



City Council Agenda Bill

20220

Bill Number

Subject: Ordinance adopting a base rate for 2014 Transportation Impact Fees, per BMC 19.06

Summary Statement: The Transportation Impact Fee (TIF) base rate for each p.m. peak hour vehicle trip is adjusted each year according to the actual costs of construction and the programmed costs of capital improvements needed to accommodate new growth and development in the annual 6-Year Transportation Improvement Program (TIP). The 2014 TIF base rate represents a slight decrease from the 2013 TIF and the amendment to the TIF schedule is necessary to help recover the proportionate fair share cost of transportation infrastructure to accommodate new growth and development in Bellingham. Staff recommends approval of the attached ordinance adopting a base rate of \$1,907 for 2014 and revising the TIF rate schedule accordingly as Table 19.06.040(A).

Previous Council Action: Council Resolution 2012-34, December 10, 2012 adopting 2013 TIF base rate of \$1,925

Fiscal Impact: Additional revenue, based on building permit activity, to recover a proportional share of City investment in transportation infrastructure costs from new development in Bellingham.

Funding Source: n/a

Attachments: Staff Report
 TIF Base Rate Calculation
 Ordinance Adopting 2014 TIF
 Table 19.06.040 (A) - 2014 TIF Base Fee

Meeting Activity	Meeting Date	Staff Recommendation	Presented By	Time
Committee Briefing Council Vote Requested	09-Dec-2013	Vote to Approve	Ted Carlson, PW Director Chris Comeau, Transportation Planner	15 mins

Council Committee:
Public Works / Public Safety
 Stan Snapp, Chair
 Terry Bornemann; Gene Knutson

Agenda Bill Contact:
 Chris Comeau, Transportation Planner, 778-7946

Committee Actions:

Reviewed By	Initials	Date
Ted Carlson, PW Director	TC	11/27/13
Brian Henshaw, Finance Director	BH	11/27/13
Legal	MJS	11/27/13
Mayor or CAO	KL	12.3.13

Council Action:

CITY OF BELLINGHAM STAFF REPORT FOR CITY COUNCIL

Agenda Topic:	Ordinance to establish 2014 base rate for Transportation Impact Fees, as per BMC 19.06.
For:	December 9, 2013 City Council work session
Staff Contact:	Chris Comeau, AICP, Transportation Planner (360) 778-7946 or ccomeau@cob.org

Bellingham's Transportation Impact Fee (TIF) ordinance, BMC 19.06.040 A., requires that "A revised [TIF] schedule shall be adopted each year by the City Council concurrent with, or subsequent to, the adoption of the Six-Year Transportation Improvement Program for arterial streets." On June 17, 2013, the Bellingham City Council adopted Resolution 2013-08 approving Bellingham's 2014-2019 Six-Year Transportation Improvement Program (TIP).

BMC 19.06.030 describes the process to calculate Bellingham's TIF. To calculate the base trip rate for TIF in 2014 (Table 1), the City's actual expenditures of local transportation funding (Street, REET, TBD) for capital transportation infrastructure constructed between 2008-2012 are combined with the local funding in the capital transportation construction budget for 2013 and programmed local funds for multimodal transportation infrastructure needed to accommodate new growth and development between 2014-2019. *[Note: State and federal grant funding, as well as non-City or non-transportation funding from private interests or other agencies, is not included in transportation infrastructure costs for TIF calculations.]* The total amount of local transportation funding is then divided by the amount of transportation capacity assigned to new development and by the number of p.m. peak hour vehicle trips projected for the 12-year timeframe *[Determined by 2006 DEA TIF Study]*. The resulting 2014 base rate is **\$1,907** per p.m. peak hour vehicle trip, which is a slight decrease (-\$18/trip) from 2013.

Bellingham's TIF rate is relatively low compared to most cities in western Washington (Figure 1) and is the lowest of the three largest population centers in Whatcom County (Figure 2). Bellingham's TIF rate has been very stable for the past 7 years (Figure 3) due to the City's success in securing State and federal grant funding for transportation projects. This minimizes the amount of local transportation funding used for capital projects, which then helps to keep the TIF rate relatively low.

