



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, October 17, 2012

4:00 pm

Madison Avenue Meeting Room

500 SW Madison

- | | |
|------------------------------------|--|
| Discussion/ Possible Action | I. Land Use Application Fees Recommendations
(Attachment) |
| Discussion/ Possible Action | II. Council Policy Review and Recommendation: 91-3.01,
"Appointment of the Acting City Manager"
(Attachment) |
| Discussion/ Possible Action | III. Fire Protection Fee
(Attachment) |
| Information | IV. Other Business |

Next Scheduled Meeting

Wednesday, November 7, 2012 at 4:00 pm

Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

Council Policy Review and Recommendation:

08-1.11, "Identity Theft Prevention and Red Flag Alerts"

Utility Rate Annual Review

MEMORANDUM

From: Ken Gibb, Community Development Director  AIC

To: Administrative Services Committee (ASC)

Date: October 10, 2012

Re: Yearly Review of Land Use Application Fees - Public Comment Opportunity

I. Issue

Each year, the City Council conducts a review of Land Use Application Fees. State law requires these fees to be based on the actual or the average cost of processing such applications. Corvallis has been basing fees on the average cost since at least 1998. The average costs are based on the funding for Current Planning in the Community Development Department's budget and an analysis of the efforts associated with each type of application. Further direction is requested.

II. Background

On July 18, 2012, the Administrative Services Committee reviewed the Community Development Director's Yearly Review of Land Use Application Fees. The Committee preliminarily decided to maintain fees at the 70% cost recovery level, and to utilize data from Fiscal Year (FY) 2011 - 2012 because the current planning costs from the FY12-13 Planning Division budget are not significantly different from the current planning costs from the FY 11-12 budget.

The City Council heard a report on the ASC meeting at the August 6, 2012, City Council meeting and authorized the ASC to hold a public comment opportunity on land use fees, with preliminary direction to maintain the 70% cost recovery level. Notice of the October 17, 2012, public comment opportunity (**Attachment A**) was sent on October 2, 2012. The notice was sent to interested parties and Planning Division customers. At this time, no written comments have been received.

III. Discussion

The previous (July 10, 2012) Staff Report to USC is contained in **Attachment B**. You may note that Attachment B from that Staff Report, "Planning Division Budget Overview," shows the total FY 11-12 Planning Division Budget to be \$812,210, while the FY 12-13 Planning Division Budget is \$732,010. The difference is significant, but largely reflects the elimination of the Long Range Senior Planner position from the budget, which does not have an impact upon current planning costs.

Staff note that three new fees are proposed for 2013:

- A new survey review fee of \$100 is proposed in conjunction with Annexation application fees to recover the cost of the City Surveyor's time spent reviewing and verifying submitted annexation survey materials.
- Two other new fees are proposed for inclusion: a Solar Access Permit fee and a Floodplain Development Permit Variance fee. Although Solar Access Permit provisions have been in the Land Development Code for several years, no fee has been established for the process. Applications for Solar Access Permits have been rare within the last ten years. The recent adoption of Chapter 2.11 (Floodplain Development Permits) established a Floodplain Development Permit Variance process, for which a fee needs to be set. The City has yet to receive a single application for a Floodplain Development Permit Variance. Fees for these application types were determined by reference to comparable land use application types.

With past reviews of Land Use Application Fees, the Administrative Services Committee has asked staff to prepare fees based on direction given at an initial meeting and then to provide notice to the general public and the development community of an Administrative Services Committee meeting to allow review and comment on those proposed fees. After consideration of the Staff Report and public comment, the Administrative Services Committee is asked to forward a recommendation to the City Council regarding land use application fees for the next year.

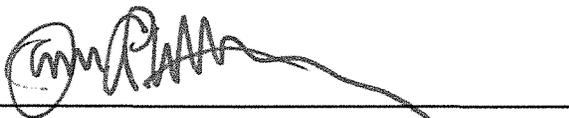
IV. Action Requested

ASC is asked to provide direction on 2013 Land Use Application fees. Staff will then prepare a resolution that will be presented to the City Council for approval.

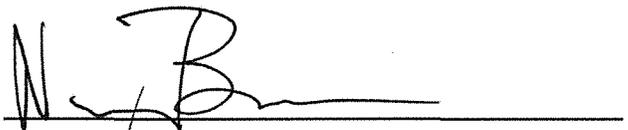
Attachments:

- A. Notice of October 17, 2012, public comment opportunity regarding 2013 Land Use Application Fees
- B. July 10, 2012, Memorandum from the Community Development Director to the Mayor and City Council regarding the Yearly Review of Land Use Application Fees.

Review and Concur:



James A. Patterson, City Manager



Nancy Brewer, Finance Director



The City of Corvallis is Reviewing Land Use Application Fees

Administrative Services Committee Meeting Public Comment Opportunity

The City of Corvallis charges fees for the review of land use applications. These fees may remain the same, or increase, as described below. In 2012, fees for Director-level actions (General Development) and fees for actions that go to the Planning Commission and/or the City Council (Special Development) were set to recover up to 70 percent of the Planning Division's actual cost of processing an individual application. The Planning Division budget for Fiscal Year 2012 - 2013 is not significantly different from the FY2011 - 2012 budget, and therefore, calculations from the 2012 Land Use Application Fee Review have been utilized to determine anticipated costs for 2013. The Council is considering maintaining fees at the current 70 percent cost recovery level. Brief descriptions of how fees are calculated, along with proposed new fees, are described below:

- State law allows the City to set land use application fees at either the actual or the average cost of processing an application.
- The costs are based on the Planning Division's budget for Current Planning services only. Costs for Long Range Planning services and other non-application related planning activities are not included in the calculations used to determine the fees.
- In 2012, fees were set to recover up to 70 percent of the Planning Division's cost of processing an individual application. The Council is considering maintaining the same 70 percent cost recovery level this year. A proposed 2013 fee schedule, which contains fees at the same levels as 2012, is attached to this notice. Where several land use applications are considered concurrently, the highest fee would be charged, and the fees for the additional applications would continue to be reduced to 75 percent of the adopted fee.
- Staff are recommending the addition of three new fees for the upcoming year:
 - A new survey review fee of \$100 is proposed in conjunction with Annexation application fees to recover the cost of the City Surveyor's time spent reviewing and verifying submitted annexation survey materials.
 - Two other new fees are proposed for inclusion: a Solar Access Permit fee and a Floodplain Development Permit Variance. Although Solar Access Permit provisions have been in the Land Development Code for several years, no fee has been established for the process. The recent adoption of Chapter 2.11 (Floodplain Development Permits) established a Floodplain Development Permit Variance process, for which a fee needs to be set. Fees for these application types were determined by reference to comparable land use application types.
- As established by City Ordinance in 2010, the Planning Division would continue to not charge fees for historic preservation permits.
- No changes are proposed for appeal fees.

**See Reverse Side for Information about the Administrative Services
Committee Meeting**

What is This? This is an **Administrative Services Committee** meeting. Its purpose is to provide an opportunity to review the information regarding the costs of providing the Community Development Department's review of land use applications and information regarding potential fee adjustments that reflect these costs.

Who is Invited? Everyone is welcome to participate.

Why is This Important? The public input received during this meeting will be evaluated by the Administrative Services Committee in relation to the cost of service information. A recommendation regarding fee-setting policies and adjustment of the fees will be forwarded to the City Council for its review and action.

When? The meeting will occur on **Wednesday, October 17, 2012, at 4:00 p.m.**

Where? Madison Avenue Meeting Room
500 SW Madison Avenue
Corvallis, OR

Where can I Find More Information? A staff report describing the issues to be addressed at this meeting is available from the Planning Division at City Hall, 501 SW Madison Avenue, or on the web at:

<http://archive.corvallisoregon.gov/0/doc/337439/Electronic.aspx>

How can I Participate? Written Comments can be mailed to: Kevin Young, Planning Division Manager; P.O. Box 1083; Corvallis, OR 97339. E-mails may be sent to kevin.young@corvallisoregon.gov Written or e-mail comments received by 5 p.m. on October 10, 2012, will be included with the staff report to the Administrative Services Committee. Comments submitted after that time, but before the meeting, will be distributed to committee members at the meeting. You may also give verbal or written testimony during the meeting.

MEMORANDUM

From: Ken Gibb, Community Development Director 
To: Administrative Services Committee (ASC)
Date: July 10, 2012
Re: Yearly Review of Land Use Application Fees - 2013

I. Issue

Each year, the City Council conducts a review of Land Use Application Fees. State law requires these fees to be not more than the actual or the average cost of processing such applications. Corvallis has been basing fees on the average cost since at least 1998. The average costs are based on the funding for Current Planning in the Community Development Department's budget and an analysis of the efforts associated with each type of application. This year's update for calendar year 2013 is presented below, and further direction is requested.

II. Background

Each time Land Use Application Fees are updated, an analysis is conducted to determine the average number of land use actions considered and the associated level of effort. Dividing the cost of providing the service by this yearly level of effort allows the average cost to be determined. The 2008 analysis included calendar years 2000 through 2007 (eight years). However, in 2009 staff proposed, and the City Council endorsed, a methodology that incorporated a five year "rolling average."

