



Development Services Fee Update

October 22, 2018

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DEVELOPMENT SERVICES DEPARTMENT

Tonight's Agenda

Overview

- Calendar and Actions for Budget Deliberation
- Seeking Council direction to prepare an updated Consolidated Fee Ordinance for adoption
- Review changes to Issaquah & Renton school impact fees
- Next Steps



Proposed Meeting Schedule*

Oct 15	✓	City Manager's Prelim
Oct 22	Tonight	Development Services Rates
Nov 5		Human Services
Nov 13		Utilities Rates; CIP (Trans, Parks, CD); Operating (Public Safety)
Nov 19		Follow up as needed and Public Hearing
Nov 26		Council Direction for Adoption
Dec 3		Tentative Budget Adoption

*General follow up of Council interests will occur throughout as needed



Council Actions to Adopt

- 2019 Development Services Fee Ordinance
- 2019-2020 Utilities Rates Ordinances
- 2019 Property Tax Banked Capacity Resolution
- 2019 Property Tax Levy Ordinance
- 2019-2020 Biennial Budget Ordinance
- Human Services and Block Grant Ordinances
- Fire Code Revision Ordinance



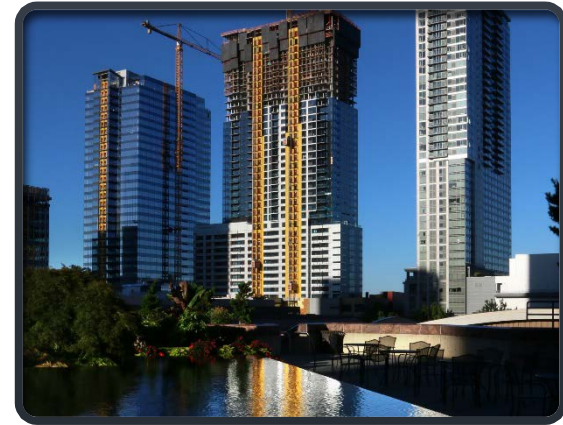
Development Services Proposed Fee Updates

Services Provided

- Land Use Entitlements
- Permit Review & Inspection
- Code Compliance
- Code and Policy Development

