



Redmond
WASHINGTON

Park Impact Fee Update



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June 09, 2026





Outline



Key Characteristics of Impact Fees



Statutory Basis



Impact Fee Calculations



Scaling Impact Fees



Comparisons

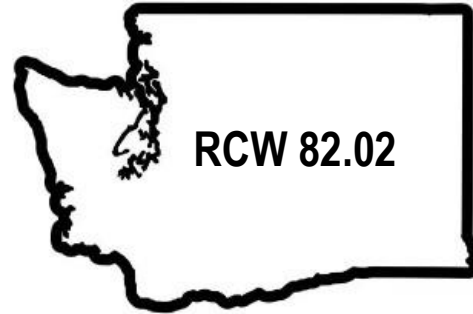


Key Characteristics of Impact Fees

- Impact fees are one-time charges, not ongoing rates. They are paid at the time of development (or re-development)
- Impact fees are available for public streets, public parks, school facilities, and fire protection facilities.
- Impact fees are for capital only, in both their calculation and in their use.
- Impact fees include both existing and future (planned) infrastructure cost components.
- Impact fees are for “system” facilities, not “local” facilities.



Statutory Basis



82.02.050 Impact fees—Intent—Limitations.

82.02.060 Impact fees—Local ordinances—Required provisions—Exemptions.

82.02.070 Impact fees—Retained in special accounts—Limitations on use—Administrative appeals.

82.02.080 Impact fees—Refunds.

82.02.090 Impact fees—Definitions.

82.02.100 Impact fees—Exception, mitigation fees paid under chapter 43.21C RCW.

82.02.110 Impact fees—Extending use of school impact fees.

Calculation and imposition of impact fees codified in RMC 3.10



Statutory Basis

Introduced in 2023:

RCW 82.02.060 - Impact fees—Local ordinances—Required provisions—Exemptions.

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. **The schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units.** In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:



Statutory Basis

Introduced in 2023:

RCW 36.70A.681 - Accessory dwelling units—Limitations on local regulation.

(1) In addition to ordinances, development regulations, and other official controls adopted or amended to comply with this section and RCW 36.70A.680, a city or county must comply with all of the following policies:

(a) **The city or county may not assess impact fees on the construction of accessory dwelling units that are greater than 50 percent of the impact fees that would be imposed on the principal unit;**



Summary of Calculations

- **Scenario 1 – Current Approach:** Level of service is measured in hours of park use. Growth-related project costs are distributed to land uses by hours of park use.
- **Scenario 2 – Standards-Based:** Level-of-service standard is measured in acres or miles (trails) for both existing and future growth capacity.
 - » System costs distributed to land uses based on parks availability
 - » Level of service metric is consistent with PARCC plan metrics



Scenario 1 - Current Approach Calculation

$$\text{Growth in Park Users} \times \text{Hours of Use} = \text{Total Hours}$$

$$\frac{\text{\% Hours by Category} \times \text{Development Share CIP}}{\text{Number of New Units (1,000 Sq Ft)}} = \text{Impact Fee}$$



