



# Development Services

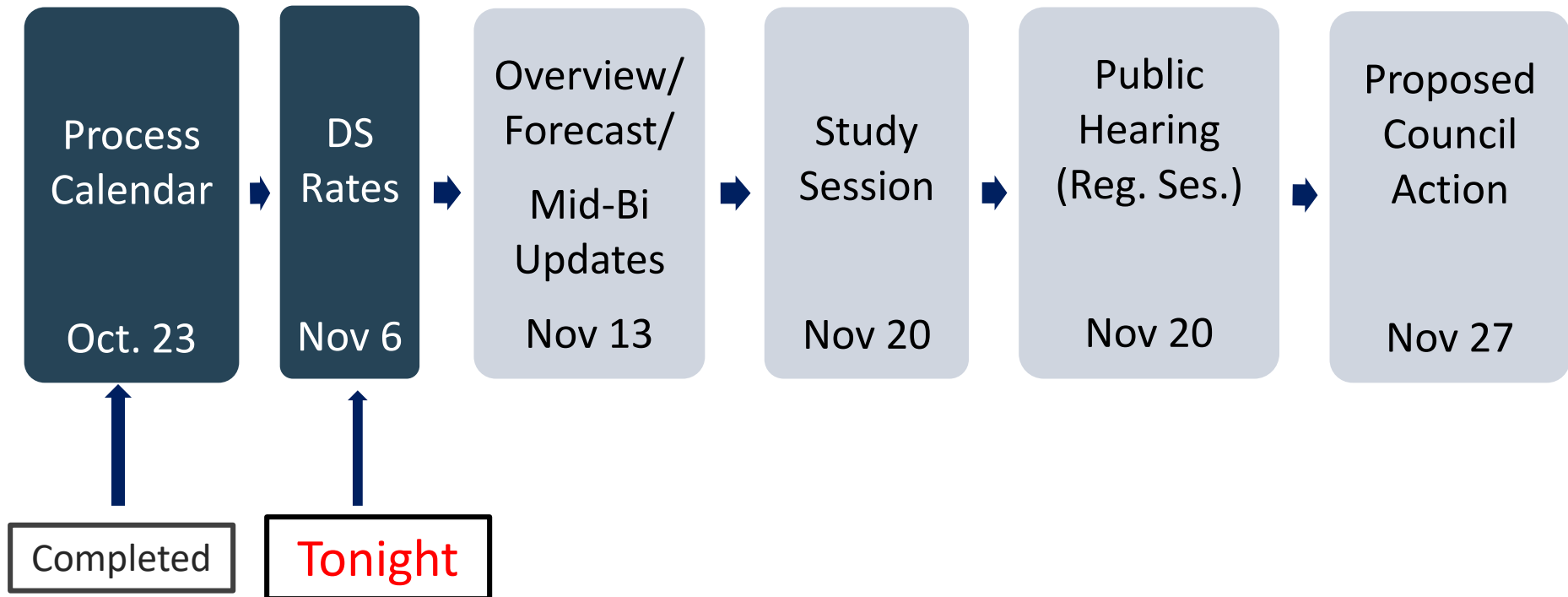
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## *Annual Fee Update*

- *Mike Brennan, Director*
- *Carole Harper, Assistant Director*

# Mid-Biennium Budget Process

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# Mid-Biennium Budget Required Council Actions

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2018 Property Tax Levy Ordinance

2018 Property Tax Banked Capacity Resolution

2018 Development Services Fee Ordinance

2017-2018 Mid-Biennium Budget Ordinance

# Development Services Fee Update

## Requested Council Direction

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- Seeking Council direction to prepare an updated Consolidated Fee Ordinance for adoption on November 27th
- Seeking Council direction on adjustments to Issaquah and Renton School District Impact Fees
- Or provide alternative direction

# Cost of Service Study

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- Financial methodologies
- Review and update DS financial policies
- Financial Planning and Forecasting
- Financial Reserve Management
- Financial Consulting Services (FCS) Group Selected

# Financial Principles

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

# Findings

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- In line with best practices
- Sound financial planning and forecasting methods
- Reserve for pre-paid work, technology, core-staffing during downturn
  - Maintains stable rates, insulates General Fund
- New modeling tool improves efficiency and accuracy