Prior to 2008, the Council's cost-recovery policy for Land Use Application Fees was to recover 50 percent of the Community Development Department's average costs for processing these applications. Costs associated with the development review activities of the Public Works, Parks and Recreation, Fire, and Police Departments have never been included in the fees. Additionally, the cost of the time spent by Public Works Engineering Staff and City Attorneys in the development of staff reports, formal findings, and other materials is not captured under the current methodology. In 2008, the City Council made a change to its cost-recovery policy for Land Use Applications, and consequently, the 2008 fees were designed to recover approximately 60 percent of Land Use Application processing costs. In 2009, the City Council increased the cost recovery ratio to 70%, and that cost recovery ratio has remained the same in 2010, 2011, and 2012.

Land Development Code Section 1.2.100 includes the following direction regarding development review fees:

Section 1.2.100 - DEVELOPMENT REVIEW FEES

1.2.100.01 - Required Fees

The Director is authorized to charge and collect fees for the provision of municipal services outlined in this Code. The City Council shall set fees in accordance with the Council's financial policies and shall charge no more than the actual or average cost of providing planning and development review services in accordance with ORS 227.175(1), as amended. The Director shall maintain a current schedule of fees for public review.

1.2.100.02 - Annual Review

Development review fees shall be reviewed annually and revised to reflect the change in costs to the City for wages and benefits of appropriate represented employees in the current fiscal year. The annual adjustment of fees shall be effective January 1 of each year.

Direction is needed in regard to the fee adjustment for 2013. Should the fees be designed to recover 70% of Land Use Application processing costs, or some other percentage of such costs?

III. Analysis

For a number of reasons, Staff recommend that the City Council make a decision regarding land use application fees based on data from last year's analysis (**Attachment A**). The reasons for this simpler review process are as follows:

1. Costs are Similar to FY 11-12 Costs: Planning Division costs have not significantly changed since last year. Personnel costs constitute approximately 90% of the Planning Division budget, and with no Cost-of-Living increases between the FY 11-12 and the FY 12-13 budgets, those costs will not be significantly different. Other costs are not significantly increasing (**Attachment B - Planning Division Budget Overview**). Consequently, setting the 2013 Land Use Application fees based on costs from FY 11-12 is consistent with LDC Section 1.2.100.02, because the fees would be based on current wages and benefits.
2. Reduced Staffing will Require Simplified Processes: With loss of the Senior Planner position in the FY 12-13 budget, the Planning Division is coping with reduced resources for the foreseeable future. Preparing analysis for Land Use Application fee reviews has been a time-intensive process for the Planning Division Manager. Because this year's costs will be similar to last year's costs, a more complex analysis does not appear to be necessary.
3. Time Spent on the Land Use Application fee analysis may be better spent on other projects: Currently, Planning Division Staff are engaged with developing a package of Land Development Code Amendments to be considered for adoption by December of 2012. The timeline for adoption is aggressive, and moving this package through the process will

require a large amount of staff time. Additionally, the City/OSU Collaboration Project continues to demand Planning Staff attention, particularly the work of the Neighborhood Planning Work Group. Given these high priority projects, it is believed that a simpler review of Land Use Application fees is warranted this year.

III. Direction Requested

With past reviews of Land Use Application Fees, the Administrative Services Committee has asked staff to prepare fees based on direction given at an initial meeting and then to provide notice to the general public and the development community of an Administrative Services Committee meeting to allow review and comment on those proposed fees. Staff are prepared to follow this process again this year. However, initial direction is requested regarding the desired methodology for updating land use application fees. Two options are possible:

1. Direct Staff to update land use application fees incorporating cost data from the prior year, as well as analysis of land use application volume and complexity for the past 2011 calendar year. More time will be necessary for preparation of this detailed analysis, with an initial review by the Administrative Services Committee in late summer or early fall.
2. Direct Staff to move forward with the land use application fee update based on calculations from last year's analysis. If this option is selected, two further options are possible: 1. Continue the 70% cost recovery fee schedule that is currently in place (**Attachment C**), or adopt a different cost recovery fee schedule.

Staff recommend **Option 2**, based on reasons given previously in this memorandum. If Option 2 is selected, Staff will prepare and distribute a notice for publication and distribution to the public and to the development community regarding an upcoming ASC meeting at which public comment regarding the proposed fees will be heard. Following that meeting, Staff will make any ASC-recommended adjustments to the fee schedule for presentation to the full City Council. If Option 1 is selected, Staff will need more time to update land use application fees based on FY 11-12 cost data and data regarding land use application volume and complexity. Once that analysis is complete, Staff will schedule a preliminary meeting with the ASC in late summer or early fall.

Review and Concur:



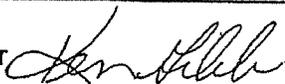
James A. Patterson, City Manager



Nancy Brewer, Finance Director

Attachment B - 3

MEMORANDUM

From: Ken Gibb, Community Development Director 

To: Administrative Services Committee (ASC)

Date: September 14, 2011

Re: Yearly Review of Land Use Application Fees

I. Issue

Each year, the City Council conducts a review of Land Use Application Fees. State law requires these fees to be based on the actual or the average cost of processing such applications. Corvallis has been basing fees on the average cost since at least 1998. The average costs are based on the funding for Current Planning in the Community Development Department's budget and an analysis of the efforts associated with each type of application. This year's update is presented below, and further direction is requested.

II. Background

Each time Land Use Application Fees are updated, an analysis is conducted to determine the average number of land use actions considered and the associated level of effort. Dividing the cost of providing the service by this yearly level of effort allows the average cost to be determined. The 2008 analysis included calendar years 2000 through 2007 (eight years). However, in 2009 staff proposed, and the City Council endorsed, a methodology that incorporated a five year "rolling average." For this reason, the following analysis is based on Planning Division data from 2006 through 2010 (see Table 1).

For each type of Land Use Application, staff have determined a relative level of effort. The most complex application type is the Annexation. This has been given a level of effort of 1.0. The various types of actions associated with Planned Developments range from a 0.25 level of effort for a Minor Modification to a 0.85 level of effort for a combined Conceptual and Detailed Development Plan. A standard Zone change is 0.4, and a standard Subdivision is 0.7 (see Table 1). Table 1 calculates the average number of each application type that is processed per year over the five year period. This is done in order to minimize pronounced trends that may occur on an annual basis (for example, 39 Historic Preservation Permits were processed by the Historic Resources Commission in 2009, which is a sharp increase from prior years). The average number of each type of application is multiplied by the associated level of effort for that application type, to determine average yearly units of effort for each type of application. These numbers are totaled. In this year's analysis, 29.19 average yearly units of effort were calculated for Special Development applications (generally these are applications that would require a public hearing), and 5.4 average yearly units of effort were calculated for General Development applications

(generally, these are Staff-level review items). The two numbers are then added for a total of 34.59 average yearly units of effort. The total average yearly units of effort is then divided into the cost of providing the Land Use Application review effort in order to determine the cost of one unit of effort. This information is shown in the small shaded rectangle towards the bottom of Table 1.

Once the cost for one unit of effort is determined, the cost/unit is then multiplied by the level of effort for each application type to determine the average cost for each type of Land Use Application (see Table 2). For this year's update, the cost for the review of Land Use Applications is based upon the FY10-11 budget for Current Planning, with the recognition that 2.75 Planner-level FTE were dedicated to current planning over that time period. (Last year, 3.5 FTE were dedicated to current planning. The reasons for the reduced allocation of FTE to current planning over the past year are discussed later in this staff report).

Prior to 2008, the Council's cost-recovery policy for Land Use Application Fees was to recover 50 percent of the Community Development Department's average costs for processing these applications. Costs associated with the development review activities of the Public Works, Parks and Recreation, Fire, and Police Departments have never been included in the fees. Additionally, the cost of the time spent by Public Works Engineering Staff and City Attorneys in the development of staff reports, formal findings, and other materials is not captured under the current methodology.

In 2008, the City Council made a change to its cost-recovery policy for Land Use Applications, and consequently, the 2008 fees were designed to recover approximately 60 percent of Land Use Application processing costs. Staff were also given direction that each year, fee increases were to be considered such that after the fifth year, 100 percent of these costs would be recovered. In 2009, the City Council increased the cost recovery ratio to 70%. In 2010, the City Council decided to maintain the 70% cost recovery ratio for 2011. Direction is needed in regard to this year's fee adjustment. Should the fees be designed to recover 70% or 80% of Land Use Application processing costs? Further information is presented in this memo regarding the methodology used by staff to determine proposed fees, as well as an analysis of recent land use application trends and fees charged by comparator Oregon cities.

III. Analysis

Staff have created a series of tables to show how this year's process affects Land Use Application Fees. **Table 1** provides data regarding land use applications processed in calendar years from 2006 to 2010. Based on that information, Table 1 then calculates the average yearly units of effort expended per application type and also totals the average yearly units of effort expended (34.59 units of effort). This number is then divided by the total estimated costs of current planning services to provide a cost per unit of effort (\$18,628 per unit of effort).

Table 2 incorporates 2010 land use application and current planning cost data to arrive at a figure for 70% of the average cost of each application type. As noted in the data in the right-hand column, this generally represents an 8% cost increase over this year's application fees in order to maintain the 70% cost recovery ratio that was approved by the City Council last year. It should be noted that the 70% of average cost figures shown on Table 2 will not correspond in all cases to the 70% cost recovery fee schedule shown on Table 5. This is because, for many application types, per-unit add-on fees will be added to the base fee in order to arrive at 70% cost recovery.

