

Resources & Revenues

2025-2026 Budget

John Resha, Chief Financial Officer
Evan Phillips, Financial Strategy & Performance Director
Finance & Asset Management Department

September 24, 2024



Information

Staff is seeking feedback on the foundations of, and resources associated with, the 2025-2026 Preliminary Budget, including fund structure, and the Development Services fees and rates and pass-through impact fees.



Agenda

1. Calendar
2. Revenues & Resources
3. Development Services Fees Update

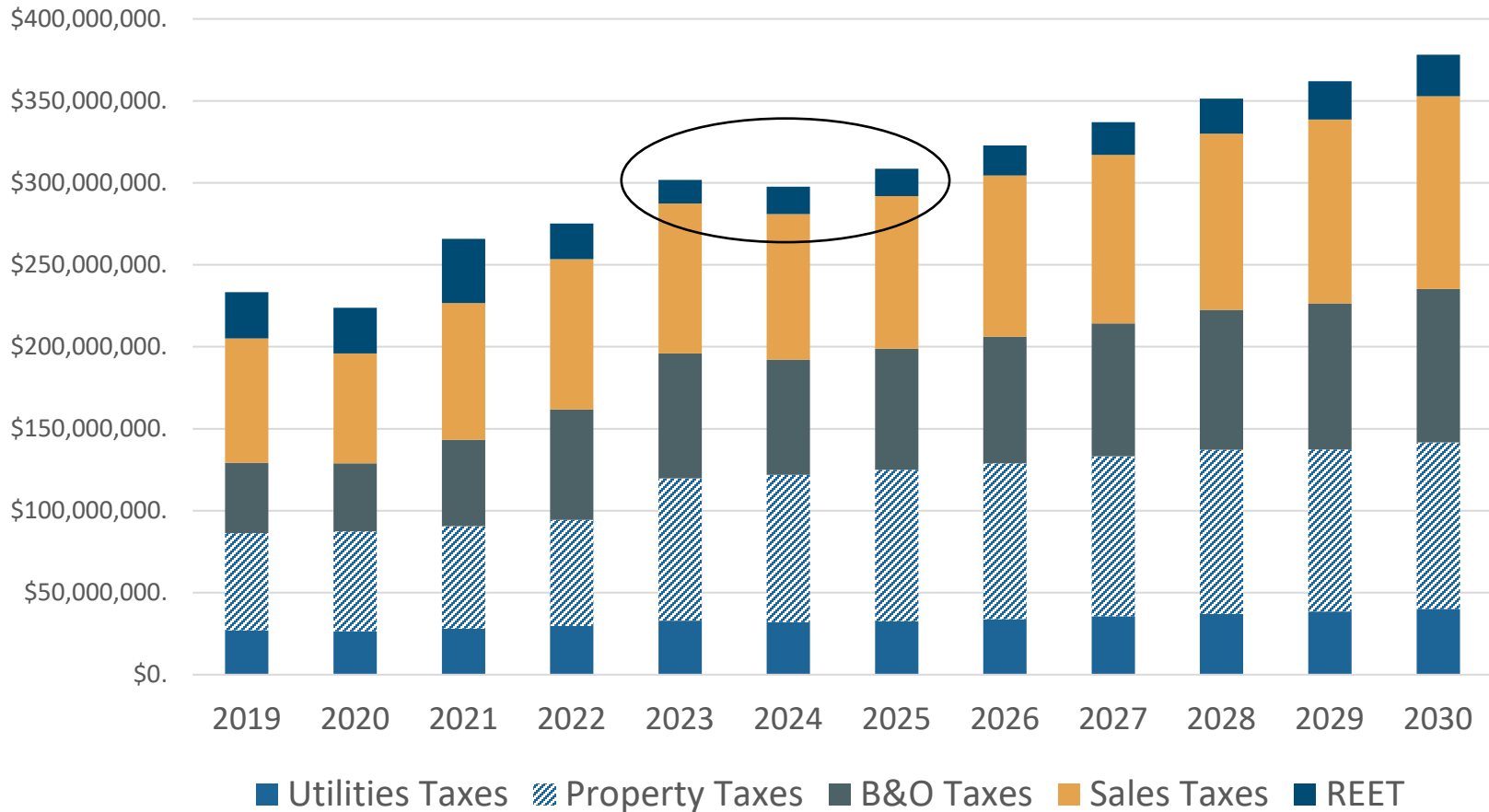


Calendar

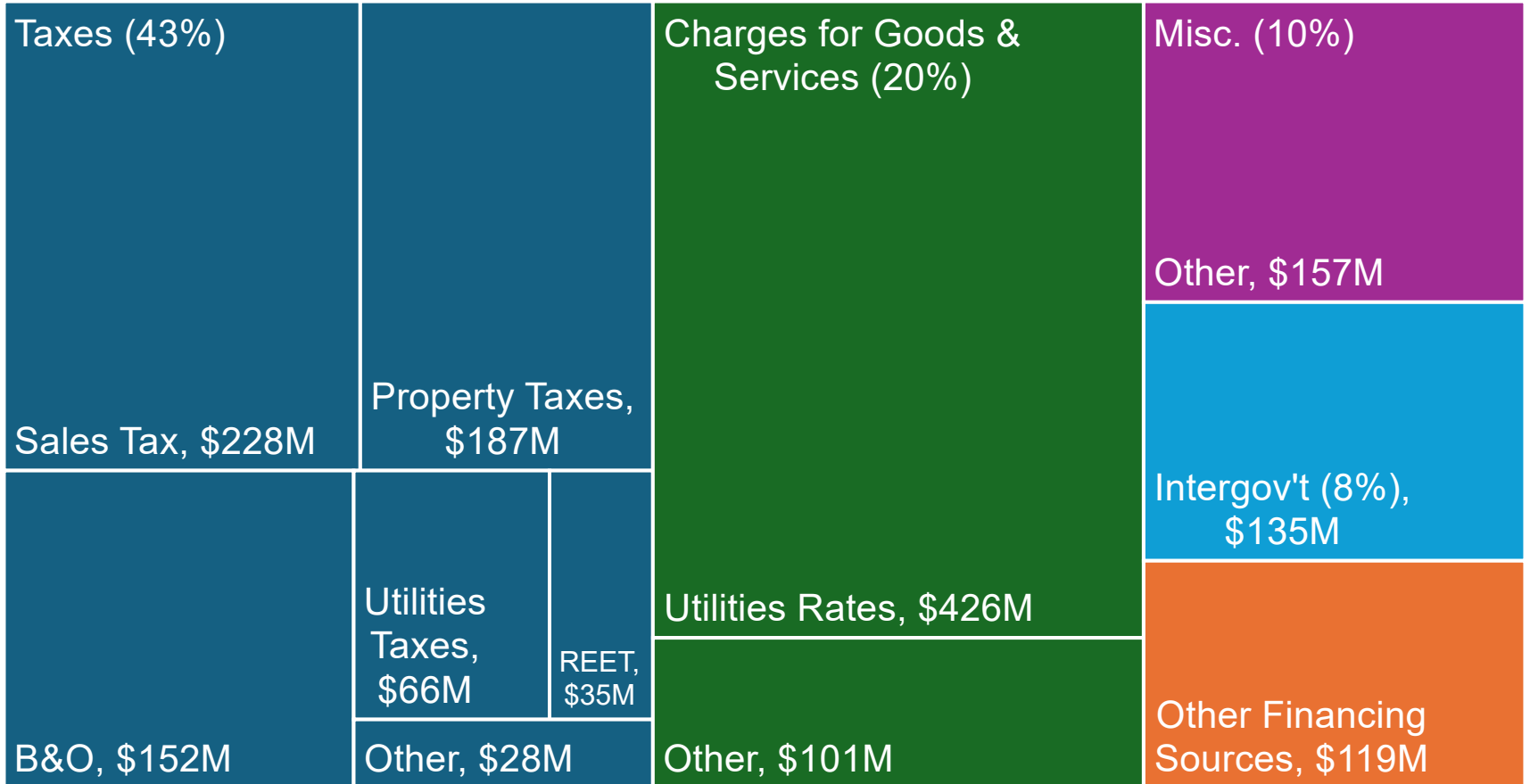
-  July 9: Public Hearing & Budget Workshop
-  Sept. 17: Preliminary Budget Transmitted to Council & Overview
-  *Tonight: Public Hearing & Resources*
-  October: Budget Overview by Strategic Target Areas
-  November 12: Final Public Hearing & Direction
-  November 19: Tentative Adoption



