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## 192060

Ordinance

### Amend Portland Permitting & Development fee schedules to improve cost recovery and service levels for customers

Passed

The City of Portland ordains.

Section 1. The Council finds:

1. Portland Permitting & Development (PP&D) 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 PP&D, formerly known as the Bureau of Development Services (BDS) has kept these programs self-supporting 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. PP&D collects fees under various fee schedules, including building, land use, neighborhood inspections, plumbing, signs, site development, and others. These fees are used by PP&D to fund inspections, plan review, permit issuance, land use review, code enforcement, customer assistance and other functions.
4. 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 PP&D should cover the costs of providing these services.
6. PP&D 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.

#### Document number

2025-137

#### Introduced by

[Mayor Keith Wilson](#)

#### City department

[Permitting & Development](#)

#### Contact

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🗎 [711](#) Oregon Relay Service

#### Agenda Type

Regular

#### Date and Time Information

##### Meeting Date

May 21, 2025

Portland Policy Document

7. Comparisons of major development related fees for seven sample projects, contained in Exhibit R, illustrating the cumulative effect of major fee changes across all development bureaus. Exhibit R is the result of a Development Review Advisory Committee (DRAC) recommendation that development bureaus address fee changes in a more collaborative fashion.
8. The following estimated collection increases are needed for PP&D to reach budgetary goals for FY 2025-26, meet annual expenses and build or maintain prudent reserves:

Accessory Short-Term Rentals	5%
Building/Mechanical Program	5%
Cannabis Licensing Program	2%
Electrical Program	5%
Environmental Review Program	5%
Facility Permit Program	5%
Field Issuance Remodel Program	5%
Land Use Services Program	5%
Neighborhood Inspections Program	5%
Noise Program	5%
Plumbing Program	5%
Signs Program	5%
Site Development Program	5%
Transportation Review Program	5%
Urban Forestry Review Program	5%
Water Review Program	5%
Zoning Enforcement Program	5%

NOW, THEREFORE, the Council directs:

- A. The Fee Schedules listed as exhibits A through Q to this ordinance shall be effective July 1, 2025.
- B. This ordinance is binding City policy.

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

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

- Exhibit M: Site Development
- Exhibit N: Transportation Review
- Exhibit O: Urban Forestry Review
- Exhibit P: Water Review
- Exhibit Q: Hearings Office (LUS)
- Exhibit R: Fee Comparisons

## Exhibits and Attachments

-  [Committee Staff Summary - Finance](#) 159.19 KB
-  [Memo to Council](#) 237.84 KB
-  [Exhibit A](#) 652.65 KB
-  [Exhibit B](#) 545.76 KB
-  [Exhibit C](#) 582.61 KB
-  [Exhibit D](#) 750.32 KB
-  [Exhibit E](#) 600.32 KB
-  [Exhibit F](#) 756.69 KB
-  [Exhibit G](#) 450.77 KB
-  [Exhibit H](#) 461 KB
-  [Exhibit I](#) 578.54 KB
-  [Exhibit J](#) 694.35 KB
-  [Exhibit K](#) 587.48 KB
-  [Exhibit L](#) 572.71 KB
-  [Exhibit M](#) 591.44 KB
-  [Exhibit N](#) 752.46 KB
-  [Exhibit O](#) 431.61 KB
-  [Exhibit P](#) 429.35 KB
-  [Exhibit Q](#) 455.68 KB
-  [Exhibit R](#) 2.1 MB
-  [Presentation](#) 4.63 MB
-  [Testimony](#) 82.35 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
May 21, 2025

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

Portland Permitting & Development (PP&D) 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.

PP&D 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 and increasing costs, is resulting in proposed increases for most fees in FY 2025-26. PP&D 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. PP&D is therefore proposing fee schedule changes to increase estimated collections to most programs by approximately 5%.

