

An aerial, slightly hazy photograph of a city. In the background, a suspension bridge with a tall tower is visible. To the right, a prominent clock tower with a pointed roof stands out. The foreground shows a mix of trees and buildings, with a road or path winding through the lower part of the frame. The overall tone is light and airy.

# Permit Fee Study for Development Services Departments

# Who Provides Development Services?

Departments that review development related permits:

- Building Services
- Planning Services (Current Planning)
- Engineering Services (Developer Services & Construction Management – Private Inspectors)
- Fire (Fire Prevention)
- Economic Development (Historic Preservation and Multi-Family Tax Exemptions)
- Sewer Maintenance (Inspectors)

# Why Study Fees?

- To reduce reliance on the General Fund by justifying cost reallocation & fee adjustments
- To identify the full cost of development permitting services
- To determine the City of Spokane's current cost recovery levels
- To compare the City of Spokane's fees with other jurisdictions

# Development Process Improvements

- Business process evaluation studies
- Investment in online permitting system
- Over the counter plan review process
- Permit intake process
- Adoption of Unified Development Code
- Land Use Procedures update
- Organizational changes
- Future investments

# History of Enterprise Account

- Allocations to date would yield a negative fund balance of just over \$1M
- Current fund balance of \$2.9M is the result of not allocating to the General Fund
- Expected impact on Enterprise Fund balance for Accela expenses is \$2M

# Development Activities – Cost Recovery

<b>Departments Providing Development Services</b>	<b>Current Cost Recovery</b>	<b>Target Cost Recovery</b>
Building Services	86%	100%
Planning Services (Current Planning)	52%	85%
Fire (Fire Prevention)	87%	100%
Engineering Services (Developer Services and Construction Management – Private Inspectors)	78%	84%
Sewer Maintenance (Inspectors)	41%	100%
Economic Development (Historic Preservation and MFTE)	18%	34%

# Development Activities – Revenue Adjustments

	<b>2006 Actual Cost of Services</b>	<b>2006 Actual Fee Revenue</b>	<b>Additional Revenue Required to Achieve Target Cost Recovery</b>	<b>Required Revenue Adjustment</b>
Building Services	\$ 5,041,000	\$ 4,332,000	\$ 908,000	21%
Planning Services	\$ 516,000	\$ 269,000	\$ 170,000	63%
Fire Prevention	\$ 283,000	\$ 246,000	\$ 37,000	15%
Engineering Services	\$ 636,000	\$ 494,000	\$ 43,000	9%
Sewer Maintenance	\$ 153,000	\$ 62,000	\$ 91,000	147%
Economic Development (Historic Preservation & MFTE)	\$ 228,000	\$ 40,500	\$ 37,000	91%
<b>Total</b>	<b>\$ 6,857,000</b>	<b>\$ 5,443,500</b>	<b>\$ 1,286,000</b>	<b>25%</b>