2019-2030 Tax Growth in Dollars



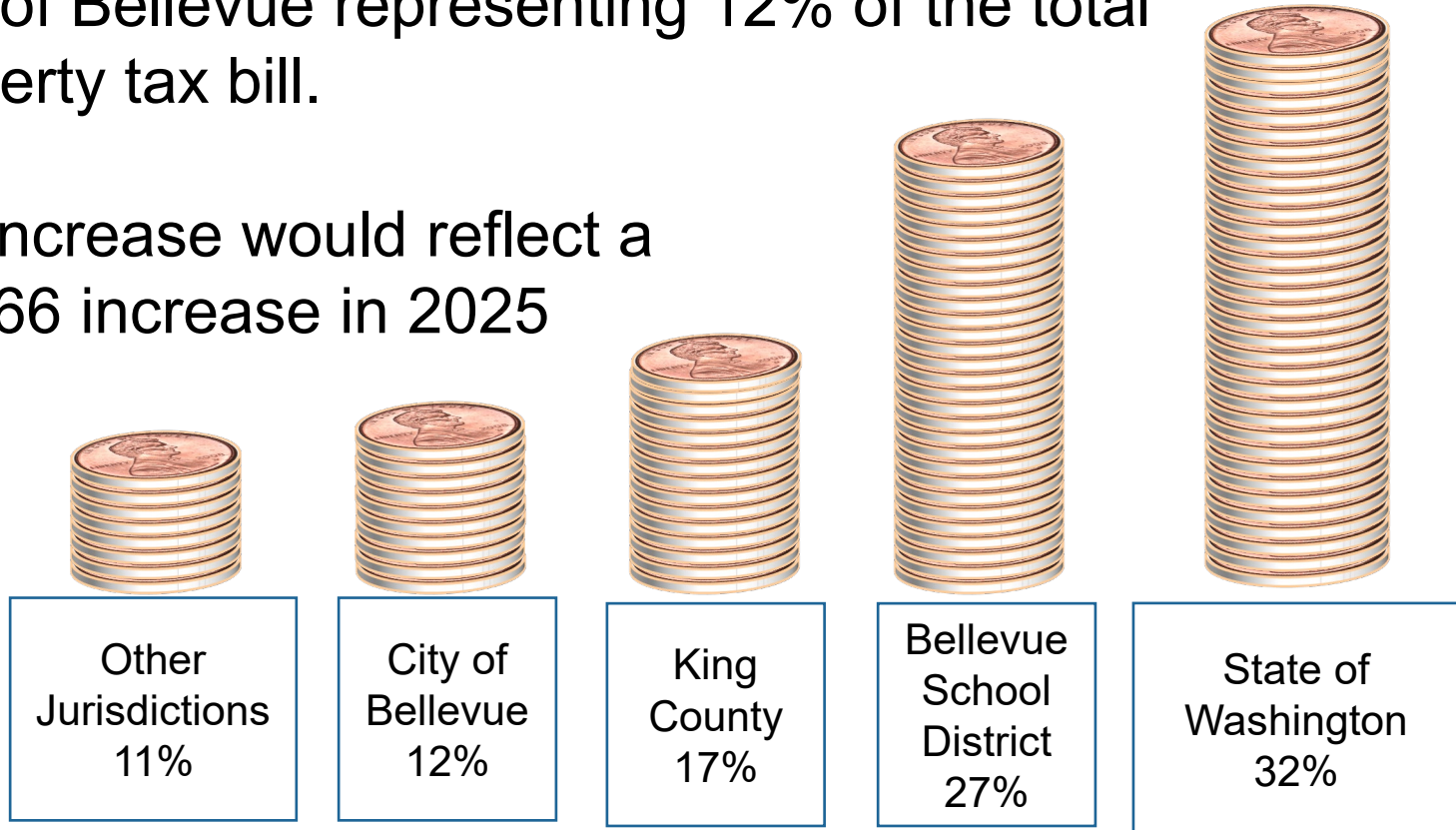
Total Revenues: \$1.6B (2025-2026)



2025 Property Tax Distribution

\$1.19M home pays \$0.98 per \$1000 AV to the City of Bellevue representing 12% of the total property tax bill.

