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Planning and Community Development

III. DESCRIPTION/BACKGROUND

Staff has prepared a recommended 2020 update to fire, park, transportation, and school impact fee rates for Redmond based on the annual indexing provisions specified in RMC Chapter 3.10 - Impact Fees.

Impact Fee Indexing for Fire, Parks and Transportation

Each year the City Council has the opportunity, though is not required, to update the impact fee rates to ensure that fees and the capital projects they help fund keep pace with inflation.

The following summarizes the recommended 2020 increase for the impact fee rates that are set by the City. The 2019 increase is shown in parentheses for comparison.

- Fire: 2.95% (2.58%)
- Parks: 4.11% (3.34%)
- Transportation: 4.9% (3.50%)

School Impact Fees

The recommended 2020 school impact fees are \$13,633 for a single-family home and \$1,388 for a multifamily home as specified in the Lake Washington School District's (LWSD) 2019-24 Capital Facility Plan (CFP) calculated in accordance with King County Code 21.A.43. Redmond Municipal Code Chapter 3.10 requires that the City of Redmond collect school impact fees on behalf of the LWSD based on their adopted CFP. Currently, 2019 school impact fees are \$12,294 for single-family homes and \$624 for multifamily homes.

IV. PREVIOUS DISCUSSIONS HELD

Staff briefed the Council's Planning and Public Works Committee of the Whole on the recommended impact fee rates on October 8, 2019, and presented a staff report at the October 15, 2019 Council meeting. Staff responded to Council questions regarding specified formulas used to annually adjust impact fees, the increase in the 2020 LWSD school impact fees for multifamily homes and addressed how Redmond's impact fees compare to nearby cities. Staff also shared feedback from Redmond's Business, Fees and Taxes Advisory Committee, OneRedmond, Master Builders, and Microsoft.

V. IMPACT

A. Service/Delivery:

The proposed changes to impact fee rates support the City and LWSD in delivering planned improvements for fire, park, transportation, and school infrastructure.

B. Fiscal Note:

The proposed changes to impact fee rates will allow a relatively small increase in park, fire, and transportation impact fees for the purpose of keeping pace with inflation. The school impact fees are pass-thru fees; the City collects impact fees on behalf of LWSD. The City receives a \$65.00 administration fee from the applicant for each permit that is charged impact fees.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

Ordinance No. 2298 and the Interlocal Agreement between the City of Redmond and LWSD, dated November 30, 2006, require that Redmond collect and disburse school impact fees to the LWSD based on new rates beginning January 1 of each year.

The Council could defer action on the recommended impact fee indexing for fire, parks, and transportation. Staff does not recommend this alternative as impact fees would not keep pace with increasing costs to provide the capital facilities necessary to serve growth in Redmond.

VII. TIME CONSTRAINTS

Timely action is needed to ensure new applicable rates can be fully implemented beginning on January 1, 2020.

VIII. LIST OF ATTACHMENTS

Attachment A - Ordinance amending Redmond Municipal Code Chapter 3.10 Impact Fees