# Permit Fee Adjustments

## **OPTION A**

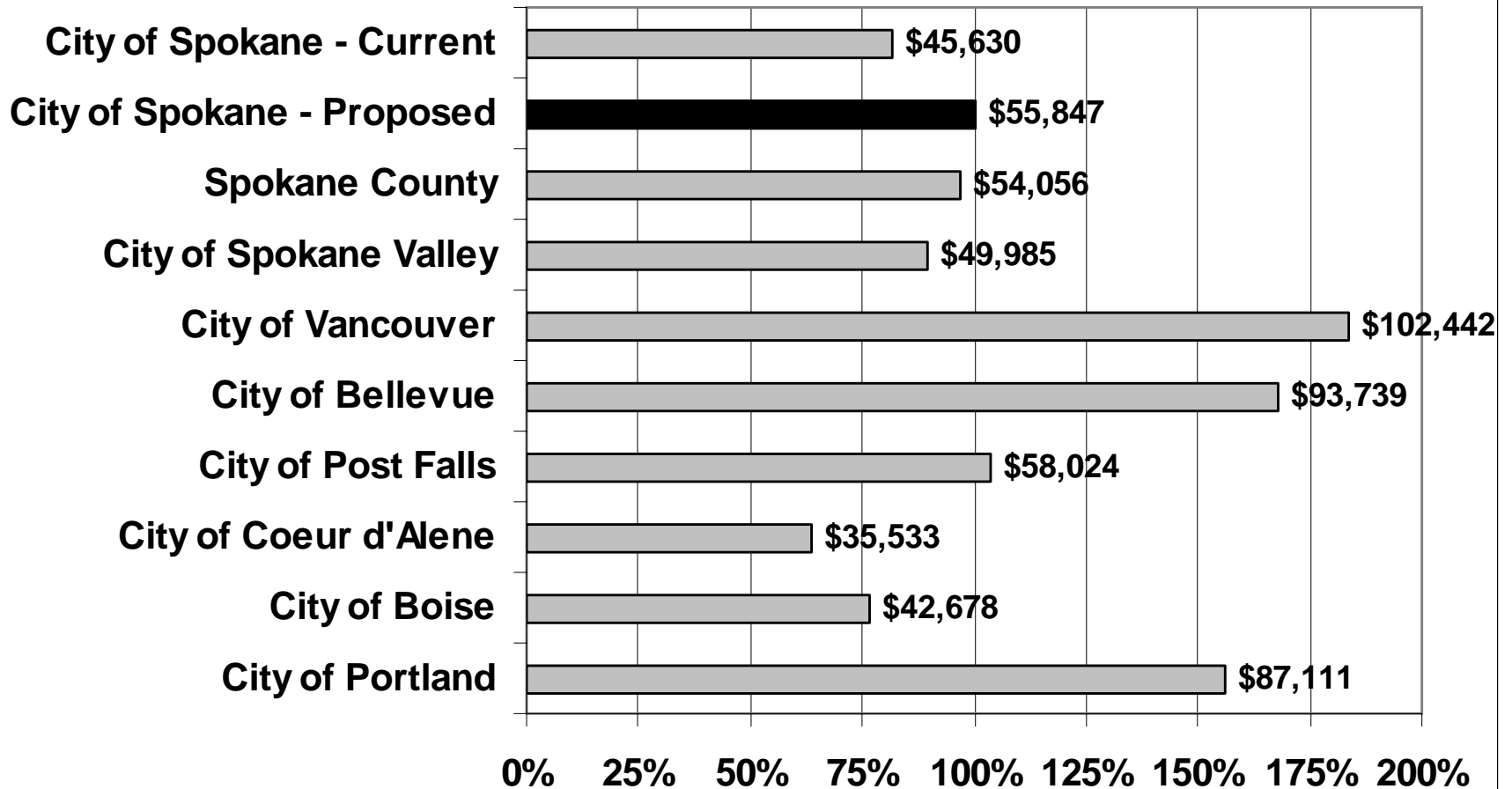
- Uniform percentage increase applied to all fees within a department
- Percentage increase is calculated by comparing the total permitting costs to total fee revenues for a department

