**Impact Fee Background:**
- Were adopted in late 2012. In 2013, the only change is if the rate decreases. 2014 will be the first year of an increase in the impact fees.
- Had been in place for 18 years, but the rates had never been adjusted for interest or despite the dramatic growth and change that occurred in the City during that time.
- Are only expended for physical improvements (fire stations and trucks, park land and improvements, and streets and sidewalks), not administrative, operating, or maintenance costs.
- Are paid one-time by developers of new construction projects only.
- Are based on the anticipated impacts new construction projects have on the City.
- Contribute to costs of new infrastructure (fire stations and associated equipment, parks, and roads).
- Are an important financial tool that helps the City keep its infrastructure in pace with new development, while not compounding deficiencies and reducing the City's overall levels of service.
- Without which, the City:
  - Would not be able to provide adequate infrastructure to support the demands of new development;
  - Or
  - Be forced to raise revenue by raising more generalized taxes.

**How Were the New Fee Rates Established?**
- An extensive Rate Analysis was conducted by a consultant with significant expertise across many jurisdictions using well-established methodology.
- The Analysis established the true cost growth puts on the City’s planned infrastructure improvements and served as the basis final adopted fee amounts and approach represent an approach that balances the current challenges faced by development with the growing needs of the City.
- Comparison analysis of peer jurisdictions helped identify rates (as shown below) that would ensure the City would remain competitive in the region.

<table>
<thead>
<tr>
<th>Fee</th>
<th>Rate: Single Family</th>
<th>Rate: Multi-Family</th>
<th>Portion of Rate Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire</td>
<td>$479.28</td>
<td>$479.28</td>
<td>2/3 of Rate Study Amount</td>
</tr>
<tr>
<td>Parks</td>
<td>$1,827.58</td>
<td>$1,239.92</td>
<td>2/3 of Rate Study Amount</td>
</tr>
<tr>
<td>Transportation</td>
<td>$2,856.89</td>
<td>$1,862.37</td>
<td>1/3 of Rate Study Amount</td>
</tr>
</tbody>
</table>

- To further present a reasonable approach, impact fees are being increased gradually over a three-year period, with no increase until 2014, providing the development community predictability as to what fees will be charged and when.
- There is also an option to pay fees closer to the time of sale or occupancy to assist developers by reducing “carrying costs” during construction. The functionality and impacts of this deferral option will be reviewed by March 1, 2015.
- Additionally, the rates will be adjusted annually according to the Construction Cost Index to ensure that the rates keep up with inflation.

For additional information, please contact: Chip Vincent, CED Administrator/Planning Director, at 425.430.6588 or cvincent@rentonwa.gov.