

IMPACT STATEMENT

Legislation title: Amend fee schedules for building and other permits and site development (Ordinance)

Contact name: Deborah Sievert Morris, Bureau of Development Services (BDS)

Contact phone: (503) 823-7338

Presenter name: Deborah Sievert Morris, 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 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 reducing building and site development permit fees by 3% for all projects over \$500 in valuation. This will lead to a 3% reduction in other building and/or site development permit related fees. For the past three consecutive years, BDS has not raised fees in most major permit categories. BDS continues to strive to use its resources efficiently and keep costs as low as possible.

Financial and budgetary impacts:

BDS worked with the Fees & Regulations Subcommittee of the Development Review Advisory Committee to determine which fees could be reduced, and to what extent. Factors that were considered included expected BDS expenditures and personnel growth; current and future economic conditions; revenue projections; and the current financial position of individual programs. Fee changes are vetted through the bureau's Five-Year Financial Plan, and are only considered if BDS can meet its financial goals for the entirety of the five year period. The result of these changes will be an estimated reduction in overall bureau revenues of \$700,000 annually.

Community impacts and community involvement:

This ordinance proposes to a 3% decrease in building and site development permit fees for projects over \$500 in valuation, leading to a 3% reduction in revenues that are based on a percentage of the building and/or site development permit fee.

BDS has been proactive in keeping customers and stakeholders informed regarding these proposed fee changes. The bureau is publishing information about the proposed fee changes on its website and in the Plans Examiner newsletter.

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
Office of the Director
FROM CONCEPT TO CONSTRUCTION

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May 18, 2016

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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: Bureau of Development Services 2016 Fee Change Ordinance

The Bureau of Development Services (BDS) has prepared an ordinance proposing changes to fees for a few permit types. The ordinance is scheduled to be heard by the City Council on the regular agenda on Wednesday, May 18, 2016, at 2:00 p.m. (Time Certain).

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 **reducing building and site development permit fees by 3%** for all projects over \$500 in valuation. This will lead to a 3% reduction in other building and/or site development permit related fees. For the past three consecutive years, BDS has not raised fees in most major permit categories. BDS continues to strive to use its resources efficiently and keep costs as low as possible.

Proposed Fee Changes

Changes to fees are limited to the Building and Other Permits and Site Development fee schedules, as follows:

Building and Other Permits Fee Schedule

- Building Permit Fee – no change to the minimum permit fee but the subsequent valuation based fees are proposed to decrease by 3%
- Limited Consultation Fee - clarify wording to be more inclusive to multiple project issues
- Manufactured Dwelling Park – updates fee to cover cost of service
- Occupant Load Sign Fee – Simple & Complex - Required by the Oregon Structural Specialty Code for assembly rooms with an occupant load of more than 50 persons
- Recreational Park - update fee to cover cost of service

- Temporary Certificate of Occupancy – Associated with Phased Seismic Agreement - Upon acceptance of the Phased Seismic Agreement proposal by the city, the building owner will be required to obtain a Temporary Certificate of Occupancy for the periods between the initial and final phases of work. The monthly temporary Certificate of Occupancy – Phased Seismic Agreement fee will be equal to one half of the monthly Temporary Certificate of Occupancy and may have duration of no less than one month and no greater than 12 months

Site Development Fee Schedule

- Site Development Permit Fee - no change to the minimum permit fee but subsequent valuation based fees are proposed to decrease by 3% for those projects over \$500 in valuation.

In addition, BDS is proposing a 10% increase in fees for the Environmental Soils Program to correct historical underfunding of the program. This is a Multnomah County program delegated to the City of Portland via an intergovernmental agreement. The Multnomah County Board of Commissioners sets these fees.

These fee changes would take effect on July 1, 2016. The bureau's FY 2016-17 Requested Budget includes revenue reductions from the fee changes proposed in this ordinance.

BDS has been proactive in keeping customers and the community informed regarding these proposed fee changes. The bureau is publishing information about the proposed fee changes on its website and in the Plans Examiner newsletter.

The bureau knows these changes affect its customers' work and their willingness to do business in the city. BDS's intent is to provide timely, quality services and increase its effectiveness for both its customers and the community.