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7/9/2014

TO: City of Redmond Planning Commission

By: Bart Phillips, CEO

RE: Comprehensive Planning Policy Amendment Addressing Competitiveness

OneRedmond has proposed that a new policy be included within the economic development element of the comprehensive plan asking that: *“When considering the adoption of taxes and fees the impact to the City’s competitiveness to attract and retain businesses and development should be given due and serious consideration.”*

It is the concern of OneRedmond that often the only consideration given during policy deliberations concerning fees is the adequacy of the fee(s) to cover the capital program or to ensure that ‘growth pays for growth’. Such blinkered deliberations risk the City’s and businesses’ competitiveness. This point was emphasized by the recent testimony before the Commission by OneRedmond Secretary, Tom Markl of Nelson Legacy Group. The purpose of the proposed policy is to ensure that the impact to Redmond’s competitiveness to attract new investment and job creation is considered when adopting new or revised impact fees or development exactions.

To attract and retain new companies Redmond must be cost competitive for jobs and investment. A major component of the variable costs associated with project development are impact, utility connection, storm water, transportation and permit fees. A presentation by Berk Consulting for the Association of Washington Citiesⁱ demonstrated that Redmond had the highest impact fees for all types of commercial development for eastside communitiesⁱⁱ. In terms of total variable costs of developmentⁱⁱⁱ, only Bellevue had higher costs for retail commercial. For the development that is the foundation of primary jobs^{iv}, office, manufacturing and mixed use, Redmond has the highest variable costs of any community on the eastside. A study conducted by the Bellingham Public works Department found Redmond has the highest transportation impact fee in the state save Sammamish.

OneRedmond understands that there is history and policies that bring us to this point where the myriad of fees faced by developers are a hindrance to economic growth. We have no interest in debating the prudence of past decisions. However, OneRedmond believes now is the time to break with the past and to adopt Comprehensive Plan policies that acknowledge that development that supports primary jobs is a priority of the community.

About OneRedmond

OneRedmond is a private-public partnership for economic and community development, led by the private sector, working in close partnership with the City of Redmond. Our mission is to assist with the expansion and retention of local employers, attract new companies, and create community vitality. OneRedmond is the catalyst for making Redmond the location of choice for businesses and a vibrant community in which to live and work.



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- ⁱ Development Perspective, A Presentation Before the Washington Association of Cities Conference, Berk Consulting, Seattle (2013).
 - ⁱⁱ Kirkland, Bellevue, Bothell, Issaquah, Kent and Renton.
 - ⁱⁱⁱ Impact fees, permit fees, and land costs.
 - ^{iv} Primary jobs are defined as jobs which produce goods and services in excess of those needed by the local market. Those not consumed by the local market are then exported to other countries or other markets. This practice creates a flow of wealth within a country or region.