



Memorandum

Date: 12/2/2025
Meeting of: City Council

File No. AM No. 25-195
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
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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:

Adoption of an Ordinance for Development Impact Fees - 2026 Annual Indexing

- a. Ordinance No. 3240: An Ordinance of the City of Redmond, Washington, Amending Redmond Municipal Code Chapter 3.10, Subsection 3.10.080(C), Park Impact Fees Schedule, Subsection 3.10.080(D), School Impact Fees, and Subsection 3.10.100(C), Transportation Impact Fee Schedule; Providing for Severability; and Establishing an Effective Date

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 2026,

- Park impact fees will increase by 2.01%
- Transportation impact fees will increase by 0.85%
- School impact fees for single-family homes will increase from \$5,972 to \$7,277 per unit, and fees for multifamily units will increase from \$0 to \$170.

Also to note:

- Fire Impact Fees will not be indexed in 2026. Fire is updating its functional plan and in conjunction with that will conduct an impact fee rate study with a proposed new fee schedule based on capital needs related to growth.
- Parks will also be conducting an impact fee rate study in 2026, with a new fee schedule to be adopted for 2027.
- Transportation will be updating the Transportation Facilities Plan in 2026 as part of the Transportation Master Plan update, which will result in an updated fee schedule for 2027.
- The draft fee schedule contained two rates that were not indexed in Transportation Impact Fees - Impact Fee per Development Unit - Middle/Junior High School and High School. It has been corrected in Attachment A and in the Ordinance (Attachment B).

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

REQUESTED ACTION:

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

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Comprehensive Plan policies CF-13, CF-15 and CF-16 concerning impact fees
- **Required:**
Council approval is required for the adoption of an ordinance.
- **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 2025
- **Outreach Methods and Results:**

Staff will inform the development community about the recommended changes on the Development Service Center webpage and the broader community through the Plans, Policies, and Regulations E-newsletter.

- **Feedback Summary:**

No feedback received at this time.

BUDGET IMPACT:

Total Cost:

\$5,350,743 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:

0000304

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
11/3/2025	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

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

Time Constraints:

Changes to impact fees are effective **January 1, 2026**. 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 2026, the fees will remain at 2025 levels, resulting in underfunding system improvements needed to address population and employment growth. Not updating fees for schools would also lead to an under collection of fees for the Lake Washington School District.

ATTACHMENTS:

Attachment A: Proposed 2026 Fire, Park, School, and Transportation Impact Fee Schedules (corrected)

Attachment B: Ordinance adopting 2026 Impact Fee Schedule