

Memorandum Date: May 3, 2007  
Order Date: None, discussion only

W. G. A.

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**TO:** Board of County Commissioners

**DEPARTMENT:** Public Works

**PRESENTED BY:** FRANK SIMAS, Right of Way Manager

**AGENDA ITEM TITLE:** REPORT TO THE BOARD REGARDING THE COSTS OF PUBLIC BENEFIT FACILITY PERMITS AS DEFINED IN LANE MANUAL 60.851.

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**I. MOTION**

None, discussion only.

**II. AGENDA ITEM SUMMARY**

Staff was directed on April 11, 2007, to return to the Board for additional discussion regarding the cost of Public Benefit Facility Permits so that the Board may designate a funding source to defray the costs associated with these permits.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

On April 11, 2007, the Board approved amending Lane Manual by revision of Chapter 60, Section 851 to increase fees for facility permits. Additional direction given to staff at that time was to report back to the Board regarding the cost of funding the Public Benefit facility permits defined in Lane Manual as "only those events open to the general public and which do not involve the charging of admission or fees for attendance at the event or concession sales of food, drink or merchandise within the public right of way."

**B. Policy Issues**

None known.

**C. Board Goals**

This project is related to the County Goal of Resource Planning and Allocation and Revenue Development in promoting tourism and tourist-related business in Lane County.

**D. Financial and/or Resource Considerations**

For Calendar Year 2006, there were 8 Facility Permits that met the definition of "Public Benefit" pursuant to Lane Manual 60.851(15). They are shown in the table below:

| Permit #:      | Road Name:        | Event Name;             | Wage:             | Oper. Ovhd.;      | System Charges;   | Equip.:        | Mat. & Svcs.: | Total:            |
|----------------|-------------------|-------------------------|-------------------|-------------------|-------------------|----------------|---------------|-------------------|
| 061006         | Coburg Rd.        | Coburg Light Parade     | \$265.88          | \$372.73          | \$335.00          | \$6.10         |               | \$979.71          |
| 060617         | Coburg Rd.        | Golden Years            | 115.60            | 162.05            | 145.65            | 2.65           | 0             | 425.95            |
| 060700         | Goodpasture Road  | Bridge Lighting         | 611.16            | 783.25            | 770.04            |                |               | 2,164.45          |
| 060939         | W. King Rd.       | Bridge Lighting         | 958.92            | 778.00            | 830.23            | 5.25           |               | 2,572.40          |
| 060442         | Marcola Rd.       | Mary Cole Days          | 165.53            | 232.12            | 208.56            | 5.25           |               | 611.46            |
| 060729         | Camp Cr. Road     | Walterville Fair Parade | 46.24             | 53.18             | 58.26             |                |               | 157.68            |
| 060971         | Old Mill Rd.      | Bridge Lighting         | 369.92            | 425.40            | 466.09            |                |               | 1261.41           |
| 060615         | Jasper-Lowell Rd. | Blackberry Jam          | 92.48             | 138.72            | 116.52            | 7.88           |               | 355.60            |
| <b>Totals:</b> |                   |                         | <b>\$2,625.73</b> | <b>\$2,945.45</b> | <b>\$2,930.35</b> | <b>\$27.13</b> |               | <b>\$8,528.66</b> |

Total cost of issuance of these permits consists of the various cost components as shown above. The recommendation given by the Finance and Audit Committee and adopted by the Board pursuant to Order 07-4-11-8 was to achieve full cost recovery for the costs of Direct Labor and Operating Overhead for the 2007-2008 Fiscal Year and to phase in full cost recovery gradually by 2011.

The costs of issuing and administering the bridge lighting Facility Permits in 2006 is quite high relative to anticipated costs in the future. The three bridges included in the table above had unauthorized, non-code approved wiring within the structure of the bridge. Staff was directed to meet with the various community groups to inform them as to what was required to meet electrical code standards to assure public safety and to protect the structure of the bridge from a potential fire caused by non-approved installation of holiday lights and other decorations.

The electrical facilities have now been brought into compliance and the permit applicants know what is expected in the way of signage and traffic control during the installation and removal of the decorations. With the issuance of multi-year permitting for these installations, efforts to streamline procedures for these as well as all other permits, and continuity within the community organizations as to transferring the knowledge as to what is required from year to year, it is anticipated that the cost of these permits in the future will be in the range of the lower-cost parade permits—probably \$160.00 or less on an annual basis.

All special event permits can also be reduced through multi-year issuance conditional upon satisfactory adherence to Permit Conditions relating to public safety concerns. Costs could be kept low through the use of site inspections on the day of the event, which can be kept to a minimum through experience on the part of event organizers and

through the absence of any complaints relating to compliance with conditions.

#### **E. Analysis**

Based on the above historical data from Calendar Year 2006, a reasonable estimate of the funding needed to cover the costs of Direct Labor and Operating Overhead for 2007-2008 fiscal year is \$6,000. If efficiencies can be accomplished in the future as outlined above, the amount allocated can be adjusted based upon experience.

Two possible sources of funding these permits would be through a Tourism Grant or by dedication of a portion of the fees collected from the non-public benefit permits. Based on anticipated revenue of \$200,000, this would amount to approximately 3% of total revenues.

Legal Counsel has advised that regardless of the Road Fund eligibility status of the cost of issuing these permits, the revenue collected in connection with the issuance of Facility Permits is not restricted by the Oregon Constitution as to its use as are gasoline tax revenues, provided that these funds are not commingled and are separately accounted for. Counsel has further advised that using a portion of these funds to defray the costs of Public Benefit Permits is therefore permissible.

#### **F. Alternatives/Options**

The Board may choose not to fund the costs of these permits, or to fund through the use of a portion of Facility Permit revenue, by means of a Tourism Grant or by other means at the Board's discretion.

#### **IV. TIMING/IMPLEMENTATION**

If directed, staff will process appropriate Agenda materials for Board consideration.

#### **V. RECOMMENDATION**

None.

#### **VI. FOLLOW-UP**

If the Board determines to fund these permits, the procedure should be in place by the time the new fees are implemented on July 1, 2007.

#### **VII. ATTACHMENTS**

None.