1% increase would reflect a \$11.66 increase in 2025



Reserves

Types of Reserves (Chapter 8 of Financial Policies)

- Operating Reserves
- Capital and Replacement Reserves
- Compensation and Risk Reserves
- Planning Reserves
- Development Services Reserves



Financial Plan Understanding

- Reduction in Appropriation and Revenues
 - Appropriation of Expenditures, but not Reserves or Fund Balance
 - Large one-time revenues – TIFIA receipts and Federal grants
 - Removal of reserves and indirect allocations
- Funds
 - Expenditures aligned with revenue sources without transfers
 - Expenditures aggregated in clear places
- Capital Improvement Program Plans
 - Staffing for Capital moved from Operating



Development Services Fee Update

2025-2026 Budget

Rebecca Horner, Director
Jake Hesselgesser, Assistant Director
Teri Jones, Fiscal Manager
Development Services Department

September 24, 2024



Agenda

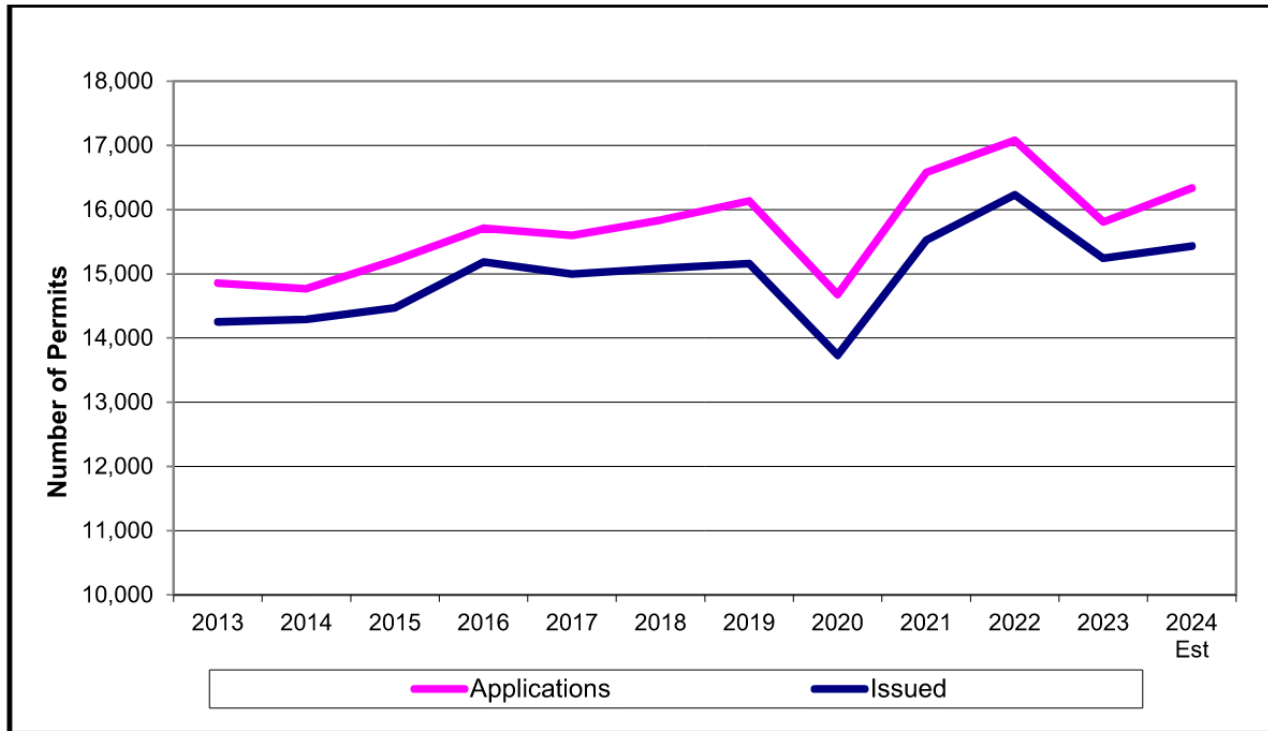
1. Development Update
2. Process Improvements
3. Cost Recovery & Guiding Principles
4. Proposed Fees & Rates
5. School Impact Fees





