



Memorandum

Date: 12/9/2025

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 25-643

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Nida Hermoso	Accounting Manager
Finance	Haritha Narra	Deputy Finance Director

TITLE:

2023 Impact Fee Collection and Distribution Report

OVERVIEW STATEMENT:

The Revised Code of Washington (RCW) and the City of Redmond Municipal Code (RMC) require an annual report to the Mayor and City Council on impact fee receipts, earnings, and system improvements financed in whole or part by impact fees. This report summarizes the 2023 impact fee activity and is presented for information purposes only.

The Impact Fee Report is provided to Council after the State Auditors complete the financial statement audit. The 2023 financial audit was delayed due to D365 system preparation and implementation in June 2023, and the audit did not start until May 2025 and lasted through October 2025 (which is longer than usual). A typical financial statement audit year starts in April and ends in June.

The 2024 financial statement audit is estimated to start December 2025 with a completion target date of March 2026, and the 2024 Impact Fee Report will be provided to Council upon completion. The estimated timeline to complete the 2024 Impact Fee Report for the Council is August of 2026.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**

N/A

- **Required:**

Revised Code of Washington (RCW) 82.02.070 Impact fees: Annually, each county, city, or town imposing impact

fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees.

Redmond Municipal Code (RMC) 3.10.190 Annual Impact Fee Report: The provision requires the Finance Department to prepare a report on each impact fee account showing the source and amount of all money collected, earned, or received and the system improvements financed in whole or in part by the impact fees. This Impact Fee Report is presented to meet the reporting requirements of RMC 3.10.190.

- **Council Request:**

N/A

- **Other Key Facts:**

N/A

OUTCOMES:

The City collected \$1,884,266 in impact fees (net of refund) in 2023 and spent \$13,382,030. The total collected and spent for each category is shown in attachment A, Table 1 - 2023 Impact Fee Overview.

Overall impact fee collections for 2023 decreased from 2022 collections by \$25,660,769 or 93 percent (%). The decrease is due to a decrease in the total number of permits related to large developments underway. A total of \$1,135,591 was collected in 2023 for school impact fees and disbursed to Lake Washington School District. School impact fees are determined by the school district.

Transportation

Eight transportation projects received impact fee funding in 2023. The projects and amounts received are as follows, totaling \$2,841,969:

- NE 40th Shared Use Path: \$903,437
- NE 70th Improvements (Redmond Way to 180th NE): \$612,066
- 156th NE Shared Use Path: \$482,505
- Bed-Red Rd Bike Lanes (NE 40th to NE 24th): \$28,001
- Transportation Master Plan: \$100,000
- 152nd NE Improvements: \$116,456
- Redmond Way Bridge & NE 76th St Widening: \$129,454
- Couplet Bond Debt: \$471,250

Transportation impact fees remaining at the end of 2023 totaled \$42,481,593.

Parks

Three parks projects received impact fee funding in 2023. The projects and amounts received are as follows, totaling \$10,540,061:

- Senior & Community Center Renovation: \$9,239,845
- Senior & Community Center Debt: \$545,375
- Parks Property Purchase: \$754,841

Parks impact fees remaining at the end of 2023 totaled \$6,406,468.

Fire

Fire impact fees remaining at the end of 2023 totaled \$2,163,499.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:**Total Cost:**

N/A

Approved in current biennial budget:☐ Yes☐ No☒ N/A**Budget Offer Number:**

N/A

Budget Priority:

N/A

Other budget impacts or additional costs:☐ Yes☐ No☒ N/A***If yes, explain:***

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ Additional budget details attached**COUNCIL REVIEW:****Previous Contact(s)**

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

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Time Constraints:

Redmond Municipal Code section 3.10.190 Annual Impact Fee Report requires the Finance Department to report the revenues and expenditures associated with impact fees.

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Attachment A: Impact Fee Table

Attachment B: Impact Fee Annual Report - 2023 Impact Fee Summary

Attachment C: Impact Fee Activity Summary for 2023