

# Multimodal Transportation Impact Fees

FEHR PEERS

November 2018



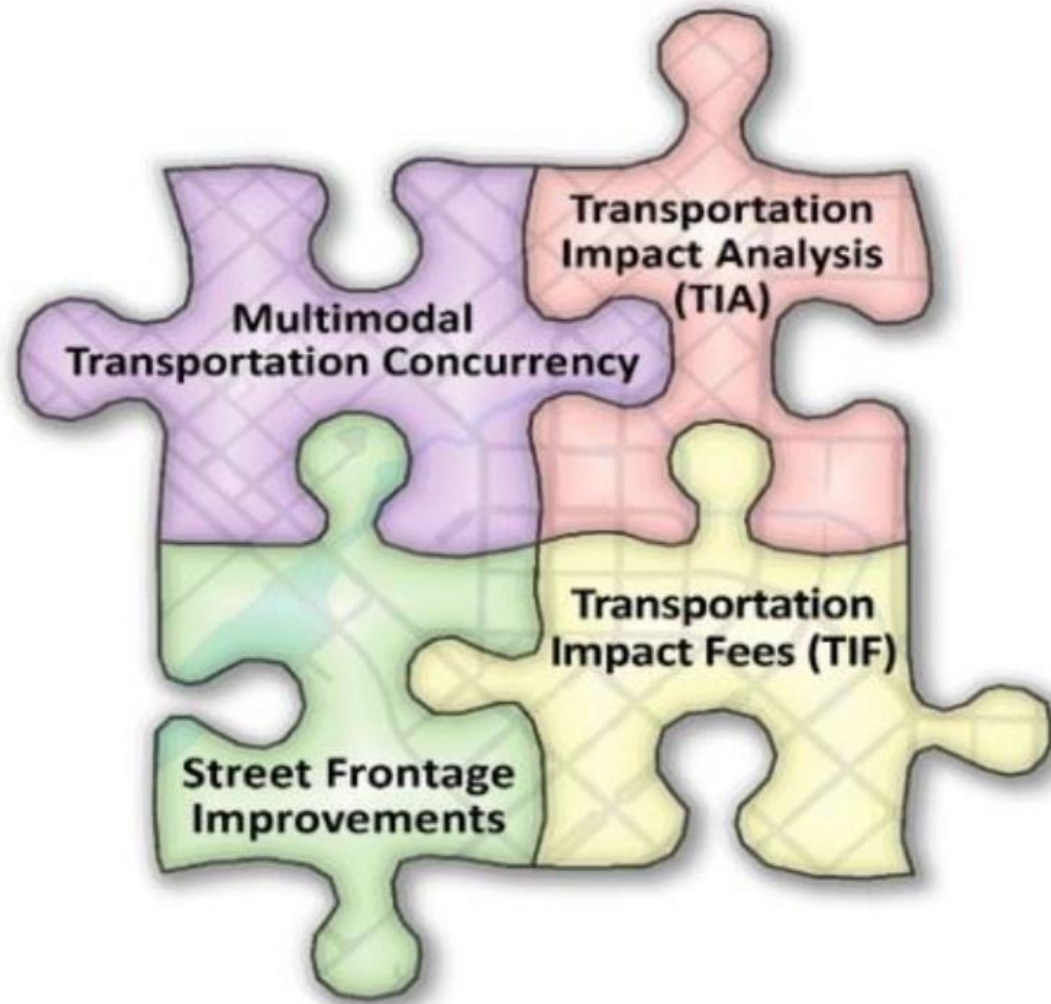
# What are TIFs? How do TIFs Work?

- Growth helping to pay for the costs to serve growth with transportation system improvements (**RCW 82.02**)
- Bellingham has been assessing TIFs since **1995** with adoption of first GMA-compliant Comprehensive Plan
- 1995 – 2006 TIF Zone System; 18 zones; variable rates
  - Extremely difficulty to administer year-to-year; unpredictable
  - Very inequitable between zones; not based on reality of mobility
- 2006 Comp Plan; 2007 Citywide TIF system; no zones
  - Citywide transportation system is used by everyone everyday
  - Upheld by WA Supreme Court (2006) in Drebeck v. Olympia
- Annual TIF Rate = Actual capital investment of local funds
  - 5 years of actual receipts (minus grant/partner funds)
  - Current year budget (minus grant/partner funds)
  - 6-Year TIP projects (minus grant/partner funds)





