



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Nalin Gada, Accountant

Date: August 20, 2020

Subject: 2020 ANNUAL TRANSPORTATION AND PARK IMPACT FEES REPORT

RECOMMENDATION:

Council accept the 2020 Annual Transportation and Park Impact Fee Report. By approving the consent calendar, the Council accepts this report.

BACKGROUND DISCUSSION:

RCW 82.02.070 related to impact fees provides that: "Annually, each county, city or town imposing impact fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees." This report is presented to the City Council in response to that requirement.

The City began collecting impact fees for transportation in June 1999 and for parks in August 1999. Although impact fees are not required to be tracked and applied to projects by zones per the ordinances, impact fees are being tracked by zones for administrative purposes (see Attachment C for map). Tracking the collection and subsequent transfer of impact fees helps to analyze what area(s) of the City development is occurring in and how funding of future capacity projects is related to the amount of development. On June 1, 2011, the North zone was added due to the annexation of the new neighborhoods.

During 2020, \$681,494 in transportation impact fees and \$560,747 in park impact fees were collected. Attachment A summarizes the 2020 impact fee collections by zone.

The North zone collected 41% of 2020 impact fees with \$508,219 for single-family residential. The largest contribution in the North zone was from DRG Development INC, in the amount of \$91,980 collected for Bristol Lane. The Northeast zone received the most multi-family/non-residential contributions totaling \$69,696 contributed by The Quadrant Corporation for development of Varese by Tri Pointe Homes.

Since June 1, 2010, the Kirkland Municipal Code has provided for the optional deferral of impact fees for single family residences until sale of the property rather than at building permit issuance

to assist with economic development. The KMC was amended again as of May 7, 2013, extending the deferral date indefinitely and on November 17, 2015 the deferral was made permanent and the language was updated to be consistent with State legislation passed in 2015. A lien is filed against the title to the property and impact fees are paid upon closing of the sale of property. As of December 31, 2020, the City had four applicants deferring transportation impact fees of \$20,676 and park impact fees of \$16,555.

Attachment B is a cumulative report showing total transportation and park impact fees collected by zone since inception. The Southwest zone accounts for 33% of the impact fees collected to date totaling \$13,448,398. The North zone new neighborhood has generated \$3,532,788 transportation impact fees and \$2,670,711 park impact fees for a total of \$6,203,499.

The table below shows collections over the last nine years.

Year	Transportation	Parks
2012	\$1,192,687	\$690,487
2013	\$1,332,206	\$714,395
2014	\$2,347,606	\$1,029,793
2015	\$1,225,155	\$1,210,274
2016	\$3,828,030	\$1,192,450
2017	\$1,158,801	\$936,279
2018	\$4,185,237	\$6,290,253
2019	\$2,831,192	\$2,241,344
2020	\$681,494	\$560,747

Beginning January 1, 2017, both Transportation and Park impact fees were indexed to provide for automatic fee increases each January 1st based on the June to June Seattle-Tacoma-Bremerton Area Consumer Price Index. For 2020, rates were adjusted to include CPI increases of 1.7%. On January 2021, rates are increased by 1%.

At year-end 2020, the impact fee fund balance after transfers to fund CIP projects and debt was \$1,914,218 (\$1,084,671 for transportation and \$829,547 for parks). The City's practice is to allocate impact fee-related revenues to qualifying capital projects in the order that they are received (i.e., first-in, first-out). Note that the Washington State Legislature extended the time period to expend impact fees to ten years from collection date. The City Council amended the Kirkland Municipal Code to reflect that change on September 20, 2011.

The 2021-2026 CIP includes \$4.32 million from transportation Impact Fees and \$7.20 million from Parks Impact Fees for a total of \$11.52 million in combined Impact Fees, based on a conservative forecast of future collections of \$1.5 million for transportation and \$1.2 million for parks per year, plus accumulated prior year revenues above expenses. The [CIP Document](#) is located in the Budget and Finance section of the Finance and Administration Department on the City's web page.

The following table shows impact fee revenues expended on projects and debt service payments since 1999.