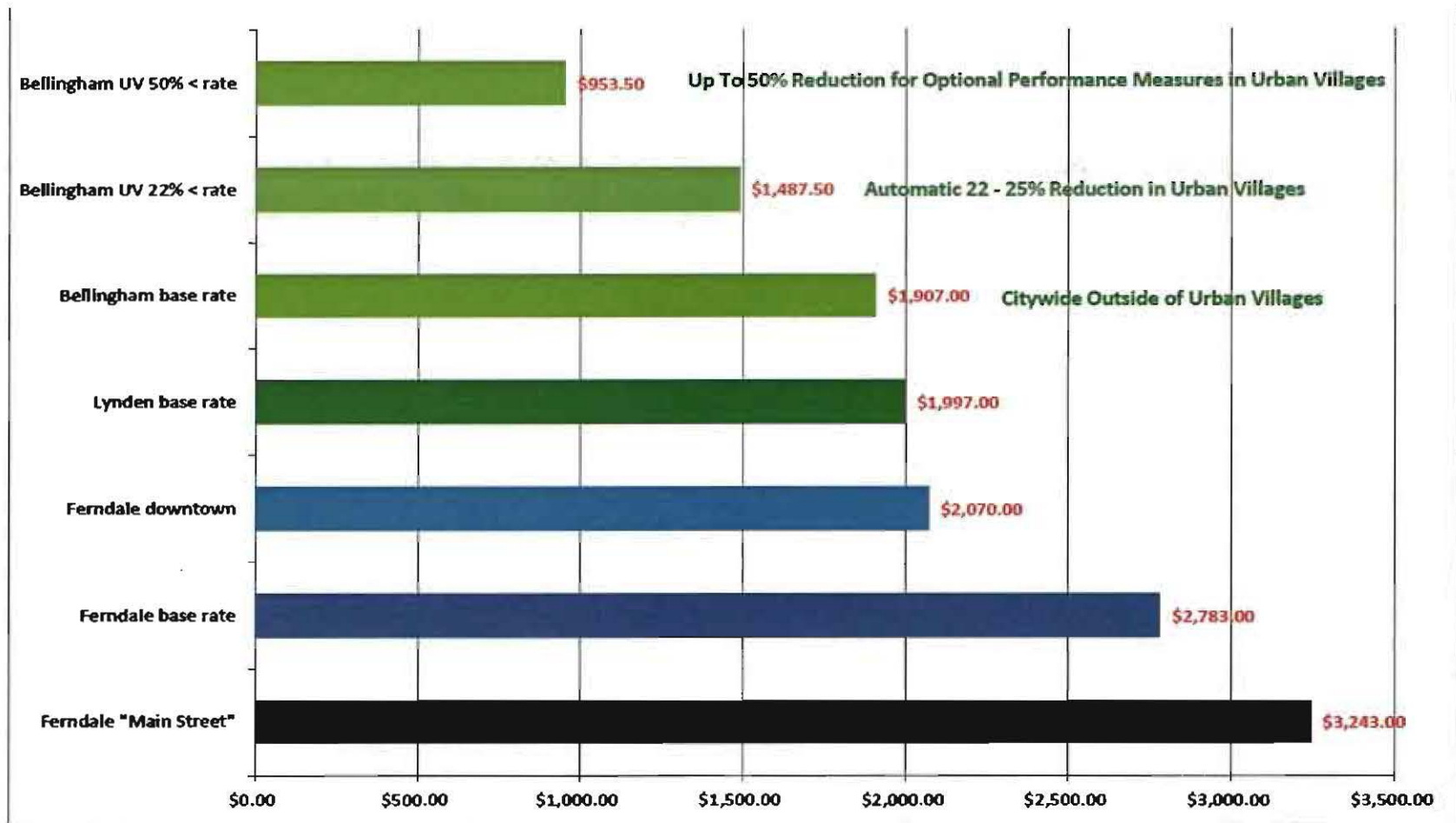
On November 8, 2013, the Bellingham Public Works Department sent a courtesy letter notifying the Building Industry Association of Whatcom County (BIAWC) Board of Directors of the anticipated decrease to the TIF charges for 2014 and copied the City Council and the Mayor. Pending Council's adoption of the 2014 TIF Resolution, notices announcing the slight decrease to 2014 TIF charges have also been posted in the Permit Center since November 12, 2013. Once adopted by Council Resolution, the 2014 TIF base rate of \$1,907 per pm peak hour vehicle trip would become effective on Wednesday, January 1, 2014.

Staff Recommendation: Move to approve the attached Ordinance 2013-___ adopting a Transportation Impact Fee base rate of **\$1,907** per pm peak hour vehicle trip for 2014 and revising the TIF rate schedule accordingly in BMC 19.06.040.

TABLE 1: 10-STEP CALCULATION TO ESTABLISH 2014 TIF BASE RATE								
2014 TIF Equation:	Funded							
		Calculated	Calculated	TransCad	Calculated	Compare	Net	Percent
Total 2008-2012 Actual Capital [1]	\$27,735,008	Growth %	Growth	12-Year	2014 Cost	2013 Cost	Change	Change
2013 Revised Budget Funding [2]	\$7,466,246	Capacity	Proportion	Vehicle	Per Vehicle	Per Vehicle	From	From
TIF Eligible Local Funds 2014-2019 TIP [3]	\$14,973,000	Used	Share	Trips	Trip	Trip	2013 TIF	2013 TIF
TIF Eligible Project Funding [4]	\$50,174,254	x 50.2%	\$25,187,475	13,209 =	\$1,907	\$1,925	(-\$18)	(-1.0%)
		[5]	[6]	[7]	[8]		[9]	[10]

