

# Development Services Fee Update

**2023-2024 Budget**

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*Development Services Department*

October 24, 2022



# Information

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Staff is seeking feedback regarding Development Services proposed 2023 fees and hourly rates. Staff will also present information regarding updates to the Issaquah and Renton school impact fee schedule in Bellevue City Code (BCC) Chapter 22.18



# Agenda

1. Development Activity Update
2. Guiding Principles & Cost Recovery
3. Proposed Fees & Rates
4. School Impact Fees
5. Upcoming Calendar





# Development Update

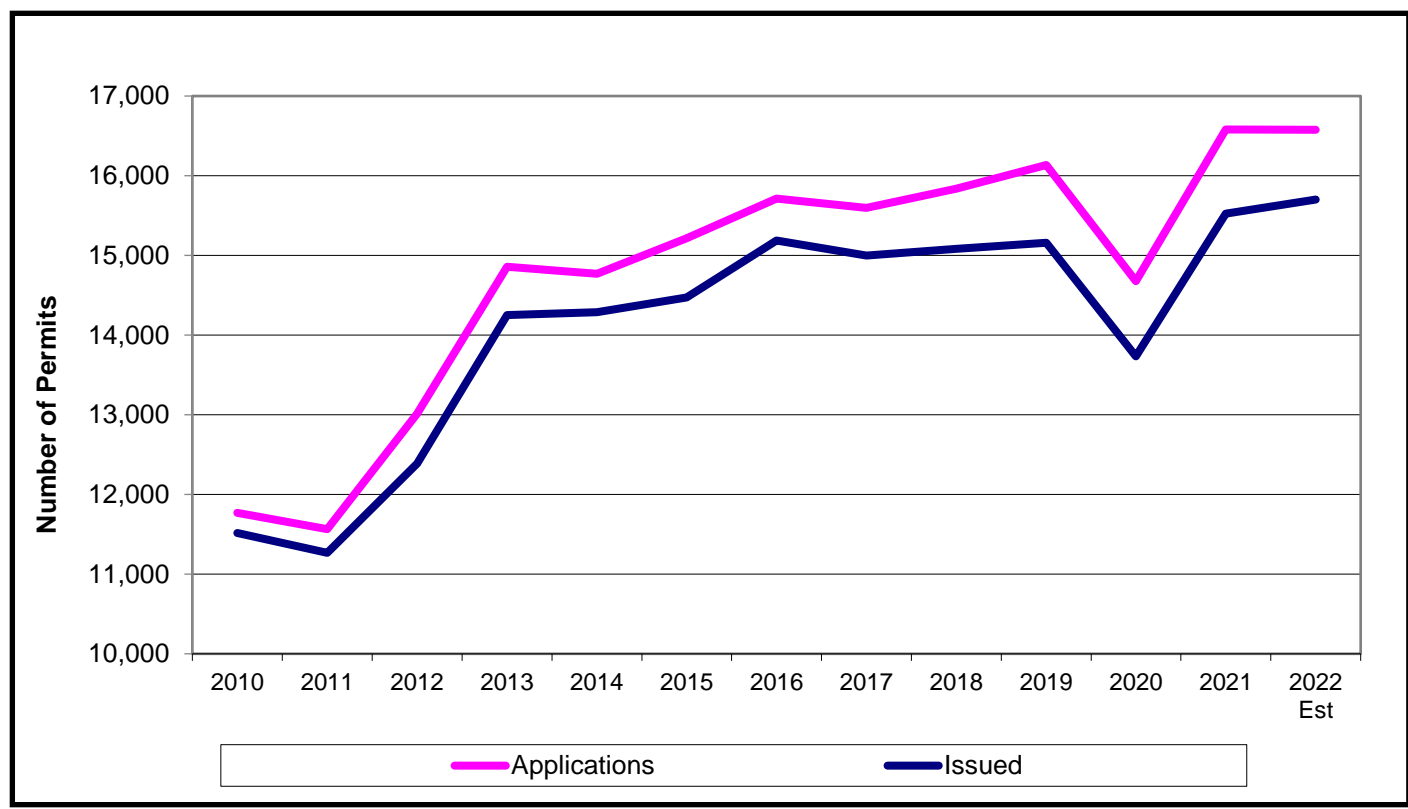


# Development Activity Update

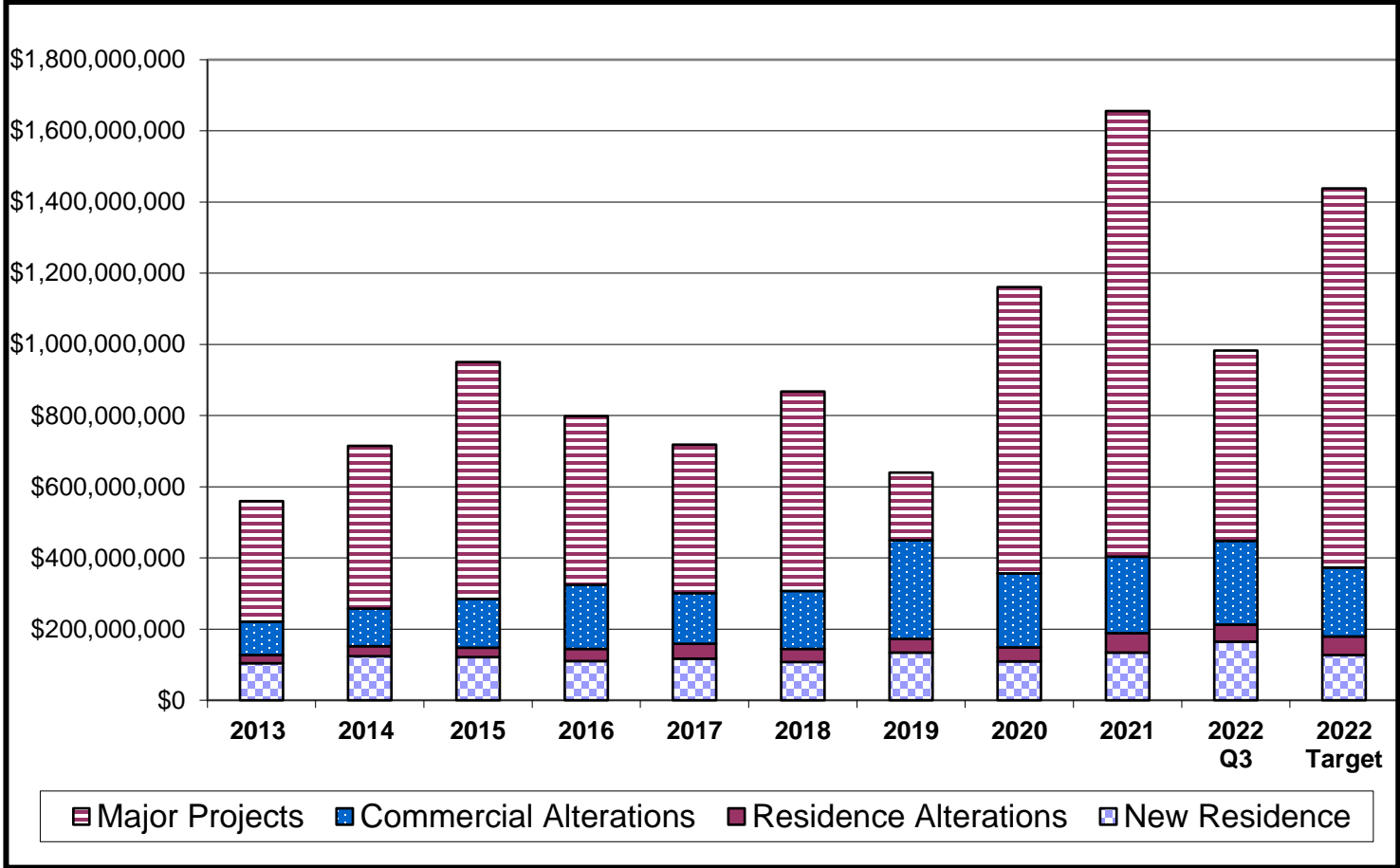
- Development cycle – 9 years in duration
- High level of investment
- Focused in “growth areas”
- Continued interest in Bellevue
- Risk of recession



# Permit Volumes



# Construction Valuation





# Responding to Development

- Customer feedback & performance
- Resource strategy
- Staff training & onboarding
- Technology investments
- Future focused – service delivery