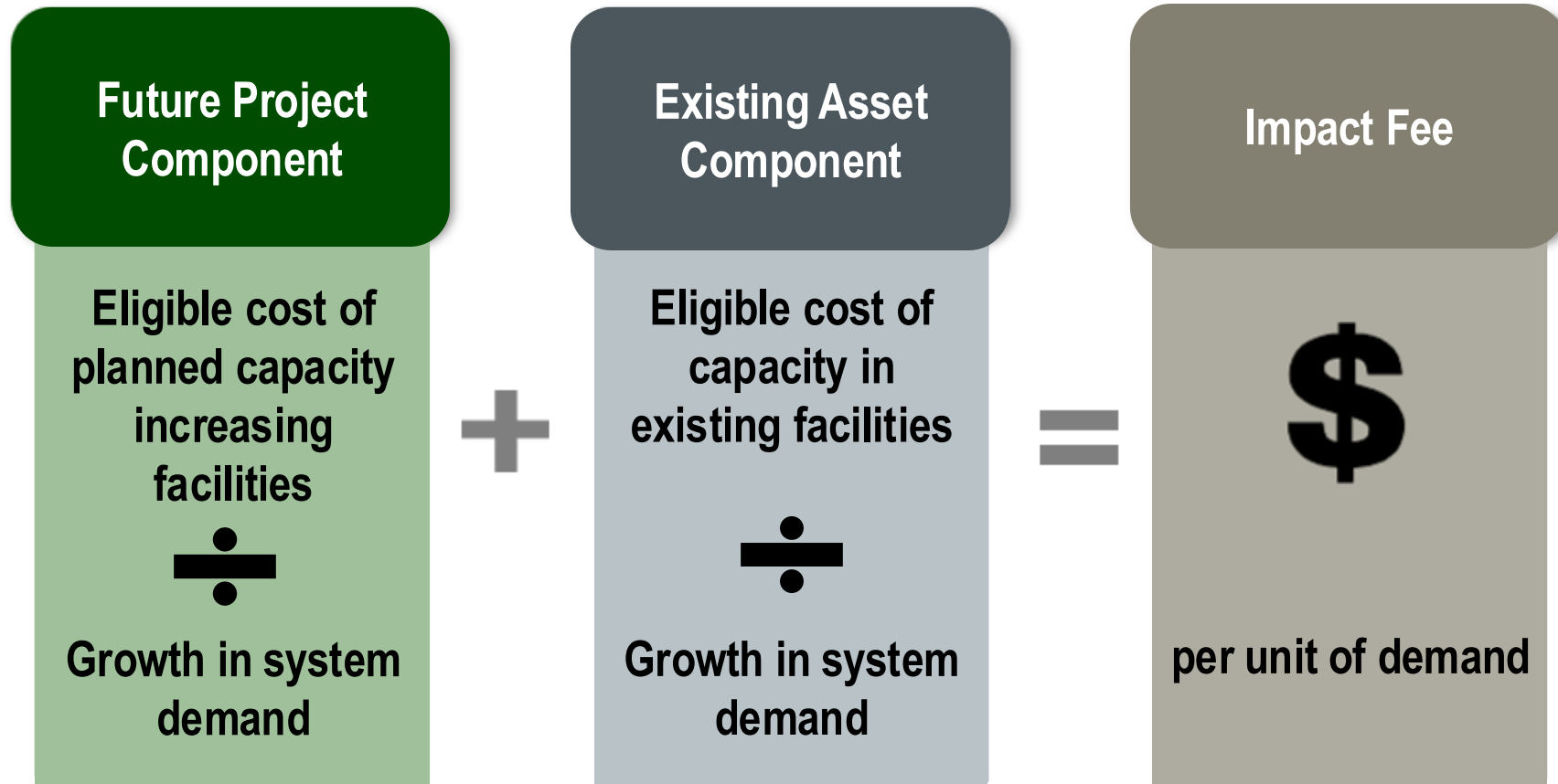
Current Approach

Calculation	
Number of New Residents	29,003
Number of New Employees	44,388
Hours per Resident per Week	5.5
Hours per Employee per Week	2.0
Total Hours	245,697.9
Percent Hours Residential	64.7%
Percent Hours Industrial	4.5%
Percent Hours Non-industrial	30.8%
Development Share of Growth	\$ 116,513,456
Estimated new 1,000 Sq Ft Development	23,586.91
Residential Fee	\$ 3,194
Industrial Fee	224
Non-industrial Fee	1,521

Category	Jobs	Share
Industrial	11,852	13%
Non-industrial	80,377	87%



Scenario 2 – Standards-Based Approach





Growth

	2025	2045	Growth	Growth Share
Population	82,380	111,383	29,003	26.04%
Employees	126,078	170,466	44,388	26.04%
Residential Equivalent Employees	13,800	18,659	4,859	26.04%
Total Residential Equivalents	96,180	130,042	33,862	

Employees are assumed to be equivalent to 0.11 residents



Level of Service

Category	Units	Current Quantity			Units per 1,000 Residents in		Minimum 2025 Quantity	Eligibility	Reimbursable Quantity
		Quantity	Added	2045 Quantity	2045	Quantity			
Community	Acres	262.40	0.02	262.42	2.36	194.09	100.00%	68.31	
Neighborhood	Acres	105.90	20.87	126.77	1.14	93.76	100.00%	12.14	
Urban	Acres	12.70	0.10	12.80	0.11	9.47	100.00%	3.23	
Resource	Acres	913.60	0.00	913.60	8.20	675.71	0.00%	237.89	
Plaza & Pocket Park	Acres	0.60	0.00	0.60	0.01	0.44	0.00%	0.16	
Community Center	Acres	7.00	0.00	7.00	0.06	5.18	0.00%	1.82	
Trail Corridor	Acres	65.50	0.00	65.50	0.59	48.44	0.00%	17.06	
Trail	Miles	15.26	1.33	16.59	0.15	12.27	100.00%	2.99	



