



**CITY OF SPOKANE**

# **Development Services Center Cost of Service & Fee Analysis**

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## Executive Summary

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In June 2023, the City of Spokane (City) Development Services Center (DSC) engaged FCS to conduct a cost-of-service study for its plan review, inspections, and permit services related to building, current planning, and engineering functions. The City additionally included for review any recoverable fee services from Historic Preservation and Planning Services. The study identifies the labor and non-labor resources that support development permit services. It also establishes the full cost of service and cost recovery level for these services. The technical results of the study provide a rational and defensible foundation for changes to fees that support the City's cost recovery and other development goals.

This study found the following:

- Staff spent 91,889 hours on tasks related to recoverable DSC activities in 2022.
- The cost to deliver permit review services, including direct labor, operating expenses and allocated overhead is projected to total \$10.6 million in 2024 or \$115.26 per hour.
- Overall, based on existing fees, the DSC currently recovers about 64 percent of its costs of operations. The individual DSC programs have the following recovery rates:
  - » DSC Building Program: 74%
  - » DSC Planning Program: 25%
  - » DSC Engineering Program: 58%
- FCS also calculated the full cost recovery fees for individual fees based upon the estimated staff time necessary to review, adjudicate, and approach each individual fee service. The DSC has the ability to adopt increases in fees up to the cost of service for each fee, though it is not recommended that any adopted fee exceeds its individual and division cost of service. The building valuation fees are not reflective of the labor estimates; rather, they are often based on the International Code Council Building Valuation Data.
- The City should be aware that annual revenues can and will vary, sometimes considerably, with ebbs and flows of development activity and general economic conditions. Thus, the City and the DSC should review this study as simply a point-in-time snapshot of the financial performance of the Department.
- The study also included a comparative survey of current DSC fees to neighboring communities as seen in **Appendix D**. It should be noted that the identified fees for these other communities may or may not be at the cost of service and may or may not have been recently increased for cost inflation. This comparative survey should be reviewed as a point-in-time snapshot only.
- Additionally, the study included an in-depth analysis of the concept of a technology surcharge, practices of other organizations, estimated revenues to the City should it establish a surcharge at various levels, and issues that the City may consider should it wish to implement a surcharge in the future. The analysis compared scenarios from City's top three selected contractors.

FCS collaborated with Exigy Consulting to include stakeholder engagement, staffing analysis, and a review of best practices in business processes, fee structures, and development incentives. Exigy's findings are detailed in **Appendices F, G, H and I**.

Going forward, the City and DSC should annually adjust all Department fees by a weighted application of labor, benefits, and general cost inflation as each of these cost centers can rise at different rates. For example, labor cost inflation could be indexed to increases in the City's salary adjustments as determined through its labor contracts, while general cost inflation would be used based on anticipated increases for typical City costs such as IT / software consultants, vehicles, office supplies, etc.

## Introduction

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In June 2023, the Development Services Center (DSC) of the City of Spokane (City), initiated a cost-of-service study for its development-related permit fees with FCS. The cost-of-service study from FCS identifies the labor and non-labor resources that support development fee-related services. It also establishes the full cost of service and cost recovery level for these services. The technical results of the study provide a rational and defensible foundation for changes to fees that support the DSC's cost recovery and other development goals. The calculated fees should be reviewed as one data point for reference when setting fees. Other reference points may include what other neighboring communities charge for similar services as well as the importance of price-based incentive for compliance with City policies and objectives.

The approach used to conduct the study included:

- Working with DSC management and staff who are involved with fee (e.g., permit inspections, plan review, and public information) and non-fee related services (e.g., code enforcement, long range planning, code & policy development) for the building, current planning, and engineering programs of the DSC.
- Working with City staff who are involved with fee and non-fee related services for Historic Preservation and Planning Services.
- Analyzing historical and budgeted financial documents and data associated with development related services and fees such as the City of Spokane 2023 adopted budget.
- Working with DSC staff to analyze the existing fees and to estimate the direct labor time needed to provide each permit service.
- Reviewing the direct and indirect labor estimates, non-labor and overhead cost allocations, and historical permit volumes and revenue data.
- Reviewing the cost of service and cost recovery for each service fee with DSC staff.

The process used for collecting and analyzing the data required active participation by DSC staff. We want to take the opportunity to recognize the time, participation, and effort the DSC project team devoted to the study.

## Development Services Background

DSC provides building, planning, and engineering permits for proposed construction and development activities, as well as permits and services including land use, obstruction permits / special events, and certifications for certain trades for the City. Approval of the permit process ensures that development within the City aligns with local, regional, and state plans, rules, and regulations. These services also ensure that public infrastructure is available to support development.

Permitting services are supported by fees paid by permit applicants. DSC has a goal of 100 percent full cost recovery. The DSC is a department of the Community & Economic Development (CED) Division. Economic development activities are provided largely through Planning Services and were considered for cost recovery eligibility. **Appendices J & K** details the DSC and CED organizational charts respectively.

## Cost Basis for Development Fees

Development permit fees are regulated by the State of Washington through RCW 82.20.020 which states that a city may “collect reasonable fees from an applicant for a permit or other governmental approval to cover the cost...of processing applications, inspecting and reviewing plans, or preparing detailed statements [related to SEPA reviews]”. The cost basis for fees reviewed in the study is primarily supported by actual financial activity in 2022 related to labor and non-labor expenses for the building, current planning, and engineering programs, as well as expenses for City staff that support development services including Historic Preservation and Planning Services. The study also relies on the following regulatory and industry publications to establish a cost basis for fees:

- “Performance Audit Report of Eight Counties’ Building Permit and Inspection Fees” by Washington State Auditor. Report No. 1002634. Published December 29, 2009.
- International Conference of Building Officials Uniform Building Code.
- International Conference of Building Officials Uniform Administrative Code.

## Determining Recoverable Costs

As stated above, determining the recoverability of costs related to development permit services is governed by RCW 82.02.020, and reinforced through case law and opinions from the Washington State Attorney General. For example, the following precedence provides guidance on the recoverability of development related costs.

**Programs for broad social benefits.** The Washington State Supreme Court (WSSC) has drawn a bright line on the permissibility of using fee revenues to fund programs that have a broad social benefit. Prior to the designing of fees, the City must first clearly define the primary purpose of its social equity program or policy. This test is used to determine whether a program is regulatory in nature, and thus funded by a fee, or if it is for the greater public good, and thus funded with a tax. Local governments cannot establish a tax, the power of taxation is granted to local governments only by the State Constitution or the State Legislature. The WSSC defines taxes as “burdens or charges imposed by the legislative authority on persons or property, to raise money for public purposes”. [*Spokane v Spokane Police Guild*].

**Properly defining the nature of the City’s social equity program is important.** For example, in *San Telmo Assoc v Seattle*, the Supreme Court held that requiring a developer to fund housing for low-income residents displaced by the development is a tax rather than a regulatory fee as the City’s ordinance merely raised revenues to fund the public responsibility of providing such housing. This same concept is reiterated in *WA State Attorney General Opinion 1988, No.7*, where the Attorney General advised that if a fee is designed to raise revenue in excess of the regulatory program’s actual costs, then the government’s statutory authority is exceeded, and the charge is therefore an improper form of taxation.

**Using development service fees to recover the costs associated with policy making is not permissible.** In *Tiger Mountain LLC vs King County*, the Snohomish County Superior Court found the cost of long-range planning, including policy making and adoption of the comprehensive plan was not permissible to be recovered from development services permitting fees: “Regulatory fees charged by DDES may not include costs arising from the legislative or judicial functions of government, or any executive functions of government which are not related to or facilitate the County’s permitting program.”

However, the City may adjust its development fees in response to regulatory changes resulting from updates to the comprehensive plan. For example, if the City were to require an additional regulatory process (e.g., design

review) for new construction as part of an update to the comprehensive plan, fee services affected by this new regulation may be adjusted to reflect the additional staff time required.

Finally, and alternatively, if a portion of the comprehensive plan update is allocable to utilities, then this cost could be considered a part of the utility cost of service and potentially recoverable from utility fees.

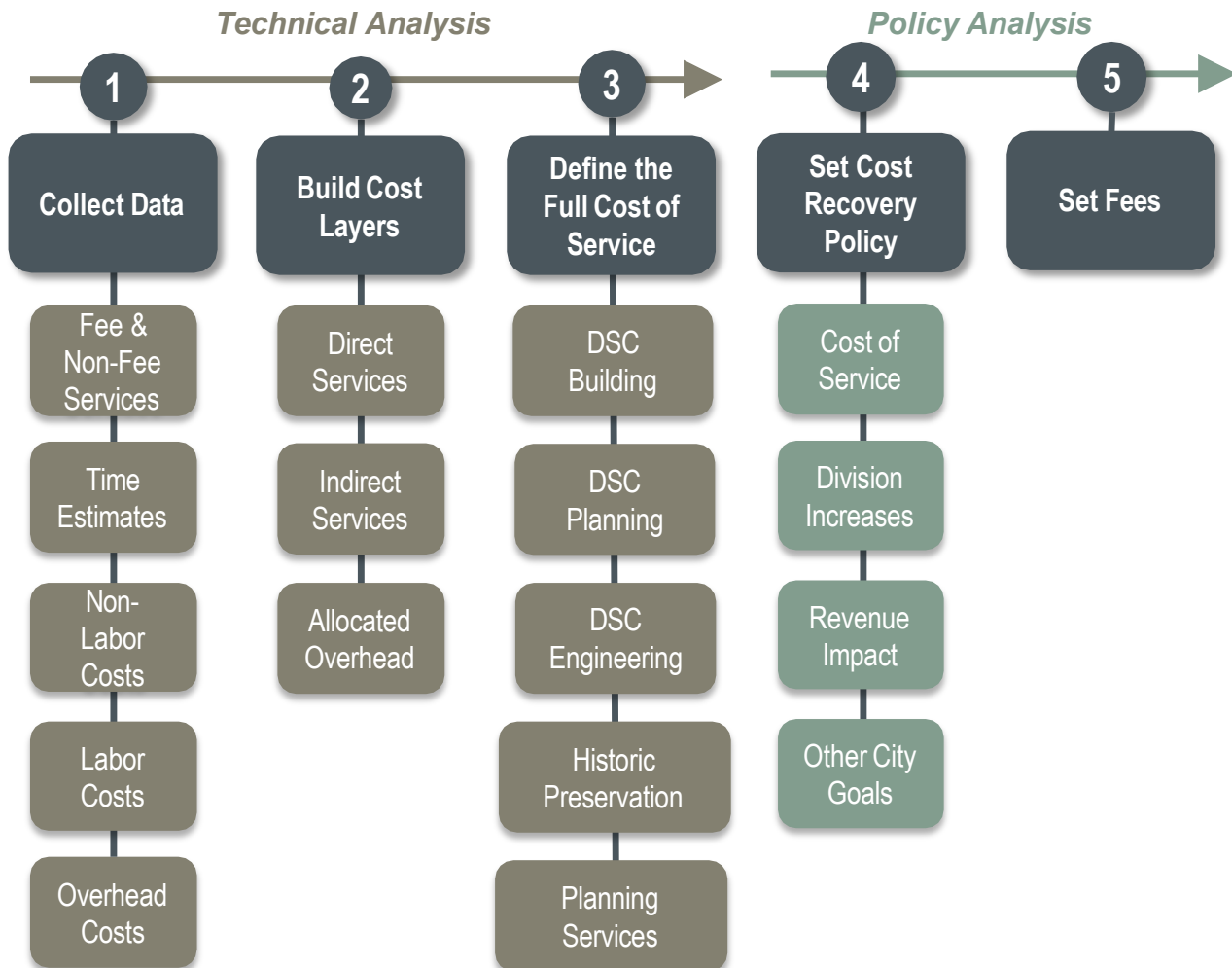
## Study Framework

The methodology for this cost-of-service study was prepared consistently with the aforementioned guiding principles, precedents, and legal opinions.

## Methodology

To determine the cost-of-service and the appropriate fees, a defined task plan was followed as outlined below in **Exhibit 1**. The methodology identifies both the labor and non-labor resources that are required to perform the services, activities and analyzes the cost-of-service for each of the fee and non-fee permit services performed by City staff. The analysis provides the City's elected officials, management, and City staff with the cost basis for its services and fees.

**Exhibit 1. Cost of Service Methodology**



The following sections summarize the assumptions and methodology that support each step in the cost-of-service analysis.

### Step 1: Collect Data

#### Identify Fee and Non-Fee Permit Services

The first part of the study process identifies the DSC permit services to be evaluated for the building, planning, and engineering programs. The City also identified portions of time from Historic Preservation and Planning

Services to be included in the analysis. In addition to establishing the framework for the study, this step also provides the opportunity to review and identify potential efficiencies and/or consolidations in the fee schedule. Based on their recommendations, select fees were eliminated, created, or consolidated.

### Identify Staff Time Requirements for Services

With the permit service fees identified, the data collection effort focuses on financial and time data from all staff involved in processing fees. City staff provided two sets of timekeeping records for each staff member for 2022. The first data set included total work hours, leave hours, and paid hours for each role. The second data set provided detailed work hours by task for each role. These two data sets were used as the basis for establishing the total number of annual work hours available and the distribution of work hours by fee. The detailed work hours by task were bucketed into the following three categories:

- **Direct Services** – Services provided as the result of a project, permit application, or specific related activity and that are often tied to a specific fee (e.g. plan review). These services were allocated based on the time spent processing permits for DSC’s building, current planning, and engineering programs, as well as portions of Historic Preservation and Planning Services.  
Direct services also include services provided directly for or to the public that are not fee-related (e.g., code enforcement and planning services). Non-fee related areas are ineligible for cost of service recovery. It is of note that only a small portion of Planning Services contributed to direct fee-related services.
- **Indirect Services** – Services that cannot be assigned to a specific project, application, or activity (e.g. front counter customer service, administrative duties, and annual leave). Staff time assigned to indirect services is then allocated between fee and non-fee permit services based on the proportion of direct service hours assigned to fee and non-fee permit services. City staff reviewed the work activities in 2022, and the following activities were assigned as indirect services:
  - » Public Information and Customer Service – Time spent assisting customers and the public with information and questions about permit service fees.
  - » Management and Administrative Duties – Time spent on general office tasks, such as organizational management, supervision, internal meetings/calls/e-mails, filing, and other miscellaneous activities in support of processing permits.
  - » Training and Certification – Time spent for continued professional education and maintaining currency with laws and regulations.
- **Overhead Services** – Department and Citywide general management and administrative time.
  - » The DSC’s overhead expenses include the labor and non-labor expenses for the administrative / overhead cost center that is not specifically assigned to a direct service program. Administrative overhead expenses are allocated across DSC’s building, planning, and engineering programs in different ways depending on the expense. Examples of allocation include being based on the revenue of the DSC program, the spread of DSC FTEs, or by assigning an individual department directly.

The combined annual work hours for direct services, indirect services, and overhead services for each employee in 2022 were then compared to and reconciled with the timekeeping data for each employee’s reported work hours for the year. A summary of direct service hours that support fee and non-fee permit services is outlined in **Exhibit 2**.

| Program                                             |                       |                |                   |                |                       |                   |        |
|-----------------------------------------------------|-----------------------|----------------|-------------------|----------------|-----------------------|-------------------|--------|
| Direct Service Hours by Fee Category and by Program |                       | DSC - Building | DSC - Engineering | DSC - Planning | Historic Preservation | Planning Services | Total  |
| Category                                            | DSC - Building        | 64,748         | -                 | -              | -                     | 369               | 65,117 |
|                                                     | DSC - Engineering     | 3,075          | 11,757            | 277            | -                     | -                 | 15,108 |
|                                                     | DSC - Planning        | -              | -                 | 6,328          | -                     | 2,793             | 9,121  |
|                                                     | Historic Preservation | -              | -                 | -              | 646                   | 185               | 831    |
|                                                     | Planning Services     | -              | -                 | -              | -                     | 1,711             | 1,711  |
| Total Direct Service Fee Hours                      |                       | 67,823         | 11,757            | 6,605          | 646                   | 5,058             | 91,889 |
| Category                                            | DSC - Building        | 4,706          | -                 | -              | -                     | -                 | 4,706  |
|                                                     | DSC - Engineering     | -              | -                 | -              | -                     | -                 | -      |
|                                                     | DSC - Planning        | -              | -                 | -              | -                     | -                 | -      |
|                                                     | Historic Preservation | -              | -                 | -              | 2,826                 | -                 | 2,826  |
|                                                     | Planning Services     | -              | -                 | -              | -                     | 25,760            | 25,760 |
| Total Direct Service Non-Fee Hours                  |                       | 4,706          | -                 | -              | 2,826                 | 25,760            | 33,291 |

City staff identified the time required to process permit applications. The time estimates varied by the permit service and by position classification. City staff met several times to discuss and refine the estimates for each permit service.

The next stage in the process is to develop an analytical model for calculating the costs related to each fee category.

To build the labor cost layer, the staff time allocations for each activity (i.e. direct, indirect, and overhead) were multiplied by each staff member's loaded hourly rate. The loaded hourly rate for one staff member equals the person's annual salary and benefits divided by the available work hours (i.e. total annual hours minus leave) in 2022.

Overhead labor expenses for the administration / overhead program are allocated to each development service category in proportion to FTEs: DSC building (78 percent), DSC planning (14 percent), and DSC engineering (8 percent). The overhead labor costs include positions as part of the DSC administration program (#30210) such as various clerks, director, and building official.

After the labor costs for each staff member and each service were calculated, the non-labor costs were analyzed. The City accounts for non-labor costs for the DSC building, planning, and engineering programs, as well as Historic Preservation, and Planning Services separately. Each non-labor account was analyzed and reviewed with City staff to determine the appropriate allocation.



### *DSC Building Program*

As identified by staff time, all building cost center non-labor costs support permit review and inspection services (e.g., travel, training, and dues) and are allocated to permit fee and non-fee services in proportion to reported direct service hours. Cost centers included as a part of building non-labor costs were DSC Boilers and Elevators (#41450), Boilers (#41460), Elevators (#41465), and a significant portion of the DSC Building Permitting (#41100).

### *DSC Planning Program*

As identified by staff time, the majority of DSC planning's non-labor costs are available for recovery through fees. Non-labor expenses include training, supplies, advertising, membership dues, and contractual services programs included as a part of planning non-labor costs were the DSC Plan Review (#41400), and a portion of the DSC Building Permitting (#41100).

It is noted that the DSC Planning section operates separately from Planning Services, and largely handles development responsibilities not related to comprehensive city planning.

### *DSC Engineering Program*

The DSC engineering program's non-labor costs are allocated to permit fee and non-fee services in proportion to reported direct service hours. The only non-labor expense programs identified for inclusion were DSC Public Works Inspectors (#41440), and a portion of the DSC Building Permitting (41100).

### *Historic Preservation*

The Historic Preservation office

Historic Preservations non-labor costs are allocated to permit fee and non-fee services in proportion to reported direct service hours. The program included as a part of historic preservation non-labor costs was listed under Historic Preservation (#53610).

### *Planning Services*

Planning Service's non-labor costs are allocated to permit fee and non-fee services in proportion to reported direct service hours. The program included as a part of planning's non-labor costs was listed under Planning & Development (#51100).

### Department Overhead Non-Labor

DSC's overhead non-labor expenses for the administration / overhead program are allocated to each development service category in proportion to FTEs: DSC building (78 percent), DSC planning (14 percent), and DSC engineering (8 percent). The overhead non-labor costs include expenses such as materials and services, interfund costs, and contractual services as part of the DSC administration department (#30210).

## Step 3: Define the Full Cost of Service

The cost of service was calculated for the DSC building, planning, and engineering programs, in addition to the development recoverable relevant portions of Historic Preservation and Planning Services. The cost of service was also calculated for individual permit fee services within each of these departments for select fees at the request of the City.

### Cost of Service by Development Service Category

After establishing the different cost layers, the full cost of service was calculated for DSC’s building, planning, and engineering programs, as well as portions of Historic Preservation and Planning Services. The study primarily focuses on DSC programs in building, planning, and engineering. Planning Services offers development-related services that are largely non-recoverable through fees. Historic Preservation was also included to assess recoverable costs related to development services, though individual fees were not adjusted in this study.

The full cost of service includes labor and non-labor costs for direct permit fee services as well as the allocated share of indirect service and overhead expenses.

The cost-of-service analysis was also compared to the 2023 actual expenses for each DSC program. FCS coordinated with City staff to identify potential reasons for differences in the cost of service and how costs have historically been allocated across the DSC.

### Cost of Service by Individual Permit Service Fee

Fully loaded hourly rates were calculated for each City staff member. Fully loaded hourly rates differ from the loaded hourly rates as defined:

- **Loaded hourly rates** divide a staff member’s annual salaries and benefit costs by available work hours.
- **Fully loaded hourly rates** divide a staff member’s annual salaries and benefit costs plus a proportionate share of non-labor and overhead expenses by available work hours.

The methodology for each of these components making up the fully loaded hourly rate is outlined in **Exhibit 3**. The fully loaded hourly rates were then applied to the time estimates provided by City staff to perform individual fee services to determine the cost of service for each fee service.

**Exhibit 3. Fully-Loaded Hourly Rate Components**

|                         | Labor                                                                                                                             | Non-Labor                                                                                                                                     |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Direct Service</b>   | Based on the direct recoverable portion of employee’s total salary and benefits divided by annual work hours for staff time       | Based on direct service costs allocated to the permit fee category divided by direct service fee hours within the permit fee category         |
| <b>Indirect Service</b> | Based on the indirect recoverable portion of employee’s total salary and benefits divided by annual work hours for staff time     | Based on indirect service non-labor costs allocated to the permit fee category divided by direct service hours within the permit fee category |
| <b>Overhead Service</b> | Based on overhead labor costs allocated to the permit fee category divided by direct service hours within the permit fee category | Based on overhead non-labor costs allocated to the permit fee category divided by direct service hours within the permit fee category         |

**Exhibit 4** details the department-wide fully-loaded hourly rate calculation. In this example, direct labor expenses are based on staff member’s annual salary and benefit costs divided by available work hours (\$66.60 per hour).

Direct service non-labor (\$6.59 per hour), indirect service labor (\$14.15 per hour), indirect service non-labor (\$1.24), overhead labor (\$8.42 per hour), and overhead non-labor (\$18.26 per hour) rates are then layered on top of the loaded hourly rate to generate the fully loaded hourly rate (\$115.26 per hour).

#### Exhibit 4. DSC Department-Wide Fully-Loaded Hourly Rate

| Component                  | Allocated Cost       | Divided by                         | Hourly Rate      |
|----------------------------|----------------------|------------------------------------|------------------|
| Direct Service Labor       | \$ 6,119,890         | 91,889 direct service hours        | \$ 66.60         |
| Direct Service Non-Labor   | 605,294              | 91,889 direct service hours        | 6.59             |
| Indirect Service Labor     | 1,300,302            | 91,889 direct service hours        | 14.15            |
| Indirect Service Non-Labor | 113,923              | 91,889 direct service hours        | 1.24             |
| Overhead Labor             | 773,568              | 91,889 direct service hours        | 8.42             |
| Overhead Non-Labor         | 1,677,969            | 91,889 direct service hours        | 18.26            |
| <b>Total</b>               | <b>\$ 10,590,946</b> | <b>91,889 direct service hours</b> | <b>\$ 115.26</b> |

Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

### Step 4: Set Cost Recovery Policy

Once the full cost of service is identified and the fully loaded hourly rates are established, the next step is to identify the cost recovery levels and to establish cost recovery objectives. Overall cost recovery levels for development services were determined by comparing each fee category's total cost of service to the forecast permit fee revenue in 2024. Cost recovery levels for individual fees were also determined by comparing the costs of the various services to the individual fees charged (e.g. percentage of full costs compared to revenue generated). Each fee category's cost of service provides a general cost estimate, and the cost recovery levels might also be affected by these estimates. When services cost more than the revenue generated, funding from the General Fund or other funds is needed to cover the gap between costs and revenues.

