

## CITY OF BELLINGHAM STAFF REPORT FOR CITY COUNCIL

|                       |                                                                                                                          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Agenda Topic:</b>  | <b>Ordinance to establish 2015 base rate for Transportation Impact Fees, as per BMC 19.06.</b>                           |
| <b>For:</b>           | December 7, 2015 City Council Public Works Committee work session                                                        |
| <b>Staff Contact:</b> | Chris Comeau, AICP-CTP, Transportation Planner<br>(360) 778-7946 or <a href="mailto:ccomeau@cob.org">ccomeau@cob.org</a> |

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 15, 2015, the Bellingham City Council adopted Resolution 2015-09 approving Bellingham's 2016-2021 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 2016 (Table 1), the City's actual expenditures of local transportation funding (Street, REET, TBD) for capital transportation infrastructure constructed between 2010-2014 are combined with the local funding in the capital transportation construction budget for 2015 and programmed local funds for multimodal transportation infrastructure needed to accommodate new growth and development between 2016-2021. *[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 2016 base rate is **\$2,017** per p.m. peak hour vehicle trip, which is an increase (\$148/trip) from 2015.

Bellingham's TIF rate has been very stable for the past 8 years (Figure 1) 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 low. Bellingham's TIF rate is the second lowest in the urban centers in Whatcom County (Figure 2) and is in the bottom third of all cities in western Washington (Figure 3).

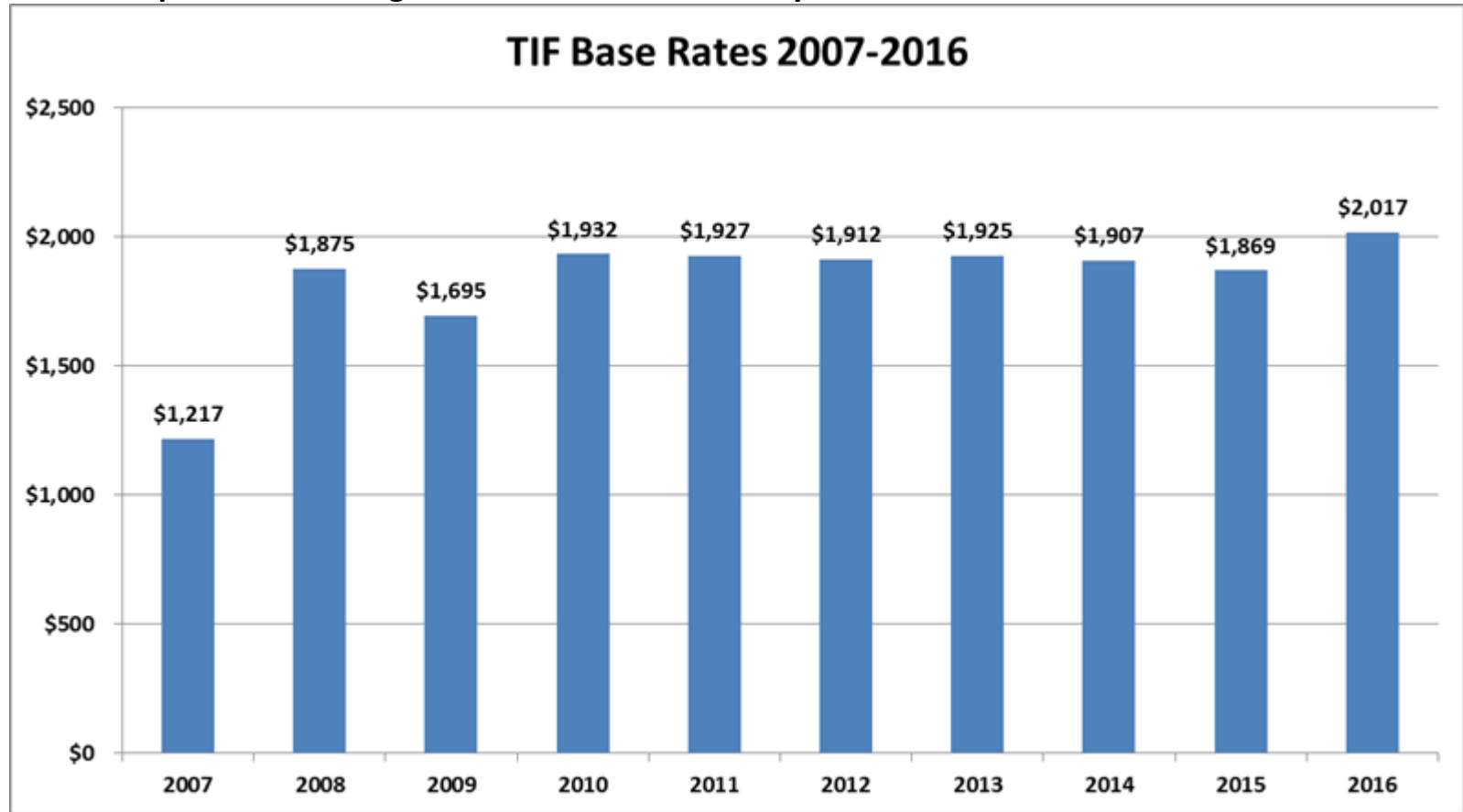
On November 6, 2014, the Bellingham Public Works Department sent a courtesy letter notifying the Building Industry Association of Whatcom County (BIAWC) Board of Directors of the anticipated increase to the TIF charges for 2016 and copied the City Council and the Mayor. Pending Council's adoption of the 2016 TIF Ordinance, notices announcing the increase to 2016 TIF charges have also been posted in the Permit Center since November 6, 2015. Once adopted by Ordinance, the 2016 TIF base rate of \$2,017 per pm peak hour vehicle trip would become effective on Friday, January 1, 2016.

