



## Frequently Asked Questions About.....

# Transportation Impact Fees

Answers to commonly asked questions about TIF charges and who to contact for further information.

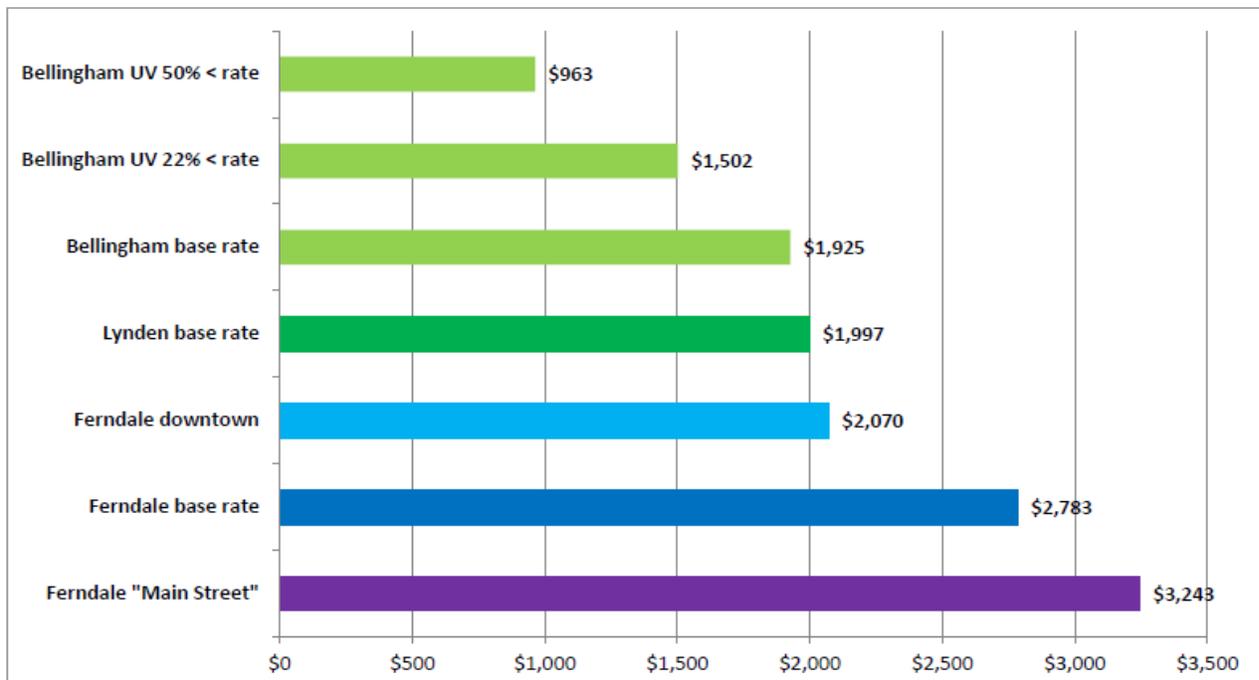
### Q. What are Transportation Impact Fees?

A. Transportation Impact Fees (TIFs) ensure that new development and redevelopment pays a proportional fair share contribution for the cost of new transportation infrastructure that is deemed necessary and reasonably related to accommodating the impact of new development within the City limits of Bellingham. State law (RCW 82.02.050 - .090) allows cities to impose Transportation Impact Fees (TIF) on new development to help effectively manage the growth of our community. Bellingham has implemented a Transportation Impact Fee (TIF) system by City ordinance (BMC 19.06) with associated transportation impact fees imposed on new development and redevelopment since 1994.

### Q. How much do Transportation Impact Fees Cost?

A. The Transportation Impact Fees for 2013, which are listed by residential unit or square foot price in Table 1 of the TIF ordinance (**BMC 19.06.040**), have a base fee of **\$1,925 per p.m. peak vehicle trip**. In 2013, a new single family detached residential house that generates 1.0 p.m. peak vehicle trips would be charged a TIF of \$1,925. This is relatively low compared to most cities in western Washington and is the lowest TIF rate of any city in the Whatcom County region.

