

Fee and Rate Adjustments

2025 Mid-Bi Budget

John Resha, Director

Finance & Asset Management Department

Lucy Liu, Director

Utilities Department



Direction

Consider directing staff to return at a future meeting with legislation to adopt fee and rate adjustments pertaining to:

- Utilities sewer rate
- Development Services permits and school impact fees
- Transportation wireless fees



Agenda

1. Utilities Sewer Rate Adjustment
2. Development Update
3. Cost Recovery & Guiding Principles
4. Proposed Fees & Rates
5. School Impact Fees
6. Telecommunication Wireless Fees





Utilities Sewer Rate

2026 Sewer Rate Adjustment

2026 SEWER RATE	ADOPTED	MID-BI	INCREASE
City of Bellevue	7.6%	7.9%	0.3%

- Driver: Higher King County 2026 wastewater treatment rate, increasing from 7.0% to 7.5%
- City Policy: Wholesale costs passed through directly to Bellevue customers
- Future wholesale wastewater treatment costs will be fully evaluated during 2027-2028 budget process



Development Services Fee Update

2025 Mid-Bi Budget

Rebecca Horner, Director

Jake Hesselgesser, Assistant Director

Development Services Department

Vanessa Humphreys, Assistant Director

Cassie Davis, Franchise Utility Manager

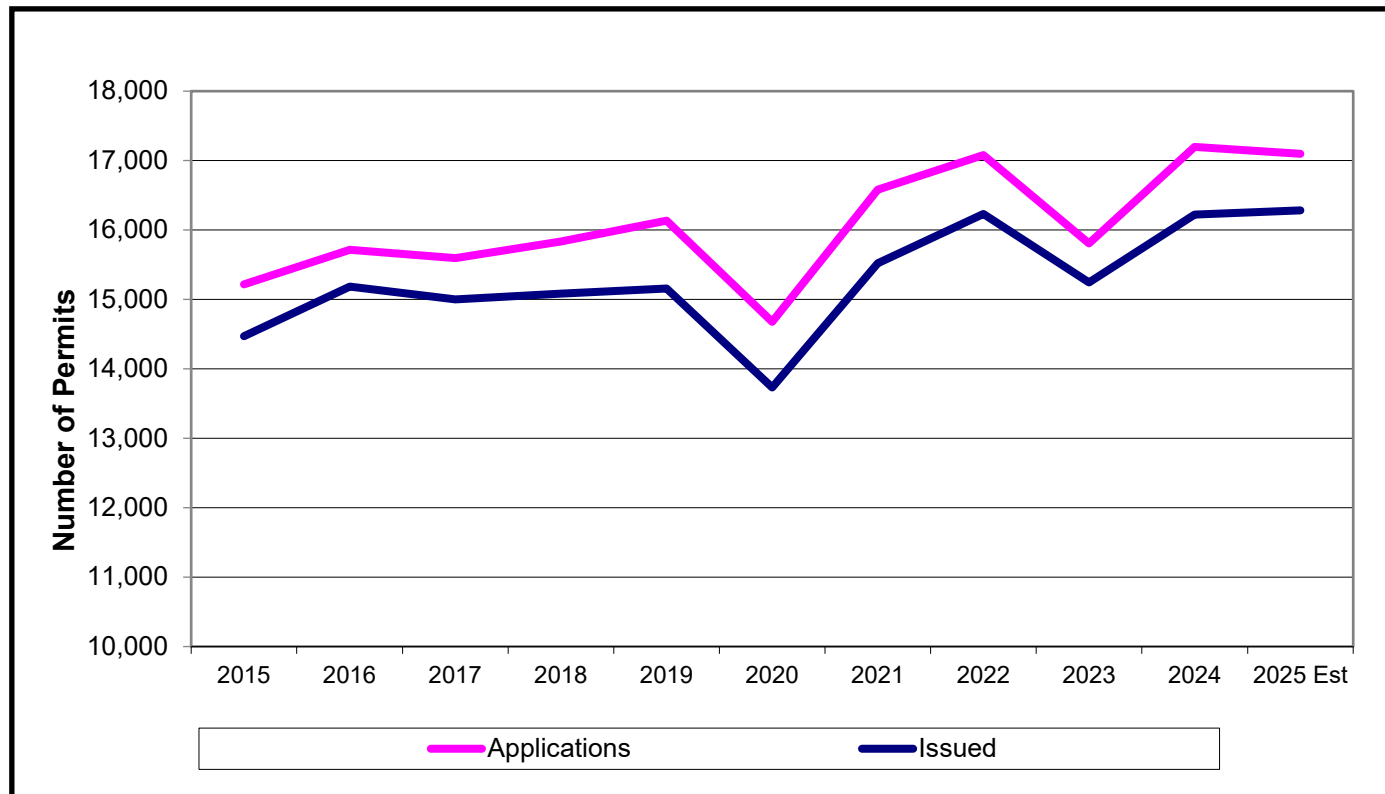
Transportation Department



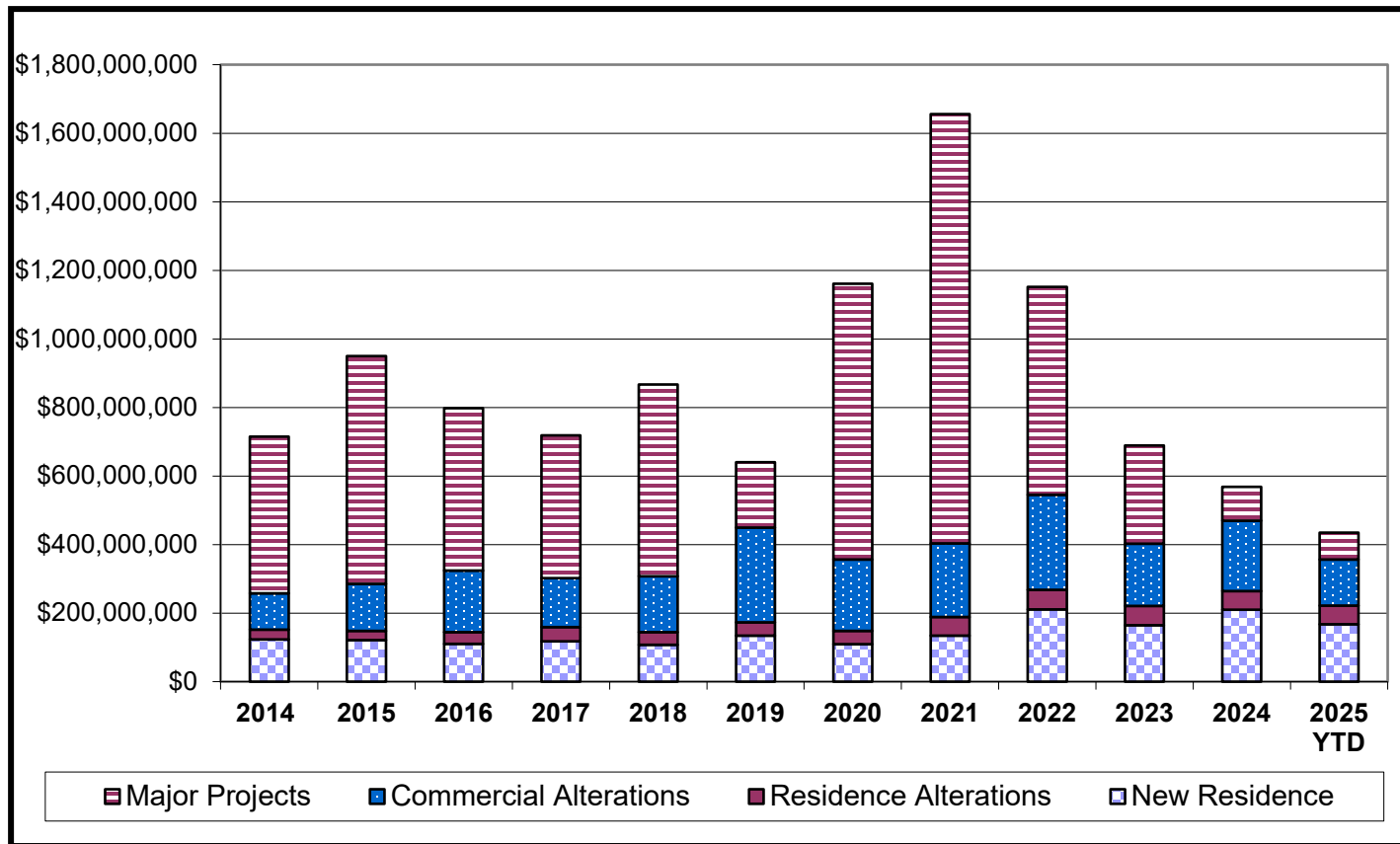


Development Update

Development Update



Building Valuation



Development Pipeline

- Residential Development – Building Permits
 - Single-family remains strong
 - Middle Housing interest
 - 6,100 Multi-family Units
- AH Fee Reduction Program
 - 461 Units in the Program
 - 240+ Units future Pipeline