Cost recovery objectives can be based on a variety of factors, including the public versus private benefit provided by the service. For this reason, the target cost recovery policy for a fee service is a decision generally made by City Council. If a permit has a public benefit, it might be more appropriately supported by the General Fund. Conversely, if a permit has mostly private benefits, it might be more appropriately supported 100 percent by fees. Permits and applications that have a mix of public and private benefits might be supported by a combination of fees and the General Fund.

### Step 5: Set Fees

The final step of the cost of service and fee analysis was to calculate the cost of service of individual fees and potential revenues. The cost of service is calculated based on time estimates provided by City staff on length of time needed to complete a permit. Often, time is collected based on position, before being averaged across the number of employees responsible. By multiplying the time estimates by the fully-loaded hourly rate (as detailed in **Exhibit 5**), the cost of service for an individual fee can be determined. The hourly rates used in the calculations of the respective cost of service for each program are listed in **Exhibit 5**.

**Exhibit 5. Program Fully-Loaded Hourly Rate**

| Program               | Allocated Cost       | Divided by                         | Hourly Rate      |
|-----------------------|----------------------|------------------------------------|------------------|
| DSC Building          | \$ 7,420,696         | 65,117 direct service hours        | \$ 113.96        |
| DSC Planning          | 1,205,005            | 9,121 direct service hours         | 132.11           |
| DSC Engineering       | 1,744,965            | 15,108 direct service hours        | 115.50           |
| Historic Preservation | 72,065               | 831 direct service hours           | 86.71            |
| Planning Services     | 148,216              | 1,711 direct service hours         | 86.60            |
| <b>Total</b>          | <b>\$ 10,590,946</b> | <b>91,889 direct service hours</b> | <b>\$ 115.26</b> |

Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

## Cost of Service and Cost Recovery

Based on the methodology described in the previous section, the estimated 2024 full cost of service and cost recovery levels were calculated for DSC building, planning, and engineering programs, as well as Historic Preservation, and Planning Services. Combined, the recoverable portion of these services total an estimated \$10,590,946 as shown in **Exhibit 6**.

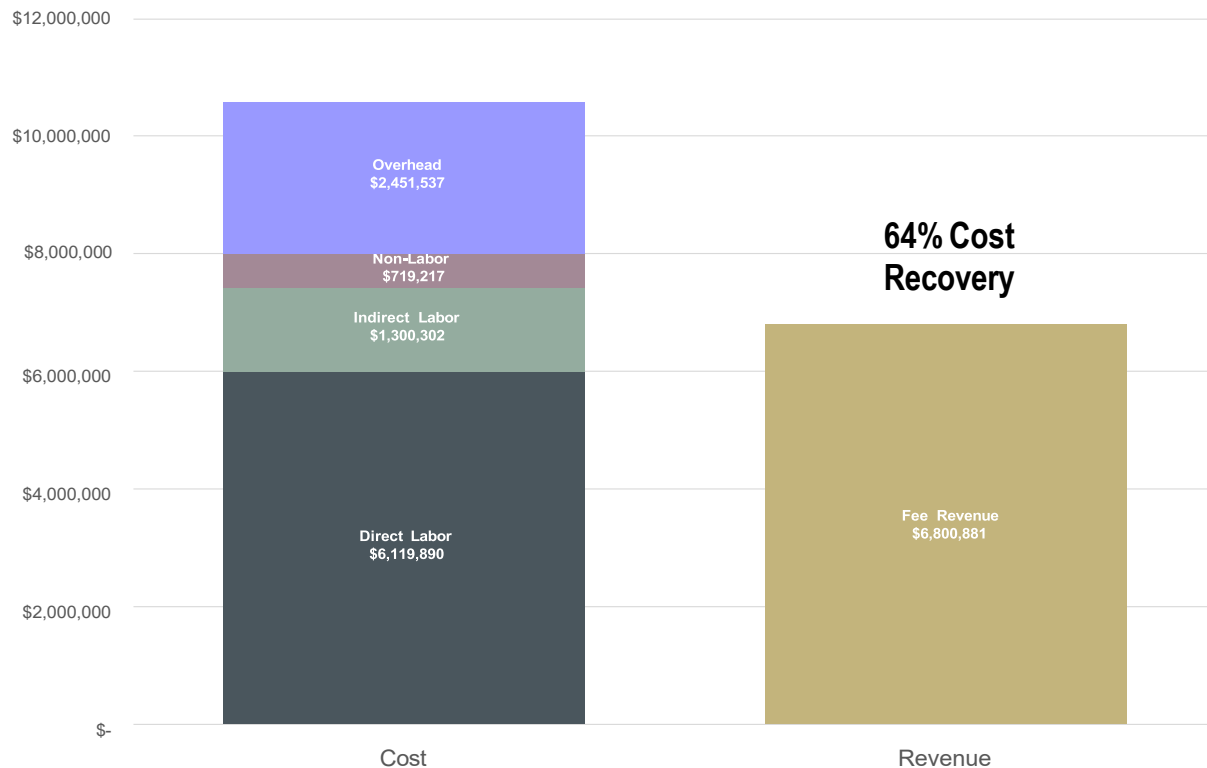
Direct services were about 63.5 percent of the full cost of service, while indirect services were 13.5 percent of the full cost of service. Department overhead costs represented the remaining 23 percent of the full cost of service.

**Exhibit 6. 2024 Full Cost of Service for Development Services Center**

| Department Cost of Service       | Full Cost of Service |                     |                     | Rate Components |                 |                  | Direct Hours  |
|----------------------------------|----------------------|---------------------|---------------------|-----------------|-----------------|------------------|---------------|
|                                  | Labor                | Non-Labor           | Total               | Labor           | Non-Labor       | Total            |               |
| Direct Services                  | \$ 6,119,890         | \$ 605,294          | \$ 6,725,184        | \$ 66.60        | \$ 6.59         | \$ 73.19         | 91,889        |
| Indirect Services                | 1,300,302            | 113,923             | 1,414,225           | 14.15           | 1.24            | 15.39            | 91,889        |
| Overhead Services                | 773,568              | 1,677,969           | 2,451,537           | 8.42            | 18.26           | 26.68            | 91,889        |
| <b>Total Direct Fee Services</b> | <b>\$ 8,193,760</b>  | <b>\$ 2,397,186</b> | <b>\$10,590,946</b> | <b>\$ 89.17</b> | <b>\$ 26.09</b> | <b>\$ 115.26</b> | <b>91,889</b> |

The analysis shows the cost of service at both the at the department permit service level and individual service level. **Exhibit 7** details the total recoverable expenses for the entirety of the DSC, as well as the recoverable portions of Historic Preservation and Planning Services. The result was a department-wide cost recovery level of 64 percent. The total cost of recovery for development fees is based only on permit fees (excluding non-permit revenue, any form of inter-governmental subsidies) and top-step employment levels. The recovery percentage represents what the department is charging compared to the overall 100% fee recovery.

### Exhibit 7. 2024 Full Cost of Service for Development Services Center



Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

A cost recovery of 64 percent means that fees must be adjusted to reach full cost recovery by the Department. An across-the-board increase was suggested to be used to increase fees for those that were not adjusted based on individual cost of service methodology.

Individual fee adjustments often followed a tiered approach in anticipation of policy direction. FCS coordinated with City staff to develop the Fee Tool Calculator with “fee tiers”. These policy tiers are general guidelines for establishing cost recovery targets for individual fee services. These tiers are designed to provide a rational and consistent pricing approach for services that balance full cost recovery and other program goals such as affordability and accessibility on a fee-by-fee basis. The definitions and cost recovery levels for each of these tiers was based on discussions with City staff and was additionally influenced by the cost recovery structures and policies used by comparable jurisdictions. The five policy tiers are designed to account for the City’s goals to achieve financial sustainability as well as to promote affordability and accessibility within the final fees approved. The five tiers are defined as follows:

- **COSA:** 100 percent of the total cost of service.
- **Tier 0:** No change from the current adopted fee.
- **Tier 1:** 70 percent of the total cost of service.
- **Tier 2:** 50 percent of the total cost of service.
- **Tier 3:** 30 percent of the total cost of service.

The tier percentages of the total cost of service are applied to the calculated individual permit cost of service as detailed in **Step 5** of the previous section. The final level of adjustment is at the discretion of the City.

## DSC Building

### DSC Building Program-Wide

As shown in **Exhibit 8**, the full cost of DSC building permit fee services is estimated at \$7,420,571.

Within the DSC building fee services, direct services were about 62 percent of the full cost of service, while indirect services were 10 percent of the full cost of service. Department overhead costs represented the remaining 28 percent of the full cost of service.

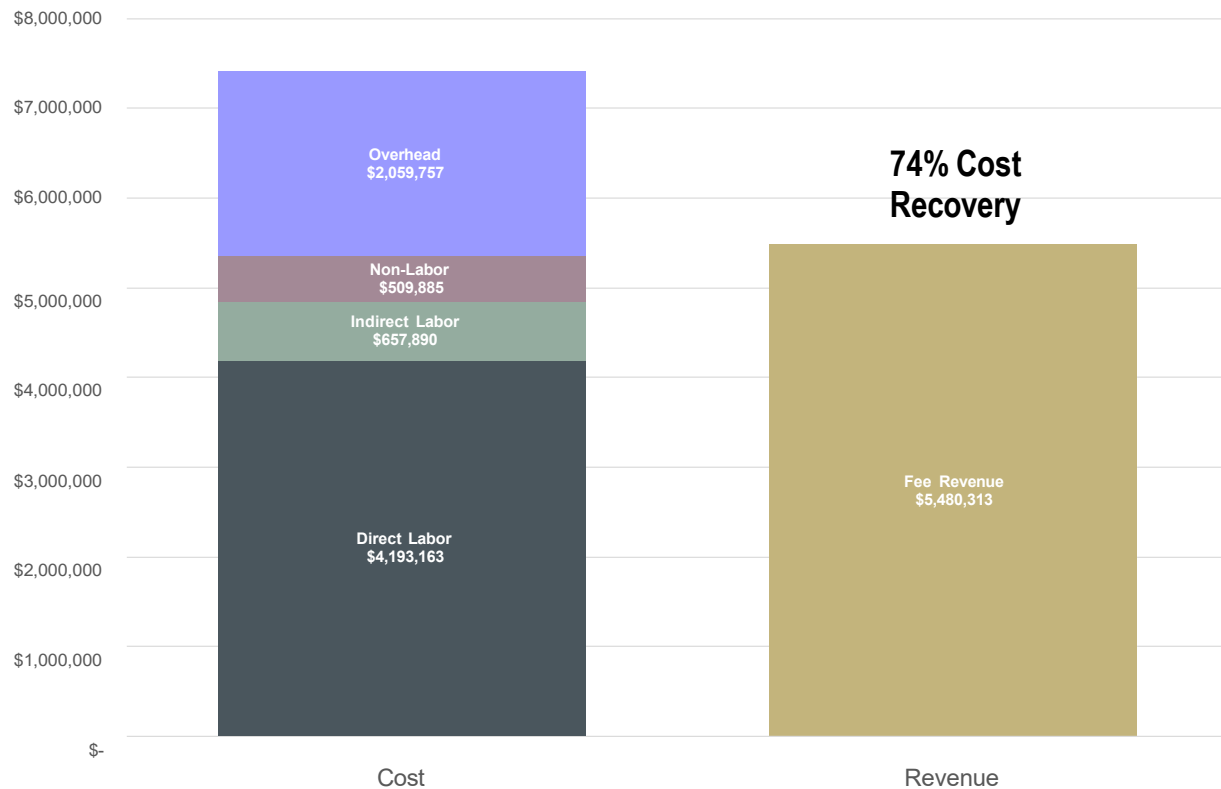
**Exhibit 8. 2024 Full Cost of Service for Building Program**

| DSC - Building Cost of Service   | Full Cost of Service |                     |                     | Rate Components |                 |                  | Direct Hours  |
|----------------------------------|----------------------|---------------------|---------------------|-----------------|-----------------|------------------|---------------|
|                                  | Labor                | Non-Labor           | Total               | Labor           | Non-Labor       | Total            |               |
| Direct Services                  | \$ 4,193,163         | \$ 438,818          | \$ 4,631,981        | \$ 64.39        | \$ 6.74         | \$ 71.13         | 65,117        |
| Indirect Services                | 657,890              | 71,067              | 728,958             | 10.10           | 1.09            | 11.19            | 65,117        |
| Overhead Services                | 766,388              | 1,293,369           | 2,059,757           | 11.77           | 19.86           | 31.63            | 65,117        |
| <b>Total Direct Fee Services</b> | <b>\$ 5,617,441</b>  | <b>\$ 1,803,254</b> | <b>\$ 7,420,696</b> | <b>\$ 86.27</b> | <b>\$ 27.69</b> | <b>\$ 113.96</b> | <b>65,117</b> |

Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

**Exhibit 9** compares the cost-of-service results from **Exhibit 8** with the revenue generated from building permit fee services. Building permit fee revenue in 2024 is forecast to generate \$5,480,313, resulting in an overall cost recovery rate of 74 percent compared to building permit service expenditures.

### Exhibit 9. 2024 Cost Recovery for DSC Building Program



Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

Most revenue from building permits is determined by the value of construction. Periods of relatively strong development and/or major construction projects will result in higher than normal revenue. Conversely, periods of low development will result in lower than normal revenue levels. A single multi-family or commercial construction project will generate substantial permit fee revenue. While major construction projects generate significant permit revenue, they do not occur every year and should not be relied upon as a recurring revenue source to offset the cost of the City's fee services. Analysis on valuation-based fees is documented in the next chapter.

#### Individual DSC Building Program

In addition to the building fee services that are based on construction value, the City also provides building, mechanical, and plumbing permit services that are fixed or assessed on an hourly basis. Based on the selected time estimates for each permit service as well as loaded-hourly rates for each employee, the full cost of service select permit services was calculated. The cost of service for each permit was then assigned a policy fee tier with assistance from the City or increased by an amount that fell below the calculated maximum. The result was the final proposed adjustment for the selected individual building permits.

The estimated time and cost of service for many of these permit services are small relative to valuation-based building permit services. As a result, the cost recovery rate when measured as a percentage for these permit services may suggest significant differences between existing fees and cost of service; however, the actual difference in dollars may be relatively minor.

The current and proposed fee schedule for the City of Spokane DSC building permit fee services is included in **Appendix A**.

## DSC Planning

### DSC Planning Program-Wide

As shown in **Exhibit 10**, the full cost of DSC planning permit fee services is estimated at \$1,205,005.

Within the DSC planning fee services, direct services were about 70 percent of the full cost of service, while indirect services were 19.5 percent of the full cost of service. Department overhead costs represented the remaining 11.5 percent of the full cost of service.

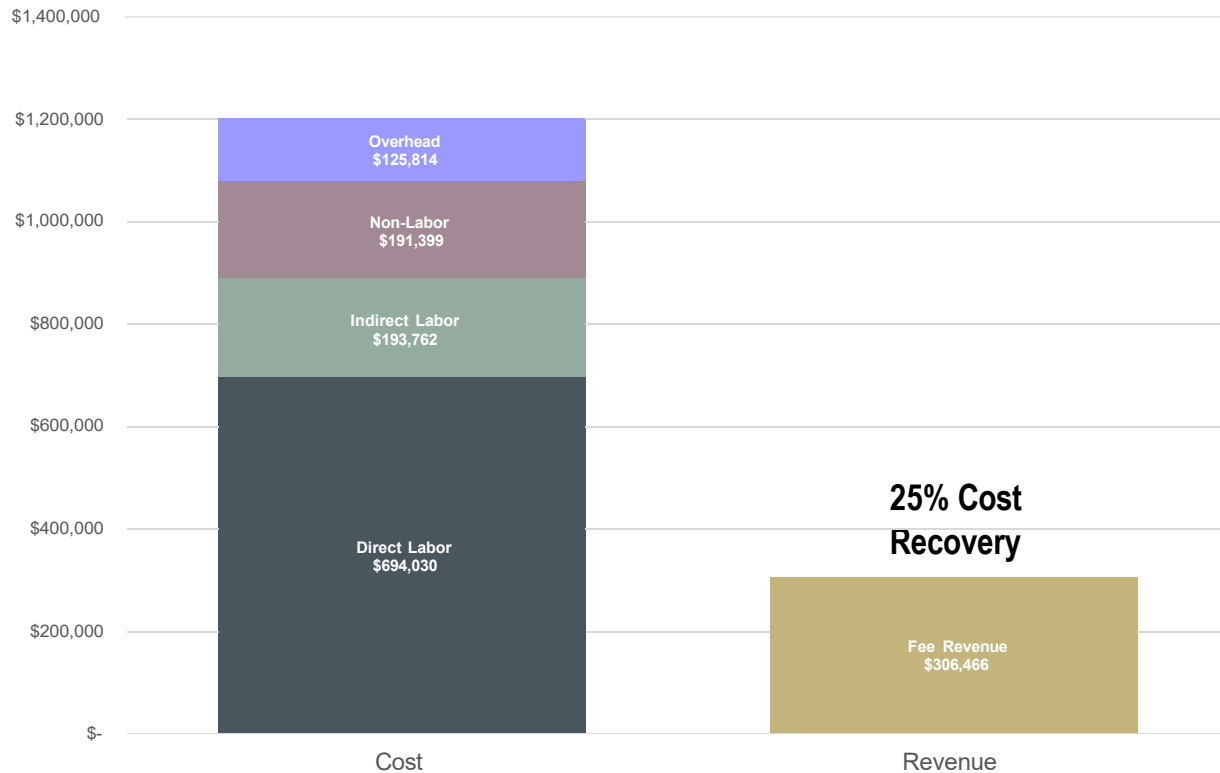
**Exhibit 10. 2024 Full Cost of Service for DSC Planning Program**

| DSC - Planning Cost of Service   | Full Cost of Service |                   |                     | Rate Components |                 |                  | Direct Hours |
|----------------------------------|----------------------|-------------------|---------------------|-----------------|-----------------|------------------|--------------|
|                                  | Labor                | Non-Labor         | Total               | Labor           | Non-Labor       | Total            |              |
| Direct Services                  | \$ 694,030           | \$ 151,076        | \$ 845,105          | \$ 76.09        | \$ 16.56        | \$ 92.65         | 9,121        |
| Indirect Services                | 193,762              | 40,323            | 234,086             | 21.24           | 4.42            | 25.66            | 9,121        |
| Overhead Services                | -                    | 125,814           | 125,814             | -               | 13.79           | 13.79            | 9,121        |
| <b>Total Direct Fee Services</b> | <b>\$ 887,792</b>    | <b>\$ 317,213</b> | <b>\$ 1,205,005</b> | <b>\$ 97.33</b> | <b>\$ 34.78</b> | <b>\$ 132.11</b> | <b>9,121</b> |

Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

**Exhibit 11** compares the cost-of-service results from **Exhibit 10** with the revenue generated from permit fee services. Permit fee revenue in 2024 is forecast to generate \$306,466, resulting in an overall cost recovery rate of 25 percent compared to DSC planning permit service expenditures.

### Exhibit 11. 2024 Cost Recovery for DSC Planning Program



Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

#### Individual DSC Planning Program

The City provides DSC planning permit services that are fixed or assessed on an hourly basis. Based on the identified time estimates for each permit service as well as loaded-hourly rates for each employee, the full cost of service was calculated. The cost of service for the selected permits was then assigned a policy fee tier with assistance from the City or increased by an amount that fell below the calculated maximum. The result was the final proposed adjustment for the selected individual DSC planning permits.

The current and proposed fee schedule for the City of Spokane DSC planning permit fees is included in **Appendix B**.

# DSC Engineering

## DSC Engineering Program-Wide

As shown in **Exhibit 12**, the full cost of DSC engineering permit fee services is estimated at \$1,744,965.

Within the DSC engineering fee services, direct services were about 62 percent of the full cost of service, while indirect services were 25 percent of the full cost of service. Department overhead costs represented the remaining 13 percent of the full cost of service.

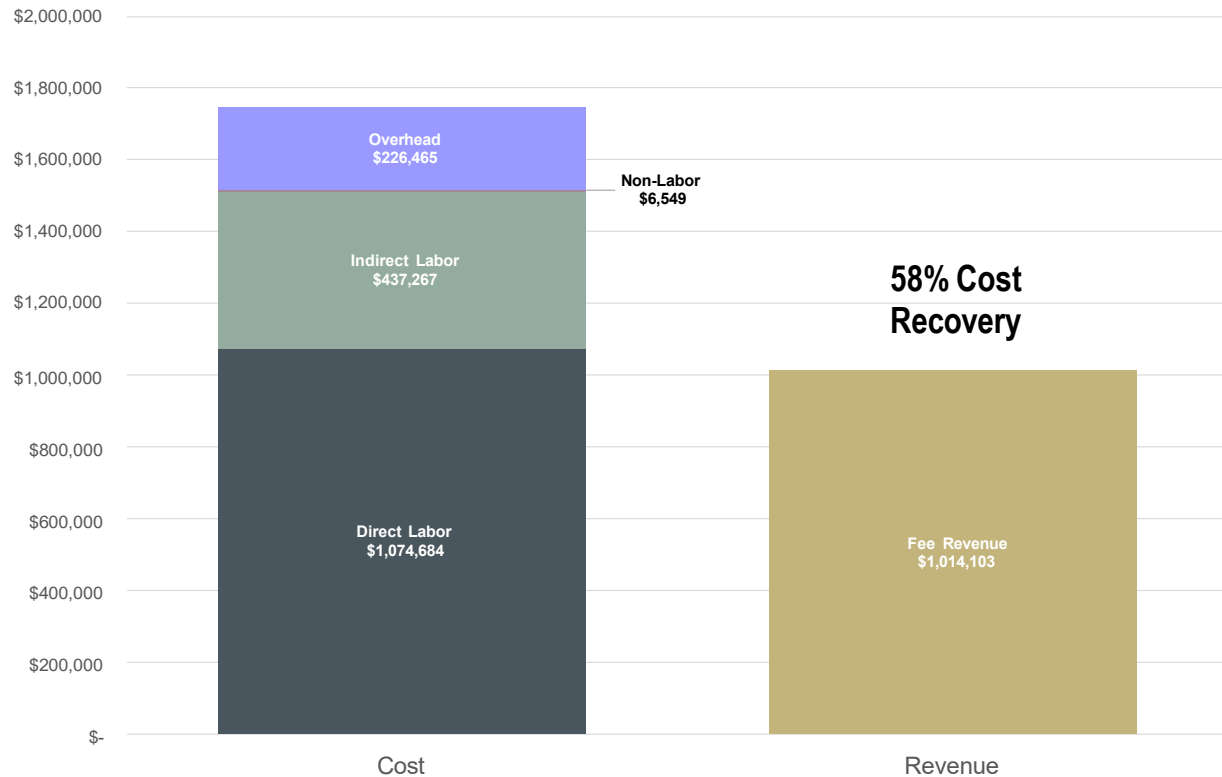
**Exhibit 12. 2024 Full Cost of Service for DSC Engineering Program**

| DSC - Engineering Cost of Service | Full Cost of Service |                   |                     | Rate Components  |                 |                  | Direct Hours  |
|-----------------------------------|----------------------|-------------------|---------------------|------------------|-----------------|------------------|---------------|
|                                   | Labor                | Non-Labor         | Total               | Labor            | Non-Labor       | Total            |               |
| Direct Services                   | \$ 1,074,684         | \$ 4,708          | \$ 1,079,392        | \$ 71.13         | \$ 0.31         | \$ 71.45         | 15,108        |
| Indirect Services                 | 437,267              | 1,841             | 439,108             | 28.94            | 0.12            | 29.06            | 15,108        |
| Overhead Services                 | -                    | 226,465           | 226,465             | -                | 14.99           | 14.99            | 15,108        |
| <b>Total Direct Fee Services</b>  | <b>\$ 1,511,951</b>  | <b>\$ 233,014</b> | <b>\$ 1,744,965</b> | <b>\$ 100.08</b> | <b>\$ 15.42</b> | <b>\$ 115.50</b> | <b>15,108</b> |

Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

**Exhibit 13** compares the cost-of-service results from **Exhibit 12** with the revenue generated from permit fee services. Permit fee revenue in 2024 is forecast to generate \$1,014,103, resulting in an overall cost recovery rate of 70 percent compared to DSC engineering permit service expenditures.

