



CITY OF REDMOND

Park Impact Fee Study

Submitted by:

FCS, a Bowman company
7525 166th Ave NE
Ste D-215
Redmond, WA 98052
P: 425.867.1802

Submitted to:

City of Redmond
15670 NE 85th St
Redmond, WA 98052
P: (425) 556-2900

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Introduction

Redmond is the eighth most populous city in King County and the seventeenth most populous city in the State of Washington. It encompasses an area of over 17.14 square miles and is located less than 20 miles east of downtown Seattle at the north end of Lake Sammamish. The City prides itself for its high quality of life with a parks system that provides a variety of active and passive recreational opportunities. One potential source to fund these recreational opportunities is the impact fee. Impact fees allow the City to recover the costs of providing system improvements for growth in an equitable manner.

In 2025, the City contracted with FCS, a Bowman company (FCS), to update their current park impact fee methodology. Specifically, FCS is calculating the maximum legally defensible park impact fee, allowing the City Council to adopt any park impact fee up to that level. As part of this process, FCS has calculated the fee using both the City's current methodology and another commonly used approach, called the "standards-based methodology." Both are described in this report.

Consistent with these objectives, this study included the following key elements:

- **Updating the City's Project List.** FCS, along with Conservation Technix, collaborated with the City to align the updated parks project list and prepare it for the impact fee calculation.
- **Technical Analysis.** FCS worked with City staff to resolve technical issues and calculate fee alternatives. The most important technical consideration involved the identification and inclusion of planned capacity-increasing project costs as well as the calculation of the park impact fee using several different methods.
- **Documentation and Presentation.** FCS presented preliminary findings to the Parks, Trails & Recreation Commission, developer stakeholders, and the City Council. FCS summarized the findings and recommendations in this report.

Legal Overview

Impact fees are enabled by state statutes, authorized by local ordinance, and constrained by the United States Constitution. They allow cities to recover some of the cost of expanding public facilities necessitated by growth. These fees allow "growth to pay for growth" in a fair and equitable manner. Impact fees have a specific definition and associated constraints in the state of Washington. Impact fees are allowed under RCW 82.02.050 through 82.02.110 and are permitted for:

- Public streets and roads,
- Publicly owned parks, open space, and recreation facilities,
- School facilities,
- Fire protection facilities.

The statute provides specific guidance on the permissible methodology for calculating impact fees. This guidance can be broken down into three major categories, which are discussed in the following subsections:

1. Eligibility requirements,
2. Cost basis,
3. Customer base.

Eligibility Requirements

RCW 82.02.050(4) states that impact fees:

1. Shall only be imposed for system improvements that are reasonably related to the new development;
2. Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and;
3. Shall only be used for system improvements that will reasonably benefit the new development.

These requirements ensure that impact fees are based on—and spent for—capacity that will either directly or indirectly serve the development. This necessitates that scrutiny is given to the project list to match it to the needs of growth. Moreover, the impact fee that a developer pays must represent that development's fair share of required capacity. That is why developments pay a unique fee based on land use.

Additionally, RCW 82.02.050(5) states that "Impact fees may be collected and spent only for the public facilities . . . which are addressed by a capital facilities plan element of a comprehensive land use plan. . ." This means that if a project is not listed in the adopted capital facilities plan element, then it is not eligible to be included in impact fee calculations or expenditures.

Cost Basis

RCW 82.02.060(1) outlines the cost basis of impact fee calculations, stating that the calculation must consider:

1. The cost of public facilities necessitated by new development;
2. An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or pro-ratable to the particular system improvement;
3. The availability of other means of funding public facility improvements;
4. The cost of existing public facilities improvements; and
5. The methods by which public facilities improvements were financed.

