estimated at \$80,000. This is with a continuation of the fund transfers and revenue projections for the charge for services for permits and the estimated revenue for services to the CIP at existing rates

The proposed solution is to increase the total for public works plans review and inspection fees from 5% to 7%. This 40% percent increase in rates will increase the public works permit fees by \$73,000.

With regards to the reimbursement for the engineer services to the capital improvement plan, there are two problems that need to be addressed. The combined result of these is that in FY2005/06 we had included reimbursement to engineering and CD administration totaling \$1,425,000. Of this amount, our projection is that approximately \$365,000 will actually be transferred. The transfers are based on actual time and hourly rates which include the base pay, overhead, vehicle charges, computer charges, office space and prorated supervision. We have addressed the problem of not getting enough time on the projects with the addition of the Deputy City Engineer for capital projects and the addition a civil engineer in next years budget. We also need to increase our calculation of the hourly back rate by approximately 33% to cover the full cost of the anticipated shortfall in engineering and CD administration and to establish a contingency.

The increase in hourly rates for the engineer services to capital projects will be included in the calculation of the revised hourly rate and will be effective on July 1, 2006.

The increases in planning fees and in public works fees will ultimately require Council action. After consideration of the proposed increases at a Council work session we propose to go over the proposed increases at a Chamber government affairs meeting prior to submitting the approved resolutions to Council. It is anticipated that we would be able to have the increases back to Council by the second council meeting in August.

ERJ:bgs

Cc: IOC-CD File
Staff Report File
2006/07 Budget File

Exhibit C

Wilsonville Chamber of Commerce

Government Affairs Committee Meeting

MINUTES

Wednesday, April 4, 2007

12:00 – 1:30 P.M.

By Patricia Young Carter, GAC co-Secretary

**Meeting held at the Visitor Information Center Conference Room of the
Wilsonville Chamber of Commerce, Wilsonville, Oregon**

Chamber Members present: Allied Waste Services, Ray Phelps, Chair; Argyle Capital / Burns Bros., Steve Gross, Grant Marsh, Vice-Chair.; Patricia Young Carter, Attorney at Law; Clackamas Community College Wilsonville Training Center, Bernice Ivey; Charbonneau Country Club, Tony Holt; Clackamas County Commissioner, Lynn Peterson; Cookies By Design, Doris Wehler; Costa Pacific Communities, Dan Hoyt; Hasson Co. Realtors, Debi Laue; Lamb's Thriftway, Vern Wise; Leo Company, Greg Leo; Old Town Village, Tim Knapp; Bob Oleson, Oregon Restaurant Assn., Elizabeth Peters; OrePac Building Products, Alan Kirk; Western Horizon Realty, Stacey Rumgay; Wilsonville Spokesman, Curt Kipp; and Matt Wingard.

City Representatives present: Alan Kirk, City Council President; Tim Knapp, City Councilor; Danielle Cowan, and Chris Neamtzu.

Staff present: Mark Ottenad, Executive Director of the Wilsonville Chamber

Guest present: ODOT, Amy Gibbons

Welcome/Introductions

GAC chair Ray Phelps called the meeting to order at 12:03 pm.

1. GAC Procedural Matters

Leo moved to approve the GAC Minutes of March 7, 2007; the motion was seconded by Kirk and the Minutes were approved as written.

2. City of Wilsonville Proposed Planning and Engineering Fee Increases

After a brief discussion following last month's GAC presentation regarding Wilsonville's fee increases to meet the City's planning and engineering costs, Wise moved and Holt seconded that the GAC recommend to the Chamber Board that it endorse City of Wilsonville proposed planning and engineering fee increases. After a vote of eligible GAC members, the GAC passed the recommendation to the Chamber Board 5 to 4. Kipp and Councilors Kirk and Knapp abstained from the voting.

**3. Special Presentation by Honorable Lynn Peterson, Clackamas County Commissioner:
Top Focus Issues in Clackamas County**

The Honorable Lynn Peterson presented an overview of the Clackamas County Board of Commissioner's top focus issues: sustainability solutions, increased support of libraries, availability of affordable housing, timely processing of Measure 37 claims, Vision 8 issues, transportation funding, and upgrading of sewers.

Ms. Peterson outlined the difficulties the County has experienced with the volume of Measure 37 Claims, especially after 560 Measure 37 claims were filed in the last 6 weeks before the December 2006 filing deadline. The County was forced to change its public hearing requirement for many of the Measure 37 claims because of the County's staff shortage, resulting in automatic approval if the application meets all qualifications.

The Commissioner stated that she is spearheading the Board's analysis of the County's transportation priorities and funding. She is advocating the proposed I-205 freight bypass in the Rock Creek Junction area, which would cost approximately \$6 million for just over 4 miles. The County will be looking to Metro and ODOT for funding because federal funding is phasing out. She noted that the County is

moving forward with major improvements to Harmony Road in Milwaukie to prepare for Clackamas Community College's construction of a major new educational facility at the Harmony campus. She also said that plans were moving forward for the \$250 million extension of light-rail to Clackamas Town Center area, which has a population of 44,000.