# Permit Fee Adjustments

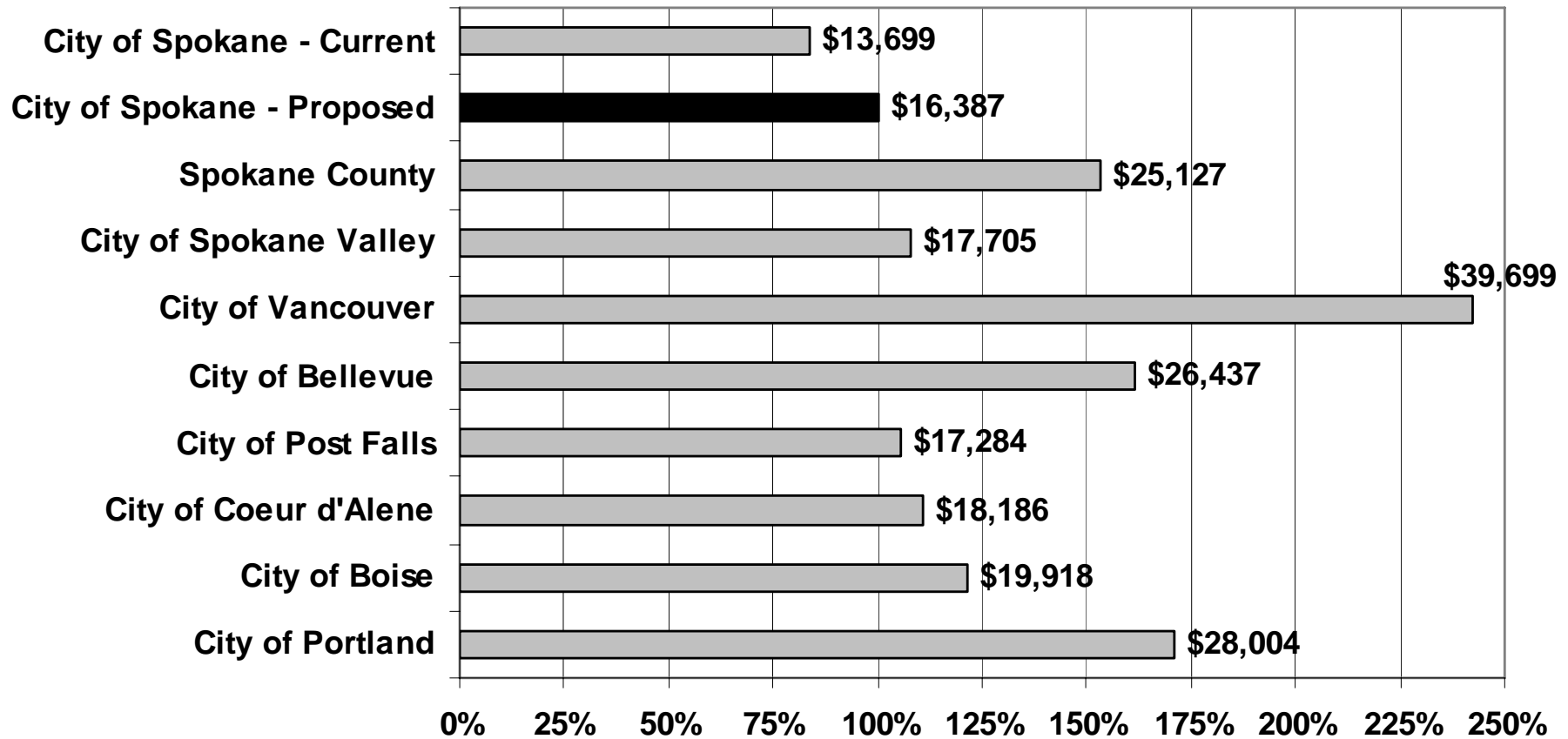
## OPTION B

- Each permit type was individually analyzed by the permitting department. Based on this analysis:
  - Some fee adjustments were made based on staff estimates of the labor to process an individual permit type and the cost of staff's time
  - Some fee adjustments were based on remaining competitive in the region
  - Some fees didn't change
  - Eliminates 16% surcharge on building permits

