



# City of Bellingham Transportation Impact Fee Program

## ***Introduction***

Transportation Impact Fees (TIF) are levied on new developments that generate vehicular traffic loads onto the City's transportation system. TIFs do not replace the City's ability to regulate development; they merely provide a means for equitably accounting for and paying for mitigation of the impacts of developments of the transportation systems of the City that require improvement to accommodate growth.

The City has developed a method of assessing TIFs that has two objectives:

- Developments should pay their fair share of the cost of improving transportation systems necessary to accommodate growth.
- Developers should have the opportunity to know in advance the cost for mitigating transportation impacts associated with a development proposal.

## ***Basis for the TIF***

TIFs are based upon the amount of vehicular traffic generated by a development proposal that will utilize transportation improvement projects as identified in the City's Comprehensive Plan and included in the Six-Year Construction Program. The projects in the Six-Year Construction Program are adopted annually by the City Council and are necessary to accommodate traffic growth.

The fee schedule is based upon the number of afternoon peak hour vehicles (PMPHV) that travel over project locations. To determine whether a PMPHV from a development project travels over a project location, the City utilizes a land-based transportation model, known as TMODEL2. The model distributes vehicles from a development site onto the City's arterial street system.

The TIF is derived by the summation of the pro-rata individual costs of each programmed improvement that a development impacts. The pro-rata share factor is the ratio of the number of development-generated PMPHV to the capacity of the transportation facility expressed in PMPHV at Level of Service (LOS) E.

The pro-rata share factor (PRSF)= development PMPHV/transportation facility capacity @ LOS E.

## ***What types of developments pay the fee?***

All new developments or modifications of existing developments, regardless of land-use category, that produce an additional traffic load to the City's transportation system will be required to pay the TIF.

## ***Is the TIF the only cost for transportation mitigation?***

No. Payment of the TIF fulfills the developer's obligation for transportation growth-related mitigation to the City's transportation system. The TIF does not fulfill conditions such as improvement of adjacent streets or specific site improvements or other infrastructure improvements required, for instance, by the subdivision ordinance.

In the event a development proposal causes a transportation facility to be overloaded, such as operate below the threshold of level of service E and the development is not programmed to be constructed, the developer will be required to provide specific mitigation or delay development.

## ***TIF Rate***

TIF rates are set each year and are responsive to the adopted Six-Year Construction Program. The rate is expressed as a cost per each PM peak-hour vehicle trip generated by the development proposal.

TIF rates may vary depending upon the geographic location of the development. Each designated geographic location has its own rate schedule. Geographic locations within the City are known as TIFZONES.

TIFs are determined by distributing traffic from each TIFZONE onto the City's transportation system. Fees are adjusted each year in accordance with the cost estimates of the transportation improvements in the Six-Year Construction Program. Example.

A development proposal for a 100-lot single-family subdivision lies in TIFZONE #1. The rate schedule for TIFZONE #1 is \$450 per PMPHV (the TIF equals the PMPHV resulting from the development X the rate).

PMPHV = Institute of Transportation Engineers (ITE) trip generation rate X # or size of development units.

TIF = 1.02 vehicles per hour X 100 units X \$450.00 = \$45,900.00

## ***TIF Payment***

TIFs are collected at the time of building permit issuance. TIFs must be paid in full before a building permit is issued.

(last updated 5 Jan 2001)