



2015 Frequently Asked Questions About.....

Transportation Impact Fees (TIF)

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

Question: What are Transportation Impact Fees? **Answer:** 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. More about TIFs is available at <http://www.cob.org/services/planning/transportation/transportation-impact-fees.aspx>

Question: How much do Transportation Impact Fees Cost? **Answer:** The Transportation Impact Fees for 2015, 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 **\$1,869 per p.m. peak vehicle trip**. As an example, in 2015, a new single family detached residential house that generates 1.0 p.m. peak vehicle trips would be charged a TIF of \$1,869.

Question: Is there any way to pay less Transportation Impact Fee? **Answer:** Yes. If a project produces less transportation impact, then there is a corresponding reduction in TIF cost. In Bellingham's **Urban Villages**, developers can reduce transportation impact fees by **up to 50%** by using a variety of performance measures to reduce vehicle trips generated on and off of their development sites. For more information about TIF reductions, see **BMC 19.06.040. E. Table 2**, pages 4 and 5 of this document, and the document titled **"Frequently Asked Questions About Urban Village Vehicle Trip and Transportation Impact Fee Reduction,"** available in the Permit Center.

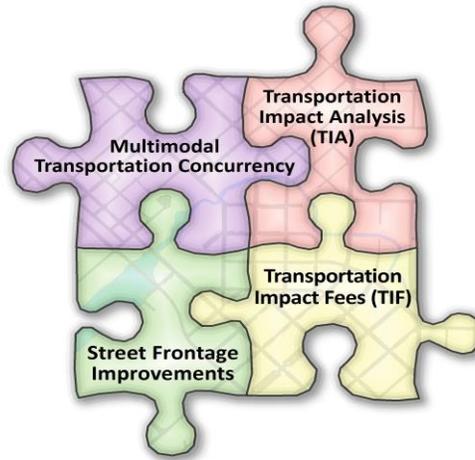
Question: Do Transportation Impact Fees Change? **Answer:** Yes, TIF rates change every year based on transportation project costs. New TIF charges are adopted each year by the Bellingham City Council in conjunction with, or subsequent to, adoption of the 6-Year Transportation Improvement Program (TIP). 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.

Question: What are Transportation Impact Fees Used For? **Answer:** Transportation Impact Fees (TIFs) may only be used for building new arterial streets, sidewalks, bicycle lanes, and other physical improvements to the City's on-street 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 Drebick*). 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, traffic calming programs, or transportation demand-management programs, such as car-pooling, incentives for non-auto commuting, or additional transit bus service hours.

TIFs are also used as part of local match fund requirements to leverage State and federal grant funding for major multimodal transportation improvement projects. Adding TIF funds to local street funds creates a public-private partnership, which is increasingly important to grant funding agencies. This allows Bellingham's transportation projects to score more points and to be more competitive in the grant-funding arena. Bellingham's success in securing State and federal grant funding has allowed the City to keep TIF rates relatively low compared to other cities in western WA.

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

Answer: 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) and a determination as to whether a traffic impact analysis will be required. 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.

Question: How are Transportation Impact Fee Rates Established Each Year? **Answer:** Bellingham bases TIF calculations on a rolling twelve-year window and total costs fluctuate annually. Every year, old project costs are taken out of the calculations and new project costs are added to the calculations in three categories: 1.) Actual transportation project costs, 2.) Annual construction budgets, and 3.) Local funds programmed for projects in the 6-Year Transportation Improvement Program (TIP). A simplified calculation process is described below.

- 1.) 2015 TIF rates are based on the cumulative amount of actual receipts for local funding of transportation capital improvement projects identified in the 5-year period (2009-2013) prior to the current year (2014).
- 2.) The cumulative amount of local transportation construction funds in the adopted 2014 City budget.
- 3.) The cumulative amount of local funds programmed for transportation projects in the annually adopted 6-Year Transportation Improvement Program (TIP) for the upcoming 6-year period (2015-2020). State and federal grant funds as well as funds contributed by private developers or partner agencies (WTA, WWU, WCC, BTC, etc.) are not included in the calculations to establish the annual TIF base rate.