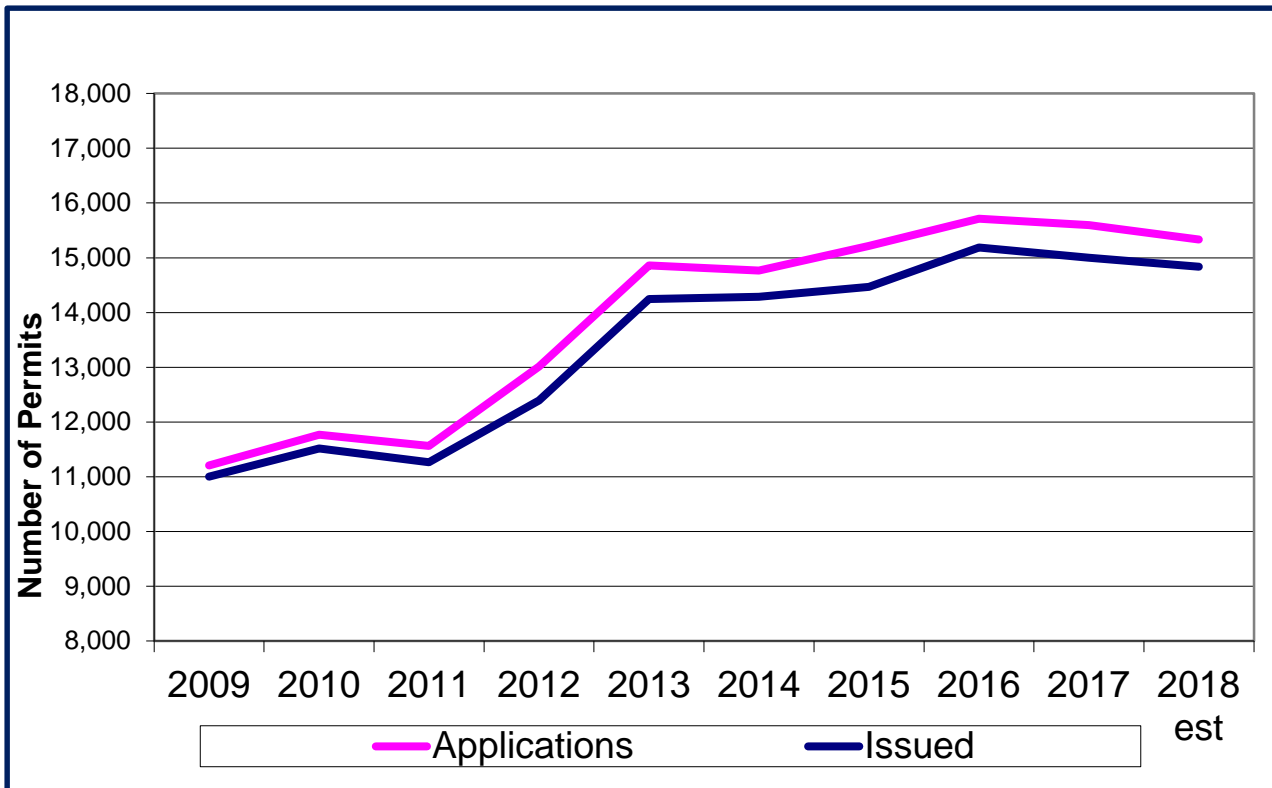
Development Peak Continues

- 4+ years in duration
- Mixed of development types
- Focused in “growth areas”

