

# Development Services Fee Update

**2021-2022 Budget**

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October 26, 2020



# Direction Needed from Council

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Direct staff to prepare Ordinances for Council consideration and adoption for:

- 2021 Development Services permit fees and rates
- 2021 school impact fee schedule



# AGENDA



Calendar & Actions for 2021-22 Budget



Development Activity Update



Proposed Fees and Rates

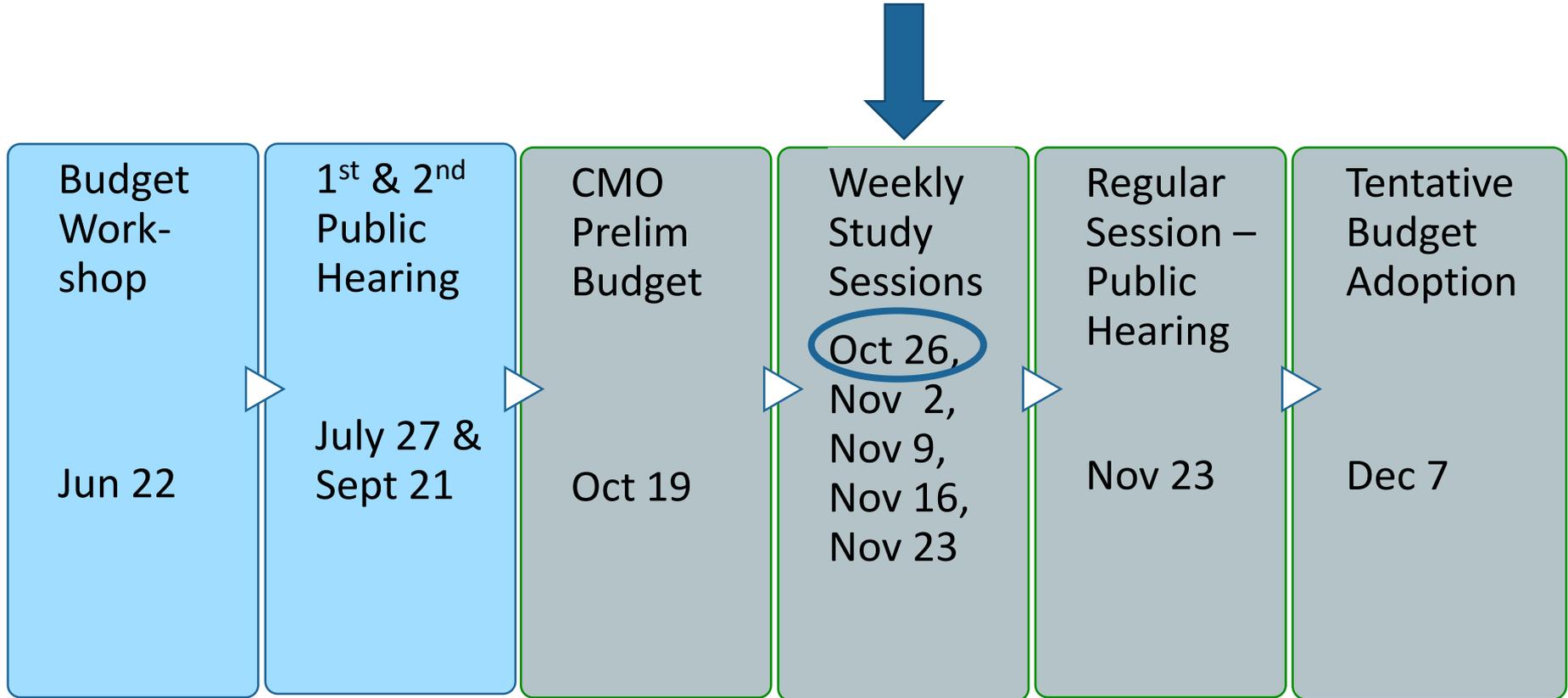


School Impact Fees



Direction Needed

# Council Calendar



# Proposed Meeting Schedule\*

Oct 19:	City Manager's Preliminary Presentation
<b>Oct 26: Tonight</b>	<b>Development Services, upcoming process</b>
Nov 2:	Human Services, Follow up on CIP Balancing
Nov 9:	Utility Rates, Council Interests
Nov 16:	Fire Inspection Fee, Council Interests
Nov 23:	Public Hearing, Council Direction for Adoption
Dec 7:	Tentative Budget Adoption

