



Memorandum

Date: 3/21/2023
Meeting of: City Council

File No. AM No. 23-043
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
------------------------------------	---------------	--------------

DEPARTMENT STAFF:

Planning and Community Development	Seraphie Allen	Deputy Director
Planning and Community Development	Jeff Churchill	Long Range Planning Manager
Planning and Community Development	Lauren Alpert	Senior Planner

TITLE:

Approval of a Contract with EcoNorthwest, in the Amount of \$86,640, for an Economic Study of Incentive Packages for Redmond Centers

OVERVIEW STATEMENT:

Staff recommends that the City Council authorize the Mayor to sign a contract with EcoNorthwest to complete an economic study of new zoning incentive programs for Overlake, Marymoor Village, and Downtown (see Attachment A). The City of Redmond is overhauling existing development incentive packages for its Centers to accommodate expected growth over the next 20 years and advance City priorities.

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

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Redmond 2050 - Growth Centers Policy Guide v 2.0
- **Required:**
Council approval is required for contracts exceeding \$50,000.
- **Council Request:**
The Council approved a Service Enhancement in the 2023-24 Budget for an economic analysis of incentive packages as part of Redmond 2050.
- **Other Key Facts:**
N/A

OUTCOMES:

The City needs to design incentive packages that can both encourage the level of development necessary to meet growth targets, while helping the City achieve its goals related to affordability, livability, sustainability, and equity. This project will help City staff and community stakeholders understand the draft incentive packages' effectiveness and to ensure that incentives are calibrated to meet growth and policy objectives.

This study will answer the following questions:

- Are the draft incentive packages feasible for the types of development the City is looking to incentivize?
- What are the various costs and considerations for developers associated with each incentive requirement?
- Do development outcomes from the incentive packages help the City meet their policy goals?
- What are the various costs and considerations for the City in implementing and managing the various incentive programs?

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
The project will begin as soon as Council approves the contract with Overlake incentives to be analyzed by June, and the remaining incentive packages to be reviewed Summer and Fall 2023.
- **Outreach Methods and Results:**
There will be a targeted list of stakeholders to interview, and key topic areas that will help organize and facilitate the interviews. This coordination will also ensure that the three centers are appropriately represented.
- **Feedback Summary:**
The stakeholder interviews will help inform the consultants on whether the incentives will be utilized and what if any adjustments will need to be made to the draft incentive packages.

BUDGET IMPACT:

Total Cost:
\$86,640

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

Budget Offer Number:
0000138 One-Time Service Enhancements

Budget Priority:
Vibrant and Connected

Other budget impacts or additional costs: ☐ Yes ☒ No ☐ N/A

If yes, explain:

N/A

Funding source(s):

General Fund savings realized through Department of Commerce Periodic Update Grant (\$74,060)
Environmental Sustainability Program (\$12,580)

Budget/Funding Constraints:

N/A

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
3/14/2023	Committee of the Whole - Finance, Administration, and Communications	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	Click and select an action from the dropdown menu.

Time Constraints:

Redmond 2050 must be completed by December 31, 2024.

ANTICIPATED RESULT IF NOT APPROVED:

If not approved, it will be challenging to implement effective new incentive packages in Overlake, Downtown, and Marymoor.

ATTACHMENTS:

Attachment A: Contract with Exhibits