



Memorandum

Date: 10/13/2020

Meeting of: Committee of the Whole - Planning and Public Works

File No. CM 20-289

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 - Director	425-556-2107
Planning and Community Development	Beverly Mesa-Zendt - Deputy Director	425-556-2423

DEPARTMENT STAFF:

Planning and Community Development	Judy Fani	Principal Planner
Planning and Community Development	Caroline Chapman	Senior Planner

TITLE:

2021 Annual Indexing of Development Impact Fees

OVERVIEW STATEMENT:

The purpose of this briefing is to inform the Committee that at the October 20, 2020 Regular Business Meeting staff will present the methodology used to annually index the City's impact fees. Impact fees are one-time charges collected by the City of Redmond from new commercial and residential developments. Indexing is required by the Redmond Municipal Code (RMC) 3.10 and staff will be presenting the 2021 impact fee recommendation in a Staff Report on October 20. The school impact fee calculation reflects a proportionate share of the costs of school-related system improvements that are reasonably related to new development. The City of Redmond has collected and distributed these fees to LWSD under at 2006 interlocal agreement with the District.

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

REQUESTED ACTION:

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Redmond Municipal Code 3.10 Impact Fees
King County Code 21.A.43.040 - Impact Fee Collection for School Districts
2006 Interlocal Agreement (between the City of Redmond and LWSD) for the Collection, Distribution and Expenditure of School Impact Fees

- **Council Request:**
N/A
- **Other Key Facts:**
Annual Index

OUTCOMES:

Impact fees:

- Contribute toward funding public infrastructure that is needed to accommodate population and employment growth.
- Can only be used to pay for new system improvements - public facilities that are designed to provide service to the community at large, are reasonably related to the new development, and will 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):**
Between September and November 2020
- **Outreach Methods and Results:**
As in past years, staff will inform the development community about the recommended impact fee adjustments. This includes direct outreach to the Business, Fees and Taxes Advisory Committee (BFTAC), OneRedmond, the Master Builders, as well as the Parks and Trails Commission, posting notices at the City's Permit Center and web site.
- **Feedback Summary:**
No feedback received at this time.

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget: ☐ Yes ☐ No ☒ N/A

Budget Offer Number:

N/A

Budget Priority:

N/A

Other budget impacts or additional costs: ☐ Yes ☐ No ☒ N/A

If yes, explain:

Impact fees generate revenue to fund infrastructure system improvements needed to address population and employment growth.

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
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Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
10/20/2020	Business Meeting	Provide Direction
11/10/2020	Study Session (If needed)	Provide Direction
12/1/2020	Business Meeting	Approve

Time Constraints:

Changes to impact fees are effective **January 1, 2021**. Timely adoption of the fees is critical because it provides staff, developers, residents and other interested parties guidance for the development review process and ensures that new system improvements can be funded through impact fees.

ANTICIPATED RESULT IF NOT APPROVED:

If a decision is made to not adjust the impact fees for 2021, the fees will default to 2020 impact fee schedule which will underfund new system improvements needed to address population and employment growth.

ATTACHMENTS:

Attachment A: Proposed 2021 Transportation, Fire, Parks and School Impact Fee Rates