\*Will be adjusted as needed, based on Council interests



# Council Actions to Adopt

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- 2021 Development Services Fee Ordinances
- 2021-2022 Utilities Rates Ordinances
- Human Services and Block Grant Ordinances
- 2021-2022 Fire Inspection Fee Ordinance
- Basic Life Support Fee Ordinance
- 2021 Substantial Need Ordinance
- 2021 Property Tax Banked Capacity Resolution
- 2021 Property Tax Levy Ordinance
- 2021-2022 Biennial Budget Ordinance



# Development Peak Continues

- 6+ years in duration
- Robust construction investments
- Large office & mixed-use development types
- Focused in “growth areas”

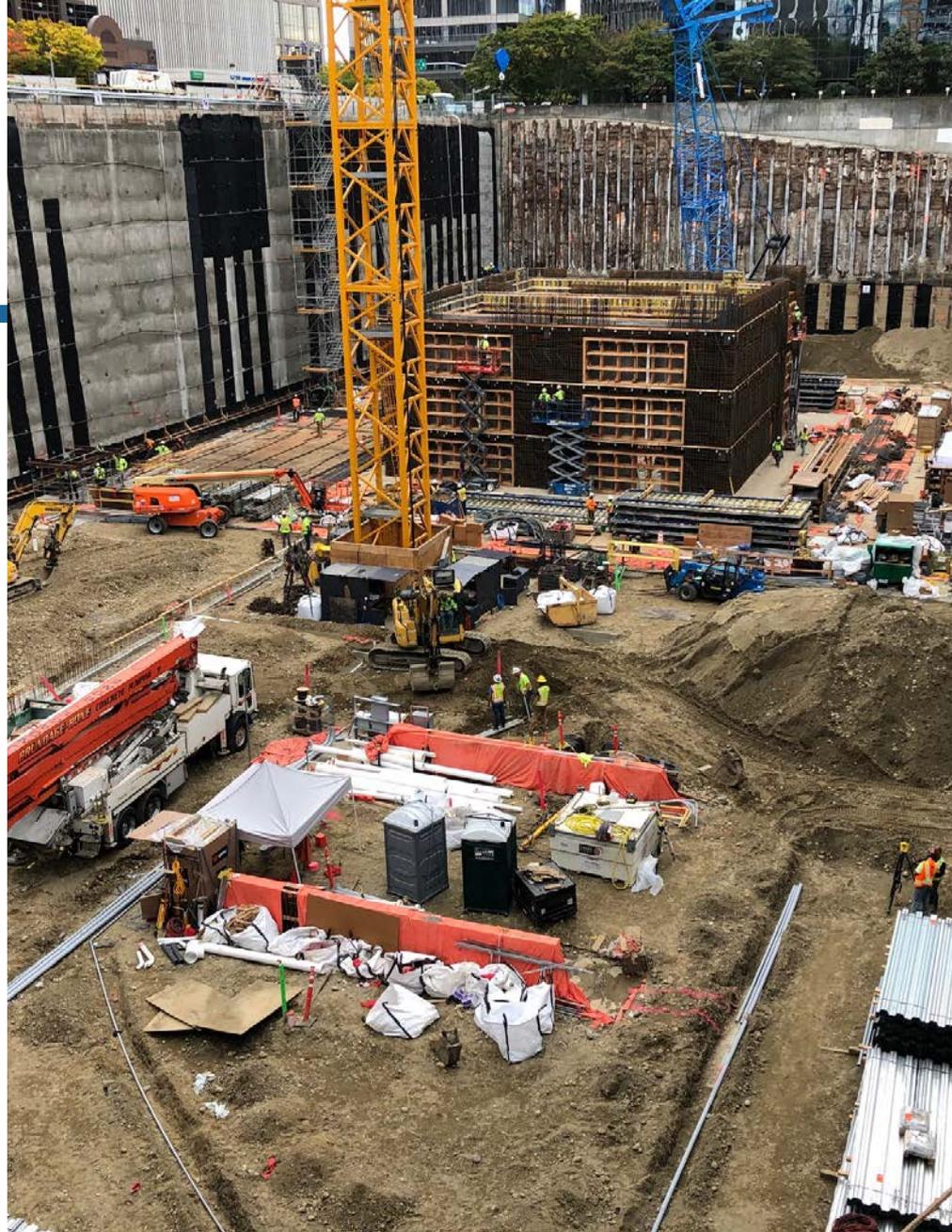
photo: 1001 Office Towers residential & commercial (Amazon)



