

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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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 fees and charges for permits and activities of the Seattle Department of Construction and Inspections, related fees by other departments, and technical corrections; adding a new Section 22.900A.065 to the Seattle Municipal Code; and amending Sections 22.900B.010, 22.900B.020, 22.900C.010, 22.900D.010, 22.900D.090, 22.900D.100, 22.900D.110, 22.900D.140, 22.900D.150, 22.900D.160, 22.900E.020, 22.900E.030, 22.900E.040, 22.900E.050, 22.900F.010, and 22.900G.010 of the Seattle Municipal Code.

Summary and background of the Legislation:

This legislation revises a portion of SDCI’s fees and charges beginning on January 1, 2023. The majority of SDCI’s fees and charges were last revised in Ordinance 125982 effective January 1, 2020, which provided an inflationary adjustment of 4%. Ordinance 126213, which adjusted fees effective January 1, 2021, made only minor adjustments to electrical, refrigeration and furnace fees. The 2023 fee revisions include a compounded inflationary adjustment of 9.16%, to account for the increased costs of permitting operations since 2020. This legislation also includes the creation of a 5% technology fee, minor technical changes, and reductions to administrative electrical, refrigeration and mechanical equipment fees. SDCI has determined these cost centers have sufficient revenue streams and achieved programmatic efficiencies warranting a decrease in fee levels.

SDCI is primarily fee-supported, and its fees and charges are necessary to support SDCI’s permitting operations. All fees collected by SDCI for processing SDCI’s permits are used for that purpose, and the fee structure is reflective of the Seattle Municipal Code requirements to recover the cost of providing the permitting service. Similarly, other fees are set to recover the costs of certain code enforcement activities. This legislation will help ensure that the fees that SDCI collects are in line with the services provided.

Additionally, SDCI is making legislative changes on behalf of the Department of Neighborhoods (DON) for fees they collect which are located in Title 22. These changes include fee increases to align with SDCI Land Use review rates as well as inflationary adjustments. These changes will not have a revenue impact to SDCI. See response to Question 4.a.

Attachment A to this Summary and Fiscal Note, “SDCI Permit Fee and Charges proposed for 2023” provides a summary of all SDCI fees affected by this ordinance, and proposed changes for 2023. Prior to proposing this legislation, these fees were reviewed to determine whether

the cost of providing the service warrants a fee change, if improvements to the fee structure are necessary, or if new fees are required.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

Appropriation change (\$):	General Fund \$		Other \$	
	2023	2024	2023	2024
	\$0	\$0	\$0	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
	\$11,520	\$11,520	\$5,825,369	\$5,825,369
Positions affected:	No. of Positions		Total FTE Change	
	2023	2024	2023	2024
	0	0	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?
No

Is there financial cost or other impacts of *not* implementing the legislation?
Not implementing this legislation would create a situation where the revenues SDCI collects through fees would not align with the cost of providing permitting services. Without these fee increases, SDCI would be required to reduce services or programs within the 2023 Proposed Budget. Such reductions would impact the department’s ability to perform its permitting and enforcement responsibilities and delay service to customers.

3.a. Appropriations

 This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

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

SDCI Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2023 Estimated Inflation & Fee change in Revenue	2023 Estimated Technology change in Revenue	2024 Estimated Inflation & Fee change in Revenue	2024 Estimated Technology change in Revenue
Construction and Inspections Fund (48100)	SDCI	Boiler	\$132,929	-	\$132,929	-
Construction and Inspections Fund (48100)	SDCI	Building Development	\$529,935	-	\$529,935	-
Construction and Inspections Fund (48100)	SDCI	Electrical	(\$69,612)	-	(\$69,612)	-
Construction and Inspections Fund (48100)	SDCI	Elevator	\$472,590	-	\$472,590	-
Construction and Inspections Fund (48100)	SDCI	Land Use	\$931,727	-	\$931,727	-
Construction and Inspections Fund (48100)	SDCI	Noise	\$35,710	-	\$35,710	-
Construction and Inspections Fund (48100)	SDCI	Other Miscellaneous	\$49,354	-	\$49,354	-
Construction and Inspections Fund (48100)	SDCI	Process Improvement & Technology	-	\$4,136,435	-	\$4,136,435
Construction and Inspections Fund (48100)	SDCI	Refrigeration & Furnace	(\$1,118,170)	-	(\$1,118,170)	-
Construction and Inspections Fund (48100)	SDCI	RRIO	-	-	-	-
Construction and Inspections Fund (48100)	SDCI	Signs	\$58,857	-	\$58,857	-
Construction and Inspections Fund (48100)	SDCI	Site Review & Development	\$665,615	-	\$665,615	-
TOTAL			\$1,688,934	\$4,136,435	\$1,688,934	\$4,136,435

DON Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2023 Estimated change in revenue	2024 Estimated change in revenue
General Fund (00100)	DON	Major Institutions Fees	\$3,600	\$3,600
General Fund (00100)	DON	MUP/SEPA Fees	\$7,920	\$7,920
TOTAL			\$11,520	\$11,520

Is this change one-time or ongoing?

On-going

Revenue/Reimbursement Notes:

None

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
Yes. The legislation adjusts fees in Title 22 for the Department of Neighborhoods. Adjustments include an increase to the hourly project review fees charged by Historic Preservation staff, Seattle landmark review and character structure review from \$394 to \$430 to align with SDCI's 2023 legislative fee changes for the Land Use Review hourly fee. DON also increases the hourly fees charged for convening and staffing several Citizen Advisory Committees from \$123 to \$135 to account for inflationary adjustments.
- b. Is a public hearing required for this legislation?**
No
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No
- d. Does this legislation affect a piece of property?**
No
- e. 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?

By regularly reviewing fees, SDCI is able to ensure that the fees it sets appropriately cover the costs of the services it provides. After a thorough review and discovery of efficiencies in processes, SDCI is able to reduce fees in some programs, making the application and permitting process more affordable to the community. Reducing fees for electrical, refrigeration and mechanical permits will positively impact communities of color and historically disadvantaged communities, many of whom are small business owners. Additionally, adjusting fees to account for inflation allows SDCI to continue to pay staff at more equitable wages.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

There is no impact anticipated on Seattle's ability to adapt to climate change.

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).

This legislation does not include a new initiative or major programmatic expansion.

Summary Attachments:

Summary Attachment A – SDCI Permit Fees and Charges Proposed for 2023