Year	Project Name (Project Number)		Transportation	Parks
1999 through 2016			\$11,772,130	\$5,002,072
2017	NE 116th St Crosswalk Upgrade	CNM0012001	150,000	
	NE 124th St/124th Ave Pedestrian Bridge	CNM0086100	231,400	
	Juanita Drive Quick Wins	CNM0090000	200,000	
	124th Avenue NE Sidewalk Improvement	CNM0095000	25,080	
	Citywide Greenways - NE 75th Street	CNM0113001	200,000	
	124th Ave NE Roadway Improvement	CST0059101	161,500	
	100th Ave NE Corridor	CST0083000	(206,822)	
	NE 124th St/124th Ave Intersection	CTR0091101	53,900	
	NE 116th/124th NE Northbound Dual Left Turn	CTR0092000	318,600	
	NE 132nd St/116th Way Intersection	CTR0098000	100,000	
	Totem Lake Intersection Improvement	CTR0122000	2,199,600	
	Play Area Enhancements	CPK0066000		10,000
	Totem Lake Park Master Plan	CPK0139200		100,000
2018	NE 124th St/124th Ave Pedestrian Bridge	NMC0861000	2,968,600	
	124th Avenue NE Sidewalk Improvement	NMC0950000	325,000	
	NE 116th/124th NE Northbound Dual Left Turn	TRC0920000	116,400	
	NE 132 St/Juanita High School Access	TRC0930000	113,854	
	2018 Park Play Area Enhancements	PKC0660018		10,000
	Totem Lake Park Master Plan/Phase 1	PKC1390200		914,000
	Parks Maintenance Center	PKC1470000		122,500
2019	NE 52nd Street Sidewalk CKC Connection	NMC0070000	(339)	
	NE 124th St/124th Ave Pedestrian Bridge	NMC0861000	400,000	
	Citywide School Walk Route Enhancements	NMC0870000	420,000	
	Juanita Drive Quick Wins	NMC0900000	(27,360)	
	124th Avenue NE Sidewalk Improvement	NMC0950000	400,000	
	Totem Lake Roadway Repair	STC0060517	845,000	
	100th Ave NE (North Section)	STC0831300	1,204,500	
	100th Ave NE (Mid-North)	STC0831400	1,006,500	
	NE 132 St/Juanita High School Access	TRC0930000	400,000	
	100th Ave NE/Simonds Road	TRC1350000	625,850	
	100th Ave NE/NE 145 Street	TRC1360000	661,850	
	Neighborhood Park Land Acquisition	PKC1333000		918,000
	Totem Lake Park Master Plan/Phase 1	PKC1390200		3,285,200
	Parks Maintenance Bldg Design Services	PKC1471000		400,000
2020	124th Ave NE North Section ROW	STC0591200	314,000	
	Juanita Drive Multi-Modal (On)	NMC0901000	225,000	
	City-Wide Trail Connections (N)	NMC1090000	275,000	
	Citywide Greenways Networks	NMC1130000	125,000	
	NE 132nd Street/108th Avenue N	TRC0940000	61,000	
	NE 85th St/132nd Ave NE Dual Lanes	TRC1390000	629,350	
	NE 124/124 NE Ped Brdg	NMC08610000	629,350	
	Juanita Bch Bthhs	PKC1190100		1,000,000
	132nd Pk Playfields	PKC1340000		2,716,000
	Totem Lk Pk Master Plan Ph 1	PKC1390200		1,724,000
	100th Ave NE/Simonds Road	TRC1350000	(275,850)	
	100th Ave NE/NE 145 Street	TRC1360000	(275,850)	
	100th Ave NE (North Section)	STC0831300	(1,104,500)	
	100th Ave NE (Mid-North)	STC0831400	(842,500)	
Total impact fee revenues transferred to projects through 2020*			\$24,425,244	\$16,201,772
	Impact fees collected through 2020		24,789,084	16,566,312
	Interest accrued through 2020		720,831	465,007
Total impact fee collections and interest			\$25,509,915	\$17,031,319
Impact fee balance			\$1,084,671	\$829,547

Attachments (3)

cc: Julie Underwood, Public Works Director
John Burkhalter, Development Eng Manager
Mary Gardocki, Parks Planning & Dev Manager
Sri Krishnan, Deputy Director Finance & Admin

Rod Steitzer, Capital Projects Manager
Lynn Zwaagstra, Parks & Community Services Director
Adam Weinstein, Planning & Building Director