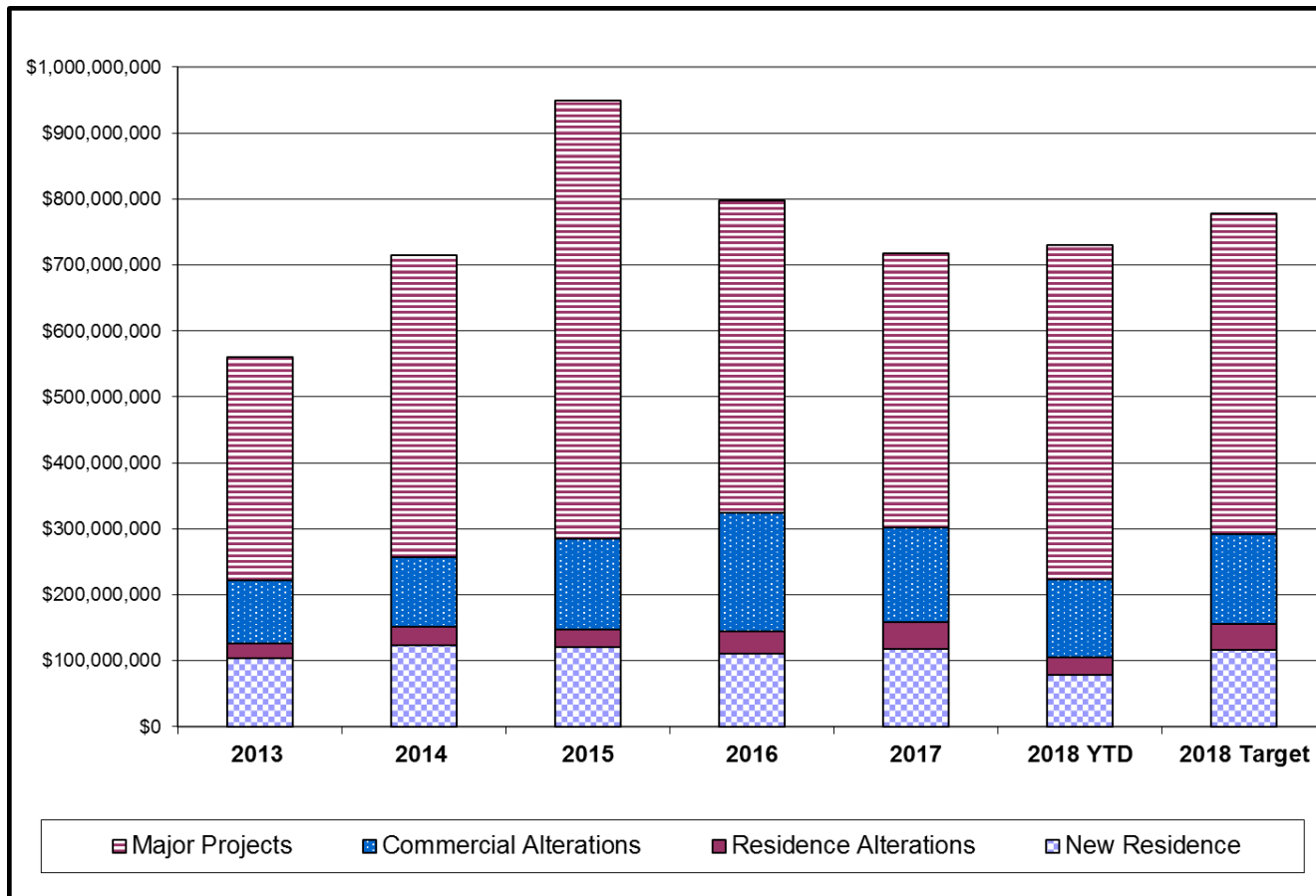


- Increased staffing
- Expanded use of technology
