

Development Services Fee Update

2021-2022 Mid-Biennium Budget

Mike Brennan, Director
Teri Jones, Fiscal Manager
Development Services Department

October 25, 2021



Direction Needed from Council

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

- 2022 Development Services permit fees and rates
- 2022 school impact fee schedule



AGENDA



Mid-Biennium Calendar & Actions



Development Activity Update



Proposed Fees and Rates



School Impact Fees



Direction Needed

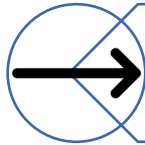
Mid-Biennium Key Dates



Oct 18: Mid Bi Calendar Overview



Oct 25: Development Services



Nov 8: Mid-Bi Adjustments and Forecast



Nov 15: Public Hearing



Nov 22 or Dec 6: Adoption

Actions Required for Adoption

- 2022 Development Services Fee Ordinances
- 2022 Property Tax Banked Capacity Resolution
- 2022 Property Tax Levy Ordinance
- 2021-2022 Mid Bi Budget Ordinance
- Other actions as directed by Council

Development Peak Continues

- 7+ years in duration
- High level of investment
- Large office & mixed-use development types
- Focused in “growth areas”

photo: 555 108th Ave NE – Office Use



Responding to Development

- Increased staffing
- Customer focused
- Technology & continuous improvement
- Covid-19 safeguards & response