Similarly to Table 2, **Table 3** incorporates 2010 land use application and current planning cost data to arrive at a figure for 80% of the average cost of each application type. As noted in the right-hand column, this generally represents a 24% cost increase over this year's application fees in order to continue the Council's direction to increase land use application fees 10% each year until 100% cost recovery is achieved. As with Table 2, the 80% average cost figures shown on Table 3 will not correspond in all cases to the 80% cost recovery fee schedule shown in Table 6, for reasons explained above.

Table 4 is provided for comparative purposes and shows the current land use application fee schedule for 2010.

Table 5 illustrates the land use application fee schedule that would be put in place in 2012 if the Council decides to maintain the current 70% cost recovery ratio. The cost increase per application would be approximately 8% above current fees. Per-unit add-on costs have been calculated such that the "average" scale application will achieve 70% cost recovery. Smaller applications will pay proportionately less and larger applications will pay proportionately more to reflect the relative levels of effort (and cost) of small and large applications.

Table 6 illustrates the land use application fee schedule that would be put in place in 2012 if the Council decides to increase the cost recovery ratio from 70% to 80%. The cost increase per application would be approximately 24% above current fees. Per-unit add-on costs have been calculated such that the "average" scale application will achieve 80% cost recovery. Smaller applications will pay proportionately less and larger applications will pay proportionately more to reflect the relative levels of effort (and cost) of small and large applications.

Table 7 provides information regarding typical land use application fees currently charged by comparator cities in Oregon. Additionally, Table 7 provides information regarding what current Corvallis fees would be for the same applications, along with fees at the 80% cost recovery ratio and our estimate of the total cost of such applications.

A number of trends are evident from a close review of the tables. Generally, the number of applications received per year has declined from 2006 to 2010, with 96 in 2006, 70 in 2007, 84 in 2008, 83 in 2009, and 54 in 2010. Certainly, the recent downturn in the economy is likely one factor that reduced application numbers. Another factor to note is the adoption of the new Land Development Code in December of 2006. The Planning Division experienced a flurry of land use applications prior to adoption of the new code from applicants seeking to develop under the "old"

rules, and a relative paucity of applications in the year following adoption (2007). Additionally, because the 2006 Land Development Code was developed to provide a "clear and objective" path for development proposals that comply with all applicable code standards, it is anticipated that the number of discretionary land use reviews will be reduced. This may also partially account for the decrease in the number land use applications received over the past five years.

Changes to the City's Historic Preservation Program over the past five years are also reflected in land use application permit data. Six months prior to the adoption of the updated Land Development Code, in June of 2006, the City adopted revisions to LDC Chapter 2.9, which restructured the City's Historic Preservation program, and formed the Historic Resources Commission (HRC) as a quasi-judicial decision-making body. Prior to this, all decisions by the Historic Preservation Advisory Board (HPAB) were recommendations to the Community Development Director. This explains why the number of Director-level historic preservation permits fell markedly between 2006 and 2007, and why quasi-judicial historic preservation permits began to appear in 2006. The sharp increase in quasi-judicial historic preservation permits in 2009 is due in part to the establishment of a historic district on the OSU campus in June of 2008.

Staffing demands in current planning have stayed relatively constant over that time period. The main reason for this is that the adoption of the new Land Development Code in 2006 has resulted in a higher level of complexity for nearly all land use applications. For example, Planned Development applications now must address Pedestrian Oriented Design Standards, Natural Features, and Natural Hazard provisions, if applicable to the subject development site. These are just some of the new standards that were added into the 2006 Land Development Code, for which one of the goals was to establish clear and objective decision criteria. These decision criteria are necessarily more detailed than past code language, which was more discretionary. The result is that most land use applications are more complex than they were prior to 2006. Because the relative effort required of each application type is basically the same in relation to the most complex application type (annexations) under both the old code and the new code, the "relative effort" proportions shown on Table 1 have not fundamentally changed since 2005. What has changed is that nearly all application types (with the possible exception of Lot Line Adjustments) take more staff time to process and are more complex than they used to be.

Notwithstanding those observations, Staff resources dedicated to current planning were reallocated in 2010 from approximately 3.5 FTE to 2.75 FTE, in response to the reduced volume of land use applications during that time. Staff that would have otherwise been engaged in current planning work have been working on other projects, such as the 2010 Land Development Information Report, Land Development Code Amendments to Chapter 2.9 (Historic Preservation), an update to the Airport Industrial Park Master Plan (in progress), and Benton County's Health Impact Assessment Project. This reallocation of resources should not be perceived as a permanent restructuring of the Planning Division, and the FY11-12 Budget continues to reflect 3.5 FTE in current planning, because this is believed to be the minimum level of staffing necessary in current planning to process land use applications in a robust economy. It has been difficult to forecast the number of land use applications submitted in recent years. For example, it remains

to be seen whether the current high level of interest in developing multi-family housing in the community will translate into a high volume of land use applications in the near future.

A trend noted last year that continues this year is the high proportion of current land use applications for which costs are not recovered at the 70% level. In 2010, Historic Preservation Permits (HPPs) and appeals of land use decisions represented a large proportion of the total number of land use applications submitted (67% of Special Development applications, and 43% of all submitted land use applications). Consistent with Council direction, the Planning Division charges no fees for HPPs. The City Council established a new fee for appeals of land use decisions last year (10% of the base fee for the decision being appealed for most appeals); however, given the estimated average total cost of \$11,177 to process an appeal, the 10% appeal fee collects significantly less than 70% of the cost. Because of this, it should be noted that although land use application fees cover some current planning costs at the City, they do not in reality come close to the 70% cost recovery level. It should also be noted that many of the current planning functions, such as answering public inquiries regarding the City's land use regulations, staffing pre-application meetings, and providing feedback to potential applicants regarding development projects that may be processed at a building permit level, or which may never make it to the land use application stage, are not supported by land use application fees, but by general fund resources.

Table 2 shows that in order to maintain the 70% cost recovery level, an 8% increase in fees is necessary. This increase in costs is largely attributable to increased personnel costs for the current planning function within the Planning Division. Personal service costs account for approximately 90% of the Planning Division's annual budget. It is important to note that these costs were arrived at in relation to the FY10-11 Planning Division budget, not the FY11-12 budget, which assumes no cost of living or benefit increases. Table 3 calculates land use fees at the 80% cost recovery level, based on the City Council's prior direction to increase fees by 10% increments until 100% cost recovery is reached. The 80% cost recovery schedule (Table 6) represents a 24% increase in land use application fees from the 2011 fee schedule.

Table 7 shows how the City's current land use application fees (as well as proposed 80% cost recovery fees and estimated actual costs) compare to the fees of other jurisdictions in Oregon for selected land use applications. Generally, the City's current- and 80%-cost-recovery-level-fees are below the average of the fees charged by the other jurisdictions. In some cases, the City's current and proposed fees are well below the average. One anomaly is also notable: Corvallis' current and proposed fees for Conditional Development applications exceed the average charged by other cities. One possible explanation for this is that our decision criteria for conditional developments may be more rigorous than those criteria that other jurisdictions apply to conditional developments. This could explain the higher effort and cost that we ascribe to conditional development applications. As can be seen from Table 7, some of the selected cities are much more aggressive in setting fees to cover costs than others. For this reason, in some land use application categories, there is a significant difference between average and median land use application fees. Consequently, of the six land use application types that are surveyed, current Corvallis land use application fees are above the median cost for a Comprehensive Plan Map

Amendment, Annexation, and Conditional Use Permit, but below the median cost for a Zone Change, Residential Planned Development and Subdivision, and regular Subdivision.

It should also be noted that most of the comparator cities did not raise their fees significantly between last year and this year, with the exception of the City of Bend and the City of Albany. Albany has increased its land use application fees by 3.6% above last year's level, as of July 1, 2011.

III. Direction Requested

With past reviews of Land Use Application Fees, the Administrative Services Committee has asked staff to prepare fees based on direction given at an initial meeting and then to provide notice to the general public and the development community of an Administrative Services Committee meeting to allow review and comment on those proposed fees. Staff are prepared to follow this process again this year. Based on the information presented in this memo, staff have identified three options, which rely on the five-year averaging of Land Use Application data. These options are as follows: the continuation of 70 percent cost-recovery, with an increase based on increased costs for FY10-11; an increase to 80 percent cost-recovery, including an increase based on costs for FY10-11; or maintaining the current 2011 fee schedule, with no adjustment for increased costs in FY10-11.

	Option	Potential Fee Increase
1.	5-yr Average @ 70% Cost Recovery	+8% Fee Increase for Special and General Development Application Types (Table 5)
2.	5-yr Average @ 80% Cost Recovery	+24% Fee Increase for Special and General Development Application Types (Table 6)
3.	Maintain current fee schedule	0% Fee Increase for Special and General Development Application Types (Table 4)

Based on direction from the ASC, Staff will prepare and distribute a notice for publication and distribution to the public and to the development community regarding an upcoming ASC meeting at which public comment regarding the proposed fees will be heard. Following that meeting, Staff will make any ASC-recommended adjustments to the fee schedule for presentation to the full City Council.

