

Urban Village Incentives - 50% Reduction in Permit Fees and System Development Charges

Qualifying Projects and Process

Summary

The City Council has allocated up to \$250,000/year (2016-2018) for an [infill incentive program](#) which allows the Planning Director to grant eligible projects a 50% reduction in development fees in targeted urban villages. This is to incentivize investment in these areas.

Eligible Urban Villages

[Downtown](#) and [Old Town](#) Districts

Qualification Threshold

New construction:

- Minimum of 3-stories or 35-feet (as defined in the Bellingham Municipal Code)
- Consistent with the adopted urban village plan
- Single-family residences are not eligible

Existing buildings:

- Minimum square footage of 10,000 square feet
- Minimum of 2-stories
- Consistent with the adopted urban village plan
- Total project value must exceed 50% of the existing assessed building value (phased projects are acceptable)

Application Requirements:

- Incentive funds are reserved on a first-come, first-served basis.
- Interested participants should submit a letter, attention to the Planning Director, prior to or as part of a pre-application meeting. (Letters of interest may be accepted later in the process, if funds are available).
- Applicant must show proof of option or control of the property.
- Applicants must provide project details sufficient to calculate the SDC/Permit Fees (provide a substantially completed [Permit Fee Calculation worksheet](#)).
- After review and approval, the calculated amount will be reserved for the project through an infill incentive agreement.
- The final incentive amount may be less (but not more) than the reserved amount, based upon the final fee calculation at permit issuance.

Infill Incentive Agreement:

- A letter of agreement with the banked amount and conditions will be signed by the applicant, Planning, Public Works, and Finance Directors.
- This will include mutually-agreeable deadlines for land use permit submittal, building permit submittal and commencement of construction that the incentive funds are contingent upon. These will be negotiated individually by each applicant. No reapplication for incentive funds will be available if the applicant defaults on the agreed-upon timelines.
- Proof of financing and financial pro-forma may be requested prior to building permit issuance/finalization of fee credit(s).