### Exhibit 13. 2024 Cost Recovery for DSC Engineering Program



Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

#### Individual DSC Engineering Program

The City provides DSC engineering permit services that are fixed or assessed on an hourly basis. Based on the identified time estimates for each permit service as well as loaded-hourly rates for each employee, the full cost of service was calculated. The cost of service for the selected permits was then assigned a policy fee tier with assistance from the City or increased by an amount that fell below the calculated maximum. The result was the final proposed adjustment for the selected individual DSC engineering permits.

The current and proposed fee schedule for the City of Spokane DSC engineering permit fees are included in **Appendix C**.

## Historic Preservation

#### Historic Preservation Program-Wide

As shown in **Exhibit 14**, the full cost of historic preservation permit fee services is estimated at \$72,065. As this category serves only the development fee related portion of a much larger department, only the costs relevant to the study were included.

Within the historic preservation fee services, direct services were about 93 percent of the full cost of service, while indirect services represented the remaining 7 percent of the full cost of service. There was no associated department overhead costs as part of the full cost of service.

#### Exhibit 14. 2024 Full Cost of Service for Historic Preservation Permit Services

| Historic Preservation Cost of Service | Full Cost of Service |                  |                  | Rate Components |                 |                 | Direct Hours |
|---------------------------------------|----------------------|------------------|------------------|-----------------|-----------------|-----------------|--------------|
|                                       | Labor                | Non-Labor        | Total            | Labor           | Non-Labor       | Total           |              |
| Direct Services                       | \$ 56,992            | \$ 10,332        | \$ 67,323        | \$ 68.57        | \$ 12.43        | \$ 81.01        | 831          |
| Indirect Services                     | 4,073                | 668              | 4,741            | 4.90            | 0.80            | 5.71            | 831          |
| Overhead Services                     | -                    | -                | -                | -               | -               | -               | 831          |
| <b>Total Direct Fee Services</b>      | <b>\$ 61,065</b>     | <b>\$ 11,000</b> | <b>\$ 72,065</b> | <b>\$ 73.48</b> | <b>\$ 13.24</b> | <b>\$ 86.71</b> | <b>831</b>   |

Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

Unlike DSC program areas the historic preservation division has no pre-existing revenue from which to draw comparisons to. The cost of service and resulting hourly rate has the potential to be used to create new fees for development purposes within the program.

## Planning Services

### Planning Services -Wide

As shown in **Exhibit 15**, the full cost of planning services permit fee services is estimated at \$148,216.

Within the planning services fee services, direct services were about 70 percent of the full cost of service, while indirect services were 5 percent of the full cost of service. Department overhead costs represented the remaining 25 percent of the full cost of service.

#### Exhibit 15. 2024 Full Cost of Service for Planning Services

| Long Range Planning Cost of Service | Full Cost of Service |                  |                   | Rate Components |                 |                 | Direct Hours |
|-------------------------------------|----------------------|------------------|-------------------|-----------------|-----------------|-----------------|--------------|
|                                     | Labor                | Non-Labor        | Total             | Labor           | Non-Labor       | Total           |              |
| Direct Services                     | \$ 101,022           | \$ 360           | \$ 101,382        | \$ 59.03        | \$ 0.21         | \$ 59.24        | 1,711        |
| Indirect Services                   | 7,308                | 24               | 7,333             | 4.27            | 0.01            | 4.28            | 1,711        |
| Overhead Services                   | 7,180                | 32,321           | 39,501            | 4.20            | 18.89           | 23.08           | 1,711        |
| <b>Total Direct Fee Services</b>    | <b>\$ 115,510</b>    | <b>\$ 32,705</b> | <b>\$ 148,216</b> | <b>\$ 67.49</b> | <b>\$ 19.11</b> | <b>\$ 86.60</b> | <b>1,711</b> |

Source: FCS City of Spokane Development Services Fee Model, Cost of Service - 2024

Given the legal requirements surrounding development fees and planning services, only a small portion of expenses within this program were eligible for recovery. There was also no pre-existing revenue from which to draw comparisons to. The cost of service and resulting hourly rate have the potential to create new fees for development purposes within planning services.

## Cost Recovery Strategies

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City staff and FCS reviewed the preliminary results of the study, comparative fees from benchmark communities, and historical permit revenue data to establish calculated fees for select individual development permit services. The purpose of this section is to summarize the calculated fee adjustments.

### Guiding Principles for Cost Recovery

The City is seeking to gain knowledge on the current cost recovery of fees to later make an informed decision adjusting fees to recover the full cost of providing development permit-related services through applicant fees.

Due to the cyclical nature of development, permit revenue may exceed the cost of service in a particular year. This net revenue can be used to support permit-related services during low development cycles.

### Calculated Cost Recovery Policy

Based on discussions with City staff and the guiding principles described above, the following cost recovery policy is recommended for setting fees within each division of Development Services:

The City establishes fees to sustainably recover the full cost of providing development services. The City's approach to fee setting for individual services are evaluated based on several factors, including:

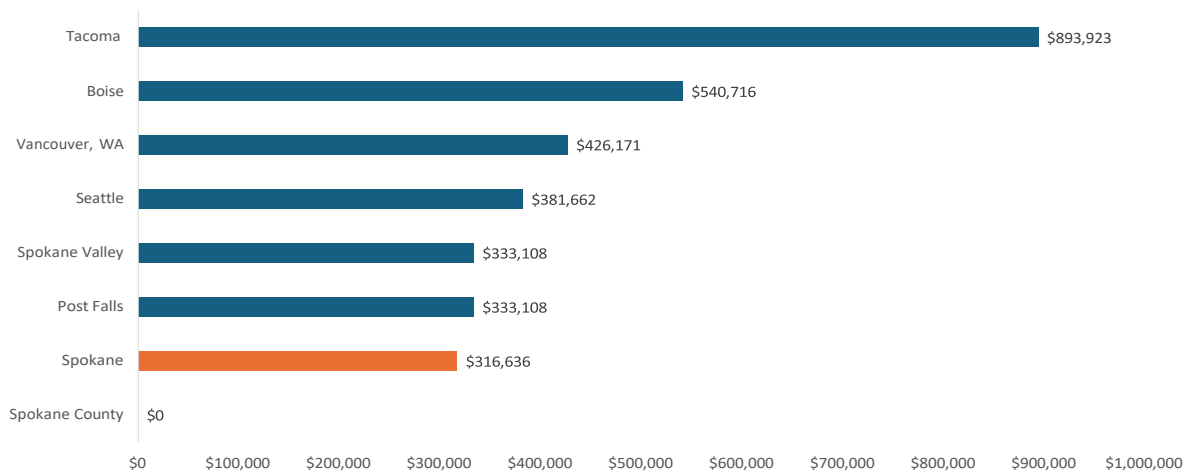
- The cost of issuing the permit.
- Fees for similar services in comparable cities.
- Ensuring that fees do not discourage applicants from the permitting process.

## Fee Survey

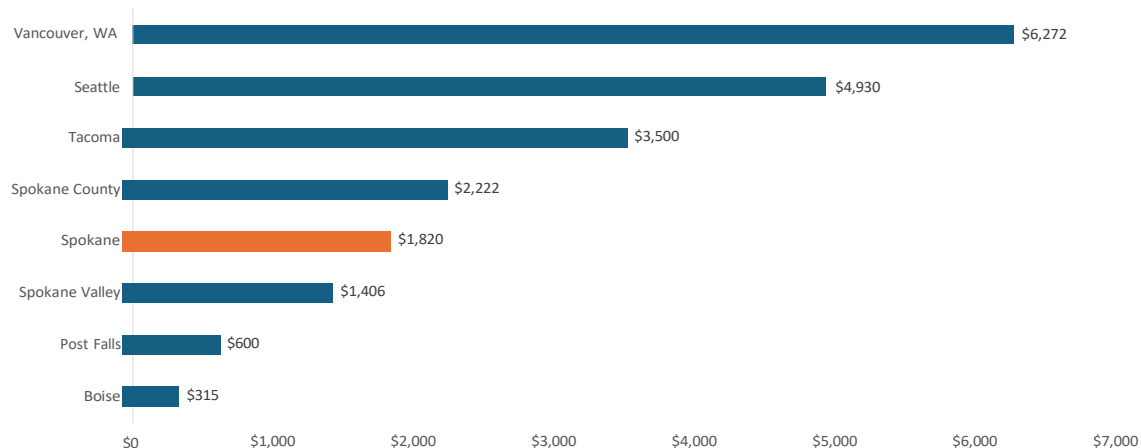
A fee survey was conducted for several services in comparable jurisdictions including Spokane County, Spokane Valley, Vancouver (WA), Tacoma, Seattle, Boise, and Post Falls. Some of the City's permit services do not have "like-for-like" comparisons in other jurisdictions. Comparable cities may also provide similar permit services; however, the fee structure is different from the City's fee structure (e.g., charging a fixed fee versus an hourly rate). As a result, the survey provides a general benchmark to the City's existing fees.

**Appendix D** details the comparative fee survey for select building, planning, and engineering fees. These fees were selected based on the most common permits and applications received by the City between 2019-2022. Of note, the fee survey was transmitted via email to the City on April 2<sup>nd</sup> 2024. Graphical representations of the jurisdictional comparison are shown as follows in **Exhibit 16** through **Exhibit 21**:

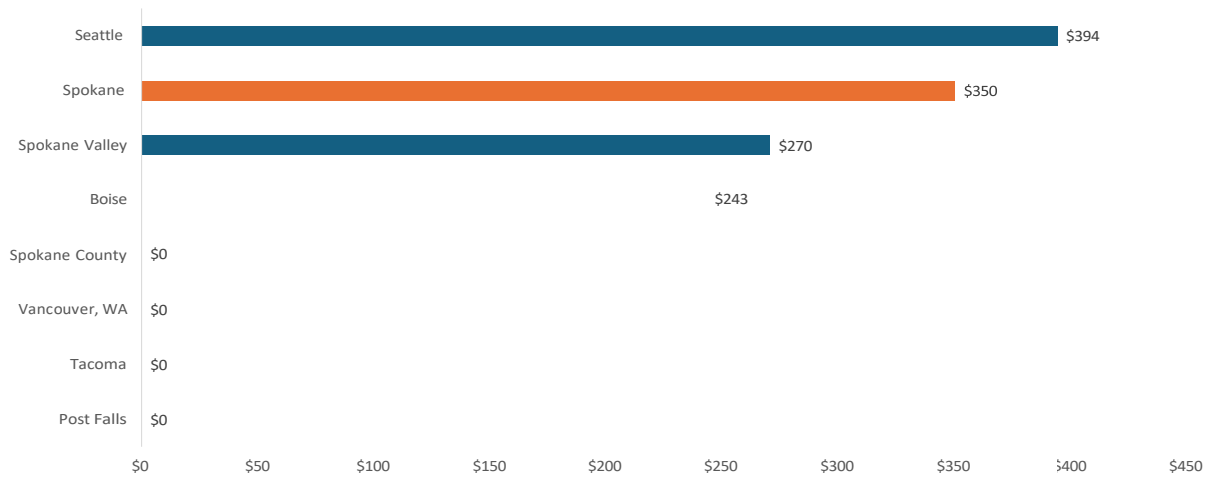
**Exhibit 16. Large Commercial Building Fee w/ Plan Review**



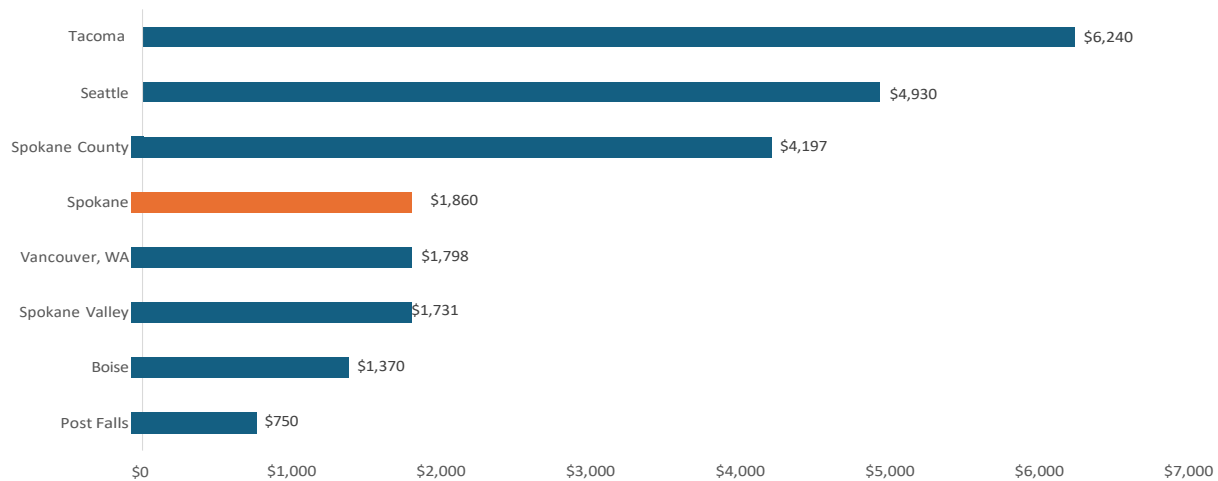
**Exhibit 17. Final Short Plat (Filing Fee)**



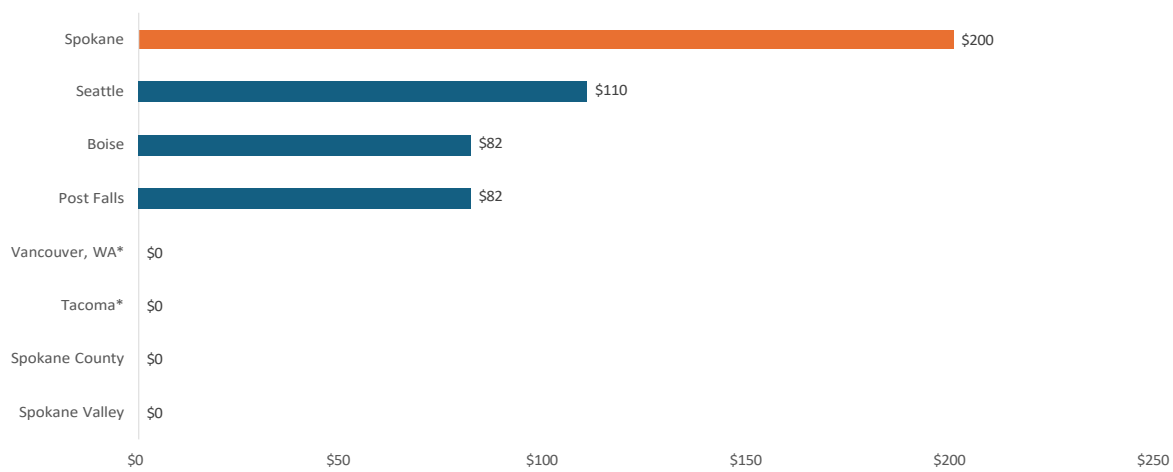
**Exhibit 18. Boundary Line Adjustment (Filing Fee)**



**Exhibit 19. Shoreline Conditional Use**

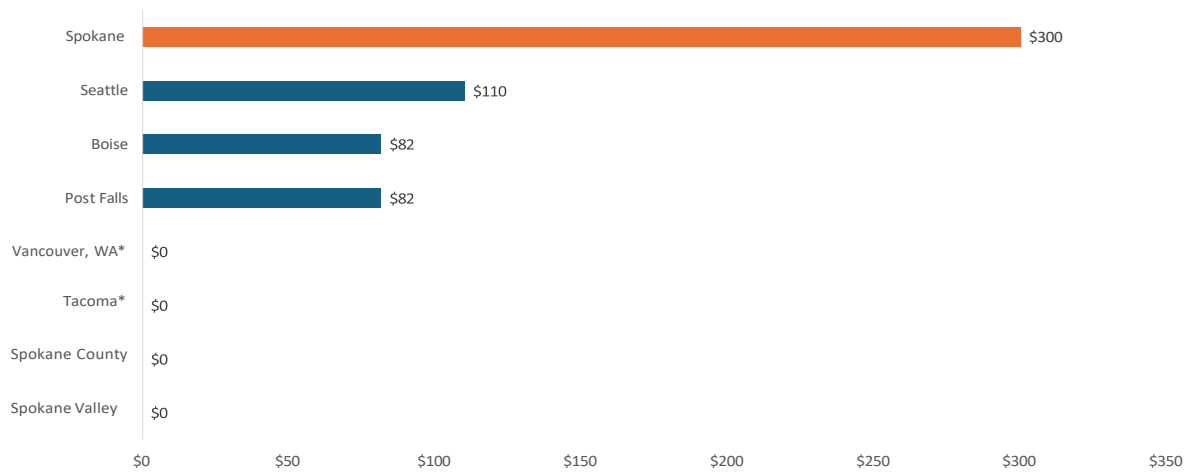


**Exhibit 20. Residential Short-Term Rental**



\*Business License fee required

### Exhibit 21. Non-Residential Short-Term Rental



*\*Business License fee required*

## Technology Surcharge

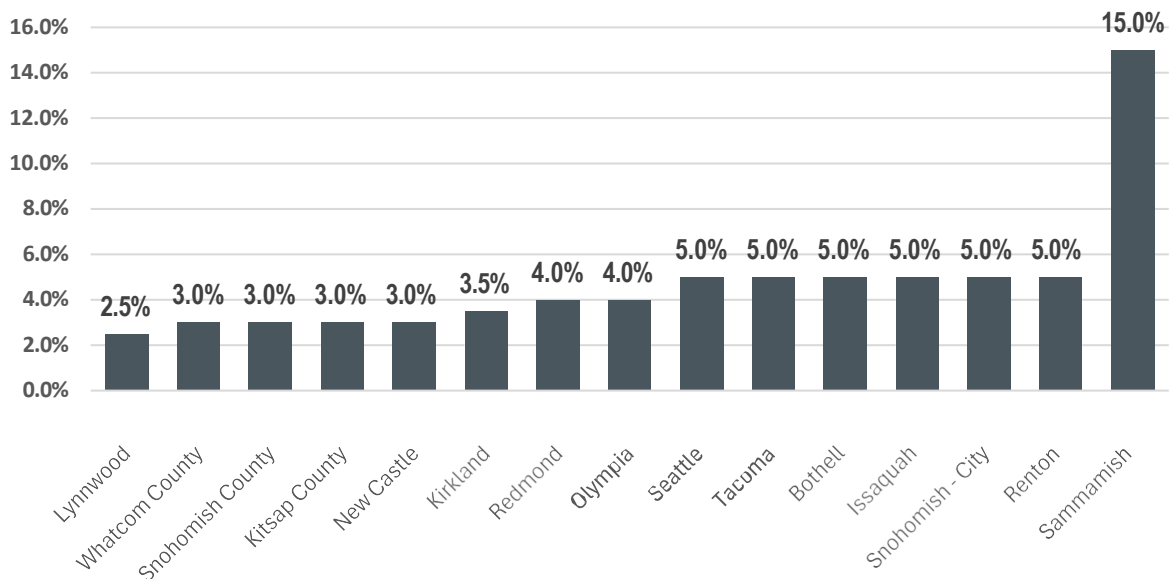
As part of the DSC cost of service study, the City of Spokane requested an in-depth analysis of the concept of a technology surcharge, a review of best practices from other organizations, and projections of potential revenues that various technology surcharge thresholds could generate for the City.

The findings of the analysis include FCS's understanding of the concept of a technology surcharge, as well as our research on other jurisdictions and revenue estimates pertinent to the City's decision to subsidize technology-adjacent costs through the establishment of a technology surcharge.

### Results

The City recently evaluated alternative information technology systems to manage the Development Services Center's permitting processes and fee collection from applicants. The current permitting system, Accela, is being phased out. From the competitive request for proposal process, the City had selected three finalists: Davenport Group, MaintStar, and Tyler Technologies. Ultimately, the City chose to award the contract to the Davenport Group. A survey of neighboring jurisdictions and the imposed technology surcharge is presented in **Exhibit 22**.

**Exhibit 22. Technology Surcharge Survey**



These findings and comprehensive analysis can be found in the technology memorandum that was communicated to the City on August 22<sup>nd</sup>, 2024, and as presented in **Appendix E**.