Review and Concur:


 Ellen Volmert, City Manager Pro Tem


 Nancy Brewer, Finance Director

Table 1- Average Yearly Units of Effort Based on 5 Years

Land Use Application Fees									
Description	2006	2007	2008	2009	2010	Average # Done (2006-2010)	Relative Effort	Avg. Yearly Units of Effort	
Special Development (S)									
Appeal	6	2	14	6	4	6.40	0.60	3.84	
Annexation	0	0	0	2	1	0.60	1.00	0.60	
Health Hazard Annexation (Minor)	0	0	2	0	0	0.40	0.20	0.08	
Comprehensive Plan Amendment	1	1	1	0	0	0.60	0.85	0.51	
Conditional Development	5	7	3	2	2	3.80	0.70	2.66	
Modification to CD	4	2	1	3	1	2.20	0.25	0.55	
District Change	1	5	5	2	2	3.00	0.40	1.20	
HPO	0	0	1	0	0	0.20	0.20	0.04	
Health Hazard (w/ Minor Annexation)	0	0	2	0	0	0.40	0.10	0.04	
Administrative	NA	3	2	0	0	1.25	0.20	0.25	
Planned Development (Total-all PD Types)	19	11	15	9	8	12.40			
Conceptual Development Plan	0	0	0	0	0	0.00	0.75	0.00	
Detailed Development Plan	1	0	0	1	0	0.40	0.80	0.32	
Detailed Dev. Plan w/ Conceptual	3	5	5	2	2	3.40	0.85	2.89	
Major Modification to PD	4	1	6	2	2	3.00	0.75	2.25	
PD Nullification	0	0	0	0	0	0.00	0.40	0.00	
Minor Modification	11	5	4	4	4	5.60	0.25	1.40	
Tentative Plat	7	5	5	1	1	3.80	0.70	2.66	
Modification to Tentative Plat (New Action)	0	0	0	0	1	0.20	0.25	0.05	
Major Replat	1	0	1	1	0	0.60	0.60	0.36	
Administrative	NA	1	5	0	0	1.50	0.65	0.98	
Extension of Services	0	0	0	0	0	0.00	0.70	0.00	
Historic Preservation Permit	21	26	20	39	24	26.00	0.25	6.50	
Director-level	29	4	3	14	8	11.60	0.1	1.16	
Director's Interpretation	1	0	2	4	0	1.40	0.15	0.21	
Land Development Code Text Amendment	1	3	2	0	2	1.60	0.40	0.64	
Total	96	70	84	83	54	77.40		29.19	
Expenditures Allocated to Current Planning						\$ 644,256			
Total Yearly Units of Effort Expended						34.59			
Cost per unit						\$ 18,628			
General Development (G)									
		2007	2008	2009	2010	Ave. # Done	Effort	Yrly. Effort	
Minor Replat		6	16	8	7	9.25	0.1	0.93	
Lot Development Option		30	23	15	5	18.25	0.1	1.83	
Major Lot Development Option*				3	4	3.50	0.3	1.05	
Lot Line Adjustment		20	9	1	2	8.00	0.025	0.20	
Partition		10	5	2	3	5.00	0.25	1.25	
Plan Compatibility Review		6	1	5	0	3.00	0.05	0.15	
Total		72	54	34	21	45.25		5.40	

Table 2- Land Use Application Fees - 70% Cost Recovery

Averages # of applications over the past 5 years and maintains the 70% cost-recovery approved in 2009

Description	Average # Done (2006-2010)	Relative Effort	Avg. Yearly Units of Effort	Average Cost (Effort * Unit Cost)	70% of Average Cost	Current Base Fee	Percent Increase
Special Development (S)							
Appeal	6.40	0.60	3.84	\$ 11,177	\$ 7,824	varies	NA
Annexation*	0.60	1.00	0.60	\$ 18,628	\$ 9,073	\$ 8,401	8%
Health Hazard Annexation (Minor)	0.40	0.20	0.08	\$ 3,726	\$ 2,608	\$ 2,410	8%
Comprehensive Plan Amendment	0.60	0.85	0.51	\$ 15,834	\$ 11,084	\$ 10,244	8%
Conditional Development*	3.80	0.70	2.66	\$ 13,040	\$ 6,857	\$ 6,349	8%
Modification to CD***	2.20	0.25	0.55	\$ 4,657	\$ 2,796	\$ 2,589	8%
District Change	3.00	0.40	1.20	\$ 7,451	\$ 5,216	\$ 4,820	8%
HPO	0.20	0.20	0.04	\$ 3,726	\$ 2,608	no fee	
Health Hazard (w/ Minor Annexation)	0.40	0.10	0.04	\$ 1,863	\$ 1,304	\$ 1,205	8%
Administrative	1.25	0.20	0.25	\$ 3,726	\$ 2,608	\$ 2,410	8%
Planned Development (Total- all PD Types)	12.40						
Conceptual Development Plan*	0.00	0.75	0.00	\$ 13,971	\$ 7,347	\$ 6,803	8%
Detailed Development Plan*	0.40	0.80	0.32	\$ 14,902	\$ 7,838	\$ 7,257	8%
Detailed Dev. Plan w/ Conceptual*	3.40	0.85	2.89	\$ 15,834	\$ 8,328	\$ 7,711	8%
Major Modification to PD*	3.00	0.75	2.25	\$ 13,971	\$ 7,347	\$ 6,803	8%
PD Nullification	0.00	0.40	0.00	\$ 7,451	\$ 5,216	\$ 4,820	8%
Minor Modification	5.60	0.25	1.40	\$ 4,657	\$ 3,260	\$ 3,013	8%
Non-Residential Tentative Plat*	3.80	0.70	2.66	\$ 13,040	\$ 6,857	\$ 6,349	8%
Modification to Tentative Plat (New Action)	0.20	0.25	0.05	\$ 4,657	\$ 3,260	\$ 3,013	8%
Major Replat*	0.60	0.60	0.36	\$ 11,177	\$ 7,809	\$ 7,231	8%
Residential (Administrative)*	1.50	0.65	0.98	\$ 12,108	\$ 6,368	\$ 5,896	8%
Extension of Services	0.00	0.70	0.00	\$ 13,040	\$ 9,128	\$ 8,436	8%
Historic Preservation Permit	26.00	0.25	6.50	\$ 4,657	\$ 3,260	\$ 0	NA
Director-level	11.60	0.1	1.16	\$ 1,863	\$ 1,304	\$ 0	NA
Director's Interpretation	1.40	0.15	0.21	\$ 2,794	\$ 1,956	\$ 1,808	8%
Land Development Code Text Amendment	1.60	0.40	0.64	\$ 7,451	\$ 5,216	\$ 4,820	8%
Total	77.95		29.19				
Expenditures Allocated to Current Planning				\$644,256			
Total Yearly Units of Effort Expended				34.59			
Cost per unit				\$ 18,628			
General Development (G)	Ave. # Done	Effort	Yrly. Effort	Cost	70% of Cost	Current Fee	Increase
Minor Replat	9.25	0.1	0.93	\$ 1,863	\$ 1,304	\$ 1,205	8%
Lot Development Option	18.25	0.1	1.83	\$ 1,863	\$ 1,304	\$ 1,205	8%
Major Lot Development Option**	3.50	0.3	1.05	\$ 5,588	\$ 3,912	\$ 3,615	8%
Lot Line Adjustment	8.00	0.025	0.20	\$ 466	\$ 326	\$ 301	8%
Partition	5.00	0.25	1.25	\$ 4,657	\$ 3,260	\$ 3,013	8%
Plan Compatibility Review	3.00	0.05	0.15	\$ 931	\$ 652	\$ 603	8%
Totals:	47.00		5.40				

Table 3- Land Use Application Fees - 80% Cost Recovery

Averages # of applications over the past 5 years and provides the 80% cost-recovery to be considered for 2012

