

CITY COUNCIL REGULAR SESSION

Ordinance of the City of Bellevue updating the school impact fee schedule for Issaquah School District No. 411 and Renton School District No. 403; amending Section 22.18.100 of the Bellevue City Code; providing for severability; and establishing an effective date.

Mike Brennan, Director, 452-4113
Teri Jones, Fiscal Manager, 452-5293
Development Services Department

EXECUTIVE SUMMARY

This Ordinance amends Section 22.18.100 of the Bellevue City Code (BCC) to update the school impact fee schedule for Issaquah School District (ISD) and Renton School District (RSD). On October 25, after discussion in Study Session, Council directed staff to finalize this Ordinance for approval.

RECOMMENDATION

Move to adopt Ordinance No. 6619

BACKGROUND/ANALYSIS

At the October 25 Study Session, Council considered amendments to BCC 22.18.100 updating the school impact fee schedule for ISD and RSD. Both ISD and RSD adopt Capital Facilities Plans (CFPs) each year and transmit a copy of the Plans to the Development Services Department (Attachments A and B). The CFPs include a determination of impact fees necessary to meet the needs of the district as a whole. The impact fee for single-family and multi-family development is consistent district-wide, irrespective of where the development is proposed. For instance, a development in Bellevue is assessed the same impact fee as a development in Issaquah for the ISD impact fee, or a development in Renton for the RSD impact fee. The ISD CFP includes a change in both the single-family and multi-family impact fees.

Changes to impact fees for ISD and RSD are as follows:

District	Housing Type	2021	2022	Change	Reason(s)
ISD	Single Family	\$18,213	\$20,291	\$2,078	Impact fees will be used towards construction cost of additional elementary, middle school, and high school capacities to meet needs
	Multifamily	\$12,043	\$8,353	(\$3,690)	
RSD	Single Family	\$7,681	\$2,659	(\$5,022)	Impact fees will be used to address existing and projected facility capacity deficits, related to enrollment growth and program needs
	Multifamily	\$4,989	\$4,737	(\$252)	

At the Study Session, Council raised several questions about the increase in ISD's single family impact fee and the percentage of the overall CFP budget that school impact fees make up. A summary of staff's responses is provided below. After discussion, Council directed staff to prepare the Ordinance

for final action and asked for the additional information to be presented at that time.

ISD Single Family Impact Fee Increase

School impact fees may fluctuate yearly based on several factors, including changes to student enrollment, district growth plans, new residential growth, changes to bond interest rates, and changes in state reimbursement levels.

The ISD Capital Facilities Plan includes a change in both single-family and multi-family impact fees. The fee for single-family units changed from \$18,213 to \$20,291 per unit, increasing by \$2,078; the fee for multi-family units changed from \$12,043 to \$8,353, a decrease of \$3,690. The fee change for single-family units relates to student enrollment projections and an increase in student generation rate (number of students per housing unit). The decreased multi-family impact fees result from a lower student generation rate.

Percent of Budget from Impact Fees

The 2022 impact fees for both ISD and RSD comprise less than 1 percent of each district's overall capital levy and bond budget. The areas within the City that are subject to impact fee collection are limited to portions of the Newcastle subarea in the southeast and a small section of the Newport Hills subarea in the southwest. In 2021, Development Services collected impact fees on behalf of the Issaquah School District for eight single-family properties in the Newcastle subarea, and no impact fees were collected in the past year for the Renton School District.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code (BCC) 22.18.110 requires the school impact fee schedule to be updated by Council on an annual basis after Council's receipt of each school district's CFP. Adoption of this Ordinance satisfies this BCC requirement.

Fiscal Impact

The fiscal impact of the proposed amendment is not expected to change as a result of updating the impact fee schedule or collecting impact fees on behalf of the ISD or RSD. The City collects school impact fees on behalf of these school districts for capital and system improvements, but the City does not retain the fees or charge the school districts for this pass-through transaction. Accordingly, the City incurs minor costs to administer the impact fee program, and these costs will not change as a result of the annual fee adjustment proposed by the school districts.

OPTIONS

1. Adopt the Ordinance of the City of Bellevue updating the school impact fee schedule for Issaquah School District No. 411 and Renton School District No. 403; amending Section 22.18.100 of the Bellevue City Code; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Issaquah School District No. 411 Capital Facilities Plan
- B. Renton School District No. 403 Capital Facilities Plan
Proposed Ordinance No. 6619

AVAILABLE IN COUNCIL LIBRARY

N/A