



City of Redmond

15670 NE 85th Street
Redmond, WA

Memorandum

Date: 11/24/2020

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 20-342

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|---------|--------------|--------------|
| Finance | Malisa Files | 425-556-2166 |
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DEPARTMENT STAFF:

| | | |
|---------|-------------|--------------------|
| Finance | Julie Elsom | Accounting Manager |
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TITLE:

2019 Impact Fee Collection and Distribution Report

OVERVIEW STATEMENT:

Review the Impact Fee Report for 2019. The report is presented for information purposes only per Redmond Municipal Code (RMC) 3.10.190.

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

REQUESTED ACTION:

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Review of the City's collection and distribution of impact fees in 2019 per RMC 3.10.190.
- **Required:**
N/A
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

In total, the City collected \$4,784,700 in impact fees (net of refund) in 2019 and spent \$2,225,131. The total collected and spent for each category is shown below:

| | <u>Collected</u> | <u>Spent</u> | <u>Balance</u> |
|----------------|------------------|--------------|----------------|
| Transportation | \$2,906,387 | \$1,096,843 | \$13,145,857 |
| Parks | \$1,731,006 | \$1,128,288 | \$ 4,259,843 |
| Fire | \$ 147,306 | \$0 | \$ 714,214 |

Overall impact fee collections for 2019 decreased from 2018 collections by \$4,469,633 or 48 percent (%). The decrease is due to the large number of developments that were permitted in 2018; primarily in the downtown Redmond core area. This decrease resulted in a decline in the total number of permits; including lower numbers of plumbing, electrical and fire permits in 2019 as well as the timing of revenue collection between the years. In addition, development contributions for mitigated impacts reconciled at the end of the individual developments resulted in a credit in 2019; there were no credits issued in 2018.

A total of \$1,714,385 was collected in 2019 for school impact fee and disbursed to Lake Washington School District.

Transportation

Four transportation projects received impact fee funding in 2019. The projects and amounts received are as follows:

| | |
|---------------------------------------|------------------|
| Couplet Conversion | \$86,565 |
| 152 nd Ave NE Improvements | \$342,329 |
| Couplet Bond Debt | \$467,950 |
| Transportation Master Plan | <u>\$200,000</u> |
| TOTAL | \$1,096,843 |

Transportation impact fees remaining at the end of 2019 totaled \$13,145,857.

Parks

Three parks projects received impact fee funding in 2019. The projects and amounts received are as follows:

| | |
|------------------------------|------------------|
| RCC - Linkages | \$32,944 |
| Downtown Park Construction | \$197,556 |
| Downtown Park debt repayment | <u>\$897,788</u> |
| TOTAL | \$1,128,288 |

Parks impact fee remaining at the end of 2019 totaled \$4,259,843.

Fire

Fire Impact Fee remaining at the end of 2019 totaled \$714,214.

This report is presented to meet the reporting requirements of RMC 3.10.190, Annual Impact Fee Report. The provision requires the Finance Department to prepare a report on each impact fee account showing the source and amount of all moneys collected, earned, or received, and the system

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improvements that were financed in whole or in part by the impact fees.

Staff will be present at the November 24, 2020, Finance, Administration and Communications Committee of the Whole to answer any questions on the impact fee report. If you have questions prior to that time, please contact either me at 425-556-2166 or Julie Elsom at 425-556-2181.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

☐ Yes

☐ No

☒ N/A

Budget Offer Number:

N/A

Budget Priority:

Responsible Government

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:

Proposed Upcoming Contact(s)

| Date | Meeting | Requested Action |
|------|----------------------------|------------------|
| N/A | None Proposed at this Time | N/A |

Time Constraints:

Redmond Municipal Code section 3.10.190 Annual Impact Fee Report requires the Finance Department to report the revenues and expenditures associated with impact fees.

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Attachment A: Impact Fee Annual Report - 2019 Impact Fee Summary

Attachment B: Impact Fee Activity Summary for 2019