Bridge OMFE Affordable Housing – 234 Units



Process Improvements

- Customer Feedback
 - Bellevue development committee
 - Customer experience program
- Streamline permitting
 - Small business program
 - Govstream.ai partnership
- Consistency & transparency
 - Training & system improvement
 - Publish performance dashboards



Council Endorsed Cost Recovery Objectives

Type of Service	DS Fee Cost Recovery Target
Land Use Discretionary Review	100%
Engineering Review & Inspection	100%
Technical/Administrative Support	100%
Pre-submittal Support & Public Information	0%
Policy Development & Code Compliance	0%



Financial Management Guiding Principles

- Funding structure should support DS line of business through economic cycles
- Permit applicants should pay for services received
- Fees should be predictable and understandable to customer
- Fees should be regionally competitive



Proposed Fee Adjustments

- Update hourly rates and adjust flat fees
- Update building valuation table to 2025 and adjust Washington State modifier
- Adjust building permit fees by CPI-W (2.70%)



Proposed Hourly Rates

Function	2025 Adopted	2026 Proposed	% change in rate
Land Use review	\$281	\$304	8.2%
Fire review & inspection	\$212	\$227	7.1%
Transportation review & inspection	\$243	\$264	8.6%
Utilities review & inspection	\$197	\$216	9.6%



Proposed Fee Examples

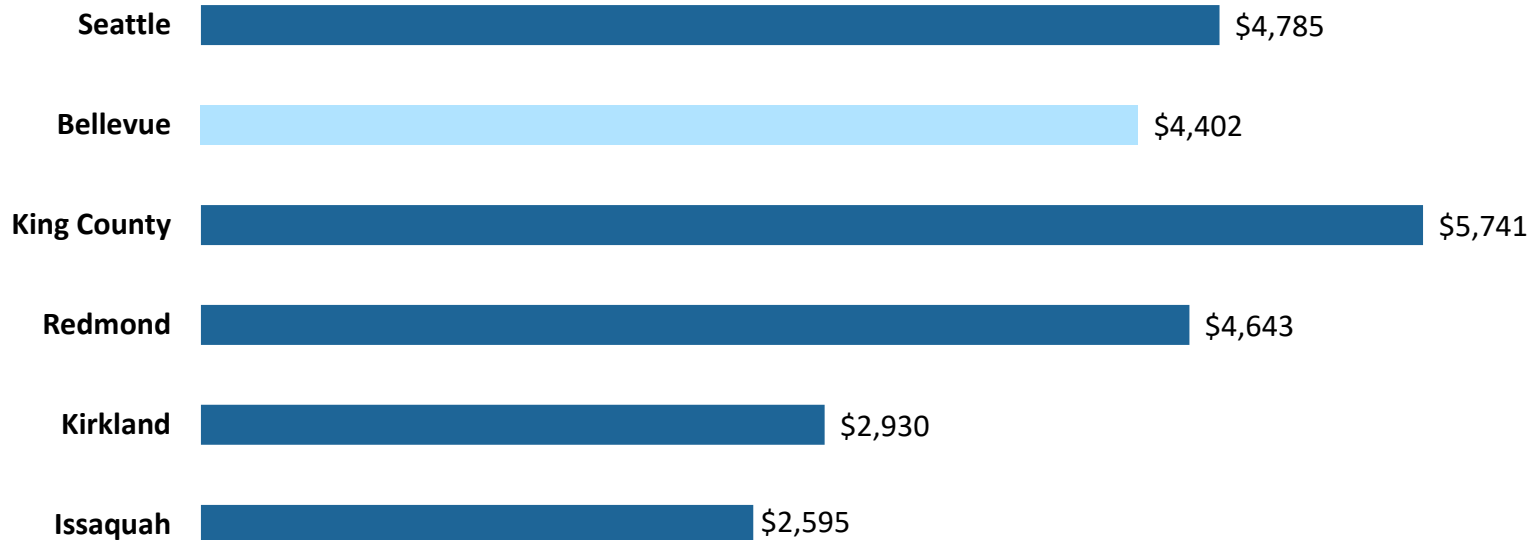
- Proposed flat rate adjustments include changes in hourly rates and average review/inspection time

