



# CITY OF PORTLAND, OREGON - PORTLAND TREES

Bureau of Development Services • Portland Parks & Recreation

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July 14, 2015

## MEMORANDUM

TO: Tree Project Oversight Advisory Committee  
 FROM: Mike Hayakawa, Supervising Planner  
 RE: Development Permits, fee in lieu of tree preservation

The issue of the fee in lieu of preservation and specifically, whether it is set at the appropriate amount (\$1,200 per tree) has come up a number of times in the last several months. The \$1,200 removal amount has created a threshold for other tree city policy. For example Commissioner Fritz recently issues a policy directive capping the tree mitigation amount for trees in non-development situations at \$1,200 (for single family properties). Although the purpose of this memorandum is to provide information on the nature of the fee in lieu for development permits it should be considered in a larger policy implications. This memo is also designed to create a better understanding of the role that fees can play in encouraging tree preservation.

**The nature of fees.** There are various types of fees. Application fees are typically tied to the cost of processing a permit application. This is true of building permits and land use review applications. In Portland, the true cost is often subsidized by the general fund. Subsidies are often based on whether the review is required (an example is design review which is required on all properties in design zones) and sometimes are kept low in order to encourage residents to obtain a permit (as opposed to performing work without a permit). There are legal and policy reasons for keeping application fees at approximately the average cost of providing the service.

Tree Mitigation fees are different and are used to reduce the effect of removing a tree by planting new trees. Mitigation fees can be paid in lieu of preserving or planting trees. While the Tree Code emphasizes preservation, flexibility is built in to accommodate fact patterns where preservation is not a viable option. The code attempts to preserve trees while balancing this objective with other policies, such as infill development and property rights. In tying the mitigation fees to the cost of planting new trees, the City Council is not charging the full replacement cost (environmental and ecological) of trees removed.

**Tree code fees** - The Urban Forestry fee schedule includes the following fees:

### Development

Tree type	Fee in lieu of planting	Fee in lieu of preservation
Street trees	\$300 per inch	NA
City and Private trees	\$450 per tree	\$1,200

### Non development

Tree type	Fee in lieu of planting	Fee in lieu of preservation
Street trees	\$300 per inch	NA
City and Private trees	\$300 per inch	NA

The commissioner policy directive caps the mitigation fee for single dwellings in non development situations at \$1,200, so as to not exceed the amount of the fee in lieu of preservation in development situations.

The mitigation fees are derived from the \$300 per inch amount. This amount was adopted in 2009, so has been in effect for five years. Previous to that, the amount was \$150 per inch, which was in effect since the 1990s. According to information gathered by Urban Forestry, the most recent data on the actual cost of installing a tree without a root barrier and establishing it for two years is about \$1,200.

**Fee considerations.** The in lieu mitigation fee must be tied to a rational basis for compensating the lost values/functions of the specific tree(s). Replacement cost is an amount that is typically relied upon and is easily quantifiable. Replacement cost is distinguished from the amount of the value of the tree(s) lost, as discussed earlier.

Data exists that attempts to place a dollar value on individual trees, based on their environmental and economic benefit to society. Committee member Day, on June 22, 2015, shared an email sent by Mr. Bob Marshall, a landscape architect employed by David Evans and Associates, to the City Council members and others, with Committee member and staff that states the value of trees significantly exceeds the mitigation fee found in the Urban Forestry fee schedule and raises questions about the assumptions behind how these fees are calculated.

Through the code, fee schedule and Policy Directive, fees are tied to code and implementation objectives, including,

1. The need for clear, prescriptive standards for mitigation;
2. Ease of administration and enforcement of the regulations; and
3. A balance between city policies.

Amending the Code to create higher mitigation fees must take into account these objectives in addition to getting tree replacement fees that are more in line with the environmental cost of removing a tree.