- NOTES [1] Receipts of actual local capital expenditures 2008 through 2012
[2] 2013 Revised budget local funding for 2013 construction projects (Includes TBD 1/3 Non-Motorized)
[3] Total local TIF eligible capital expenditures programmed in 2014-2019 TIP (Includes local match for fed/State/EDI grants)
[4] Total local TIF eligible capital expenditures for 2014 TIF calculation
[5] 2006 TIF Study established that 50.2% of 20-year capacity consumed by new growth
[6] Total proportional fair share cost allocated to new growth based on capacity consumed
[7] 2006 TIF Study total pm peak trips allocated to 12 one-year slices of 20-year growth
[8] Proportional cost of one pm peak vehicle trip
[9] Net cost change in TIF base rate from 2013 to 2014
[10] Percent increase of 2014 TIF relative to 2013 TIF

**Figure 1. 2014 Transportation Impact Fee (TIF) Rates
in Whatcom County's Largest Population Centers**



(Cost per 4:00-6:00pm peak hour vehicle trip)

UV = Urban Villages (Downtown, Fairhaven, Barkley, Old Town, Samish, Fountain, & future Waterfront District)

**A Comparison of 2014 TIF Base Rates in 60+ Cities and 5 Counties in Western Washington
With TIF Base Rates for Whatcom County Cities Highlighted for Emphasis**

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

(Data compiled December 2012 [Updated 2013] by Chris Comeau, AICP, Transportation Planner, Bellingham Public Works)