Customer Base

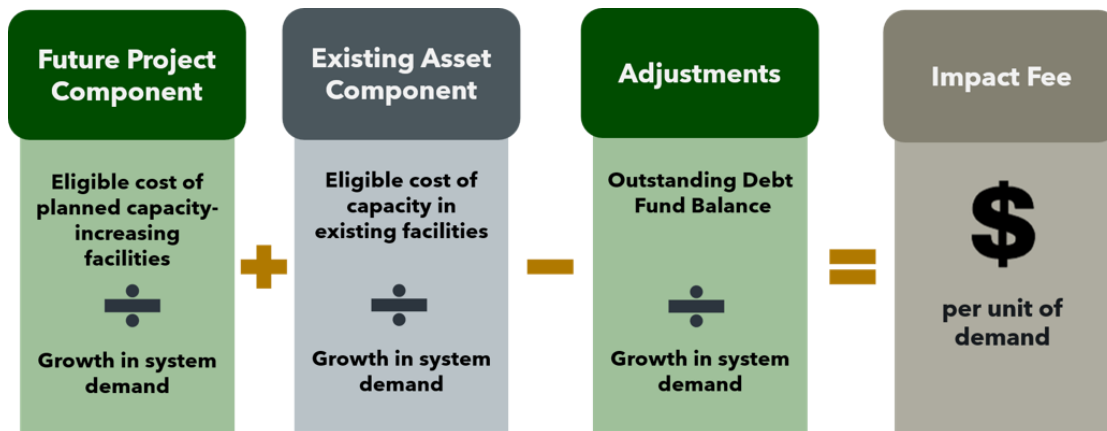
Based on RCW 82.02.050(4) as discussed above, the costs determined to be eligible must be proportionately allocated across the projected customer base. In addition, in 2023, two laws affecting the imposition of impact fees were passed. First, Senate Bill 5258 added language to RCW 82.02.060(1) requiring that "The [impact fee] 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." This new requirement for the impact fee schedule is incorporated into the results of this analysis.

Second, House Bill 1337 amended RCW 36.70A to add that an impact fee on an accessory dwelling unit may not be charged more than 50 percent of the corresponding impact fee that would be charged for the principal unit. The City will need to incorporate this requirement into its impact fee program.

Standards-Based Impact Fee Calculation

Calculation Overview

Maximum defensible impact fees are determined by calculating the fair and equitable portion of capacity increasing project costs and dividing these costs by expected growth in units of demand. The unit of demand becomes the basis of the charge. The diagram below summarizes the outline of an impact fee calculation using the standards-based approach.



The eligible cost of planned capacity increasing projects is the cost of future projects that will serve growth. Some projects are intended to serve only growth; some projects do not increase the capacity of the City's park system; and some projects serve both the City's current and future populations.

The eligible cost of capacity in existing facilities is the amount of excess investment in the parks system beyond what is needed to satisfy the expected future level of service. This represents investment in the parks system that has been realized that will serve growth.

The growth in the user base is primarily the anticipated growth in the City's population. However, residents are not the only users of the City's park system; Employees of businesses within the City will be included at a separate rate reflecting the parks demand characteristics of non-residential developments.

The total eligible portion of capacity increasing projects divided by the expected growth in the user base results in the park impact fee. Each of these components is examined in further detail below.

Growth

Calculation of growth begins with defining the units by which current and future demand will be measured. A good unit of measurement allows the City to quantify the incremental demand of one new development. A more precise unit of measurement allows the City to distinguish different levels of demand added by different kinds of development.

Residential and Nonresidential Growth

For park impact fees, demand that can be attributed to individual developments is usually measured by the number of people who will occupy a development. For residential developments, data from the U. S. Census Bureau and American Housing Survey was used to estimate the number of occupants for different sizes of residential dwelling units.

For non-residential developments, growth is based on forecasts of employment, with and adjustment made to recognize the lesser impact of employees (relative to residents) on the parks system. To estimate the employment of a non-residential development, the 2023 Snohomish County Buildable Lands Report was utilized, which includes estimated square footage per employee for different types of non-residential development. This data allows the park impact fee to be charged using a per square-footage approach to non-residential land uses.

