

## IMPACT STATEMENT

**Legislation title:** Amend fee schedules for Building, Electrical, Mechanical, Plumbing, and Land Use Services (Ordinance)

**Contact name:** Elshad Hajiyeve, Bureau of Development Services (BDS)

**Contact phone:** (503) 823-7338

**Presenter name:** Kyle O'Brien, Bureau of Development Services (BDS)

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

The Bureau of Development Services (BDS) collects fees under various fee schedules to fund inspections, plan review, permit issuance, land use review, customer assistance, and other functions. Most bureau programs have the goal to be self-supporting, while one program receives General Fund support.

BDS maintains a strong commitment to provide excellent programs and services while operating in a fiscally responsible manner. This commitment, coupled with significantly improved permit revenues over the last few years, is enabling the bureau to propose **no increases for most fees in FY 2018-19**. The bureau has not raised fees in most major permit categories since FY 2012-13, and FY 2016-17 saw a 3% reduction in building and site development permit related fees. BDS continues to strive to use its resources efficiently and keep costs as low as possible.

This ordinance increases the Field Issuance Remodel hourly rate from \$177 to \$190 to bring the program closer to cost recovery. This change affects the Building, Mechanical, Electrical, and Plumbing Permit Fee Schedules.

The ordinance also updates language in the Electrical Permit Fee Schedule to be in accordance with State of Oregon, Building Codes Division, administrative rules.

City of Portland legislative requirements expected in the forthcoming Central City 2035 Plan District and the Comp Plan Early Implementation package result in the proposed addition of several new review lines, and associated fees, affecting the Land Use Services (LUS), Life Safety LUS, Site Development LUS, and Hearings Officer LUS fee schedules. The new reviews include the Central City Master Plan Review, Planned Development Bonus Review, Transportation Demand Management Review, and Transportation Impact Review. The River Review and River Review Violation were previously combined with the Environmental Review and Environmental Review Violation. This ordinance separates River and Environmental as separate reviews. Minor language and formatting changes are also proposed to the Land Use related fee schedules to facilitate consistency across these multiple fee schedules.

Additionally, the Land Use Service Fee Schedule for the Hearings Office is being added to the BDS fee change ordinance in response to an interagency agreement between BDS and the Auditor's Office, as well as a proposed 5% increase to Hearings Officer fees as current fees do not cover the costs of the agreement.

**Financial and budgetary impacts:**

BDS Field Issuance Remodel Program revenue is projected to increase by approximately \$100,000 resulting from the hourly fee increase. However, as this is a niche program, with workload based on service level demand, the exact change in revenue is unknown at this time. As such, the BDS budget is not amended.

The new Land Use Reviews are a result of new legislation being implemented. The number of projects subject to the reviews will be dependent on actual demand for services. As such, actual revenue is uncertain, and the BDS budget is not amended.

BDS is expecting to see an increase of nearly \$3,000 in revenue from the proposed 5% increase to the Hearings Officer fee, which will bring these revenues closer to covering the costs of the associated Interagency Agreement with the Auditor's Office. However, these revenues are dependent on demand for certain Land Use review services, and the actual change in revenue is currently unknown. As such the BDS budget is not amended.

The legislation does not create, eliminate or re-classify positions now or in the future. Additional staff time required is limited to performing outreach, preparing the revised fee schedules, and this subsequent legislation. Existing BDS staff will implement and administer the revised fee schedule as part of the existing workload. There is no change to demographic impacts or changes in staffing. The legislation does not result in a new or modified financial obligation or benefit, including IAs, IGAs, MOUs, grants, contracts or contract amendments.

**Community impacts and community involvement:**

This ordinance increases hourly charges paid by customers of the niche Field Issuance Remodel Program, and may affect some Land Use Services customers. However, no impacts are anticipated in the larger community.

BDS has been proactive in keeping customers and stakeholders informed regarding these proposed fee changes. The bureau will publish information about the proposed fee increases on its website and in the Plans Examiner newsletter. Additionally, division managers have reached out to appropriate industry organizations and committees.

**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



**City of  
Portland, Oregon**  
**Bureau of Development Services**  
FROM CONCEPT TO CONSTRUCTION

Chloe Eudaly, Commissioner  
Rebecca Esau, Director  
Phone: (503) 823-7300  
Fax: (503) 823-6983  
TTY: (503) 823-6868  
[www.portlandoregon.gov/bds](http://www.portlandoregon.gov/bds)

**May 16, 2018**

**To:** Mayor Ted Wheeler  
Commissioner Chloe Eudaly  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Dan Saltzman

**From:** Rebecca Esau, Director *RE*  
Bureau of Development Services

**Regarding: Bureau of Development Services 2018 Fee Change Ordinance**

The Bureau of Development Services (BDS) has prepared an ordinance proposing changes to several fee schedules. The ordinance is scheduled to be heard by the City Council on the regular agenda on Wednesday, May 16, 2018 at 9:45 TC.

**Background**

BDS collects fees under various fee schedules to fund inspections, plan review, permit issuance, land use review, customer assistance, and other functions. Most bureau programs have the goal to be self-supporting, while two programs receive General Fund support.

BDS maintains a strong commitment to provide excellent programs and services while operating in a fiscally responsible manner. This commitment, coupled with significantly improved permit revenues over the last few years, is enabling the bureau to propose **no increases for most fees in FY 2018-19**. The bureau has not raised fees in most major permit categories since FY2012-13, and FY2016-17 saw a 3% reduction in building and site development permit related fees. BDS continues to strive to use its resources efficiently and keep costs as low as possible.

The Development Review Advisory Committee (DRAC) recommended development bureaus address fee changes in a more collaborative fashion. In response to this recommendation BDS engaged partner bureaus to develop fee comparison examples (Exhibit I), to be presented alongside the proposed fee change ordinance. Exhibit I examines major development related fees for seven projects, illustrating the cumulative effect of major fee changes across all development bureaus. Exhibit I is meant for informational purposes. Other bureau fees are not included in this ordinance.

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These changes would take effect on July 1, 2018.