# **Development Services Center Cost of Service & Fee Analysis**

## **Appendix**

## **Appendix A: Building Fee Schedule**

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| #  | Division       | Fee Schedule Description                                                                             | Current                  | Rate Year            |
|----|----------------|------------------------------------------------------------------------------------------------------|--------------------------|----------------------|
| 1  |                |                                                                                                      |                          |                      |
| 2  |                | <b><u>Blasting Licenses and Permits</u></b>                                                          |                          |                      |
| 3  | DSC - Building | Blaster's License                                                                                    | \$25.00                  | \$55.00              |
| 4  | DSC - Building | Blasting Permit                                                                                      | \$100.00                 | \$275.00             |
| 5  | DSC - Building | Blasting Transportation Permit                                                                       | \$65.00                  | N/A                  |
| 6  |                |                                                                                                      |                          |                      |
| 7  |                | <b><u>Boiler License Fees</u></b>                                                                    |                          |                      |
| 8  | DSC - Building | Boiler Exam Fee                                                                                      | \$24.00                  | \$110.00             |
| 9  | DSC - Building | Fireman Boiler License                                                                               | \$24.00                  | \$55.00              |
| 10 | DSC - Building | 3rd Class Engineer                                                                                   | \$30.00                  | \$55.00              |
| 11 | DSC - Building | 2nd Class Engineer                                                                                   | \$36.00                  | \$55.00              |
| 12 | DSC - Building | 1st Class Engineer                                                                                   | \$48.00                  | \$55.00              |
| 13 | DSC - Building | Boiler Inspector                                                                                     | No Charge                | No Charge            |
| 14 |                |                                                                                                      |                          |                      |
| 15 |                | <b><u>Gas Heating Mechanic Fees</u></b>                                                              |                          |                      |
| 16 | DSC - Building | Gas Heating Mechanic Exam Fee                                                                        | \$24.00                  | \$110.00             |
| 17 | DSC - Building | Gas Heating Mechanic I                                                                               | \$36.00                  | \$55.00              |
| 18 | DSC - Building | Gas Heating Mechanic II                                                                              | \$48.00                  | \$55.00              |
| 19 | DSC - Building | Apprentice Heating Mechanic                                                                          | \$24.00                  | \$55.00              |
| 20 | DSC - Building | Oil Burner Servicer/Installer                                                                        | \$36.00                  | \$55.00              |
| 21 | DSC - Building | Oil, Gas I, or Gas II Inspector                                                                      | No Charge                | No Charge            |
| 22 |                |                                                                                                      |                          |                      |
| 23 |                | <b><u>Boiler Installation Inspection Fees</u></b>                                                    |                          |                      |
| 24 | DSC - Building | Low Pressure & Hot Water Boiler < 500,000 BTUs                                                       | \$150.00                 | \$175.00             |
| 25 | DSC - Building | LP & HWB 500,000 to < 2,000,000 BTUs                                                                 | \$250.00                 | \$292.00             |
| 26 | DSC - Building | LP & HWB 2,000,000 BTUs and greater                                                                  | \$400.00                 | \$450.00             |
| 27 | DSC - Building | Power Boilers < 1,000,000 BTUs                                                                       | \$400.00                 | \$450.00             |
| 28 | DSC - Building | Power Boilers from 1,000,000 to < 5,000,000 BTUs                                                     | \$800.00                 | \$850.00             |
| 29 | DSC - Building | Power Boilers 5,000,000 BTUs and greater - Base                                                      | \$800.00                 | \$850.00             |
| 30 | DSC - Building | Power Boilers 5,000,000 BTUs and greater -Additional Charge per million BTUs                         | \$20.00                  | \$25.00              |
| 31 | DSC - Building | Electric Boiler < 250 kw                                                                             | \$200.00                 | \$250.00             |
| 32 | DSC - Building | Unfired Pressure Vessel                                                                              | \$80.00                  | \$95.00              |
| 33 |                |                                                                                                      |                          |                      |
| 34 |                | <b><u>Boiler Operating Permit &amp; Accessory Fees</u></b>                                           |                          |                      |
| 35 | DSC - Building | Low Pressure Steam & Hot Water Boilers < 2,000,000 BTUs - Biennial                                   | \$80.00                  | \$136.00             |
| 36 | DSC - Building | LPS & HW Boilers equal to and greater than 2,000,000 BTUs - Biennial                                 | \$100.00                 | \$170.00             |
| 37 | DSC - Building | Power Boilers < 1,000,000 BTUs - Annual                                                              | \$80.00                  | \$136.00             |
| 38 | DSC - Building | Power Boilers from 1,000,000 to < 5,000,000 BTUs - Annual                                            | \$100.00                 | \$170.00             |
| 39 | DSC - Building | Power Boilers 5,000,000 BTUs and greater - Annual                                                    | \$120.00                 | \$204.00             |
| 40 | DSC - Building | Electric Boiler < 250 kw - Annual                                                                    | \$80.00                  | \$136.00             |
| 41 | DSC - Building | Unfired Pressure Vessel - Biennial                                                                   | \$40.00                  | \$68.00              |
| 42 | DSC - Building | Hydrostatic Pressure Test                                                                            | \$120.00                 | \$204.00             |
| 43 | DSC - Building | Repair Inspections - Hourly                                                                          | \$75.00                  | \$113.96 per hour    |
| 44 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                          | \$25.00                  | N/A                  |
| 45 | DSC - Building | Reinspection Fee - [RELOCATED TO SHARED FEES]                                                        | \$75.00                  | N/A                  |
| 46 | DSC - Building | Inspection Outside Normal Working Hours (2-hr minimum) - [RELOCATED TO SHARED FEES]                  | \$75.00                  | N/A                  |
| 47 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]               | 2x the Inspection Fee(s) | N/A                  |
| 48 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]               | \$150.00                 | N/A                  |
| 49 |                |                                                                                                      |                          |                      |
| 50 |                | <b><u>Building Permit Fees</u></b>                                                                   |                          |                      |
| 51 | DSC - Building | \$1 - \$2,000 Job Value Fee - Base                                                                   | \$28.00                  | \$73.00              |
| 52 | DSC - Building | \$501 - \$2,000 Job Value Fee - Base - [FEE CONSOLIDATED]                                            | \$28.00                  | N/A                  |
| 53 | DSC - Building | \$501 - \$2,000 Job Value Fee - Variable - [FEE CONSOLIDATED]                                        | \$3.00                   | N/A                  |
| 54 | DSC - Building | \$2,001 - \$25,000 Job Value Fee - Base                                                              | \$73.00                  | \$73.00              |
| 55 | DSC - Building | \$2,001 - \$25,000 Job Value Fee - Variable                                                          | \$13.00                  | \$13.00              |
| 56 | DSC - Building | \$25,001 - \$50,000 Job Value Fee - Base                                                             | \$372.00                 | \$372.00             |
| 57 | DSC - Building | \$25,001 - \$50,000 Job Value Fee - Variable                                                         | \$10.00                  | \$10.00              |
| 58 | DSC - Building | \$50,001 - \$100,000 Job Value Fee - Base                                                            | \$622.00                 | \$622.00             |
| 59 | DSC - Building | \$50,001 - \$100,000 Job Value Fee - Variable                                                        | \$7.00                   | \$7.00               |
| 60 | DSC - Building | \$100,001 - \$500,000 Job Value Fee - Base                                                           | \$972.00                 | \$972.00             |
| 61 | DSC - Building | \$100,001 - \$500,000 Job Value Fee - Variable                                                       | \$5.00                   | \$5.00               |
| 62 | DSC - Building | \$500,001 - \$1,000,000 Job Value Fee - Base                                                         | \$2,972.00               | \$2,972.00           |
| 63 | DSC - Building | \$500,001 - \$1,000,000 Job Value Fee - Variable                                                     | \$4.00                   | \$4.00               |
| 64 | DSC - Building | Over \$1,000,000 Job Value Fee - Base                                                                | \$4,972.00               | \$4,972.00           |
| 65 | DSC - Building | Over \$1,000,000 Job Value Fee - Variable                                                            | \$3.00                   | \$3.00               |
| 66 | DSC - Building | Plan Review for Commercial & Multi-Family over 2 units                                               | 65% of job value fee     | 65% of job value fee |
| 67 | DSC - Building | Fast Track Plan Review Fee                                                                           | 125% of Building Fee     | 125% of Building Fee |
| 68 | DSC - Building | Plan Review for New Single-Family Residences & Duplexes                                              | 50% of Building Fee      | 50% of Building Fee  |
| 69 | DSC - Building | Plan Review for SFR & Duplex Accessory Structures & Additions                                        | 25% of Building Fee      | 25% of Building Fee  |
| 70 | DSC - Building | Revision Review Fee - Hourly                                                                         | \$75 per hour            | \$113.96 per hour    |
| 71 | DSC - Building | Plan Review for SFR & Duplex Accessory Structure Remodels                                            | 25% of Building Fee      | 25% of Building Fee  |
| 72 | DSC - Building | Demolition of SFR, Duplex, or Accessory Structure                                                    | \$35.00                  | \$45.00              |
| 73 | DSC - Building | Demolition of Other Structures - Per 1,000 Sq Ft - [MAXIMUM \$450]                                   | \$35.00                  | \$45.00              |
| 74 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                          | \$25.00                  | N/A                  |
| 75 | DSC - Building | Demolition of historic landmarks, historic district contributing buildings, and "Downtown" buildings | \$500.00                 | \$500.00             |
| 76 | DSC - Building | Fence Permit Fee                                                                                     | \$20.00                  | \$20.00              |
| 77 | DSC - Building | Fence Processing and Review Fee - [RELOCATED TO SHARED FEES]                                         | \$25.00                  | N/A                  |
| 78 | DSC - Building | 100 cubic yards or less of Grading or Fill - [FEE CONSOLIDATED]                                      | \$28.00                  | N/A                  |
| 79 | DSC - Building | 101 - 1,000 cubic yards of Grading or Fill - Base - [FEE CONSOLIDATED]                               | \$28.00                  | N/A                  |
| 80 | DSC - Building | 101 - 1,000 cubic yards of Grading or Fill -Variable - [FEE CONSOLIDATED]                            | \$12.00                  | N/A                  |
| 81 | DSC - Building | 10,000 cubic yards or less of Grading or Fill - Base                                                 | \$136.00                 | \$145.00             |
| 82 | DSC - Building | 1,001 - 10,000 cubic yards of Grading or Fill - Variable - [FEE CONSOLIDATED]                        | \$10.00                  | N/A                  |
| 83 | DSC - Building | 10,000 cubic yards or more of Grading or Fill - Base                                                 | \$226.00                 | \$145.00             |
| 84 | DSC - Building | 10,000 cubic yards or more of Grading or Fill - Variable                                             | \$45.00                  | \$30.00              |
| 85 | DSC - Building | 100,001 and more cubic yards of Grading or Fill - Base - [FEE CONSOLIDATED]                          | \$631.00                 | N/A                  |
| 86 | DSC - Building | 100,001 and more cubic yards of Grading or Fill - Variable - [FEE CONSOLIDATED]                      | \$25.00                  | N/A                  |
| 87 | DSC - Building | Plan Review for 1,000 cubic yards or less                                                            | \$20.00                  | \$75.00              |
| 88 | DSC - Building | Plan Review for 51 - 100 cubic yards - [FEE CONSOLIDATED]                                            | \$20.00                  | N/A                  |
| 89 | DSC - Building | Plan Review for 101 - 1,000 cubic yards - [FEE CONSOLIDATED]                                         | \$25.00                  | N/A                  |
| 90 | DSC - Building | Plan Review for 1,001 - 10,000 - [FEE CONSOLIDATED]                                                  | \$35.00                  | N/A                  |
| 91 | DSC - Building | Plan Review for 1,001 - 100,000 cubic yards - Base                                                   | \$35.00                  | \$190.00             |
| 92 | DSC - Building | Plan Review for each 10,000 cubic yards over 100,000 - Variable                                      | \$17.00                  | \$10.00              |
| 93 | DSC - Building | Plan Review for 100,001 - 200,000 - Base - [FEE CONSOLIDATED]                                        | \$188.00                 | N/A                  |
| 94 | DSC - Building | Plan Review for 100,001 - 200,000 - Variable - [FEE CONSOLIDATED]                                    | \$10.00                  | N/A                  |
| 95 | DSC - Building | Plan Review for 200,001 and more cubic yards - Base - [FEE CONSOLIDATED]                             | \$288.00                 | N/A                  |
| 96 | DSC - Building | Plan Review for 200,001 and more cubic yards - Variable - [FEE CONSOLIDATED]                         | \$5.00                   | N/A                  |
| 97 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                          | \$25.00                  | N/A                  |

|     |                |                                                                                                              |                          |                     |
|-----|----------------|--------------------------------------------------------------------------------------------------------------|--------------------------|---------------------|
| 98  | DSC - Building | Wall, Projecting, and Incidental Sign Permit Fee - Per Sign                                                  | \$30.00                  | \$45.00             |
| 99  | DSC - Building | Pole, Billboard, and Off-Premises Sign Permit Fee - Per Sign                                                 | \$75.00                  | \$90.00             |
| 100 | DSC - Building | Building Services Review Fee for Pole Signs with area over 100 sq ft or over 30 ft high - [FEE CONSOLIDATED] | \$50.00                  | N/A                 |
| 101 | DSC - Building | Sign Review Fee                                                                                              | \$50.00                  | \$113.96 per hour   |
| 102 | DSC - Building | Sign Processing Fee - [RELOCATED TO SHARED FEES]                                                             | \$25.00                  | N/A                 |
| 103 | DSC - Building | Factory Built Housing - Per Section                                                                          | \$50.00                  | \$75.00             |
| 104 | DSC - Building | Development Services Review Fee                                                                              | \$50.00                  | \$135.00            |
| 105 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 106 | DSC - Building | Manufactured (Mobile) Home - Per Section                                                                     | \$50.00                  | \$75.00             |
| 107 | DSC - Building | Development Services Review Fee                                                                              | \$50.00                  | \$135.00            |
| 108 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 109 | DSC - Building | Temporary Structures - 1st 180 days                                                                          | \$100.00                 | \$250.00            |
| 110 | DSC - Building | Temporary Structures - 2nd 180 days                                                                          | \$500.00                 | \$550.00            |
| 111 | DSC - Building | Development Services Review Fee                                                                              | \$50.00                  | \$135.00            |
| 112 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 113 | DSC - Building | Relocation Inspection for Bond Determination - [FEE ELIMINATED]                                              | \$75.00                  | N/A                 |
| 114 | DSC - Building | Relocation Determination Fee                                                                                 | \$50.00                  | \$75.00             |
| 115 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 116 | DSC - Building | Early Start and Fast Track Approval                                                                          | 25% Additional fee       | 25% Additional fee  |
| 117 | DSC - Building | Temporary Certificate of Occupancy Issuance or Extension                                                     | \$250.00                 | \$527.00            |
| 118 | DSC - Building | Swimming Pool Permit Fee (when accessory to SFR or Duplex)                                                   | \$75.00                  | \$95.00             |
| 119 | DSC - Building | Swimming Pool Permit Fee (for all others)                                                                    | \$100.00                 | \$215.00            |
| 120 | DSC - Building | Development Services Review Fee                                                                              | \$25.00                  | N/A                 |
| 121 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 122 | DSC - Building | Reinspection Fee - [RELOCATED TO SHARED FEES]                                                                | \$75.00                  | N/A                 |
| 123 | DSC - Building | Inspection Outside Normal Working Hours (2-hr minimum) - [RELOCATED TO SHARED FEES]                          | \$75.00                  | N/A                 |
| 124 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]                       | 2x the Inspection Fee(s) | N/A                 |
| 125 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]                       | \$150.00                 | N/A                 |
| 126 | DSC - Building | Safety Inspection - Commercial Building - Per hour (2-hr minimum)                                            | \$75.00                  | \$113.96 per hour   |
| 127 | DSC - Building | Safety Inspection - SFR, Electrical Only                                                                     | \$75.00                  | \$95.00             |
| 128 | DSC - Building | Safety Inspection - SFR, 2 or more categories                                                                | \$100.00                 | \$190.00            |
| 129 | DSC - Building | Safety Inspection - Duplex                                                                                   | \$175.00                 | \$245.00            |
| 130 | DSC - Building | Safety Inspection - Multi-Family 3 to 6 units                                                                | \$250.00                 | \$315.00            |
| 131 | DSC - Building | Safety Inspection - Multi-Family over 6 units - Base                                                         | \$250.00                 | \$315.00            |
| 132 | DSC - Building | Safety Inspection - Multi-Family over 6 units - Variable                                                     | \$25.00                  | \$35.00             |
| 133 | DSC - Building | Safety Inspection - Multi-Family over 50 units - Base - [FEE CONSOLIDATED]                                   | \$1,350.00               | N/A                 |
| 134 | DSC - Building | Safety Inspection - Multi-Family over 50 units - Variable - [FEE CONSOLIDATED]                               | \$10.00                  | N/A                 |
| 135 | DSC - Building | Electrical Service Reconnect - Residence                                                                     | \$25.00                  | \$50.00             |
| 136 | DSC - Building | Electrical Service Reconnect - Commercial                                                                    | \$50.00                  | \$110.00            |
| 137 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 138 | DSC - Building | Recording Fee                                                                                                | What County Charges      | What County Charges |
| 139 | DSC - Building | Recording Fee - No Permit - [RELOCATED TO SHARED FEES]                                                       | \$25.00                  | N/A                 |
| 140 | DSC - Building | Expired Building Permit Renewal when No Inspections                                                          | 100 percent              | 100 percent         |
| 141 | DSC - Building | Expired Building Permit Renewal when Foundation Approved                                                     | 75 percent               | 75 percent          |
| 142 | DSC - Building | Expired Building Permit Renewal when All Rough-ins Approved                                                  | 25 percent               | 25 percent          |
| 143 | DSC - Building | Expired Building Permit Renewal with Additional Work                                                         | Job Value Fee            | Job Value Fee       |
| 144 | DSC - Building | Expired Plumbing Permit Renewal when No Inspections                                                          | 100 percent              | 100 percent         |
| 145 | DSC - Building | Expired Plumbing Permit Renewal when Top Outs Approved                                                       | 25 percent               | 25 percent          |
| 146 | DSC - Building | Expired Mechanical Permit Renewal when No Inspections                                                        | 100 percent              | 100 percent         |
| 147 | DSC - Building | Expired Mechanical Permit Renewal when Rough-Ins Approved                                                    | 25 percent               | 25 percent          |
| 148 | DSC - Building | Expired Electrical Permit Renewal when No Inspections                                                        | 100 percent              | 100 percent         |
| 149 | DSC - Building | Expired Electrical Permit Renewal when Rough-Ins/Service Approved                                            | 25 percent               | 25 percent          |
| 150 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 151 |                |                                                                                                              |                          |                     |
| 152 |                | <b>Electrical Permit Fees</b>                                                                                |                          |                     |
| 153 | DSC - Building | New Square Footage up to 5000 sq ft - Variable per 100 sq ft                                                 | \$4.00                   | \$5.00              |
| 154 | DSC - Building | New Square Footage over 5,000 sq ft - Base                                                                   | \$200.00                 | \$250.00            |
| 155 | DSC - Building | New Square Footage over 5,000 sq ft - Variable per 100 sq. ft.                                               | \$2.00                   | \$3.00              |
| 156 | DSC - Building | New Square Footage over 20,000 sq ft - Base - [FEE CONSOLIDATED]                                             | \$500.00                 | N/A                 |
| 157 | DSC - Building | New Square Footage over 20,000 sq ft - Variable per 100 sq ft - [FEE CONSOLIDATED]                           | \$1.00                   | N/A                 |
| 158 | DSC - Building | Alterations/Wiring of Existing Space                                                                         | \$5.00                   | \$7.00              |
| 159 | DSC - Building | Light Standard                                                                                               | \$7.00                   | \$10.00             |
| 160 | DSC - Building | Service, 1-200 Amps                                                                                          | \$40.00                  | \$50.00             |
| 161 | DSC - Building | Service, 201-400 Amps                                                                                        | \$50.00                  | \$62.00             |
| 162 | DSC - Building | Service, 401-600 Amps                                                                                        | \$60.00                  | \$75.00             |
| 163 | DSC - Building | Service, 601-800 Amps                                                                                        | \$70.00                  | \$87.00             |
| 164 | DSC - Building | Service, 801-1,000 Amps                                                                                      | \$80.00                  | \$100.00            |
| 165 | DSC - Building | Service, Over 1,000 Amps - Base                                                                              | \$80.00                  | \$100.00            |
| 166 | DSC - Building | Service, Over 1,000 Amps - Variable                                                                          | \$5.00                   | \$7.00              |
| 167 | DSC - Building | Service, Over 600V, 1-200 Amps - [FEE CONSOLIDATED]                                                          | \$70.00                  | N/A                 |
| 168 | DSC - Building | Service, Over 600V, Surcharge                                                                                | \$80.00                  | \$60.00             |
| 169 | DSC - Building | Service, Over 600V, 401-600 Amps - [FEE CONSOLIDATED]                                                        | \$90.00                  | N/A                 |
| 170 | DSC - Building | Service, Over 600V, 601-800 Amps - [FEE CONSOLIDATED]                                                        | \$100.00                 | N/A                 |
| 171 | DSC - Building | Service, Over 600V, 801-1,000 Amps - [FEE CONSOLIDATED]                                                      | \$110.00                 | N/A                 |
| 172 | DSC - Building | Service, Over 600V, Over 1,000 Amps - Base - [FEE CONSOLIDATED]                                              | \$110.00                 | N/A                 |
| 173 | DSC - Building | Service, Over 600V, Over 1,000 Amps - Variable - [FEE CONSOLIDATED]                                          | \$5.00                   | N/A                 |
| 174 | DSC - Building | Alarms, Telecommunications, and Control Circuits other low-voltage systems (per 2,500 sq. ft.)               | \$10.00                  | \$15.00             |
| 175 | DSC - Building | Temporary Service and Load Test                                                                              | \$20.00                  | \$45.00             |
| 176 | DSC - Building | Transformer - Base                                                                                           | \$30.00                  | \$38.00             |
| 177 | DSC - Building | Transformer - Variable                                                                                       | \$10.00                  | \$12.00             |
| 178 | DSC - Building | Generator (emergency, standby, and resource recovery) - Base                                                 | \$30.00                  | \$38.00             |
| 179 | DSC - Building | Generator (emergency, standby, and resource recovery) - Variable                                             | \$10.00                  | \$12.00             |
| 180 | DSC - Building | Feeder                                                                                                       | \$15.00                  | \$20.00             |
| 181 | DSC - Building | Ground Work-Ground Ufer                                                                                      | \$25.00                  | \$30.00             |
| 182 | DSC - Building | Extensive Ground Work                                                                                        | \$75.00                  | \$105.00            |
| 183 | DSC - Building | Annual Electrical Permit, 12 Inspections/1 - 3 Electricians                                                  | \$1,500.00               | \$2,300.00          |
| 184 | DSC - Building | Annual Electrical Permit, 24 Inspections/4 -6 Electricians                                                   | \$3,000.00               | \$4,600.00          |
| 185 | DSC - Building | Annual Electrical Permit, 36 Inspections/7 - 12 Electricians                                                 | \$4,500.00               | \$6,900.00          |
| 186 | DSC - Building | Annual Electrical Permit, 52 Inspections/13+ Electricians                                                    | \$6,000.00               | \$8,200.00          |
| 187 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                                                  | \$25.00                  | N/A                 |
| 188 | DSC - Building | Minimum Sum of Combined Fees, Processing + Inspection Fees - [FEE ELIMINATED]                                | \$40.00                  | N/A                 |
| 189 | DSC - Building | Reinspection Fee - [RELOCATED TO SHARED FEES]                                                                | \$75.00                  | N/A                 |
| 190 | DSC - Building | Inspection Outside Normal Working Hours (2-hr minimum) - [RELOCATED TO SHARED FEES]                          | \$75.00                  | N/A                 |
| 191 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]                       | 2x the Inspection Fee(s) | N/A                 |
| 192 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]                       | \$150.00                 | N/A                 |
| 193 |                |                                                                                                              |                          |                     |
| 194 |                | <b>Elevator Permit Fees</b>                                                                                  |                          |                     |
| 195 | DSC - Building | Install: Elevator, Escalator, or Moving Walk \$5,000 Value or Less                                           | \$250.00                 | \$425.00            |
| 196 | DSC - Building | Install: Elevator, Escalator, or Moving Walk Install > \$5,000 Value - Base                                  | \$250.00                 | \$425.00            |

|     |                |                                                                                          |                          |                   |
|-----|----------------|------------------------------------------------------------------------------------------|--------------------------|-------------------|
| 197 | DSC - Building | Install: Elevator, Escalator, or Moving Walk Install > \$5,000 Value -Variable           | \$4.00                   | \$6.80            |
| 198 | DSC - Building | Install: Stair Climber or Plan Form Lift                                                 | \$80.00                  | \$136.00          |
| 199 | DSC - Building | Install: Dumbwaiter or Material Lift                                                     | \$170.00                 | \$289.00          |
| 200 | DSC - Building | Install: Temporary Personnel Hoist (Construction Lift)                                   | \$250.00                 | \$425.00          |
| 201 | DSC - Building | Operating Permit: Hydraulic Elevator - Annual, Base                                      | \$177.00                 | \$300.90          |
| 202 | DSC - Building | Operating Permit: Hydraulic Elevator - Annual, Variable                                  | \$22.00                  | \$37.40           |
| 203 | DSC - Building | Operating Permit: Cable Elevator - Annual, Base                                          | \$353.00                 | \$600.10          |
| 204 | DSC - Building | Operating Permit: Cable Elevator - Annual, Variable                                      | \$22.00                  | \$37.40           |
| 205 | DSC - Building | Operating Permit: Escalator or Moving Walk                                               | \$353.00                 | \$600.10          |
| 206 | DSC - Building | Operating Permit: Dumbwaiter, Platform/Material Lift, or Stair Climber                   | \$88.00                  | \$93.00           |
| 207 | DSC - Building | Alteration or Repair: \$5,000 Value or Less                                              | \$250.00                 | \$425.00          |
| 208 | DSC - Building | Alteration or Repair: > \$5,000 Value - Base                                             | \$250.00                 | \$425.00          |
| 209 | DSC - Building | Alteration or Repair: > \$5,000 Value - Variable                                         | \$4.00                   | \$6.80            |
| 210 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                              | \$25.00                  | N/A               |
| 211 | DSC - Building | Elevator Reinspection: Hourly                                                            | \$88.00                  | \$113.96 per hour |
| 212 | DSC - Building | Elevator Reinspection: Hydraulic - Variable - [FEE CONSOLIDATED]                         | \$22.00                  | N/A               |
| 213 | DSC - Building | Elevator Reinspection: Electric - Base - [FEE CONSOLIDATED]                              | \$177.00                 | N/A               |
| 214 | DSC - Building | Elevator Reinspection: Electric - Variable - [FEE CONSOLIDATED]                          | \$22.00                  | N/A               |
| 215 | DSC - Building | Elevator Reinspection: Other Conveyance Types - [FEE CONSOLIDATED]                       | \$75.00                  | N/A               |
| 216 | DSC - Building | Elevator Inspections Outside Normal Inspector Working Hours - [RELOCATED TO SHARED FEES] | \$355.00                 | N/A               |
| 217 | DSC - Building | Elevator Work Without Permit Fee - [RELOCATED TO SHARED FEES]                            | Equal to Permit Fee      | N/A               |
| 218 | DSC - Building | Uncorrected Deficiencies (assessed at 90, 120, and 150 days)                             | \$177.00                 | \$177.00          |
| 219 | DSC - Building | Document Replacement Fee                                                                 | \$25.00                  | \$55.00           |
| 220 | DSC - Building | Temp Hoist: Semi-Annual or Jump Inspection                                               | \$177.00                 | \$300.90          |
| 221 | DSC - Building | Temp Hoist: Semi-Annual Operating Permit                                                 | \$177.00                 | \$300.90          |
| 222 | DSC - Building | Temporary Opearting Permit Fee - Base                                                    | \$115.00                 | \$195.50          |
| 223 | DSC - Building | Temporary Opearting Permit Fee - Variable                                                | \$15.00                  | \$25.50           |
| 224 | DSC - Building | Plan Review for Installs and Major Alterations                                           | \$88.00                  | \$149.60          |
| 225 | DSC - Building | Variance Request w/ Site Visit - Base                                                    | \$177.00                 | \$300.90          |
| 226 | DSC - Building | Variance Request w/ Site Visit - Variable                                                | \$88.00                  | \$149.60          |
| 227 | DSC - Building | Variance Request via Desk Evaluation (w/o site visit)                                    | \$88.00                  | \$149.60          |
| 228 | DSC - Building | Technical Advise Site Visit Fee - Base                                                   | \$177.00                 | \$300.90          |
| 229 | DSC - Building | Technical Advise Site Visit Fee - Variable                                               | \$88.00                  | \$149.60          |
| 230 | DSC - Building | Decommissioning Conveyance Fee                                                           | \$177.00                 | \$300.90          |
| 231 | DSC - Building | Re-Commissioning Conveyance Fee - Base                                                   | \$177.00                 | \$300.90          |
| 232 | DSC - Building | Re-Commissioning Conveyance Fee - Variable                                               | \$88.00                  | \$149.60          |
| 233 | DSC - Building | Operating a Conveyance w/o Permit: 30 Day Penalty Fee                                    | \$164.00                 | \$278.80          |
| 234 |                |                                                                                          |                          |                   |
| 235 |                | <b><u>Mechanical Permit Fees</u></b>                                                     |                          |                   |
| 236 | DSC - Building | Air Handler (per 10,000 cfm or fraction of)                                              | \$15.00                  | \$17.00           |
| 237 | DSC - Building | Clothes Dryer (Gas)                                                                      | \$13.00                  | \$15.00           |
| 238 | DSC - Building | Ductwork System                                                                          | \$13.00                  | \$15.00           |
| 239 | DSC - Building | Evaporative Cooler                                                                       | \$13.00                  | \$15.00           |
| 240 | DSC - Building | Gas Log                                                                                  | \$13.00                  | \$15.00           |
| 241 | DSC - Building | Gas Piping: 1-4 outlets - [FEE CONSOLIDATED]                                             | \$12.00                  | N/A               |
| 242 | DSC - Building | Gas Piping: per outlet                                                                   | \$3.00                   | \$4.00            |
| 243 | DSC - Building | Gas Water Heater                                                                         | \$13.00                  | \$15.00           |
| 244 | DSC - Building | Heat Pump and A/C: 0 to 15 tons                                                          | \$15.00                  | \$25.00           |
| 245 | DSC - Building | Heat Pump and A/C: 15 to 50 tons                                                         | \$25.00                  | \$45.00           |
| 246 | DSC - Building | Heat Pump and A/C: 15 to 30 tons - [FEE CONSOLIDATED]                                    | \$30.00                  | N/A               |
| 247 | DSC - Building | Heat Pump and A/C: 30 to 50 tons - [FEE CONSOLIDATED]                                    | \$45.00                  | N/A               |
| 248 | DSC - Building | Heat Pump and A/C: Over 50 tons                                                          | \$75.00                  | \$75.00           |
| 249 | DSC - Building | Heating Equipment: Less than 100,000 BTUs                                                | \$15.00                  | \$17.00           |
| 250 | DSC - Building | Heating Equipment: More than 100,000 BTUs                                                | \$20.00                  | \$25.00           |
| 251 | DSC - Building | Hood: Type I (per 12 ft or 12 ft portion of hood)                                        | \$65.00                  | \$70.00           |
| 252 | DSC - Building | Hood: Type II                                                                            | \$13.00                  | \$15.00           |
| 253 | DSC - Building | Electric Water Heater - [FEE RELOCATED]                                                  | \$12.00                  | \$15.00           |
| 254 | DSC - Building | Hydronic Piping: per outlet                                                              | \$3.00                   | \$4.00            |
| 255 | DSC - Building | Miscellaneous (items not covered elsewhere)                                              | \$13.00                  | \$15.00           |
| 256 | DSC - Building | Propane Tanks                                                                            | \$13.00                  | \$15.00           |
| 257 | DSC - Building | Range (Gas)                                                                              | \$13.00                  | \$15.00           |
| 258 | DSC - Building | Refrigeration Unit: 1-100,000 BTUs                                                       | \$15.00                  | N/A               |
| 259 | DSC - Building | Refrigeration Unit: 100,000 - 500,000 BTUs                                               | \$25.00                  | \$25.00           |
| 260 | DSC - Building | Refrigeration Unit: 500,000 - 1,000,000 BTUs                                             | \$30.00                  | N/A               |
| 261 | DSC - Building | Refrigeration Unit: 1,000,000 - 1,750,000 BTUs                                           | \$45.00                  | \$45.00           |
| 262 | DSC - Building | Refrigeration Unit: Over 1,750,000 BTUs                                                  | \$75.00                  | \$75.00           |
| 263 | DSC - Building | Unlisted Gas Appliance: Up to 400,000 BTUs                                               | \$75.00                  | \$75.00           |
| 264 | DSC - Building | Unlisted Gas Appliance: Over 400,000 BTUs                                                | \$125.00                 | \$125.00          |
| 265 | DSC - Building | Used Appliance: Up to 400,000 BTUs                                                       | \$75.00                  | \$75.00           |
| 266 | DSC - Building | Used Appliance: Over 400,000 BTUs                                                        | \$125.00                 | \$125.00          |
| 267 | DSC - Building | Vent Fans                                                                                | \$13.00                  | \$15.00           |
| 268 | DSC - Building | Wood Stove or Insert                                                                     | \$25.00                  | \$30.00           |
| 269 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                              | \$25.00                  | N/A               |
| 270 | DSC - Building | Minimum Sum of Combined Fees, Processing + Inspection Fees - [FEE ELIMINATED]            | \$40.00                  | N/A               |
| 271 | DSC - Building | Reinspection Fee - [RELOCATED TO SHARED FEES]                                            | \$75.00                  | N/A               |
| 272 | DSC - Building | Inspection Outside Normal Working Hours (2-hr minimum) - [RELOCATED TO SHARED FEES]      | \$75.00                  | N/A               |
| 273 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]   | 2x the Inspection Fee(s) | N/A               |
| 274 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES]   | \$150.00                 | N/A               |
| 275 |                |                                                                                          |                          |                   |
| 276 |                | <b><u>Plumbing Permit Fees</u></b>                                                       |                          |                   |
| 277 | DSC - Building | Bar Sink                                                                                 | \$11.00                  | \$11.00           |
| 278 | DSC - Building | Bathtub                                                                                  | \$11.00                  | \$11.00           |
| 279 | DSC - Building | Clothes Washer                                                                           | \$11.00                  | \$11.00           |
| 280 | DSC - Building | Dishwasher                                                                               | \$11.00                  | \$11.00           |
| 281 | DSC - Building | Drinking Fountain                                                                        | \$11.00                  | \$11.00           |
| 282 | DSC - Building | Electric Water Heater - [FEE RELOCATED]                                                  | \$11.00                  | \$15.00           |
| 283 | DSC - Building | Floor Drain                                                                              | \$11.00                  | \$11.00           |
| 284 | DSC - Building | Floor Sink                                                                               | \$11.00                  | \$11.00           |
| 285 | DSC - Building | Garbage Disposal                                                                         | \$11.00                  | \$11.00           |
| 286 | DSC - Building | Kitchen Sink                                                                             | \$11.00                  | \$11.00           |
| 287 | DSC - Building | Lawn Sprinkler (with 1 backflow device)                                                  | \$11.00                  | \$11.00           |
| 288 | DSC - Building | Medical Gas Outlet                                                                       | \$11.00                  | \$11.00           |
| 289 | DSC - Building | Miscellaneous (items not covered elsewhere)                                              | \$11.00                  | \$11.00           |
| 290 | DSC - Building | Sewage Ejector                                                                           | \$11.00                  | \$11.00           |
| 291 | DSC - Building | Shower                                                                                   | \$11.00                  | \$11.00           |
| 292 | DSC - Building | Sink                                                                                     | \$11.00                  | \$11.00           |
| 293 | DSC - Building | Toilet                                                                                   | \$11.00                  | \$11.00           |
| 294 | DSC - Building | Urinal                                                                                   | \$11.00                  | \$11.00           |
| 295 | DSC - Building | Utility Sink                                                                             | \$11.00                  | \$11.00           |

|     |                |                                                                                        |                          |                          |
|-----|----------------|----------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 296 | DSC - Building | Vacuum Breaker/Backflow Device                                                         | \$11.00                  | \$11.00                  |
| 297 | DSC - Building | Water Softener                                                                         | \$11.00                  | \$11.00                  |
| 298 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                            | \$25.00                  | N/A                      |
| 299 | DSC - Building | Minimum Sum of Combined Fees, Processing + Inspection Fees - [FEE ELIMINATED]          | \$40.00                  | N/A                      |
| 300 | DSC - Building | Reinspection Fee - [RELOCATED TO SHARED FEES]                                          | \$75.00                  | N/A                      |
| 301 | DSC - Building | Inspection Outside Normal Working Hours (2-hr minimum) - [RELOCATED TO SHARED FEES]    | \$75.00                  | N/A                      |
| 302 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES] | 2x the Inspection Fee(s) | N/A                      |
| 303 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES] | \$150.00                 | N/A                      |
| 304 |                |                                                                                        |                          |                          |
| 305 |                | <b>Special Inspection and Other Fees</b>                                               |                          |                          |
| 306 | DSC - Building | Reinspection Fee - [RELOCATED TO SHARED FEES]                                          | \$75.00                  | N/A                      |
| 307 | DSC - Building | Inspection Outside Normal Working Hours (2-hr minimum) - [RELOCATED TO SHARED FEES]    | \$75.00                  | N/A                      |
| 308 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES] | 2x the Inspection Fee(s) | N/A                      |
| 309 | DSC - Building | Work Done Without Permit/Investigative Fees - Greater Of: - [RELOCATED TO SHARED FEES] | \$150.00                 | N/A                      |
| 310 | DSC - Building | Minimum Sum of Combined Fees, Processing + Inspection Fees - [FEE ELIMINATED]          | \$40.00                  | N/A                      |
| 311 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                            | \$25.00                  | N/A                      |
| 312 | DSC - Building | Research & Report Fees - [FEE ELIMINATED]                                              | \$60.00                  | N/A                      |
| 313 |                |                                                                                        |                          |                          |
| 314 |                | <b>Certificate of Occupancy Fees</b>                                                   |                          |                          |
| 315 | DSC - Building | For Change of Occupancy when no work required                                          | \$50.00                  | \$95.00                  |
| 316 | DSC - Building | For Home Occupation - Base - [FEE ELIMINATED]                                          | \$20.00                  | N/A                      |
| 317 | DSC - Building | For Home Occupation - Variable - [FEE ELIMINATED]                                      | \$75.00                  | N/A                      |
| 318 | DSC - Building | Processing Fee - [RELOCATED TO SHARED FEES]                                            | \$25.00                  | N/A                      |
| 319 |                |                                                                                        |                          |                          |
| 320 |                | <b>Code Enforcement: Existing Building and Conservation Code Fees</b>                  |                          |                          |
| 321 | DSC - Building | General: Bill equal to all costs and expenses incurred by City                         | Cost Incurred            | Cost Incurred            |
| 322 | DSC - Building | Boarding and Securing                                                                  | Cost Incurred            | Cost Incurred            |
| 323 | DSC - Building | Property Monitoring                                                                    | \$300.00                 | \$300.00                 |
| 324 | DSC - Building | Annual Hearing Processing Fee                                                          | \$1,500.00               | \$1,500.00               |
| 325 |                |                                                                                        |                          |                          |
| 326 |                | <b>Code Enforcement: Obstruction From Vegetation and Debris Fees</b>                   |                          |                          |
| 327 | DSC - Building | Vegetation and Debris Abatement                                                        | Cost Incurred            | Cost Incurred            |
| 328 | DSC - Building | Vegetation and Debris Abatement Surcharge                                              | \$85.00                  | \$85.00                  |
| 329 |                |                                                                                        |                          |                          |
| 330 |                | <b>Code Enforcement: Existing Building and Conservation Code Fees</b>                  |                          |                          |
| 331 | DSC - Building | Annual Foreclosure Property Registration Fee                                           | \$350.00                 | \$350.00                 |
| 332 |                |                                                                                        |                          |                          |
| 333 |                | <b>Appeal Fees</b>                                                                     |                          |                          |
| 334 | DSC - Building | Appeal of Administrative Decision to Hearing Examiner                                  | \$250.00                 | \$350.00                 |
| 335 | DSC - Building | Exception: Junk Vehicle Determination Appeal                                           | \$200.00                 | \$200.00                 |
| 336 | DSC - Building | Appeal of Hearing Examiner Decision to City Council                                    | \$500.00                 | \$700.00                 |
| 337 | DSC - Building | Appeal Preparation Fee                                                                 | Actual Cost              | Actual Cost              |
| 338 | DSC - Building | Appeal Filing Fee (except as otherwise provided)                                       | \$150.00                 | \$150.00                 |
| 339 |                |                                                                                        |                          |                          |
| 340 |                | <b>Multi-Family Housing Property Tax Incentive Program</b>                             |                          |                          |
| 341 | DSC - Building | Multi-Family Tax Exemption (MFTE) Application                                          | \$1,000.00               | \$1,000.00               |
| 342 | DSC - Building | MFTE Extension Application                                                             | \$1,000.00               | \$1,000.00               |
| 343 | DSC - Building | MFTE Final Certificate                                                                 | \$2,000.00               | \$2,000.00               |
| 344 | DSC - Building | MFTE Final Certificate Conversion from 12 to 8 year                                    | \$500.00                 | \$500.00                 |
| 345 |                |                                                                                        |                          |                          |
| 346 |                | <b>Technology</b>                                                                      |                          |                          |
| 347 | DSC            | FABrIC Review - [FEE CREATED]                                                          | NEW FEE                  | \$95.00                  |
| 348 |                |                                                                                        |                          |                          |
| 349 |                | <b>Solar Fees</b>                                                                      |                          |                          |
| 350 | DSC - Building | SFR-Duplex Solar Plan Review Fee (DSC)                                                 | \$75.00                  | \$75.00                  |
| 351 | DSC - Building | SFR-Duplex Solar Inspection Fee (DSC)                                                  | \$150.00                 | \$150.00                 |
| 352 | DSC - Building | MFCOM Solar Plan Review Fee (DSC)                                                      | 65% of Job Value Fee     | 65% of Job Value Fee     |
| 353 | DSC - Building | MFCOM Solar Inspection Fee (DSC)                                                       | Job Value Based          | Job Value Based          |
| 354 | DSC - Building | Electrical Service Fee assessed in accordance with the Electrical Fee Schedule         | See Electric Schedule    | See Electric Schedule    |
| 355 | DSC - Building | Addition electrical fees assessed as applicable to the scope of work.                  | See Electric Schedule    | See Electric Schedule    |
| 356 | DSC - Building | Fire Review and Inspection Fees assessed in accordance with the Fire Codes             | See Fire Code            | See Fire Code            |
| 357 |                |                                                                                        |                          |                          |
| 358 |                | <b>Shared Fees</b>                                                                     |                          |                          |
| 359 | DSC            | Processing Fee                                                                         | \$25.00                  | \$65.00                  |
| 360 | DSC            | Re-Inspection Fee                                                                      | \$75.00                  | \$150.00                 |
| 361 | DSC            | Work Beyond Scope of Permit - [FEE CREATED]                                            | NEW FEE                  | \$150.00                 |
| 362 | DSC            | Work Done Without Permit/Investigative Fees - Greater Of:                              | 2x the Inspection Fee(s) | 2x the Inspection Fee(s) |
| 363 | DSC            | Work Done Without Permit/Investigative Fees - Greater Of:                              | \$150.00                 | \$300.00                 |
| 364 | DSC            | Inspection Outside Normal Working Hours (2-hr minimum)                                 | \$75/hr                  | \$115.26 per hour        |
| 365 | DSC            | Additional, Excessive, Phased Reviews                                                  | 50% Original Review Fee  | 50% Original Review Fee  |
| 366 | DSC            | Additional, Excessive, Phased Inspections - [FEE CREATED]                              | NEW FEE                  | \$105.00                 |
| 367 |                |                                                                                        |                          |                          |
| 368 |                | <b>New Fees</b>                                                                        |                          |                          |
| 369 | DSC            | Credit Card Surcharge/Convenience Fee                                                  | NEW FEE                  | 2.5% or Cost             |
| 370 | DSC            | Refund Administration Fee - No refunds when permit fees are \$75 or less.              | NEW FEE                  | N/A                      |
| 371 | DSC            | Stock Plan Review Fee                                                                  | NEW FEE                  | 25% of Job Value Fee     |
| 372 | DSC            | Reduced Plan Review Fee                                                                | NEW FEE                  | 25% of Job Value Fee     |
| 373 | DSC            | State Building Code Fee                                                                | NEW FEE                  | State Determines         |
| 374 | DSC            | Multi-Family (or just Affordable Housing) Review Fee                                   | NEW FEE                  | 50% of Job Value Fee     |
| 375 | DSC            | Demolition of Accessory Structures - (i.e -garages + propose use for Swimming Pools)   | NEW FEE                  | \$35.00                  |
| 376 | DSC            | Permit or Application Extension Fee                                                    | NEW FEE                  | \$45.00                  |
| 377 | DSC            | Load Test                                                                              | NEW FEE                  | \$45.00                  |
| 378 |                |                                                                                        |                          |                          |

