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NORTHWEST CRIME AND COURTS NEWS

Per-hour formula proposed for building-permit charges

Protection from lawsuits behind idea

By John Craig

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An overhaul of building-permit fees in unincorporated Spokane County could reduce costs for big projects and make small ones more expensive.

County commissioners will take testimony Nov. 30 on a proposal to charge for building permits according to the time it takes to process them instead of the value of the project.

That would be a radical departure from the almost universal practice of basing permit fees on construction costs published by the International

Code Council.

The proposal is aimed in part at avoiding a growing number of lawsuits under a state law that says permit fees can't cover services unrelated to the projects in question.

Charging by the hour could help the county's mostly self-supporting Department of Building and Planning meet its budget next year – assuming officials accurately predict what people will want to build.

Commissioners could match building-permit fees to payroll costs instead of the other way around.

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Building and Planning officials have calculated the hourly cost of various services on the basis of five years of data.

Hourly charges could help with a plan to eliminate a one-day-a-week furlough and prevent more layoffs in a department that has lost half its work force in the past two years.

Commissioners pointed out in a recent meeting that the change also would expose the county to allegations of feather-bedding.

Commissioner Todd Mielke said critics would ask, "If you're simply going to charge cost recovery on however long it takes, how do I know that however much time it takes is reasonable?"

Building Director Randy Vissia agreed, but said he thinks a metered charge shows accountability.

Home builders might like the change if calculations for a 2,500-square-foot house reflect how their industry would fare overall.

The building-permit fee would drop from \$1,516 to \$1,074. County building officials say the same permit would cost \$2,140 in Spokane and \$2,550 in Spokane Valley.

However, the new fee system could generate criticism from people with minor construction projects. A small sample of actual projects from 2005 through 2009 suggests that big jobs have been subsidizing small ones.

Building officials offered these comparisons:

- A permit for a reservoir valued at \$510,000 would cost \$1,193 under the proposed change, \$3,587 less than under the current value-based system.

- A permit for a middle school valued at \$13.5 million, which required 57 site visits, would cost \$17,149, a \$48,040 reduction.

- A permit to replace a

If you go

What: Public hearing

When: Nov. 30, 5:30 p.m.

Where: The basement of the Public Works Building, 1026 W. Broadway Ave., next to the courthouse.

More information: www.spokanecounty.org/bp.

single-wide manufactured home would go from \$50 to \$445. The same permit would cost \$75 in the cities of Spokane and Spokane Valley.

- A permit for a \$1,080, 240-square-foot picnic shelter would cost about \$1,200 more, up from \$63.

"The fee is going to be more than the structure cost?" Commissioner Mark Richard asked.

Vissia said he wanted commissioners to see that aspect of the proposed fee revision.

"It is severe," he said. "... It's a complete change of philosophy."

Commissioners responded cautiously to the entire proposal and incredulously to the picnic shelter example.

"What I'm struggling with is why we have to go inspect picnic shelters - what essentially is a less-than 20-by-20 picnic shelter - eight times," Commissioner Todd Mielke said.

Building and Planning officials later moved picnic shelters to a different category that would limit the shelter in question to three inspections and a \$613 fee increase. The permit would still cost more than half of the price of construction.

Court decisions and a state audit say local governments need to be more careful not to pad building-permit fees with unrelated services.

That requirement hasn't consistently been satisfied by eight sample counties, according to a 2009 performance audit required by the state Legislature.

"This will require a major shift in the methods employed by counties and cities to budget and estab-

lish fees," according to the private accounting firm hired to conduct the audit.

The audit report didn't say how to accomplish the change.

Still, Vissia believes the audit and court cases in Washington and several other states are nudging building officials toward hourly charges. He acknowledges that building officials around the state have no consensus on how to respond.

"I think the building officials are kind of looking for that safe haven to avoid claims," Vissia said.

Chief Civil Deputy Prosecutor Jim Emacio advised commissioners to be wary of becoming a "poster child" for changes that other counties might not adopt.

Spokane County would be one of the first in the state to use an hourly approach for building permits if the staff recommendation is implemented.

However, the county already charges by \$87 an hour to review zoning code requirements and other planning issues. Building and Planning officials say the plan-review charge should be about \$165 an hour to cover costs.

They say the planning fee could be about \$127, though, if commissioners would use general fund money to cover the estimated 20 percent of "current planning" staff time that is devoted to answering inquiries unrelated to any specific project.

The general fund already covers the cost of "long-range planners," who deal with issues such as the county comprehensive plan instead of current projects.