

IMPACT STATEMENT

Legislation title: Amend permit fee schedules for building, electrical, land use services, mechanical, enforcement, plumbing, signs, site development, and land use services fee schedule for the Hearings Office (Ordinance)

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

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Presenter name: Elshad Hajiyev, Bureau of Development Services (BDS)
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 recent decreases in demand for services, is resulting in proposed increases for most fees in FY 2019-20. 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.

While the bureau recognizes the impact of increased fees on its customers, fee increases will be necessary to improve service levels, respond to current and future service level demands, and to operate closer to cost recovery. BDS is therefore proposing fee schedule changes to increase estimated collections to most programs by approximately 5%.

Financial and budgetary impacts:

Proposed fee increases are expected to result in the following estimated changes to program collections in fiscal year 2019-20:

Program	Estimated Collection Increases	
	Percent	Dollar
Building Program	3%	\$ 727,000
Electrical Program	5%	\$ 368,000
Facility Permit Program	8%	\$ 374,000
Field Issuance Remodel Program	16%	\$ 226,000
Hearings Office Fees	5%	\$ 3,500
Land Use Services Program	0%	\$ (18,000)
Mechanical Program	5%	\$ 238,000
Neighborhood Inspections Program	5%	\$ 72,000
Plumbing Program	5%	\$ 332,000
Sign Program	5%	\$ 17,500
Site Development Program	5%	\$ 57,000

Estimated collection increases are aggregated, however percentage change to individual fees may vary. The bureau’s FY 2019-20 Requested Budget includes revenue from the fee increases proposed in this ordinance. As such the BDS budget is not amended.

This 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:

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

The bureau knows these changes affect its customers’ work and their willingness to do business in this area. BDS’s interests are in delivering excellent levels of service and increasing its effectiveness on both its customers’ and the community’s behalf.

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

5/22
189525
ebucket

Amendment to Item 464 – Commissioner Fritz

Amend Exhibit C, page 2, Historic Resource Review, by reducing the Land Use Review fee schedule amount for Historic Resource Review to \$300 for Tier A – Restoration and Replacement in-kind reviews and to \$300 for Tier B – Exterior Alterations reviews. Tier C – New Accessory Structures or Additions of floor Area to Structures review should remain at \$1,750 as currently proposed in the fee schedule.

Tier A – Restoration and Replacement in-kind: ~~\$900~~ \$300

Tier B – Exterior Alterations: ~~\$1450~~ \$300

Tier C – New Accessory Structures or Additions of floor Area to Structures: \$1750



City of Portland, Oregon
Bureau of Development Services
Office of the Director
FROM CONCEPT TO CONSTRUCTION

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May 15, 2019

To: Mayor Ted Wheeler
Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Jo Ann Hardesty

From: Rebecca Esau, Director RE
Bureau of Development Services

Regarding: Bureau of Development Services 2019 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 15, 2019 at 10:15 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 one program 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 recent decreases in collections, is resulting in proposed increases for most fees in FY 2019-20. 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.

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 J), to be presented alongside the proposed fee change ordinance. Exhibit J examines major development related fees for seven projects, illustrating the cumulative effect of major fee changes across all development bureaus. Exhibit J is meant for informational purposes. Other development bureaus' fees are not included in this ordinance.

This ordinance proposes fee increases expected to result in the following estimated changes to program collections in fiscal year 2019-20:

Program	Estimated Collection Increases	
	Percent	Dollar
Building Program	3%	\$ 727,000
Electrical Program	5%	\$ 368,000
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Estimated collection increases are aggregated, however percentage change to individual fees may vary. The bureau's FY 2019-20 Requested Budget includes revenue from the fee increases proposed in this ordinance.

These proposed changes would take effect on July 1, 2019.

For further information, please contact me at x3-7338 or at Elshad.Hajiyev@portlandoregon.gov.