**Staff Recommendation:** Move to approve the attached Ordinance adopting a Transportation Impact Fee base rate of **\$2,017** per pm peak hour vehicle trip for 2016 and revising the TIF rate schedule (Exhibit A) accordingly in BMC 19.06.040.

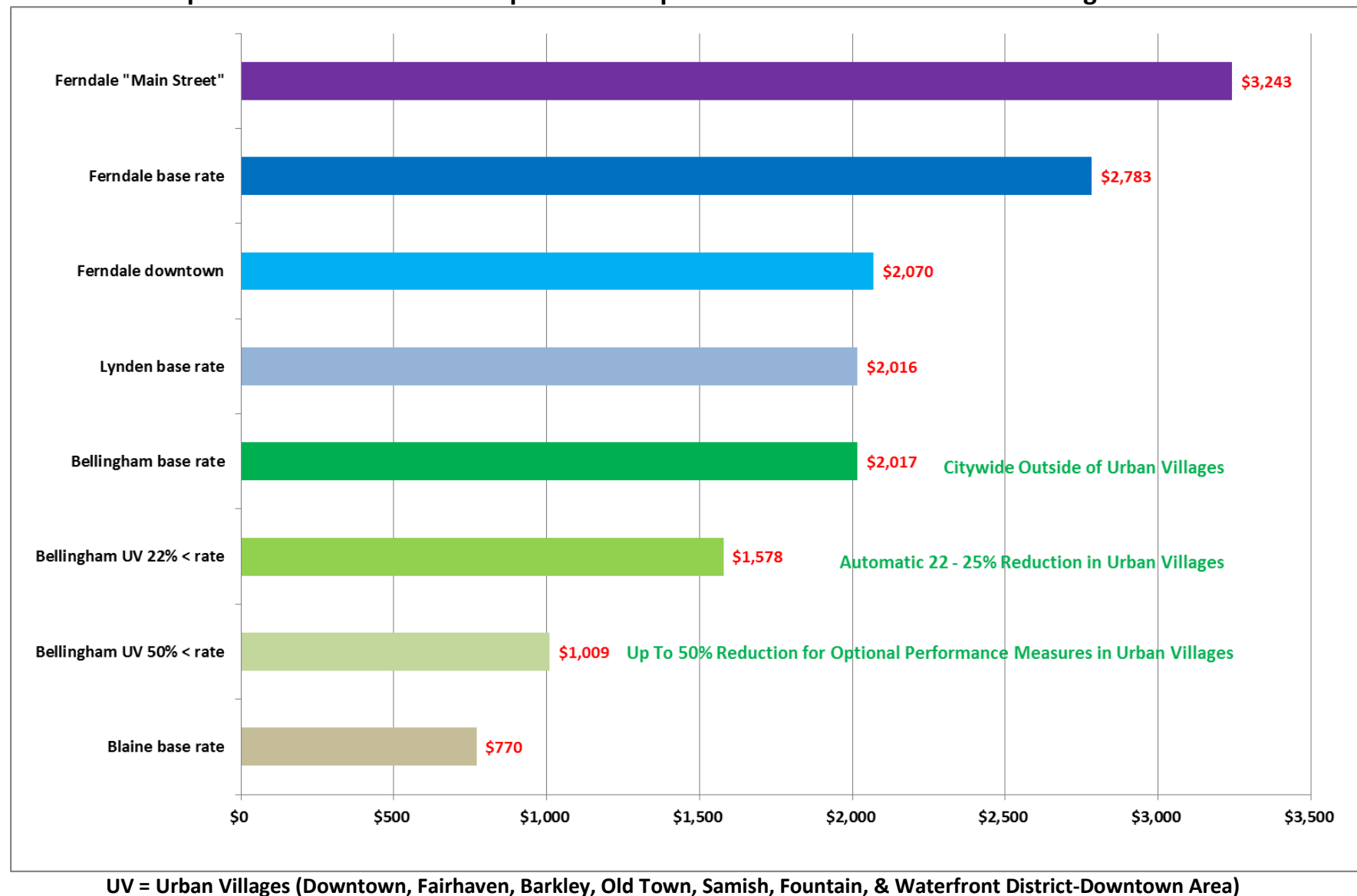
## Calculation of 2016 TIF Base Rate

|                                                                                                                               |              |          |              |          |             |             |          |          |
|-------------------------------------------------------------------------------------------------------------------------------|--------------|----------|--------------|----------|-------------|-------------|----------|----------|
| Total 2010-2014 Actual Capital [1]                                                                                            | \$29,723,268 | Growth % | Growth       | 12-Year  | 2016 Cost   | 2015 Cost   | Change   | Change   |
| 2015 Revised Capital Budget Funds [2]                                                                                         | \$7,585,000  | Capacity | Proportion   | Vehicle  | Per Vehicle | Per Vehicle | From     | From     |
| TIF Eligible Local Funds 2016-2021 TIP [3]                                                                                    | \$15,775,000 | Used     | Share        | Trips    | Trip        | Trip        | 2015 TIF | 2015 TIF |
| TIF Eligible Project Funding [4]                                                                                              | \$53,083,268 | x 50.2%  | \$26,647,800 | 13,209 = | \$2,017     | \$1,869     | \$148    | 7.9%     |
|                                                                                                                               |              | [5]      | [6]          | [7]      | [8]         |             | [9]      | [10]     |
| NOTES                                                                                                                         |              |          |              |          |             |             |          |          |
| [1] Receipts of actual local capital expenditures 2009 through 2013                                                           |              |          |              |          |             |             |          |          |
| [2] 2015 Revised budget local funding for 2015 construction projects (Includes TBD 1/3 Non-Motorized)                         |              |          |              |          |             |             |          |          |
| [3] Total local TIF eligible capital expenditures programmed in 2016-2021 TIP (Includes local match for fed/State/EDI grants) |              |          |              |          |             |             |          |          |
| [4] Total local TIF eligible capital expenditures for 2016 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] 2016 proportional cost of one pm peak vehicle trip                                                                        |              |          |              |          |             |             |          |          |
| [9] Net cost change in TIF base rate from 2015 to 2016                                                                        |              |          |              |          |             |             |          |          |
| [10] Percent increase of 2016 TIF relative to 2015 TIF                                                                        |              |          |              |          |             |             |          |          |

