

Chapter 10: Multimodal TIF System and Urban Village TIF Reduction Program - 2022

In December 2018, Bellingham adopted a new [Multimodal Transportation Impact Fee \(TIF\) System](#) based on 'person trips' rather than the traditional TIF system based on 'vehicle trips' with increasing TIF rates adopted for 2019-2025 (see below). The new Multimodal TIF system is consistent with policies and funding expectations in the Multimodal Transportation Chapter of the Bellingham Comprehensive Plan and was implemented on January 1, 2019. Bellingham is one of only four cities in Washington with Multimodal TIFs and this new program will help to provide critical funding contributions from private development to help complete the citywide pedestrian and bicycle networks, in addition to the street system for motorized auto, freight, and transit vehicles.

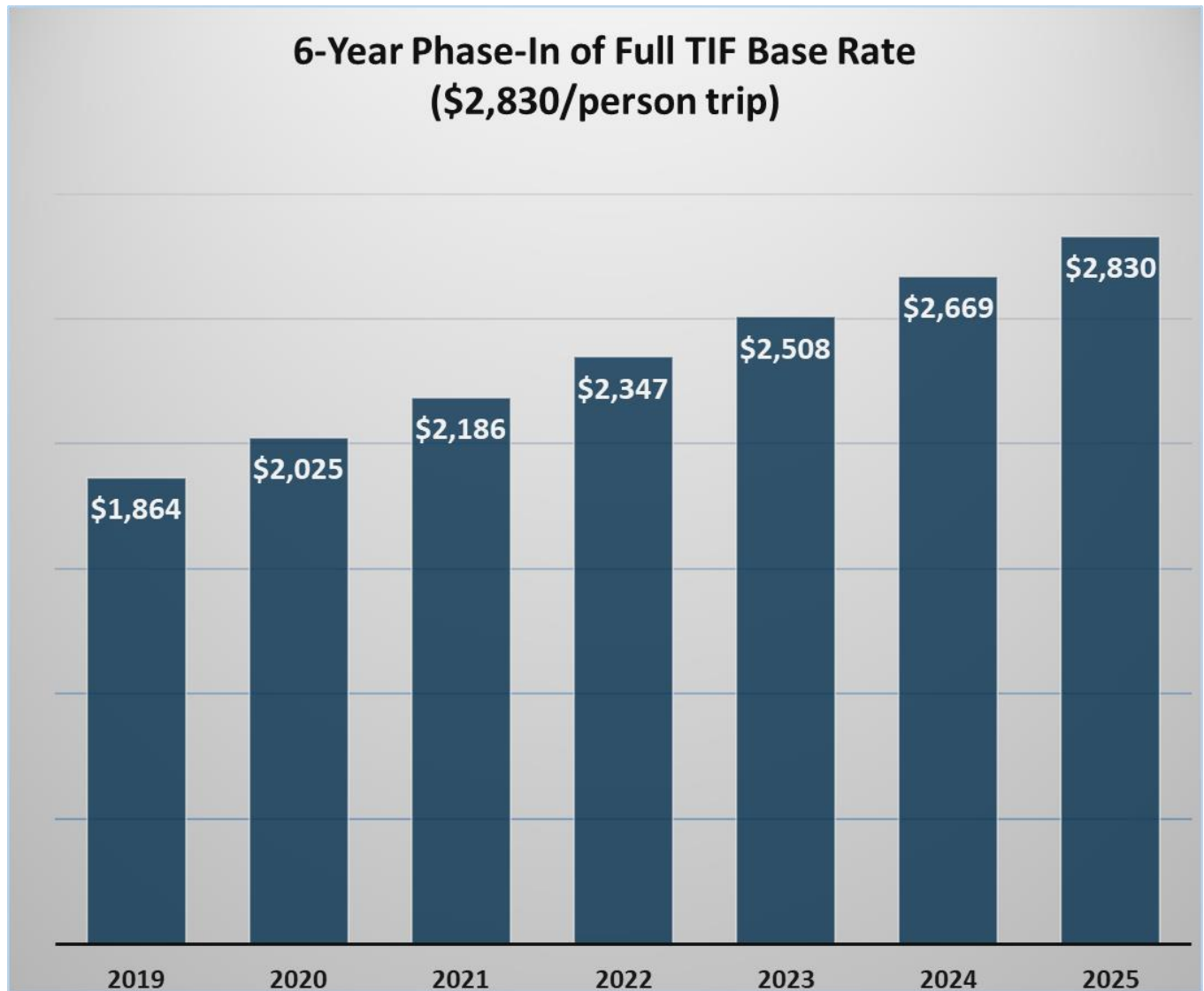