Ms. Peterson also advised the Chamber that many of the County's sewer plants are at capacity and/or are not meeting DEQ requirements. In response to Tim Knapp's question about the County's ability to limit Measure 37 claims because of inadequate sewers in the County, Ms. Peterson pointed out that most Measure 37 claims include individual septic tanks and do not directly involve the County's sewer systems.

Ms. Peterson also described the new Hamlet designation for some of the County's small towns, such as Welches and Rhododendron, which want political solutions to sewer, transportation and other community issues, but do not want to be incorporated.

On the issue of library support, Ms. Peterson reported that many of the County's libraries are cutting back and are on the threshold of being inadequate for the needs of their communities. According to Ms. Peterson, Lake Oswego and West Linn have used money for their respective general funds to help pay for their quality libraries.

Ms. Peterson summed up by saying that the County's annual budget is about one billion dollars, with 90% of the budget funds being "pass-through" for specific federal or state programs. The remaining \$100 million funds \$75 to \$80 million in public-safety and \$25 million for all other county programs. She also noted that The Secure Rural Schools and Community Self-Determination Act provides \$12 million to the County budget.

4. The Oregon Better Health Act, Senate Bill 27.

Liz Baxter, Director, of the Archimedes Movement gave an overview of the coalition of the medical establishment, medical employees and others to develop an alternative for use of public funds in Oregon's health care system. Ms. Baxter was following-up on former Governor John Kitzhaber's well-received presentation at the March Chamber Luncheon. She described the Archimedes Movement as a grassroots effort rather than having a "top-down" approach.

The Archimedes' supported legislation, The Oregon Better Health Act introduced as Senate Bill 27, had its first hearing in March 2007, and was merged with other bills in early April. The new legislation is Senate Bill 329-2, known as "Dash 2" to show that it is the amended version; the bill consolidates four proposals: The Archimedes Movement bill authored by former Gov. John Kitzhaber, and proposals made by Senators Alan Bates, D-Ashland, and Ben Westlund, D-Bend, the Oregon Health Policy Commission, and the Oregon Business Council.

Ms. Baxter noted that this "super" bill differs significantly from SB 27 in two ways: it prescribes a final product that results in a new employer- and individual-mandate and it does not seek to use Medicare funds. SB 27 does not prescribe a result; rather, it sets up a process to examine alternatives that include using federal Medicare and Medicaid funds. She noted that the primary opponent to SB 27 is AARP (American Association of Retired Persons), which does not want to see changes to Medicare. However, in her opinion, Ms. Baxter advised that no state can solve its health care issues alone; the federal government must be involved, preferably as a leader to solve the national health care crisis. She said that GAC would be kept informed of the status, and that they might try to bifurcate SB 27 from the merged legislation and move it independently.

5. GAC Updates

Leo presented an update on several bills before the legislature. Chair Phelps presented a written handout of Status Updates on: (1) the next steps for the Coffee Creek I Master Plan and (2) the Proposed I-5 to 99W Connector Project. He also reported that Chamber members were meeting monthly with our state legislators, Sen. Larry George and Rep. Jerry Krummel.

6. New Business / Announcements:

Phelps announced that he was named to 13-member county governance task force for Clackamas County which seeks input on five specific questions.

The next GAC meeting is scheduled for Wednesday, May 2, 2007. Meeting adjourned at 1:27 pm.

PROPOSED FEE INCREASE DEVELOPER FORUM
February 22, 2007

Attendees: Steve Adams City of Wilsonville
Michael Bowers City of Wilsonville
Blaise Edmonds City of Wilsonville
Candi Garrett City of Wilsonville
Mike Stone City of Wilsonville
Linda Straessle City of Wilsonville

Location: City of Wilsonville Council Chambers

Michael B. Briefed everyone, provided attached handout explaining proposed increases in fees. Engineering fees were discussed first. The fees are for public improvements only, infrastructure City of Wilsonville to maintain the utilities.

The cost is not covering the level of effort.

Question: West Hills Development asked:
While trying to track costs, are you certain involving only?

Michael B. We have a system called Timetrax that tracks each project to keep tabs on the amount of effort requires City staff to work on each project.

Question: West Hills Development:
The inherent rise in the cost of construction in recent years, is the city the benefactor?

Michael B Fees are brought in by the estimated construction costs. General actual construction costs have exceeded the engineer's estimate, so in the short run the City has not been the benefactor. Cities come back to revisit and collect actual cost differences.

Comment
Projects values are going up – is the City the benefactor in this case?

Michael B. The construction costs are pretty proportioned in their rate increases to the cost to recruit, retrain and hire engineering/engineer technician talent.

Question: When can we see 123% increases regarding planning fees?

Answer: It is likely another fiscal year away or longer.

