



MEMO TO: Members of the City Council

FROM: Mayor John Marchione

DATE: December 4, 2018

SUBJECT: Annual Indexing of Development Impacts Fees for 2019

I. RECOMMENDED ACTION

Staff recommends approval of the attached ordinance amending the City's Development Impact Fees (RMC Chapter 3.10) as part of the Consent Agenda.

II. DEPARTMENT CONTACTS

Erika Vandenbrande, Director, Planning and Community Development	425-556-2417
Jae Hill, Long Range Planning Manager	425-556-2414
Janet Lee, Planner	425-556-2411

III. DESCRIPTION/BACKGROUND

Each year the City Council has the option to update the development impact fee rates to ensure that the fees and the capital projects they help fund keep pace with inflation. The attachment to this memo summarizes the indexes and methodology used, as specified in Chapter 3.10 RMC – Impact Fees.

Development Impact Fee Indexing

The recommended 2019 increases for the various development impact fee rates are listed below, with the 2018 increase shown in parentheses for comparison.

- Transportation: +3.5% (+1.91%)
- Fire: +2.58% (+2.13%)
- Parks: +3.34%

Impact fees vary between municipalities, due to each city's unique combination of budget structure, revenue streams and anticipated growth. Consistent with previous years, Redmond charges slightly higher than the regional average for impact fees on commercial properties, and lower than the regional average on residential properties.

School Impact Fees

Redmond currently collects pass-through school impact fees on behalf of Lake Washington School District (LWSD). The recommended 2019 fees, as specified in the District's

2018-23 Capital Facility Plan (CFP), have increased to \$12,294 for a single-family home and decreased to \$624 per multi-family unit.

Outreach

Staff will inform the development community about the recommended fee adjustments, including direct outreach to OneRedmond, Microsoft, real estate developers, and the Master Builders Association, as well as placing a notice in the City's Permit Center.

IV. PREVIOUS DISCUSSIONS HELD

Staff briefed the Council's Planning and Public Works Committee on October 9, 2018, and the Business Finance and Tax Committee on September 27, 2018. Staff has also presented a staff report at the October 16, 2018, City Council Business Meeting, and followed up with a study session at the November 8, 2018, City Council Meeting. City Council action on the recommended 2019 impact fee rates is scheduled for December 4, 2018. If approved, the rates and related code amendments would go into effect on January 1, 2019.

V. IMPACT

A. Service/Delivery:

The proposed changes to impact fee rates and the Municipal Code regarding impact fee collection support the City and LWSD in delivering planned improvements for fire, transportation, parks and school infrastructure.

B. Fiscal Note:

The proposed changes to impact fee rates will allow a relatively small increase in fire, transportation, and parks impact fees for the purpose of keeping pace with inflation. Updates to the school impact fees are consistent with the current LWSD Capital Facilities Plan.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

The Council could choose to: (1) not to adopt the fees; or (2) alter the fee indexing formula in RMC 3.10 through a separate code amendment process.

VII. TIME CONSTRAINTS

Action before January 1, 2019, is necessary for consistency with previous years' actions and with other already-adopted fees.

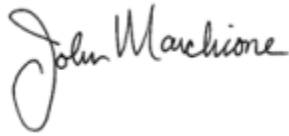
VIII. LIST OF ATTACHMENTS

Attachment A: Recommended 2019 Impact Fee Rates

Attachment B: Ordinance



Erika Vandenbrande, Director of Planning and Community Development



Approved for Agenda _____
John Marchione, Mayor