

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 (PPR) Urban Forestry (UF) to update the tree permit fee schedule for FY 19-20. It increases certain tree permit fees in order to recover partial costs for the services provided and improve level of service to permit customers.

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 street tree planting, 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 below actual cost 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 increases all development permit and inspection fees to maintain cost recovery. It also increases some non-development fees, such as the tree removal application, to provide additional resources to meet level of service goals. As a result of the proposed fee increases, revenue is expected to increase by approximately \$370,000 in fiscal year 2019-20 based on anticipated permit volume.

Cost recovery. Staff tracked the average amount of time it takes to conduct directly-related 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. A more complete assessment of tree regulation service costs will be performed in the future as part of PPR's structural budget improvements.

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.

The ordinance also increases the planting and preservation fee-in-lieu which is collected in both development and non-development situations for unmet tree planting or preservation requirements set in Title 11. Payments are deposited into the Tree Planting and Preservation Fund, which is used mitigate for the lost canopy through tree planting. Urban Forestry’s planting activities are guided by the Urban Forest Management Plan and the Citywide Tree Planting Strategy.

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 fee increases were presented at the following public forums.

- Urban Forestry Commission – April 18, 2019
- Development Review Advisory Committee, May 16, 2019

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.

100% Renewable Goal:

N/A

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

Claudio Campuzano