

## IMPACT STATEMENT

**Legislation title:** Amend fee schedules for tree permits (Ordinance)

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### **Purpose of proposed legislation and background information:**

This ordinance allows Portland Parks & Recreation Urban Forestry (UF) to update the tree permit fee schedule for FY 17-18. It increases certain tree permit fees, primarily those permits associated with development activity, in order to recover partial costs for the services provided. The fee increases are proposed as part of a budget package which reduces UF's general fund revenue by \$100,000. No changes are proposed for certain other fees and no new fees are proposed. An increase of the fee in lieu of planting and establishment is also being proposed, which is paid into the Tree Planting and Preservation Trust Fund per code requirement.

### **Background:**

Title 11 Trees, implemented in January 2015, increased regulatory responsibilities for UF and better-integrated UF into the review of development projects. As part of initial implementation, new tree permit fees and revisions to already-existing fees were created for FY 15-16. These fees were primarily based on projected new permit volumes and the staff time needed to conduct new and existing regulatory tasks.

As with other regulatory agencies' permit fees, UF tree permit revenues support the delivery of regulatory services. UF's General Fund budget also supports these services. Certain permit types, such as tree planting and pruning, are free of charge to encourage and inform activities that promote the City's tree infrastructure. Others, like tree removal permits in non-development situations, are kept low to reduce barriers to compliance. Fees for other regulatory scenarios, such as development and programmatic permits, are on a cost-recovery model.

### **Financial and budgetary impacts:**

This ordinance will increase the fees paid by some tree permit applicants, primarily in property development situations. Increased fees are being proposed both in response to a reduction in general fund support, and to cover more of the cost of delivering regulation services. It is necessary for UF to maintain reliable sources of revenue so that service can be provided consistently.

Additional revenue of \$91,400 annually is anticipated from the increased fees, based on past permit volumes. The increase in fee revenue will offset a reduction in general fund support of \$100,000. Together the unchanged fees and proposed increases will cover 32% of the total

current tree permitting costs. The remainder will come from General Funds. No additional revenue changes are anticipated. There are no costs associated with these fee changes. It is UF's intention to gradually increase fees each year towards a goal of full cost recovery on most permits

The proposed fee schedule is based on the following:

Cost recovery. Staff tracked the amount of time it takes to conduct permit processes. In the case of UF, this means (a) depending on the situation, visiting the site to assess the tree and ensure that the tree information provided by the applicant is correct; (b) evaluating application information and determining which regulation(s) apply; and (c) creating documentation and providing a written response to the applicant. As with other agencies, fees must also cover the time it takes to attend development permit reviews, meetings and public hearings. In short, the amount of time it takes to provide the service was multiplied by the costs of labor, together with overhead, in order to establish what true cost recovery would be. Therefore, the fees vary according to the permit type as well as the size and complexity of the permit process.

Impact. The impact of the fee on the total application fee for the customer, and how the fee compares with the fees charged by other regulating bureaus was also considered. Other bureaus' regulatory fees vary widely, and the proposed UF fees are at the low end of that range.

#### **Community impacts and community involvement:**

PPR has been proactive in keeping customers and stakeholders informed and seeking their input regarding these proposed fee changes. Input from stakeholder groups helped to determine the amount of fees, and processes for which fees would be charged. The bureau has published information about the proposed fee increases on its website, and has met with customer and stakeholder groups, including:

- Development Review Advisory Committee
- Urban Forestry Commission

The goals of Title 11 are to maintain the benefits of trees to the community including clean air and water, resiliency to climate change, and neighborhood livability while maintaining transparent and fair regulations and fees to all businesses and residents. The fees proposed are intended to meet the expectations and direction of Title 11.

**Budgetary Impact Worksheet****Does this action change appropriations?**☐ **YES:** Please complete the information below.☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

**Attachment A:** Proposed Title 11, Trees Fee Schedule FY 17-18**Attachment B:** Proposed Title 11 Trees Fee Schedule Research FY 17-18


Finance Manager (Jeff Shaffer)

5/3/17

Date