Demand of Nonresidential Development

FCS uses estimated hours of park availability to calculate how the park-demand of an employee within the City differs from that of a resident. Note that park availability is different from actual parks usage. Park availability represents the total hours a park is available for use, which may be very different from actual park usage.

As a basis for estimating park hours of availability, it is assumed that 8 hours each day are used for sleeping for all residents of the City. For those who are not employed, the remaining 16 hours of each day are available for use of the parks system, giving a total of 112 hours per week of parks system availability. For employed residents, 8 hours of each day are assumed to be spent at work, which leaves the remaining 8 hours per weekday available for residential use of the parks system. In addition, residential workers have 16 hours of residential demand each day of the weekend, for a total of 72 hours per week of residential demand.

Non-residential demand is assumed to be 10 weekly available hours for residents and non-residents working in Redmond. These assumptions are based on an hour for lunch for all workers as well as an extra hour for who may use the park system around their commute to and from work.

By applying the assumptions above about non-residential park availability to estimates of employment provided by the US Census Bureau, and by applying the residential availability assumptions to the total population based on the City's Parks, Arts, Recreation, Culture, and Conservation (PARCC) Plan, the total residential and non-residential hours can be estimated. These calculations are shown in **Exhibit 1** below, which demonstrates that there are about 91.36 hours of park availability per week to residents, and 10 hours of park availability per week to employees. Therefore, the park availability to an employee is equivalent to that of 0.11 residents. In other words, about 9.1 employees have the same requirement for park facilities as one resident.

Exhibit 1. Employee Residential Equivalent

Total Hours per Week of Park Availability	Residential Hours	Non-Residential Hours	Total Hours
Working inside Redmond	905,400	1,224,170	2,129,570
Working outside Redmond	1,942,272		1,942,272
Not working	4,154,706		4,154,706
Total	7,002,378	1,224,170	8,226,548
Hours per resident	91.36		
Hours per employee		10.00	
Employee Residential Equivalent			0.11

Source: US Census Bureau: OnTheMap Application, FCS assumptions

Calculated Growth

To establish the current demand for park services, current population was provided by the PARCC Plan. The current (2025) demand for parks facilities is 96,180 residential equivalents, including 82,380 residents and 126,078 employees (converted to 13,800 residential equivalents). Future growth in population and employment was forecasted based on the City's PARCC Plan projections. During the forecast period from 2025 to 2045, the customer base is expected to grow by 33,862 residential equivalents to a total of 130,042 residential equivalents. Therefore, 33,862 residential equivalents will be the denominator for the impact fee calculations under the standards-based approach.

Exhibit 2. Growth in Residential Equivalents

	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	26.04%

Source: Previous tables, PARCC Plan

By dividing the 33,862 new residential equivalents by the total projected number of residential equivalents in 2045, we determine that 26.04 percent of the 2045 total is attributable to growth. This is the *growth eligibility percentage*, which is a proportion that will be used to quantify the impact fee eligibility of selected projects (known as "proportionate benefit projects") later in the analysis.

Project Costs

The future facilities component is the eligible cost of planned projects per unit of growth that such projects will serve. Since growth (denominator) has already been calculated above, we will focus here on the future cost component cost basis (numerator).

Eligibility

A project's eligible cost is the product of its total cost and its eligibility percentage. The eligibility percentage represents the portion of the project that adds capacity for future users. For park impact fees, eligibility is determined by a level-of-service analysis that quantifies the park facilities that are needed for growth (and are therefore eligible to be included in the project cost basis).

Impact fee eligibility is determined by evaluating the future level of service, achieved after execution of the project list, against the current level of service. If the future level of service is expected to be higher than the current level of service, then eligibility must be reduced such that impact fees are not funding the current deficiency in the level of service. The level of service can be measured in any unit that can be quantified. For this study, the applicable units of measure were park acres and miles of trail.

