

**IMPACT STATEMENT**

**Legislation title:** Amend fee schedule for tree permits (Ordinance)

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**Presenter name:** Jenn Cairo

**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 20-21. It increases certain tree permit fees in order to recover costs for the services provided and maintain level of service to permit customers.

As with other 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 full cost-recovery model.

**Financial and budgetary impacts:**

This ordinance increases most development permits and inspection fees by 5% to maintain full cost recovery. A more substantial increase is included to the Residential Remodel > \$25,000 valuation permit in order to bring this permit to full cost-recovery.

No increases are proposed for non-development permits, such as the tree removal application.

Revenue projections resulting from this proposed fee increase are based on pre-COVID-19 permit volume assumptions. At that time, we anticipated about \$200,000 in increased revenue resulting from the new fee schedule. This revenue is assumed in the FY 2020-21 budget request and is needed to cover significant expense increases resulting from higher office rent at the 1900 SW 4<sup>th</sup> Ave. building (+\$83,000/year), AMANDA 7 implementation (+\$35,000/year) and personnel costs.

Based on observed impacts of COVID-19 through April, PP&R currently projects FY 2020-21 permit revenue will be approximately \$650,000 less than projected in the submitted budget request. This estimate will be revised as more data is available and the pace of economic recovery becomes clearer.

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 determine full cost recovery. Therefore, the fees vary according to the permit type as well as the size and complexity of the permit process.

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.

**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 will be presented at the following public forums.

- Urban Forestry Commission – April 16, 2020
- Development Review Advisory Committee, April 16, 2020

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*

4/30/2020