# Downtown Office Market

- Current interest for downtown office projects:
  - Low vacancy rate
  - Amazon plan for 25,000 Bellevue employees
- Future office demand uncertain

photo: 555 Office Tower



# Transit and Residential

## Eastlink:

- Open: 2023
- Length: 14 miles; 10 stations
- Service: Every 6 minutes in peak hours.

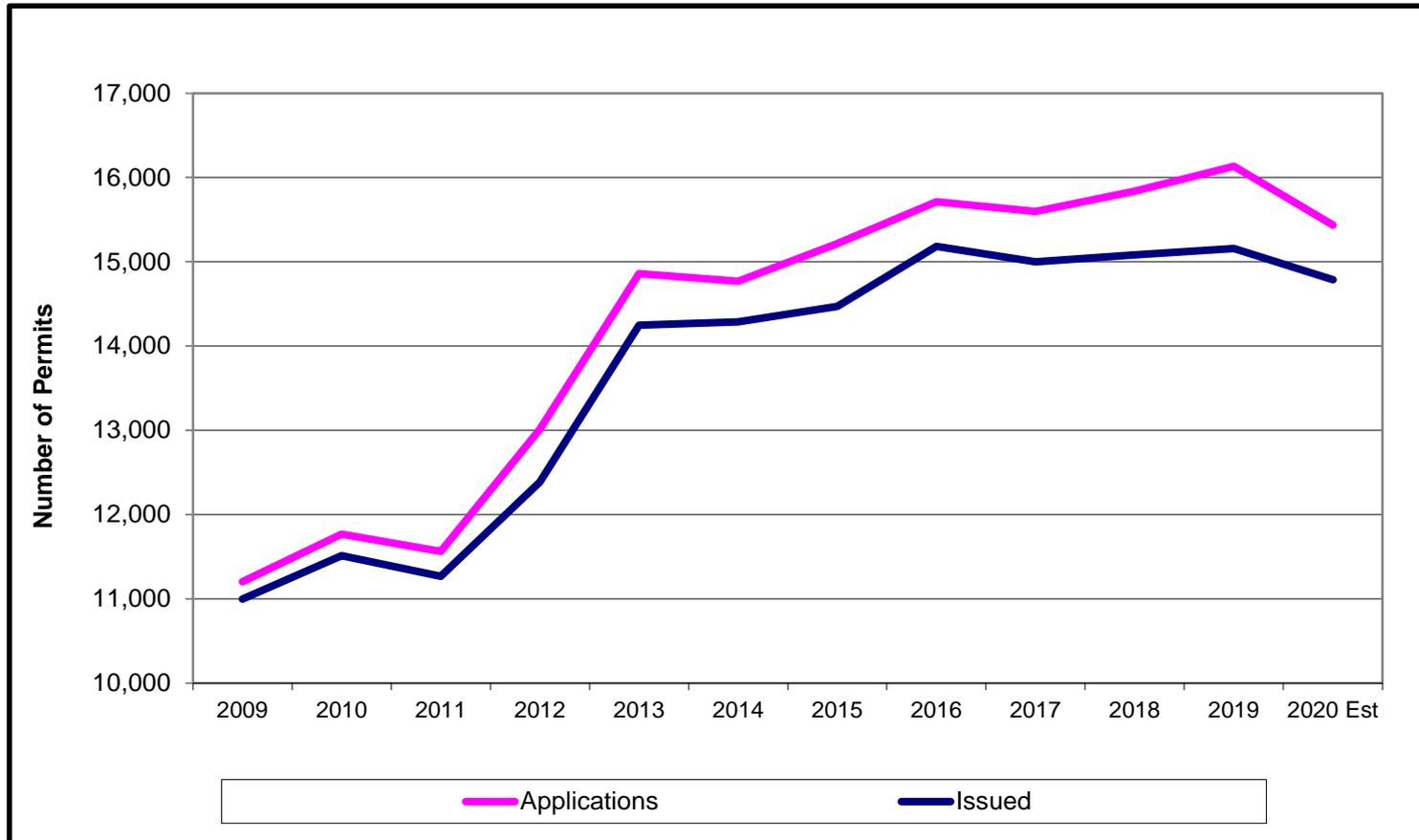


## Residential:

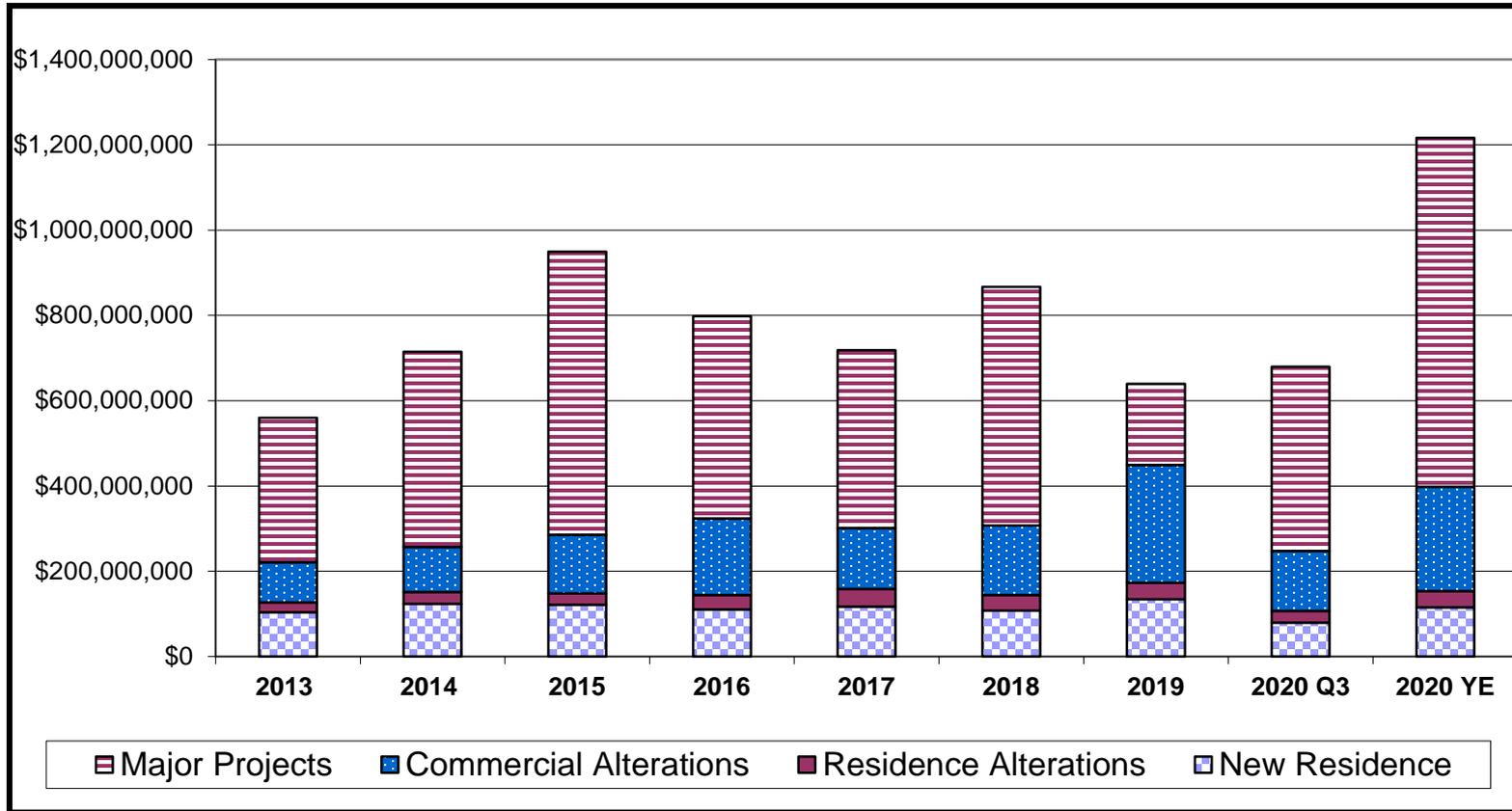
- Continuing development activities
- Robust interest to build housing



