

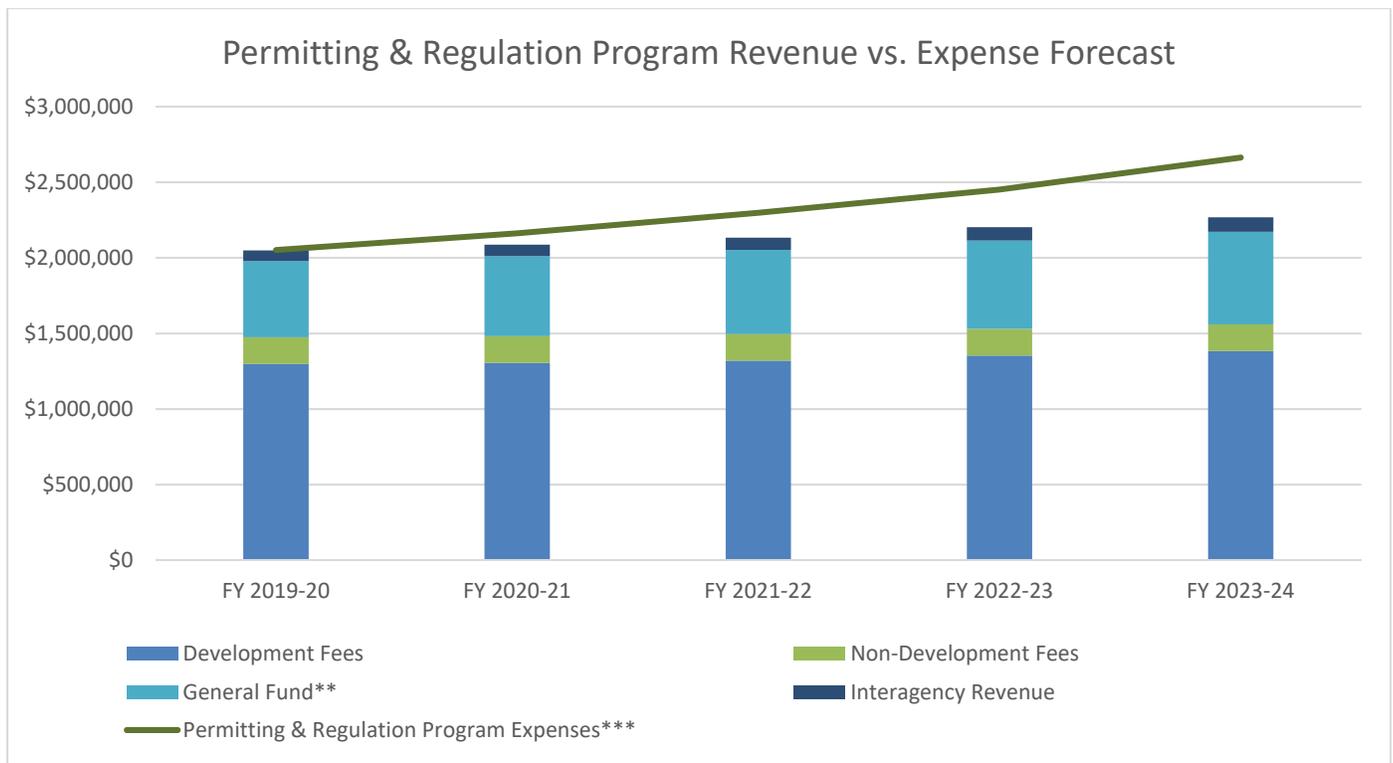
FY 20 UF Fee Schedule Briefing

Background

- Fees help provide essential tree services to residents, paying part of the cost of Urban Forestry performing its responsibilities as directed in Title 11 and the Urban Forest Management Plan.
- At current funding levels, Urban Forestry is not staffed to fully implement Title 11.
 - For example, code compliance is largely unfunded. An estimated 2,200 trees required by permits are not being planted per year as a result. For comparison, this is approximately equivalent to:
 - More than twice the number of total street trees in the Hollywood neighborhood
 - The number of trees planted by the city-funded Environmental Services Tree Planting program each year

Financial Stability

- The Permitting & Regulation program’s primary revenue sources are either highly cyclical (development permit fees) or set well below cost recovery levels (non-development permits).
- Given current permit fee levels, projected costs outpace revenue creating a near-term structural challenge