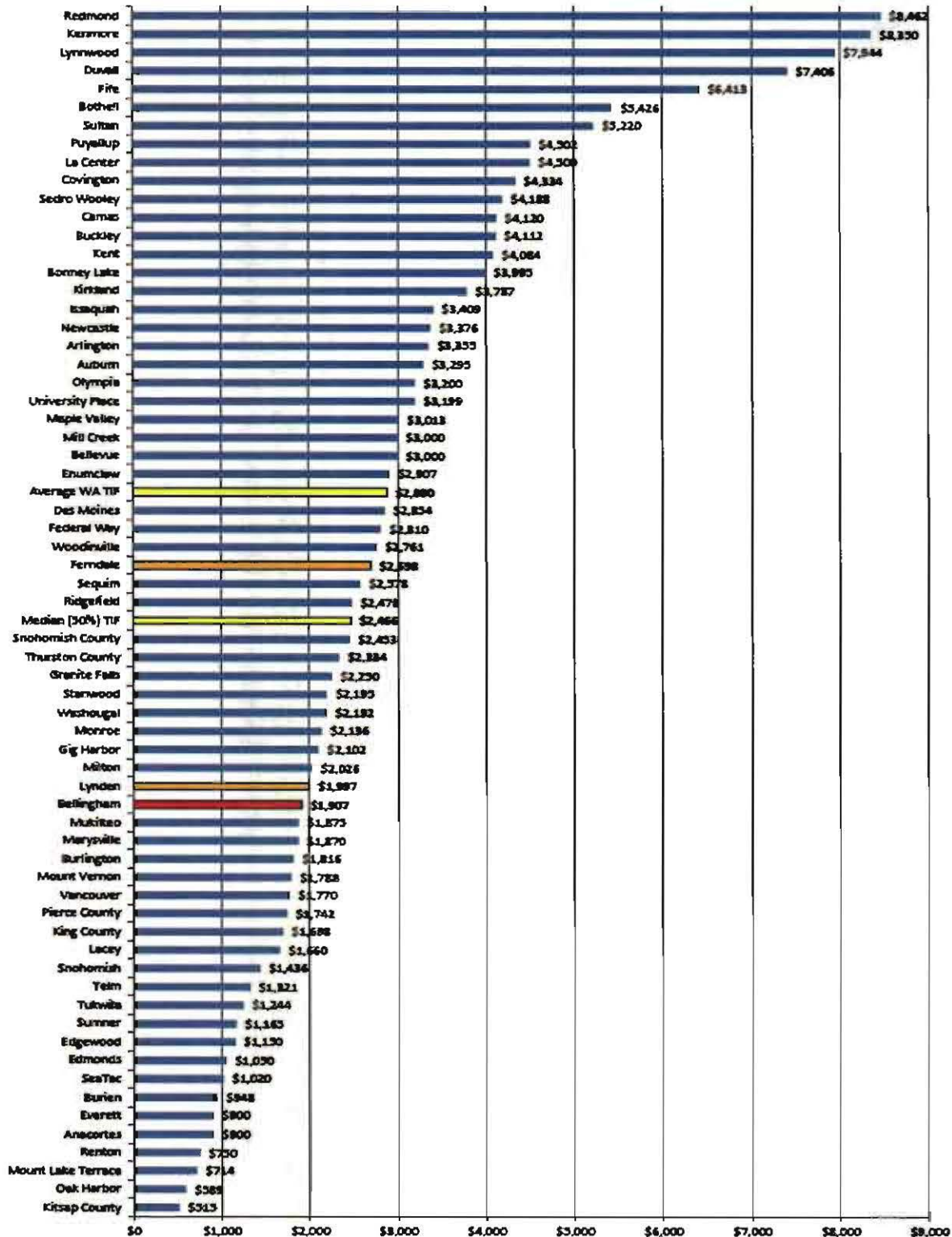
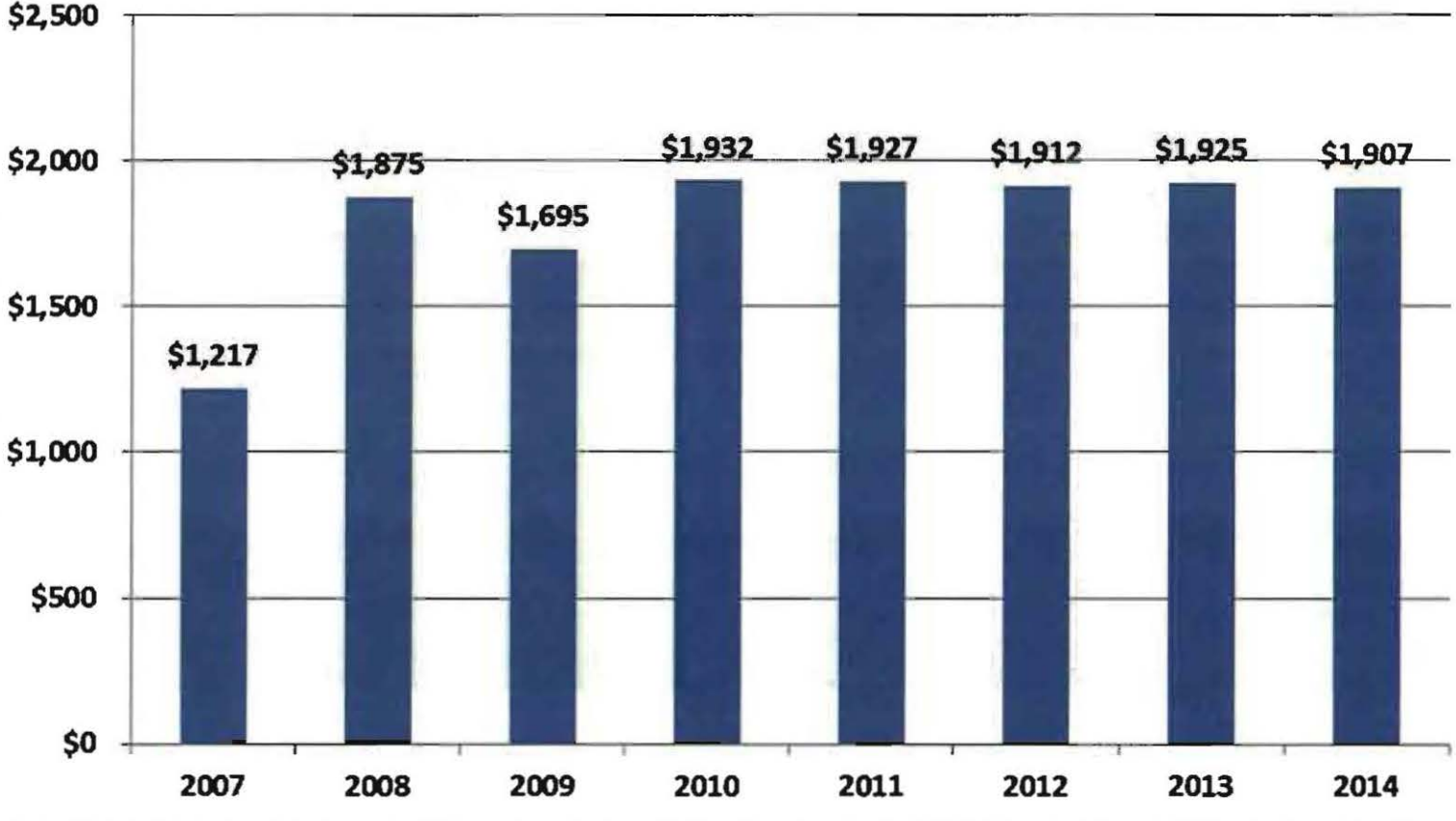


