



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

November 5, 2007

Ordinance 15946

Proposed No. 2007-0399.2

Sponsors Dunn and Lambert

1 AN ORDINANCE relating to the functioning of the
2 department of development and environmental services in
3 regards to the setting of permit fees, publication of
4 administrative rules, administration of fee waivers,
5 establishment of fixed fees in regards to financial
6 guarantees and establishment of a permit fee technical
7 advisory body; amending Ordinance 14683, Section 4, and
8 K.C.C. 27.02.025, Ordinance 10662, Section 44, and K.C.C.
9 27.02.030 and Ordinance 10662, Section 45, as amended,
10 and K.C.C. 27.02.040 and adding new sections to K.C.C.
11 chapter 27.02.

12
13 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

14 **SECTION 1. Findings:**

15 A. A department of development and environmental services ("DDES") Fee
16 Study was conducted in 1994, as a follow-up to the DDES 1993 Fee Structure Analysis,
17 which examined nearly one year's permit services and made comparisons between costs

18 of services and the fees generated. The study concluded goals could only be achieved
19 through additional external support to the annual financing of DDES operations.

20 B. The 1996 Final Report of DDES Restructuring Task Force recommended that
21 permit activities should recover all of their direct and indirect costs and that all
22 nonbillable general governmental services be financed by current expense funds. The
23 task force also recommended that each type of permit recover its associated direct and
24 indirect costs, thereby ending subsidy of one permit type from revenue of another.

25 C. The 1996 DDES review of a proposal to split the building services division
26 was drafted in response to Ordinance 11955, which combined Metro into King County
27 and included a provision requiring that DDES divide the building services division into
28 two divisions. Rather than adopt the proposed split of the division, DDES recommended
29 continuing its efforts at regulatory review and reinventing the permit process as the best
30 alternatives for improving efficiency and customer service and for achieving the results
31 intended by county regulations.

32 D. In its 1997 report No. 97-03, the King County auditor generally concluded
33 that there were few problems associated with permit fee waivers. However, there were
34 instances of incomplete records that made determination of the waiver amount difficult
35 and there were instances in which waivers may have violated the Uniform Building Code.

36 E. The Executive Audit Services 2003 review of the 1998 DDES Fee Proposal
37 found that the then-current fee charging methods, in many cases, seemed to have little
38 relationship to the cost of services. The 1998 DDES Fee Proposal recommended revised
39 fees that recover costs of services for each type of permit, are easy to administer and

40 understand and achieve financial stability for the Development and Environmental
41 Services Fund.

42 F. The King County auditor's Report No. 2000-05 found DDES average time for
43 processing of residential permits frequently exceeded the code-established timelines
44 during 1998 and 1999 because of high workload volumes and budgetary constraints on
45 staffing. The auditor also found that lengthy waiting times for permit appointments
46 increased DDES permit processing times and effectively restricted the acceptance of new
47 permit applications.

48 G. In 2002, a King County auditor's review of DDES billing practices was
49 conducted by request of the council to analyze new permit review standards developed by
50 DDES. The auditor limited its review to status of the implementation of the standards.
51 The auditor found that DDES established its standards based on internal experience over
52 the previous two years. DDES indicated its intent to improve the efficiency of permit
53 processing by reviewing its performance.

54 H. The 2003 executive audit services review of DDES billing practices
55 recommended that DDES: structure its fees to recover full costs of services, maintain
56 working capital and provide for contingencies; continue developing staffing models that
57 provide timely, flexible adjustments to staff resources in response to changes in demand
58 for services; utilize a project management approach to permit processing activity to fix
59 accountability and provide a one-voice focal point for applicants' questions and concerns;
60 and continue to improve on performance standards and measurement methods and,
61 further, that county policy makers provide the resources or funding mechanism needed to
62 accomplish this.

63 I. The 2003 Report of the DDES Permit Fee Committee recommended numerous
64 changes to DDES, including: project manager responsibility for individual permits;
65 project-specific fee estimation at intake; use of flat fees and base-plus-hourly fee;
66 maintenance of reserve funds to increase flexibility; lists of consultants subject to less
67 stringent review; and one-year performance report to the council.

68 J. Ordinance 14683 established the current flat-rate permit fee structure for
69 certain permit types, the fee estimation process, and strengthened the fee waiver system
70 exercised by the director of DDES.

71 K. A 2007 judicial decision established a number of clarifications to the DDES
72 permit fee system, including the formal adoption of agency public rules regarding
73 administrative financial policies, fee estimates and a reduction in the amount of finance
74 charges.

75 L. Additional rulings in the case of Tiger Mountain, LLC. v. King County
76 ordered the county to:

77 1. Adopt a sliding scale of costs, based upon job classification and
78 responsibilities, in particular, to staff members performing financial guarantee
79 management and monitoring services. The judge stated it is "patently unreasonable" to
80 charge the current rate of one hundred forty-four dollars and ninety cents per hour for
81 financial guarantee management and monitoring work that does not require high-level
82 professional skills;

83 2. Establish "an independent neutral decision-maker," who is not the director of
84 DDES, with authority over hearing-fee challenges;

85 3. Refund fees charged for staff work on permit appeals when applicants
86 prevail; and

87 4. Lower monthly charges on delinquent payments and give applicants
88 worksheets to show how fee estimates were derived.

89 M. DDES has recently formally adopted public rules, as required by the court
90 order, regarding fee waivers, fee estimates, and lower monthly charges on delinquent
91 payments.

92 N. King County values transparency in government, including issues related to
93 complex development permitting and protection of the environment, which involve
94 substantial time and cost for applicants.