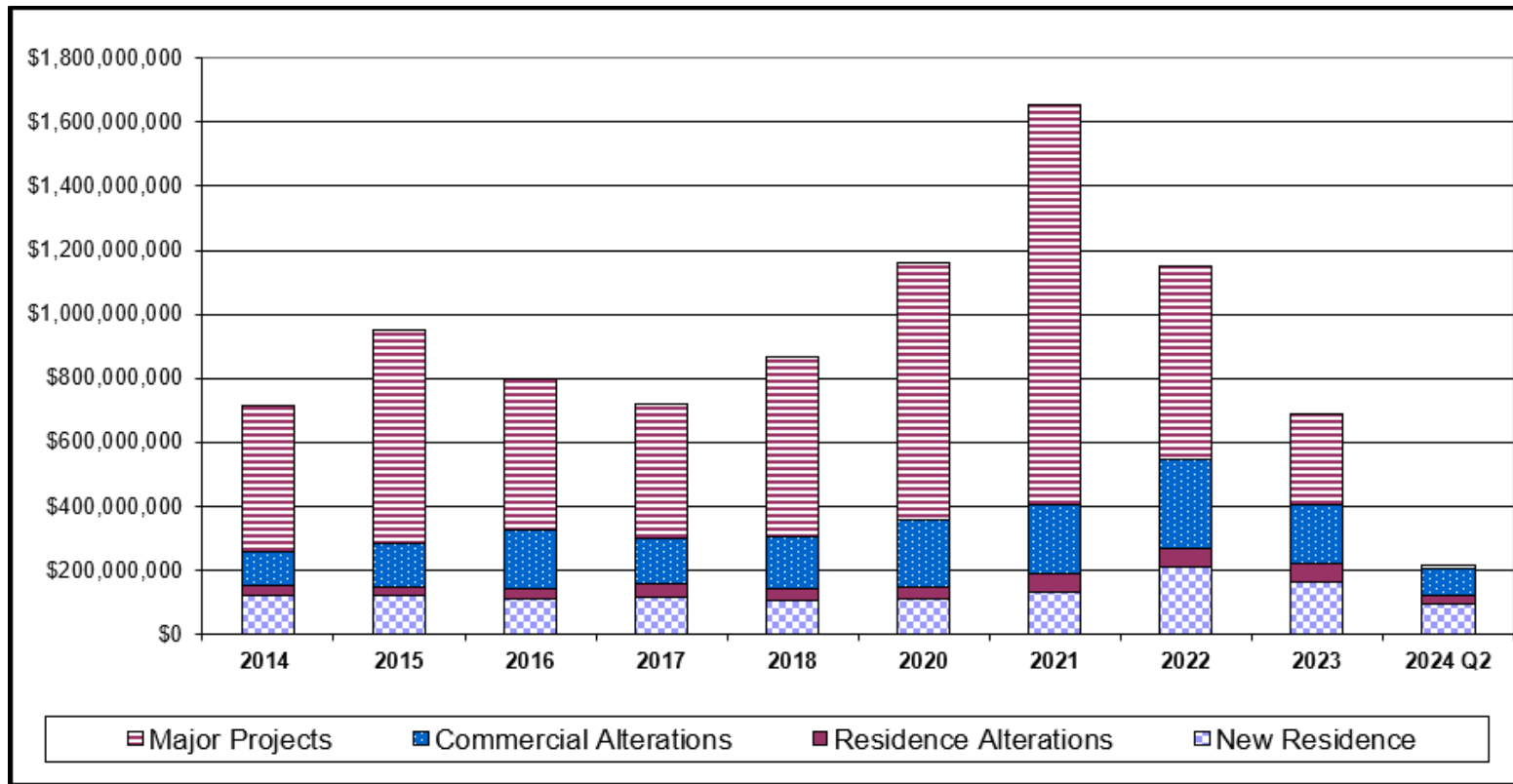
Development Update

Development Update

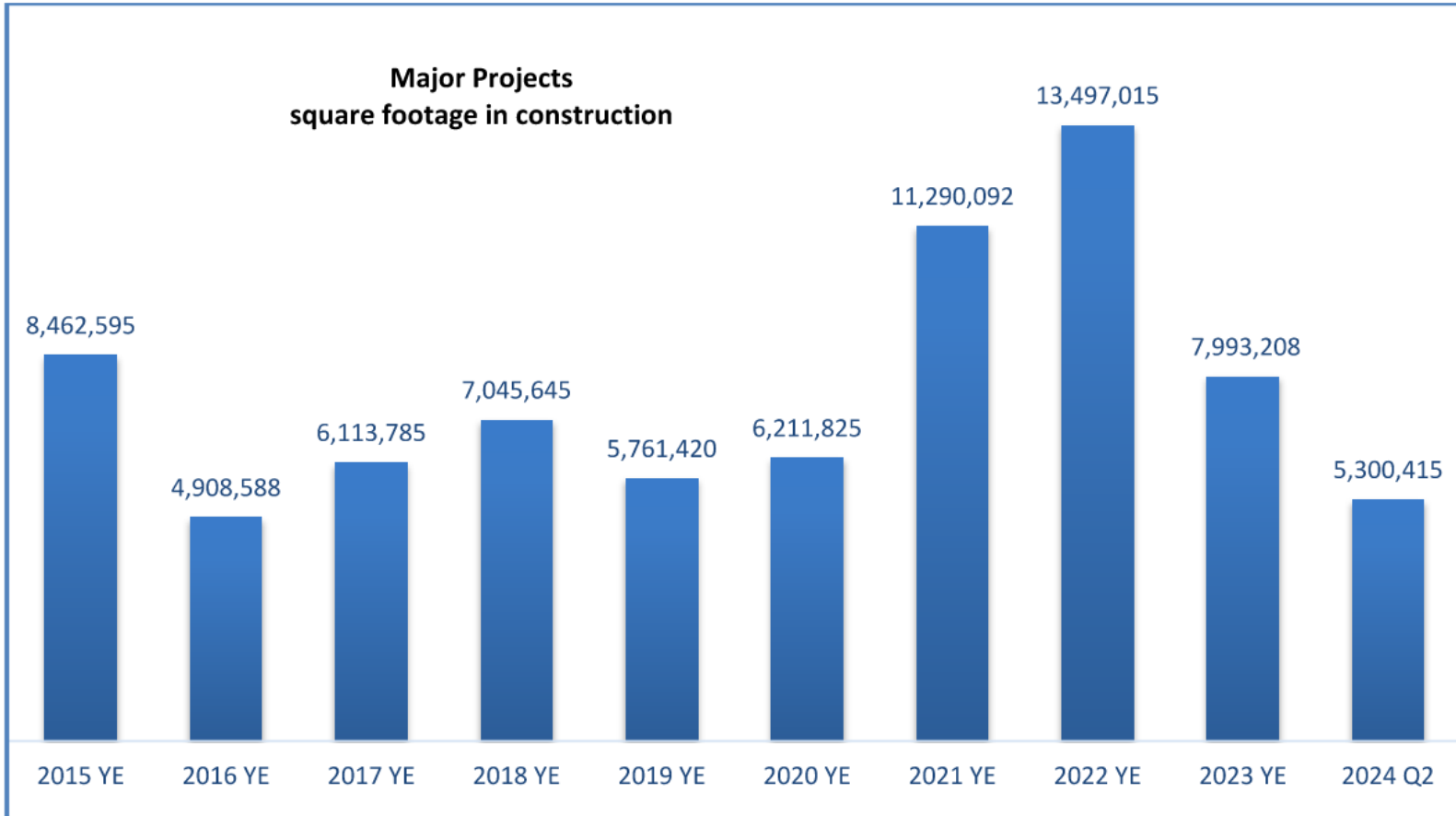


- Economic challenges
- Major project slow down
- Steady application volumes
- Continued interest in Bellevue

Building Valuation



Development Update



Process Improvements

- Engagement
 - Bellevue development committee
 - Customer experience program
- Streamline permitting
 - Process and technology changes
- Affordable Housing
 - Permit fee reduction program
 - Expedited permitting program



Bridge OMFE Affordable Housing – 234 Units

SB 5290 Streamlining Measures

Background

- Council direction to implement received June 11
- Next step – resolution for Council consideration with budget adoption (consent calendar)