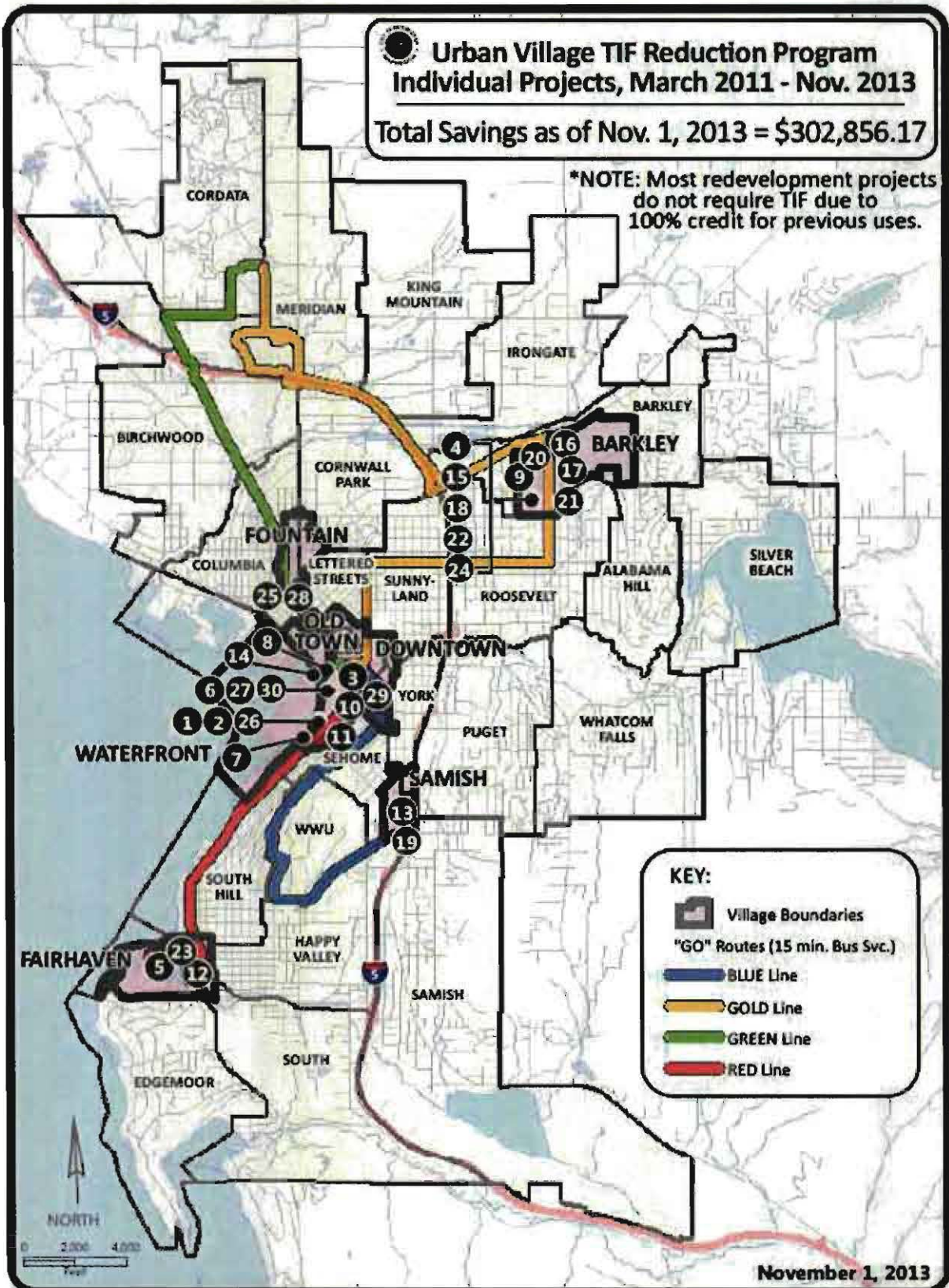
Figure 3. TIF Base Rates 2007-2014



**Urban Village TIF Reduction Program
Individual Projects, March 2011 - Nov. 2013**

Total Savings as of Nov. 1, 2013 = \$302,856.17

***NOTE: Most redevelopment projects do not require TIF due to 100% credit for previous uses.**



KEY:

- Village Boundaries
- "GO" Routes (15 min. Bus Svc.)**
- BLUE Line
- GOLD Line
- GREEN Line
- RED Line

November 1, 2013

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BELLINGHAM, WASHINGTON ADOPTING A TRANSPORTATION IMPACT FEE BASE RATE AND RATE SCHEDULE FOR 2014.

WHEREAS, the City of Bellingham is authorized under Washington State law to impose Transportation Impact Fees ("TIF") pursuant to Revised Code of Washington ("RCW") 82.02.050 - .090 for the purpose of collecting a proportional fair share contribution toward the capital improvement costs of transportation infrastructure to accommodate new growth; and

WHEREAS, the City of Bellingham adopted a TIF ordinance in 1993, codified as Bellingham Municipal Code ("BMC") 19.06, and has since assessed all new development for transportation impact fees; and

WHEREAS, BMC 19.06.040(A) requires that "A revised schedule shall be adopted each year by the city council concurrent with, or subsequent to, the adoption of the Six-Year Transportation Improvement Program for arterial streets."; and

WHEREAS, the City of Bellingham's 2013 TIF base rate is \$1,925 per p.m. peak hour vehicle trip, as adopted by the City Council in Resolution 2012-34 on December 10, 2012; and

WHEREAS, City of Bellingham transportation planning staff have calculated the 2014 TIF base rate and rate schedule in accordance with BMC 19.06; and

WHEREAS, the City Council held a public hearing regarding the 2014-2019 Transportation Improvement Program on May 20, 2013 and two work sessions on June 3 and June 17, 2013 and approved Resolution 2013-08 adopting the 2014-2019 Transportation Improvement Program; and