**FIGURE 1. Comparison of Bellingham TIF Base Rate Over 10 years**



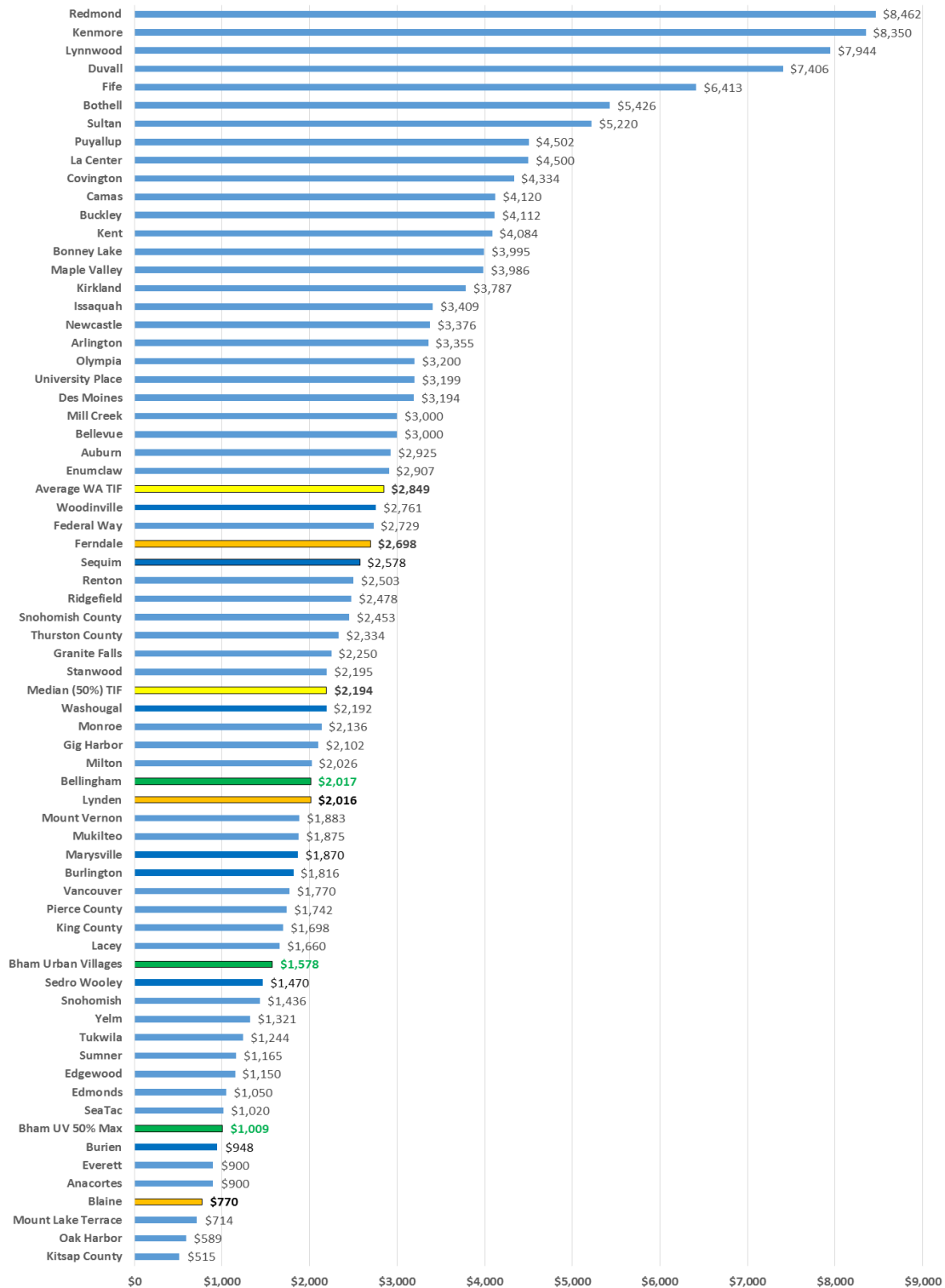
**FIGURE 2. Comparison of 2015-2016 Transportation Impact Fee Base Rates in Whatcom Region**



# **Comparison of 2015-2016 TIF Base Rates in 60\* Cities and 5 Counties in Western Washington With Whatcom County Cities and Bellingham's Urban Village TIF Reductions Highlighted for Emphasis**

*[City of Sammamish, WA \$14,064 TIF base rate excluded from calculations and graphic]*

Data compiled by Chris Comeau, AICP-CTP, Transportation Planner, Bellingham Public Works, November 2015



Cost Per P.M. Peak Hour (4:00 - 6:00pm) Vehicle Trip