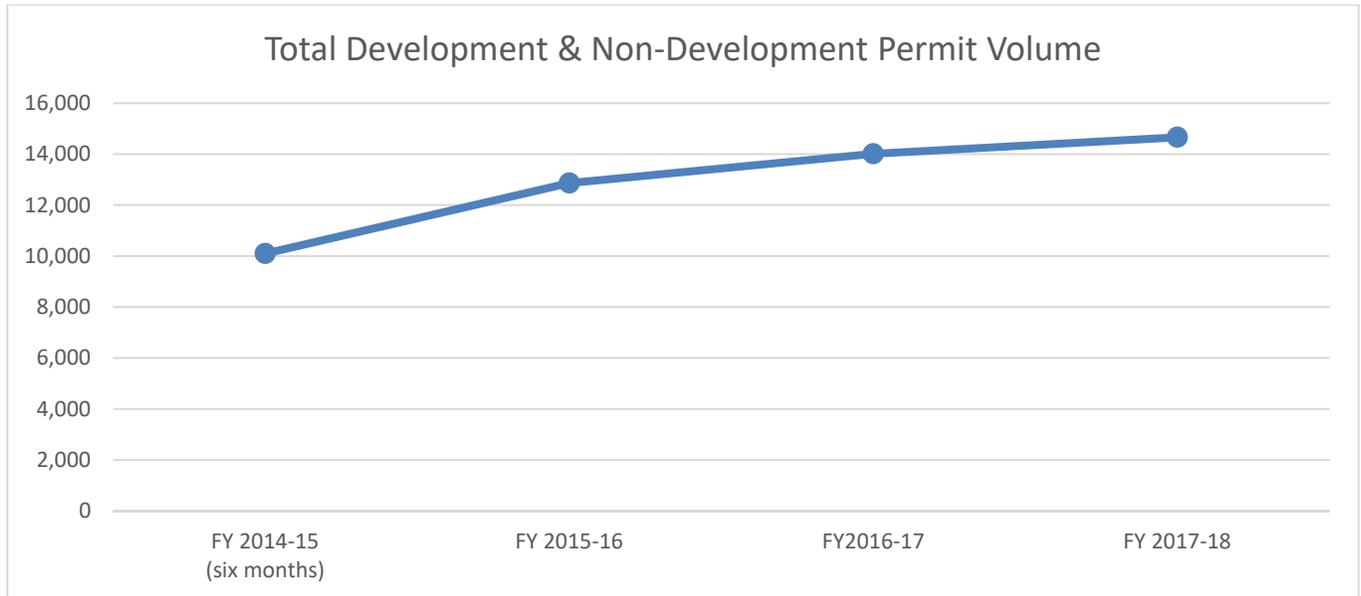
*Revenue based on projected development permit volume and current fee levels

Assumes 5% annual increase in general fund

***Cost projections based on CBO’s five-year inflation estimates

Permit Volume & Customer Service Impacts

- Permit volumes have increased substantially since Title 11 implementation in 2015, creating customer service and work load challenges.
- This has resulted in increased turnaround times for all permit types and many aspects of Title 11 remain unimplemented (e.g. tree planting compliance).



Proposed FY 20 Fee Schedule

- Fee levels set to support customer service demands for an average 3-week turnaround time for most non-development permit types
- Certain fee levels remain well below full cost recovery or free of charge to reduce barriers to and encourage compliance
- Cost of service is currently underestimated and being updated as part of Portland Parks and Recreation's on-going budget structure improvements.
- Future fee increases are anticipated in order to improve customer service, more fully implement Title 11, and provide stable revenue.
- A hardship waiver policy is expected to be implemented in the first half of fiscal year 2019-20.

Proposed Fee in Lieu of Planting and Establishment Increase

- Fee is collected as a per-caliper-inch payment made in lieu of tree preservation or planting
- Payments are paid into the Tree Planting and Preservation Fund, which is Urban Forestry's sole funding source dedicated to growing Portland's tree canopy. UF's planting activities are guided by the Urban Forest Management Plan and the Citywide Tree Planting Strategy.
- Current Fee: \$325/inch | Proposed Fee: \$450/inch