



Director's Rule

Title Real Property Charges		Number FIN-220.4	Rev. no. (1) <u>2</u>
Responsibility Finance Division		Supersedes N/A	Pages 7
General Manager/CEO <u>(interim)</u> Signature	Approval Date	Effective Date	

1. PURPOSE

To set charges for real property services provided by Seattle Public Utilities (SPU).

2. DEFINITIONS

time and materials (T&M). The actual cost incurred by SPU for work performed, including labor, equipment, materials, applicable permit fees and taxes, pavement restoration, overhead costs and any similar costs, which is calculated by SPU after work has been completed.

true and full Value. Refers to the payment required for the transfer of property under inter and intra-governmental transactions under the State accountancy act statute (RCW 43.09.210). Per AGO 1997 No. 5, it has a flexible meaning according to the circumstances. Under this rule this term is also applicable to the transfer to or use of SPU property by non-governmental entities.

3. RULE

A. General Considerations

- 1) SPU charges one-time administrative costs related to the processing of applications or requests for the use of SPU's property, or purchase of SPU's property or property rights (such as an easement), as well as for ongoing administrative costs associated with the billing and management of permits and easements.

In addition to administrative costs, SPU must receive True and Full Value compensation for any property sold, easements granted, other permanent or temporary property rights granted, or the use of SPU property.

- 2) All administrative fees (one-time application and ongoing administrative) are nonrefundable.
- 3) All charges established by City of Seattle ordinance or regulations take precedence over charges established in this Director's Rule.

- 4) Due to the variables inherent to real property transactions, administrative costs, legislative costs, and use fees established by this director’s rule may not always accurately apply. In such cases, charges may be adjusted to reflect the actual situation.

B. Property Use Permit Fees

1) General Provisions

- Unless otherwise provided by ordinance, all permits provided for in Section 3.B will be revocable.
- Leasehold Excise Tax is required on all permits under Section 3.B of this Rule with the exception of certain property defined by RCW 82.29A.130. This tax will be included on the invoice for all applicable permit fees.

2) Utility Crossings Permits

- One-time Permit Application Fee\$1,835
Assumes up to 16 hours of SPU staff time. Permits requiring more than 16 hours of SPU staff time may be subject to additional time and materials fees.
- Permittee Name Change.....\$600
With no change in use. Permit terms, conditions, and use fee may be updated.
- Annual Land Use Fee
There is no use fee for utility crossings of SPU fee-owned right of way.

3) General Surface Use Permits

These are permits for surface use of SPU fee-owned property. Typically, this use is by adjacent property owners for parking, but can include other uses such as construction staging, job shacks, etc.

- One-time Permit Application Fee\$1,835
Assumes up to 16 hours of SPU staff time. Permits requiring more than 16 hours of SPU staff time may be subject to additional time and materials fees.
- Permittee Name Change.....\$600
With no change in use. Permit terms, conditions, and use fee may be updated.
- Annual Administrative Fee\$200
Begins in year two of the permit. The only administrative fee charged in the first year of the permit is the permit application fee.

- Annual Land Use Fee

- a) Fee Calculation

Annual land use fees for surface use permits are calculated for each permit, using the following standard formula:

$$\boxed{\text{Assessed Value per Square Foot}} \times \boxed{\text{Rate of Return}} \times \boxed{\text{Adjustment Factor}} \times \boxed{\text{Permitted Square Feet}} = \boxed{\text{Annual Land Use Fee}}$$

The inputs to this formula are determined as follows for each permit:

Assessed Value per Square Foot: A three-year average of the King County Assessed Land Value for one or more comparable properties with a similar use, typically adjacent to or near the permitted area.

Rate of Return: A 10-percent rate of return is assumed and is consistent with general City of Seattle practice for rental property.

Adjustment Factor: This is an adjustment to the annual fee based on the risk to SPU associated with the Permittee’s use of the property, with applicable factors by land use type presented below.

Property Use		Adjustment Factor (%)
Access Only		10
Landscaping/Lawn		10
Parking	Single Family	10
	Multi-family or Office	30
	Mixed Use	40
	Other Commercial	50
Recreation	Non-commercial	10
	Commercial	30
Structure		100

Permitted Square Feet: Total area permitted

- b) Fee Adjustment

Annual land use fees for all surface use permits will be updated at the time of annual invoicing using the most recent three-year assessed value.

- 4) Special Short-term Surface Use Permits

These permits are for short term-use that is compatible with utility use.

- First-time Application Fee\$450
- Administrative Fee-Permit Renewal\$150

- Land Use Fee\$50 per day

5) Linear Use of Property Permits

These are permits for linear use of SPU fee-owned property. Linear use is typically non-SPU utility installation of surface, underground, or overhead infrastructure along SPU-owned right of way corridor.