Additional Information

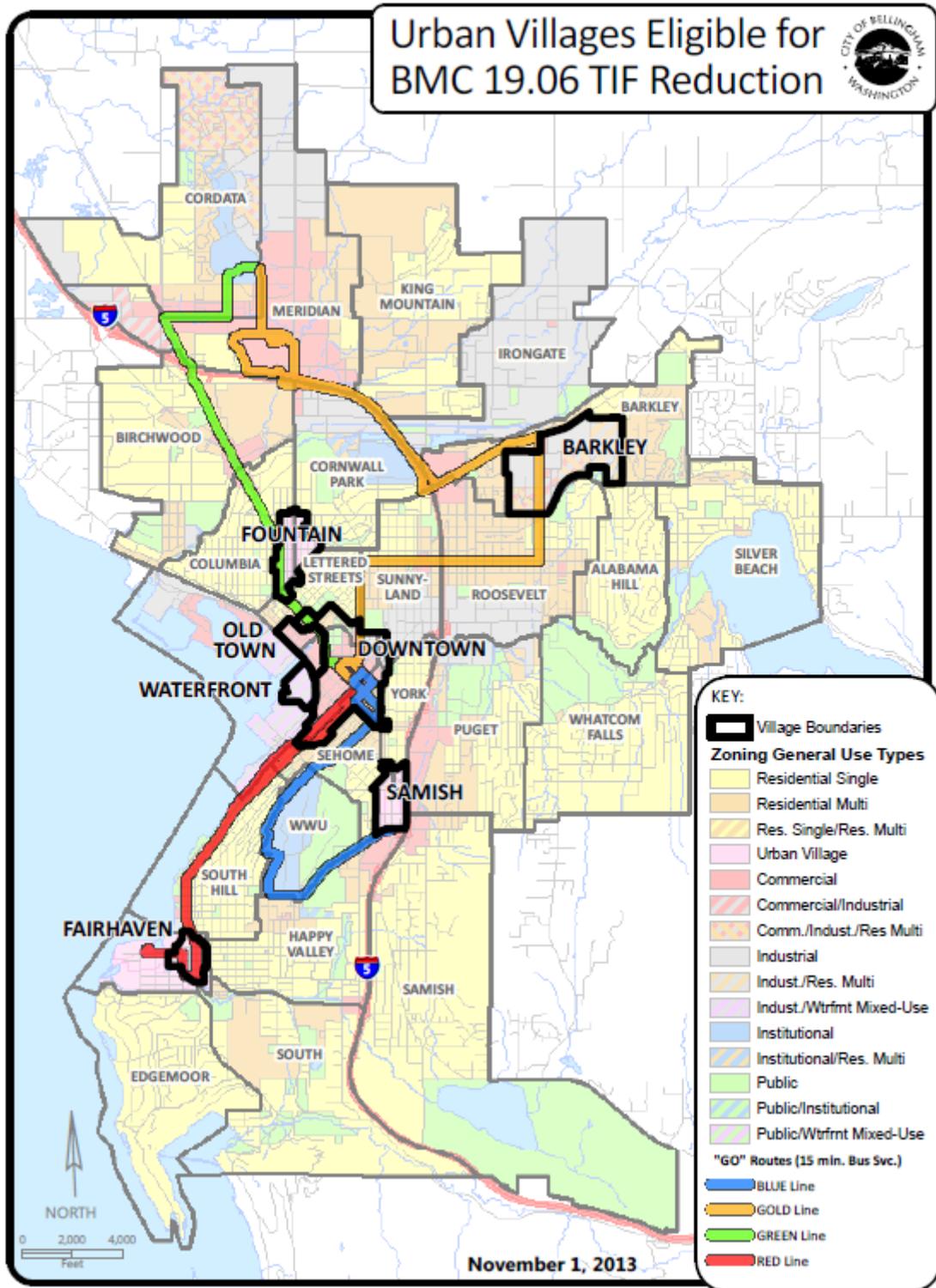
More information about TIFs is available on the City of Bellingham web site at:

<http://www.cob.org/services/planning/transportation/index.aspx>

If you have questions, please contact Public Works Engineering staff, as follows:

Chris Comeau, AICP CTP, Transportation Planner (360) 778-7946 or ccomeau@cob.org

NOTE: The Downtown portion of the Waterfront District will become eligible for a Urban Village 15% TIF Reduction on January 1, 2014 with the adoption of a Subarea Plan, but will not be eligible for transit-proximity TIF reductions of 2% to 10% until WTA transit service is available within the Waterfront District Subarea.



Urban Village Vehicle Trip Reduction Credits

TABLE 2 – URBAN VILLAGE VEHICLE TRIP REDUCTION CREDITS	CREDIT
Menu of Location Factors and Performance Measures to Reduce Vehicle Trips	
<i>Note: Reductions below are additive and may not exceed a total of 50%</i>	
1.) MIXED USE URBAN VILLAGE LOCATION	15%
<i>(Based on ITE Internal Trip Capture - Mixed Use Urban Environment)</i>	
2.) WTA TRANSIT PROXIMITY (Only one transit proximity reduction below may be used)	
Development fronts on a high-frequency WTA GO Line	10%
Development within 1/4-mile of WTA GO Line	7%
Development fronts on standard WTA Route (30 - 60 min)	5%
Development within 1/4-mile ⁵ of standard WTA Route (30 - 60 min)	2%
3.) EMPLOYER MANDATORY COMMITMENT TO COMMUTE TRIP REDUCTION (CTR)	
CTR/TDM commitment combining economic incentives with transportation services	10%
4.) VOLUNTARY ANNUAL WTA TRANSIT PASS PROVISION (Non-CTR)	
2-year transit pass provided for residential units = 1% per unit pass	1%
2-year transit pass provided for employees = 1% per employee pass	1%
5.) VOLUNTARY CAR SHARE PARTICIPATION OR PROVISION (Non-CTR)	
Car Share Vehicle(s) Parked On Residential or Employment Site = 2% per vehicle	2%
Car Share membership fee provided for residential units = 2% per unit	2%
Car Share membership fee provided for employees = 2% per employee	2%