

Park Impact Fees 2017

What are Park Impact Fees? ^

Park impact fees are one time charges collected by the city of Redmond from new commercial and residential developments. These fees help the City pay for public parks, trails, and recreation capital projects that are needed to accommodate growth.

The total amount of impact fees collected must be reasonably associated with the portion of the capital projects related to growth. The city must have additional funding sources to contribute to capital projects and may not rely solely on impact fees to fund the improvements.

How can the fees be used? ^

Park impact fees may only be imposed for projects in the city's public capital facilities plan for parks, which in Redmond is called the Park, Arts, Recreation, Culture and Conservation (PARCC) Plan, which is adopted by amendment to the City's Comprehensive Plan. Eligible projects in that plan are designed to provide service to the community at large, are reasonably related to the new development, and will benefit the new development. Impact fees may not be used to pay for private facilities that solely benefit the development or to correct existing deficiencies in public infrastructure.

The money must be earmarked and retained in special interest-bearing accounts and annual reporting on each account including revenues and improvements financed with the revenue is required. An annual report is prepared at year end for the Mayor and City Council review.

What regulations address the collection and use of Park Impact Fees? ^

Washington State Law [RCW 82.02.050 - .110](#) and [WAC 365-196-850](#) authorize counties, cities, and towns planning under the Growth Management Act to impose impact fees for publicly owned parks, open space, and recreation facilities.

In addition, the [City of Redmond Municipal Code 3.10.010](#) includes more specificity on how the City collects park impact fees, including the calculation, fee table, indexing for inflation, credits, timing of fee collection, appeals and more.

Why is the update to the Park Impact Fee methodology necessary? ^

The City Council reviews the park impact fees on a periodic basis to ensure that they reflect the current capital improvement program of the City and the current cost of constructing park system improvements related to growth. The last update to the Park Impact Fee methodology was in 2006. City Council is currently reviewing the Draft Final PARCC Plan for 2017-2030, which contains an updated capital improvement program for park, trails and recreation facilities. This new plan would be the basis for updating the current 2006 methodology.

How are impact fees calculated?



The calculation accounts for how often the new people in Redmond will use parks. Then each impact fee category is assessed a portion of the total cost of the proposed public capital improvements attributable to growth through 2030. The categories include:

- a. Single family residential
- b. Multi-family
- c. Residential suite
- d. Office
- e. Retail
- f. Industrial

The projected growth of residents and workers for each of these categories is based on the City of Redmond's Comprehensive Plan.

**Step
1**

$$\frac{\text{\# of new people} \times \text{Average hours of use}}{\text{Total hours of use}}$$

Determine the number of new people (residents and workers) between now and the planning year (2030) for each impact fee category (listed above).

Multiply the number of new people by the number of estimated hours they will use Redmond parks, trails, and recreation buildings. The hours were confirmed by statistically valid surveys and recreation registration data. Residents use parks, trails and recreation facilities on average four hours a week. Workers use these amenities on average one hour a week. This results in the total hours of park use.

**Step
2**

$$\frac{\% \text{ Total Hours of Use}}{\times 30\%}$$

Cost allocation per category

The percent of the total hours of park use is multiplied by the portion of the parks capital projects related to growth, which is 30 percent. Redmond's total planned growth for residents and workers, without double-counting residents who work in Redmond, is 30% between now and 2030. This results in the percent cost allocation per category.

**Step
3**

$$\frac{\text{Cost allocation}}{\div \text{\# of units (or 1,000 sf)}} = \text{Impact Fee}$$

Then the actual cost allocation is divided by the number of units to calculate the impact fee.

What are the proposed changes? ^

The changes made to the fee calculation were the updated planned growth numbers and the total cost of park capital projects allocated to growth – or the “cost allocation”. The primary changes to the cost allocation are described in the following table.

Item	2006	2017
Level of Service	Based acres or miles of trails per 1,000 residents.	Updated based on community recommendations that showed a priority for having parks and trails within walking distance and with the amenities they desire most such as play features and sports and fitness amenities.
Cost Estimation	A cost per acre or mile – unit rate	Specific projects were cost estimated using the standard city cost estimating tool, which includes soft costs, hard costs, contingency and escalation.
Projects attributed to growth	All new parks and trails were included	Only projects that add capacity to address growth were included.
Proportion of project cost attributed to growth	80%	30%, based on population and employment growth projections between 2015 and 2030.
Total Impact Fee Cost Allocation	\$30M of \$37.7M in total projects	\$51M of \$176M in total projects

What is the effect of these changes? ^

Based on the projected growth rates, park impact fees would increase the most for single family developments; however the majority of the cost allocation is with multi-family developments, as shown in the following table.

Category	Existing Fee per 2016 Inflated since 2006	Proposed 2017 Fee	Percent Change	Allocation of total impact fee cost	Total Cost Allocation
Single-family	\$3,502	\$4,585	23.6%	19.4%	\$9,886,254
Multi-family	\$2,816	\$3,183	11.6%	54.8%	\$27,900,915
Residential Suite	\$1,408	\$1,730	18.6%	1.3%	\$664,371
Office	\$1,192	\$1,242	4.0%	23.3%	\$11,883,181
Retail	\$523	\$551	5.1%	0.6%	\$306,924
Industrial	\$528	\$559	5.4%	0.5%	\$234,138

How do these proposed Park Impact Fees [^] compare to other cities?

These rates are comparable to neighboring cities. For residential, Redmond would remain in the middle range of other eastside cities. For non-residential, office is mid-range, while retail and industrial are at the low end.

Category	Redmond Proposed 2017 Fee	Issaquah	Bothell	Sammamish	Kirkland	Woodinville
Single-family	\$4,585	\$5,977	\$1,557 to \$4,009	\$6,739	\$4,047	\$3,175
Multi-family	\$3,183	\$5,148	\$1,557 to \$4,009	\$4,362	\$3,075	\$3,175
Single Resident Occupant	\$1,730					
Office	\$1,242	\$1,320	\$1,090			
Retail	\$551	\$5,220	\$1,090			
Industrial	\$559	\$1,510	\$1,090			

Tell us what you think

- Fill out the survey in the right column
- Send us a [comment](#)
- [Request time](#) to meet staff during office hours
- Attend a meeting on April 19, 2017 from 5:30 to 6:30 PM at Redmond City Hall
- View a helpful [PDF presentation](#) on this topic
- For more information, contact Carolyn Hope, Project Manager at 425-556-2313

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