- One-time Permit Application Fee\$1,835
Assumes up to 16 hours of SPU staff time. Permits requiring more than 16 hours of SPU staff time may be subject to additional time and materials fees.
- Permittee Name Change.....\$600
With no change in use. Permit terms, conditions, and use fee may be updated.
- Annual Administrative Fee\$200
Begins in year two of the permit. The only administrative fee charged in the first year of the permit is the permit application fee.
- Annual Land Use Fees

a) Cable, Conduit, Wire, Pipe or other infrastructure running along the right-of-way corridor

i. Annual Linear Land Use Rates (per linear foot)

Annual land use fees for linear use of property permits are calculated by multiplying the number of linear feet permitted by an Annual Linear Land Use Rate. There are 12 price levels for the annual linear land use rates, as presented below:

Pricing Level	Permit Rate (per linear foot)
1	\$(0.12) <u>0.11</u>
2	\$(0.41) <u>0.39</u>
3	\$(0.70) <u>0.74</u>
4	\$(1.24) <u>1.30</u>
5	\$(1.74) <u>1.72</u>
6	\$(2.24) <u>2.22</u>
7	\$(2.75) <u>2.73</u>
8	\$(3.24) <u>3.19</u>
9	\$(3.72) <u>3.78</u>
10	\$(4.23) <u>4.31</u>
11	\$(4.70) <u>4.72</u>
12	\$(6.94) <u>7.11</u>

Fees apply to use of a linear use corridor of up to five (5) feet in width. Use of a wider corridor, and/or installations with significant impact on SPU property or infrastructure, may be subject to additional fees.

ii. Fee Adjustment

~~((The annual linear use land rates used to calculate annual land use fees under Section 3.B.5.d.i will be updated at the time of annual invoicing, using the most recently published rates per linear foot. New rates will be published annually, which are calculated using the past three years of King County assessed property values.))~~ New annual linear land use rates (per linear foot) may be published annually using an updated average of historical King County assessed property values. Annual land use fees calculated under Section 3.B.5.a.i will be updated at the time of annual invoicing, using the most recently published rates per linear foot.

iii. Determination of Applicable Pricing Level

The pricing level applicable to a given permit is determined by the Section-Township-Range where the permitted area is located, based on Public Land Survey System (PLSS) maps.

b) Hand holes, vaults or other above or below ground structure\$250 each

This fee applies to structures measuring more than 1 ½ feet, but less than 3 feet, in width, height, or depth. The annual use fee for structures measuring over 3 feet in height, width, or depth shall be determined on a case by case basis.

An annual use fee may be instituted for each hand hole, vault or other above or below ground structure that is discovered to exist within SPU property but was not reviewed and pre-authorized by SPU.

6) Utility Use in SPU Tunnels

- One-time Permit Application Fee\$1,835
Assumes up to 16 hours of SPU staff time. Permits requiring more than 16 hours of SPU staff time may be subject to additional time and materials fees.
- Permittee Name Change.....\$600
With no change in use. Permit terms, conditions, and use fee may be updated.
- Annual Use Fees

a) Communications-related conduit or inner duct

Under 2 inches diameter\$767

2 to 3 inches diameter\$1,534

Greater than 3 inches diameter\$2,300

This fee applies for conduit or inner duct of up to 16 square inches in cross sectional area of the cable or conduit. Facilities of more than 16-square inches in cross-sectional area may be determined on a case-by-case basis.

- b) Non-communications related facilities
Fees shall usually be at the same rates as the communication facilities. However, the fee may be determined on a case-by-case basis.

C. Preparation of Legislation

Legislation is required when: a) SPU buys or sells property, grants or acquires easements or any other property rights, grants permits, rental agreements or leases for more than one (1) year in duration, and b) for partial or full transfers of jurisdiction between City Departments.

- Administrative Fee – Preparation of Legislation\$7,115

Fees apply where legislation is required due to the requests or actions of any person or entity, other than SPU. Additional time and labor may be charged for additional staff time required due to actions or omissions of the applicant or requester.

D. Real Property Review of Street Vacation Applications

- Application Review (no SPU infrastructure)no charge
Applies if SPU infrastructure is not located within the proposed vacation area.
- Application Review (SPU infrastructure impacted) Time and Materials
Applies when either there is SPU infrastructure in the street vacation area, or the street vacation will impact other SPU infrastructure.

All reservations of rights for SPU infrastructure shall be subject to all other applicable costs and fees including, but not limited to legislation costs as per Section 3.C.

E. Surplus, Sale or Exchange of SPU Fee-Owned Property

- Administrative Fees Time and Materials
Includes SPU costs performed in conjunction with the sale or exchange of SPU property, when initiated by an outside entity, but generally are not charged when SPU initiates a sale of surplus property. These costs may include, but are not limited to: SPU staff time, title, appraisal, survey, document preparation, closing and recording.
- Preparation of Legislationper Section 3.C
Are not generally charged when SPU initiates a sale of surplus property
- Fee for Property Surplused, Sold or Exchanged Fair Market Value

F. Encroachments

Encroachments are unauthorized use of SPU fee-owned property or easement rights. Types of encroachments and the impact to SPU property rights vary greatly. Therefore, the Time

and Material and Use Fees to resolve encroachments shall be determined on a case-by-case basis.

G. Minor Projects and Access to SPU Properties

- Gate opening\$175 minimum
Charge may exceed the minimum depending upon the circumstances of opening.
- Access and/or to stay with non-SPU personnel while on SPU property

With a security specialist.....\$165 per hour
One-hour minimum

With SPU personnel\$80 to \$125 per hour
The rate will include overtime when applicable. When overtime is applicable, a minimum of 4 hours overtime will be charged. Travel time will also be charged.
- Site Security Plan \$125
- SPU Oversight of Third-party work on SPU propertytime and materials
Costs for city employees and equipment stationed to protect city property and the pipeline during third-party work on SPU property.

4. AUTHORITY/REFERENCES

- SMC 21.04.465, Standard, connection, and administrative charges
- SMC 3.02, Administrative Code
- SMC 3.32.020, Adoption of rules