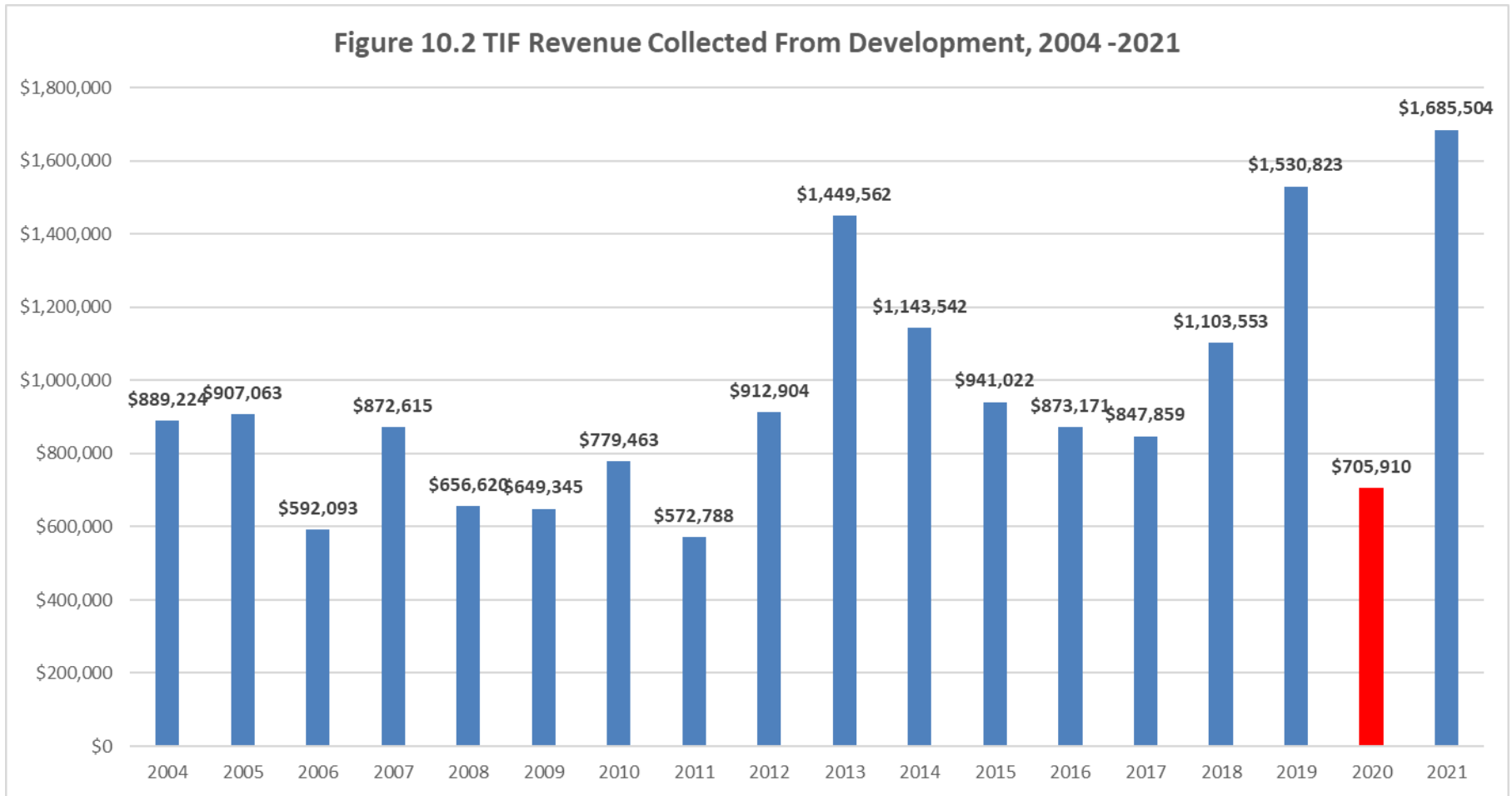


Figure 10.1 Adopted Bellingham TIF Base Rates, 2019-2025

Figure 10.2 TIF Revenue Collected From Development, 2004 -2021



In Bellingham, Transportation Impact Fees (TIF) were first assessed for private development beginning in 1995 with the adoption of the City’s first GMA-compliant Comprehensive Plan. Figure 10.2 shows the annual totals for TIF revenue collected from private development from 2004 through 2020. While some complain that the City charges too much in TIF rates, annual TIF revenue pales in comparison to the costs of providing transportation infrastructure. **In March 2020, the COVID-19 global pandemic significantly slowed private development activity and overall 2020 TIF revenue was 54% less than in 2019.** In 2021, despite labor and supply chain issues, private development activity resumed and TIF revenue is essentially back to normal.

