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# Planning Fee Recalibration Project

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# Agenda

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1. Summary of Findings
2. Historical Context
3. Internal Fee Study Process
4. Insights and Actions

Note: Staff is not seeking direction or a motion from BEDAB today. This is an informative update; however, Staff is always open to feedback and suggestions.



# Summary of Findings



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# Summary of Findings

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Staff analyzed 23 of the highest volume Planning permits. (~70% total volume)

- 6 of the top 10 Permits were underpriced (~50% total volume)
  - Creating mini-deficits that snowballed to large shortfalls.

One-Time Fee Adjustment in the range of 8-14% on July 1, 2025, is needed to recalibrate fees.

- Final adjustment % is still being finalized by Staff.
- *Original Plan: 10% on July 1, 2025, and 5% on January 1, 2026*

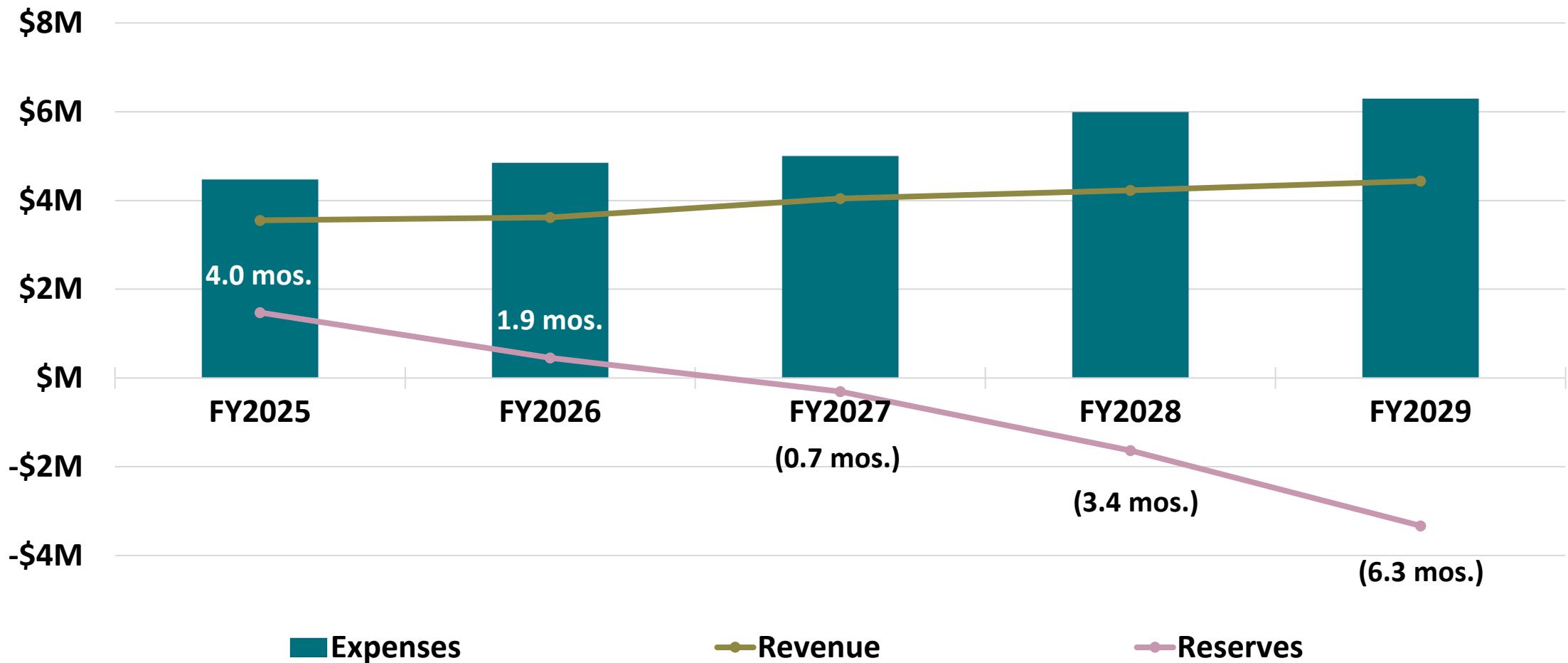
Recalibration should significantly improve the long-term financial sustainability of Planning.

