

BASE CASE SCENARIO

The growth rates displayed in the tables below were produced by a set of econometric models that were developed using variables related to commercial and residential construction activity in the Portland Metropolitan Area, the State of Oregon, and the nation. The models were reviewed by a panel of local economists. The growth rates do not incorporate any fee increases.

Table 1. Programmatic Growth Rates for projects with valuation under \$3 million - Base Scenario*

Program	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Building/Mechanical	4.1%	4.8%	4.1%	3.4%	2.9%
Building	4.1%	5.0%	4.2%	3.4%	2.8%
Mechanical	3.9%	4.2%	3.8%	3.6%	3.3%
Electrical	5.2%	3.5%	3.2%	3.6%	2.5%
Plumbing	3.5%	2.8%	2.9%	3.1%	1.9%
Facilities Permits	4.3%	4.3%	3.8%	3.4%	2.7%
Site Development	4.1%	4.8%	4.1%	3.4%	2.9%
Environmental Soils	2.8%	2.2%	1.5%	1.3%	1.4%
Signs	2.0%	2.2%	1.7%	1.3%	1.1%
Zoning Enforcement	4.1%	4.8%	4.1%	3.4%	2.9%
Neighborhood Inspections	2.3%	3.0%	1.9%	1.0%	0.7%
Land Use Services	4.1%	4.8%	4.1%	3.4%	2.9%

ALTERNATIVE SCENARIO

The growth rates displayed in the tables below were produced by a set of econometric models that were developed using variables related to commercial and residential construction activity in the Portland Metropolitan Area, the State of Oregon, and the nation. The alternative scenario is based on Moody's - Below-Trend Long-Term Growth Scenario.

The models were reviewed by a panel of local economists. The growth rates do not incorporate any fee increases.

Table 2. Programmatic Growth Rates for projects with valuation under \$3 million - Alternative Scenario *

Program	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Building/Mechanical	1.7%	4.1%	3.8%	2.3%	1.0%
Building	1.1%	4.1%	3.8%	2.0%	0.3%
Mechanical	2.9%	3.9%	3.6%	3.2%	2.6%
Electrical	2.0%	3.1%	2.9%	3.0%	4.2%
Plumbing	1.5%	1.5%	2.6%	2.0%	1.4%
Facilities Permits	1.5%	3.6%	3.4%	2.3%	1.5%
Site Development	1.7%	4.1%	3.8%	2.3%	1.0%
Environmental Soils	2.6%	2.2%	1.5%	1.1%	1.3%
Signs	1.5%	1.9%	1.7%	1.3%	1.0%
Zoning Enforcement	1.7%	4.1%	3.8%	2.3%	1.0%
Neighborhood Inspections	1.0%	2.2%	2.0%	1.0%	0.5%
Land Use Services	1.7%	4.1%	3.8%	2.3%	1.0%

Table 3. Difference Base Minus Alternative

Program	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Building/Mechanical	2.4%	0.7%	0.4%	1.1%	1.9%
Building	3.0%	0.9%	0.5%	1.4%	2.5%
Mechanical	1.0%	0.3%	0.1%	0.5%	0.7%
Electrical	3.1%	0.4%	0.4%	0.6%	-1.6%
Plumbing	2.0%	1.3%	0.3%	1.2%	0.5%
Facilities Permits	2.8%	0.8%	0.4%	1.1%	1.2%
Site Development	2.4%	0.7%	0.4%	1.1%	1.9%
Environmental Soils	0.2%	0.1%	0.0%	0.2%	0.1%
Signs	0.4%	0.3%	0.0%	0.0%	0.1%
Zoning Enforcement	2.4%	0.7%	0.4%	1.1%	1.9%
Neighborhood Inspections	1.3%	0.8%	-0.1%	0.0%	0.3%
Land Use Services	2.4%	0.7%	0.4%	1.1%	1.9%

* Growth rates in both the Base and Alternative scenarios depict expectations of growth in bureau revenues collected from projects with valuations below \$3 million. Final bureau revenue projections include revenues from these smaller projects as well as revenues collected from projects with valuations of over \$3 million. Adjustments to account for large projects are made manually based on the information collected by the bureau's permit tracking system and information regarding future development projects.

The alternative scenario was first developed three years ago in 2010-11. At the time the bureau didn't have access to Moody's Analytics forecast scenarios. The first alternative scenario in 2010-11 was developed by reducing growth rates in the base scenario by five percentage points.