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## 191723

Ordinance

Amend permit fee schedules for building, cannabis, electrical, enforcement, land use services, mechanical, noise, plumbing, signs, site development, and land use services fee schedule for the Hearings Office

## Passed

The City of Portland ordains:

#### Section 1. The Council finds:

- 1. The Bureau of Development Services (BDS) promotes safety, livability, and economic vitality through efficient and collaborative application of building and development codes.
- 2. In 1988-89, the Development Services Operating Fund was established with a policy that construction-related programs in the fund would be full self-supporting. Since that time, BDS has kept these programs selfsupporting by providing efficient, effective services and applying periodic, moderate fee increases that allow the bureau to respond to increasing costs and to be innovative and proactive in meeting changing customer needs.
- 3. BDS collects fees under various fee schedules, including building, land use, neighborhood inspections, plumbing, signs, site development, and others. These fees are used by BDS to fund inspections, plan review, permit issuance, land use review, code enforcement, customer assistance and other functions.
- Fees charged for services delegated from the State Building Codes Division (BCD) must comply with the fee calculation methodologies as determined by BCD and described in Oregon Administrative Rule (OAR) 918-050-0000 through 918-050-0170.
- 5. Fees charged must be used to cover the costs of administering and enforcing the State Building Code only and may not be used to cover the costs of administering and enforcing local codes. Fees charged by BDS should cover the costs of providing the services.
- 6. BDS has been proactive in informing bureau customers and stakeholders regarding the need and rationale for the proposed fee changes. The bureau has published information about the proposed changes on its website.
- 7. The following estimated collection increases are needed for BDS to reach budgetary goals for FY 2024-25, meet annual expenses and build or maintain prudent reserves:

## Introduced by Commissioner Carmen Rubio

## Bureau

**Development Services** 

## Contact

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#### Kyle O'Brien

**Development Services** 

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# Requested Agenda Type

Regular

## Date and Time Information

Requested Council Date May 22, 2024

Portland Policy Document

5/22/24, 4:43 PM	191723   Portland.gov
Building/Mechanical Program	8%
Cannabis Licensing Program	8%
Electrical Program	8%
Facility Permit Program	8%
Field Issuance Remodel Program	15%
Land Use Services Program	9%
Neighborhood Inspections Program	22%
Noise Program	8%
Plumbing Program	8%
Signs Program	8%
Site Development Program	8%
Zoning Enforcement Program	8%

NOW, THEREFORE, the Council directs:

- A. The Fee Schedules listed as exhibits A through M to this ordinance shall be effective July 1, 2024.
- B. This ordinance is binding City policy.

In support of this ordinance, the following Exhibits (A-M) describe the current and proposed fees:

- Exhibit A: Building
- Exhibit B: Electrical
- Exhibit C: Mechanical
- Exhibit D: Plumbing
- Exhibit E: Signs
- Exhibit F: Site Development
- Exhibit G: Land Use Services (LUS)
- Exhibit H: Life Safety (LUS)
- Exhibit I: Site Development (LUS)
- Exhibit J: Hearings Office
- Exhibit K: Enforcement
- Exhibit L: Cannabis
- Exhibit M: Noise

## **Documents and Exhibits**

Exhibit A (https://www.portland.gov/sites/default/files/councildocuments/2024/2024-07-01-bds-proposed-fee-schedules-exhibita-building.pdf)

 Exhibit B (https://www.portland.gov/sites/default/files/council 733.19 KB

 documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit b-electrical.pdf)

 Exhibit C (https://www.portland.gov/sites/default/files/council 733.19 KB

 documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit c-mechanical.pdf)

5/22/24, 4:43 PM 191723	Portland.gov
Exhibit D (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- d-plumbing.pdf)	742.36 KB
Exhibit E (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- e-signs.pdf)	725.59 KB
Exhibit F (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- f-site-development.pdf)	736.45 KB
Exhibit G (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- g-land-use-services-updated-2024-04-12.pdf)	792.39 KB
Exhibit H (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit-h- life-safety-lus.pdf)	683.3 KB
Exhibit I (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- i-site-development-lus.pdf)	692.73 KB
Exhibit J (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- j-hearings-office.pdf)	689.66 KB
Exhibit K (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit-k- enforcement.pdf)	791.3 KB
Exhibit L (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- l-marijuana.pdf)	714.24 KB
Exhibit M (https://www.portland.gov/sites/default/files/council- documents/2024/2024-07-01-bds-proposed-fee-schedules-exhibit- m-noise-updated-2024-04-18.pdf)	183.72 KB
An ordinance when passed by the Council shall be signed by the Auc shall be carefully filed and preserved in the custody of the Auditor (C Charter Chapter 2 Article 1 Section 2-122)	

Passed by Council May 22, 2024

Auditor of the City of Portland Simone Rede

## Impact Statement

## 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 three programs receive General Fund support. Of the three programs receiving General Fund Support, two (Neighborhood Inspections and Noise) are affected by this ordinance.

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 2024-25. 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 8%.

## **Financial and Budgetary Impacts**

Proposed fee increases are expected to result in the following estimated changes to annual program collections:

Estimated			Collection Increases	
Program		Dol	Dollar	
	Percent	(Full-Year)		
Building/Mechanical Program	8%	\$	1,579,661	
Cannabis Licensing Program	8%	\$	132,966	
Electrical Program	8%	\$	414,951	
Facility Permit Program	8%	\$	312,195	
Field Issuance Remodel Program	15%	\$	398,884	
Land Use Services Program	9%	\$	824,998	
Neighborhood Inspections Program	22%	\$	383,422	
Noise Program	8%	\$	12,262	
Plumbing Program	8%	\$	276,985	
Sign Program	8%	\$	15,553	
Site Development Program	8%	\$	163,316	
Zoning Enforcement Program	8%	\$	120,690	
Total	9%	\$	4,635,883	

Estimated collection increases are aggregated, however percentage change to individual fees may vary. This ordinance does not amend the BDS budget.

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.

## **Budget Office Financial Impact Analysis**

This action authorizes an annual update to the PP&D fee schedule. PP&D is proposing changes to the fee schedule to increase estimated collections for most programs by approximately 8%, except for the Field Issuance Remodel Program (15%), the Land Use Services Program (9%), and the Neighborhood Inspections Program (22%). The total projected fee revenue is estimated to result in an additional \$4.6 million, based on projected applications for FY 2024-25.

## **Agenda Items**

## 374 Time Certain in <u>May 15-16, 2024 Council Agenda</u> (https://www.portland.gov/council/agenda/2024/5/15)

Passed to second reading

Passed to second reading May 22, 2024 at 9:30 a.m.

#### 411 Regular Agenda in <u>May 22, 2024 Council Agenda</u> (https://www.portland.gov/council/agenda/2024/5/22)

Passed

Commissioner Dan Ryan Nay

Commissioner Rene Gonzalez Nay

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea