



TO: Elizabeth A. Pauli, City Manager
FROM: Peter Huffman, Director, Planning and Development Services 
COPY: City Council and City Clerk
SUBJECT: Ordinance amending Title 2 of the Municipal Code – November 20, 2018
DATE: November 1, 2018

SUMMARY:

An ordinance amending the Title 2 of the Tacoma Municipal Code, entitled “Buildings”, to allow for annual permit fee adjustments tied to the Consumer Price Index (CPI), and other minor changes.

STRATEGIC POLICY PRIORITY:

Updating the permit fees will support City’s Council’s strategic policy to encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents, by allowing the department to focus on providing fiscally sustainable permitting services.

BACKGROUND:

The Planning and Development Services Department (PDS) transitioned from a General Fund Department to an Enterprise Fund in 2010, and with that transition, the department has focused on establishing fiscally sustainable permit services. In 2015, PDS conducted a fee study that developed fees for full cost of service, and in 2016 switched to a new permitting software system that enabled staff to capture the work effort associated with permits. Also, a parallel effort started in 2016 with the Master Builders Association of Pierce County (MBA) to improve permit services related to single-family and duplex construction. In addition, the City Council established the Permit Advisory Task Force to work on efficiencies to improve services and develop sustainable fees to support these services.

Phase one of these new fees were adopted in June 2018 and phase two is proposed to be effective January 1, 2019. In addition to the residential fees, PDS is proposing to implement new fees for other permits and services identified in the fee study that were below full cost recovery or where there were no charges for services.

This proposed ordinance would authorize the City Manager to update fees for CPI, and other minor changes. This change is in alignment with the PDS Financial Policy.

ISSUE:

Adjustments to the fees are necessary for PDS to provide sustainable permit services. Careful monitoring of cost of services, along with continued work to improve efficiencies in these services, has been implemented as part of the work to adjust permit fees and ensure PDS meets its level of service commitments.

ALTERNATIVES:

The City Council could choose not to modify the permit fee code; however, this will continue to create a larger gap between the cost of service and revenues to pay for those services. In order to maintain those services, the General Fund or other revenue sources would need to cover the gap in revenues; or, alternatively, staffing would be reduced and consequently, the level of service for permit services would decline.

RECOMMENDATION:

PDS recommends modifying the Municipal Code and the PDS Fee Schedule with the proposed adjustments to enable PDS to meet its level of services commitments and to ensure a fiscally sustainable permitting system.

FISCAL IMPACT:

The increase of funds from the permit fee adjustments companion resolution is estimated to be \$2,422,000 in 2019-2020.

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4110-PERMIT			\$2,422,000
TOTAL			\$2,422,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$0

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes, in proposed 2019-2020 Budget.

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A