

## **SUMMARY and FISCAL NOTE\***

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\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to street and sidewalk use; amending Ordinance 125706 and the Street Use Permit Fee Schedule authorized by Section 15.04.074 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:** This legislation updates and adjusts some fees in the Street Use Permit Fee Schedule as authorized in SMC 15.04.074 to better balance City policy goals and objectives for project and construction coordination, maintaining access through construction, building a non-motorized and high-occupancy mobility transportation system, building low- and middle-income housing, and supporting businesses.

To support businesses, we are creating a free permit for temporary business uses, including cafes, displays, and vending, through Phase 4 of the Governor's Safe Starts Plan and eliminating the long-term permit fee for business sign encroachments.

To support project and construction coordination, access during construction, and a non-motorized and high-occupancy mobility transportation system, we are adjusting the use fee methodology and factors to better disincentivize the use of sidewalks, bike, and transit facilities during construction for non-transportation purposes. To support building low- and middle-income housing we have reduced factors in non-dense zones. The change will also reduce data entry and permit review time, reducing overall permit costs.

### **2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project?  Yes  No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation amend the Adopted Budget?  Yes  No

Appropriation change (\$):	General Fund \$		Other \$	
	2020	2021	2020	2021
	\$0	\$0	\$0	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2020	2021	2020	2021
	\$0	\$0	(\$9,000)	(\$56,000)

Positions affected:	No. of Positions		Total FTE Change	
	2020	2021	2020	2021
	0	0	0	0

**Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

There are short-term minimal, financial impacts associated with not assessing permit fees for the temporary business use permits (cafes, displays, and vending) through phase 4 of the Safe Starts Plan. While we cannot quantitatively assess the overall impact, we believe the reduction in City revenue through permit fees will be more than offset by the ability for small businesses to safely reopen and utilize space in the right-of-way during the Governor's phased reopening. These permits will allow businesses to increase capacity within the right-of-way. The long-term permit fees for the business signage are being recovered in the updated use fee methodology by increasing the Urban Center factor an additional \$0.10 per square foot.

**Is there financial cost or other impacts of *not* implementing the legislation?**

The change to the use fee methodology is critical for Street Use to successfully implement Accela for our November 7, 2020 launch. If the change to the use fee methodology is not transmitted in time to launch on November 7, 2020, this will significantly delay the implementation and cost the department approximately \$2.6 million. The transition into the Accela platform supports the City's objectives for permit reform and to build an equitable, safe, and sustainable transportation system.

**3.b. Revenues/Reimbursements**

X This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2020 Revenue	2021 Estimated Revenue
10310 Trans Op.	SDOT	Use Fees	\$131,000	\$852,000
10310 Trans Op.	SDOT	Sign Permit Fees	(\$140,000)	(\$908,000)
<b>TOTAL</b>			<b>(\$9,000)</b>	<b>(\$56,000)</b>

**Is this change one-time or ongoing?**

One-time change for the temporary business permits through phase 4 of the Governor's Safe Start Plan. Ongoing change for all other permit fee amendments.

**Revenue/Reimbursement Notes:**

The 2020 and 2021 estimated revenue assumes that permit volumes will be near 2019 levels; however, with the COVID-19 public health crises, some of our revenue streams are in jeopardy of coming in lower than our original projections. We are working with our Finance division to closely monitor our revenues and expenditures and will adjust as needed throughout 2020 and 2021 to ensure the Street Use Revenue Center is sustainable. The

revenue numbers referenced in this document do not reference impacts from the COVID-19 public health crises because those impacts are too unknown at this time. Also, we are not able to predict the volume of new temporary business permit applications and are unable to estimate the potential revenue impact, but do not think it will have a significant financial impact to the cost center.

Assumptions used in the calculations of impacts on revenue are as follows:

- A sample set of permits issued in 2019 was used as basis for all calculations. This ensures changes in revenue reflect changes in the fee schedule rather than changes in permits and/or permit volumes.
- A revenue baseline was calculated by applying the existing fee schedule to permits issued in 2019 rather than using actual 2019 revenues. Again, this allows changes in revenue to reflect changes in the fee schedule rather than changes in permits, permit volumes, and/or collection rates.
- Revenue estimates for 2020 assume the new fee schedule will be applied to permits for the final 8 weeks of 2020.
- Sign permit changes assume no sign fees are assessed for the first sign on a permit and that number of permits with more than one sign mirrors what was issued in 2019.

#### **4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

Departments that pay permit fees will see a change in use fees, including SCL, SPU, and Parks. These departments primarily do work outside of urban centers and urban villages and will likely see a slight overall reduction in permit fees.

The business fee proposal for signs and temporary business uses will affect OED by providing more options for businesses during the Safe Starts recovery phases. OED is leading the initial outreach for this program.

**b. Is a public hearing required for this legislation?**

No.

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No.

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**e. Does this legislation affect a piece of property?**

No.

- f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**  
Street Use permit fees impact anyone working or doing business in the right-of-way.

Use and occupation fees that are collected are used to make improvements that return the value of private use in the right-of-way to the community that experienced the disruption. With this legislation we are intending to shift the impact of those fees from smaller businesses and developers to larger developers and projects that have greater impacts on the users of the right-of-way.

SDOT will provide coaching and translated materials for all use fee changes in addition to the changes to our permitting system as we work to go live in November.

The business fee proposal for signs and temporary uses will have a positive impact on all businesses and will provide more options during economic recovery. For the temporary business options, we are working closely with OED to provide coaching and translation support for businesses, translated outreach materials and ethnic ad buys to promote the new program.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

Because the collection of use fees is dependent on private development, it is difficult to draw comparisons between previous use fees to current use fees. There are so many other variables that have a greater impact on development opportunities than use fees. However, we will continue to monitor the fees to determine the impact on small businesses and developers providing low- and middle-income housing.

The temporary business permits will allow increased options for use of the right-of-way for economic opportunities and recovery. Our goal with this program is to see expanded business uses of cafes, vending, and merchandise display in the identified high-priority areas based on race and social-economic data published by OPCD. We will measure permit data and compare the current use of café, vending and displays in these areas with rates of applications in 3 months after program implementation and compare permit volume with the non-high priority areas. We will also evaluate the impact of allowing these expanded temporary uses and identify any other administrative or legislative programmatic amendments that may be needed to make long-term improvements for business recovery.

**List attachments/exhibits below:** N/A