In this case, the City plans to have 1,388.70 acres of parks by 2045 (12.47 acres per 1,000 residents). Additionally, the City plans to have 16.59 miles of trail by 2045 (0.15 miles per 1,000 residents). By retrojecting the future level of service back to the current population, we can calculate that 1,027.10 acres and 12.27 miles would be needed to serve the current population at the future level of service, rather than the 1,367.70 acres and 15.26 miles that currently exist. Because the existing facilities exceed the

requirements for existing users under the future level of service targets, all projects that add acres or trail miles are fully eligible for impact fee inclusion.

These eligibility calculations are shown in **Exhibit 3**.

Exhibit 3. Expansion Eligibility

By Unit of Measurement	Units	Current Quantity			Future Level of Service			
		Quantity	Added	2045 Quantity	Units per 1,000 Residents in 2045	Minimum 2025 Quantity	Eligibility	Reimbursable Quantity
Parks	Acres	1,367.70	21.00	1,388.70	12.47	1,027.10	100.00%	340.60
Trails	Miles	15.26	1.33	16.59	0.15	12.27	100.00%	2.99

Source: City's PARCC Plan

As shown in **Exhibit 3**, the future level of service approach results in 100 percent eligibility of projects that add acres of park land or miles of trail.

Growth Benefit Projects

Growth benefit projects include all projects related to increasing the park system by a quantifiable unit of measurement, such as acres or feet of trail. The list of growth-benefit projects is shown in **Exhibit 4**. Of the \$79.74 million in growth benefit project costs, all \$79.74 million is eligible to be included in the impact fee calculation.

Exhibit 4. Growth Benefit Projects

By Unit of Measurement			Future Level of Service	
By Category	Units Added	Units	Eligibility	Eligible Cost
SE Redmond Neighborhood Park Development	3.15	Acres	100.00%	\$ 13,575,591
Parkland Acquisition	2.00	Acres	100.00%	\$ 2,500,000
Urban park or plaza acquisition in Overlake or Marymoor neighborhoods	0.03	Acres	100.00%	\$ 6,000,000
Smith Woods Park Development	10.00	Acres	100.00%	\$ 3,191,000
Idylwood Park Restroom and Concession	0.02	Acres	100.00%	\$ 7,871,000
Downtown linear park or plaza acquisition	0.03	Acres	100.00%	\$ 3,191,000
Overlake urban park or plaza acquisition	0.03	Acres	100.00%	\$ 6,000,000
Cascade View Park Expansion	0.72	Acres	100.00%	\$ 1,064,000
Parkland Acquisition	2.00	Acres	100.00%	\$ 2,000,000
Parkland Acquisition	2.00	Acres	100.00%	\$ 3,500,000
Overlake Community Center	0.00	Acres	100.00%	\$ 12,764,000
East Redmond Corridor: Bear & Evans Creek Trail Acquisition and Development	0.00	Miles	100.00%	\$ 3,936,000
East Redmond Corridor: SE Redmond Park trail to Arthur Johnson Park	0.38	Miles	100.00%	\$ 4,574,000
East Redmond Corridor: Bear & Evans Creek Trail 8	0.95	Miles	100.00%	\$ 9,573,000
By Total Acreage			100.00%	\$ 79,739,591

Source: PARCC Plan (project details); previous tables (eligibility)

Proportionate Benefit Projects

The second subset of the City's project list includes projects that will add, repair, or replace amenities in the City's existing parks system without adding new acreage or miles of trail to the parks system. Projects that add new amenities are not subject to the eligibility calculations described above but are instead assumed to benefit both existing and future users proportionately. These projects are assigned the growth eligibility percentage calculated from **Exhibit 2** of 26.04 percent. As shown in **Exhibit 5**, this project list has a total cost of \$141.22 million and an eligible cost of \$36.77 million. Projects that repair or replace existing amenities in the parks system are not eligible to be included in the impact fee cost basis. Such projects do not appear on either list.