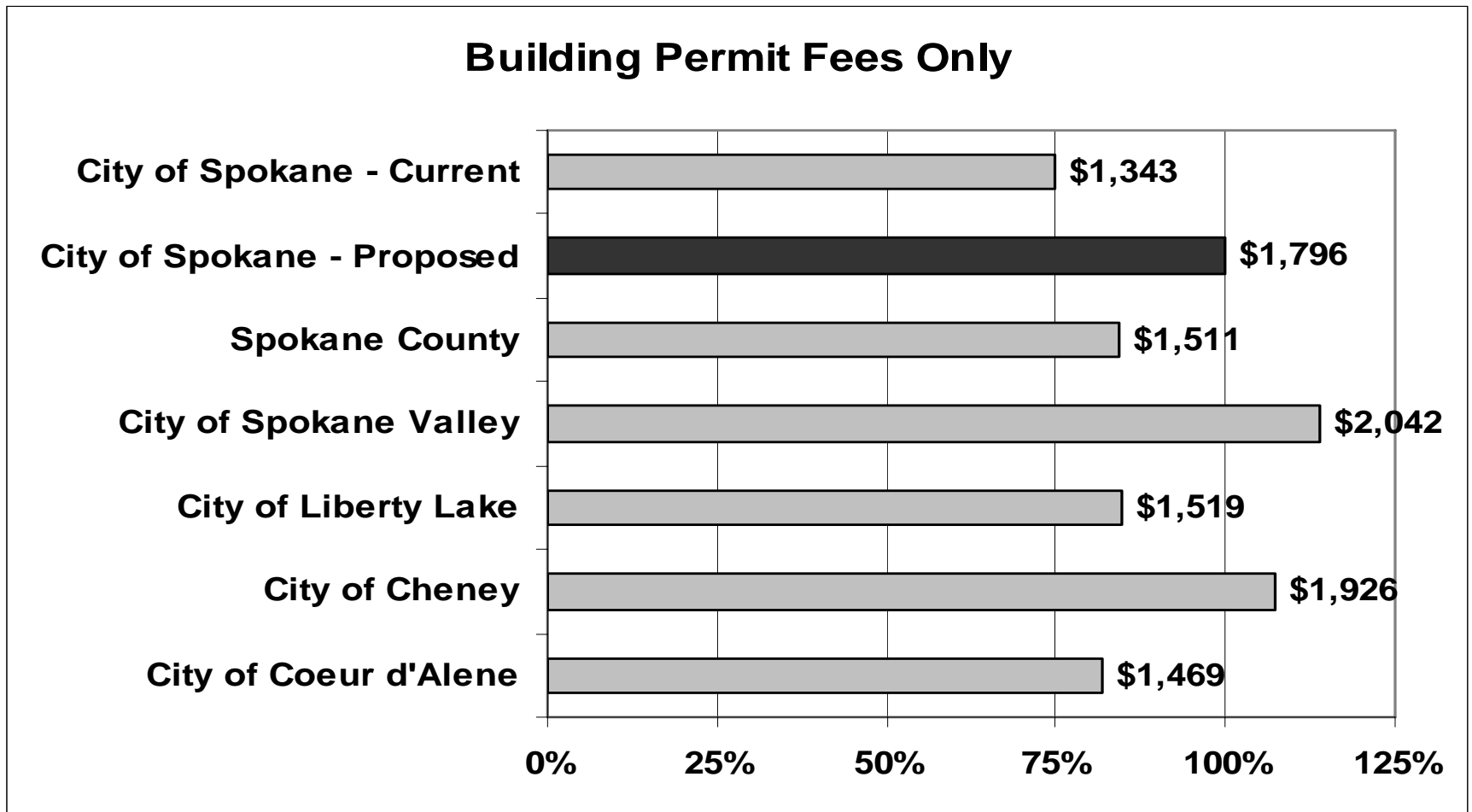
# Fee Comparison: 20-unit Subdivision