# Permit Volume



# Construction Valuation





# Response to Development Peak

- Projects in review & inspection will be completed
- Increased staffing
- Expanded use of technology
- Implemented Covid-19 safety practices

Photo: 555 Office Tower



# Proposed Fee Adjustments

- Maintain alignment with financial policies
- Update hourly rates
- Adjust building review and inspection fees by CPI-W
- Adjust flat rate fees to reflect hourly rate changes and process improvements



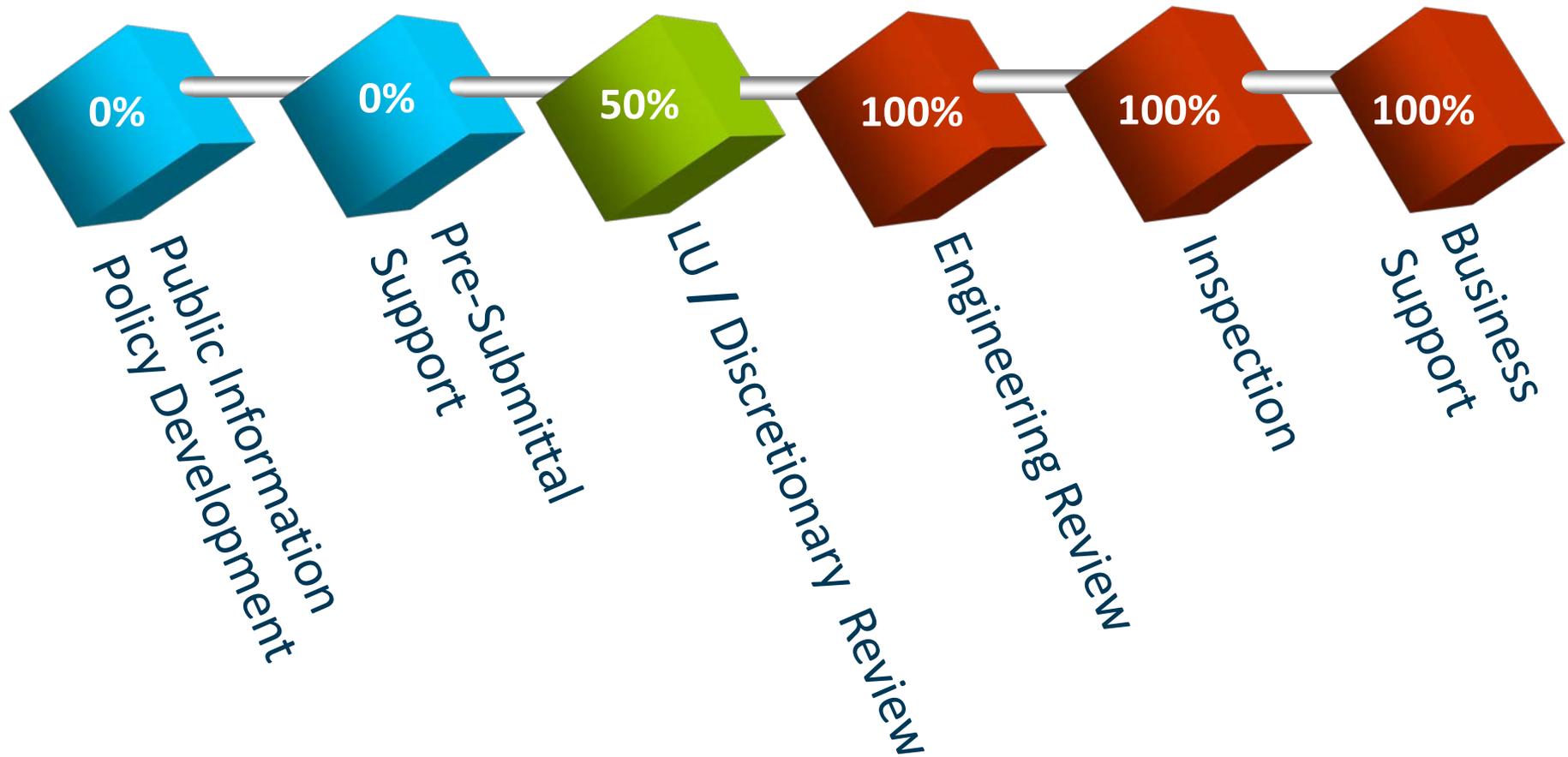
# Financial Management Guiding Principles