FEE TYPE	2025	2026	Variance
<u>FLAT FEE</u>			
Land Use Review - Tenant Improvement	\$365	\$486	\$121
Fire Review - Tenant Improvement	\$276	\$363	\$88
<u>VALUATION BASED</u>			
Minor Commercial Project	\$8,340	\$8,705	\$365
Single Family 500 Sq. Ft. Addition	\$4,374	\$4,571	\$197



Regionally Competitive

2025 Permit Building Fee Costs \$100K Tenant Improvement





School Impact Fees

School Impact Fee Update

- Charged by Issaquah and Renton School Districts per BCC 22.18
- A pass-through fee applied to new residential construction located within districts. Formula is set in BCC 22.18.090
- Used to support capital programs
- Fee is collected by Bellevue at building permit and transferred to school districts



Issaquah School District – planned high school

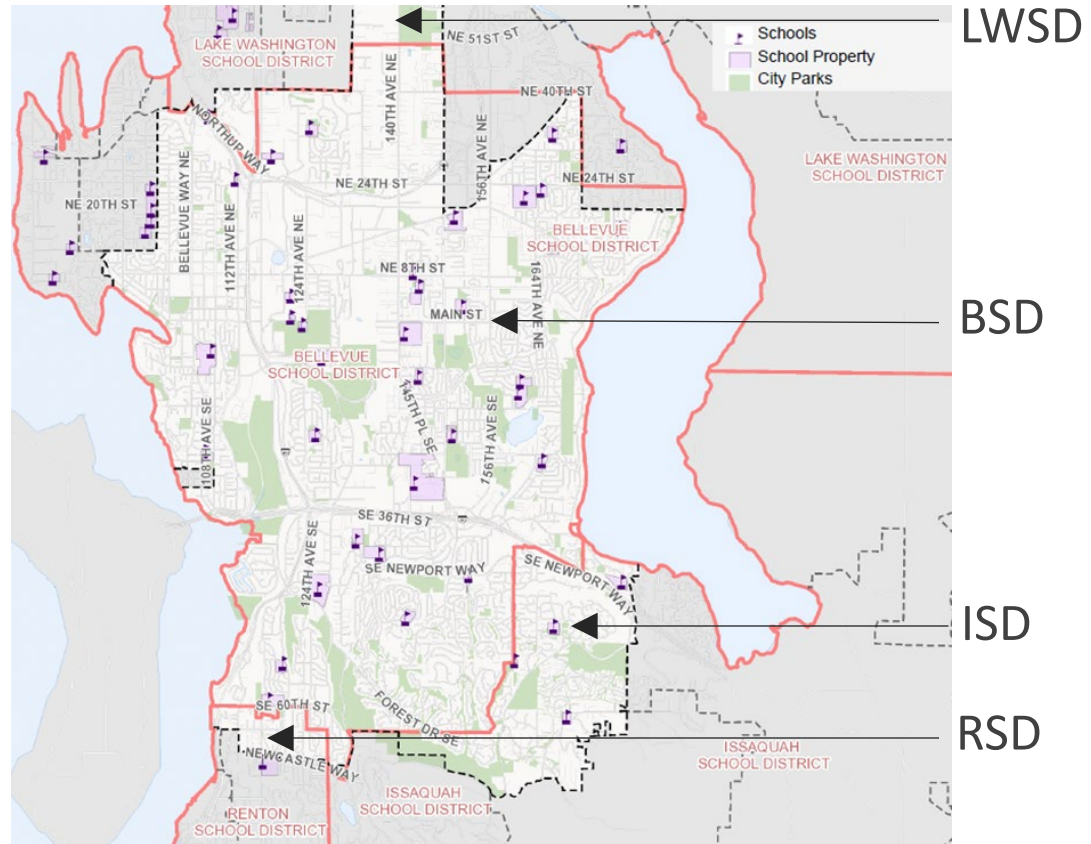


Renton School District – new elementary school



District Boundaries

- Bellevue is served by four school districts:
 - Bellevue School District (BSD)
 - Lake Washington School District (LWSD)
 - Issaquah School District (ISD)
 - Renton School District (RSD)