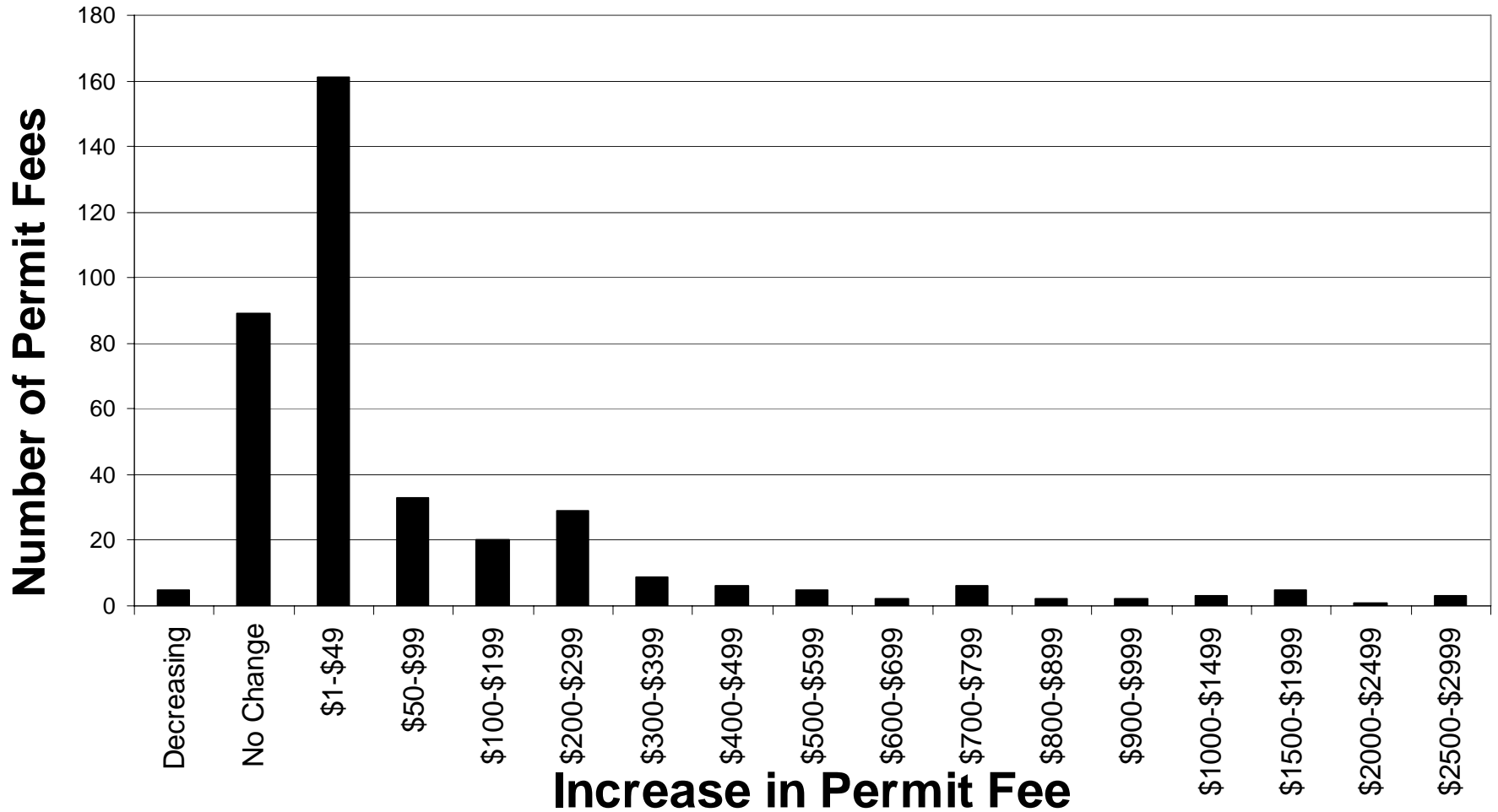
# Fee Comparison: 37,000 sq. ft. Warehouse