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- 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



# Cost Recovery Objectives



# Building Fees Adjustment

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Building Permit Fees based on estimated value using:

- ICC Building Fee Table – CPI-W 1.0%
- Valuation Table Updated to 2020
- Washington State valuation modifier 1.15 (Marshall & Swift) – no change



# Proposed Hourly Rates

- Hourly rates proposed 1.6% - 4.0% for increases in cost of service

<b>Function</b>	<b>2020 Adopted</b>	<b>2021 Proposed</b>	<b>\$ variance</b>	<b>% Change in Rate</b>
Land Use review	\$184	\$187	\$3	1.6%
Transportation review & inspection	\$193	\$198	\$5	2.6%
Fire review & inspection	\$173	\$180	\$7	4.0%
Utilities review and inspection	\$165	\$170	\$5	3.0%



# Proposed Fees

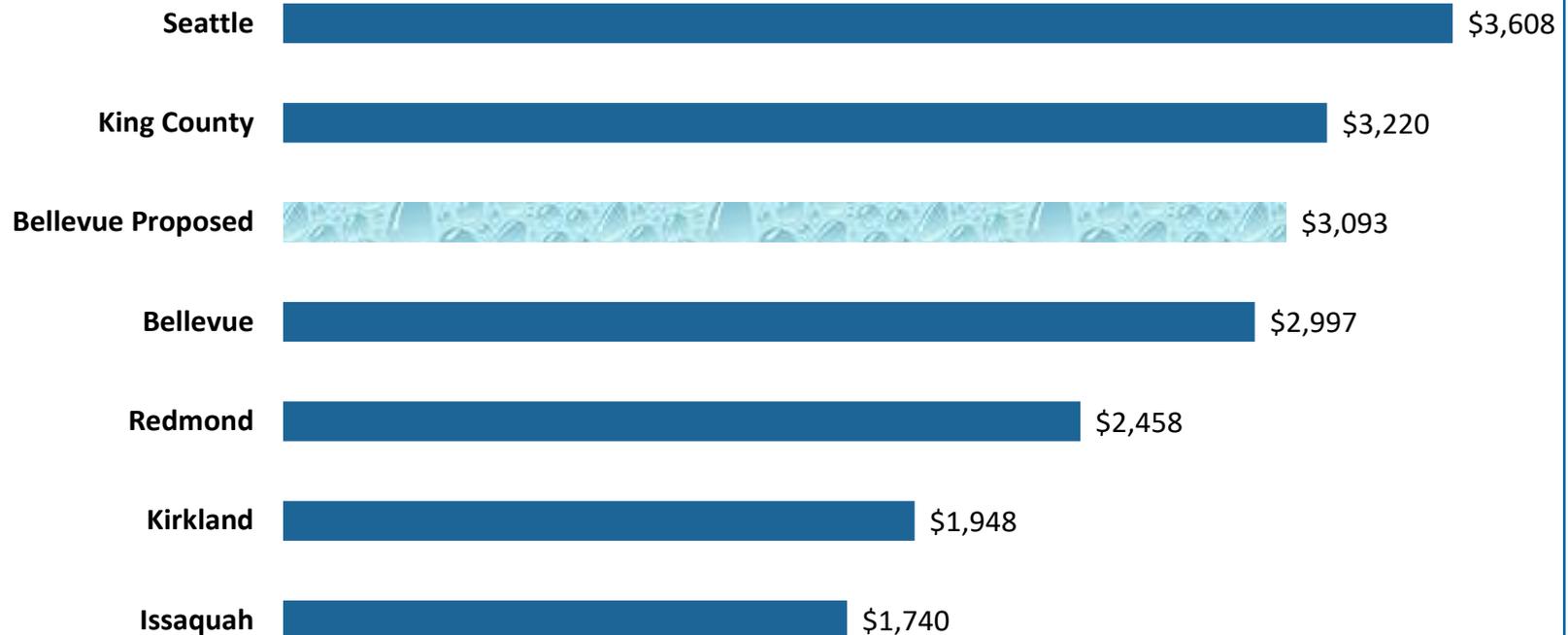
- Proposed flat rate adjustments include changes in hourly rates and average review/inspection time

