



Memorandum

Date: 11/4/2024
Meeting of: Committee of the Whole - Planning and Public Works

File No. CM 24-507
Type: Committee Memo

TO: Committee of the Whole - Planning and Public Works
FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	Seraphie Allen	Deputy Director
Planning and Community Development	Jeff Churchill	Long Range Planning Manager
Planning and Community Development	Glenn B. Coil	Senior Planner

TITLE:
Development Impact Fees - 2025 Annual Indexing

OVERVIEW STATEMENT:

Staff recommends that the City Council adopt an ordinance indexing impact fees for inflation as authorized in RMC 3.10.

Impact fees are one-time charges collected by the City from new commercial and residential developments to fund fire, park, school, and transportation facilities needed to accommodate growth. Impact fees are authorized in RMC 3.10.

Indexing or updating Redmond’s impact fees annually allows the rates to keep pace with inflation to maintain the purchasing power of these impact fees and to help provide the capital facilities necessary to serve growth in Redmond. RMC 3.10 establishes the indexes and procedures that the City Council may apply annually to index or update Redmond’s impact fees.

The City collects school impact fees on behalf of the Lake Washington School District (LWSD) by interlocal agreement. School impact fees, calculated by LWSD, reflect a proportionate share of the costs of school-related system improvements that are reasonably related to new development.

For 2025,

- Park impact fees will increase by 6.36%,
- School impact fees for single-family homes will increase from \$5,149 to \$5,972 per unit, and fees for multifamily units will decrease from \$352 to \$0.

Also to note:

- Fire Impact Fees will not be indexed in 2025. Fire is updating its Functional Plan and will include an impact fee rate study with a proposed new fee schedule based on capital needs related to growth.
- Transportation fees are proposed to be updated through Redmond 2050, which will become effective in 2025.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information** **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Comprehensive Plan policies CF-14 and CF-17 concerning impact fees
- **Required:**
N/A
- **Council Request:**
N/A
- **Other Key Facts:**
RMC 3.10 authorizes the annual indexing of impact fees.
2006 interlocal agreement between the City and LWSD governs the collection, distribution, and expenditure of school impact fees

OUTCOMES:

Impact fees:

- Contribute toward public infrastructure that is needed to accommodate population and employment growth.
- Can only be used to pay for system improvements. System improvements must be reasonably related to the new development and must benefit the new development.
- Cannot be used to pay for private facilities that solely benefit the development or to correct existing deficiencies in public infrastructure.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
November - December 2024
- **Outreach Methods and Results:**
Staff will inform the development community about the recommended changes on the Development Service Center webpage.
- **Feedback Summary:**
No feedback received at this time.

BUDGET IMPACT:

Total Cost:

\$4,616,401 is the total value of the Community and Economic Development offer, which funds staff work related to indexing impact fees.

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

000040

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

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
11/19/2024	Business Meeting	Approve

Time Constraints:

Changes to impact fees are effective **January 1, 2025**. Timely adoption of the fees provides staff, developers, residents, and other interested parties an opportunity to prepare for fee changes associated with the development review process and ensures that new system improvements can be funded through impact fees.

ANTICIPATED RESULT IF NOT APPROVED:

If the Council chooses not to index impact fees for 2025, the fees will remain at 2024 levels, resulting in underfunding system improvements needed to address population and employment growth. Not updating fees for schools would also lead to a significant overcollection of fees for the Lake Washington School District.

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ATTACHMENTS:

Attachment A: Proposed 2025 Fire, Park, School, and Transportation Impact Fee Schedules