



Memorandum

Date: 11/12/2024

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

File No. CM 24-538

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	Interim Finance Manager
Finance	Haritha Narra	Deputy Finance Director

TITLE:

2022 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 2022 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 2022 financial audit was delayed due to D365 system preparation and implementation in June 2023, and the audit did not start until January 2024 and lasted through October 15, 2024 (which is longer than usual). A typical financial statement audit year starts in April and ends in June.

The 2023 financial statement audit is estimated to start mid-November 2024 with a completion target date of March 2025, and the 2023 Impact Fee Report will be provided to Council upon completion. The estimated timeline to complete the 2024 Impact Fee Report for the Council is July or August of 2025.

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 \$27,545,034 in impact fees in 2022 and spent \$3,081,996. The total collected and spent for each category is shown in attachment A, Impact Fee Table.

Overall, impact fee collections for 2022 increased by \$10,950,540, or 66%, compared to 2021. The increase is associated with growth and strong development activity resulting in a heightened demand for infrastructure and public services.

In 2022, \$7,206,117 was collected for school impact fees and disbursed to Lake Washington School District. School impact fees are determined by the school district.

Transportation

Four transportation projects received impact fee funding in 2022. The projects and amounts received are as follows, totaling \$1,358,307:

- NE 40th Shared Use Path: \$696,410
- NE 70th Improvements (Redmond Way to 180th): \$166,939
- Redmond Way Bridge & 76th St Widening: \$23,708
- Couplet Bond Debt: \$471,250

Transportation impact fees remaining at the end of 2022 totaled \$42,864,044.

Parks

Two Park projects received impact fee funding in 2022. The projects and amounts received are as follows, totaling \$1,723,689:

- Senior & Community Center Renovation: \$1,373,314
- Senior & Community Center Renovation Debt: \$350,375

Parks impact fee remaining at the end of 2022 totaled \$15,701,384.

Fire

Fire Impact Fees remaining at the end of 2022 totaled \$1,926,610.

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	N/A	N/A

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:

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ATTACHMENTS:

Attachment A: Impact Fee Table

Attachment B: Impact Fee Annual Report - 2022 Impact Fee Summary

Attachment C: Impact Fee Activity Summary for 2022