Description	Average # Done (2006-2010)	Relative Effort	Avg. Yearly Units of Effort	Average Cost (Effort * Unit Cost)	80% of Average Cost	Current Base Fee	Percent Increase
Special Development (S)							
Appeal	6.40	0.60	3.84	\$ 11,177	\$ 8,941	varies	NA
Annexation	0.60	1.00	0.60	\$ 18,628	\$ 10,417	\$ 8,401	24%
Health Hazard Annexation (Minor)	0.40	0.20	0.08	\$ 3,726	\$ 2,980	\$ 2,410	24%
Comprehensive Plan Amendment	0.60	0.85	0.51	\$ 15,834	\$ 12,667	\$ 10,244	24%
Conditional Development	3.80	0.70	2.66	\$ 13,040	\$ 7,873	\$ 6,349	24%
Modification to CD***	2.20	0.25	0.55	\$ 4,657	\$ 3,210	\$ 2,589	24%
District Change	3.00	0.40	1.20	\$ 7,451	\$ 5,961	\$ 4,820	24%
HPO	0.20	0.20	0.04	\$ 3,726	\$ 2,980	no fee	
Health Hazard (w/ Minor Annexation)	0.40	0.10	0.04	\$ 1,863	\$ 1,490	\$ 1,205	24%
Administrative	1.25	0.20	0.25	\$ 3,726	\$ 2,980	\$ 2,410	24%
Planned Development (Total- all PD Types)	12.40						
Conceptual Development Plan	0.00	0.75	0.00	\$ 13,971	\$ 8,436	\$ 6,803	24%
Detailed Development Plan	0.40	0.80	0.32	\$ 14,902	\$ 8,999	\$ 7,257	24%
Detailed Dev. Plan w/ Conceptual	3.40	0.85	2.89	\$ 15,834	\$ 9,562	\$ 7,711	24%
Major Modification to PD	3.00	0.75	2.25	\$ 13,971	\$ 8,436	\$ 6,803	24%
PD Nullification	0.00	0.40	0.00	\$ 7,451	\$ 5,961	\$ 4,820	24%
Minor Modification	5.60	0.25	1.40	\$ 4,657	\$ 3,726	\$ 3,013	24%
Tentative Plat	3.80	0.70	2.66	\$ 13,040	\$ 7,873	\$ 6,349	24%
Modification to Tentative Plat (New Action)	0.20	0.25	0.05	\$ 4,657	\$ 3,726	\$ 3,013	24%
Major Replat	0.60	0.60	0.36	\$ 11,177	\$ 8,966	\$ 7,231	24%
Administrative	1.50	0.65	0.98	\$ 12,108	\$ 7,311	\$ 5,896	24%
Extension of Services	0.00	0.70	0.00	\$ 13,040	\$ 10,432	\$ 8,436	24%
Historic Preservation Permit	26.00	0.25	6.50	\$ 4,657	\$ 3,726	\$ 0	NA
Director-level	11.60	0.1	1.16	\$ 1,863	\$ 1,490	\$ 0	NA
Director's Interpretation	1.40	0.15	0.21	\$ 2,794	\$ 2,235	\$ 1,808	24%
Land Development Code Text Amendment	1.60	0.40	0.64	\$ 7,451	\$ 5,961	\$ 4,820	24%
Total	77.95		29.19				
Expenditures Allocated to Current Planning				\$644,256			
Total Yearly Units of Effort Expended				34.59			
Cost per unit				\$ 18,628			
General Development (G)							
	Ave. # Done	Effort	Yrly. Effort	Cost	80% of Cost	Current Fee	Increase
Minor Replat	9.25	0.1	0.93	\$ 1,863	\$ 1,490	\$ 1,205	24%
Lot Development Option (Minor)	18.25	0.1	1.83	\$ 1,863	\$ 1,490	\$ 1,205	24%
Major Lot Development Option**	3.50	0.3	1.05	\$ 5,588	\$ 4,471	\$ 3,615	24%
Lot Line Adjustment	8.00	0.025	0.20	\$ 466	\$ 373	\$ 301	24%
Partition	5.00	0.25	1.25	\$ 4,657	\$ 3,726	\$ 3,013	24%
Plan Compatibility Review	3.00	0.05	0.15	\$ 931	\$ 745	\$ 603	24%

Table 4 - Current (2011) Land Use Application Fees¹

Table 1: Special Development (70% Cost Recovery, unless otherwise noted)		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on)			
	<i>Major</i>	\$8,401	\$122
	<i>Minor (including Health Hazard)</i>	\$2,410	
Comprehensive Plan Amendment		\$10,244	
Conditional Development (including Willamette River Greenway CD)			
	<i>Residential (per lot add-on)</i>	\$6,349	\$38
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$6,349	\$8
	<i>Modification</i>	\$2,589	
District Change			
	<i>Standard</i>	\$4,820	
	<i>Minor Annexation (including Health Hazard)</i>	\$1,205	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,410	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$6,803	\$75
	<i>Non-residential (per acre add-on)</i>	\$6,803	\$75
Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,257	\$43
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,257	\$9
Conceptual and Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,711	\$46
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,711	\$9
Major Modification to P.D.			
	<i>Residential (per lot add-on)</i>	\$6,803	\$41
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$6,803	\$8
P.D. Nullification		\$4,820	
Minor Modification		\$3,013	
Subdivision Tentative Plat			
	<i>Non-residential</i>	\$6,349	\$38
	<i>Modification</i>	\$3,013	
	<i>Major Replat</i>	\$7,231	\$1
	<i>Residential (Admin.)</i>	\$5,896	\$35
Historic Preservation Permit			
	<i>HRC-level (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Director-level (0% cost recovery/5-yr. average)</i>	no fee	
Director's Interpretation		\$1,808	
Land Development Code Text Amendment		\$4,820	
Extension of Services		\$8,436	

Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,205	
Lot Development Option (Minor)	\$1,205	
Lot Development Option (Major)	\$3,615	
Lot Line Adjustment	\$301	
Partition	\$3,013	
Plan Compatibility Review	\$603	
Vacation	\$1,205	
Sign Permit	\$57	
Sign Variance	\$3,013	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.

Table 5 - 70% Cost Recovery Land Use Application Fee Schedule¹ (2012)

Table 1: Special Development (70% Cost Recovery, unless otherwise noted)		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on)			
	<i>Major</i>	\$9,073	\$132
	<i>Minor (including Health Hazard)</i>	\$2,608	
Comprehensive Plan Amendment		\$11,084	
Conditional Development (including Willamette River Greenway CD)			
	<i>Residential (per lot add-on)</i>	\$6,857	\$41
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$6,857	\$8
	<i>Modification</i>	\$2,796	
District Change			
	<i>Standard</i>	\$5,216	
	<i>Minor Annexation (including Health Hazard)</i>	\$1,304	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,608	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$7,347	\$81
	<i>Non-residential (per acre add-on)</i>	\$7,347	\$81
Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,838	\$47
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,838	\$9
Conceptual and Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$8,328	\$50
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$8,328	\$10
Major Modification to P.D.			
	<i>Residential (per lot add-on)</i>	\$7,347	\$44
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,347	\$9
P.D. Nullification		\$5,216	
Minor Modification		\$3,260	
Subdivision Tentative Plat			
	<i>Non-residential</i>	\$6,857	\$41
	<i>Modification</i>	\$3,260	
	<i>Major Replat</i>	\$7,809	\$1
	<i>Residential (Admin.)</i>	\$6,368	\$38
Historic Preservation Permit			
	<i>HRC-level (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Director-level (0% cost recovery/5-yr. average)</i>	no fee	
Director's Interpretation		\$1,956	
Land Development Code Text Amendment		\$5,216	
Extension of Services		\$9,128	

Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,304	
Lot Development Option (Minor)	\$1,304	
Lot Development Option (Major)	\$3,912	
Lot Line Adjustment	\$326	
Partition	\$3,260	
Plan Compatibility Review	\$652	
Vacation	\$1,301	
Sign Permit	\$62	
Sign Variance	\$3,254	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.

Table 6 - 80% Cost Recovery Land Use Application Fee Schedule¹ (2012)

Table 1: Special Development (80% Cost Recovery, unless otherwise noted)		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on)			
	<i>Major</i>	\$10,417	\$150
	<i>Minor (including Health Hazard)</i>	\$2,980	
Comprehensive Plan Amendment		\$12,667	
Conditional Development (including Willamette River Greenway CD)			
	<i>Residential (per lot add-on)</i>	\$7,873	\$47
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$7,873	\$9
	<i>Modification</i>	\$3,210	
District Change			
	<i>Standard</i>	\$5,961	
	<i>Minor Annexation (including Health Hazard)</i>	\$1,490	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,980	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$8,436	\$91
	<i>Non-residential (per acre add-on)</i>	\$8,436	\$91
Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$8,999	\$53
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$8,999	\$11
Conceptual and Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$9,562	\$56
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$9,562	\$11
Major Modification to P.D.			
	<i>Residential (per lot add-on)</i>	\$8,436	\$50
	<i>Non-residential (per 100 sq. ft. add-on)</i>	\$8,436	\$10
P.D. Nullification		\$5,961	
Minor Modification		\$3,726	
Subdivision Tentative Plat			
	<i>Non-residential</i>	\$7,873	\$47
	<i>Modification</i>	\$3,726	
	<i>Major Replat</i>	\$8,966	\$1
	<i>Residential (Admin.)</i>	\$7,311	\$43
Historic Preservation Permit			
	<i>HRC-level (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Director-level (0% cost recovery/5-yr. average)</i>	no fee	
Director's Interpretation		\$2,235	
Land Development Code Text Amendment		\$5,961	
Extension of Services		\$10,432	

Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,490	
Lot Development Option (Minor)	\$1,490	
Lot Development Option (Major)	\$4,471	
Lot Line Adjustment	\$373	
Partition	\$3,726	
Plan Compatibility Review	\$745	
Vacation	\$1,494	
Sign Permit	\$71	
Sign Variance	\$3,736	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.