- Advancing paperless permitting
- Always working to improve

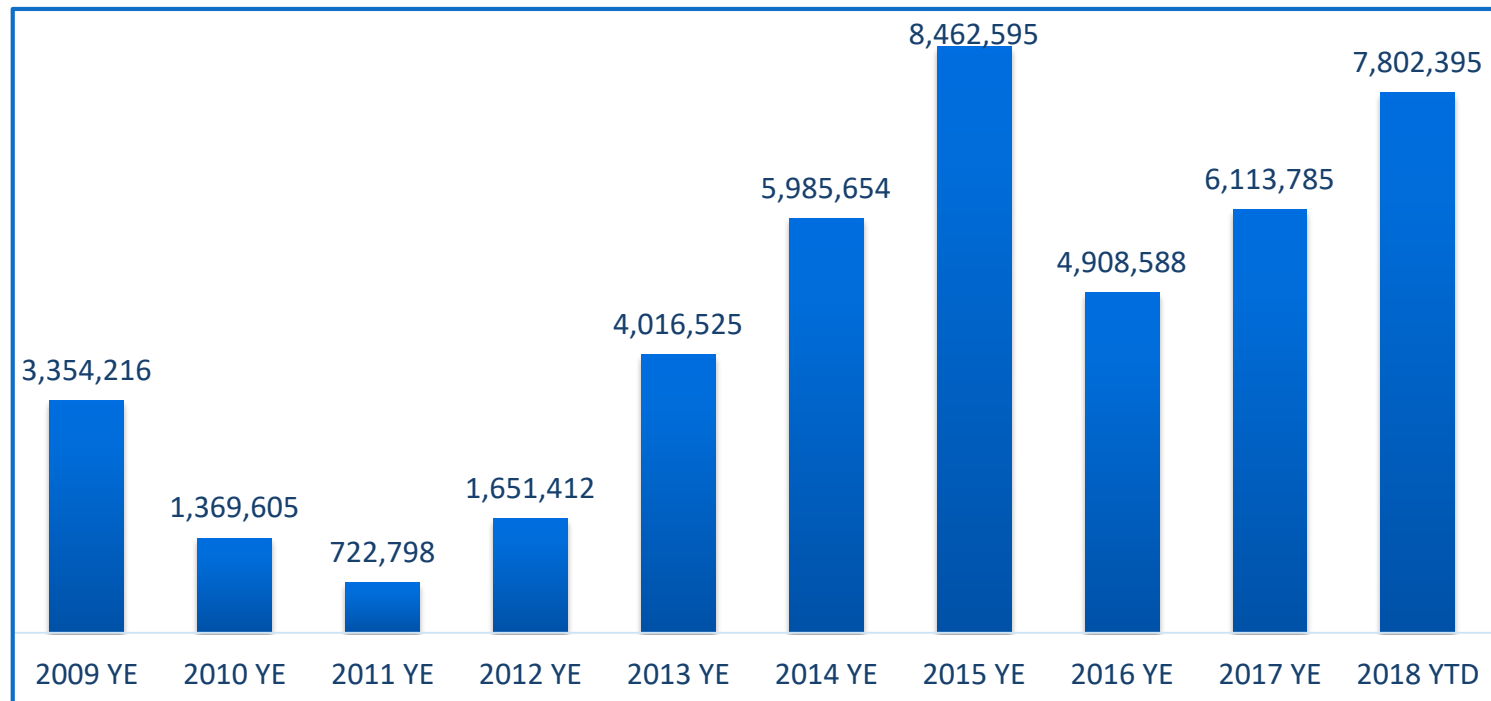
Permit Volume (Q3)