Projects

	Cost	Eligibility	Eligible Cost
Proportional Projects	\$ 141,225,901	26.04%	\$ 36,773,865
Growth Projects	79,739,591	100.00%	79,739,591
Total	\$ 220,965,492	53%	\$ 116,513,456



Existing Asset Cost Basis

Category	Cost per Unit	Reimbursable		Reimbursable
		Units	Units	Cost
Community	\$ 101,336	68	Acres	\$ 6,922,262
Neighborhood	64,556	12	Acres	783,458
Urban	1,334,781	3	Acres	4,312,079
Resource	3,309	238	Acres	787,305
Plaza & Pocket Park	-	0	Acres	-
Community Center	10,103,796	2	Acres	18,416,519
Trail Corridor	1,399	17	Acres	23,858
Trail	87,472	3	Miles	261,806
Total				\$ 31,507,287



Calculation

Calculated Impact Fee	Future LOS Category
Project cost basis:	
Proportional projects	\$ 36,773,865
Growth benefit projects	79,739,591
Total project cost basis	116,513,456
Net existing asset cost basis	31,507,287
Less: debt deduction	(14,015,000)
Less: impact fee fund balance	\$ (5,914,645)
Total cost basis	<u>\$ 128,091,097</u>
<i>Growth in Residential Equivalents</i>	33,862
Impact Fee per Residential Equivalent	\$ 3,783



Non-Residential Fee Schedule

Parks Impact Fee Schedule	Fee Unit	Square Feet per Employee
Manufacturing	\$ 828 per 1000 Sq. Ft.	500
Wholesale, Transportation and Utilities	\$ 414 per 1000 Sq. Ft.	1,000
Retail	\$ 592 per 1000 Sq. Ft.	700
Finance, Insurance, and Real Estate	\$ 1,183 per 1000 Sq. Ft.	350
Services (not including food services)	\$ 1,035 per 1000 Sq. Ft.	400
Government/Education	\$ 1,380 per 1000 Sq. Ft.	300
Restaurant	\$ 2,070 per 1000 Sq. Ft.	200
Mini-storage	\$ 21 per 1000 Sq. Ft.	20,000



Summary of Calculations

Impact Fee Comparison	Calculated Fee	Unit	SFR
Standards-Based	\$ 3,783	per Residential Equivalent	\$8,290
Current Approach	3,194	Per 1,000 Sq Ft	4,876