School Impact Fees

Issaquah School District

- Single-family impact fee is \$0 (- \$4,728)
- Multi-family impact fee is \$0 (no change)

Renton School District

- Single-family impact fee is \$0 (- \$1,003)
- Multi-family impact fee is \$0 (- \$3,268)

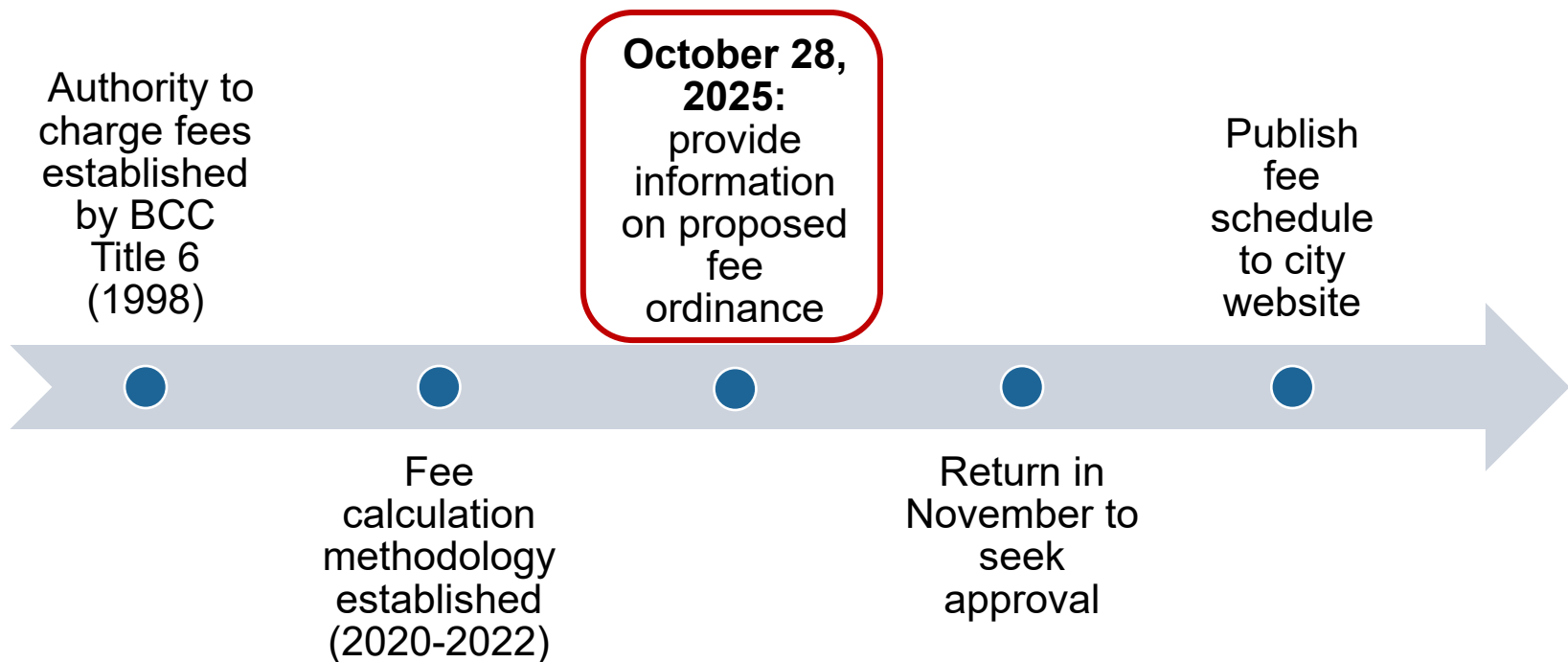




Telecommunication Wireless Fees

Transportation Fee Ordinance

Ordinance formally codifies existing lease fees charged for use of city assets



Wireless Facility Lease Fees

Wireless Communication Facilities (WCF)	Small Wireless Facilities (SWF)
Annual Lease Fee: \$13,200*	City Facilities Access Fee: \$1,157.77*
	Pole Reservation Fee: \$166.75*

*Values reflect 2025 rates

- WCF Annual Lease Fee: WCF ground equipment in the public right of way
- City Facilities Access Fee: Utilizing City's circuit to power SWF
- Pole Reservation Fee: Reserve streetlight for pre-application scoping



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