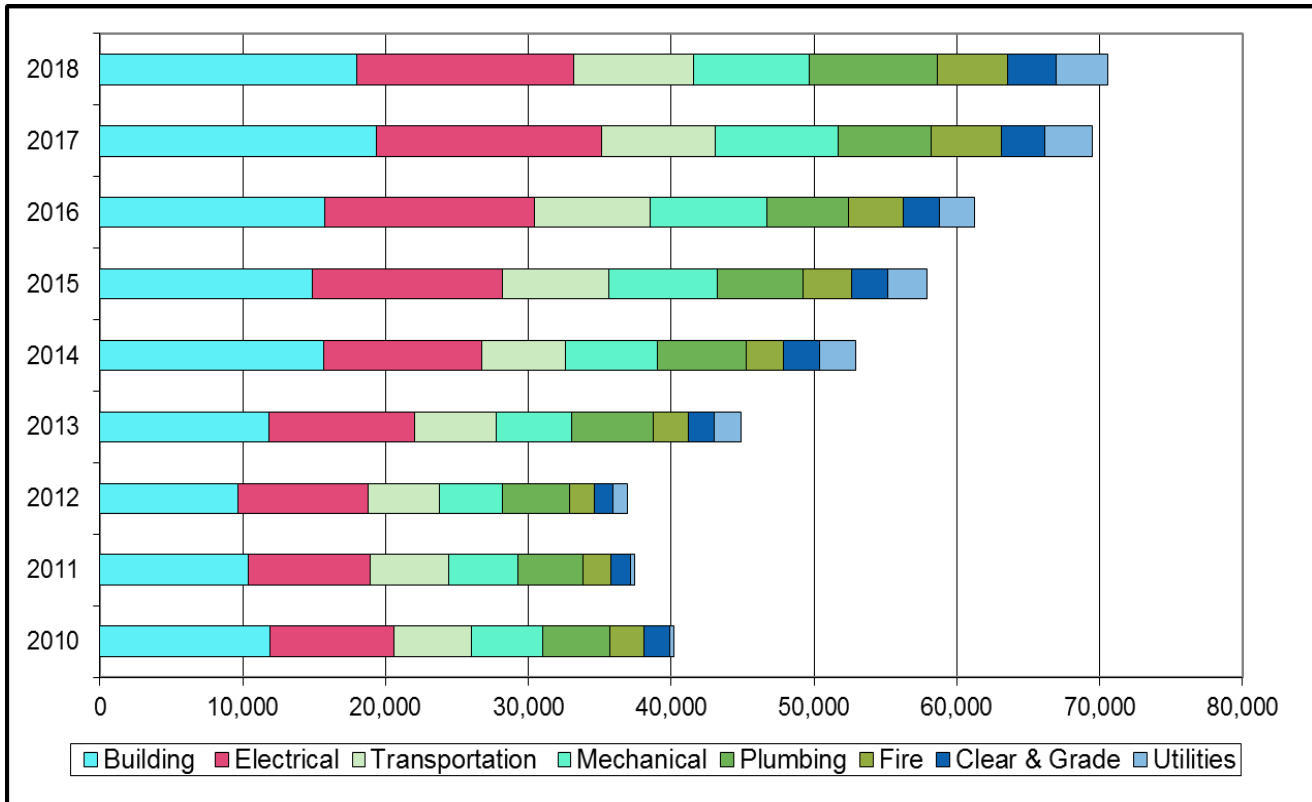
Construction Valuation (Q3)