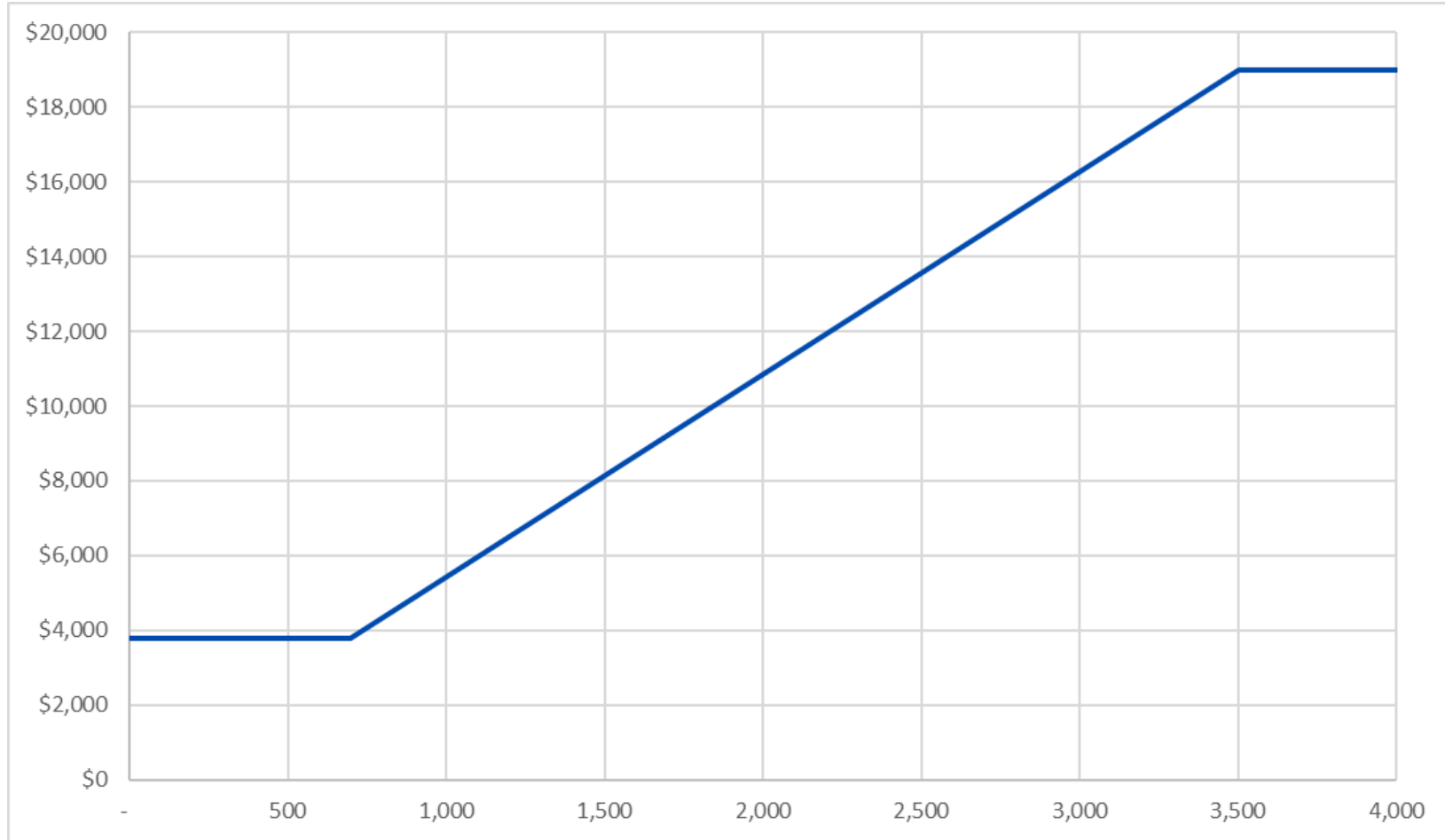


Scaling

Calculated Impact Fees		Parks
Blended Impact Fee per DU	\$	8,290
Occupants per Average DU		2.19
Sq Ft per Average DU		1,526
Impact Fee per Occupant	\$	3,783
Impact Fee per Sq Ft		5.43
Minimum Impact Size		697
Minimum Fee	\$	3,783
Max Proportionate Impact Size (Sq Ft)		3,500
Maximum Fee	\$	19,007