# Proposed Fee Update

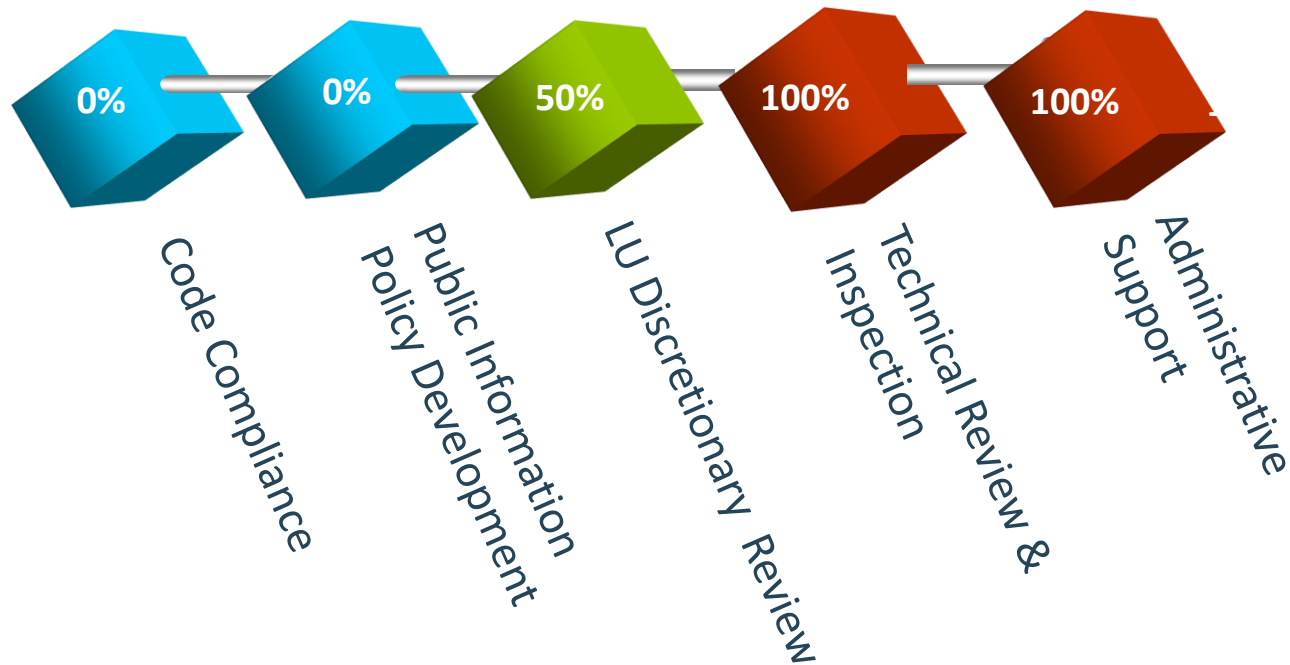
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- Maintains alignment with financial policies
- Updates hourly rates
- Adjusts building review and inspection fees by CPI-W
- Adjusts flat rate fees to reflect hourly rate changes



# Cost Recovery Objectives

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# Building Permit Fee - Adjustment

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## Building Permit Fees based on estimated value

- ICC Building Fee Table – CPI-W 3.0%
- Valuation Table Updated to 2017
- Washington State valuation modifier (Marshall & Swift) from 1.14 to 1.15 –

# Hourly Rate - Adjustments

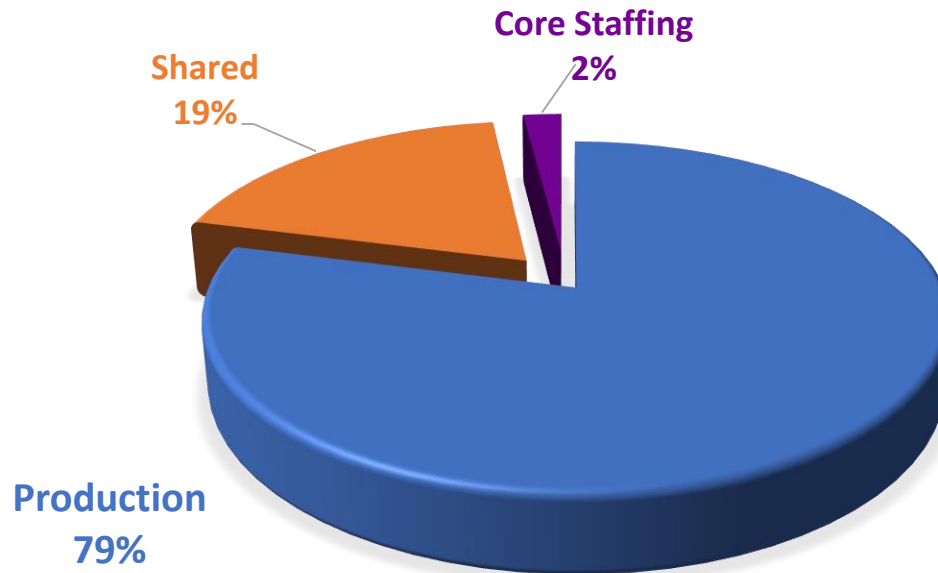
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Proposed **3.6%-6.8%** applies to hourly rates

