

FISCAL NOTE
COVID-19 Supplemental

Ordinance/Motion:			
Title:	Funding for COVID-19 Economic Recovery Capacity		
Agency:	General Fund Transfer to Department of Local Services (EN_A69200)		
Summary: Provides a General Fund transfer to Department of Local Services Permitting Division (Permitting) to promote economic recovery by funding the retention of core permitting staff from March through December 2020. As the pandemic subsides, permit processing capacity will be needed to expedite approval of construction projects that generate sales tax revenue and commercial projects that create jobs. Absent bridge funding, permitting capacity will have to be reduced.			
	2019-2020	2021-2022	2023-2024
		-	-
Total Revenue	-	-	-
INTRAGOVERNMENTAL CONTRIBUTIONS (58000)	1,000,000	-	-
Total Expenditure	1,000,000	-	-
Net Impact	(1,000,000)	-	-
Total TLT	-	-	-
<p>The pandemic and the efforts to contain it caused a precipitous decline in new applications for building permits and construction activity in March 2020. Permit fee revenue declined by more than 50% from the seasonal norm. Permitting activity has only slowly increased in the following months as the economy has been re-opened. Permitting services are exclusively supported by permitting fees, and at the reduced volume of permitting and revenue, the Division cannot sustain its essential services. As the pandemic subsides, permit processing capacity will be needed to expedite approval of construction projects that generate sales tax revenue and commercial projects that create jobs. Absent bridge funding, permitting capacity will have to be reduced.</p> <p>Despite the challenges posed by the pandemic and the measures to contain it, the Division has thus far maintained continuous operations by rapidly enabling remote access to all its permit processing services and functions: Since January 2020, the Division increased the volume of permit applications that can be submitted electronically from 60% to 100%. All Division staff have successfully pivoted to work from home using the mobile technology and electronic review software that the Division invested in the past three years.</p> <p>The Division has also implemented cost controls without compromising operations. Vacant positions remain unfilled, temporary staff have been terminated, and the County's Voluntary Separation Program has been activated to incent retirement for long-tenured employees.</p> <p>Looking forward, the Division already sees that several significant commercial projects in the Redmond Ridge Business Park and affordable housing/care facilities in White Center and Renton are poised to proceed in the months ahead. These projects will pump over \$100 million of construction spending into the UKC in the next year or two, generating sales tax revenues over \$9 million and permanent employment of 200 to 800 jobs. Speedy approval of such development projects will accelerate local economic recovery.</p> <p>The Division is requesting supplemental funding of \$1 million in 2020 to sustain its essential services and provide for speedy economic recovery.</p>			

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