Exhibit 5. Proportionate Benefit Projects

Project	Total Cost	Growth	
		Eligibilit	Eligible Cost
Community Garden Expansion	\$ 82,000	26.04%	\$ 21,352
East Redmond Corridor Implementation	1,407,101	26.04%	366,396
Play feature in Urban Center	892,800	26.04%	232,477
Arthur Johnson Park Design & Development	4,255,000	26.04%	1,107,961
Conrad Olson Park Design & Development	3,457,000	26.04%	900,170
Juel Park Design & Development	5,850,000	26.04%	1,523,284
Perrigo Park -2b Development	3,180,000	26.04%	828,041
Martin Park Design & Development	3,723,000	26.04%	969,433
Marymoor Village urban park or plaza development	6,382,000	26.04%	1,661,811
Overlake urban park or plaza development	12,764,000	26.04%	3,323,623
Downtown linear park or plaza development	5,319,000	26.04%	1,385,016
Overlake Village Central Infiltration Vault	6,382,000	26.04%	1,661,811
Dudley Carter Park Renovation	3,191,000	26.04%	830,906
Luke McRedmond Park Renovation	1,064,000	26.04%	277,055
Multi-purpose Artificial Turf Sports Field	2,127,000	26.04%	553,850
North Redmond Park Development	3,191,000	26.04%	830,906
Rose Hill Area Park Development	3,191,000	26.04%	830,906
Rotary Park Master or Conceptual Plan	64,000	26.04%	16,665
Rotary Park Access Improvement and Development	213,000	26.04%	55,463
Sammamish Valley Park Development	3,191,000	26.04%	830,906
New park development	2,500,000	26.04%	650,976
New park development	3,000,000	26.04%	781,171
PSE Powerline Trail: North Redmond infill linear park (development agreement)	2,400,000	26.04%	624,937
Overlake Community Center	21,274,000	26.04%	5,539,545
Marymoor Village Community Center	13,828,000	26.04%	3,600,678
Trailhead enhancements	1,276,000	26.04%	332,258
Marymoor to Idylwood Park on West Lake Sammamish Parkway	3,723,000	26.04%	969,433
PSE Powerline Trail: Willows Crossing	558,000	26.04%	145,298
PSE Powerline Trail: West Redmond	10,637,000	26.04%	2,769,772
RCC: Willows to 154 Ave NE	-	26.04%	-
RCC: Willows to Redmond Way Connector Trail	1,276,000	26.04%	332,258
East Redmond Corridor: Bear & Evans Creek Trail to East Lake Sammamish Connection	2,127,000	26.04%	553,850
East Redmond Corridor Bear & Evans Creek Trail 10	3,404,000	26.04%	886,369
East Redmond Corridor: Woodbridge extension trail	638,000	26.04%	166,129
Neighborhood and School Connections: 100th Street Trail	266,000	26.04%	69,264
Neighborhood and School Connections: Faith Lutheran to RedWood Rd	638,000	26.04%	166,129
Neighborhood and School Connections: NE 84th and 85th connections to 139th Ave	638,000	26.04%	166,129
Neighborhood and School Connections: Tosh Creek Trails Phase I	372,000	26.04%	96,865
Neighborhood and School Connections: Audubon Elementary Area Trails	511,000	26.04%	133,059
Neighborhood and School Connections: NE 111th Ct to NE 112th Way	691,000	26.04%	179,930
Neighborhood and School Connections :NE 116th Trail 4	213,000	26.04%	55,463
Neighborhood and School Connections: NE 80th St Trail	1,064,000	26.04%	277,055
Access to Rotary Park	266,000	26.04%	69,264
West Lake Sammamish Crossing	-	26.04%	-
Blue Trails Access Points	-	26.04%	-
Total	\$141,225,901		\$ 36,773,865

Existing Facilities

Existing park facilities which are not required to meet the City's future level of service at today's population represent capacity that is available to future users which can be included in the impact fee calculation. An excess of park facilities only exists when the future level of service is currently being exceeded.

As shown in **Exhibit 3**, there is an excess of park acres (about 340.60 acres) and trail miles (about 2.99 miles). The original cost of existing assets based on the City's records is shown in **Exhibit 6** below.