## The Cost of 2013 Transportation Impact Fee (TIF) Rates in Whatcom County's Largest Population Centers

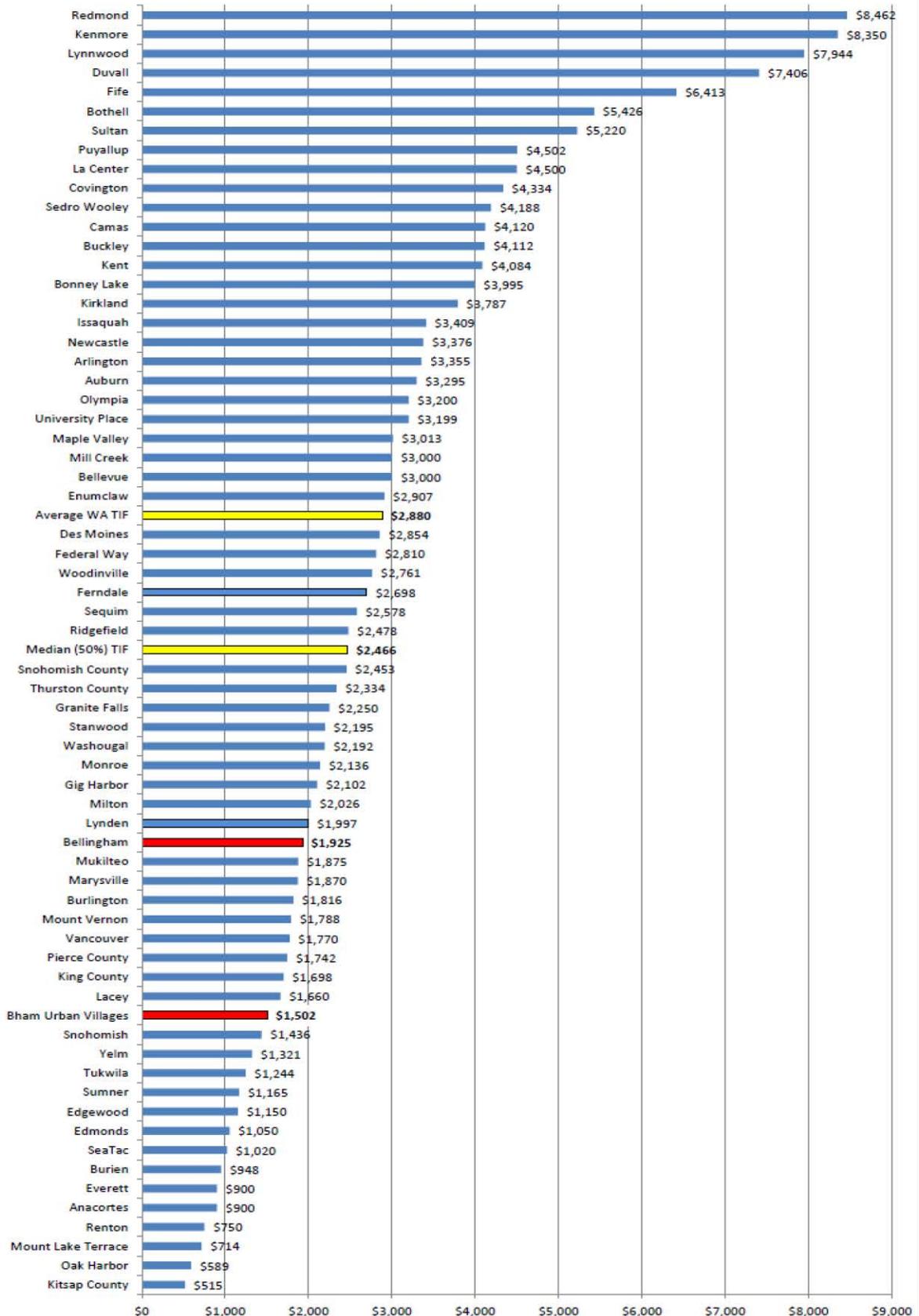


(Cost per pm peak hour vehicle trip)