WHEREAS, State law (RCW 82.02.050 - .090) requires that transportation impact fees collected by a jurisdiction must be spent for capital improvements to transportation infrastructure needed as a result of growth within six years or the collected fees must be refunded with interest; and

WHEREAS, transportation impact fees based on common Institute of Transportation Engineers (ITE) trip generation rates should reflect future developments' proportional share contributions toward city-wide capital improvement costs for transportation infrastructure needed to serve new growth and development; and

City of Bellingham
CITY ATTORNEY
210 Lottie Street
Bellingham, Washington 98225
Telephone (360) 778-8270

WHEREAS, on November 8, 2013, the City of Bellingham Public Works Department provided a courtesy letter notifying the Building Industry Association of Whatcom County (BIAWC) Board of Directors of anticipated slight decrease to the TIF rates for 2014; and

WHEREAS, after published notice, the City Council held a public meeting regarding the proposed ordinance on December 9, 2013; and

WHEREAS, the City Council has considered the decrease to the TIF base rate and rate schedule for 2014 and finds this ordinance to be in the best interests of the City of Bellingham and its citizens.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BELLINGHAM DOES HEREBY ORDAIN THAT:

Section 1. The Transportation Impact Fee (TIF) base rate charged to new development proposals seeking building permits in Bellingham shall be \$1,907 per p.m. peak hour vehicle trip.

Section 2. BMC 19.06.040 is amended to repeal Table 19.06.040(A) and replace it with the 2014 TIF rate schedule attached hereto as Exhibit A.

Section 3. This ordinance shall take effect January 1, 2014.

PASSED by the Council this _____ day of _____, 2013.

Council President

APPROVED by me this ____ day of _____, 2013.

Mayor

ATTEST:

City of Bellingham
CITY ATTORNEY
210 Lottie Street
Bellingham, Washington 98225
Telephone (360) 778-8270

Finance Director

APPROVED AS TO FORM:

Office of the City Attorney

Published:

Table 19.06.040 (A.)			2014 TIF Base Fee: \$1,907 /pm trip					Urban Village Trip/TIF Reduction Program								
Land Use Group	ITE Code 1	ITE Land Use Category ¹ <small>*Common land uses in Bellingham, but NOT all-inclusive of ITE 9th Edition.</small>	ITE Trip Rate ²	Passby, Diverted Link % ³	Net New Trips per Dev Unit ⁴	Citywide Impact Fee per Development ⁴	Less 22% Trip Rate ⁷	Less 22% Impact Fee per Development ⁷		Less 25% Trip Rate ⁷	Less 25% Impact Fee per Development ⁷		Less 50% Trip Rate ⁷	Less 50% Impact Fee per Development ⁷		
								Unit	\$		Unit	\$		Room	\$	Room
Residential	210	Single Family House	1.00	0%	1.00	\$ 1,907	Unit	0.78	\$1,487.46	Unit	0.75	\$1,430.25	Unit	0.50	\$953.50	Unit
	221	1-2 story (low-rise) Apartment/ADU	0.58	0%	0.58	\$ 1,106	Unit	0.45	\$862.73	Unit	0.44	\$829.55	Unit	0.29	\$553.03	Unit
	223	3-10 story (mid-rise) Apartment	0.39	0%	0.39	\$ 744	Unit	0.30	\$580.11	Unit	0.29	\$557.80	Unit	0.20	\$371.87	Unit
	231	1-2 story Condo/Townhse/Duplex	0.78	0%	0.78	\$ 1,487	Unit	0.61	\$1,160.22	Unit	0.59	\$1,115.60	Unit	0.39	\$743.73	Unit
	232	3+ story Condo / Townhouse	0.38	0%	0.38	\$ 725	Unit	0.30	\$565.23	Unit	0.29	\$543.50	Unit	0.19	\$382.33	Unit
Residential - Hotel	310	Hotel (Hampton/Marriot/LaQuinta)	0.70	0%	0.70	\$ 1,334.90	Room	0.55	\$ 1,041.22	Room	0.53	\$1,001.18	Room	0.35	\$ 667.45	Room
	320	Motel (Exterior Corridors & Stairs)	0.58	0%	0.58	\$ 1,106.06	Room	0.45	\$ 862.73	Room	0.44	\$829.55	Room	0.29	\$ 553.03	Room
Public Education	520	Public Elementary School	1.76	0%	1.76	\$ 3,356.32	Employee	1.37	\$ 2,617.93	Employee	1.32	\$ 2,517.24	Employee	0.88	\$ 1,678.16	Employee
	540	Community/Technical College	2.54	0%	2.54	\$ 4.84	Sq. Ft.	1.98	\$ 3.78	Sq. Ft.	1.91	\$ 3.63	Sq. Ft.	1.27	\$ 2.42	Sq. Ft.
	550	University/College (WWU)	0.17	0%	0.17	\$ 324.19	Student	All WWU Students Pay For and Possess WTA Bus Passes for High-Frequency Service to WWU								
Private Education	534	Private School K-8 & K-12	0.17	0%	0.17	\$ 324.19	Student	0.13	\$ 252.87	Student	0.13	\$ 243.14	Student	0.09	\$ 152.10	Student
	565	Day Care Center ⁵	0.81	90%	0.08	\$ 154.47	Student	0.06	\$ 120.48	Student	0.06	\$ 115.85	Student	0.04	\$ 77.23	Student
	560	Church	0.55	0%	0.55	\$ 1.05	Sq. Ft.	0.43	\$ 0.82	Sq. Ft.	0.41	\$ 0.79	Sq. Ft.	0.28	\$ 0.52	Sq. Ft.
Industrial	110	General Light Industrial	0.87	0%	0.97	\$ 1.85	Sq. Ft.	0.76	\$ 1.44	Sq. Ft.	0.73	\$ 1.39	Sq. Ft.	0.49	\$ 0.92	Sq. Ft.
	120	General Heavy Industrial	0.68	0%	0.68	\$ 1.30	Sq. Ft.	0.53	\$ 1.01	Sq. Ft.	0.51	\$ 0.97	Sq. Ft.	0.34	\$ 0.65	Sq. Ft.
	140	Manufacturing	0.73	0%	0.73	\$ 1.39	Sq. Ft.	0.57	\$ 1.09	Sq. Ft.	0.55	\$ 1.04	Sq. Ft.	0.37	\$ 0.70	Sq. Ft.
	150	Warehouse	0.32	0%	0.32	\$ 0.61	Sq. Ft.	0.25	\$ 0.48	Sq. Ft.	0.24	\$ 0.46	Sq. Ft.	0.16	\$ 0.31	Sq. Ft.
	151	Mini-Warehouse (Storage Units) ⁶	0.22	0%	0.22	\$ 0.42	Sq. Ft.	0.17	\$ 0.33	Sq. Ft.	0.17	\$ 0.31	Sq. Ft.	0.11	\$ 0.21	Sq. Ft.
Offices	710	General Office (Admin/Finance/etc)	1.49	0%	1.49	\$ 2.84	Sq. Ft.	1.16	\$ 2.22	Sq. Ft.	1.12	\$ 2.13	Sq. Ft.	0.75	\$ 1.42	Sq. Ft.
	720	Medical/Dental Office	3.57	0%	3.57	\$ 6.81	Sq. Ft.	2.78	\$ 5.31	Sq. Ft.	2.68	\$ 5.11	Sq. Ft.	1.78	\$ 3.40	Sq. Ft.
Recreation	492	Health Fitness Club (BAC, Golds etc)	3.53	0%	3.53	\$ 6.73	Sq. Ft.	2.75	\$ 5.25	Sq. Ft.	2.65	\$ 5.05	Sq. Ft.	1.77	\$ 3.37	Sq. Ft.
	495	Recreational Community (YMCA)	1.45	0%	1.45	\$ 2.77	Sq. Ft.	1.13	\$ 2.16	Sq. Ft.	1.09	\$ 2.07	Sq. Ft.	0.73	\$ 1.38	Sq. Ft.
Retail - Automotive	841	Automobile Sales ⁶	2.45	0%	2.45	\$ 4.67	Sq. Ft.	Automotive Uses Not Eligible for Urban Village TIF Reduction								
	843	Automobile Parts Sales	5.98	43%	3.41	\$ 6.50	Sq. Ft.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	941	Quick Lube Vehicle Shop	5.19	42%	3.01	\$ 5,740	VSP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	942	Auto Care Center (Harmony Motors)	3.11	28%	2.24	\$ 4.27	Sq. Ft.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	944	Gas Station ⁶	13.87	42%	8.04	\$ 15,341	VSP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