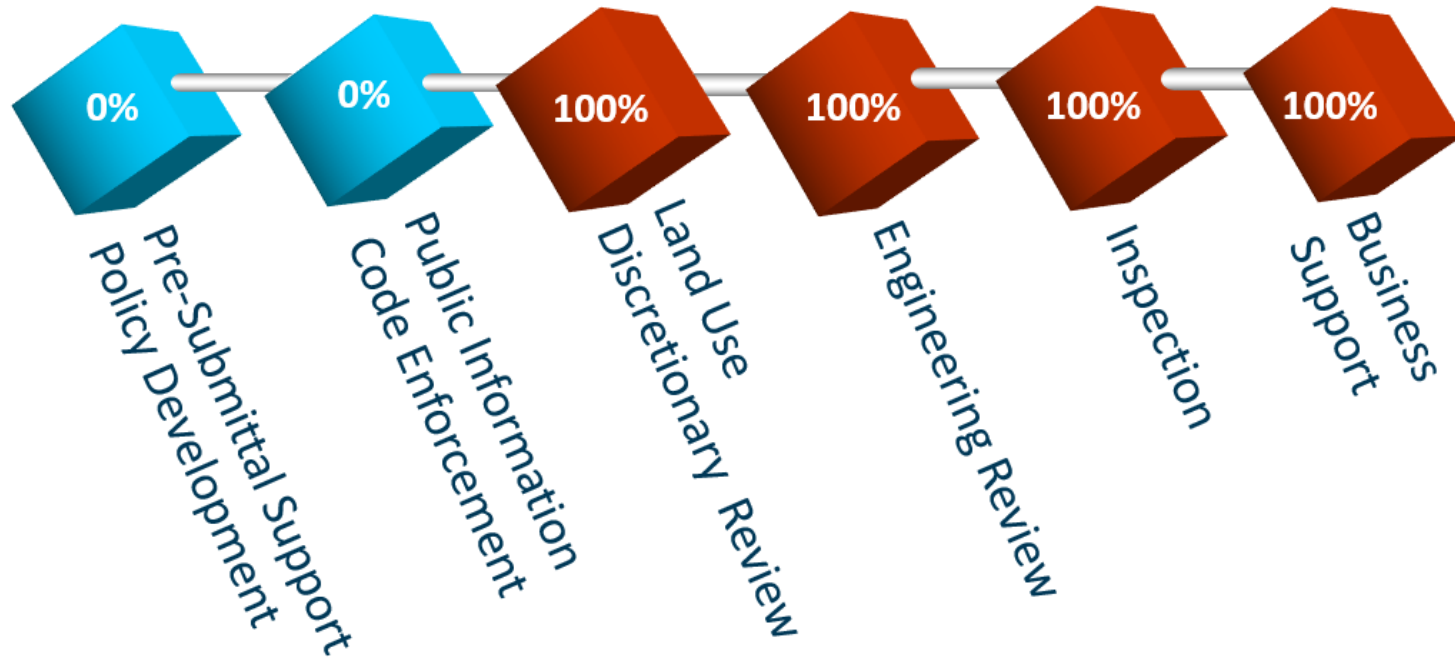
Budget and Rates Include 3 Measures

- Reasonable fees per RCW 82.02.020
- Supporting budget for consultant contracts
- Contingent positions for quick response



Council Endorsed Cost Recovery Objectives

Percentage of Services Funded By DS Rates



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 Fees & Rates



Proposed Fee Adjustments

- Update hourly rates and adjust flat fees
- Update building valuation table to 2024 and apply Washington State modifier
- Adjust building permit fees by CPI-W (3.49%)



Proposed Hourly Rates

Function	2024 Adopted	2025 Proposed	% change in rate
Land Use review	\$272	\$281	3.31%
Fire review & inspection	\$200	\$212	6.00%
Transportation review & inspection	\$225	\$243	8.00%
Utilities review & inspection	\$187	\$197	5.35%



Proposed Fees

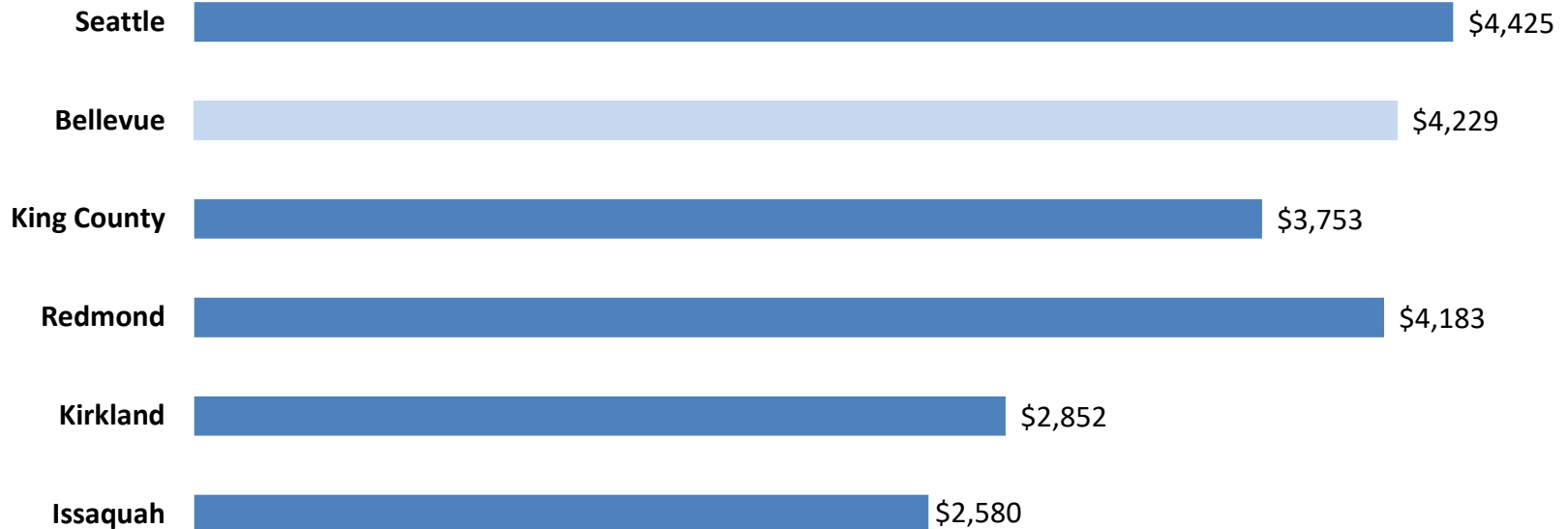
- Proposed flat rate adjustments include changes in hourly rates and average review/inspection time