### Financial and Budgetary Impacts

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

Program	Estimated Collection Increases	
	Percent	Dollar (Full-Year)
Accessory Short-Term Rentals	5%	\$ 33,967
Building/Mechanical Program	5%	\$ 980,308
Cannabis Licensing Program	2%	\$ 32,376
Electrical Program	5%	\$ 266,822
Environmental Review Program	5%	\$ 307,417
Facility Permit Program	5%	\$ 256,764
Field Issuance Remodel Program	5%	\$ 146,563
Land Use Services Program	5%	\$ 488,896
Neighborhood Inspections Program	5%	\$ 81,983
Noise Program	5%	\$ 7,912
Plumbing Program	5%	\$ 184,162
Sign Program	5%	\$ 10,229
Site Development Program	5%	\$ 73,108
Zoning Enforcement Program	5%	\$ 98,938

Transportation Review Program	5%	\$ 168,647
Urban Forestry Review Program	5%	\$ 88,679
Water Review Program	5%	\$ 70,705
<b>Total</b>	<b>5%</b>	<b>\$ 3,297,476</b>

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

Economic and Real Estate Development Impacts

As PP&D is funded 98% through fees and charges for service, the bureau must set fees at a level which cover the costs of providing services. Costs are rising due to:

- increased personnel costs from union labor agreements,
- cost-of-living adjustments,
- merit and step pay increases,
- health & benefits increases,
- mandatory PERS contribution increases,
- costs associated with implementing technology and process improvement work, and
- materials and services inflation.

The fees charged by PP&D support the staff time associated with services, including responding to customer inquiries, providing early assistance, plan review, and inspection of buildings, and are necessary to ensure a stable, experienced workforce. These fee changes allow PP&D to retain 15 FTE positions that will need to be cut should fee changes not be approved.

PP&D underwent layoffs in winter 2023/24 of 72 FTE or approximately 19% of the workforce. Any additional staff reductions will impede the bureau’s present and future ability to provide services. Services would be cut, permitting timelines would be impacted heavily, and PP&D would be in the position of not being able to support the demands of the development industry when permitting activity increases again.

The 2017 Government Accountability Transparency Results (GATR): Strategies for Accelerating Housing Development Report, determined PP&D fees are not a major factor in project feasibility. The negative economic

effect of longer permitting timelines is outweighed by the minor increase in project costs from these proposed fee increases.

Community Impacts and Community Involvement

PP&D 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. PP&D’s interests are in delivering excellent levels of service and increasing its effectiveness on both its customers’ and the community’s behalf.

100% Renewable Goal

Not applicable.

Economic and Real Estate Development Analysis

Analysis provided by Prosper Portland

Prosper Portland staff has reviewed the Economic and Real Estate Development Impact Analysis submitted for this action and finds that it satisfies the requirements set forth in City Council Resolution 37664. The analysis is sufficiently detailed and complete to be considered a final statement for purposes of this action.

Document History

Document number: 2025-137

President's referral: [Finance Committee](#)

Agenda	Council action
<a href="#">April 7, 2025</a> Regular Agenda <div>Finance Committee</div>	<b>Referred to City Council</b> Motion to send the Ordinance to the full Council with the recommendation that it be passed: Moved by Green and seconded by Pirtle-Guiney. (Aye (5): Pirtle-Guiney, Novick, Green, Avalos, Zimmerman)
<a href="#">May 7, 2025</a> Regular Agenda <div>City Council</div>	<b>Continued</b> Continued to May 8, 2025 at 2:00 p.m.

Agenda	Council action
<a href="#">May 8, 2025</a> Regular Agenda <div>City Council</div>	<b>Passed to second reading</b> Passed to second reading May 21, 2025 at 9:00 a.m.
<a href="#">May 21, 2025</a> Regular Agenda <div>City Council</div>	<b>Passed</b>  <b>Aye (12):</b> Kanal, Ryan, Koyama Lane, Morillo, Novick, Clark, Green, Zimmerman, Avalos, Dunphy, Smith, Pirtle-Guiney