We are working to ensure there is dialogue among are cities to make sure as much as possible are not out of line in our costs relative to adjacent municipalities.
Good news is we're still lower in many categories then the city averages with the proposed 123% increase.

West Hills: It is tough to compare per unit, per acre, per lot, etc.
Main concern is that the dollar amount is purely and solely for planning and land use only: citizens are not coming in paying for other City services.

Michael B. The answer is still the same; the accounting system internal to the city ensures we apply apples with respect to revenue and expenses.

West Hills: The Development fees are not supporting this?

Michael B. No

West Hills: A couple of agencies seem to increase cost for making money or close too it.

Michael B. Our Finance/Accounting Department has won 5 or 6 awards for fiscal accountability.
Our general fund is subsidizing our planning.
Your point is right on in that we should ensure application fees are not covering something we were doing.

The effective date is June or July 2007, probably no later then July 1, 2007.
Engineering Fees are applicable to the day you turn in the plan review
Could turn in land use for old fees

Mike Stone The council could make all fees retroactive.

Explanation of Proposed Fee Increases

Planning Fees

The 2006 Budget Committee recommended that the Community Development Fund eliminate any reliance on General Fund revenues. In order to do that, and still meet development demands of the community, an increase in application and permitting fees was explored.

In the FY 2006/07 budget, planning division funding requirements are \$842,078. The budgeted revenues which comprise this number are:

Permits	\$308,599
Interfund charges (Urban Renewal)	150,000
Intergovernmental (Grants)	5,000
CD Fund Revenues (transfers from General Fund)	\$379,079

The amount necessary to be raised by a fee increase is calculated as follows:

Total Planning Budget	\$842,678
Less Urban Renewal & Grants	<u>155,000</u>
Net to be collected from fees	687,678
Less current permit fees	<u>308,599</u>
Increase required in permit fees	\$379,079
Percent increase required	123%

About one-half of the increase would fund long-range planning, and the other half, together with existing permit fees, would fund current planning.

Staff initially prepared a proposed fee increase of 125% for review by the Council in work session. The Council reviewed the proposed increase and determined that it was too large an increase all in one year. Staff then prepared a draft which increased fees by 60%. Council reviewed that draft in a subsequent work session, and directed staff to take the 60% version to a public forum for review and comment by the citizens and the building and development community. Council suggested that it might be appropriate to approve the 60% increase in 2007, and then evaluate revenues and demand for services in a year's time, before proposing a second increase.

Attached is a proposed fee schedule showing existing fees compared to the proposed fee increase at 60% for five common application types.

Engineering Fees

An analysis of combined Community Development Administration and Engineering Division expenses vs. revenues shows a shortfall of \$196,136 for Fiscal Year 2006/07. This is the amount necessary in order to fund the CD and Engineering Divisions portion of Community Development Fund with no further reliance on the General Fund.

The proposed increases to cover the shortfall are as follows:

1. Increase the public works plan review and inspection fees from 5% to 7% resulting in estimated increased revenues of \$73,000.
2. Increase the amount of internal transfers for engineering services to the City's capital projects by increasing the hourly rate by approximately 33%. This is an internal transfer affecting the cost of the City's capital projects. There is no effect on permitting or other fees charged to private development as the result of this proposed increase.

CITY OF WILSONVILLE PROPOSED
ENGINEERING FEE INCREASE

July 12, 2006

- **PLAN REVIEW:** City proposes increasing fees from current 1% of engineers estimate for public improvements to 2%
- **PUBLIC WORKS CONST. PERMIT:** City proposes increasing fees from current 4% of engineers estimate for public improvements to 5%
- **Overall fees will increase from 5% of engineers estimate to 7%, or a 40% increase**

COMPARISON COST FOR:

- **SHERWOOD – 625-5522**
Plan Review – 4% of construction cost
- **TUALATIN – 692-2000** *
Deposit of 5% of cost improvements – includes PW permit as well
- **BEAVERTON – 526-2403**
65% OF Building Permit Fee on new homes
Valuation of House
Engineering Division Review Fee - \$40 (see attached also)
- **CLACKAMAS CO. – 353-4400**
Plan Review – 4% of Engineering Cost Estimate – includes the PW permit
- **LAKE OSWEGO – 635-0390** *
Plan Review – 9% of estimated costs or \$1,000 whichever is greater
- **TIGARD – 639-4171**
PFI – Public Facilities Infrastructure Permit (Right-of-Way)
\$300 each
Exempt at times (ex: sidewalk less than 20 lin ft) – won't charge anything (especially with residents) but will run a permit and possibly throw up a bond.
\$300 on anything – Application and plans
Will throw plans into circulation and ask for an Engineering Estimate.
The permit fee is 5% of the estimate after engineering review and approval of estimate.
- **OREGON CITY – 657-0895**
Plan Review – 5% for subdivisions
Don't have PW but right of way permits are \$121.00
- **WEST LINN** *
6%

* Fee is a deposit. Will collect more if actual costs exceed deposit.