photo: 12863 Northup Way – Mixed Use



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

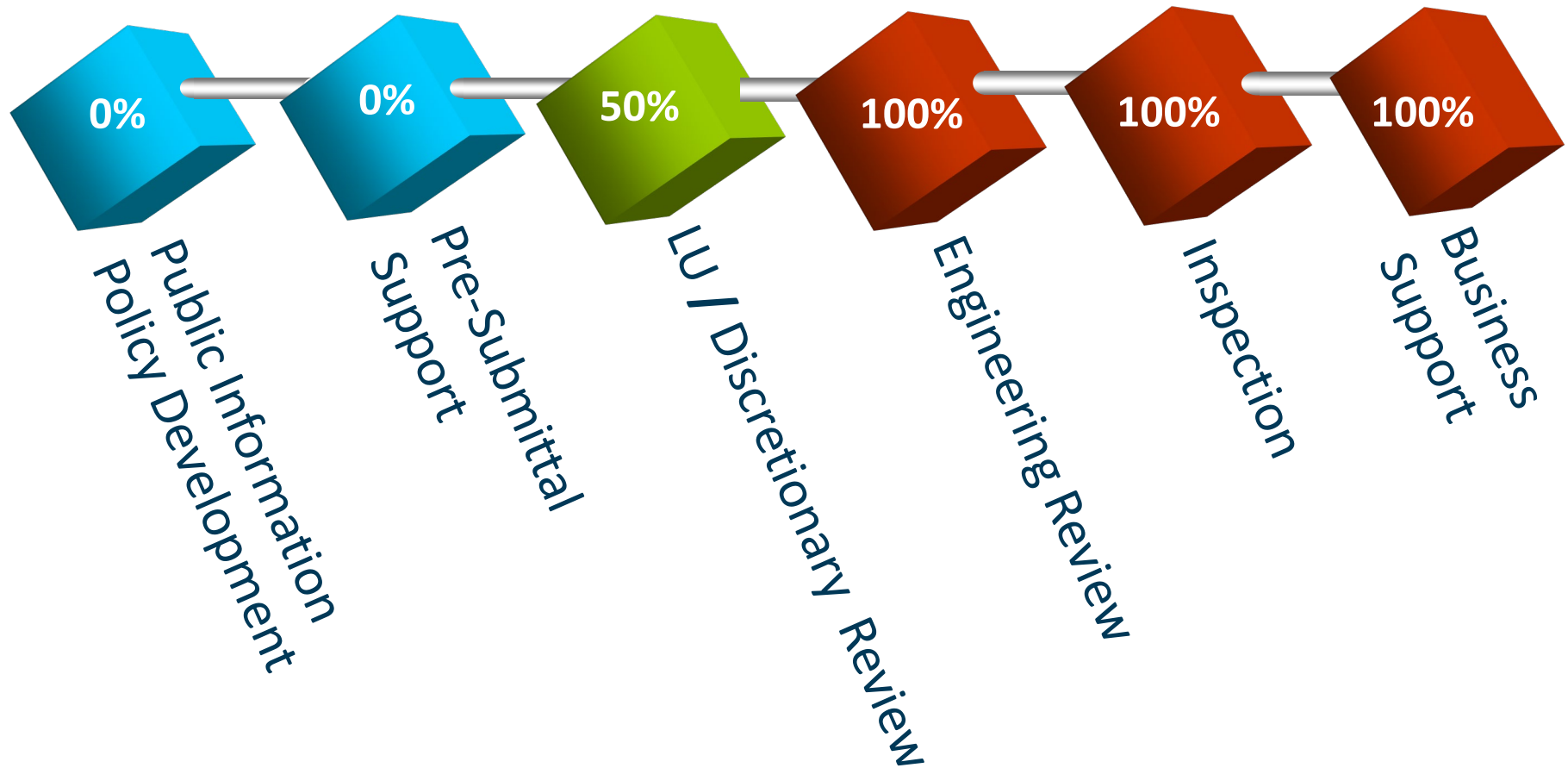


Financial Management Guiding Principles

- 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

Building Permit Fees based on estimated value using:

- ICC Building Fee Table – CPI-W 6.3%
- Valuation Table Updated to 2021
- Adjust Washington State valuation modifier from 1.15 to 1.14 (Marshall & Swift)



Proposed Hourly Rates

- Hourly rates proposed 0.0% - 4.0% for increases in cost of service

Function	2021 Adopted	2022 Proposed	% Change in rate
Land Use review	\$187	\$187	0.0%
Transportation review & inspection	\$198	\$206	4.0%
Fire review & inspection	\$180	\$184	2.2%
Utilities review & inspection	\$170	\$170	0.0%



Proposed Fees

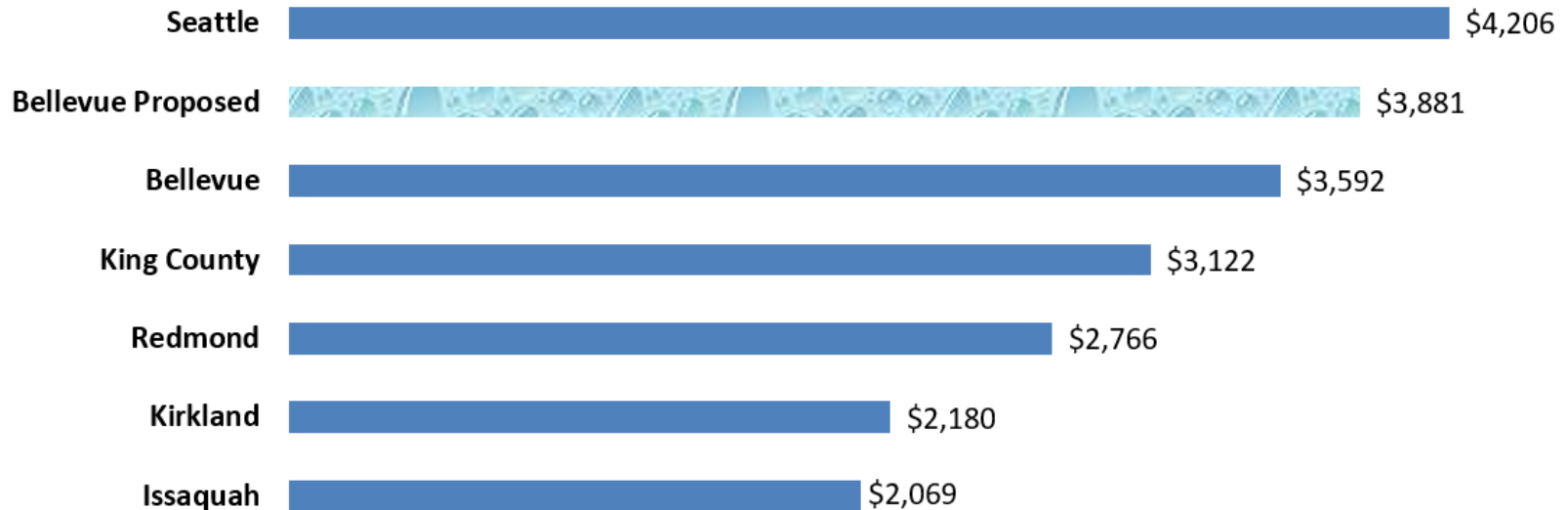
- Proposed flat rate adjustments include changes in hourly rates and average review/inspection time