- Cost of Service adjustment
- Alignment of shared business costs
- Includes 2% Core Staffing Reserve Factor

# Hourly Rate Components

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# Proposed Hourly Rates

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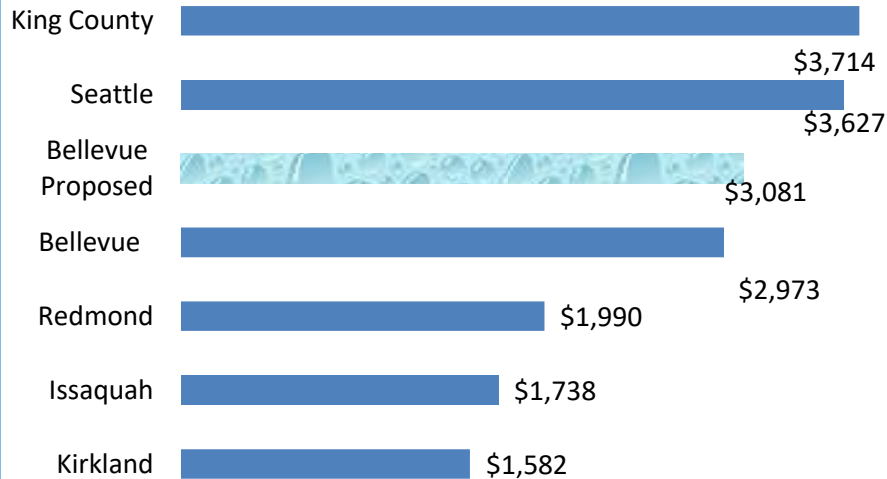
<b>Function</b>	<b>Proposed Hourly Rate Adjustments</b>			
	<b>2017 Adopted</b>	<b>2018 Proposed</b>	<b>\$ variance</b>	<b>% Change in Rate</b>
Land Use review	\$167	\$173	\$6	3.6%
Transportation review & inspection	175	183	\$8	4.6%
Fire review & inspection	153	164	\$11	6.9%
Utilities review and inspection	147	157	\$10	6.8%

# Fee Examples

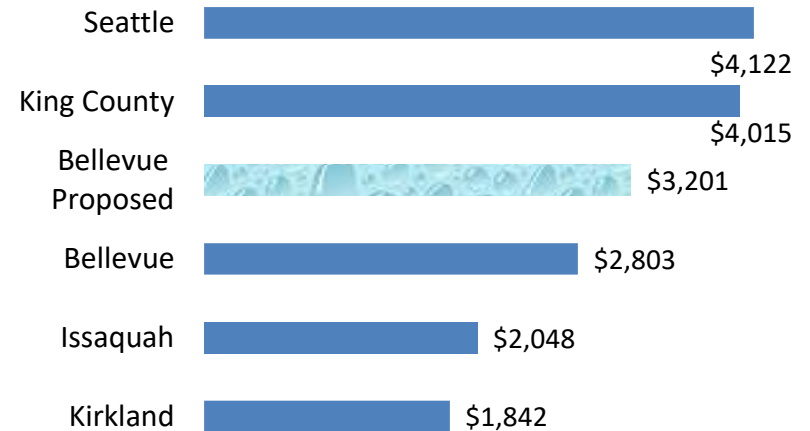
FEE TYPE	2017	2018	Variance
FLAT FEE			
Temporary Use - Land Use	\$133	\$138	\$5
Right-of-Way Street Use - ROW Review	\$210	\$220	\$10
VALUATION BASED			
Single Family 500 Sq. Ft. Addition	\$2,973	\$3,081	\$108
Tenant Improvement \$150k	\$3,773	\$3,909	\$136

# Regionally Competitive

## Single Family Addition - 500 Sq Ft



## Tenant Improvement \$100K valuation



# School Impact Fee Update

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Issaquah School District  
Renton School District



# School District Impact Fee

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	2017	2018	Variance
<b>Issaquah School District</b>			
Single Family	\$7,921	\$8,762	\$841
Multi-Family	\$2,386	\$3,461	\$1,075
<b>Renton School District</b>			
Single Family	\$6,432	\$7,772	\$1,340
Multi-Family	\$1,448	\$1,570	\$122

# Next Steps

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- Updated Consolidated Fee Ordinance  
(Adoption on November 27<sup>th</sup>)
- School Impact Fee Adjustments  
(Adoption on November 20<sup>th</sup>)
- Fees effective January 1, 2018 if adopted
- Seeking Council Direction Tonight

# Development Services Fee Update Requested Council Direction

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- Seeking Council direction to prepare an updated Consolidated Fee Ordinance for adoption on November 27th
- Seeking Council direction on adjustments to Issaquah and Renton School District Impact Fees
- Or provide alternative direction