Exhibit 6. Impact Fee Cost Basis

Category	2025			
	Cost	Inventory	Units	Cost per Unit
Community	\$ 26,590,514	262.40	Acres	\$ 101,336
Neighborhood	6,836,504	105.90	Acres	\$ 64,556
Urban	16,951,720	12.70	Acres	\$ 1,334,781
Resource	3,023,556	913.60	Acres	\$ 3,309
Plaza & Pocket Park	-	0.60	Acres	\$ -
Community Center	70,726,573	7.00	Acres	\$ 10,103,796
Trail Corridor	91,624	65.50	Acres	\$ 1,399
Trail	1,334,828	15.26	Miles	\$ 87,472

By using the original cost per acre and per mile from **Exhibit 6** above and combining it with the excess capacity in each category, the total existing facilities cost basis can be calculated to be \$31.50 million, as shown in **Exhibit 7** below.

Exhibit 7. Impact Fee Cost Basis

Category	Cost per Unit	Reimbursable			Existing Cost Basis
		Units	Units		
Community	\$ 101,336	68.31	Acres		\$ 6,922,262
Neighborhood	64,556	12.14	Acres		783,458
Urban	1,334,781	3.23	Acres		4,312,079
Resource	3,309	237.89	Acres		787,305
Plaza & Pocket Park	-	0.16	Acres		-
Community Center	10,103,796	1.82	Acres		18,416,519
Trail Corridor	1,399	17.06	Acres		23,858
Trail	87,472	2.99	Miles		261,806
Total					\$ 31,507,287

Calculated Impact Fee

This section combines the eligible costs from the project list and the existing cost basis and applies adjustments for fund balance and debt outstanding. The result is a total impact fee per residential equivalent. Recall that there is a projected growth of 33,862 residential equivalents in the City over the forecast period (**Exhibit 2**). By dividing the \$128.09 million impact fee cost basis by the growth in residential equivalents, the impact fee per residential equivalent can be calculated, as shown in **Exhibit 8**.

Exhibit 8. Impact Fee per Residential Equivalent

Calculated Impact Fee	
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

Census data is then used to estimate the number of occupants per dwelling unit and calculate impact fees for residential developments.

Impact Fee Schedule

Using data from the U.S. Census Bureau's American Community Survey, the average dwelling unit in the City of Redmond has 2.19 occupants. By multiplying the \$3,783 impact fee per residential equivalent by this number, the impact fee for the average dwelling unit size can be calculated to be \$8,290 (with some rounding from the exact figures used in the analysis).

Using assumptions from the Snohomish County Buildable Lands Report, the average square footage per employee in different types of non-residential development was determined. By dividing the fee per employee by the square feet per employee and multiplying by 1,000, the impact fee per square foot for non-residential new development can be calculated. The fee schedule representing the maximum impact fee is shown below in **Exhibit 9**.

Exhibit 9. Maximum Impact Fee Schedule

Parks Impact Fee Schedule	Fee Unit	Square Feet per Employee
Residential	\$ 8,290 per Dwelling Unit	n/a
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

Exhibit 10 below provides a closer comparison to the City's existing park impact fee schedule. It incorporates the updated occupancy and employment density data used in **Exhibit 9**, with the exception of "Residential Suites" which is set at the same proportion to the single-family rate as the City's existing schedule.

Exhibit 10. Impact Fee Schedule Alternative

Parks Impact Fee Schedule		Fee Unit	
Single-family Residences	\$ 10,550	per Dwelling Unit	
Multi-family Residences	6,476	per Dwelling Unit	
Residential Suites	3,981	per Residential Suite	
Offices	1,183	per 1000 Sq. Ft.	
Retail Trade	592	per 1000 Sq. Ft.	
Manufacturing	414	per 1000 Sq. Ft.	

Current Methodology Fee Calculation

Calculation Overview

Maximum defensible impact fees are determined by calculating the fair and equitable portion of capacity increasing project costs and dividing these costs by expected growth in units of demand. The unit of demand becomes the basis of the charge.