FEE TYPE	2020	2021	Variance
<b><u>FLAT FEE</u></b>			
Land Use Review - Comm Mechanical	\$290	\$295	\$5
Right-of-Way Review - Street Use	\$232	\$238	\$6
<b><u>VALUATION BASED</u></b>			
Minor Commercial Project	\$6,227	\$6,314	\$87
Single Family 500 Sq. Ft. Addition	\$2,997	\$3,093	\$96



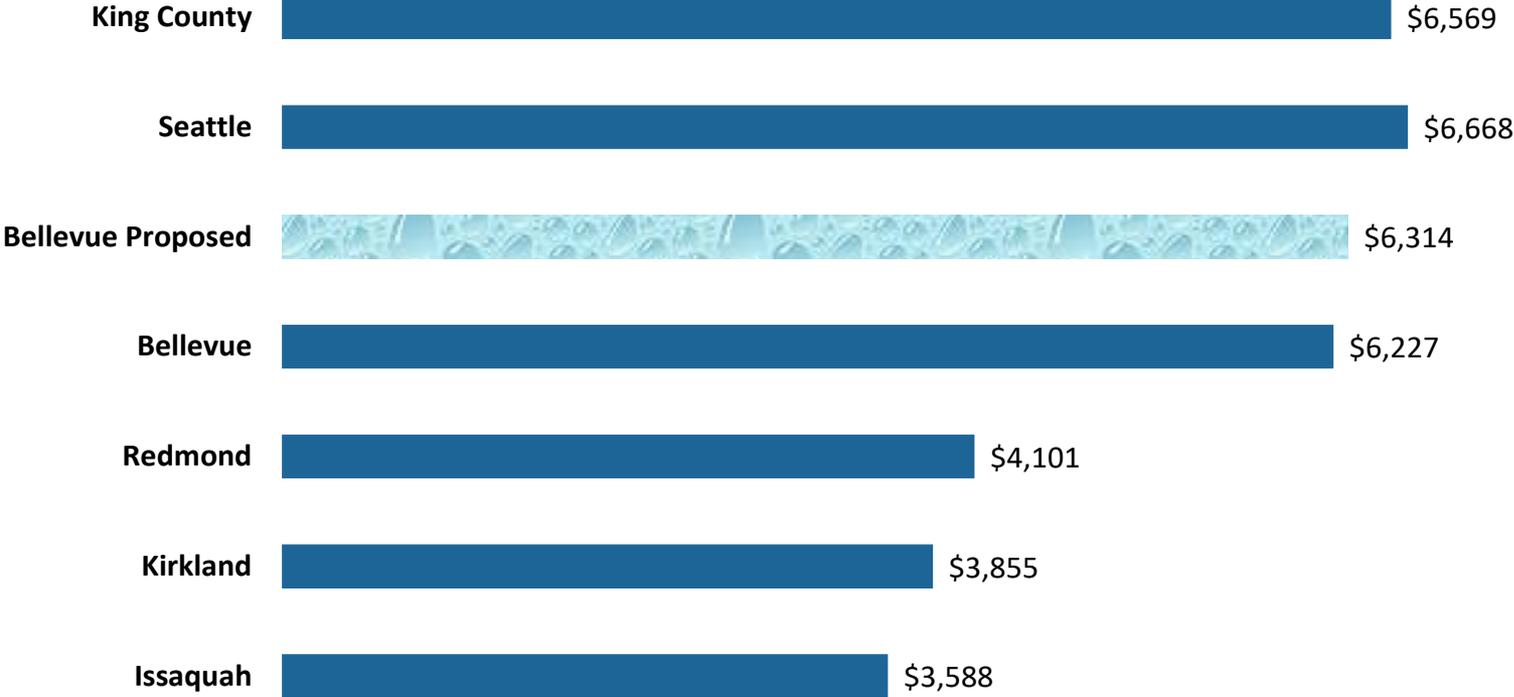
# Regionally Competitive – Single Family Additions