FEE TYPE	2021	2022	Variance
<u>FLAT FEE</u>			
Land Use Review – Comm Mechanical	\$295	\$295	\$0
Right-of-Way Review - Street Use	\$238	\$308	\$71
<u>BUILDING PERMIT FEE</u>			
Tenant Improvement Project	\$3,592	\$3,881	\$289
Single Family 500 Sq. Ft. Addition	\$3,438	\$3,636	\$198

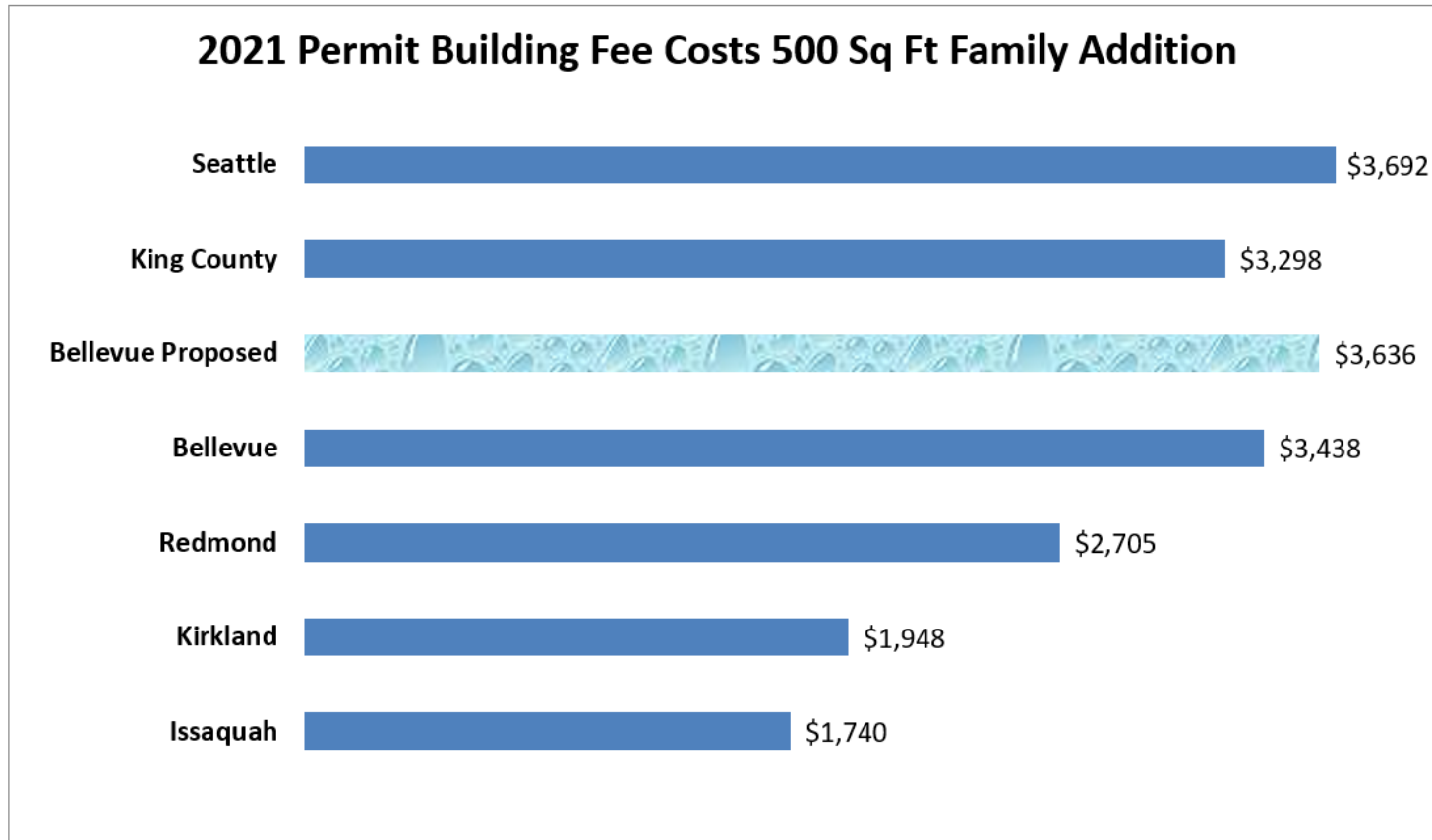


Regionally Competitive – Tenant Improvements

2021 Permit Building Fee Costs \$100K Tenant Improvement



Regionally Competitive – Single Family Additions