**A Comparison of 2013 TIF Base Rates in 60\* Cities and 5 Counties in Western Washington  
With Whatcom County Cities and Bellingham's Urban Village TIF Reduction Highlighted for Emphasis**

*[\*City of Sammamish, WA \$14,707 TIF base rate excluded from graphic]*

(Data compiled December 2012 by Chris Comeau, AICP, Transportation Planner, Bellingham Public Works)



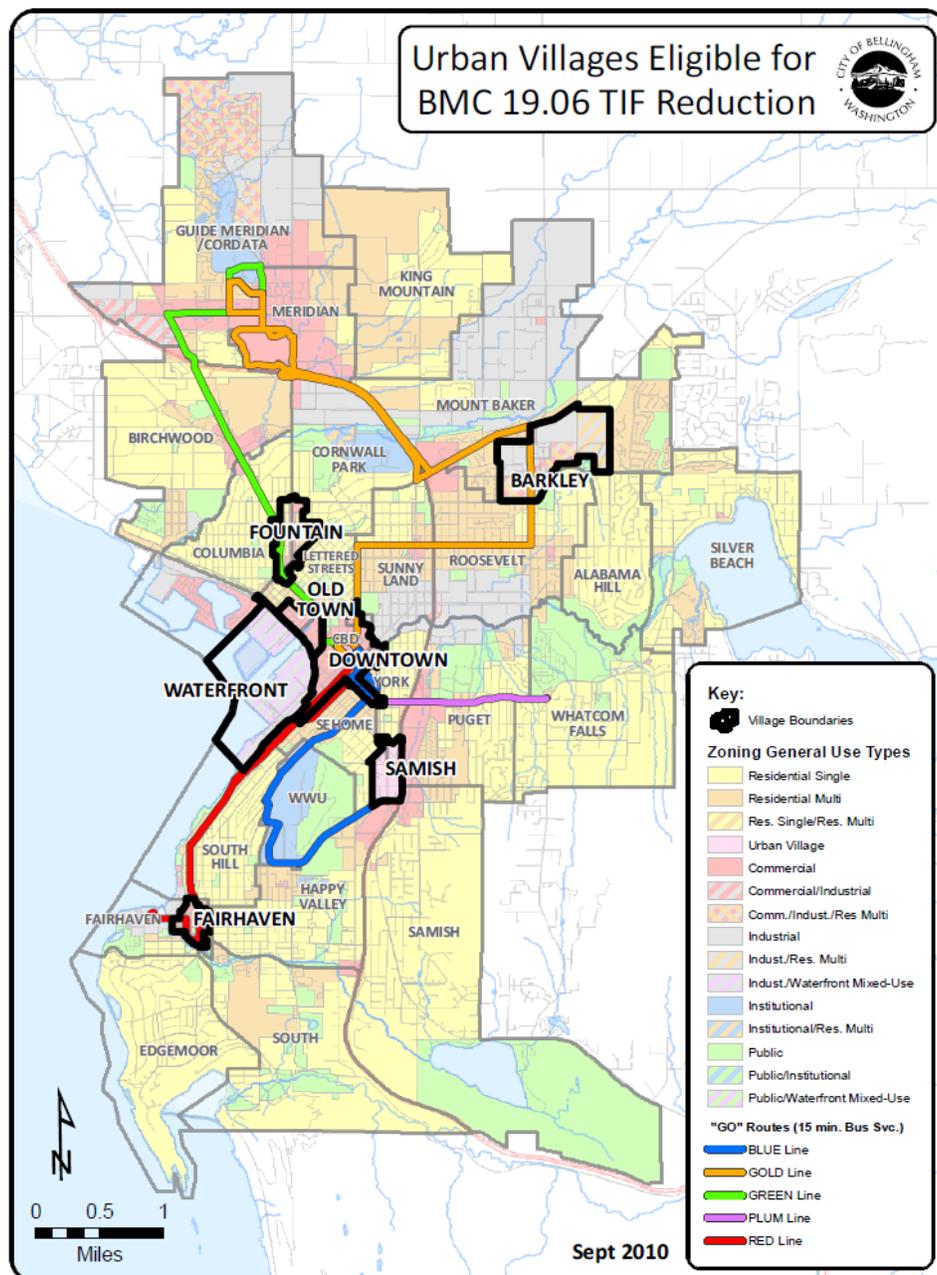
**Q. Is there any way to pay less Transportation Impact Fee?**