- Estimated Annual General Fund Support: \$250,000



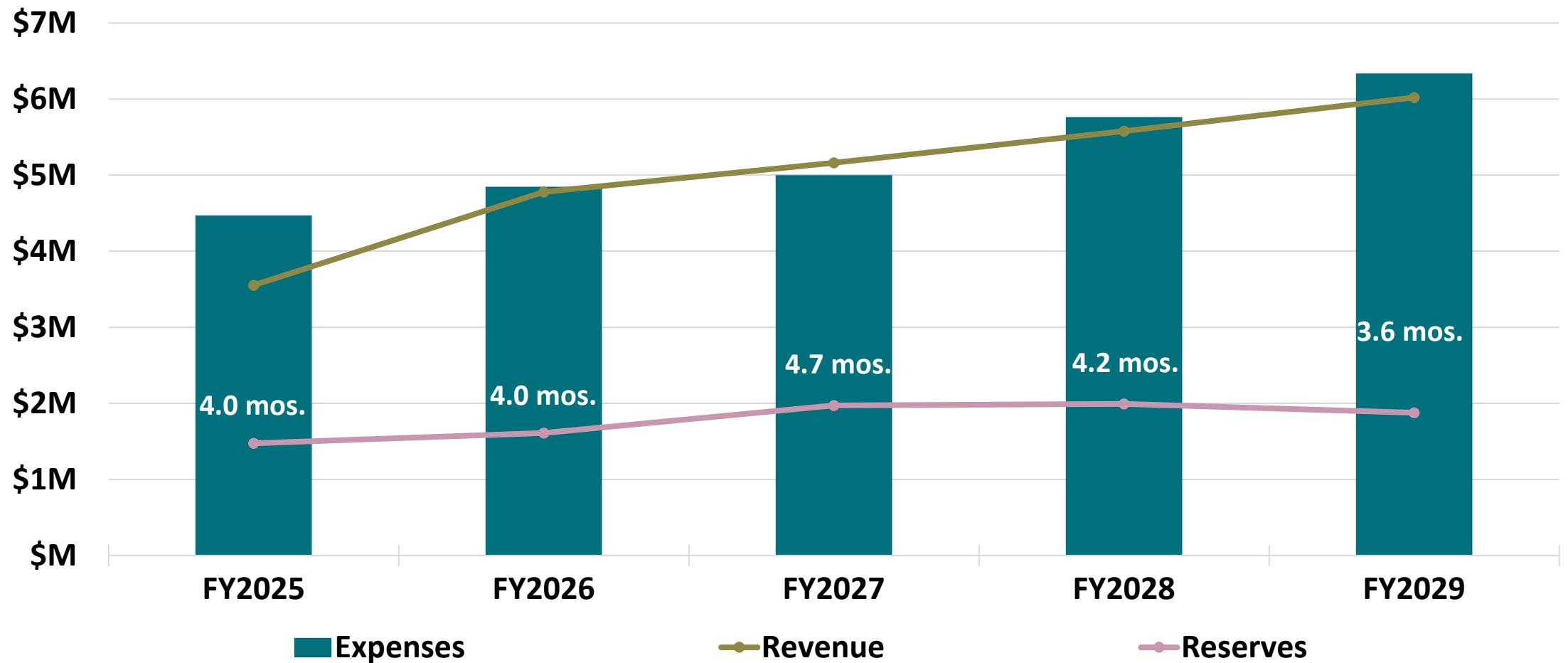
# Planning Fund – Current State as of Q4 FY25

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# Planning Fund – Recalibrated Fees

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# Historical Context



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# 2014 & 2019 Ordinances

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In 2014, the Bend City Council directed staff to prepare Bend Code Amendments to allow for the General Fund to pay for the following:

- City-initiated Code amendments, such as the Development Code Tune-Up project
- Pre-application meetings
- 50% percent of the cost of the Planning Division's general services.
- 50% of Sign Code Application Fees

In 2019, the Bend City Council suspended the General Fund's support for these services.

- The Planning Fund, with approx. 15 months of reserves was to “absorb the reduction in revenue through a decrease in ending reserve balances.”



# 2019 to Present

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The Planning Fund has operated in a shortfall every year since 2019, except for 2022, burning through over 10 months of reserves in 5 years.

- Shortfalls ranged from \$500,000 - \$1.2M per year



# Internal Fee Study Process



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# Internal Fee Study Process

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Staff innovated and internally recreated and improved on the methodology used in the fee studies that were performed in 2014 and 2022.

- Rebalanced the fee schedule based on updated codes, state laws, and actual time worked.
- Applied an updated direct labor hourly rate to the updated time per fee.
- Identified any unbalanced fees that need adjusting.

The study's anticipated completion date is May 26, 2025.



# Insights and Actions



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# Insights

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General Fund Support for Planning is Necessary for Solvency.

- Planning will likely always operate in a slight shortfall.
- Staff is evaluating a sustainable funding model between Planning and the General Fund.

Pre-Application Meetings, Code Updates, and Front Counter Services are Mutually Beneficial to the City and Community.

- These services significantly improve application quality, turnaround time, and helps build good relationships with developers and community members.



# Actions

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The Fee Study results, proposed FY26 Fee Schedule, and projected on-going fee increases will be presented to City Council at the Work Session on June 4th, 2025.

Staff will evaluate workload per planner to ensure optimal staffing levels for permit turnaround times.

After Planning's study is complete, Staff will analyze Private Development Engineering and then Building Safety fees.

The goal is to go back to annual fee increases, linked to Expenditure and Personnel cost inflation.



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