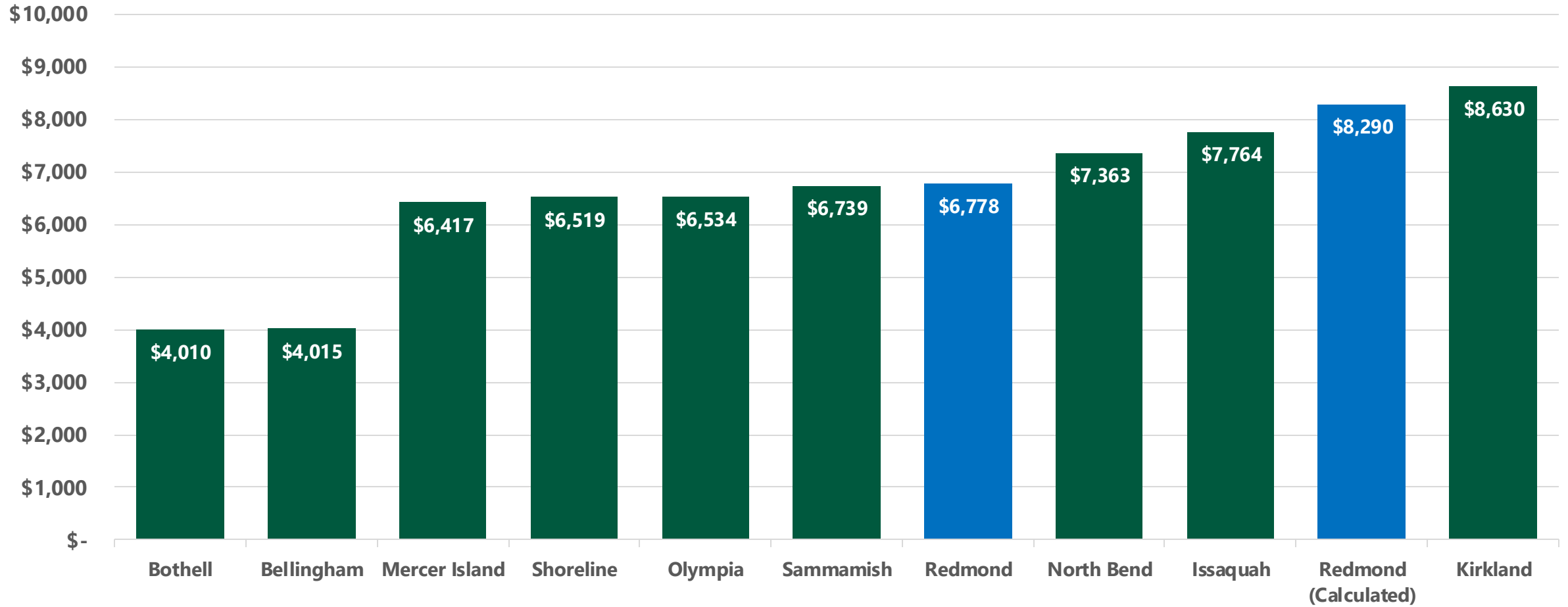


Scaling





Comparisons





Alternative 6-Year Standards-Based - Growth

	2025	2031	Growth	Growth Share
Population	82,380	90,182	7,802	7.00%
Employees	126,078	138,019	11,941	7.00%
Residential Equivalent Employees	13,800	15,107	1,307	7.00%
Total Residential Equivalents	96,180	105,290	9,109	

Employees are assumed to be equivalent to 0.11 residents



Alternative 6-Year Standards-Based - Level of Service

Category	Units	Current Quantity			Units per 1,000 Residents in		Minimum 2025 Quantity	Eligibility	Reimbursable Quantity
		Quantity	Added	2031 Quantity	2031	Quantity			
Community	Acres	262.40	0.02	262.42	2.36	194.09	100.00%	68.31	
Neighborhood	Acres	105.90	15.15	121.05	1.09	89.53	100.00%	16.37	
Urban	Acres	12.70	0.03	12.73	0.11	9.42	100.00%	3.28	
Resource	Acres	913.60	0.00	913.60	8.20	675.71	0.00%	237.89	
Plaza & Pocket Park	Acres	0.60	0.00	0.60	0.01	0.44	0.00%	0.16	
Community Center	Acres	7.00	0.00	7.00	0.06	5.18	0.00%	1.82	
Trail Corridor	Acres	65.50	0.00	65.50	0.59	48.44	0.00%	17.06	
Trail	Miles	15.26	1.33	16.59	0.15	12.27	100.00%	2.99	



Alternative 6-Year Standards-Based - Projects

	Cost	Eligibility	Eligible Cost
Proportional Projects	\$ 3,657,901	7.00%	\$ 256,231
Growth Projects	51,220,591	90.30%	51,220,591
Total	\$ 54,878,492	94%	\$ 51,476,822



Alternative 6-Year Standards-Based - Existing Asset Cost Basis

Category	Cost per Unit	Reimbursable		Reimbursable
		Units	Units	Cost
Community	\$ 101,336	68	Acres	\$ 6,922,262
Neighborhood	64,556	16	Acres	1,056,655
Urban	1,334,781	3	Acres	4,380,069
Resource	3,309	238	Acres	787,305
Plaza & Pocket Park	-	0	Acres	-
Community Center	10,103,796	2	Acres	18,416,519
Trail Corridor	1,399	17	Acres	23,858
Trail	87,472	3	Miles	261,806
Total				\$ 31,848,474



Alternative 6-Year Standards-Based - Calculation

Calculated Impact Fee	Future LOS Category
Project cost basis:	
Proportional projects	\$ 256,231
Growth benefit projects	51,220,591
Total project cost basis	51,476,822
Net existing asset cost basis	31,848,474
Less: debt deduction	(14,015,000)
Less: impact fee fund balance	\$ (5,914,645)
Total cost basis	<u>\$ 63,395,651</u>
<i>Growth in Residential Equivalents</i>	9,109
Impact Fee per Residential Equivalent	\$ 6,959



Alternative 6-Year Standards-Based - Non-Residential Fee Schedule

Parks Impact Fee Schedule	Fee Unit		Square Feet per Employee
Manufacturing	\$ 1,524	per 1000 Sq. Ft.	500
Wholesale, Transportation and Utilities	\$ 762	per 1000 Sq. Ft.	1,000
Retail	\$ 1,088	per 1000 Sq. Ft.	700
Finance, Insurance, and Real Estate	\$ 2,176	per 1000 Sq. Ft.	350
Services (not including food services)	\$ 1,904	per 1000 Sq. Ft.	400
Government/Education	\$ 2,539	per 1000 Sq. Ft.	300
Restaurant	\$ 3,809	per 1000 Sq. Ft.	200
Mini-storage	\$ 38	per 1000 Sq. Ft.	20,000

Thank you!
Questions?

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