**Table 7 - Land Use Application Review Fees Update
Selected Special Development Fee Comparisons
(Fiscal Year 2010 – 2011 Comparators)**

Jurisdiction	Comp. Plan Map Amendment (5-acre)	Zone Change (5-acre)	Annexation (200 lots; 50 Acres)	Conditional Use Permit (Non-residential)	Residential PD & Subdivision (100 lots; 25 acres)	Straight Subdivision (100 Lots; 25 acres)
Albany	\$3,088 ¹	\$3,088 ²	\$4,500 ³	\$3,360 ⁴	\$14,762 ⁵	\$9,328 ⁶
Bend ⁷	\$25,053	\$25,053	\$97,698 ^{8(LA)}	\$4,268	\$148,289	\$96,486
Eugene	\$6,339	\$6,339	\$5,156	\$6,797	\$41,408	\$18,210
Gresham	\$11,516	\$11,516	\$5,970	\$6,203 ⁸	\$66,376	\$44,051
Lake Oswego	\$9,745	\$9,745	\$138,400	\$4,784	\$25,950	\$25,950
Salem	\$1,035 (+ hourly rate)	\$1,035 (+ hourly rate)	\$6,810 ⁹	\$2,269	\$13,323	\$6,880
Springfield	\$40,026	\$40,026	\$104,542	\$4,404	\$135,670 ¹⁰	\$135,670
Other City - Averages:	\$15,961 ¹¹	\$18,536 ¹¹	\$70,353	\$4,504	\$59,069	\$54,541
Other City - Median Values:	\$9,745	\$9,745	\$6,810	\$4,404	\$41,408	\$25,950
Corvallis (Current)	\$10,244	\$4,820	\$14,501	\$6,349 (base fee)	\$19,358	\$9,396
Corvallis (at 70%)	\$11,084	\$5,216	\$15,673	\$6,857 (base fee)	\$20,954	\$10,168
Corvallis (at 80%)	\$12,667	\$5,961	\$17,917	\$7,873 (base fee)	\$23,870	\$11,611
Corvallis Cost (avg., not per unit)	\$15,834	\$7,451	\$18,628	\$13,040	\$24,915	\$12,108

¹ Combined Comprehensive Plan / Zone Map Amendment Application Fee is \$4,324

² Combined Comprehensive Plan / Zone Map Amendment Application Fee is \$4,324

³ Approximate fee. Actual fee depends on location / type of annexation. Also, fee of only \$100 applies for property with single home that has failing septic system or inadequate well.

⁴ Lesser fee may apply depending on type of use, whether use is in existing or new building, if Design Standards apply, and whether TIA is required

⁵ Assumes Traffic Impact Analysis is required

⁶ Assumes Traffic Impact Analysis is required

⁷ City of Bend Planning fees are subject to an additional 14% surcharge to fund long range planning. Additional charges apply for applications requiring Hearings Officer review (+HO) and development of legal agreements (+LA).

⁸ Gresham has provisions for "Community Services" rather than "Conditional Uses". "Type III Community Services" include uses such as schools, hospitals, and child care facilities, which are similar to Conditional Uses allowed by the Corvallis Land Development Code.

⁹ Includes Comp Plan / Zone Changes and Voter Publication Costs

¹⁰ Springfield utilizes "Cluster Subdivision Development" option rather than Planned Development. No fee difference from conventional subdivision development.

Springfield Planning fee also includes Public Works review fees.

¹¹ Average does not include Salem, which has hourly fee.

PLANNING DIVISION BUDGET OVERVIEW

Planning Division Budget	Actual FY 07-08	Actual FY 08-09	Actual FY 09-10	Actual FY 10-11	Budget FY 11-12	Budget FY 12-13
510 Personal Services						
4401 Div. Admin	229,953	248,034	222,935	245,269	211,710	233,170
4402 Long Range	191,709	221,515	224,905	254,708	91,740	75,080
4404 Dev Review	233,515	266,601	253,886	198,425	411,470	334,520
TOTAL PERSONAL SERVICES	655,177	736,150	701,726	698,402	714,920	642,770
520 Materials & Supplies	26,676	10,989	18,693	8,084	26,460	17,760
530 Services	42,912	57,051	34,044	33,278	52,950	53,600
540 Utility & Overhead	17,703	12,908	11,632	12,359	15,380	15,380
550 Training	5,734	5,734	3,591	3,829	2,500	2,500
560 Capital Outlay	0	0	0	0	0	0
TOTAL MATERIALS & SERVICES	93,025	86,682	67,960	57,550	97,290	89,240
TOTAL PLANNING	748,202	822,832	769,686	755,952	812,210	732,010

DRAFT - 2013 Land Use Application Fees¹ (Effective January 1, 2013)

Table 1: Special Development (70% Cost Recovery, unless otherwise noted)		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on and \$100 survey verification fee³)			
	<i>Major</i>	\$9,173	\$132
	<i>Minor (including Health Hazard)</i>	\$2,708	
Comprehensive Plan Amendment		\$11,084	
Conditional Development (including Willamette River Greenway CD)			
	<i>Residential (per lot add-on)</i>	\$6,857	\$41
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District Change			
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	<i>Minor Annexation (including Health Hazard)</i>	\$1,304	
	<i>Historic Preservation Overlay (0% cost recovery/5-yr. average)</i>	no fee	
	<i>Administrative</i>	\$2,608	
Planned Development			
Conceptual Development Plan			
	<i>Residential (per acre add-on)</i>	\$7,347	\$81
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Detailed Development Plan			
	<i>Residential (per lot add-on)</i>	\$7,838	\$47
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Table 2: General Development (70% Cost Recovery)		
Minor Replat	\$1,304	
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Partition	\$3,260	
Plan Compatibility Review	\$652	
Vacation	\$1,301	
Sign Permit	\$62	
Sign Variance	\$3,254	
Solar Access Permit ⁴	\$652	
Floodplain Development Permit Variance ⁵	\$3,912	

Notes

1. Deposit - With the exception of appeal fees and historic preservation permits, Special Development land use applications (Table 1) shall be submitted with a \$1,000 deposit. General Development land use applications (Table 2) shall be submitted with a \$100 deposit. Following a determination of the actual extent of the request, the remainder of the fees shall be charged to the applicant. Applications shall be deemed incomplete until all fees have been paid.

Concurrent Application Fees - Where development requires concurrent actions, the largest of the fees determined from Table 1 or Table 2 shall be charged, and 75 percent of the fee for each additional action shall be charged.

2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.
3. Beginning in 2013, a survey review fee of \$100 will be charged in conjunction with each Annexation application to fund the City Surveyor's time needed to review and confirm surveyed boundaries of each annexation.
4. Beginning in 2013, a fee has been established for review of a Solar Access Permit. Although Solar Access Permit provisions have been in the Land Development Code for several years, no fee had ever been established for the process.
5. With adoption of Chapter 2.11 - Floodplain Development Permits, in 2011, there is a need for a fee for a Floodplain Development Permit Variance (no fees are charged for Floodplain Development Permits).

***** MEMORANDUM *****

OCTOBER 2, 2012

TO: ADMINISTRATIVE SERVICES COMMITTEE
FROM: JAMES A. PATTERSON, CITY MANAGER 
SUBJECT: COUNCIL POLICY REVIEW:
CP 91-3.01, "APPOINTMENT OF THE ACTING CITY MANAGER"

ISSUE

Council Policy CP 91-3.01, "Appointment of the Acting City Manager," is due for its triennial review.

DISCUSSION

The Policy provides guidelines for appointing an acting City Manager, should the City Manager be absent from the office for more than a few hours at a time. Appointing an acting City Manager ensures that City business is conducted without lapses and critical documents are signed without delay.

REQUESTED ACTION

Staff requests that Administrative Services Committee recommend that the Council amend Council Policy CP 91-3.01, "Appointment of the Acting City Manager."

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 3 - PERSONNEL AND ADMINISTRATIVE MATTERS

CP 91-3.01 Appointment of Acting City Manager

Adopted October 7, 1991

Revised December 20, 1993

Revised October 16, 1995

Revised October 20, 1997

Revised November 1, 1999

Affirmed November 4, 2002

Affirmed November 7, 2005

Affirmed January 5, 2009

Revised _____

3.01.010 Purpose

To formalize the designation of a person to act as the City's Chief Executive Officer during the temporary absences of the City Manager that are not due to or do not result from Council action or from an inability or incapacity to perform by the incumbent.

3.01.020 Background

- a. The City Charter, in Section 22~~3~~ (City Manager), (e) (Manager pro tem), states: "In case of the Manager's absence from the City, or a temporary disability to act as Manager, or of the Manager's discharge by the Council, or resignation, the Council shall appoint a manager pro tem, who shall possess the powers and duties of the Manager...."
- b. In practice, during the City Manager's temporary, scheduled absences from the City that are not due to or result from inability or incapacity, the City Manager has appointed an Acting City Manager. ~~The same would be true during a planned period of physical absence of the Manager due to surgical procedure and hospital stay, etc.~~

Council Policy 91-3.01

- c. In the event of the **City** Manager's discharge or resignation, the Council would designate a Manager Pro Tem whose appointment could not extend beyond six months.

3.01.030 Definitions

3.01.031 City Manager

The appointed Chief Executive Officer of the City of Corvallis charged with the responsibility to implement Council's adopted policies; the day-to-day operation of local municipal government; and the duty to counsel and advise the Mayor and City Council on matters of municipal importance.

3.01.032 Assistant City Manager

~~The Assistant City Manager is appointed by the City Manager and assists the organization in achieving strategic goals and implementing City policy.~~

~~3.01.033~~ Acting City Manager

The person designated by the City Manager to act in her/his capacity during temporary, planned absences.

3.01.040 Procedures

3.01.041 Appointment of Acting City Manager

- a. The Assistant City Manager **will appoint a Department Director** is hereby appointed to act in the City Manager's capacity and assume his/her full responsibilities, with some exceptions, for temporary periods of time not to exceed ~~fourteen (14)~~ **twenty-one (21)** calendar days unless otherwise authorized by the City Council.
- ~~b. In the absence of both the City Manager and the Assistant City Manager, the City Manager will appoint a Department Director to act in her/his capacity with the proscriptions noted above.~~

3.01.042 Duties and Responsibilities

- a. The Acting City Manager will be responsible for the ongoing implementation of Council policies and the day-to-day operation of the City, including signing documents, contracts, agreements, and other instruments ~~in the Manager's stead~~ **as appropriate**.

