

**ADMINISTRATIVE INTERPRETATION**

- Section References:** 20D.60 Impact Fees (fire and park impact fees)  
20D.60.10-040 Exemptions to the Requirement to Pay Impact Fees.  
20D.210 Transportation Standards  
20D.210.10-180 Exemptions from Payment of Transportation Impact Fees.
- Subject:** Payment of fire, park, and transportation impact fees in an existing mixed-use development when a tenant or property owner alters, reconstructs, remodels, or replaces existing space, buildings or structures.
- Issue/Question** Shall the City require that a tenant in an existing mixed-use development pay impact fees if an individual tenant use changes from a less intensive to a more intensive use, with a higher demand on the fire, park, and transportation systems?
- The Redmond Community Development Guide (RCDG) states that a nonresidential mixed-use development is exempt from payment of impact fees if:
- a) No additional gross floor area is added,
  - b) No additional demand will occur on the fire, park, and transportation systems, and,
  - c) The use is unchanged.
- (RCDG Sections 20D.60.10-040 Exemptions to the Requirement to Pay Impact Fees, and 20D.210.10-180 Exemptions from Payment of Transportation Impact Fees)*
- The RCDG is not clear about whether the change in use applies to a change in the use of an individual tenant space in an existing nonresidential mixed-use development.

Interpretation            In an existing nonresidential “mixed-use” development, where no additional gross floor area is added:

Impact fees shall not be collected if an individual tenant use changes from a less intensive to a more intensive use (as permitted by the permitted land use charts), in terms of demands made upon on the City’s fire, park, and transportation systems.

Reasons:                    The reasons for this interpretation are:

A mixed-use retail or commercial development has a variety of tenants that individually have varying demands on the City’s fire, park, and transportation systems. The varying demands on City systems by mixed-uses have already been considered, and mitigated (at the time that the City approved the mixed-use development, according to the mitigation system then in effect at the time that the mixed-use development was approved). Variation in the activities of the individual tenants is part of the inherent nature of a mixed-use development.

For example, in mixed-uses, there are tenants that generate many vehicle trips that use the transportation system, and other tenants that generate few trips. The trip generation rate for mixed-uses, published by the Institute of Transportation Engineers (ITE), is based on the gross floor area for a mixed-use development as a whole, accounting for the varying demands by tenants on the transportation system. The trip rate is an aggregate of the variation in trip rates for the individual tenants found in mixed-use developments.

2. A mixed-use retail development has tenants that include restaurants, health clubs, food stores, retail stores selling general merchandise, bakeries, and video rental stores. A change in an individual tenant space does not change the actual use occurring on the property, which is classified as a “mixed-use”. When a tenant space changes to another use, as permitted in the zoning code, there is no change in the nature of the mixed-use development, and this should therefore not trigger the payment of impact fees when the new tenant use is part of a mixed-use development.

3. When businesses within a mixed use center change to less intensive uses, the City does not refund excess fees paid. In concept, a mixed use center has a changing mix of businesses, and that fact is recognized and mitigated when the building is initially occupied.

Impact fees will be assessed if there is a change of use in an individual separate “stand alone” property that is not defined as a mixed-use development. Mixed-use shall be defined as described in RCDG Section 20A.20, Definitions.

Roberta Lewandowski

Roberta Lewandowski, Director  
Department of Planning and Community  
Development

11/27/02

Date