

# MEMORANDUM

## Finance Department



DATE: April 22, 2024

TO: Brett Gailey, Mayor  
City Councilmembers

FROM: Barb Stevens, Finance Director

SUBJECT: Impact Fee Report - 2024

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 and parks in the 1990's. Park impact fees are Growth Management Act based impact fees for mitigation of residential impacts on parks. These are accounted for collectively citywide.

During 2024, \$454,199 in transportation impact fees and \$427,585 in park impact fees were collected. Investment interest is allocated proportionally to each mitigation zone and type.

Year	Park Mitigation	Tree Mitigation	Interest Earned	Impact Fee Revenues 2014 - 2024							
				Traffic	Traffic	Traffic	Traffic	Traffic	Traffic	Traffic	Traffic
	Pre 2011 SEPA	GMA County Pre-Annexation	WSDOT	TIZ 1	TIZ 2	TIZ 3	ILO				
2014	\$317,546			\$0	\$324,708	\$0	\$69,979	\$5,863	\$11,668		
2015	\$371,940	\$1,716		\$0	\$303,970	\$0	\$41,498	\$229,803	\$24,625		
2016	\$788,944	\$8,960		\$0	\$97,989	\$0	\$32,186	\$189,605	\$284,169		
2017	\$346,153	\$1,645		\$0			\$14,450	\$36,615	\$510,554		
2018	\$700,607	\$9,583		\$0			\$121,573	\$154,280	\$736,530		
2019	\$1,365,087	\$23,100		\$0			\$176,031	\$3,500	\$959,554		
2020	\$1,512,002	\$22,105					\$313,902	\$14,000	\$830,270		
2021	\$771,148	\$127,714					\$130,274	\$42,000	\$580,055	\$37,043	
2022	\$957,544	\$4,410	\$22,184				\$79,800	\$266,000	\$815,920	\$700	
2023	\$654,113	\$27,825	\$98,468				\$61,239	\$16,730	\$525,350	\$33,525	
2024	\$427,585	\$136,570	\$124,104				\$167,484	\$15,750	\$215,600	\$55,365	

Note: Impact fee revenues above are exclusive of interest earnings.

## Transportation Projects

### Main Street

This project provides for the improvement of the operational components of the 20th Street S.E./91st Avenue S.E. intersection and an extension of road and utility infrastructure within public rights-of-way in the City of Lake Stevens.

The construction phase of this project began in November of 2024, and is expected to continue through July 2025. The city spent a total of \$58,196 in TIZ 1 Funds on this project in 2024. Project billing will continue into 2025 where \$335,000 is budgeted from TIZ1 and remaining costs will be paid from other sources, including \$3,304,000 in Federal Highway Administration (FHWA) grant funds.

### 8<sup>th</sup> Street SE and 79<sup>th</sup> Avenue SE Corridor Safety Improvements

Phase I of this project targets vehicle speed reduction and driver awareness by channelization and signage updates throughout the corridor, including spot-specific lane narrowing and realignment, rumble strips approaching the intersections, and updated signage. Construction concluded in 2024 spending \$54,654 from TIZ 3 funds, effectively closing out this phase of the project. Future phasing is anticipated to in 2026.

### 91<sup>st</sup> Ave Sidewalk -Phase 1

This phase created a continuous pedestrian and bike path along the east side of 91st Avenue SE, connecting 8th St SE to Market Place while incorporating existing sidewalks where possible. The idea was to link local neighborhoods to nearby schools and the Market Place commercial district, enhancing accessibility and connectivity. Driveway ramps and crosswalk striping were added as needed, with all pedestrian infrastructure designed to meet ADA standards. As the first phase of a two-part initiative, this route supports the City Transportation Benefit Program's goal of establishing a seamless multi-modal connection from Market Place to 20th Street SE. Phase 1 construction was completed in 2024, utilizing \$1,033,464 in TIZ2 and TIZ3 funds (\$510,301 TZ3) (\$523,164 TZ2).

There were \$20,462 in Project Management costs allocated traffic mitigation funds in 2024.

## Parks & Tree Projects

In 2024, a total of \$692,033.34 in park mitigation funds were allocated as follows:

- Lundein Park spent \$9,640 in mitigation.
- Lake Stevens Bayview Connector received \$616,661 in mitigation funds.
- Cedarwood Park project continued in 2024 using \$495 in mitigation funds.
- The Eagle Ridge Park project used \$2,876 in mitigation funds
- \$62,361 Project Management costs were allocated to park mitigation funds in 2024.

\$2,195.90 was spent from tree replacement funds in 2024 on the Grimm and North Cove Garden.

The city uses park mitigation funds and grants to complete many park projects. On average, \$1 million is spent annually on parks and open spaces. These funds enhance recreational areas, improve infrastructure, and create new green spaces for the community. Recent projects include playground renovations and walking trails.

At the end of 2024, mitigation capital funds totaled \$7,643,969, covering various mitigation zones and uses:

<b>Mitigation Funds as of December 31, 2024</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Ending Retainage	\$8,222	\$8,222	\$8,222	\$8,222	\$9,228
Ending Fund Balance-WSDOT ANNEX	\$7,825	\$7,835	\$7,933	\$8,283	\$8,759
Ending Fund Balance-TIZ 1	\$416,399	\$399,188	\$484,968	\$570,281	\$717,546
Ending Fund Balance-TIZ 2	\$543,186	\$585,983	\$862,617	\$918,104	\$424,431
Ending Fund Balance-TIZ 3	\$1,506,898	\$2,576,667	\$3,395,909	\$4,069,984	\$3,923,911
Ending Local ILO	\$149,744	\$186,787	\$189,827	\$233,196	\$305,154.43
Ending Fund Balance - Park Unrestricted	\$429,248	\$914,466	\$1,751,578	\$2,142,031	\$1,985,673
Ending Fund Balance - Tree	\$33,864	\$154,539	\$158,949	\$134,893	\$269,267
<b>Total Ending Fund Balance</b>	<b>\$2,948,255</b>	<b>\$4,833,688</b>	<b>\$6,860,003</b>	<b>\$8,084,993</b>	<b>\$7,643,969</b>

Respectfully,

Barb Stevens  
Finance Director