Major Projects Sq. Ft. in Construction (Q3)



Inspections Performed (Q3)



Customer Survey 2017

What We Heard

- Overall praise for DS and staff
- Desire for faster review, more consistency
- Customers appreciate being asked about their experience, and want to know their feedback will be used
- Most customers (89%) prefer to provide feedback online



Responding to survey findings

Process Improvements

- Consolidated review comments
- Combined permits for simplification
- Mobile Workforce

Customer Support

- Updated online self help
- Expanded “single point of contact”

Ongoing Feedback

- More opportunities for customers to provide feedback

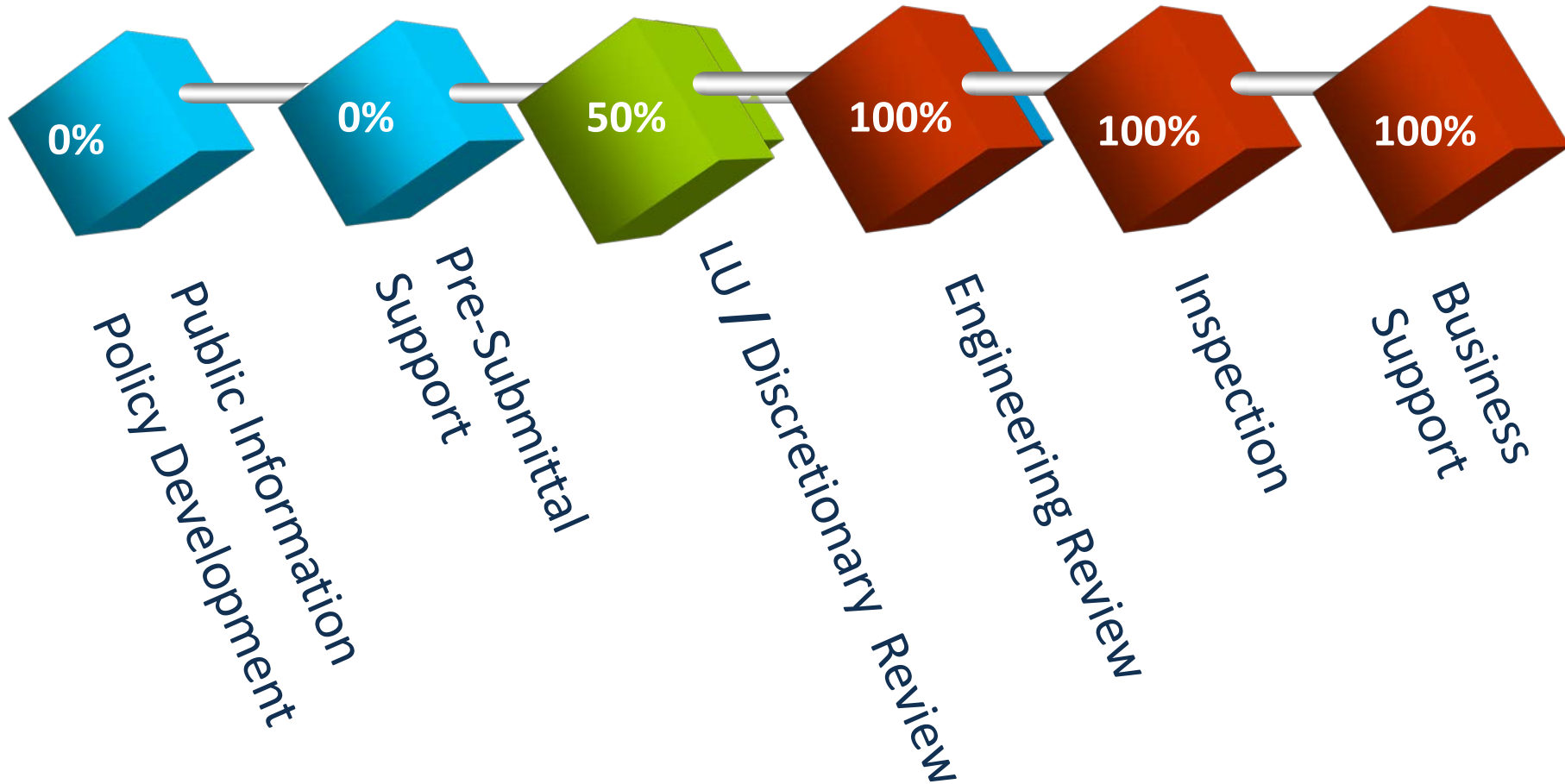
Proposed Fee Adjustments

- Updates hourly rates
- Adjusts building review and inspection fees by CPI-W
- Adjusts flat rate fees to reflect hourly rate changes and process improvements
- Maintains alignment with financial policies