**A.** Yes, if a project produces less transportation impact, then there is a corresponding reduction in TIF cost.

1.) **Redevelopment in existing buildings** receives 100% TIF credit for the highest impact from documented previous use and additional TIF is charged only if there is a net new transportation impact. For example, if an accounting office were redeveloped into a small restaurant, 100% credit would be given for the previous office use, but additional TIF would be charged for the net increase in transportation impact from the restaurant. Redevelopment in existing buildings always costs less in TIF than new development.

2.) In **Bellingham's Urban Villages**, developers can reduce transportation impact automatically by 22% to 25% depending on proximity to WTA high-frequency transit routes and by **up to 50%** by using a variety of voluntary performance measures to reduce vehicle trips generated on and off of their development sites. See **Urban Village map** and **Vehicle Trip Reduction Credits** below (**BMC 19.06.040**).

3.) In addition to the above, other **Transportation Demand Management (TDM) strategies** to reduce vehicle trips may be proposed, but must be approved by Public Works transportation planners.



### **Q. Do Transportation Impact Fees Change?**

**A.** Yes. TIF rates change every year based on transportation project costs. New TIF charges are adopted each year by the Bellingham City Council in conjunction with, or subsequent to, adoption of the 6-Year Transportation Improvement Program (TIP). Transportation Impact Fees are based on recovery costs for new development consuming approximately 50% of the total amount of new capacity added to the city-wide transportation system during the 12-year transportation capital improvement window. It is anticipated that the remaining 50% of the new capacity added will be consumed by existing city residents, county residents commuting in for work, shopping, education, and entertainment, visitors to Bellingham and Whatcom County, and pass-through traffic.

### **Q. What are Transportation Impact Fees Used For?**

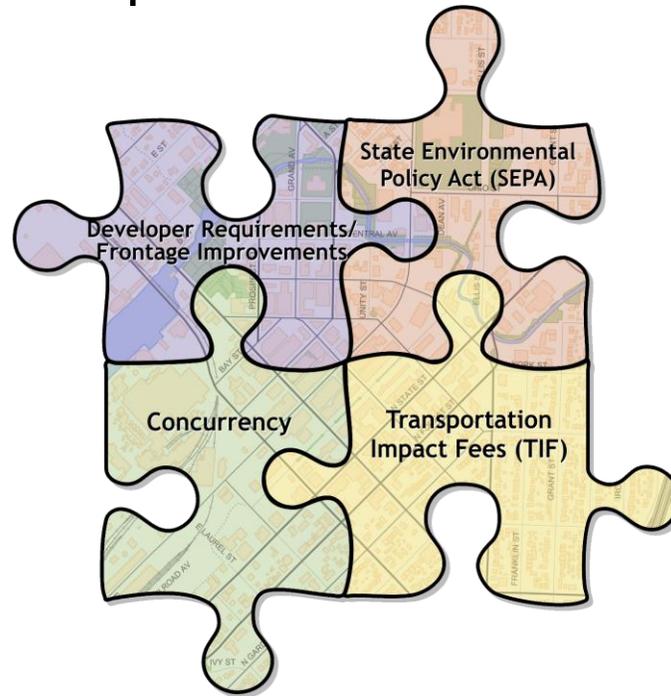
**A.** Transportation Impact Fees (TIFs) may only be used for building new arterial streets, sidewalks, bicycle lanes, and other physical improvements to the City's multi-modal transportation network. New development and redevelopment means more people making capacity demands on the transportation system and the Washington State Supreme Court has ruled that collected TIF money may be used for publicly-funded city-wide transportation projects on municipal 6-Year Transportation Improvement Programs (TIPs) that are reasonably related to the impacts of development and urban growth (*City of Olympia v Drebeck*). Bellingham's TIFs are collected and allocated to transportation projects that add multi-modal capacity to the overall transportation network. TIFs cannot be used for street maintenance, transportation administration, or transportation demand-management programs, such as car-pooling, incentives for non-auto commuting, or additional transit bus service hours.

