



Memorandum

Date: 10/20/2020
Meeting of: City Council

File No. AM No. 20-139
Type: Staff Report

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
Planning and Community Development	Beverly Mesa-Zendt, Interim Deputy Planning 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:

Impact fees are one-time charges collected by the City of Redmond from new commercial and residential developments. Staff will describe the methodology applied to the annual indexing of the City's impact fees as required by RMC 3.10, and seek comments and questions on the 2021 impact fee recommendation. One or more Lake Washington School District (LWSD) representatives will be present to address any questions related to school impact fees. The school impact fee calculates 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 a 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 Indexing is more fully described in **Attachment A**.

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 are intended to provide service to the community at large).
- Must be reasonably related to the new development and 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 outreach to OneRedmond, the Business, Fees and Taxes Advisory Committee (BFTAC), Master Builders, the Parks and Trails Commission, as well as posting notices on the Development Services Center web site.
- **Feedback Summary:**
Master Builders' Gina Clark acknowledged the proposed fees and offered no feedback other than she was grateful to be contacted in advance of Council review on this topic. No additional feedback has been 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:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/13/2020	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
11/10/2020	Study Session (if needed)	Provide Direction
12/1/2020	Business Meeting (with the 2021-22 budget)	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 Impact Fees and Rates

Attachment B: Lake Washington School District, Approved 2020-25 Capital Facilities Plan

Attachment C: Presentation