# 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

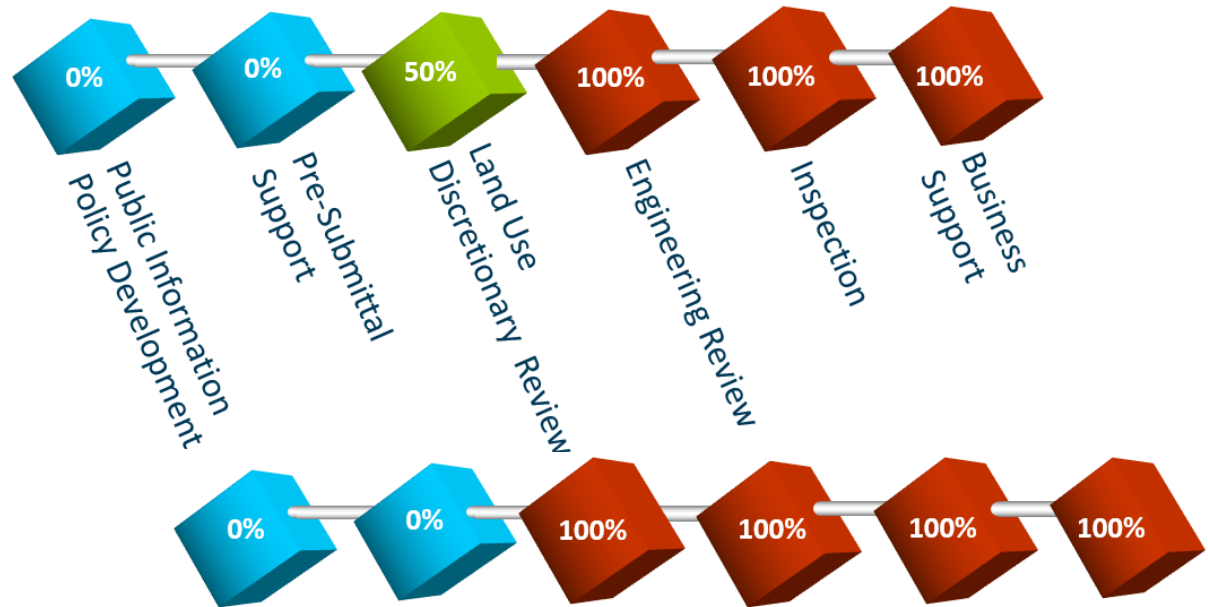


# Cost Recovery Objectives

Percentage of Services Funded By DS Rates

## Current

Endorsed by City Council 2003-2022



## Proposed

Adjust LU Review to 100% Fee Supported

# Cost Recovery Change Benefits

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- Service Delivery – aligns funding strategy across review services to improve performance
- Predictability – resources to facilitate appropriate and timely development
- Process Improvements – delivering an efficient and understandable process
- Responds to Growth – nimble response to development activity





# Proposed Fees & Rates



# Proposed Fee Adjustments

- Maintain alignment with financial policies
- Update hourly rates
- Update building valuation table to 2022
- Adjust flat rate fees to reflect hourly rate changes and process improvements
- Adjust Land Use cost recovery objective





# Proposed Hourly Rates

- Hourly rates reflect changes in cost of service
- Land Use rate reflects change in cost recovery objective

Function	2022 Adopted	2023 Proposed	% Change in rate
Land Use review (@100% fee supported)	\$187	\$264	41.2%
Transportation review & inspection	\$206	\$217	5.3%
Fire review & inspection	\$184	\$193	4.9%
Utilities review & inspection	\$170	\$180	5.9%

# Building Fees Adjustment

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Building Permit Fees based on estimated value using:

- ICC Valuation Table Updated to 2022
- Adjust Washington State valuation modifier from 1.14 to 1.13 (Marshall & Swift)