## **Appendix B: Planning Fee Schedule**

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| #  | Division       | Fee Schedule Description                                                                  | Current                     | Rate Year                   |
|----|----------------|-------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 1  |                |                                                                                           |                             |                             |
| 2  |                | <b><u>Shorelines Management</u></b>                                                       |                             |                             |
| 3  | DSC - Planning | \$2,500 - \$10,000 Project Value Fee                                                      | \$1,020.00                  | \$1,020.00                  |
| 4  | DSC - Planning | \$10,001 - \$50,000 Project Value Fee                                                     | \$1,420.00                  | \$1,420.00                  |
| 5  | DSC - Planning | \$50,001 - \$250,000 Project Value Fee                                                    | \$2,700.00                  | \$2,700.00                  |
| 6  | DSC - Planning | \$250,001 - \$1,000,000 Project Value Fee                                                 | \$5,400.00                  | \$5,400.00                  |
| 7  | DSC - Planning | Over \$1,000,000 Project Value Fee - Base                                                 | \$6,750.00                  | \$6,750.00                  |
| 8  | DSC - Planning | Over \$1,000,000 Project Value Fee - Variable                                             | 0.1% of project valuation   | 0.1% of project valuation   |
| 9  | DSC - Planning | Variance Fee                                                                              | \$2,160.00                  | \$2,160.00                  |
| 10 | DSC - Planning | Conditional Use Fee                                                                       | \$1,860.00                  | \$1,860.00                  |
| 11 | DSC - Planning | Pre-Submittal Review                                                                      | \$555.00                    | \$555.00                    |
| 12 | DSC - Planning | Shoreline Exemption Fee                                                                   | \$555.00                    | \$555.00                    |
| 13 | DSC - Planning | Permit Amendment Fee                                                                      | 80% of fee in this schedule | 80% of fee in this schedule |
| 14 |                |                                                                                           |                             |                             |
| 15 |                | <b><u>State Environmental Policy Act (SEPA)</u></b>                                       |                             |                             |
| 16 | DSC - Planning | SEPA Environmental Checklist Initial Review                                               | \$250.00                    | \$700.00                    |
| 17 | DSC - Planning | Threshold Determination of MDNS                                                           | \$165.00                    | \$325.00                    |
| 18 | DSC - Planning | Threshold Determination Resulting in Declaration of Significance                          | Actual Cost                 | Actual Cost                 |
| 19 | DSC - Planning | Threshold Determination Resulting in Declaration of Significance - Deposit                | \$2,450.00                  | \$3,250.00                  |
| 20 | DSC - Planning | Public Notice                                                                             | Actual Cost                 | Actual Cost                 |
| 21 | DSC - Planning | Environmental Document Reproduction                                                       | Actual Cost                 | Actual Cost                 |
| 22 |                |                                                                                           |                             |                             |
| 23 |                | <b><u>Plats</u></b>                                                                       |                             |                             |
| 24 | DSC - Planning | Long Plat: One-Year Extension of Preliminary Approval                                     | \$550.00                    | \$897.70                    |
| 25 | DSC - Planning | Long Plat: Phasing of Approved Preliminary Plat                                           | \$500.00                    | \$816.00                    |
| 26 | DSC - Planning | Long Plat: Vacation                                                                       | \$490.00                    | \$799.70                    |
| 27 | DSC - Planning | Final Long Plat - Base                                                                    | \$2,025.00                  | \$3,305.00                  |
| 28 | DSC - Planning | Final Long Plat - Additional fee per lot                                                  | \$25.00                     | \$40.80                     |
| 29 | DSC - Planning | Long Plat: Alteration of Approved Preliminary or Final Long Plat                          | 80% of fee in this schedule | 80% of fee in this schedule |
| 30 | DSC - Planning | Short Plat: One-Year Extension One-Year Extension of Preliminary Approval                 | \$550.00                    | \$550.00                    |
| 31 | DSC - Planning | Short Plat: Phasing of Approved Preliminary Plat                                          | \$500.00                    | \$500.00                    |
| 32 | DSC - Planning | Short Plat: Vacation                                                                      | \$490.00                    | \$490.00                    |
| 33 | DSC - Planning | Final Short Plat Filing Fee Without Engineering Review                                    | \$1,820.00                  | \$2,271.00                  |
| 34 | DSC - Planning | Final Short Plat Filing Fee Without Engineering Review - Additional fee per lot           | \$30.00                     | \$37.40                     |
| 35 | DSC - Planning | Final Short Plat Filing Fee With Engineering Review                                       | \$350.00                    | \$436.70                    |
| 36 | DSC - Planning | Final Short Plat Filing Fee With Engineering Review - Additioanl fee per lot              | \$30.00                     | \$37.40                     |
| 37 | DSC - Planning | Short Plat: Alteration of Approved Preliminary or Final Short Plat                        | 80% of fee in this schedule | 80% of fee in this schedule |
| 38 | DSC - Planning | Binding Site Plan: One-Year Extension of Preliminary Approval                             | \$550.00                    | \$550.00                    |
| 39 | DSC - Planning | Final Binding Site Plan                                                                   | \$2,970.00                  | \$2,970.00                  |
| 40 | DSC - Planning | Final Binding Site Plan - fee per additional acre                                         | \$30.00                     | \$30.00                     |
| 41 | DSC - Planning | Binding Site Plan: Alteration of Approved Preliminary or Final                            | 80% of fee in this schedule | 80% of fee in this schedule |
| 42 | DSC - Planning | Boundary Line Adjustment Filing Fee                                                       | \$350.00                    | \$350.00                    |
| 43 | DSC - Planning | Street Name Change                                                                        | \$1,355.00                  | \$1,355.00                  |
| 44 | DSC - Planning | Public Hearing for Other Matters                                                          | \$1,895.00                  | \$1,895.00                  |
| 45 | DSC - Planning | Use of Planning Staff Not Covered by Plat Fees                                            | \$85.00                     | \$85.00                     |
| 46 |                |                                                                                           |                             |                             |
| 47 |                | <b><u>Zoning</u></b>                                                                      |                             |                             |
| 48 | DSC - Planning | Staff Preparation of Notification Map and Associated Documents                            | \$150.00                    | \$413.00                    |
| 49 | DSC - Planning | Type I Application                                                                        | \$1,085.00                  | \$1,085.00                  |
| 50 | DSC - Planning | Type II Application: Without Engineering Review                                           | \$4,325.00                  | \$4,325.00                  |
| 51 | DSC - Planning | Type II Application: Without Engineering Review - per additional acre                     | \$60.00                     | \$60.00                     |
| 52 | DSC - Planning | Type II Application: With Minor Engineering Review                                        | \$1,085.00                  | \$1,085.00                  |
| 53 | DSC - Planning | Type III Application                                                                      | \$4,590.00                  | \$4,590.00                  |
| 54 | DSC - Planning | Type III Application - per additional acre                                                | \$215.00                    | \$215.00                    |
| 55 | DSC - Planning | Site Plan Review and/or Modification                                                      | \$815.00                    | \$815.00                    |
| 56 | DSC - Planning | Site Plan Review and/or Modification - per additional 10 acres                            | \$550.00                    | \$550.00                    |
| 57 | DSC - Planning | Optional Consolidated Project Review                                                      | \$4,325.00                  | \$4,325.00                  |
| 58 | DSC - Planning | Optional Consolidated Project Review - per additional acre                                | \$215.00                    | \$215.00                    |
| 59 | DSC - Planning | Planned Unit Development (PUD) Bonus Density                                              | \$880.00                    | \$880.00                    |
| 60 | DSC - Planning | Final PUD                                                                                 | \$3,295.00                  | \$3,295.00                  |
| 61 | DSC - Planning | Temporary Use Permit                                                                      | \$675.00                    | \$675.00                    |
| 62 | DSC - Planning | Floodplain Development Permit                                                             | \$900.00                    | \$1,139.00                  |
| 63 | DSC - Planning | Floodplain Development Permit -per additional acre                                        | \$55.00                     | \$69.60                     |
| 64 | DSC - Planning | Front Yard Setback Establishment Different Than Zoning Code                               | \$810.00                    | \$810.00                    |
| 65 | DSC - Planning | Accessory Dwelling Unit (ADU) - [FEE CONSOLIDATED]                                        | \$655.00                    | N/A                         |
| 66 | DSC - Planning | Formal Written Interpretation of Zoning Code                                              | \$580.00                    | \$727.00                    |
| 67 | DSC - Planning | Public Hearing for Other Matters                                                          | \$1,895.00                  | \$1,895.00                  |
| 68 | DSC - Planning | Use of Planning Staff Not Covered by Above Fees - Hourly                                  | \$85.00                     | \$85.00                     |
| 69 | DSC - Planning | Short Term Rental Permit - In Residential Zones                                           | \$200.00                    | \$200.00                    |
| 70 | DSC - Planning | Short Term Rental Renewal - In Residential Zones - Annually                               | \$100.00                    | \$100.00                    |
| 71 | DSC - Planning | Short Term Rental Permit - In All Other Zones                                             | \$300.00                    | \$300.00                    |
| 72 | DSC - Planning | Short Term Rental Renewal - In All Other Zones - Annual                                   | \$150.00                    | \$150.00                    |
| 73 |                |                                                                                           |                             |                             |
| 74 |                | <b><u>Design Review</u></b>                                                               |                             |                             |
| 75 | DSC - Planning | Design Review by Urban Design Staff                                                       | \$600.00                    | \$600.00                    |
| 76 | DSC - Planning | Design Review by Design Review Board                                                      | \$1,275.00                  | \$1,275.00                  |
| 77 |                |                                                                                           |                             |                             |
| 78 | DSC - Planning | <b><u>Comprehensive Plan and Land Use Code Amendments</u></b>                             |                             |                             |
| 79 | DSC - Planning | Threshold Review Fee                                                                      | \$500.00                    | \$500.00                    |
| 80 | DSC - Planning | Comp Plan, Map, Text, or other Land Use Code Amendment - Base                             | \$5,000.00                  | \$5,000.00                  |
| 81 | DSC - Planning | Comp Plan, Map, Text, or other Land Use Code Amendment - Variable per additional 10 acres | \$1,075.00                  | \$1,075.00                  |
| 82 | DSC - Planning | Use of Planning Staff Not Covered by Above Fees                                           | \$85.00                     | \$85.00                     |
| 83 | DSC - Planning | Formal Written Interpretation of Comp Plan                                                | \$1,075.00                  | \$1,075.00                  |
| 84 |                |                                                                                           |                             |                             |
| 85 |                | <b><u>Concurrency Inquiry Application</u></b>                                             |                             |                             |
| 86 | DSC - Planning | Concurrency Inquiry Application                                                           | \$200.00                    | \$200.00                    |
| 87 |                |                                                                                           |                             |                             |
| 88 |                | <b><u>Short Term Rental License Fee</u></b>                                               |                             |                             |
| 89 | DSC - Planning | Platform Booking Fee - per night (paid quarterly)                                         | \$4.00                      | \$4.00                      |
| 90 | DSC - Planning | Registration for STR - Residential Zone - Application - [FEE CREATED]                     | NEW FEE                     | \$200.00                    |
| 91 | DSC - Planning | Registration for STR - Residential Zone - Renewal - [FEE CREATED]                         | NEW FEE                     | \$100.00                    |
| 92 | DSC - Planning | Registration for STR - Other Zone - Application - [FEE CREATED]                           | NEW FEE                     | \$300.00                    |
| 93 | DSC - Planning | Registration for STR - Other Zone - Renewal - [FEE CREATED]                               | NEW FEE                     | \$100.00                    |
| 94 |                |                                                                                           |                             |                             |

## **Appendix C: Engineering Fee Schedule**

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| #  | Division          | Fee Schedule Description                                                      | Current       | Rate Year         |
|----|-------------------|-------------------------------------------------------------------------------|---------------|-------------------|
| 1  |                   |                                                                               |               |                   |
| 2  |                   | <b><u>Sidewalk Café Fees</u></b>                                              |               |                   |
| 3  | DSC - Engineering | Sidewalk Café Annual Fee                                                      | \$100.00      | \$150.00          |
| 4  | DSC - Engineering | Site Modification Review Fee                                                  | \$250.00      | \$300.00          |
| 5  | DSC - Engineering | Application Fee - [RELOCATED TO SHARED FEES]                                  | \$50.00       | N/A               |
| 6  | DSC - Engineering | Initial Review Fee                                                            | \$300.00      | \$450.00          |
| 7  |                   |                                                                               |               |                   |
| 8  |                   | <b><u>Parklets and Streateries</u></b>                                        |               |                   |
| 9  | DSC - Engineering | Annual License Fee                                                            | \$100.00      | \$150.00          |
| 10 | DSC - Engineering | Site Modification Review Fee                                                  | \$250.00      | \$300.00          |
| 11 | DSC - Engineering | Application Fee - [RELOCATED TO SHARED FEES]                                  | \$50.00       | N/A               |
| 12 | DSC - Engineering | Initial Review Fee                                                            | \$300.00      | \$450.00          |
| 13 | DSC - Engineering | Refundable Cash Bond                                                          | \$1,000.00    | \$1,000.00        |
| 14 | DSC - Engineering | Streatery, 2-hr parking meter removal                                         | \$2.09        | \$2.10            |
| 15 | DSC - Engineering | Streatery, 4-hr & all day parking meter removal                               | \$2.09        | \$2.10            |
| 16 | DSC - Engineering | Streatery, Time-restricted free parking                                       | \$1.05        | \$1.10            |
| 17 | DSC - Engineering | Meter Removal and Replacement Fee                                             | \$80.00       | \$80.00           |
| 18 | DSC - Engineering | Parklet, 2-hr parking meter removal                                           | \$1.05        | \$1.10            |
| 19 | DSC - Engineering | Parklet, 4-hr & all day parking meter removal                                 | \$1.05        | \$1.10            |
| 20 | DSC - Engineering | Meter Removal and Replacement Fee                                             | \$80.00       | \$80.00           |
| 21 |                   |                                                                               |               |                   |
| 22 |                   | <b><u>Sewer Code Fees</u></b>                                                 |               |                   |
| 23 | DSC - Engineering | Side Sewer Application Fee - [RELOCATED TO SHARED FEES]                       | \$40.00       | N/A               |
| 24 | DSC - Engineering | Side Sewer Inspection Fee                                                     | \$150.00      | \$150.00          |
| 25 | DSC - Engineering | Sewer Tap                                                                     | \$100.00      | \$100.00          |
| 26 | DSC - Engineering | Reinspection Fee                                                              | \$50.00       | \$150.00          |
| 27 |                   |                                                                               |               |                   |
| 28 |                   | <b><u>Water Code Fees</u></b>                                                 |               |                   |
| 29 | DSC - Engineering | Water Tap Application Fee - [RELOCATED TO SHARED FEES]                        | \$40.00       | N/A               |
| 30 | DSC - Engineering | Water Meter Application Fee - [RELOCATED TO SHARED FEES]                      | \$40.00       | N/A               |
| 31 |                   |                                                                               |               |                   |
| 32 |                   | <b><u>Small Taps and Meters--Additional</u></b>                               |               |                   |
| 33 | DSC - Engineering | Water Tap & Meter Processing Fee - [RELOCATED TO SHARED FEES]                 | \$40.00       | N/A               |
| 34 |                   |                                                                               |               |                   |
| 35 |                   | <b><u>Large Taps and Meters</u></b>                                           |               |                   |
| 36 | DSC - Engineering | Water Tap & Meter Processing Fee - [RELOCATED TO SHARED FEES]                 | \$40.00       | N/A               |
| 37 |                   |                                                                               |               |                   |
| 38 |                   | <b><u>Streets and Airspace Fees</u></b>                                       |               |                   |
| 39 | DSC - Engineering | Skywalk Application to Hearing Examiner                                       | \$7,160.00    | \$7,160.00        |
| 40 | DSC - Engineering | Skywalk Annual Inspection                                                     | \$335.00      | \$335.00          |
| 41 | DSC - Engineering | Skywalk Renewal (within 20 years of permit issuance)                          | \$2,290.00    | \$2,290.00        |
| 42 | DSC - Engineering | Street Address Assignment                                                     | \$10.00       | \$15.00           |
| 43 | DSC - Engineering | Street Address Change                                                         | \$20.00       | \$75.00           |
| 44 | DSC - Engineering | ROW Obstruction: Dumpster or Temp Storage Unit (Pod)                          | \$100.00      | \$175.00          |
| 45 | DSC - Engineering | ROW Obstruction: Long-term (more than 20 days)                                | \$0.20        | \$0.30            |
| 46 | DSC - Engineering | ROW Obstruction: With Excavation 1-3 Days                                     | \$100.00      | \$150.00          |
| 47 | DSC - Engineering | ROW Obstruction: With Excavation Each Addition 3 Day Period                   | \$40.00       | \$75.00           |
| 48 | DSC - Engineering | ROW Obstruction: No Excavation 1-3 Days                                       | \$20.00       | \$30.00           |
| 49 | DSC - Engineering | ROW Obstruction: No Excavation Each Addition 3 Day Period                     | \$40.00       | \$60.00           |
| 50 | DSC - Engineering | Master Annual Permit                                                          | Expense based | Expense based     |
| 51 | DSC - Engineering | Parking Meter Obstruction - [FEE RELOCATED]                                   | Parking Fee   | Parking Fee       |
| 52 | DSC - Engineering | Obstruction W/O Permit or Exempt Notification                                 | \$500.00      | \$500.00          |
| 53 | DSC - Engineering | Work Beyond Scope of Permit                                                   | \$250.00      | \$250.00          |
| 54 | DSC - Engineering | No Fee For Activities Done Under City Contract                                | \$0.00        | N/A               |
| 55 | DSC - Engineering | Traffic Control Plan Review Fee                                               | \$50.00       | \$95.00           |
| 56 | DSC - Engineering | Building Move Permit                                                          | \$100.00      | \$300.00          |
| 57 | DSC - Engineering | Road Oiling (and other dust palliatives)                                      | \$100.00      | \$150.00          |
| 58 | DSC - Engineering | Street Vacation Application Fee                                               | \$400.00      | \$1,200.00        |
| 59 | DSC - Engineering | Approach Permit: Commercial                                                   | \$30.00       | \$95.00           |
| 60 | DSC - Engineering | Approach Permit: Residential Driveway                                         | \$20.00       | \$75.00           |
| 61 |                   |                                                                               |               |                   |
| 62 |                   | <b><u>Private Construction Plan Review and Inspection</u></b>                 |               |                   |
| 63 |                   | Plan Review Fee Table:                                                        |               |                   |
| 64 | DSC - Engineering | \$1 - \$10,000 Job Value Fee                                                  | \$300.00      | \$300.00          |
| 65 | DSC - Engineering | \$10,001 - \$50,000 Job Value Fee - Base                                      | \$300.00      | \$300.00          |
| 66 | DSC - Engineering | \$10,001 - \$50,000 Job Value Fee - Variable                                  | \$15.00       | \$15.00           |
| 67 | DSC - Engineering | \$50,001 - \$100,000 Job Value Fee - Base                                     | \$900.00      | \$900.00          |
| 68 | DSC - Engineering | \$50,001 - \$100,000 Job Value Fee - Variable                                 | \$13.00       | \$13.00           |
| 69 | DSC - Engineering | \$100,001 - \$500,000 Job Value Fee - Base                                    | \$1,550.00    | \$1,550.00        |
| 70 | DSC - Engineering | \$100,001 - \$500,000 Job Value Fee - Variable                                | \$10.50       | \$10.50           |
| 71 | DSC - Engineering | \$500,001 - \$1,000,000 Job Value Fee - Base                                  | \$5,750.00    | \$5,750.00        |
| 72 | DSC - Engineering | \$500,001 - \$1,000,000 Job Value Fee - Variable                              | \$9.50        | \$9.50            |
| 73 | DSC - Engineering | Over \$1,000,000 Job Value Fee - Base                                         | \$10,500.00   | \$10,500.00       |
| 74 | DSC - Engineering | Over \$1,000,000 Job Value Fee - Variable                                     | \$8.75        | \$8.80            |
| 75 | DSC - Engineering | Additional Review (for excessive plan changes)                                | \$60 per hour | \$115.50 per hour |
| 76 | DSC - Engineering | On-Site Water Systems Review Fee - outside City limits or no bldg permit      | \$250.00      | \$250.00          |
| 77 | DSC - Engineering | On-Site Sanitary Sewer Systems Review - outside City limits or no bldg permit | \$250.00      | \$250.00          |
| 78 | DSC - Engineering | Standard (Simple) Stormwater Systems Review: Under 10 lots - Base             | \$400.00      | \$400.00          |
| 79 | DSC - Engineering | Standard (Simple) Stormwater Systems Review: Under 10 lots - Variable         | \$10.00       | \$10.00           |
| 80 | DSC - Engineering | Standard (Simple) Stormwater Systems Review: 10 - 100 lots - Base             | \$500.00      | \$500.00          |
| 81 | DSC - Engineering | Standard (Simple) Stormwater Systems Review: 10 - 100 lots - Variable         | \$10.00       | \$10.00           |
| 82 | DSC - Engineering | Standard (Simple) Stormwater Systems Review: Over 100 lots - Base             | \$700.00      | \$700.00          |
| 83 | DSC - Engineering | Standard (Simple) Stormwater Systems Review: Over 100 lots - Variable         | \$10.00       | \$10.00           |
| 84 | DSC - Engineering | Stormwater Review Fee Up to 2 acres - outside City limits or no bldg permit   | \$250.00      | \$250.00          |
| 85 | DSC - Engineering | Stormwater Review Fee Over 2 acres - outside City limits or no bldg permit    | \$500.00      | \$500.00          |
| 86 | DSC - Engineering | Complex Stormwater Systems Review: Under 10 lots - Base                       | \$500.00      | \$500.00          |
| 87 | DSC - Engineering | Complex Stormwater Systems Review: Under 10 lots - Variable                   | \$10.00       | \$10.00           |
| 88 | DSC - Engineering | Complex Stormwater Systems Review: 10 - 100 lots - Base                       | \$750.00      | \$750.00          |
| 89 | DSC - Engineering | Complex Stormwater Systems Review: 10 - 100 lots - Variable                   | \$15.00       | \$15.00           |
| 90 | DSC - Engineering | Complex Stormwater Systems Review: Over 100 lots - Base                       | \$1,000.00    | \$1,000.00        |
| 91 | DSC - Engineering | Complex Stormwater Systems Review: Over 100 lots - Variable                   | \$15.00       | \$15.00           |
| 92 | DSC - Engineering | Stormwater Review Fee Up to 2 acres - outside City limits or no bldg permit   | \$500.00      | \$500.00          |
| 93 | DSC - Engineering | Stormwater Review Fee Over 2 acres - outside City limits or no bldg permit    | \$1,000.00    | \$1,000.00        |
| 94 | DSC - Engineering | Storm Sewer Review - in accordance with subsection (A) above.                 | No Charge     | No Charge         |
| 95 | DSC - Engineering | Waiver or Variance Review                                                     | \$60.00       | \$115.50 per hour |
| 96 | DSC - Engineering | Site Development Plan Review                                                  | \$250.00      | \$250.00          |
| 97 | DSC - Engineering | Traffic Impact Analysis Review Fee                                            | \$200.00      | \$200.00          |

|     |                   |                                                                   |                            |                            |
|-----|-------------------|-------------------------------------------------------------------|----------------------------|----------------------------|
| 98  | DSC - Engineering | Hydraulic Analysis Review Fee                                     | \$580.00                   | \$580.00                   |
| 99  |                   | <u>Inspection Fee Table:</u>                                      |                            |                            |
| 100 | DSC - Engineering | \$1 - \$5,000 Job Value Fee                                       | \$500.00                   | \$500.00                   |
| 101 | DSC - Engineering | \$5,001 - \$10,000 Job Value Fee                                  | \$1,000.00                 | \$1,000.00                 |
| 102 | DSC - Engineering | \$10,001 - \$50,000 Job Value Fee - Base                          | \$1,000.00                 | \$1,000.00                 |
| 103 | DSC - Engineering | \$10,001 - \$50,000 Job Value Fee - Variable                      | \$25.00                    | \$25.00                    |
| 104 | DSC - Engineering | \$50,001 - \$100,000 Job Value Fee - Base                         | \$2,000.00                 | \$2,000.00                 |
| 105 | DSC - Engineering | \$50,001 - \$100,000 Job Value Fee - Variable                     | \$20.00                    | \$20.00                    |
| 106 | DSC - Engineering | \$100,001 - \$500,000 Job Value Fee - Base                        | \$3,000.00                 | \$3,000.00                 |
| 107 | DSC - Engineering | \$100,001 - \$500,000 Job Value Fee - Variable                    | \$15.00                    | \$15.00                    |
| 108 | DSC - Engineering | \$500,001 - \$1,000,000 Job Value Fee - Base                      | \$9,000.00                 | \$9,000.00                 |
| 109 | DSC - Engineering | \$500,001 - \$1,000,000 Job Value Fee - Variable                  | \$10.00                    | \$10.00                    |
| 110 | DSC - Engineering | Over \$1,000,000 Job Value Fee - Base                             | \$14,000.00                | \$14,000.00                |
| 111 | DSC - Engineering | Over \$1,000,000 Job Value Fee - Variable                         | \$5.00                     | \$5.00                     |
| 112 | DSC - Engineering | Non-Typical, Specialty Project Inspection                         | \$40.00                    | \$115.50 per hour          |
| 113 | DSC - Engineering | Non-Typical, Specialty Project Overtime Inspection                | 1.5x the Inspection Fee(s) | 1.5x the Inspection Fee(s) |
| 114 | DSC - Engineering | Non-Typical, Specialty Project Survey Crew Inspection             | \$120.00                   | \$115.50 per hour          |
| 115 | DSC - Engineering | Non-Typical, Specialty Project Survey Crew Overtime Inspection    | 1.5x the Inspection Fee(s) | 1.5x the Inspection Fee(s) |
| 116 |                   |                                                                   |                            |                            |
| 117 |                   | <u>Oversize or Overweight Movements</u>                           |                            |                            |
| 118 | DSC - Engineering | Oversize Load - Per 30 Days or fraction of                        | \$50.00                    | \$95.00                    |
| 119 | DSC - Engineering | Overweight Load (on specified route) - Per 30 Days or fraction of | \$75.00                    | \$145.00                   |
| 120 | DSC - Engineering | Superload - Per Trip                                              | \$75.00                    | \$145.00                   |
| 121 |                   |                                                                   |                            |                            |

## **Appendix D: Fee Survey**

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| Planning Fee Comparison                                  |  | Spokane    | Spokane County | Spokane Valley | Vancouver, WA    | Tacoma           |
|----------------------------------------------------------|--|------------|----------------|----------------|------------------|------------------|
| Final Short Plat Filing Fee (without engineering review) |  | \$1,820.00 | \$2,222.16     | \$1,406.00     | \$6,272.00       | \$3,500.00       |
| Boundary Line Adjustment - Filing Fee                    |  | \$350.00   | N/A            | \$270.00       | N/A              | N/A              |
| Shoreline Conditional Use Fee                            |  | \$1,860.00 | \$4,197.43     | \$1,731.00     | \$1,798.00       | \$6,240.00       |
| Residential Short Term Rental Permit                     |  | \$200.00   | N/A            | N/A            | Business License | Business License |
| Non-Res Short Term Rental Permit                         |  | \$300.00   | N/A            | N/A            | Business License | Business License |
| Planning Fee Comparison                                  |  | Spokane    | Seattle        | Boise          | Post Falls       |                  |
| Final Short Plat Filing Fee Without Engineering Review   |  | \$1,820.00 | \$4,930.00     | \$315.00       | \$600.00         |                  |
| Boundary Line Adjustment Filing Fee                      |  | \$350.00   | \$394.00       | \$242.55       | N/A              |                  |
| Shoreline Conditional Use Fee                            |  | \$1,860.00 | \$4,930.00     | \$1,370.25     | \$750.00         |                  |
| Residential Short Term Rental Permit                     |  | \$200.00   | \$110.00       | \$81.50        | \$81.50          |                  |
| Non-Res Short Term Rental Permit                         |  | \$300.00   | \$110.00       | \$81.50        | \$81.50          |                  |

| Building Fee Comparison       |    | Valuation  | Spokane    | Spokane County | Spokane Valley | Vancouver, WA | Tacoma     |
|-------------------------------|----|------------|------------|----------------|----------------|---------------|------------|
| New Large Commerical Building | \$ | 63,309,560 | \$ 191,901 | N/A            | \$ 201,884     | \$ 258,285    | \$ 541,771 |
| Including Review Fee          |    |            | \$ 316,636 | N/A            | \$ 333,108     | \$ 426,171    | \$ 893,923 |
| New Commerical Building       | \$ | 5,370,000  | \$ 18,082  | N/A            | \$ 19,374      | \$ 24,789     | \$ 49,285  |
| Including Review Fee          |    |            | \$ 29,835  | N/A            | \$ 31,968      | \$ 40,901     | \$ 81,320  |
| New Commerical Building       | \$ | 1,654,943  | \$ 6,937   | N/A            | \$ 7,672       | \$ 9,817      | \$ 17,707  |
| Including Review Fee          |    |            | \$ 11,446  | N/A            | \$ 12,659      | \$ 16,198     | \$ 29,217  |
| New Residential Building      | \$ | 625,771    | \$ 3,475   | N/A            | \$ 3,831       | \$ 4,900      | \$ 8,408   |
| Including Review Fee          |    |            | \$ 4,344   | N/A            | \$ 5,364       | \$ 8,085      | \$ 12,191  |
| New Residential Building      | \$ | 368,642    | \$ 2,315   | N/A            | \$ 2,498       | \$ 3,194      | \$ 5,652   |
| Including Review Fee          |    |            | \$ 2,894   | N/A            | \$ 3,497       | \$ 5,269      | \$ 8,196   |
| Residential Building Addition | \$ | 71,846     | \$ 840     | N/A            | \$ 797         | \$ 1,107      | \$ 1,738   |
| Including Review Fee          |    |            | \$ 1,051   | N/A            | \$ 1,115       | \$ 1,827      | \$ 2,520   |
| Building Fee Comparison       |    |            | Spokane    | Seattle        | Boise          | Post Falls    |            |
| New Large Commerical Building | \$ | 63,309,560 | \$ 191,901 | \$ 190,831     | \$ 327,707     | \$ 201,884    |            |
| Including Review Fee          |    |            | \$ 316,636 | \$ 381,662     | \$ 540,716     | \$ 333,108    |            |
| New Commerical Building       | \$ | 5,370,000  | \$ 18,082  | \$ 23,667      | \$ 28,159      | \$ 19,374     |            |
| Including Review Fee          |    |            | \$ 29,835  | \$ 47,334      | \$ 46,462      | \$ 31,968     |            |
| New Commerical Building       | \$ | 1,654,943  | \$ 6,937   | \$ 9,168       | \$ 8,952       | \$ 7,672      |            |
| Including Review Fee          |    |            | \$ 11,446  | \$ 18,336      | \$ 14,771      | \$ 12,659     |            |
| New Residential Building      | \$ | 625,771    | \$ 3,475   | \$ 4,186       | \$ 3,631       | \$ 3,831      |            |
| Including Review Fee          |    |            | \$ 4,344   | \$ 8,372       | \$ 4,358       | \$ 4,789      |            |
| New Residential Building      | \$ | 368,642    | \$ 2,315   | \$ 2,867       | \$ 2,302       | \$ 2,498      |            |
| Including Review Fee          |    |            | \$ 2,894   | \$ 5,735       | \$ 2,762       | \$ 3,123      |            |
| Residential Building Addition | \$ | 71,846     | \$ 840     | \$ 882         | \$ 734         | \$ 797        |            |
| Including Review Fee          |    |            | \$ 1,051   | \$ 1,764       | \$ 881         | \$ 996        |            |

| Additional Fee Comparison    |  | Spokane | Spokane County   | Spokane Valley | Vancouver, WA | Tacoma           |
|------------------------------|--|---------|------------------|----------------|---------------|------------------|
| Technology Surcharge         |  | 0.00%   | 0.00%            | 0.00%          | 0.00%         | 5.00%            |
| Credit Card Transaction Fees |  | 0.00%   | 0.00%            | 2.50%          | 0.00%         | 0.00%            |
| Processing Fee               |  | \$25.00 | \$68.00          | \$66.00        | \$31.00       | Included in Base |
| Additional Fee Comparison    |  | Spokane | Seattle          | Boise          | Post Falls    |                  |
| Technology Surcharge         |  | 0.00%   | 5.00%            | 0.00%          | 0.00%         |                  |
| Credit Card Transaction Fees |  | 0.00%   | 0.00%            | 0.00%          | 0.00%         |                  |
| Processing Fee               |  | \$25.00 | Included in Base | \$35.00        | \$35.00       |                  |

## **Appendix E: Technology Surcharge**

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**To:** Tami Palmquist, Director of Development Services Center

**Date:** 08/22/2024

**From:** Shivani Lal, Project Manager  
Evan Coughlan, and Devin Tryon, Sr. Analysts

**CC:** Angie Sanchez, Principal

**RE** Technology Surcharge Memorandum

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## Introduction

In 2023, the City of Spokane engaged FCS GROUP to conduct a comprehensive study on development service fees. The study included an in-depth analysis of the concept of a technology surcharge, a review of best practices from other organizations, and projections of potential revenues that various technology surcharge thresholds could generate for the City.

This memorandum summarizes FCS GROUP's understanding of the concept of a Technology Surcharge, as well as our research on other jurisdictions and revenue estimates pertain to the City's potential decision to subsidize technology-adjacent costs through the establishment of a technology surcharge.

## Concept of a Technology Surcharge

A technology surcharge is typically collected by cities as a percentage of a permit fee within the city's development fee schedule. The purpose of this surcharge is to provide the necessary funds to maintain the technology-dependent service levels required by a city's community development department. This surcharge helps ensure the sustainability and efficiency of various technological services crucial to city operations.

Examples of services supported by the technology surcharge include the provision of an online permit portal for customers, which allows for convenient submission and tracking of permit applications, and the management of permit workflows and fee payments, which streamlines administrative processes and improves service delivery. These technological solutions are vital for maintaining transparency, accessibility, and efficiency in handling development permits.

When establishing a technology surcharge, cities typically consider two main cost centers: the ongoing annual maintenance and licensing expenses of the technology used, and the eventual replacement of technology systems. Ongoing maintenance and licensing costs cover regular updates, technical support, and security enhancements necessary to keep the systems operational and secure. The eventual replacement costs account for the need to upgrade or replace technology systems as they become outdated or reach the end of their useful life.

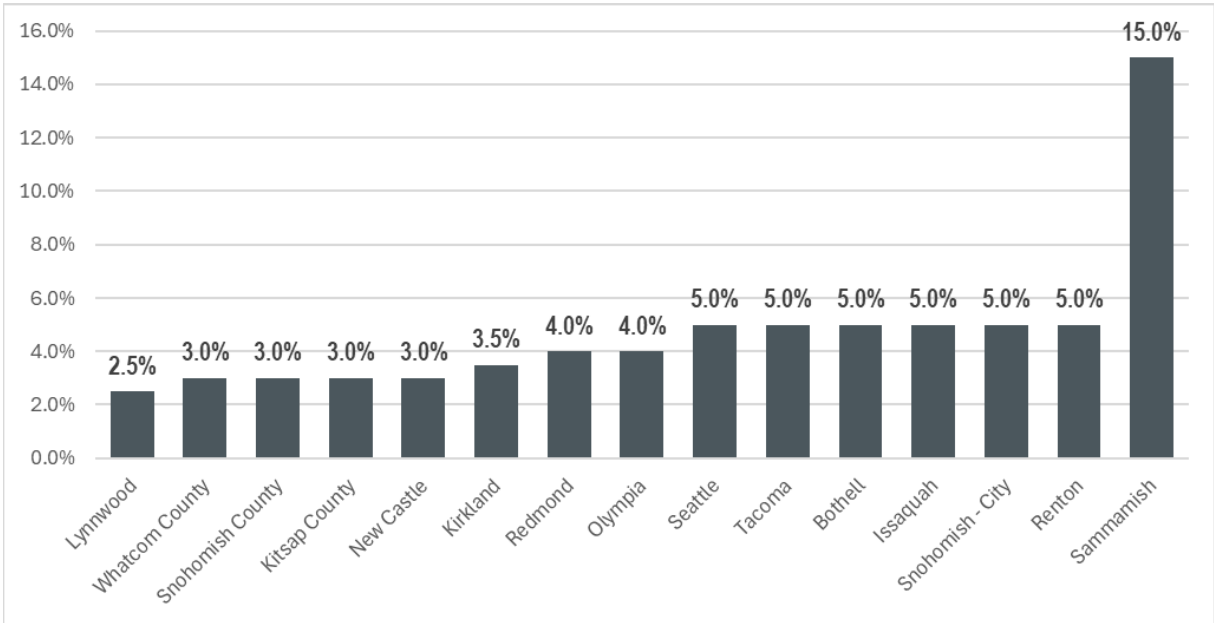
Annual revenues generated from the technology surcharge, after covering maintenance costs, are allocated into a reserve fund specifically designated for future capital replacement expenses. This ensures that when the technology systems need to be replaced, the funds are readily available, preventing any disruption in service levels. The reserve fund is strictly used for replacing technology essential to maintaining the desired service standards set by the city's community development department.

Regular monitoring of the reserve fund and the technology surcharge is crucial to ensure that the funds are being used appropriately and that the surcharge rate remains sufficient to cover both current and future technology costs. This proactive financial management helps cities avoid budget shortfalls and ensures continuous improvement and adaptation of technological services to meet evolving needs.

## Practices of Other Organizations

In conducting its research, FCS GROUP surveyed the technology surcharge practices across fifteen local jurisdictions. The findings revealed a notable variance in surcharge rates, ranging from a minimum of 2.5 percent to a maximum of 15.0 percent. Among these rates, the most frequently observed percentages were 3.0 percent and 5.0 percent. For further details and a comprehensive breakdown of the surveyed data, please refer to **Exhibit 1** below.

**Exhibit 1: Technology Surcharge Interjurisdictional Survey**



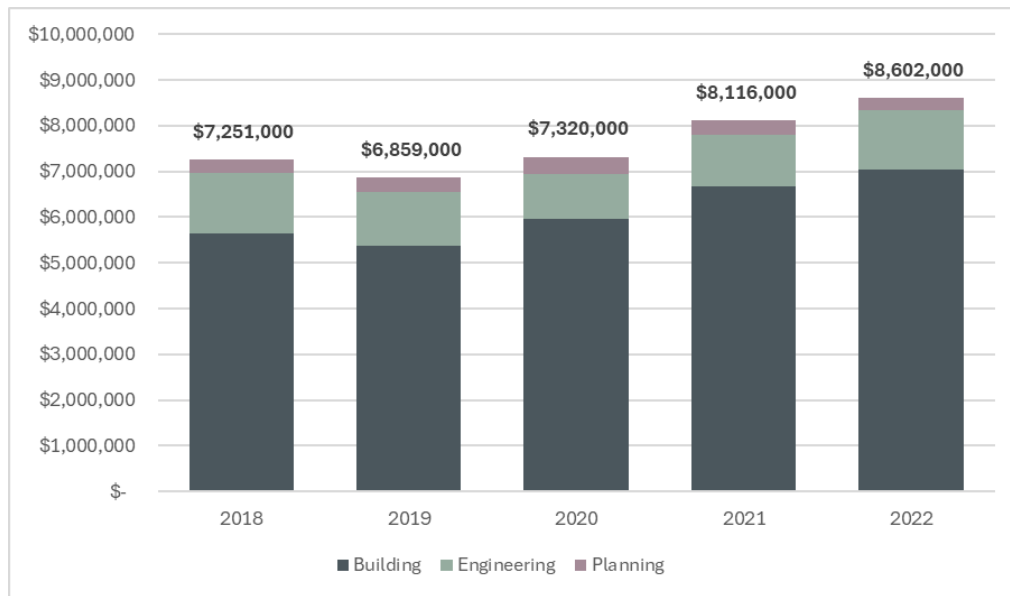
Depending on the technology costs and policy decisions made by the surveyed jurisdictions, the reserves established by this surcharge may serve different purposes. In some cases, these reserves are sufficient to fully fund the replacement of outdated technology systems, ensuring a seamless transition and continuous service provision. In other instances, the reserves may be used to subsidize the fiscal impact of technology replacement, reducing the financial burden on the city's general budget. This approach allows jurisdictions to strategically manage their financial resources while maintaining the necessary technological infrastructure to support their community development activities.

### Projected Revenue from Technology Surcharge

Development permit fees include charges collected in relation to Building, Engineering, and Planning for the review and inspection of new developments and the redevelopment of existing infrastructure. These fees apply to a wide range of projects, from the construction of new homes and office buildings to the renovation and improvement of existing structures, such as installing a new roof or upgrading electrical systems. These fees ensure that all construction activities comply with local building codes, safety standards, and zoning regulations, thereby promoting safe and sustainable development within the community.

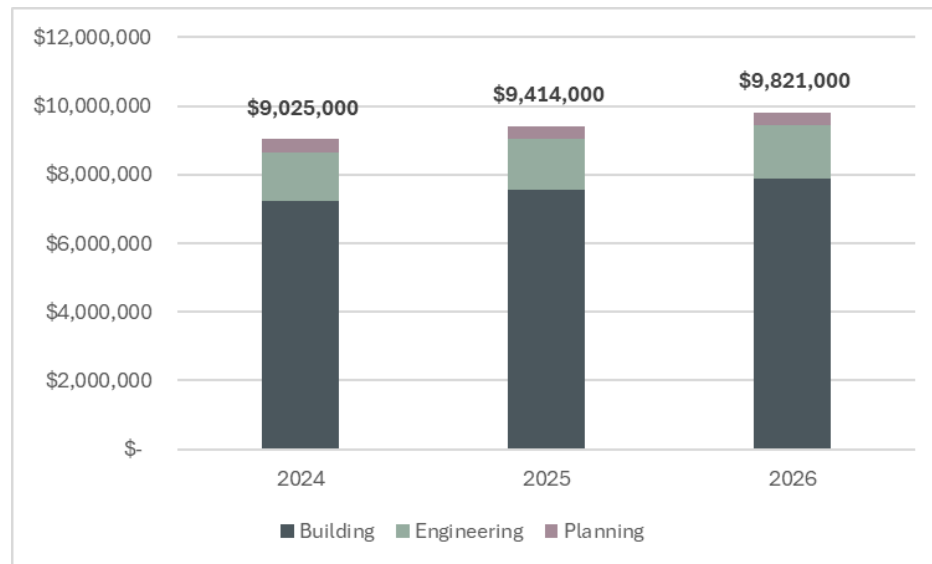
Based on historical permit data provided by the City, development fees have shown significant variation over recent years. In 2018, the total fees collected amounted to \$7.2 million, while in 2022, this figure increased to \$8.6 million. This fluctuation reflects changes in development activity, economic conditions, and possibly adjustments in fee schedules over the years. For a detailed breakdown of these figures and their implications, please refer to **Exhibit 2**.

**Exhibit 2: Historical Permit Fee Revenues**



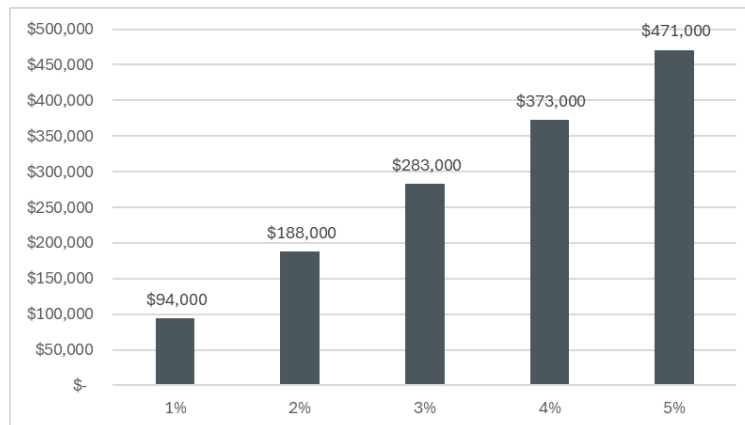
Based on the analysis completed during the City’s on-going engagement with FCS GROUP, **Exhibit 3** below shows the forecasted future permit fee revenues should the city implement recommendations provided regarding permit fee revenues. These forecasted revenues are used as the basis for the average expected revenue should the city wish to establish a technology surcharge at differing levels.

**Exhibit 3: Forecasted Permit Fee Revenues – After Adjustments**



Using the forecasted revenue from FCS GROUP’s active Development Fee Study with the City as shown above in **Exhibit 3**, the City can expect approximately \$94,000 on average in revenue from each additional percent of a technology surcharge during the 2024-2026 forecast period.

**Exhibit 4: Technology Surcharge Revenue at different levels.**



Most typically, as seen in the interjurisdictional survey above, these surcharges are set between the range of 3 percent to 5 percent on average. The City could expect about \$283,000 on average for a 3 percent surcharge over the period of 2024 to 2026 and \$471,000 on average for a 5 percent surcharge respectively, as shown in **Exhibit 4** above.

## Estimated Costs of Replacement

The City recently evaluated alternative information technology systems to manage the Development Services Center's permitting processes and fee collection from applicants. The current permitting system, Accela, is being phased out. From the competitive request for proposal process, the City had selected three finalists: Davenport Group, MaintStar, and Tyler Technologies. The cost estimates from these three finalists for the replacement are detailed in **Exhibit 5** below. Ultimately the City chose to award the contract to the Davenport Group.

**Exhibit 5: RFP Permitting System Cost Estimates Provided By The City**

| RFP Option              | Implementation Costs | Year 1 O&M | Year 2 O&M | Year 3 O&M | Year 4 O&M | Year 5 O&M | TOTAL              |
|-------------------------|----------------------|------------|------------|------------|------------|------------|--------------------|
| <b>Davenport Group</b>  | \$879,500            | \$160,000  | \$166,400  | \$173,056  | \$179,978  | \$187,177  | <b>\$1,746,111</b> |
| <b>MaintStar</b>        | \$82,100             | \$264,000  | \$243,500  | \$253,500  | \$266,200  | \$279,550  | <b>\$1,388,850</b> |
| <b>Tyler Technology</b> | \$744,500            | \$680,564  | \$680,564  | \$680,564  | \$680,564  | \$680,564  | <b>\$4,147,320</b> |

## Summary

The City is currently in the process of gathering information regarding technology surcharges used at other jurisdictions along with evaluating the costs associated with implementing new information technology systems. This information will be used to guide the policy decision on implementing a technology surcharge, including determining the appropriate rate to charge. If a technology surcharge is established, it is important to frequently monitor the revenue received and the level of reserves accumulated to ensure there is adequate funding to achieve the City's policy goals associated with the surcharge.

Due to the cyclical nature of Community Development revenues and the policies established regarding recoverable costs, it is important to note that a technology surcharge and its resulting reserves may not always be fully adequate to cover the cost basis for maintaining the City's desired level of service from technology investments. Depending on the maintenance and replacement costs associated with the City's RFP decisions, as seen in **Exhibit 5**, the City may choose to have the technology surcharge fully cover the costs of providing technology services, or partially cover the costs with the remainder subsidized from other sources.

## **Appendix F: Stakeholder Interviews (Exigy)**

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702 Spring Street, #W812  
Seattle, WA 98104  
(360) 975-9466

## **FCS Group/City of Spokane Development Services Fee Study**

### **Stakeholder Interview Report**

#### **Executive Summary**

EXIGY Consulting conducted eight stakeholder interviews during March-April 2024 as part of the City of Spokane's Development Services Fee Study by FCS Group. The eight stakeholders were comprised of builders, developers, and professional services providers such as planners and architects representing single family residential, middle housing, multi-family residential, mixed use, and commercial development types.

Some principal impressions and themes from the interviews included:

- All stakeholders indicated the City of Spokane's building and planning fees are competitive locally (Spokane County, City of Spokane Valley, Northern Idaho, Tri-Cities area) and are significantly lower than other comparable and larger regional metros (Seattle, Portland, Boise, Phoenix) where they indicated having experience
- All stakeholders brought up the City's recent increase in General Facilities Charges as a negative because of the abrupt and substantial nature of the increase in fees; stakeholders recognized the fee increases were justified and likely long overdue, however they felt these should have been socialized and implemented over a longer period of time so as to allow for better adjustment to the financial impacts, and also cautioned the City should consider the cumulative impacts of all development-related entitlement fees and charges on the costs of housing
- All stakeholders stated a high level of satisfaction working with DSC personnel; where frustrations were expressed by stakeholders concerning customer service these were directed at review process structures/procedures and how these functions are divided between building and planning (DSC), and engineering and utilities (public works), with some stakeholders perceiving a disconnection between the different departments' approaches to the same case/project
- The customer user experience with the City's building and development technology is positive for residential developers, however commercial

developers expressed frustrations with the lack of technical functionality compared to other similarly sized and larger jurisdictions/markets where they develop commercial projects, in particular fully electronic submittals

- Stakeholders were divided on how the City should recover the cost of technology, with four saying it should be included in the base fee, three saying it should be assessed through a separate charge, and one stating no preference; none of the stakeholders were enthusiastic about any increases in fees, however there was recognition expressed that fee increases were likely justified and overdue; All stakeholders stated the City needs to present its value proposition clearly and directly to justify fee increases

Areas of improvement/best practice implementation based on stakeholder interview feedback:

- Work to improve case management approach, especially integration of development engineering and utilities department reviews
  - Ensure first round of comments are comprehensive and consolidated
  - Ensure subsequent comment rounds are consistent with prior reviews
- Holistic policy implementation approach to assure all related functions and departments are aligned with broad policy goals and objectives
  - Middle housing initiatives (zoning code changes incentivize development, but engineering and utilities policies impede ability for projects to attain scale economies)
  - Use case studies and benchmarking to assess impact of proposed increases in fees and charges to overall project (residential, commercial)
- Review fees and charges on regular intervals to keep pace with rising costs and needed investments in resources, technology, and infrastructure as well as to smooth the impact of cost increases over time

## Background and Approach

In October 2023, the City of Spokane contracted with FCS Group of Redmond, WA to conduct a periodic fee study of the City's Development Services functional area, encompassing building, current planning, and development engineering. Part of the scope of work included a task comprised of conducting interviews with Development Services stakeholders. EXIGY Consulting was contracted by FCS Group to work directly with the City of Spokane to develop a scope and plan for this task and to conduct the interviews.

EXIGY worked with Development Services representatives to identify objectives of the stakeholder interview task, develop interview questions to guide discussion with stakeholders, and identify appropriate stakeholders to accomplish the objectives. The main objectives identified were:

- Determine interviewee's baseline level of engagement and satisfaction with Development Services processes and fees
- Solicit feedback from interviewee regarding potential changes to fee structure and how these would be received
- Discuss technology investments and how best to pay for them

EXIGY and FCS Group developed the following interview questions/discussion guide with City staff:

### Orienting Participants

The City has contracted with FCS Group to assist in its periodic review of the development fee schedule and related processes and is seeking your input as a stakeholder. The information you offer will provide valuable insights into customer satisfaction, identify areas for improvement, and help the City make informed decisions about future fee structure and process changes. All information will be reported to the City in aggregate with no direct attribution to any specific participant in the interviews.

### Baseline/current state assessment

How satisfied are you with the current permitting processes and fees charged by the City of Spokane?

What aspects of the current fee system and permitting processes do you find either beneficial, challenging, or unclear?

Are there projects or situations where you feel the current fee structure and permitting processes are burdensome or unfair?

What unintended consequences or challenges arising from the current fee structure and permitting processes have you observed that the City may not be aware of?

Recent code changes provide for greater residential development density in some zones of the City. Have these changes prompted you to engage in new or different development activity than previously? What impact have the City's fees had on those decisions?

#### Scoping potential changes to fee structure

How do the City's permit fees and processes compare to those in neighboring jurisdictions or similar cities? What areas do you see for improvement or adjustment?

How satisfied are you with how transparently permit fees are calculated and allocated? What if any improvements would you suggest?

What factors should be considered when determining building permit fees? (e.g., project size, complexity, type)

Are there alternative fee structures, models, or processes used in other jurisdictions you feel could be beneficial if adopted by the City of Spokane?

Are there any additional services or features you would like to see included in the current fee structure? (i.e. ~ expedited or priority plan review)

#### Technology fee

How important is it for the City to invest in upgrading its technology to enhance permitting process efficiency?

Would you prefer the associated costs be covered by an increase in the current permit fees or through a separate surcharge/technology fee to pay for associated hardware and software systems?

If a separate fee were introduced, would you prefer it to be: (1) a flat fee, (2) a fee varying based on permit type or complexity, or (3) a percentage surcharge across all permit types assessed on the base fees for individual permit types?

#### Conclusion

Are there any other comments you would like to add?

As this project proceeds, would you be willing to be contacted by the City for follow-up questions and additional information?

Development Services staff sought to obtain perspectives of stakeholders representing a variety of development types and activities in the City of Spokane. These included builders, developers, general contractors, and professional services providers/applicant representatives engaged in building and land development types such as: custom home building, production home building/single family subdivisions, middle housing (attached single family/townhomes), multi family residential (apartments and mixed use), commercial, and light industrial. The following stakeholders agreed to participate and were generous with both their time and perspectives:

Drew Kleman, Press Architecture

Vadim Smelik, Kodiak General

Randy Palazzo, Urban Empire Homes

Brent Parrish, Lennar Homes

Andrew Zinniger, Lennar Homes

Chris Olson, Olson Projects Architects

Evan Verduin, Trek Architecture

Jordan Tampien, JORDAN@4DEGREES.COM

Jim Frank, Greenstone Homes

The City of Spokane Development Services, FCS Group, and EXIGY Consulting express appreciation for the insights offered by these stakeholders. Each stakeholder indicated continuing interest in this process, offering to be available for follow up and further involvement.

### **Level of Satisfaction with Permitting Processes and Fees**

Stakeholders indicated comparative jurisdictional experience with development activity in: Boise, ID; Phoenix, AZ; Denver, CO; Portland, OR; Seattle, WA; throughout Montana; Spokane area (Spokane Valley, WA; Spokane County, WA; Northern Idaho). One national single-family homebuilder also participated.

### *Stakeholder Commentary Specific to Processes:*

Processes are generally viewed as fair and comparatively/commendably fast with few exceptions (occasional project with added complexity or relatively rare human error/oversight in the review/approvals process). Stakeholders acknowledged turnaround times are increasing (mostly for labor turnover/retention reasons and unfilled positions) but still comparatively better (one cited turnaround used to be 5 weeks and has increased to 6-8 weeks).

With respect to the process for commercial development, stakeholders would like to see similar process efficiency improvements as exist for residential projects, primarily in terms of fully electronic plan submission rather than waiting for the City to send an FTP link. Interviewees pointed out hurdles and unclear communication of expectations, especially with respect to completeness determinations where there is a perception of differing acceptance criteria across reviewers. One interviewee indicated the different reviewers at the City have different “top ten reasons submittals are not accepted for review,” but that these reasons are not consistent across the group of reviewers. It was also noted that the City’s systems for payment of review fees for commercial projects require the applicant or their representative to notify the City when fees have been paid and review may commence. This has created delays when, for example, an applicant paid the fees directly and did not notify their representative (architect or consultant) of payment and the initiation of review was delayed.

Interviewees expressed perspectives on the practice of holding predevelopment meetings. Most found these meetings to be helpful in establishing expectations and gaining greater clarity and certainty with respect to the review process and expectations. Stakeholders shared:

*“The pre-development meeting is a great process, and communication with the City is good as an application moves from intake through the review process. Sometimes there are fights over code flexibility with projects involving older building types. City staff are really helpful. I’ve been involved in lots of processes with the City from comp plan changes to other land use and development applications and am very happy with how things work at Spokane.”*

*“Preapplication conferences with the City of Spokane are beneficial compared to other jurisdictions – a step above. These are helpful to preemptively ask specific building and land use questions. Staff have been great to work with and are very helpful: it is clear they want to see projects be successful.”*

Most stated finding information on fees was clear and simple, and the materials provided at predevelopment meetings were easy to understand. A small number of interviewees expressed frustrations with finding utilities connection fees, stating all

related fees for a project should be presented in a single location. For its part the City is continually working on improving and refining pre-development processes, looking to improve the level of service and responsiveness, the quality of the review comments, and meeting customers where they are at with respect to the individual customer's levels of experience and sophistication with development processes. FCS Group is producing a fee schedule as part of this project that will enable all development related fees to reside in a single location.

With respect to review comments, stakeholders expressed some concerns. One interviewee stated that the content of the review comments on similar types of projects are inconsistent from project to project. Multiple stakeholders stated plan check comments are not comprehensive and that new issues are raised on successive rounds, resulting in delays of ten business days each time. They feel minor issues should be resolved without resetting the ten-day clock, and that in some cases applicants are being asked for items already submitted during the short plat process. They feel lack of development engineering consistency and support is what's not working in the process. Another stated that the conflict between departments is evident in the process as issues arise in the third and fourth rounds of comments.

Conflicts and lack of coordination between departments arises on occasion, and most recently with the implementation of new zoning codes related to middle housing initiatives. While planning and zoning policies were changed to align with the middle housing initiative and the related code changes were enthusiastically welcomed by stakeholders (roughly half of whom shifted development activity into this development type), other related functional areas to the review process are not aligned. Stakeholders offered examples of middle housing projects where development standards applied by engineering, utilities, streets, forestry, and fire are limiting with respect to the ability of such projects to gain adequate economies of scale. An example cited by one interviewee was how planning eliminated parking minimums, but engineering then required alley improvements.

Interviewees suggested the City undertake a more comprehensive review of development standards and policies for middle housing to identify where these may be at cross purposes impeding the effectiveness of the City's middle housing planning and zoning policies to deliver intended outcomes. Interviewees further suggested the City study the cumulative impact of all fees required to deliver a project and the impact on housing affordability goals. One interviewee cited difficulties with the lot subdivision process for development of attached single family dwellings, adding this will result in creation of more rental units rather than home ownership.

The national production homebuilder interviewed offered some comments on their experience in Spokane and observations of best practices in other areas where they do business. They are new to the Spokane market and have hundreds of home sites across

multiple projects in some stage of review or construction. They state with their large volumes they sense they are overloading the City at times. They offered that, while fees should be competitive and reasonable, they are much more interested in reducing the time to get from beginning to end on a project, especially in a market with a short building season. They suggested the following practices based on their experiences in other markets:

- Express plan review – in Southern Nevada they pay a premium to get a one-week review time
- Ability to submit building plans for review prior to final plat recording – their goal is begin foundation work upon recording and eliminate the delay between recording and building permit issuance
- Suggested City consider self-certification programs practiced in jurisdictions in Arizona and Southern Nevada
- For production developments using a fixed set of plans with little variation minimize the amount of review required/reduce or eliminate repetitive review of same plans
- Consider long term maintenance impacts, for example with respect to where water and sewer stubs are placed and the placement of street trees

The City has indicated its intent to add engineering personnel to relieve process bottlenecks and other under-resourced areas of development review. Implementation and ongoing management of new and additional initiatives to reduce the time to provide development review and approval will require additional City staff in all disciplines. Development stakeholders recognize these investments will increase operational costs but can be justified on the basis of increased levels of service, better responsiveness, and improved turnaround times on development review ultimately providing a time and therefore cost savings to development stakeholders.

#### *Stakeholder Commentary Specific to Fees:*

Stakeholders understand that fees must cover costs of the development services department and that fees are rising everywhere as costs rise. The City of Spokane's fees are viewed as fair and comparatively lower cost than other jurisdictions, and particularly Western Washington jurisdictions by roughly 15% to 20% according to one stakeholder.

Nearly all stakeholders were satisfied with the way fees are calculated, fee transparency, and how to locate fees. All suggested development of a fee estimating tool that comprehensively considers project fees, including all impact fees and utilities connection charges, that can reside in a single, easy to locate online location.

The recently increased General Facilities Charges (GFCs) were frequently mentioned by stakeholders. They acknowledged that GFCs had not increased for a long period of time even as infrastructure costs over the same period rose substantially. One stakeholder mentioned policies focused on keeping GFCs low in the downtown area and other areas of the City where systems are already developed to incentivize development within the City and to minimize sprawl.

Commenting generally on fee increases (GFCs or otherwise), stakeholders encouraged the City to provide as much advance notice of fee increases as possible and to be particularly clear on the specific amounts of the increases and when they become effective. This helps to avoid financial “surprises”/unanticipatedly high costs that can jeopardize projects. Stakeholders asked for the City to develop estimation tools to use when budgeting for projects as this aids in decision making without having to repeatedly query the City, and to look for ways to clearly present all development related fee information in one location. Stakeholders likewise ask that expected fees/charges be communicated at preapplication conferences wherever possible rather than at a later, uncertain date.

One stakeholder commented on how some utilities connection fees impeded the ability of middle housing projects to attain scale and result in better housing affordability. They stated that water connection fees seem high relative to the pipe diameter versus the unit count yield, giving an example of a four-plex versus a 24-unit apartment building.

Stakeholders expressed a high level of satisfaction with the structure of Spokane’s fee schedule relative to other jurisdictions. In terms of factors to consider when determining building permit fees, stakeholders offered the following responses:

- How often inspectors have to be on the job
- The level of effort on the part of the City to intake an application (time and cost for the City to perform completeness determination, respond to questions, etc.)
- Project size, complexity and type – scale based on ERUs (equivalent residential units); water and sewer fees need to be changed as smaller projects are lumped in with much larger building types
- Building/project valuation; IBC building valuation tables
- Fee needs to reflect the level of work to adjudicate permit, but at the same time the City needs to work to reduce costs by simplifying processes and becoming more efficient
- Square footage/building size, number of units – more units in a smaller area should receive a discount for higher density (scalability of an efficiency unit versus single family home)

Nearly all stakeholders expressed an interest in a priority plan review/expedited review service offering being added to the City’s fee schedule. In addition to concerns for

equity, some indicated if everyone opts for expedited service the City wouldn't have the capacity to respond to the volume. Two interviewees suggested the option to pay for a third-party plan review instead (a service the City of Coeur d'Alene offers) or alternatively to pay for City staff overtime for expedited review. One stakeholder was opposed to fee for expedited service indicating better process efficiencies should be found instead.

#### *Stakeholder Commentary Regarding Technology and Related Costs:*

Stakeholders expressed broad support for improvements in technology and passing along the costs, offering the following caveats and suggestions:

- The City must make the clear business case for technology investments and expected improvements/results to development stakeholders
- The technology selected should enable more efficient processes, information accessibility, and applicant self-service
- Maintain human interaction, availability, and level of service
- Ensure technology doesn't place additional burden on applicant
- Use a system such as Bluebeam to digitize plan review comments
- Ensure fee payments are fully integrated for all project types
- See Shoreline WA, Kirkland WA, Mill Creek WA, and Gresham OR as examples of using tech where information submittal, following progress, and communicating comments are easy
- Improve document management and delivery; unlock PDF document of approved plans so applicant can parcel out pages to different contractors

When asked if technology investments should be paid for by an increase in the base fee or through a separate charge, the group of stakeholders were evenly split. The rationale behind support for an increase in the base fee is that technology is simply a cost of the Development Services business and it is presumed that technology costs are likely to increase over time as are other costs of doing business. Those advocating a separate charge preferred the transparency that approach affords.

When asked to assume a separate charge or fee to cover technology would be introduced, and whether stakeholders preferred the charge or fee to be a flat fee, a variable fee (based on permit type or complexity), or a percentage surcharge, responses of stakeholders were:

- Three insisted it be included in the base fee rather than a separate charge and offered nothing further
- Three preferred a flat fee but wanted to see how that would look practically

- One preferred a percentage surcharge as it better reflects a distribution of the technology cost by project complexity and use of review resources
- One stated no preference

## Conclusion

In soliciting concluding comments, a couple of stakeholders offered the following:

*“I have heard some developers and other groups speak about Spokane building and permit process as challenging, but I haven’t seen that. I’ve seen the City step up, ask questions early on, and be helpful as a partner in the development process. The City may need to do outreach to groups that view the City as challenging to work with.”*

*“It’s great to work with the City of Spokane! I expect challenges with growth and scale. The department heads are helpful in getting involved to resolve issues. The City wants development and density and it shows in how they conduct business.”*

For its part the City’s Development Services Center is aware of the issues stakeholders have raised, recognizes their importance to stakeholders, and is affirmed in ongoing improvement efforts, especially the replacement of the permit system and related process improvements and enablements.

## **Appendix G: Economic Development Incentives (Exigy)**

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## **FCS Group/City of Spokane Development Services Fee Study**

### **Memorandum: Economic Development Incentives Review**

As part of the City of Spokane's Development Services Fee Study conducted by FCS Group, EXIGY Consulting was asked to review the City's regime of economic development incentives. This review was conducted through interviews with City staff and development stakeholders, and by reviewing information provided by the City on its economic development web pages.

The City currently utilizes a variety of economic development incentives. These take the form of land use policies, tax exemptions, and in some cases financial grants and incentives to attract development types which address the City's housing and employment goals. Existing programs include:

- Multi-Family Tax Exemption (or MFTE) – an affordable housing development incentive
- Parking 2 People – an incentive to convert underutilized parking lots into development of affordable housing units
- Historic Preservation – tax credits and grants to improve and preserve designated historic buildings
- Single-Family and Detached Accessory Dwelling Unit (or ADU) Tax Exemption – three-year property tax exemption on value of improvements
- New Market Tax Credits (or NMTC) – a federal program using tax credits as incentives for development in 34 distressed Census Tracts in the City
- Opportunity Zones – a federal program providing for preferential tax treatment of new development in economically-distressed areas; Spokane has 11 Census Tracts designated as Opportunity Zones
- Brownfields – a program using state and federal revolving loan funds to reclaim and redevelop sites formerly used for commercial and industrial activity which may be subject to pollution or contamination
- Clean Buildings Act – an energy utility administered, state-backed program providing energy management assistance to businesses
- IRS Small Business Tax Deduction for Fire Sprinklers – IRS code enabling the write-off of up-front costs to install or replace fire suppression systems up to \$1.04 million

- Spokane Foreign Trade Zone (or FTZ) – a federal program providing exemption from Customs entry procedures, duties, and federal excise taxes for storage, assembly, manufacturing and processing activities in Spokane’s three FTZs
- Spokane County’s Commercial Property Assessed Clean Energy + Resiliency (C-PACER) Program – a financing tool for certain commercial and multi-family property capital projects
- Community Housing and Human Services Department (CHHS) Incentives – Federal Housing and Urban Development programs such as Community Development Block Grants (CDBG) to provide basic housing and support services for vulnerable populations

In accordance with policies and initiatives related to affordable housing goals, the City has engaged in a variety of strategies to create incentives and reduce barriers for developers to build more affordable housing units. The City recently changed its zoning code to allow for middle housing development (single-family attached dwellings, townhomes) on existing single-family lots up to a medium level of density and reduced or eliminated on site-parking requirements subject to proximity to transit and other local factors.

The City used part of its allotment of American Rescue Plan Act (ARPA) funds to enhance its MFTE program by waiving fees (and using federal funds to reimburse the Development Services Center for the waived fees) for building, application review, and land use fees up to \$150,000 per project. Provided funding were available, the City would look to waive in part or whole General Facilities Charges (GFCs) for MFTE projects. The City also uses fee waivers periodically combined with other incentives like tax-increment financing and public development authority areas for certain development types. With respect to MFTE projects, existing systems don’t provide for easy discernment of qualifying affordable housing projects, making program administration challenging and inefficient.

Spokane has a technology hub designation related to aerospace manufacturing focused on building and development in the West Plains area of the City. This hub is a collaboration with Gonzaga University, who serves as the applicant representing the aerospace manufacturing consortium. The focus of the hub is to increase global competitiveness in the production of microplastic panels and related equipment, materials, technology, and workforce development. The City provides expedited plan review for any tenant improvement applications.

Development stakeholders offered constructive feedback on how incentives impact their investment decisions.

- Incentives such as MFTE and Parking 2 People combined with zoning code changes allowing for greater density are effective in generating additional affordable housing units
- Reducing process time (and therefore cost) is a critical area of concern to development stakeholders; providing a fee-based expedited review service along with continued investment in systems, technology, processes and personnel to improve efficiency and ease of transaction with City constitutes a significant development incentive; development stakeholders typically stated something approximating “time equals money plus interest”
- Middle housing initiatives prompting recent zoning code changes to increase single-family density was a welcomed change; stakeholders indicated a desire to see this taken further through review across functional areas (utilities and streets) to identify requirements that inhibit project scale and feasibility; review of off-street parking and alley improvement requirements was likewise suggested
- Stakeholders also recommended use of preapproved building plans for repetitive types of single family detached and attached construction to expedite review timelines

Regular consultation at the policy level should be given with respect to fee reductions, waivers, subsidies, and other discounts for building and development fees and charges as well as impact fees, General Facilities Charges, connection fees, and other jurisdictional costs added to projects. These should be reviewed through the lens of cumulative financial impact and benchmarked with comparable and neighboring jurisdictions. This is especially critical for specific development types identified as high priorities for the City: affordable housing, middle housing, targeted employment types and traded sectors, and intentional investment in geographic areas/disadvantaged Census Tracts.

We acknowledge the contributions of time, information, and perspective of City staff (Tami Palmquist, Amanda Beck, and Teri Stripes) as well as the development stakeholders who participated in interviews for the Development Services Fee Study.

## **Appendix H: Process Review & Best Practices (Exigy)**

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## **FCS Group/City of Spokane Development Services Fee Study**

### **Memorandum: Process Review and Best Practices**

As part of the City of Spokane's Development Services Fee Study conducted by FCS Group, EXIGY Consulting was asked to review the City's development review processes and make recommendations for improvement based on industry best practices. This review was conducted through interviews with City staff and development stakeholders and through application of consultants' expertise and experience having performed similar analyses in other jurisdictions in Washington.

As documented in the Stakeholder Interview Report, the City's Development Services Center and its staff are highly regarded for their responsive, helpful approach to customers. Spokane's DSC is viewed favorably to comparably-sized jurisdictions in other regions, with better service and responsiveness and much more economical fees and turnaround times for development review. Regionally the City is on par and competitive with neighboring jurisdictions in the Tri-Cities area, Spokane County, and Northern Idaho.

Interviews with development stakeholders and discussions with staff generated recommendations in the following four areas:

#### Predevelopment

- Predevelopment Meetings – provide applicants with as much complete information as is reasonably possible at predevelopment conferences, including an estimate of all fees and charges related to the anticipated development/project and preliminary estimates of the time required to review the anticipated application and render a decision
- Develop an online fee/cost estimating tool so prospective applicants preparing project budgets can estimate the cost of land use/development review fees, building and plan review fees, utilities connection charges, impact fees, system development charges, and general facilities charges

#### Development Review

- Improve case management approach, particularly coordination and integration of development review activities performed by the Engineering and Utilities Departments

- Ensure first round of development review comments are comprehensive and consolidated; institute quality controls to ensure subsequent rounds of development review comments are consistent with prior reviews (applicant responses to prior round comments are integrated; avoiding introducing new information requests or requirements; assure information requests are non-duplicative)

#### Policy initiative implementation

- Use a holistic approach to policy development and implementation, ensuring all related functions and departments are aligned with the broad policy goals and objectives (relevant policies and processes for planning, building, engineering, utilities, streets, fire, etc. affecting a policy are examined to reduce and/or eliminate conflicts)
- Holistically examine middle housing initiatives to resolve areas of conflict (recent zoning code changes to increase densities incentivize development, however engineering, utilities, and streets policies and requirements impede ability for projects to attain economies of scale)

#### Establishing and implementing fees and charges

- Use case studies and benchmarking to assess impact of proposed increases in fees and charges to overall project (residential, commercial); for example, consider fiscal impacts to typical residential and commercial development types, and benchmark against similar developments in comparable and neighboring jurisdictions
- Review fees and charges on regular intervals to keep pace with rising costs and needed investments in resources, technology, and infrastructure as well as to smooth the impact of cost increases over time

In discussions with DSC staff they indicated awareness of these areas of improvement, and noted many of the process improvements will be enabled by the new permitting system, while implementing other improvements will require additional staff resources and capacity.

## **Appendix I: Staffing Model (Exigy)**

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## **FCS Group/City of Spokane Development Services Fee Study**

### **Technical Memorandum: Staffing Model**

As part of the City of Spokane's Development Services Fee Study conducted by FCS Group, EXIGY Consulting was asked to review the City's staffing level for development review processes. To do this, a mathematical model was developed to estimate labor hour demand based on the City's Development Services Center (DSC) business volumes and compare this to available labor hours/staffing capacity based on 2023 staffing levels. The model is then used to derive recommendations for staffing levels.

#### **Data Sources**

Extract of 2013-2023 DSC permit activity by division

Estimated level of effort by permit type

Available staff labor hours (2023) by position compiled by FCS Group

#### **Model Specification and Procedure**

##### **Calculating Labor Demand**

1. Compile count of permits by type and division per year using a pivot table
2. Generate averages for most recent three years, five years, and for the entire data set
3. Multiply: average permit count by type (3-year, 5-year, data set), by estimated level of effort by type of permit to generate the gross hours by division for each permit type (Some permit types are only processed by a division/functional area a fraction of the time. In these cases a multiplicative constant is introduced. For example, for permit type "commercial building remodel" planning division typically reviews these 14% of the time and engineering division reviews these 8% of the time.)
4. Sum the gross hours by division for all permit types for the 3-year, 5-year, and full data set averages.

##### **Calculating Labor Supply**

1. Using the available staff labor hours (2023) by position compiled by FCS Group, classify each position by division/functional area (building, planning, engineering)

2. Derive the sum of available fee time hours by division. For sensitivity testing also derive the sum of total labor hours by division.

#### Calculating Surplus/Deficit in Labor Supply

1. Subtract average hours of labor demand by division from available fee time hours by division.
2. Show numerical surplus/deficit and derive percentage.

#### Potential Sources of Error

1. Variations in naming conventions – permit type referred to by varying wording in permitting system, level of effort/time study, and fee schedule
2. Time studies used in lieu of system-generated time tracking data due to limitations of City's permit system; recency bias in deriving estimates of level of effort
3. Averaging - generalization and homogenization of level of effort required to process permit cases of a single permit type loses the perspective of complexity, range, and variability within that permit type
4. Duplicate entries – current permitting system records separate transaction entries for different activities against a unique permit case ID (plan review fees, impact fees, etc.); it is anticipated a new permitting system will have improved report production capabilities to easily extract management data
5. Estimates used to model available labor hours by division and possible misclassification of positions as available for fee time hours

#### Results of Analysis

|                                     | PLAN                         | ENG                            | BLDG                             |
|-------------------------------------|------------------------------|--------------------------------|----------------------------------|
| <b>Available Labor Hours (2023)</b> | <b>11066</b>                 | <b>13935</b>                   | <b>61925</b>                     |
| Avg Labor Demand 2021-2023          | 11896.56<br>-830.56<br>-8%   | 52955.73<br>-39020.73<br>-280% | 144170.74<br>-82245.74<br>-133%  |
| Avg Labor Demand 2019-2023          | 13008.85<br>-1942.85<br>-18% | 70381.58<br>-56446.58<br>-405% | 158966.24<br>-97041.24<br>-157%  |
| Avg Labor Demand 2013-2023          | 12914.98<br>-1848.98<br>-17% | 90578.60<br>-76643.60<br>-550% | 169263.23<br>-107338.23<br>-173% |

#### Discussion

The results of the data analysis point to deficiencies in staffing capacity/available labor hours in all divisions processing development review and building at the City of Spokane.

This validates and confirms information from interviews with City staff and development stakeholders. Because of potential sources of error in the data used in the model, the specific degree to which available labor hours should be increased to more closely approximate the demand signal is not completely clear. What is clear is that an increase is necessary and warranted, and is consistently evident over the 11-year set of data analyzed.

Constructing a model to rationalize the demand signal from development activity with available capacity at the City to adjudicate development applications is an achievement in and of itself. The predictive and analytical power of the model will improve substantially with the implementation of a new permitting system which affords more rigorous level of effort data collection and management reporting. While the efforts to construct the model and the results it yielded are insightful, feedback from staff and stakeholders strongly indicates the need for additional staff absent the model analysis.

As cities develop, easier and less complex areas tend to develop first followed by more challenging areas and parcels later. The increasing challenges and complexities are primarily due to site constraints and characteristics not present on easier-to-develop parcels: steep slopes, environmentally sensitive areas like shorelines and wetlands, redevelopment to more intensive uses and related infrastructure gaps/capacity constraints with transportation and utilities, brownfields, etc. With respect to level of effort required to review and process development permit applications, this means over time the need to increase available labor hour capacity can be expected to increase.

Depending on what time period is considered as the demand signal, the analytical results indicate the planning division needs approximately one to two additional positions, while the building and engineering divisions need to multiply in size entirely by a factor of more than five times in the case of the engineering division using 2013-2023 data.