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

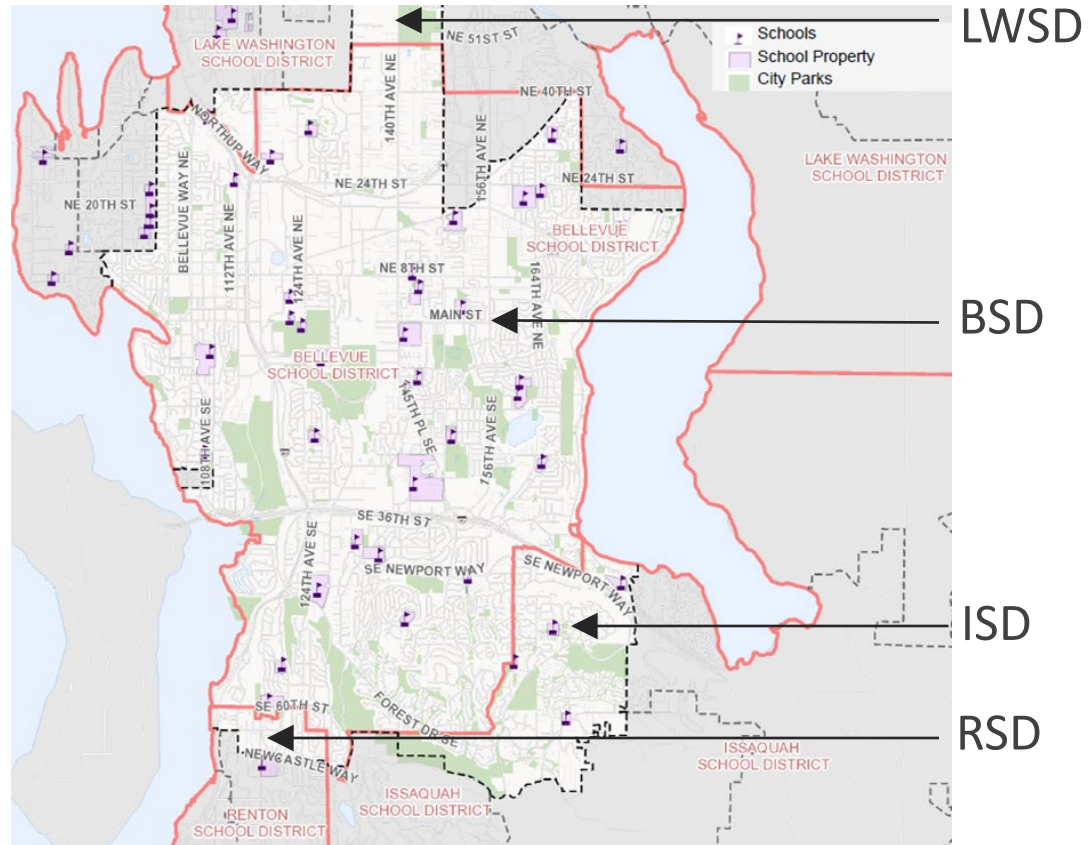


Renton School District – new elementary school



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)



2022 School Impact Fees

Issaquah School District

- Single-family impact fee is \$20,291 (+ \$2,078)
- Multi-family impact fee is \$8,353 (- \$3,690)

Renton School District

- Single-family impact fee is \$2,659 (- \$5,022)
- Multi-family impact fee is \$4,737 (- \$252)



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