



Asbestos and Demolition Fees

Wednesday January 14, 2025

To: ORCAA Board of Directors

From: Mike Shults (Compliance Manager), Rob Wyland (Inspection Supervisor) & Jeff Johnston (Executive Director)

Re: Request to increase asbestos and demolition notification fees bringing the program closer to full cost recovery.

Executive Summary

ORCAA processed more than 300 Asbestos and 300 Demolition notifications in FY2025. After analyzing the program budget, we found the current asbestos and demolition fees fail to cover the cost of the program. With this proposal, staff seeks approval to move ahead with a new fee structure starting in the Fiscal Year 2027 (FY2027) budget. This would include a rule change allowing us to require notifications for each structure, rather than each property. The proposed fee change would be in alignment with the fees of the other local air agencies.

Requested Committee Action

Approve the proposed asbestos and demolition fee increase to be included in the draft FY2027 budget to be considered by the Board this spring.

Budget Impact

Increasing the fees, as detailed below, is projected to increase program revenue from a 3-year average of \$158,643 to \$200,450 (26%) assuming the same quantity and types of notifications. This is still short of our FY2025 expenses of \$225,370, but, when combined with program efficiencies will get ORCAA close to full cost recovery (see explanation below for more details).

Background

Asbestos is a hazardous additive in many building materials. Despite common misconceptions, asbestos remains in use in products used in this country, and it is commonly found in many structures. Asbestos is an airborne pollutant that poses a serious risk to human health and can be released during demolition and renovation projects. Exposure to asbestos can cause long-term damage to the respiratory and cardiovascular systems.

ORCAA Regulations require asbestos and demolition notifications throughout ORCAA's jurisdiction. Federal NESHAP (National Emission Standards for Hazardous Air Pollutants) rules also require notifications for specific commercial projects involving renovation and demolition. ORCAA Rule 6.3 specifies the circumstances when notifications are necessary for demolition and renovation activities.

In accordance with Board Resolution 268, ORCAA has increased asbestos and demolition notification fees annually according to the designated Consumer Price Index (CPI) for more than 10 years. During

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that time, the costs for processing, inspecting, and handling complaints have risen faster than our notification fees. ORCAA is exploring efficiencies in the asbestos and demolition programs, while considering fee increases to recover full costs.

ORCAA Regulation 3 specifies that *“The Fee Schedules will be reviewed periodically to determine if the fee revenue collected is sufficient to recover program costs.”* The workload analysis for the asbestos/demolition program includes looking at payroll direct, payroll indirect (i.e., employee benefits), and nonpayroll (i.e., office supplies, gasoline, etc.) costs of the program.

ORCAA issues more than 300, each, of asbestos and demolition notifications per fiscal year, with current fees ranging from \$47 for residential asbestos work to \$1,742 for commercial asbestos removal. The most common asbestos fee is \$435 for a commercial project. Demolition fees are a flat \$47 for single-family residences and \$80 for commercial projects.

Analyzing data over the past 3 years shows the agency operated with an average deficit of approximately \$60,000 per fiscal year in this program. To cover program costs, staff recommends the fee increases in the table below which should result in recovering approximately 90% of the program costs. The other 10% of costs should be recovered through operational efficiencies.

On average ORCAA inspectors do a more extensive review of commercial notifications and inspections of these sites as they have a potential for public exposure. For commercial renovations or demolitions, the proposed cost is relatively low compared to other project costs. The asbestos size categories will remain the same. The smallest category fee will increase by 24%, all other fees will increase by 15%. We propose the emergency fee be double the project fee because they take a timelier review and according to other local air agencies it eliminates the frivolous “emergency” claims. This emergency fee has become the standard for most other Washington Local Clean Air Agencies.

Recommended Asbestos and Demolition Fee Increases

Asbestos Fees		
Fee Category	Current Amount	Proposed Amount
Single Family Residence – by Owner	\$47	\$100
10-259 linear ft or 48-159 sq. ft.	\$201	\$250
260-999 linear ft. or 160-4,999 sq. ft.	\$435	\$500
1,000-9,999 linear ft. or 5,000-49,999 sq. ft.	\$871	\$1,000
Great than 9,999 linear ft. or 50,000 sq. ft	\$1,742	\$2,000
Annual (limited to 260 linear ft. or 160 sq. ft.	\$650	\$750
Emergency	\$65	Double Project Amount
Demolition Fees		
Single Family Residence – by Owner	\$47	\$100

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Commercial and Other	\$80	\$200
Emergency	\$65	Double Project Amount

Efficiencies recently implemented include “how to fill out a notification” video, batching inspections and complaints with other program inspections, further training and development of staff, and improvements with the new database. These improvements are just the start of our search for efficiencies. Staff will continue to think about ways to keep costs down and operate as efficiently as possible.

The requested increase in the asbestos and demolition notification fees is part of ORCAA’s effort to cover the cost of operating our fee programs. Staff are also looking closely at other fee programs (Registration and New Source Review) and will make recommendations to the Board about adjusting those fees in the coming months.