

Proposed Utility Connection Charges Engagement Report

Event: Bellevue Development Committee (BDC) Quarterly Meeting

Date: Wednesday, April 8, 2026

Time: 2-3 p.m.

Location: Bellevue City Hall

Purpose

Utilities staff met with the BDC to share and gather feedback on proposed updates to how utility connection charges are calculated and collected. The discussion included a presentation followed by a breakout session to capture detailed input on three proposed updates:

1. No more DFCCs. Cost recovery of CIP expansion project costs will be via CRCs.
2. Simpler calculation. Base the charge off of the meter size.
3. Pay once upfront at the time of permitting, rather than over 10 years.

Key Feedback Themes

1. General Support for Simplicity and Transparency

Across all groups, participants expressed strong support for improving transparency and simplifying the current system. Developers appreciated having clearer, more predictable calculations and a more straightforward process.

- The proposal was seen as easier to understand and plan for.
- Participants valued having a single, consistent source for cost information.
- Many noted that the current system can be complex and difficult to navigate.

2. Feedback on Proposal 1 (No more DFCCs)

Feedback reflected a balance between improving equity and concerns about cost impacts.

- Some participants noted the current system feels equitable but can create barriers to entry for new development.
- The proposed changes were generally viewed as a positive step toward improving equity across customer types.
- However, there were concerns that shifting costs could increase expenses in other areas, potentially affecting overall project affordability.
- Some expressed interest in exploring ways to reduce impacts on single-family development.

3. Feedback on Proposal 2 (Simpler Calculation)

The proposed shift to a meter-based structure received mixed but generally favorable feedback.

Support:

- Encourages thoughtful and efficient building design.
- Aligns with how developers already determine infrastructure needs (e.g., fixture counts).
- Provides clearer planning assumptions early in the development process.

Concerns:

- May unintentionally incentivize undersizing meters to reduce costs.
- Could create equity issues if meter sizing varies across neighborhoods due to pressure differences.
- Potential impacts to fire service and fire meter sizing should be carefully evaluated.

4. Feedback on Proposal 3 (Pay Once Upfront)

Timing of when charges are assessed was a key concern.

- Developers indicated a preference for charges to be collected later in the development process, ideally closer to issuance of the Certificate of Occupancy.
- While some acknowledged alignment with other jurisdictions, there was sensitivity to changing processes.

5. Awareness and Alignment with Other Jurisdictions

The discussion highlighted limited awareness that Bellevue's current approach differs from other cities.

- Participants were generally supportive of aligning with regional best practices once informed.
- There was interest in understanding how other jurisdictions structure similar charges.
- Developers emphasized the importance of balancing lessons from other cities with what works well locally in Bellevue.

6. Predictability and Communication

Developers emphasized the importance of ongoing communication and early visibility into changes.

- Strong interest in being kept informed as proposals evolve.
- Predictability is critical for budgeting and long-term project planning.
- Clear, accessible information on how charges are calculated is highly valued.

7. Additional Considerations

Several specific topics were raised during discussion:

- Interest in incentives tied to fire sprinklers in single-family development.
- Cascade Water Alliance collected at permitting – there's a discount for fire sprinklers being required
- General support for moving certain costs off utility bills and into development-related charges, with caution about overall cost impacts.

Summary

Overall, the development community is supportive of the Utilities Department's goals to improve transparency, affordability and equity in connection charges. While there is general alignment with the direction of the proposal, key feedback remains around cost impacts, timing of charges, and potential unintended consequences related to meter sizing and neighborhood variability.

Continued engagement, clear communication, and careful consideration of financial impacts will be important as the proposal advances.