The City's current parks impact fee methodology is calculated using hours of park use as a level-of-service metric. The expected growth in the population and employment is measured in expected hours of park use. Growth-related project costs are then distributed to each type of development based on the expected proportion of hours attributable to that type. These costs are divided by the expected growth in units (either number of dwelling units or 1,000 square feet of gross-floor area) to accommodate the expected growth. This leads to a calculated fee per dwelling unit or per 1,000 square feet.

Growth

As defined in the previous method, the City is expecting growth of 29,003 residents and 44,388 employees during the forecast period. This growth in population is converted to expected park usage hours through calculated dwell times based on PlacerAI data. **Exhibit 11** shows the total hours of new park usage per week expected during the forecast period.

Exhibit 11. Population Growth

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

The portion of hours attributed to employees and residents is calculated by multiplying the number of new users by the hours per growth category and dividing that product by the total hours calculated. This portion is applied to the total growth-related project cost basis of \$116.51 million as calculated in **Exhibit 8**.

Finally, this portion of project costs is divided by the new growth in 1,000s of square feet. This was estimated by multiplying the growth in residential equivalents by the square footage occupied by a single resident on average. The final calculation is shown in **Exhibit 12**.

Exhibit 12. Impact Fee Calculation (Current Approach)

Calculation	
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

Comparison of Results

The current methodology leads to a calculated fee of \$3,194 per 1,000 square feet of new development compared to \$3,783 per new residential equivalent by using the standards-based approach. In order to compare these fees fairly, they must be applied to a typical dwelling unit within the City.

The average Redmond dwelling unit contains 1,526 square feet and 2.19 residents. Multiplying the current methodology calculated fee by the average dwelling unit size divided by 1,000 (1.526) leads to a fee per dwelling unit of \$4,876. Similarly, by multiplying the calculated standards-based approach fee by the average occupancy (2.19), a maximum defensible fee of \$8,290 is calculated.

The fee from each methodology is summarized below in **Exhibit 13**.

Exhibit 13. Calculated Fee Summary

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

Implementation

This section addresses practical aspects of implementing the calculated impact fees.

Indexing

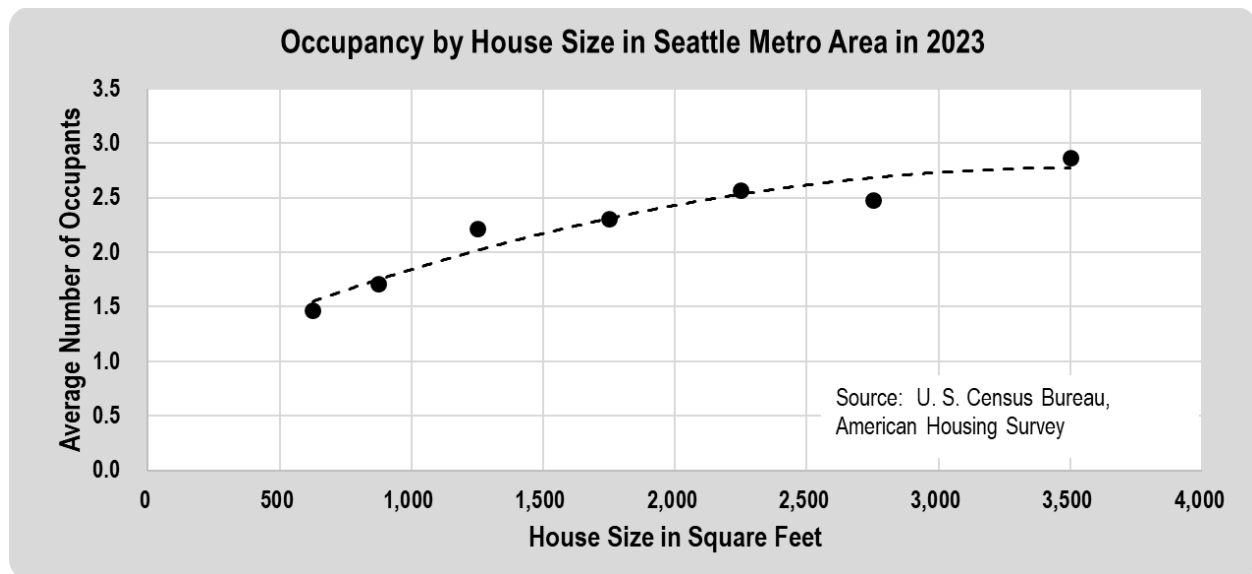
FCS recommends that the City index its impact fees using the Construction Cost Index prepared by the *Engineering News-Record* so that the impact fees at least partially respond to the change in project costs over time due to inflation. It is also recommended that the City continues its practice of periodically updating its impact fees to ensure that they recover the full cost of growth and its associated demand for City facilities.

