



**MECKLENBURG COUNTY**  
**Land Use and Environmental Services Agency**  
**Code Enforcement**

# Memo

**Date:** February 17, 2010  
**To:** Bobbie Shields, General Manager  
**From:** Jim Bartl, Director of Code Enforcement  
**RE:** Amend LUESA Fee Ordinance to reflect change in the Re-inspection Fee Program Methodology  
**CC:** Cary Saul, Ruth McNeil

In 2001, the LUESA-Code Enforcement Re-inspection Fee Program was developed as a tool to encourage improved contractor use of inspection resources in the field. This program is a victim of its own success, recently paying out far more in contractor pass rate incentives, than it gains in added inspection charges, especially on the commercial construction side. In a period when the Department is experiencing a significant drop in permit fees, we are moving to mitigate this drain on Department revenue.

The Department, the Code Compliance Task Force and the BDC believe this is a worthwhile program that should continue despite the economy. This proposal allows the Program to maintain Code Enforcement's practice of acknowledging customers that consistently perform well in the field, thereby creating less demand on departmental resources. Likewise, customers who over utilize departmental resources are held fiscally responsible for their performance.

We propose the following adjustments to the LUESA Fee Ordinance, revising the Re-inspection Fee Program to maintain its long term fiscal viability.

- **Separate projects classified as "Commercial Building Code" from those classified as "Residential Building Code". Since the problem is more acute on the commercial side, this will allow the Department to both craft a targeted solution, and also create reports to better track and forecast the budgetary impacts of operating the Program based on current statistical information.**
- **On the commercial side, lower the incentive cap to 10% on all credits. Statistically, these projects have more inspections and the capacity to secure resources to ensure optimal performance in the office and the field, thereby minimally consuming staff resources to secure the Certificate of Occupancy (CO).**
- **On the residential side, lower the incentive cap to 15% on all credits.**
- **Adjust the large project maximum credit formula value for "a" from 30% to 20% to reflect the new expectations for the number of failed inspections.**

We anticipate that these changes will allow the Program to remain solvent in the foreseeable future. The Department worked closely with the Code Compliance Task Force as well as BDC representatives for the GC's, HBA and NARI in developing these changes. We reviewed this proposal with the BDC and received their vote of support at the February 16, 2010 meeting.

I am available to discuss this proposal in greater detail. Thanks for your consideration and support.