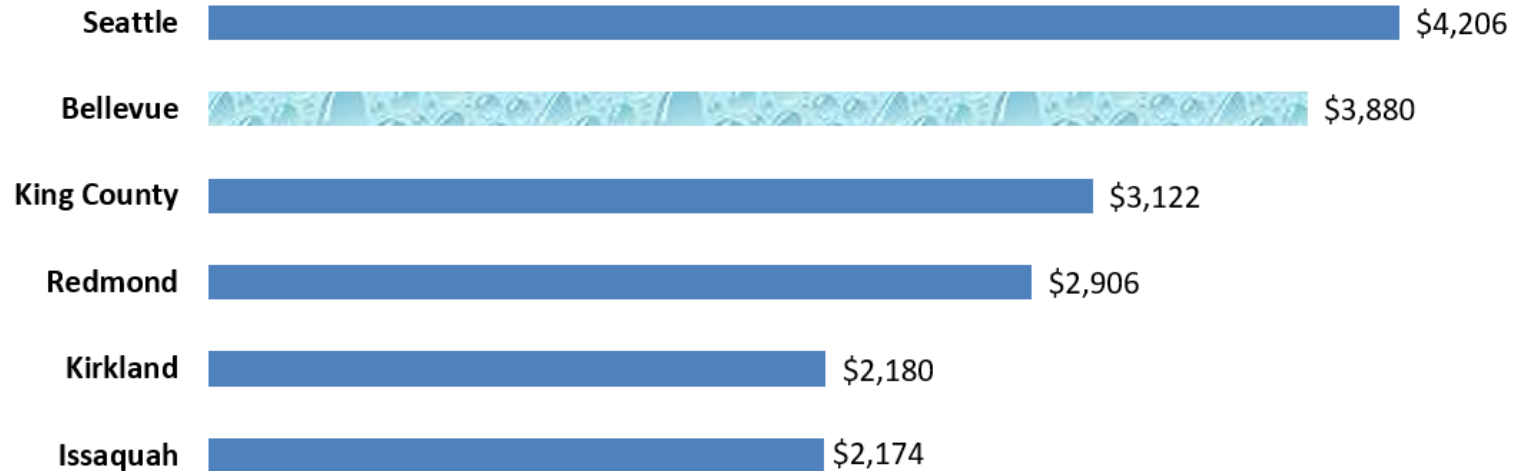
# Proposed Fees

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

FEE TYPE	2022	2023	Variance
<b><u>FLAT FEE</u></b>			
Land Use Review – Tenant Improvement	\$224	\$317	\$92
Utilities Review – Side Sewer	\$340	\$360	\$20
<b><u>VALUATION BASED FEE</u></b>			
Tenant Improvement Project	\$3,881	\$4,060	\$179
Single Family 500 Sq. Ft. Addition	\$3,636	\$3,974	\$338

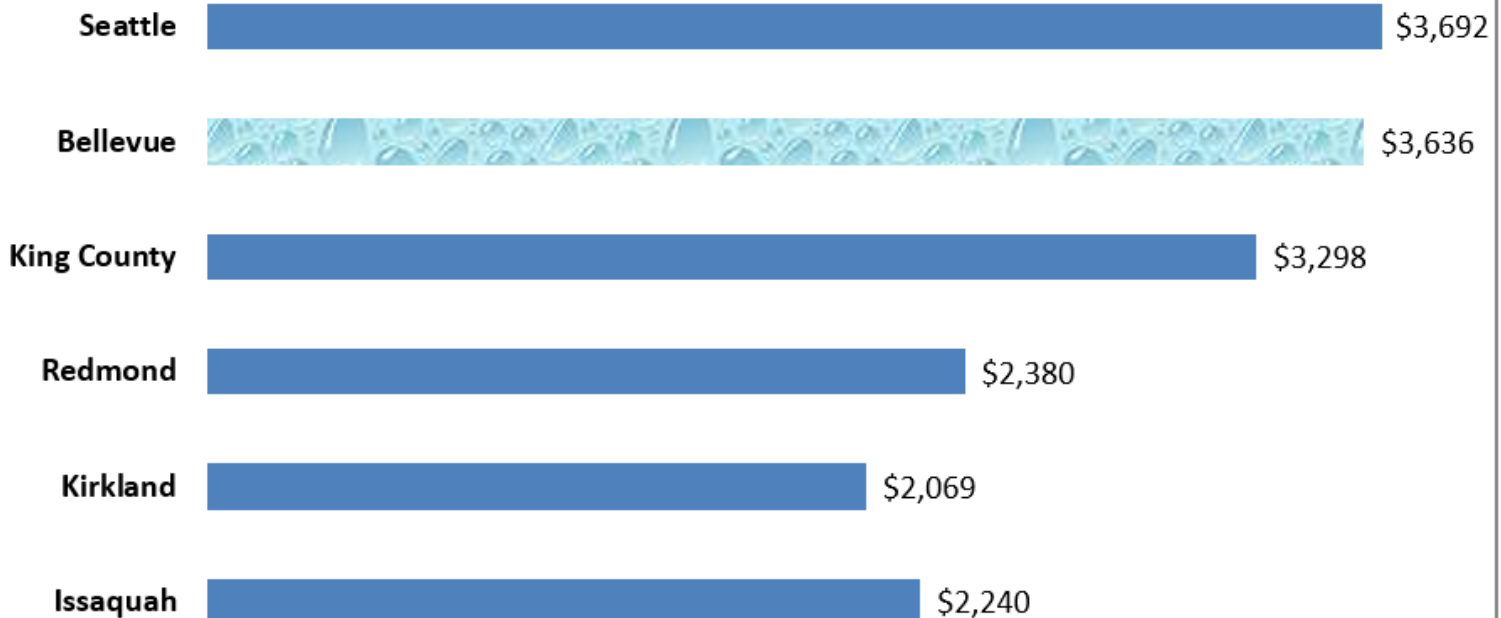
# Regionally Competitive – Tenant Improvements