## 2020 Permit Building Fee Costs 500 Sq Ft Family Addition



# Regionally Competitive – Minor Projects

2020 Permit Building Fee Costs \$250k Minor Project



# School Impact Fee Update

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



Issaquah School District – new elementary school

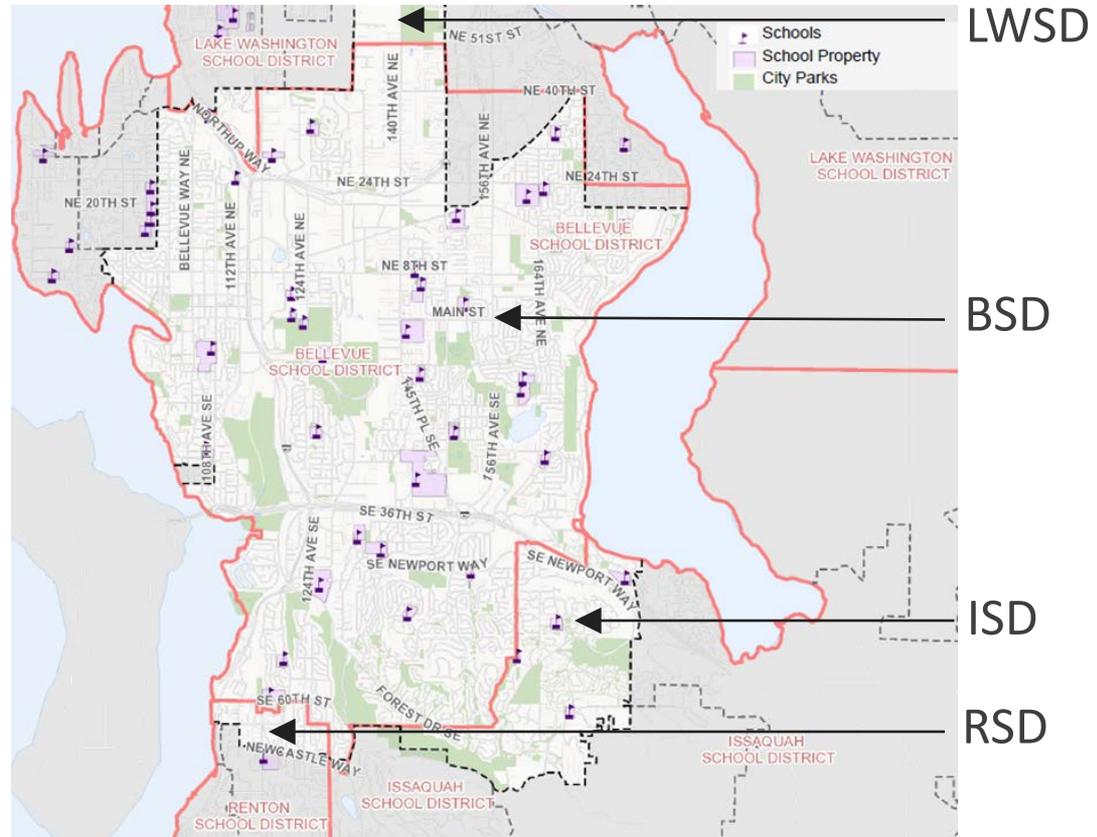


Renton School District – new elementary school



# 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)



# 2021 School Impact Fees

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## Issaquah School District

- Single-family impact fee is \$18,213 (+ \$3,712)
- Multi-family impact fee is \$12,043 (+ \$2,460)

## Renton School District

- Single-family impact fee is \$7,681 (+ \$819)
- Multi-family impact fee is \$4,989 (+ \$1,407)



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