Financial Principles

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

Cost Recovery Objectives



Building Permit Fee - Adjustment

Building Permit Fees based on estimated value

- ICC Building Fee Table – CPI-W 3.6%
- Valuation Table Updated to 2018
- Washington State valuation modifier (Marshall & Swift) from 1.15 to 1.16

Hourly Rate Adjustments

- Hourly rate proposed 2.5%-3.5% for cost of service adjustment
- Proposed flat rate adjustments align cost of service
- Paperless Permitting Initiative streamlines Utility permits

Proposed Hourly Rates

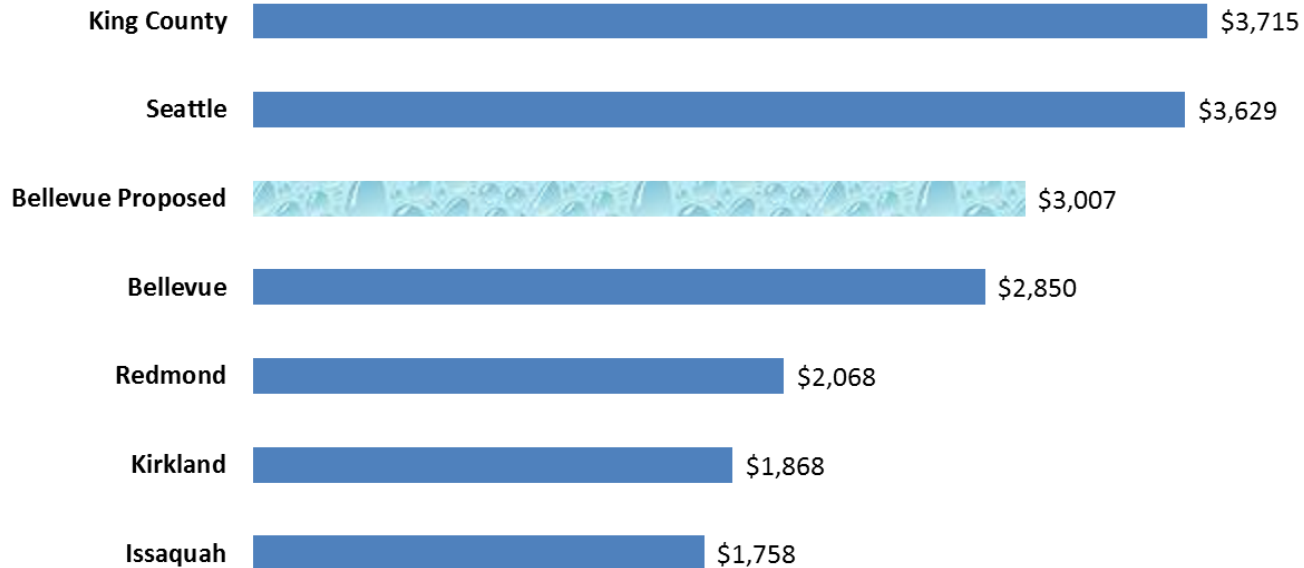
Function	Proposed Hourly Rate Adjustments			
	2018 Adopted	2019 Proposed	\$ variance	% Change in Rate
Land Use review	\$173	\$179	\$6	3.5%
Transportation review & inspection	183	188	\$5	2.7%
Fire review & inspection	164	169	\$5	3.0%
Utilities review and inspection	157	161	\$4	2.5%