## 2022 Permit Building Fee Costs \$100K Tenant Improvement



# Regionally Competitive – Single Family Additions

## 2022 Permit Building Fee Costs 500 Sq Ft Family Addition





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# School Impact Fees



# 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 middle school

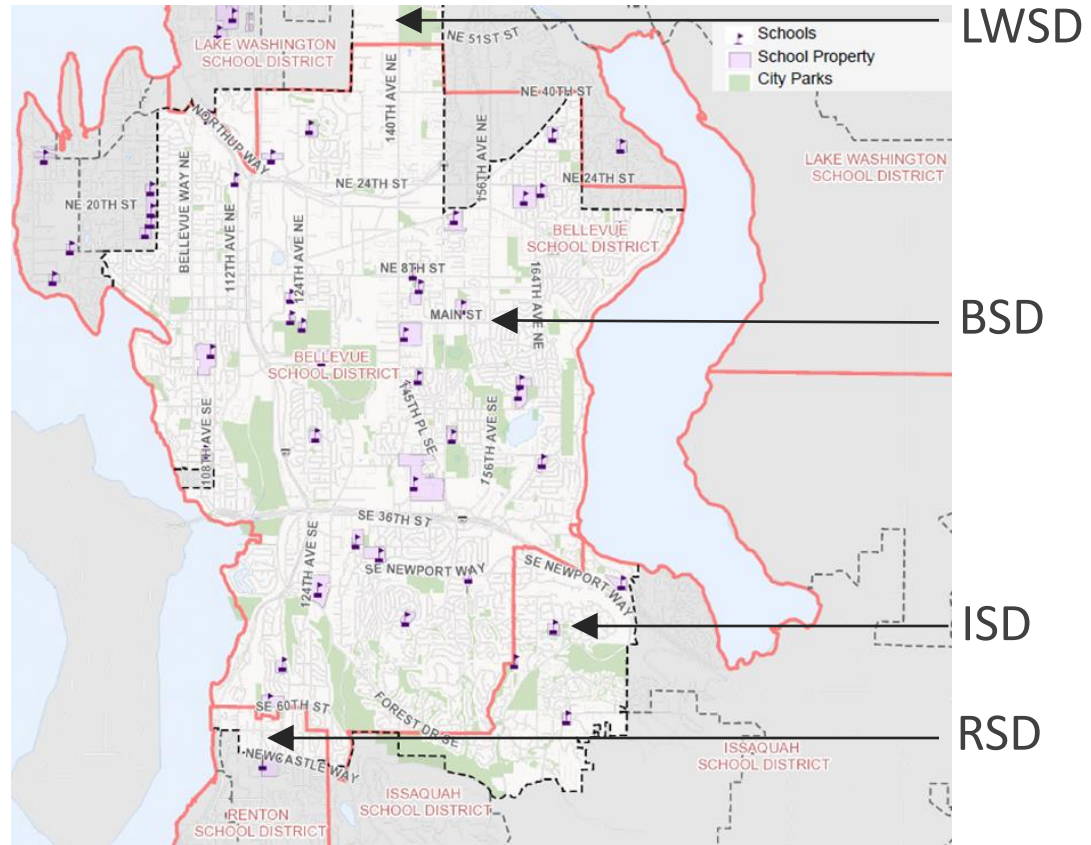


Renton School District – new elementary school



# 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)



# 2023 School Impact Fees

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## Issaquah School District

- Single-family impact fee is \$11,377 (- \$8,914)
- Multi-family impact fee is \$4,718 (- \$3,635)

## Renton School District

- Single-family impact fee is \$2,911 (+ \$252)
- Multi-family impact fee is \$3,697 (- \$1,040)



# Budget Milestone Calendar



Budget  
Work-  
Shop

- Mar 7

1<sup>st</sup> and  
2<sup>nd</sup>  
Public  
Hearing

- May 23
- Aug 1

CM  
Prelim  
Budget

- Sept 26

Council  
Study  
Session

- Oct 3
- Oct 10
- Oct 24

Public  
Hearing

- Nov 7

Council  
Study  
Session

- Nov 14

Tentative  
Adoption

- Nov 21

Staff will track and provide a memory bank  
during Council deliberations





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