FEE TYPE	2024	2025	Variance
<u>FLAT FEE</u>			
Land Use Review – Simple Tree Removal	N/A	\$141	N/A
Right-of-Way Review - Street Use	\$338	\$365	\$27
<u>VALUATION BASED</u>			
Minor Commercial Project	\$7,925	\$8,346	\$421
Single Family 500 Sq. Ft. Addition	\$4,154	\$4,384	\$229



Regionally Competitive

2024 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

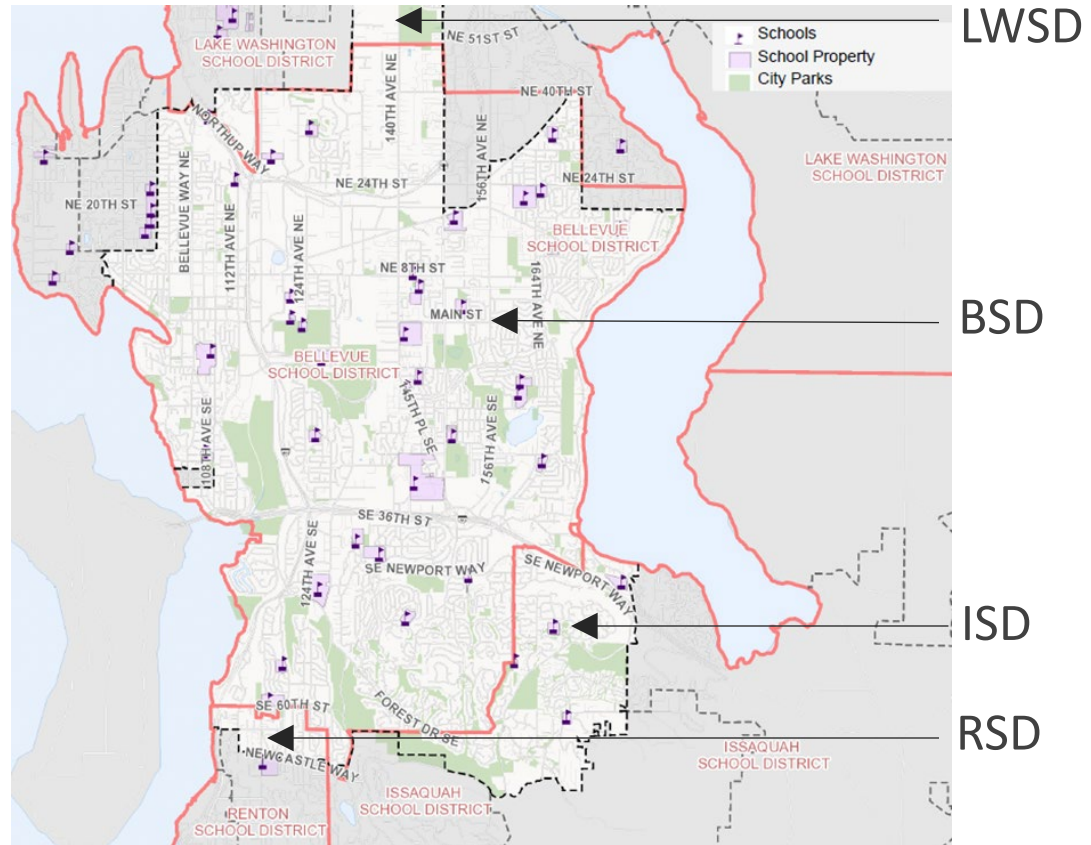


Renton School District – new elementary school



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)



2025 School Impact Fees

Issaquah School District

- Single-family impact fee is \$4,728 (- \$10,782)
- Multi-family impact fee is \$0 (- \$3,514)

Renton School District

- Single-family impact fee is \$1,003 (- \$1,158)
- Multi-family impact fee is \$3,268 (- \$989)



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