# Fee Comparison: 2,000 sq. ft. Single-family Residence



# Distribution of Fee Adjustments

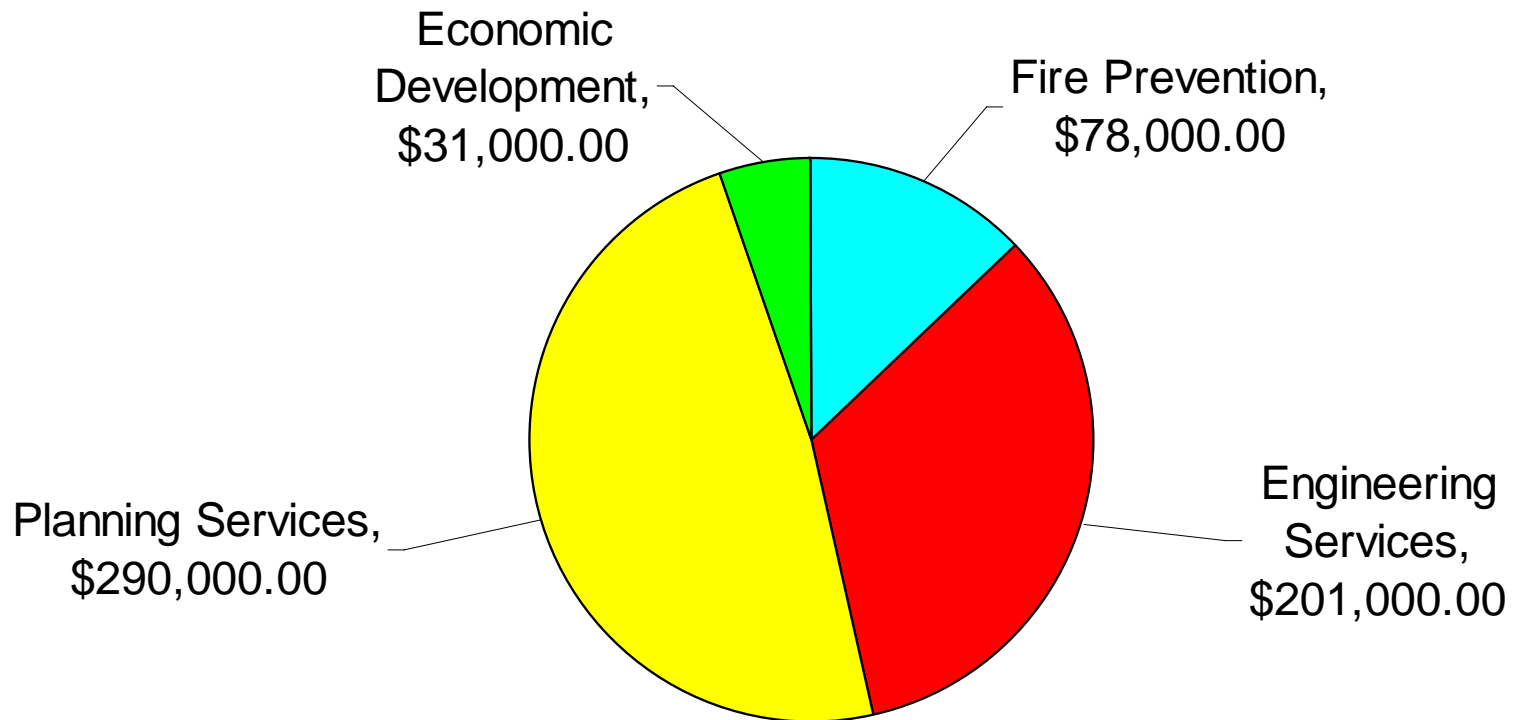


# New Revenue Summary

New Revenue Source	New Revenue Recipient						Total
	Building	Fire	Planning	Eng. Services	Public Works	Econ. Development	
Building fees	\$195,000	\$69,000	\$281,000	\$156,000	\$207,000		\$908,000
Fire fees		\$37,000					\$37,000
Planning fees			\$70,000	\$43,000	\$57,000		\$170,000
Engineering fees				\$43,000			\$43,000
Sewer fees					\$91,000		\$91,000
Economic Development fees						\$37,000	\$37,000
<b>Total</b>	<b>\$195,000</b>	<b>\$106,000</b>	<b>\$351,000</b>	<b>\$242,000</b>	<b>\$355,000</b>	<b>\$37,000</b>	<b>\$ 1,286,000</b>

Yellow shading indicates a general fund department.

# Reduced Reliance on the General Fund After Reallocation



**Total \$600,000**

in an average year

# Approval Timeline

- City Council Study Session – May 8<sup>th</sup>
- City Council 1<sup>st</sup> Reading Target - June 2<sup>nd</sup>
- City Council - June 9<sup>th</sup>
- Effective date – July 21<sup>st</sup>

For more information:

[www.buildingspokane.org](http://www.buildingspokane.org)

# Key Contributors

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- **Economic Development**
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- **Engineering Services**
  - Kris Becker, Sandy Decker
- **Planning Services**
  - Lori Patrick