Fee Examples

FEE TYPE	2018	2019	Variance
<u>FLAT FEE</u>			
Temporary Use - Land Use review	\$139	\$144	\$5
Mechanical Work - Fire inspection	\$262	\$270	\$8
<u>VALUATION BASED</u>			
Single Family 500 Sq. Ft. Addition	\$2,850	\$3,007	\$157
Tenant Improvement \$100K	\$2,798	\$2,915	\$118

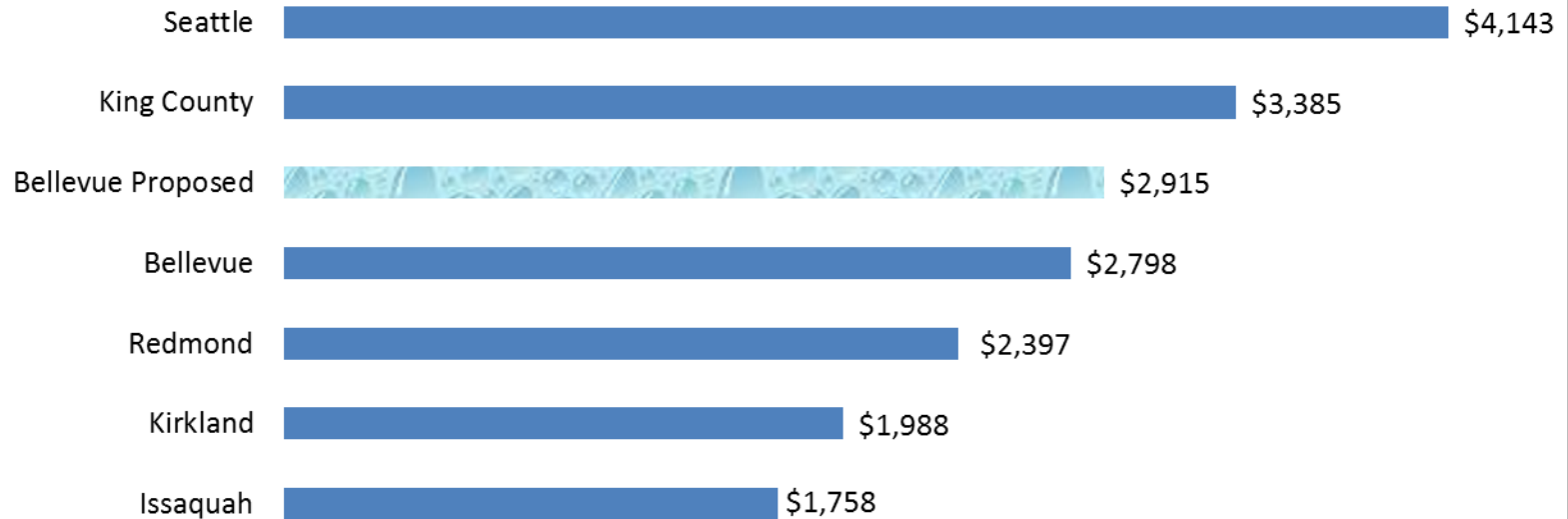
Regionally Competitive

2018 Permit Building Fee Costs 500 Sq Ft Family Addition



Regionally Competitive

2018 Permit Building Fee Costs \$100K Tenant Improvement

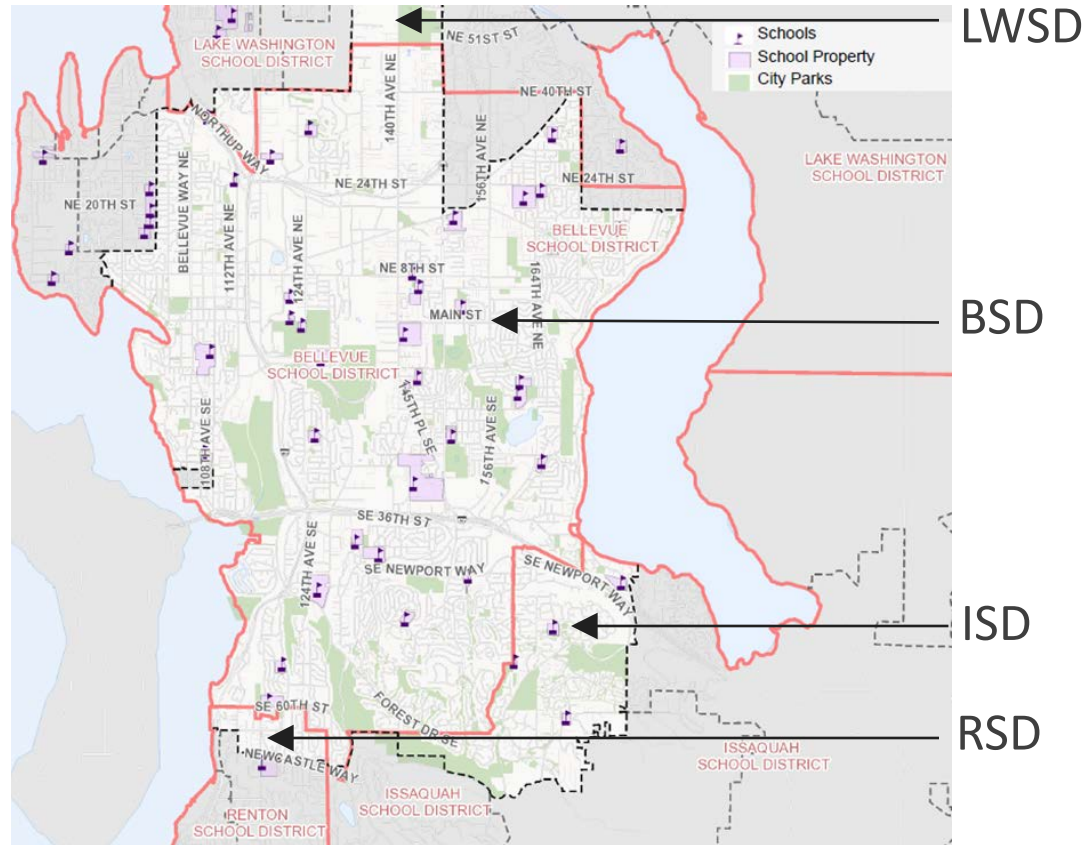


School Impact Fees

- 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

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)



2019 Fee Adjustments

Issaquah School District

- Single-family impact fee is \$15,276 (+ \$6,514)
- Multi-family impact fee is \$4,399 (+ \$938)

Renton School District

- Single-family impact fee is \$7,772 (- \$895)
- Multi-family impact fee is \$2,455 (+ \$885)

Council Direction Requested

- Seeking Council direction to prepare an updated Consolidated Fee Ordinance for adoption on December 3rd and;
- Bring forward an ordinance updating impact fees for Issaquah and Renton School Districts
- Or provide alternative direction