95 SECTION 2. Ordinance 14683, Section 4, and K.C.C. 27.02.025 are each hereby
96 amended to read as follows:

97 The department ~~((may))~~ shall adopt public rules pursuant to K.C.C. chapter 2.98 to
98 implement ~~((the provisions of))~~ this title.

99 SECTION 3. Ordinance 10662, Section 44, and K.C.C. 27.02.030 are each hereby
100 amended to read as follows:

101 All invoiced fees shall be due and payable on or before the thirtieth day after receipt
102 of an invoice. A late penalty payment equal to one ~~((and one-half))~~ percent of the
103 delinquent unpaid balance, compounded monthly, shall be assessed on the delinquent
104 unpaid balance.

105 SECTION 4. Ordinance 10662, Section 45, as amended, and K.C.C. 27.02.040 are
106 each hereby amended to read as follows:

107 The director shall have the discretion to waive all or a portion of the ((development
108 review)) fees administered by the department and required pursuant to this title, provided
109 the waiver is warranted in the director's judgment. Any fee waiver shall be in writing and
110 shall state a compelling need or public purpose to be served by the waiver. The need or
111 purpose must be consistent with standards established pursuant to K.C.C. chapter 2.98.

112 NEW SECTION. SECTION 5. There is hereby added to K.C.C. chapter 27.02 a
113 new section to read as follows:

114 The department shall adopt public rules in accordance with K.C.C. chapter 2.98
115 providing for refunds of fees associated with the appeal, when an applicant is the
116 substantially prevailing party in an administrative appeal.

117 NEW SECTION. SECTION 6. There is hereby added to K.C.C. chapter 27.02 a
118 new section to read as follows:

119 The department shall, within a reasonable time, provide fee estimates to the
120 applicant for all project managed permits. Copies of employee worksheets used in
121 preparing binding fee estimates and fee estimate revisions shall be included along with
122 the fee estimates. The department shall develop uniform standards and criteria for
123 revising fee estimates in accordance with K.C.C. chapter 2.98.

124 NEW SECTION. SECTION 7. There is hereby added to K.C.C. chapter 27.02 a
125 new section to read as follows:

126 A. There is hereby created a development permit technical advisory committee,
127 referred to in this section as "the advisory committee."

128 B. The advisory committee is created to provide expert policy advice to the council
129 on issues relating to the implementation of project management. An advisory committee

130 structure should provide representation of a broad spectrum of ideas and interests for the
131 citizens and businesses in the King County and meet the goal of providing representation
132 from individuals and organizations significantly impacted by development-related King
133 County ordinances.

134 C. The advisory committee shall be composed of the following members:

135 1. One representative nominated by the Master Builders Association of King and
136 Snohomish Counties;

137 2. One representative nominated by the Seattle-King County Association of
138 Realtors;

139 3. One representative for agricultural or forestry interests, nominated by the
140 executive;

141 4. One representative for environmental interests, nominated by the executive;

142 5. One representative from the department of development and environmental
143 services, nominated by the executive;

144 6. One representative nominated by the King County Fire Chiefs Association;

145 7. The senior deputy ombudsman for rural affairs nominated by the council; and

146 8. Two representatives, one residing in the urban unincorporated area and one
147 residing in the rural unincorporated area, nominated by the Unincorporated Area
148 Councils.

149 D. Each seat on the advisory committee has one vote.

150 E. Each member nominated to serve on the advisory committee shall be subject to
151 confirmation by the King County council.

152 F. The advisory committee shall adopt other rules governing its operations at, or
153 promptly after, its first meeting.

154 G. The advisory committee shall review and recommend rules relating to:

155 1. Review of financial policies adopted by the department of development and
156 environmental services pursuant to K.C.C. chapter 2.98;

157 2. Review of a flat fee for staff members performing financial guarantee
158 management and monitoring services;

159 3. Review of fee waiver procedures as outlined in financial policies adopted by
160 the department of development and environmental services pursuant to K.C.C. chapter
161 2.98;

162 4. Establishment of an administrative appeals process for regulatory fee disputes
163 that utilizes the hearings examiner for review of cases described in this chapter;

164 5. Establishment of a cap on fees relating to department research conducted
165 before a preapplication meeting;

166 6. Exploration of funding options that are not fee-for-service for departmental
167 customer outreach, information requests and consultation relating to permitting, including
168 funding from the county current expense fund;

169 7. Recommendations for improvements and refinements to the project
170 management process; and

171 8. Determination of the necessity for the continuation of the committee; and

172 9. Any other applicable issues relating to the permitting operations of the
173 department.


174 H. Eleven copies of the advisory committee's recommendations shall be filed with
175 the clerk of the council no later than September 15 each year, for distribution to all council
176 members and the lead staff of the growth management and natural resources committee or
177 its successor.

178

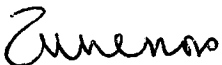
Ordinance 15946 was introduced on 7/23/2007 and passed by the Metropolitan King
County Council on 11/5/2007, by the following vote:

Yes: 9 - Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. von Reichbauer, Mr.
Dunn, Mr. Ferguson, Mr. Phillips, Ms. Hague and Mr. Constantine
No: 0
Excused: 0

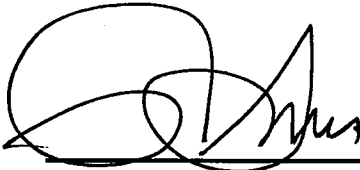
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 9 day of November, 2007.


Ron Sims, County Executive

Attachments None

RECEIVED
2007 NOV -9 PM 2:15
KING COUNTY COUNCIL