Council Policy 91-3.01

- b. No bond will be required for this temporary assumption of responsibility nor will there be monetary compensation to the Acting City Manager for assuming the additional duties and responsibilities during these short periods of time.

3.01.050 Responsibility

The Council, by virtue of long-standing practice, has given to the City Manager the authority to appoint her/his replacement during temporary, scheduled absences that are not due to or result from inability or incapacity. Thus, this Council Policy has been developed for ratification and inclusion in the Policy Manual.

3.01.060 Review and Update

~~The "Appointment of the Acting City Manager"~~ This Policy shall be reviewed at least every three years in October by the City Manager for recommendation to the Council on appropriate revisions and updated as appropriate.

MEMORANDUM

October 9, 2012

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director *NB*
Roy Emery, Fire Chief *RE*

SUBJECT: **Fire Protection Fee**

I. Issue

The City Council has directed staff to pursue developing the concept of a Fire Protection Fee (FPF). This report develops preliminary information about an FPF. With Council approval of direction, staff can further develop FPF concepts and potential rates.

II. Background

The City Council has discussed a number of revenue alternatives over the past decade. The City Council has placed a Transportation Maintenance Fee (TMF), Transit Operations Fee (TOF), Urban Forestry Fee (UFF), and a Safety Sidewalk Fee (SSF) on the City's monthly utility bill. Each of these fees raises money for the services specified by the City Council. In addition, the City currently has a voter-approved local option property tax levy funding about \$1.9 million of social services allocations, Parks & Recreation and Library services. Even as these new revenue sources have been implemented, the City has cut more than \$6 million in services to meet the Council's goal to achieve fiscal sustainability. Following adoption of the FY 12-13 budget, the City Council asked staff to develop a FPF based on the proposal from Councilor Traber.

III. Discussion

There are a number of factors about which the City Council needs to provide direction before a fee structure can be developed by staff. This memo attempts to lay out these factors in a manner that will guide FPF development.

A. **Is the FPF a fee or a tax?**

Considerations:

1. The concept under consideration is a tax, not a fee, since there is no direct service expected to be received by the people who would pay. This initiative, if pursued, should be called a tax. [Staff notes that for this report the tax will be referred to as FPF, pending some other name].
2. If the tax is raised only to fund Fire Department services, then Fire Protection Tax may be an appropriate name. However, the City Council may also want to consider some other alternatives, such as using this tax to fund the broader classification of Public Safety, which could include Fire, Police and 9-1-1 services, at which point a Public Safety Tax may be a more appropriate name.

B. How much revenue should the FPF raise?

Considerations:

1. There is a wide variety of ways to set the revenue target amount. Among other alternatives, the revenue could be tied to some specific expenditure, or could simply be set at a flat dollar amount to be raised each year, with an allocation to specific expenditure areas if the City Council wishes to fund some specific operational area (i.e., Fire vehicle replacement reserves; 40% Police, 40% Fire and 20% 9-1-1).
2. Revenues tied to a specific expenditure area are more likely to require an annual increase that may be significant as costs, largely for personnel services, increase more significantly than some other costs such as materials and supplies. For example, funding staff costs for a specific program likely means the FPF would need to be increased five to six percent annually.
3. A different mechanism for setting the fee might tie it to the risk of Fire. Under this scenario, there would have to be a determination of fire risk by structure type, with factors under consideration potentially including structure size, construction type, roof type, access to water via fire hydrants, fire inspection results, and the use of sprinklers. Setting fee levels based on this type of factor more likely ties the fee to any given property's use of Fire services, but also is likely to be onerous to administer since it will require considerably more research on factors to use, and then the application of those factors to properties. Broad determinations could be made about some classes of property (for example, all single family residential property could be treated the same and assume that they do not have fire sprinkler systems), commercial and industrial properties would likely require considerably more review, and likely site visits, to determine which factors the facility has.
4. Does the City Council want the revenue from the FPF to be additional revenue to the service(s) funded or a replacement for existing property tax revenue the Department receives (i.e., revenue neutral or revenue positive)?
5. By way of demonstration, to raise \$1 million annually, a monthly FPF of \$5.55 would have to be assessed on each of the nearly 15,000 individual accounts in the system if the methodology was a flat rate per account.

B. Who should pay the FPF?

Considerations:

1. The fees currently assessed on the utility bill have been structured to charge end users different amounts based on different factors.
 - The Street Fee (TMF) – the TMF was set to collect 25% of the fee from commercial and industrial users and 75% of the fee from residential users. Basic monthly charges are determined based on a rate times the trip generation data for the type of property.
 - The Transit Operations Fee (TOF) has been set at a trip rate that calculates to a flat monthly rate for single family residential units and a slightly lower flat rate per dwelling unit for multi-family and group residential housing units. All non-residential units pay a rate that is 14% of the trip rate for residential property, with the total monthly charge for non-residential properties based on trip generation data for the type of business.
 - The Urban Forestry (UFF) and Safety Sidewalk (SSF) both charge each utility billing account the same flat rate each month. These two fees had rates set in an amount to raise a

specific annual revenue amount divided by the number of utility accounts. OSU does not pay either of these fees since they maintain their own trees and sidewalks.

- None of these fees are assessed on accounts for irrigation or fire service meters, and are charged on only one account where a single parcel has multiple accounts. For example, large users (i.e., OSU, H-P, Good Sam) have multiple water meters. However, the entity is generally charged only once for TMF, TOF, etc. At OSU, the TMF is assessed for each dorm, then once on a central bill for all other OSU accounts.
2. Councilor Traber's original concept was to implement the FPF as a method to have OSU and Good Samaritan Hospital contribute to the Fire Department's operating costs since both entities are non-profits that do not pay property taxes. There are a number of other non-profit organizations in Corvallis that do not pay property taxes, but receive City services including public safety services. Examples include:
- Social service providers such as CARDV, COI, and United Way. These entities pay all four of the fees assessed on the City Services bill.
 - Religious organizations such as churches and synagogues. These entities pay all four of the fees assessed on the City Services bill.
 - Government agencies such as the City, County, and 509J. These entities pay most of the four fees assessed on the City Services bill. The TMF has some exemptions (see below) that allow for no payment at many of the City's parks.
 - Service organizations (i.e., Elks, Lions, Masons) pay the four fees on the City Services bill where these entities have facilities.

C. **Should there be exceptions for paying the FPF?**

Considerations:

1. The TMF exempts City-owned parking lots, which are not associated with public services other than parking; publicly owned parkland, open spaces, and greenways, unless public off-street parking designed to accommodate the use of such areas is provided; areas encompassed by railroad and public rights-of-way, except for developed railroad property such as maintenance areas, non-rolling storage areas and areas used for the transfer of rail-transported goods to non-rail transport; and undeveloped properties.
2. There are no exemptions for the TOF. OSU does not pay the UFF or SSF based on their responsibility for maintaining their own sidewalks and urban forest.
3. There may be some who would argue that taking certain "fire safe" measures such as conforming to annual inspection requirements or having a sprinkler system should result in some kind of reduction in the FPF rate.
4. OSU currently pays the City \$60,000 under an intergovernmental agreement for Fire Protection Services that includes having a Fire Prevention Officer on campus 80% of the employee's time. The FPO on campus coordinates specific safety training for students and in particular for residence hall staff.

D. Should there be a reduction in property taxes?

Considerations:

1. As originally proposed, the FPF would have a property tax offset so that those properties which paid the FPF would have an amount equal to the FPF payments for a year reduced on the property tax bill. Benton County (which collects property taxes) will not give this offset on the actual tax bill due to not aligning with the mechanism they use for allocating property taxes and no state law requirement that they do so. As a result, City staff would have to track who has paid property taxes and process a check request for each of the roughly 15,000 utility system accounts to make the reimbursement. Costs to process this as a refund would be extremely high when compared to the likely revenue raised.
2. If the City Council pursues giving a property tax rebate, Council direction on whether the rebate goes to the tenant who paid the FPF or the property owner who paid the taxes is in order.
3. The City could underlevy its property tax rate by the total amount expected to be raised through the FPF. This action would be solely within the purview of the City Council (which means future City Councils could elect to reinstate the full tax rate and maintain the FPF), but would likely mean that the FPF would be revenue neutral, shifting payment for Fire Services from the property tax to the FPF.
4. The City could underlevy its property tax rate by the amount expected to be raised through the FPF on already taxable property. This would then mean that the only additional revenue to the City would be from non-profits (assuming they are not exempt from paying the FPF). If this alternative is selected, staff would prefer Council's discussion in B. above to focus on how much additional revenue is to be raised through the FPF.
5. Combined with the revenue target identified in B. above, whether or not property taxes would be reduced has the largest impact on what the FPF rate for all payers would be.