Scaling

RCW 82.02.060(1) now requires "The [impact fee] 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." FCS believes that the square footage of the home is the best fit for scaling impact fees because of its correlation with occupancy.

FCS used data from the US Census Bureau and American Housing Survey to estimate at what point the home size no longer correlates with the number of occupants (3,500 square feet) in the surrounding metro area. **Exhibit 14** shows the average occupancy as a function of home size in the local area.

Exhibit 14. Occupancy by Home Size



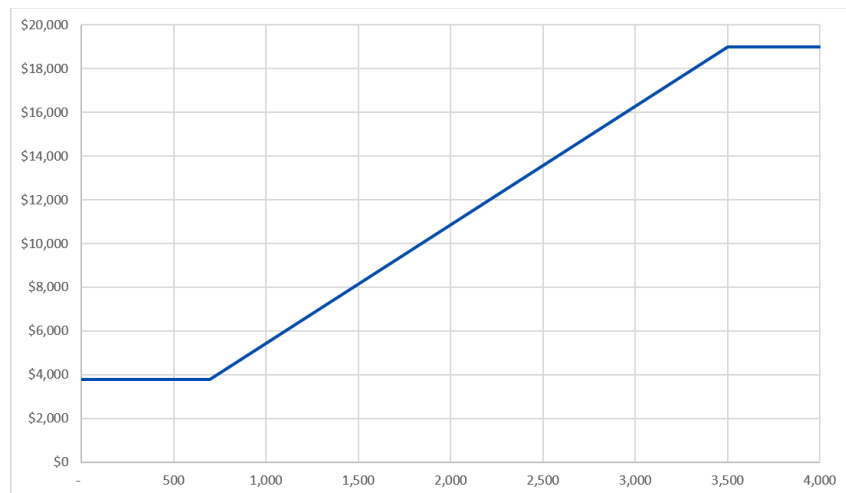
In order to calculate a scaled per foot charge across all residential types, FCS used a weighted average to find the appropriate blended residential dwelling unit size and associated fee for the City. Since 45 percent of residential dwelling units are single family residences in the City of Redmond, the blended residential dwelling unit size and associated fee are similarly weighted. The square foot charge is calculated by dividing the calculated dwelling charge by this number, 1,526 square feet. To maintain a proportional fee, FCS recommends implementing a

minimum and maximum fee at 697 square feet and 3,500 square feet, respectively. The fee per occupant can be found by dividing the calculated fee by the average occupancy within the City. FCS determined average occupancy through US Census and ACS reports. **Exhibit 15** outlines the calculation of the scaled impact fees. **Exhibit 16** shows the fees with minimum and maximum plotted visually.

Exhibit 15. Scaling of Fees

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

Exhibit 16. Impact Fee Graph



Note that, if the City adopts a scaled impact fee, the impact fee for certain dwelling unit types will decrease relative to the City's existing impact fee schedule. The dwelling units of average size (1,526 square feet) or larger will pay a higher park impact fee. This effect is shown in **Exhibit 17** below, which calculates the impact fee under five different dwelling unit size scenarios. To provide an apples-to-apples comparison, the updated maximum park impact fee is also shown using the City's current method of charging single-family and multi-family dwelling units.

Exhibit 17. Impact Fee Comparisons

