

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Deborah Sievert Morris		2. Telephone No. 3-7338	3. Bureau/Office/Dept. BDS – 299/5000
4a. To be filed (hearing date): December 18, 2013	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: _____
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

*Amend investigation fees in the Bureau of Development Services fee schedules for building, electrical, mechanical, plumbing, signs, and site development (Ordinance)

2) Purpose of the Proposed Legislation:

Amends the investigation fees in the Bureau of Development Services building, electrical, mechanical, plumbing, sign and site development fee schedules to be consistent with newly-enacted State Legislation, House Bill 2978, which becomes effective on January 1, 2014.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This legislation will reduce current and future revenues from investigation fees by approximately \$3,000 to \$5,000 per year.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

There are no costs associated with these fee changes

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ YES: Please proceed to Question #9.

☒ NO: Please, explain why below; and proceed to Question #10.

The fee schedule changes are mandatory because House Bill 2978 amends Oregon Revised Statutes Chapter 455 pertaining to investigation fees for work commenced without a required permit. The fee schedules are being revised to be in compliance with HB 2978 when it becomes effective on January 1, 2014.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

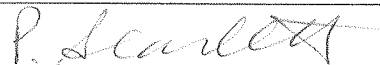
c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Yes; the Bureau of Development Services will provide notice of the investigation fee changes on its website, to the Development Review Advisory Committee, to neighborhood associations and to other BDS industry partners.



Paul L. Scarlett, Bureau of Development Services Director

APPROPRIATION UNIT HEAD (Typed name and signature)



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

Amanda Fritz, Commissioner
Paul L. Scarlett, Director
Phone: (503) 823-7308
Fax: (503) 823-7250
TTY: (503) 823-6868
www.portlandoregon.gov/bds

December 18, 2013

186388

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

From: Paul L. Scarlett, Director
Bureau of Development Services

PLS

Regarding: Proposed Amendments to Bureau of Development Services Investigation Fees for Building, Electrical, Mechanical, Plumbing, Signs, and Site Development to Conform to New State Legislation

The Bureau of Development Services (BDS) administers and enforces the State Building Codes throughout the City. The Oregon State Legislature recently enacted House Bill (HB) 2978, which restricts the investigation fees a municipality may charge for work commenced without a required building permit to the actual or average cost of the investigation. Currently, when a person commences work without a required permit, the State Building Code allows a municipality to charge an investigation fee, equal to the permit fee, in addition to the actual permit fee. The existing Bureau of Development Services fee schedules use this methodology and include investigation fees equal to the permit fee.

In order to comply with HB 2978, BDS needs to amend its fee schedules to replace the current investigation fees with an hourly rate. BDS staff has determined that \$95.00 per reflects the average rate of compensation for staff who will be conducting the investigations. That hourly rate will then be multiplied by the number of hours it takes to conduct each investigation, with a minimum of one hour per investigation. This methodology will be consistent with HB 2978 as it will reflect the actual cost of conducting the investigation.

Because HB 2978 is effective January 1, 2014, this Ordinance is being proposed as an emergency ordinance.



City of Portland, Oregon
Bureau of Development Services
Office of the Director

FROM CONCEPT TO CONSTRUCTION

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City Council
Agenda Item
Staff Supplemental Report

186388

TO: Amanda Fritz, Commissioner of Public Utilities

FROM: Paul L. Scarlett, BDS Director *PLS*

DATE: December 6, 2013

RE: Proposed Amendments to Bureau of Development Services Investigation Fees for Building, Electrical, Mechanical, Plumbing, Signs, and Site Development to Conform to New State Legislation

Requested Council Hearing Date: December 18, 2013

I. RECOMMENDATION

Amend the investigation fees in the Bureau of Development Services fee schedules for building, electrical, mechanical, plumbing, signs and site development so they conform to the new State legislation that becomes effective January 1, 2014.

II. BACKGROUND

BDS administers and enforces the State Building Codes throughout the City. The Oregon State Legislature recently enacted House Bill (HB) 2978, which restricts the investigation fees a municipality may charge for work commenced without a required building permit to the actual or average cost of the investigation. Currently, when a person commences work without a required permit, the State Building Code allows a municipality to charge an investigation fee, equal to the permit fee, in addition to the actual permit fee. The existing Bureau of Development Services fee schedules use this methodology and include investigation fees equal to the permit fee.

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The investigation fees in the following fee schedules need to be amended to make them comply with HB 2978:

- Building and Other Permits Fee Schedule
- Electrical Permit Fee Schedule
- Mechanical Permit Fee Schedule
- Plumbing Permit Fee Schedule
- Sign, Awning Permit and Registration Fee Schedule
- Site Development Fee Schedule

Because HB 2978 is effective January 1, 2014, this Ordinance is being proposed as an emergency ordinance.

III. FINANCIAL IMPACT

It is anticipated that this legislation will reduce current and future revenues from investigation fees by approximately \$3,000 to \$5,000 per year.

IV. LEGAL ISSUES

No issues have been identified or have arisen regarding the proposed fee schedule changes.

V. CONTROVERSIAL ISSUES

None.

VI. LINK TO CURRENT CITY POLICIES

See current Bureau of Development Services Fee Schedules.
(<http://www.portlandoregon.gov/bds/34184>)

VII. CITIZEN PARTICIPATION

None; revisions are required to make the BDS fee schedules conform to the revised methodology for calculating investigation fees for work commenced without a required building permit adopted by the State Legislature via HB 2978.

VIII. OTHER GOVERNMENT PARTICIPATION

Not applicable. Work on this proposal has been limited to representatives of the Bureau of Development Services.

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION

BDS does not anticipate the addition of new jobs as a result of this ordinance.

M/W/ESB participation on this contract is N/A

- X. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? N/A WHAT IS THEIR BUSINESS LICENSE NUMBER? N/A IS THEIR ACCOUNT WITH THE CITY CURRENT? N/A IF NOT, HOW MUCH IS OWING? N/A