



MEMO TO: Planning, Parks and Public Works Committee of the Whole

FROM: Judy Fani, Senior Planner, 425-556-2406

DATE: October 8, 2019

SUBJECT: 2020 Annual Indexing of Development Impact Fees

I. PURPOSE ☐ For Info Only ☐ Potential Agenda Item ☒ Scheduled for Council Action

II. RECOMMENDATION

The purpose of this briefing is to seek any comments and questions on the recommendation to index the City's impact fees for 2020 and update school impact fees to reflect the Lake Washington School District's (LWSD) 2019-24 Capital Facility Plan.

Below are the impact fee increases, as calculated per the required formulas in RMC Chapter 3.10:

- **Fire:** 2.95%
- **Transportation:** 4.97%
- **Parks:** 4.00%

III. DEPARTMENT CONTACTS

Erika Vandenbrande, Director	425-556-2497
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Beverly Mesa-Zendt, AICP, Planning Manager	425-556-2423
Judy Fani, Sr. Planner	425-556-2407
<i>Planning and Community Development Department</i>	

IV. DESCRIPTION/BACKGROUND

Each year the City Council is authorized to update the development impact fee rates – for parks, fire, transportation, and school projects – to ensure that fees and the capital projects they help fund keep pace with inflation.

As in past years, staff will work to inform the development community about the recommended impact fee adjustments. This includes direct outreach to the Business, Fees, and Taxes Advisory Committee (BFTAC), OneRedmond, Parks and Trails Commission, and the Master Builders, as well as notice on the City's website and at the City's Development Services Center.

The schedule for impact fee rate indexing includes:

- **Oct. 1** Business Fee and Tax Advisory Committee
- **Oct. 8** Planning, Parks and Public Works Committee of the Whole
- **Oct. 15** Council Staff Report
- **Oct 22** OneRedmond
- **Nov 7** Parks and Trails Commission
- **Nov 12** Council Study Session, if needed
- **Dec. 3** Council Action

A. Analysis

The 2020 City impact fee rates are based on a three-year moving average change in the indexes specified in RMC 3.10—from August to August from 2016 to 2019 or the closest three consecutive 12-month time periods immediately prior to January 1, 2020. The indexes used to calculate the fees are as follows:

Transportation: Construction Cost Index (CCI) for Seattle
Fire: Consumer Price Index-Urban (CPI-U)/Seattle
Parks: CCI and Building Cost Index Average/Seattle

The following are the proposed impact fees for each type of land use under transportation, fire, and parks. In addition, it shows the change in rates between current and proposed impact fees.

If approved, the proposed rates will become effective on January 1, 2020.

TRANSPORTATION IMPACT FEES						
Land Use	2019 Rate (3.50%)			2020 Rate (4.97%)		
	Downtown	Overlake	Rest of City	Downtown	Overlake	Rest of City
Single-family dwelling unit	\$5,725.58	\$5,923.08	\$7,008.68	\$6,010.14	\$5,924.13	\$7,357.01
Multifamily dwelling unit	\$4,021.34	\$4,160.04	\$4,922.51	\$4,221.20	\$4,161.09	\$5,167.16
Office (assume 100,000 ft ² , per sf)	\$16.36	\$16.93	\$20.03	\$17.18	\$17.98	\$21.02
Miscellaneous retail (per sf)	\$15.48	\$16.02	\$18.95	\$16.25	\$17.07	\$19.89
Light Industrial (per sf)	\$8.94	\$9.24	\$10.94	\$9.39	\$10.29	\$11.48

FIRE IMPACT FEES		
Land Use	2019 Rate (2.58%)	Proposed 2020 Rate (2.95%)
Single-family dwelling unit	\$121.42	\$125.01
Multifamily dwelling unit	\$205.09	\$211.14
Retail (per 1,000 sf of gross floor area)	\$195.73	\$201.51
Office (per 1,000 sf of gross floor area)	\$169.80	\$174.81
Manufacturing (per 1,000 sf of gross floor area)	\$20.05	\$20.65

PARK IMPACT FEES		
Land Use	2019 Rate (3.34%)	Proposed 2020 Rate (4.00%)
Single-Family Residences (inclusive of mobile homes)	\$4,738.14	\$4,927.66
Multifamily Residences	\$3,289.31	\$3,420.88
Offices (per 1,000 sf of gross floor area)	\$1,283.48	\$1,859.29
Retail Trade (per 1,000 sf of gross floor area)	\$569.40	\$1,334.82
Manufacturing (per 1,000 sf of gross floor area)	\$577.67	\$592.18

School Impact Fees: The City of Redmond also collects development fees on behalf of the Lake Washington School District (LWSD). The district's CIP calls for one new elementary school within Redmond city limits, and an elementary school and middle school in nearby unincorporated King County, as well as other projects throughout the area. The District's requested school impact fees are \$13,633 per single-family unit and \$1,388 for each multifamily unit. The single-family fee is an increase of \$1,339 and the multifamily fee is an increase of \$764 over the 2019 fees. The increases are due to construction inflation costs and increased student generation factors as fully described in the appendices of the LWSD's *2019-24 Six-Year Capital Facilities Plan*.

SCHOOL IMPACT FEES		
Land Use	2019 Rate	Proposed 2020 Rate
Single-family dwelling unit	\$12,294	\$13,633
Multi-family dwelling unit	\$624	\$1,388

V. TIME CONSTRAINTS

Changes to the fees are effective on **January 1, 2020**. Timely adoption of the fees is critical because it provides staff, developers, residents and other interested parties guidance for the development review process.

VI. LIST OF ATTACHMENTS

None