E. What is the mechanism for determining the FPF?

Considerations:

1. If assessed based on property ownership or property value, the FPF would most likely be determined to be an *ad valorem* tax and therefore subject to both Measure 5 and Measure 50 limitations. This would likely cause some properties to be in Measure 5 compression and all non-education taxing entities would see a reduction in property tax revenue. This would also require a vote to implement since all new *ad valorem* taxes in Oregon require voter approval.
2. If assessed based on Fire risk, then what factors should be considered (i.e., sprinkler systems, buildings that pass an annual fire inspection).
3. If assessed at a flat rate per utility account (like the UFF and the SSF) it would treat the Fire risk the same for each parcel of property and would not tie use or potential use of the Fire Department's services to the FPF.

F. Should there be an annual FPF increase based on some factor?

Considerations:

1. The TOF has language that makes an inflationary adjustment in the fee that is tied to the price of a gallon of gas as of a specific date each year. This inflation adjustment does not require Council action to implement it.

2. SDC rates have an annual inflator tied to the Engineering News Record cost adjustment so that SDCs continue to cover expected costs of future infrastructure. This inflation index is reviewed every year and fees are adjusted via resolution.
3. If the FPF is expected to cover a specific expense, it may need to be increased annually along with the expense to keep the revenue adequate to cover the expense.

G. What should be the collection mechanism?

Considerations:

1. The TMF, TOF, UFF, and SSF are all collected on the City Services bill. All four of these fees have been established with a payment order whereby the Water portion of the bill is the last amount "paid." If balances exist, the City would turn off the water to ensure collections. As of this writing, the City has not turned off any customer's water for non-payment of a fee; there has been no legal challenge to this collection mechanism for non-utility based fees.
2. The City could place a lien on the property to ensure payment at some point in the future, but that action is likely to make this an *ad valorem* tax subject to Measure 5/50 limits and require a vote to implement.
3. The City could turn past due accounts over to a collections agency to collect. While this is likely to be an effective collection mechanism, it is also expected to create significant customer service challenges if very many still active accounts were turned over for collections.
4. Depending on the collection mechanism, a rate proposal may have to take into account some level of non-payment.

H. Should the FPF be referred to voters to approve?

Considerations:

1. As long as it is not developed as an *ad valorem* tax, there is no requirement in Oregon for voter approval before a tax is implemented.
2. Referring the issue to voters will lengthen the time to implement the FPF, and will require an election process to provide information to voters.

IV. Next Steps

ASC is asked to review the considerations included in this staff report, and provide recommendations for a course of action that the full City Council can consider. Using the direction from the City Council, staff will develop more specific information about the FPF. Once some of these ideas have been back for further review with ASC and Council, a public outreach process will be implemented to allow public comment on the FPF concept prior to potential implementation.

Review & Concur:



City Manager

Attachment 1

From: Richard Berger [mailto:rfbconsulting@yahoo.com]
Sent: Wednesday, October 17, 2012 2:05 PM
To: Young, Kevin
Cc: Geri Cuomo; Beth Peutz
Subject: Testimony for ASC

Kevin,

I wanted to get to you some testimony for the Administrative Services committee from the Willamette Association of Realtors. There are two sets of testimony, one on the proposed land use fees and the other for the proposed fire protection tax. I also plan to give verbal testimony if that is permitted on both topics. I know verbal testimony is permitted on the land use fee issue but please let me know if the committee is taking testimony on the fire protection tax as well?

Thanks for your help,

Richard Berger
Government Affairs Director
Willamette Association of Realtors
503-569-1346

Attachment 2

WILLAMETTE
Association of REALTORS®

October 17, 2012

TO: Corvallis Administrative Services Committee

Mark O'Brien

Joel Hirsch

Biff Traber

FR: Geri Cuomo, 2012 President
Willamette Association of REALTORS®
waor@realtors.org; 541-924-9267

Richard Berger, Government Affairs
RFBConsulting@yahoo.com
503-569-1346

RE: Land Use Application Fees

The Willamette Association of REALTORS® concurs with City staff's proposal to retain the policy of a 70% recovery rate in 2013. The Willamette Association of REALTORS® believes that any fee increase during these economic times would be counterproductive to the City's recently adopted Economic Development Strategy.

On the issue of the new proposed fees, the Association does have several questions and concerns.

- Why was the amount of the proposed Solar Access Permit Fee and Floodplain Development Permit Variance not listed on the notice or anywhere in the agenda packet? It is very difficult for the public to comment on a proposed fee in a creditable manner and, for your committee to make a recommendation, when the amount of the fee is unspecified.
- What task is the City Surveyor performing for \$100? Isn't this task already being paid for by the substantial annexation fees already charged by the City?
- How were the fee rates determined by staff? Are they expected to cover 70% of the cost of administering the application?

Willamette Association of REALTORS®
645 Waverly Drive SE Albany OR 97322 . 541-924-9267 . waor@realtors.org

(Representing Members in Benton and Linn Counties)

- Why is the city spending time to develop a fee for applications for Solar Access Permits that the staff report indicates have been rare within the last ten years?
- What comparable land use application types were used to determine a fee for Floodplain Development Permit variances when the staff report indicates the City has yet to receive a single application?

###

Attachment 3



October 17, 2012

TO: Corvallis Administrative Services Committee
Mark O'Brien
Joel Hirsch
Biff Traber

FR: Geri Cuomo, 2012 President
Willamette Association of REALTORS®
waor@realtors.org; 541-924-9267

Richard Berger, Government Affairs
RFBConsulting@yahoo.com
503-569-1346

RE: Fire Protection Tax

On behalf of the Willamette Association of REALTORS®, please accept the following comments regarding the fire protection tax. Thank you for the opportunity to comment on these important matters which affect all those who live, work, and do business in the City of Corvallis.

The Willamette Association of REALTORS® strongly opposes the proposal to add a new utility tax to pay for fire protection services. The Association believes that fire and emergency service protection is a basic function of local government and as such should be funded by the primary source of government revenue, property taxes. It is essential that basic public safety functions of the City, such as fire protection, be funded first and take priority over other services provided by the City.

Over the last several years the City has placed a litany of fees on the City's monthly utility bills including the Transportation Maintenance Fee, Transit Operations Fee, Urban Forestry Fee, and a Safety Sidewalk Fee. Adding yet another cost burden on utility rate payers will further drive up the cost of living and working in Corvallis. This action will work in direct conflict with the City's current initiative to support economic development within the City and contribute to driving employers elsewhere. It will also have a direct negative effect on seniors on a fixed income and others struggling to make ends meet adding a substantial burden to their monthly budget.

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The Association also believes that the proposal in its current form has structural flaws which make it nearly impossible to implement in a fair manner. Section III.E on page 4 of the staff report cites three alternative mechanisms for determining the amount of the tax. None of these alternatives are practical as discussed below.

1. *Basing the amount on property values:* As staff correctly notes this methodology would make this proposal an *ad valorem* tax and therefore subject to both Measure 5 and Measure 50 limitations. This would likely cause some properties to be in Measure 5 compression and all non-education taxing entities would see a reduction in property tax revenue. The net result would be more cost associated with administering the fee and a loss of property tax revenue.
2. *Basing the amount on fire risk of the utility user:* This proposal would take a considerable amount of upfront work to implement and cost a considerable amount to administer. This proposal would likely result in endless appeals and potentially many legal actions against the City as individuals dispute their fire risk just as the county deals with many appeals to assessed property values.
3. *Making the amount equal for all utility accounts:* This proposal would shift the burden nearly entirely on small utility users and make larger users pay a proportionally a miniscule share. This idea that a single family home owner would pay the same amount as a business with multi-building multi-acres commercial campus seems patently unfair.

We hope that the Administrative Services Committee will not take this issue lightly and will carefully consider this matter before making a recommendation to City Council. On a matter of such significance, we also believe it is appropriate for the Council to seek public input before recommending action be taken by the full City council. The memorandum on this subject submitted by City staff was not available to the public until Thursday afternoon. This is not nearly enough time for those affected to review the proposal and give you the vital input you need before making a recommendation on such a substantial policy change.

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Willamette Association of REALTORS®
645 Waverly Drive SE Albany OR 97322 . 541-924-9267 . waor@realtors.org

(Representing Members in Benton and Linn Counties)

DRAFT - 2013 Land Use Application Fees¹ (Effective January 1, 2013)

Table 1: Special Development (70% Cost Recovery, unless otherwise noted)

		Base Fee	Per Unit Add-on
Appeal			
	<i>Appeal of Administrative-Level Decision</i>	\$250	
	<i>General</i>	10% of Base Fee ²	
	<i>Recognized Neighborhood Association</i>	5% of Base Fee ²	
Annexation (with per acre add-on and \$100 survey verification fee³)			
	<i>Major</i>	\$9,173	\$132
	<i>Minor (including Health Hazard)</i>	\$2,708	
Comprehensive Plan Amendment		\$11,084	
Conditional Development (including Willamette River Greenway CD)			
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2. For appeals of concurrent applications, a percentage of the single highest base fee shall be charged, without inclusion of add-on fees.
3. Beginning in 2013, a survey review fee of \$100 will be charged in conjunction with each Annexation application to fund the City Surveyor's time needed to review and confirm surveyed boundaries of each annexation.
4. Beginning in 2013, a fee has been established for review of a Solar Access Permit. Although Solar Access Permit provisions have been in the Land Development Code for several years, no fee had ever been established for the process.
5. With adoption of Chapter 2.11 - Floodplain Development Permits, in 2011, there is a need for a fee for a Floodplain Development Permit Variance (no fees are charged for Floodplain Development Permits).