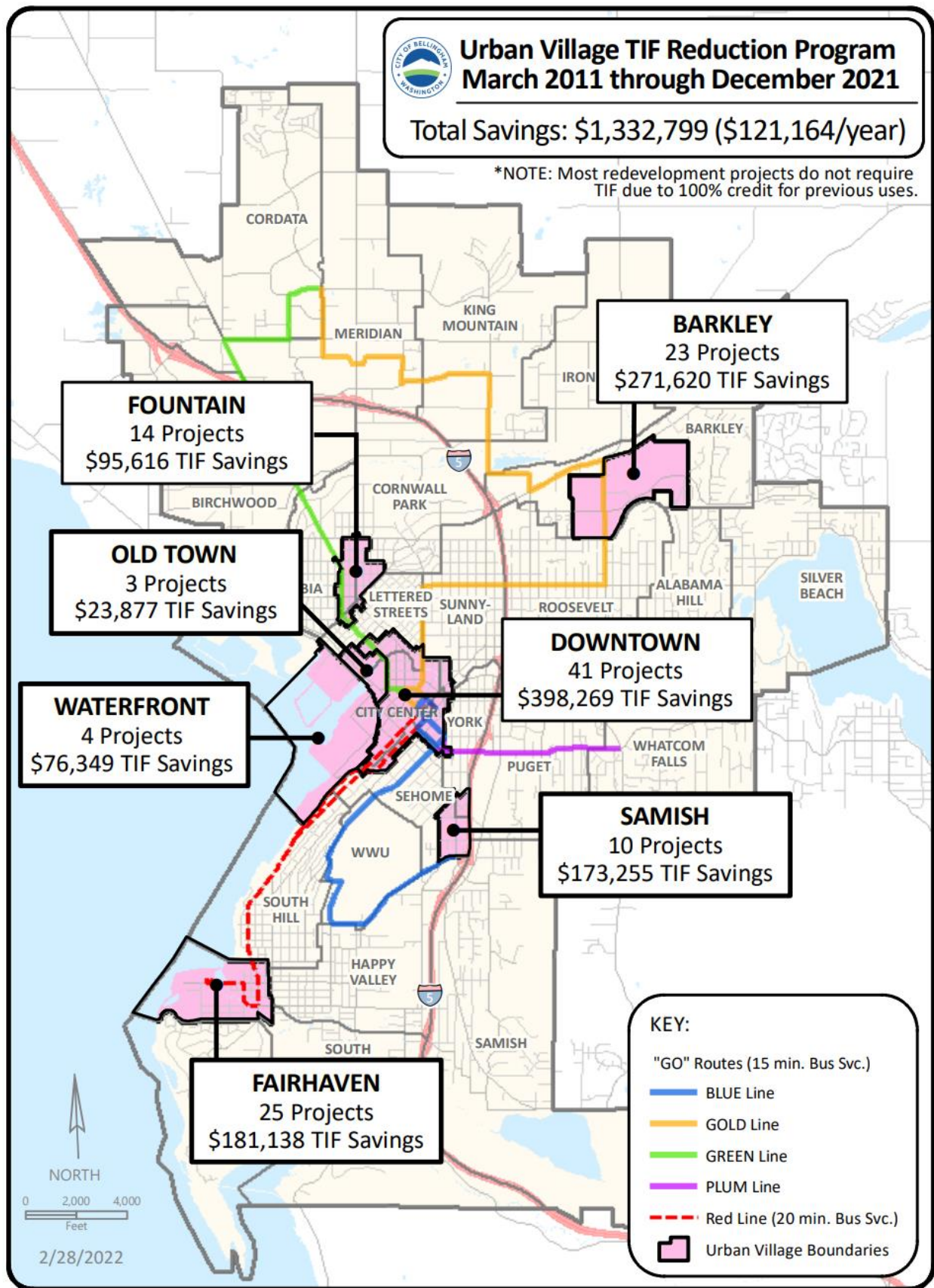


Figure 10.3. Urban Villages Eligible for TIF Reduction Program

Urban Village TIF Reduction Program

In 2010-2011, Public Works created Bellingham’s Urban Village Transportation Impact Fee (TIF) Reduction Program to provide an economic incentive for developers to help the City achieve its goals for infill growth in compact, mixed use Urban Villages served with complete sidewalk and bikeway networks and WTA high-frequency transit service. Success with this land use strategy is also expected to help the City achieve its long-term transportation mode shift goals (Figure 2.3 and Table 2.1).