### **Q: Why Doesn't the City Charge Developers 100% of the Cost of New Transportation Facilities?**

**A:** State law does not allow cities to charge 100% impact fees and developers do pay significant regulatory fees when making application for projects in Bellingham. Prior to submitting an application, development projects are required to pay for Multimodal Transportation Concurrency evaluation (BMC 13.70). After submitting an application for development, many projects require SEPA review for traffic safety impacts (BMC 16.20). Conditions of development normally require construction of new streets or enhancement of existing streets to City street standards (BMC 13.04). If the application is approved, then the developer must apply for building permits. If building permits are approved, Traffic Impact Fees, and all other impact fees and associated development fees, must be paid for in-full before the City will issue the building permit to the developer.

These requirements can result in street improvements, new traffic signals, sidewalks, bicycle lanes, curbs, gutters, storm water detention facilities, and other transportation improvements as a way of ensuring that the traffic will not exceed adopted LOS standards in the Comprehensive Plan. Some people think that developers should bear the maximum amount of the cost of City infrastructure needed to serve our growing community. However, we must remember that each one of us has added to the growth of our community and that each one of us contributes to traffic congestion every time we choose to drive, sometimes on new streets that were paid for and constructed by developers. There is a public share of the costs for new transportation facilities and everyone will use and benefit from them, not just the new residents of the development project.

# Development Review Elements



## Q. How are Transportation Impact Fee Rates Established Each Year?

**A.** Bellingham bases TIF calculations on 1.) Transportation project costs, 2.) National trip generation standards in the most current edition of the Institute of Transportation Engineering (ITE) Trip Generation Manual, and 3.) Transportation model projections. A simplified calculation process is described below.

1.) Transportation costs are based on the total amount of money that Bellingham has spent for transportation projects identified in the 6-Year Transportation Improvement Program (TIP) for the previous six years and the amount that is programmed for the next six years. This is a rolling twelve-year window and total costs fluctuate annually. Every year, 6-year old project costs are taken out of the calculations and new project costs are added to the calculations.

2.) Bellingham uses most current edition of the Institute of Transportation Engineering (ITE) Trip Generation Manual to determine trip generation rates for each type of land use allowed by the adopted land use element of the Bellingham Comprehensive Plan.

3.) The City transportation model projects the amount of capacity that is added to the city-wide transportation network by each publicly funded transportation project on City 6-Year TIPs. ITE Trip generation rates are assigned to land uses allowed by the adopted land use element of the Bellingham Comprehensive Plan and then the transportation model distributes trips across the transportation network to determine the aggregated percentage of new capacity used by the new development. The total costs of publicly funded transportation projects are then divided by the aggregate percent of capacity used by new development. The aggregate percent of capacity used is then divided by total trips generated by each type of new land use development. Residential development is charged a per unit TIF price while retail and non-retail land uses are charged a per square foot price for proportional impact to the transportation network.

# City of Bellingham Web Site Resources

The following transportation planning documents are available on the City of Bellingham web site at:

<http://www.cob.org/services/neighborhoods/community-planning/transportation>

- **Transportation Impact Fee Ordinance (BMC 19.06)**
- **Multimodal Transportation Concurrency Ordinance (BMC13.70)**
- **Transportation Reports on Annual Concurrency (TRAC)**
- **2013-2018 Six-Year Transportation Improvement Program (TIP)**
- **2006 Bellingham Comprehensive Plan, Transportation Element**

## Public Works Transportation Staff

In addition to the transportation planning documents listed above, specific Public Works staff are responsible for the implementation of the Transportation Impact Fee ordinance and can be reached by telephone at **(360) 778-7900** between 8:00am and 5:00pm, Monday through Friday, or by email, listed below.

**Chris Comeau, AICP, Transportation Planner**

**(360) 778-7946**

**ccomeau@cob.org**

**Brent Baldwin, AICP, Development Review Manager**

**(360) 778-7940**

**bbaldwin@cob.org**