945	Gas Station w/Convenience Market	13.51	56%	5.94	\$ 11,336	VSP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Retail - Services	812	Building Materials & Lumber Store	4.49	0%	4.49	\$ 8.56	Sq. Ft.	3.50	\$ 6.68	Sq. Ft.	3.37	\$ 6.42	Sq. Ft.	2.25	\$ 4.28	Sq. Ft.
	816	Hardware/Paint Store	4.84	0%	4.84	\$ 9.23	Sq. Ft.	3.78	\$ 7.20	Sq. Ft.	3.63	\$ 6.92	Sq. Ft.	2.42	\$ 4.61	Sq. Ft.
	826	Specialty Retail ⁶ (Merch Bot, etc)	2.71	25%	2.03	\$ 3.88	Sq. Ft.	1.59	\$ 3.02	Sq. Ft.	1.52	\$ 2.91	Sq. Ft.	1.02	\$ 1.94	Sq. Ft.
	820	Shopping Center (Sunset Square)	3.71	34%	2.45	\$ 4.67	Sq. Ft.	1.91	\$ 3.64	Sq. Ft.	1.84	\$ 3.50	Sq. Ft.	1.22	\$ 2.33	Sq. Ft.
	850	Supermarket (Haggen/Cost Cutter)	9.48	36%	6.07	\$ 11.57	Sq. Ft.	4.73	\$ 9.02	Sq. Ft.	4.55	\$ 8.68	Sq. Ft.	3.03	\$ 5.79	Sq. Ft.
	851	Convenience Market (Open 24 hrs)	52.41	61%	20.44	\$ 38.98	Sq. Ft.	15.94	\$ 30.40	Sq. Ft.	15.33	\$ 29.23	Sq. Ft.	10.22	\$ 19.49	Sq. Ft.
	854	Discount Supermarket (Winco)	8.34	23%	6.42	\$ 12.25	Sq. Ft.	5.01	\$ 9.55	Sq. Ft.	4.82	\$ 9.18	Sq. Ft.	3.21	\$ 6.12	Sq. Ft.
	857	Discount Club (Costco)	4.18	0%	4.18	\$ 7.97	Sq. Ft.	3.26	\$ 6.22	Sq. Ft.	3.14	\$ 5.98	Sq. Ft.	2.09	\$ 3.99	Sq. Ft.
	876	Apparel Store	3.83	25%	2.87	\$ 5.48	Sq. Ft.	2.24	\$ 4.27	Sq. Ft.	2.15	\$ 4.11	Sq. Ft.	1.44	\$ 2.74	Sq. Ft.
	880	Pharmacy/Drug Store	8.40	53%	3.95	\$ 7.53	Sq. Ft.	3.08	\$ 5.87	Sq. Ft.	2.96	\$ 5.65	Sq. Ft.	1.97	\$ 3.76	Sq. Ft.
	881	Pharmacy/Drug Store w/Drive-up	9.91	49%	5.05	\$ 9.64	Sq. Ft.	Drive-Thru Uses Not Eligible for Urban Village TIF Reduction								
	890	Furniture Store	0.45	53%	0.21	\$ 0.40	Sq. Ft.	0.16	\$ 0.31	Sq. Ft.	0.16	\$ 0.30	Sq. Ft.	0.11	\$ 0.20	Sq. Ft.
912	Bank with Drive-up Teller(s)	33.24	90%	3.32	\$ 6,338	Window	Drive-Thru Uses Not Eligible for Urban Village TIF Reduction									
918	Hair/Nail Salon	1.45	0%	1.45	\$ 2.77	Sq. Ft.	1.13	\$ 2.16	Sq. Ft.	1.09	\$ 2.07	Sq. Ft.	0.73	\$ 1.38	Sq. Ft.	
Retail - Food/Drink	925	Drinking Place ⁶	11.34	75%	2.84	\$ 5.41	Sq. Ft.	2.21	\$ 4.22	Sq. Ft.	2.13	\$ 4.05	Sq. Ft.	1.42	\$ 2.70	Sq. Ft.
	931	Quality Restaurant (Hearth Fire)	7.49	44%	4.19	\$ 8.00	Sq. Ft.	3.27	\$ 6.24	Sq. Ft.	3.15	\$ 6.00	Sq. Ft.	2.10	\$ 4.00	Sq. Ft.
	932	High Turnover Restaurant (Busara)	9.85	43%	5.61	\$ 10.71	Sq. Ft.	4.38	\$ 8.35	Sq. Ft.	4.21	\$ 8.03	Sq. Ft.	2.81	\$ 5.35	Sq. Ft.
	933	Fast Food (Pita Pit/Jimmy John's)	26.15	50%	13.08	\$ 24.93	Sq. Ft.	10.20	\$ 19.45	Sq. Ft.	9.81	\$ 18.70	Sq. Ft.	6.54	\$ 12.47	Sq. Ft.
	934	Fast Food w/Drive-up (McDonalds)	32.85	50%	16.33	\$ 31.13	Sq. Ft.	Drive-Thru Uses Not Eligible for Urban Village TIF Reduction								
938	Driveup Coffee Stand ⁶ (Cruise Coffee)	2.00	0%	2.00	\$ 3,814.00	Window	Drive-Thru Uses Not Eligible for Urban Village TIF Reduction									

¹ Institute of Transportation Engineers, Trip Generation (9th Edition) *This worksheet represents only the most common uses permitted in Bellingham and is NOT all-inclusive of the 172 ITE land use categories.

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (Weekday, 4-6 pm). Note: Sq. Ft. rate expressed per 1000 SF for convenience of development community.

³ Average Pass-by Rates, per Trip Generation Handbook: an ITE Recommended Practice (2nd Edition), June, 2004

⁴ Unit = dwelling unit; Sq. Ft. = Square Feet; VSP = vehicle servicing position; Student = WWU student w bus pass; Room = Available Hotel/Motel Room

⁵ Public Works allows some mixed-use and commercial development to be categorized as "Specialty Retail Centers" with 25% pass-by.

⁶ Local trip generation studies performed by consulting engineers and accepted by Bellingham Public Works.

⁷ Only in Urban Villages adopted in Bellingham Comprehensive Plan and shown on attached map.