A case study on the creation of this program is available in an article titled [The Urban Village TIF Reduction Program in Bellingham](#) on the City web site.

As shown in Figure 10.3 (above) and Table 10.1. (below), in the 11 years from March 2011 through December 2021, the Urban Village TIF Reduction Program has saved developers of 100 projects in Urban Villages over **\$1,332,799*** in TIFs, which is an average of about **\$121,164 per year**.

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

Bellingham Urban Village TIF Reduction (BMC 19.06.040) Cumulative Savings: March 1, 2011 to December 31, 2021¹										
Note: The 2021-2022 TIF Comparison Chart of 73 Cities and 5 Counties in western Washington at https://cob.org/wp-content/uploads/2021-2022-BhamWA-TIF-Comparison-Chart.pdf										
shows that Bellingham has one of the lowest TIF base rates in western Washington. Many redevelopment projects in Urban Villages do not require any TIFs due to 100% credit for previous uses.										
Data Tracked and Compiled by Chris Comeau, AICP-CTP, Transportation Planner, Public Works Engineering (360) 778-7946 or ccomeau@cob.org										
Designated Urban Villages in Bellingham	Total Projects	Infill Development Type			Automatic 22% - 25% Less		Voluntary Measures Up To 50%			Total
		Res Units	Comm SF	Office SF	UV TIF Cost ²	UV TIF Saved ²	Bike Rack ³	Bus Passes ⁴	CTR ⁵	
Downtown Urban Village	41	1,317	32,633	27,689	\$675,528	\$343,746	\$13,631	\$40,892	\$0	\$398,269
Fairhaven Urban Village	25	238	46,882	7,278	\$236,384	\$175,432	\$5,706	\$0	\$0	\$181,138
Barkley Urban Village	23	203	94,418	79,842	\$737,977	\$245,732	\$1,907	\$23,384	\$597	\$271,620
Samish Way Urban Village	10	429	13,934	16,446	\$239,300	\$171,117	\$2,138	\$0	\$0	\$173,255
Fountain District Urban Village	14	123	24,168	1,196	\$129,237	\$89,628	\$5,988	\$0	\$0	\$95,616
Old Town Urban Village	3	81	2,815	0	\$70,241	\$23,877	\$0	\$0	\$0	\$23,877
Waterfront District Urban Village (Granary-Laurel)	4	103	48,146	23,700	\$346,050	\$76,349	\$0	\$0	\$0	\$76,349
Institutional UV TIF Reductions (Type 1A-BMC 13.70)	3	150	0	66,457	\$239,173	\$112,675	\$0	\$0	\$0	\$112,675
Cumulative		Infill Development Type			Automatic 22% - 25% Less		Voluntary Measures Up To 50%			Total
All Urban Village TIF Reductions	Total Projects	Res Units	Comm SF	Office SF	UV TIF Cost ²	UV TIF Saved ²	Bike Rack ³	Bus Passes ⁴	CTR ⁵	TIF Saved ²
Grand Total Urban Village TIF Reductions from March 1, 2011 to December 31, 2019		2,644	262,996	222,608	\$2,673,890	\$1,238,556	\$29,370	\$64,276	\$597	\$1,332,799
Notes:	1.) Urban Village TIF Reduction Program adopted February 2011, implemented March 1, 2011. 2.) Net new TIF calculated only after 100% credit is awarded for previous uses. Most redevelopment projects do not require any new TIF due to previous use credit, which is included in this column. 3.) Developer purchase and installation of a City-approved bike rack with capacity for four bicycles in appropriate location can reduce overall trip generation by one vehicle trip. 4.) Developer purchase of up to 28 WTA bus passes can reduce TIF by up to maximum of 50% 5.) 10% trip reduction for businesses with more than 100 on-site employees, consistent with Washington State Commute Trip Reduction (CTR) law [RCW 70.94.527]									