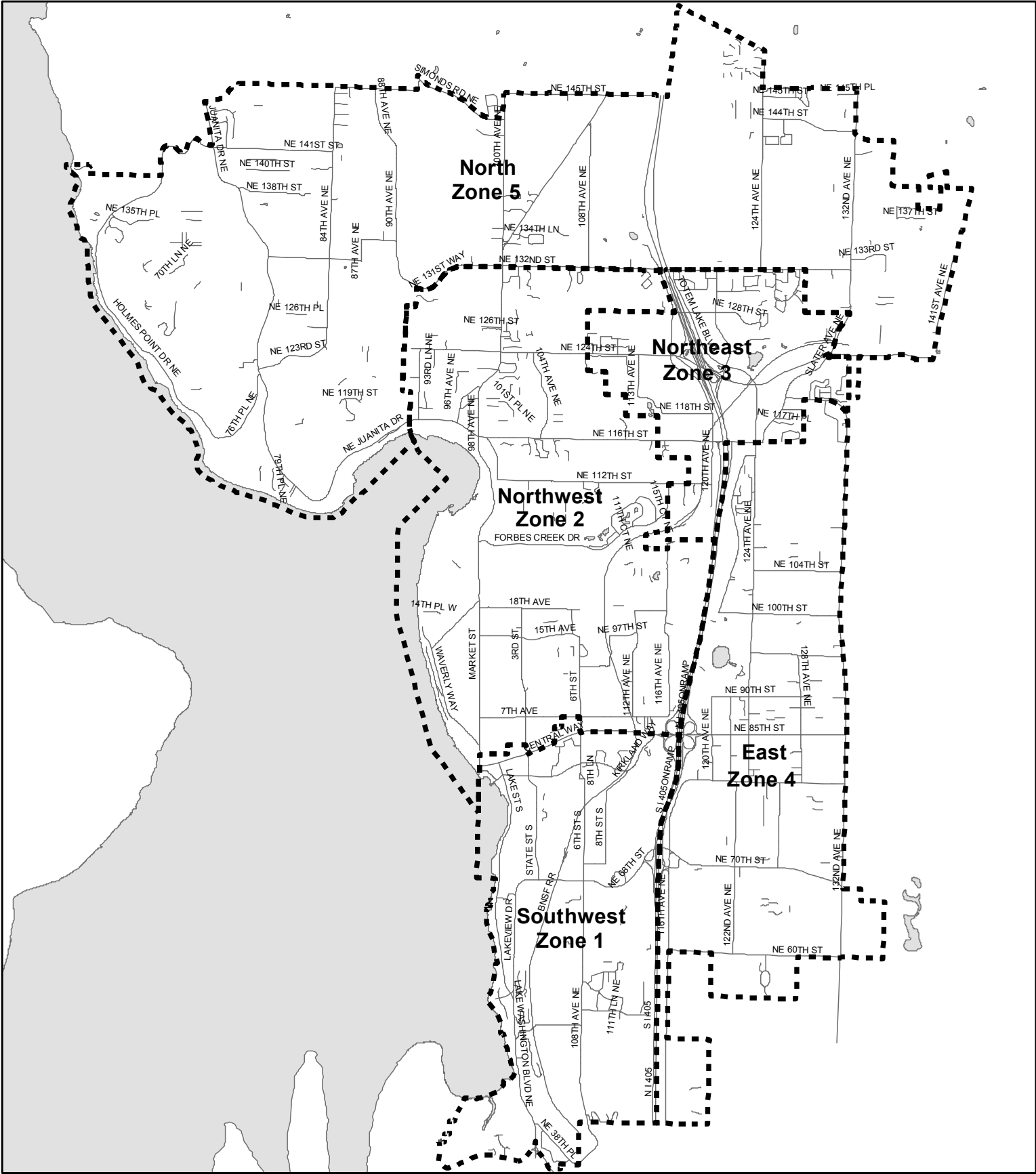
City of Kirkland
2020 Impact Fee Report - Summary

Zone Collected	Amount Collected	
	Transportation	Parks
East - Zone 4		
Single Family Residential	\$247,596	\$186,514
Subtotal East - Zone 4	\$247,596	\$186,514
North - Zone 5		
Multi-Family/Non-Residential	\$0	\$0
Single Family Residential	\$291,290	\$216,929
Subtotal North - Zone 5	\$291,290	\$216,929
Northeast - Zone 3		
Multi-Family/Non-Residential	\$0	\$69,696
Subtotal Northeast - Zone 3	\$0	\$69,696
Northwest - Zone 2		
Multi-Family/Non-Residential	\$5,533	\$4,168
Single Family Residential	\$90,600	\$65,090
Subtotal Northwest - Zone 2	\$96,133	\$69,258
Southwest - Zone 1		
Multi-Family/Non-Residential	\$28,762	\$3,338
Single Family Residential	\$17,713	\$15,012
Subtotal Southwest - Zone 1	\$46,475	\$18,350
Total Collected - All Zone	\$681,494	\$560,747

City of Kirkland Cumulative Impact Fee Report - Summary

1999-2020

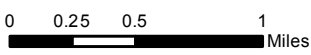
Zone Collected	Amount Collected	
	Transportation	Parks
East - Zone 4		
Multi-Family/Non-Residential	\$2,256,764	\$360,381
Single Family Residential	\$2,375,922	\$2,036,488
Subtotal East - Zone 4	\$4,632,686	\$2,396,869
North - Zone 5		
Multi-Family/Non-Residential	\$727,684	\$172,794
Single Family Residential	\$2,805,104	\$2,497,917
Subtotal North - Zone 5	\$3,532,788	\$2,670,711
Northeast - Zone 3		
Multi-Family/Non-Residential	\$4,710,235	\$5,387,109
Single Family Residential	\$30,084	\$16,961
Subtotal Northeast - Zone 3	\$4,740,319	\$5,404,070
Northwest - Zone 2		
Multi-Family/Non-Residential	\$1,671,882	\$597,102
Single Family Residential	\$1,198,528	\$1,062,042
Subtotal Northwest - Zone 2	\$2,870,410	\$1,659,144
Southwest - Zone 1		
Multi-Family/Non-Residential	\$7,938,584	\$3,467,030
Single Family Residential	\$1,074,296	\$968,488
Subtotal Southwest - Zone 1	\$9,012,880	\$4,435,518
Total Collected - All Zone	\$24,789,084	\$16,566,312



Legend

- Transportation Subarea
- Lakes
- Street Centerline

City of Kirkland
Impact Fee Subareas



Produced by the City of Kirkland.
© 2012 the City of Kirkland, all rights reserved.
No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.
M:\IT\Work\MS\Finance\Trans_impact_fee_zones062012.mxd