SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
SDCI	Shane Muchow	Christie Parker

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; repealing Chapter 22.504 of the Seattle Municipal Code; and amending Sections 22.504.010, 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, 222.900E.040, 22.900E.050, 22.900G010, and 22.900G.030 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, 2025. The majority of SDCI's fees and charges were last revised in Ordinance 126935 effective January 1, 2024, which provided an inflationary adjustment of 2%. These 2025 fee revisions include an inflationary adjustment of 6.5% in order to bring fees closer to a rate that recovers the costs of permitting work. This legislation also includes an increase in value-based building development plan review and permit fees, other revenue-neutral technical and language changes, and an increase in permit and inspection certificate fees for boiler, pressure vessel, and elevator equipment.

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 costs of providing services required by code.

Additionally, SDCI is making legislative changes on behalf of the Department of Neighborhoods (DON) and amending referring language for Public Health – Seattle & King County (PHS&KC). PHS&KC has not adjusted fees since 2013. Fees collected by both entities are located in Title 22.

This legislation is included in the Mayor's 2025 Proposed Budget for City Council. A separate piece of legislation is also being submitted to Council that will increase fees by an additional 6.5% in 2026. Attachment A to this Summary and Fiscal Note, "SDCI Permit Fee and Charges proposed for 2025-2026" provides a summary of all SDCI fees affected by this legislation as well as the 2026 fee bill. Prior to developing 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 is necessary, or if new fees are required.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? ☒ **Yes** ☐ **No**

Expenditure Change ($); General Fund	**2025 est.**	**2026 est.**

Expenditure Change ($); Other Funds	**2025 est.**	**2026 est.**

Revenue Change ($); General Fund	**2025 est.**	**2026 est.**

Revenue Change ($); Other Funds	**2025 est.**	**2026 est.**
	$7,598,200	**$7,598,200**

Number of Positions	**2025 est.**	**2026 est.**

Total FTE Change	**2025 est.**	**2026 est.**

3.a. Appropriations

☐ **This legislation adds, changes, or deletes appropriations.**

3.b. Revenues/Reimbursements

☒ **This legislation adds, changes, or deletes revenues or reimbursements.**

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2025 Estimated Revenue	2026 Estimated Revenue
Construction and Inspections Fund (48100)	SDCI	Boiler	$254,062	$254,062
Construction and Inspections Fund (48100)	SDCI	Building Development	$5,001,662	$5,001,662
Construction and Inspections Fund (48100)	SDCI	Electrical	$546,520	$546,520
Construction and Inspections Fund (48100)	SDCI	Elevator	$751,152	$751,152
Construction and Inspections Fund (48100)	SDCI	Land Use	$381,941	$381,941
Construction and Inspections Fund (48100)	SDCI	Noise	$23,283	$23,283
Construction and Inspections Fund (48100)	SDCI	Other Miscellaneous	$28,135	$28,135
Construction and Inspections Fund (48100)	SDCI	Refrigeration & Furnace	$79,147	$79,147
Construction and Inspections Fund (48100)	SDCI	Signs	$32,391	$32,391
Construction and Inspections Fund (48100)	SDCI	Site Review & Development	$499,907	$499,907
		TOTAL	**$7,598,200**	**$7,598,200**

Revenue/Reimbursement Notes:
These amounts reflect changes in revenue in 2025 and uses the current (2024) fees as a basis for comparison. These changes include a 6.5% inflationary increase, an increase in value-based building development plan review and permit fees, and an increase in permit and inspection certificate fees for boiler, pressure vessel, and elevator equipment. The Executive's proposal is to phase in these inflationary changes at 6.5% in 2025 and 6.5% in 2026.

3.c. Positions

☐ **This legislation adds, changes, or deletes positions.**

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.
No.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.
No.

Please describe any financial costs 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 2025-2026 Proposed Budget. Such reductions would impact the department's ability to perform its permitting and enforcement responsibilities and delay service to customers.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.
Yes. The legislation adjusts fees in Title 22 for the Department of Neighborhoods. Adjustments include an increase in certificate approval fees for designated special review district, Landmark, Landmark District, or historic district and an increase in hourly rate for Public School Advisory Committee and Major Institution Advisory Committee fees, environment reviews, landmark reviews and character structure reviews. Public Health – Seattle & King County are making changes and increases to their gas piping installation fees and inspections services.

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.
No

c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. **How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.** By regularly reviewing fees, SDCI is able to ensure that the fees it sets will appropriately cover the costs of the services it provides. For those groups that were increased above the inflationary adjustment, SDCI took into account that those fees have remained constant for multiple years, only keeping in line with inflation. Additionally, adjusting fees to account for inflation allows SDCI to continue to pay staff at more current wages.

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.

iii. What is the Language Access Plan for any communications to the public?
SDCI regularly publishes the Director's Rules to notify the public of changes on our website and in newsletters.

d. Climate Change Implications

i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.
This legislation is not likely to increase or decrease carbon emissions.

ii. 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.

e. 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)? What mechanisms will be used to measure progress towards meeting those goals?
N/A

5. CHECKLIST

☐ **Is a public hearing required?**

☐ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**

☒ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

6. ATTACHMENTS

Summary Attachments:
Summary Attachment A – SDCI Permit Fees and Charges Proposed for 2025 and 2026