# TIF rate is based on date of permit application for development



## REGULATORY TRANSPORTATION MITIGATION

### **Multimodal Transportation Concurrency:**

- Sidewalk and bikeway completeness,
- WTA transit ridership and capacity, and
- Vehicular LOS for arterials & intersections

### **Transportation Impact Analysis:**

*(SEPA-based for now; Code-based in future)*

- Traffic signals, signal timing, sidewalks, safety, or payment in-lieu of improvements

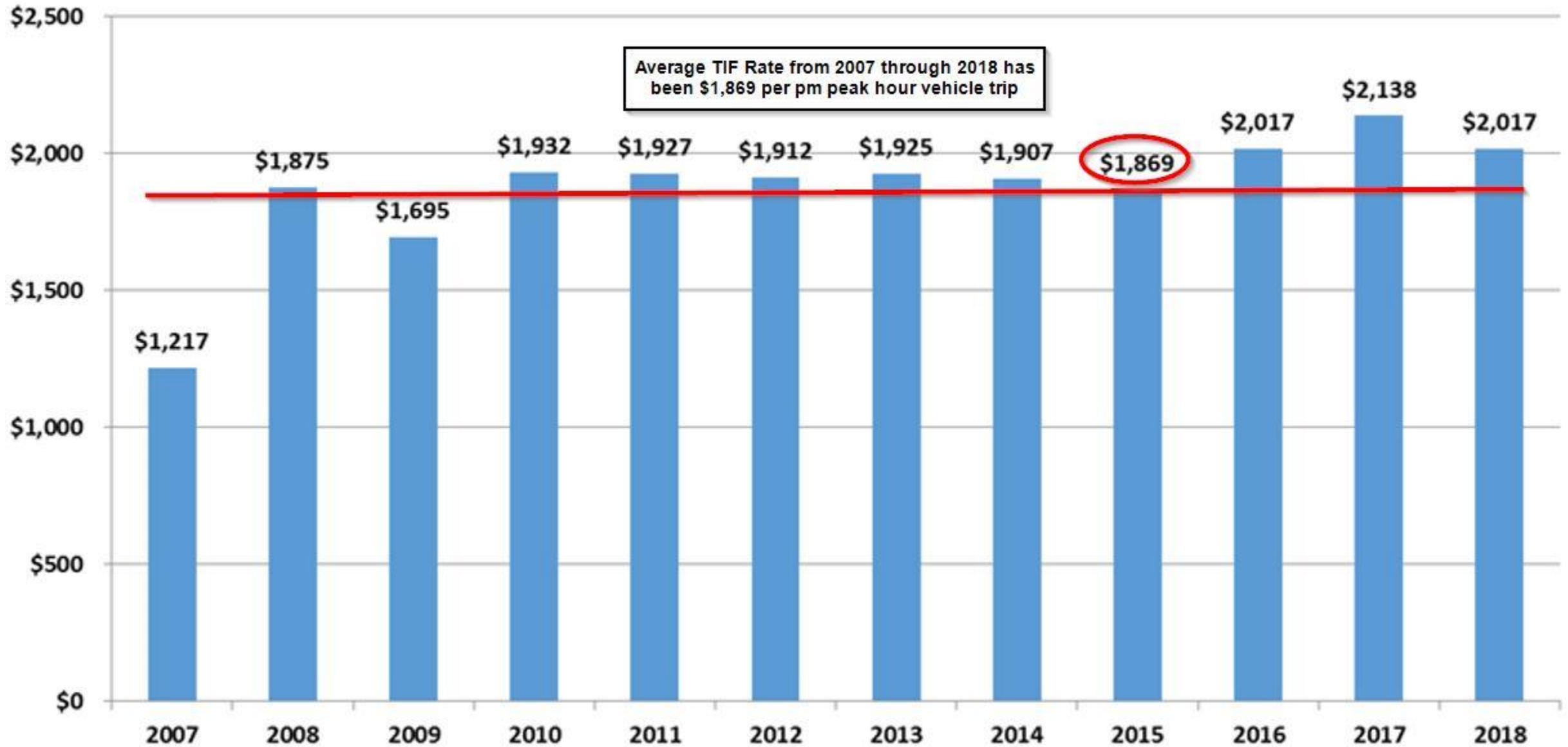
### **Street Frontage Improvements:**

- Bike lane, curb, gutter, sidewalk, street trees, shared drives, access restrictions

### **Transportation Impact Fees:**

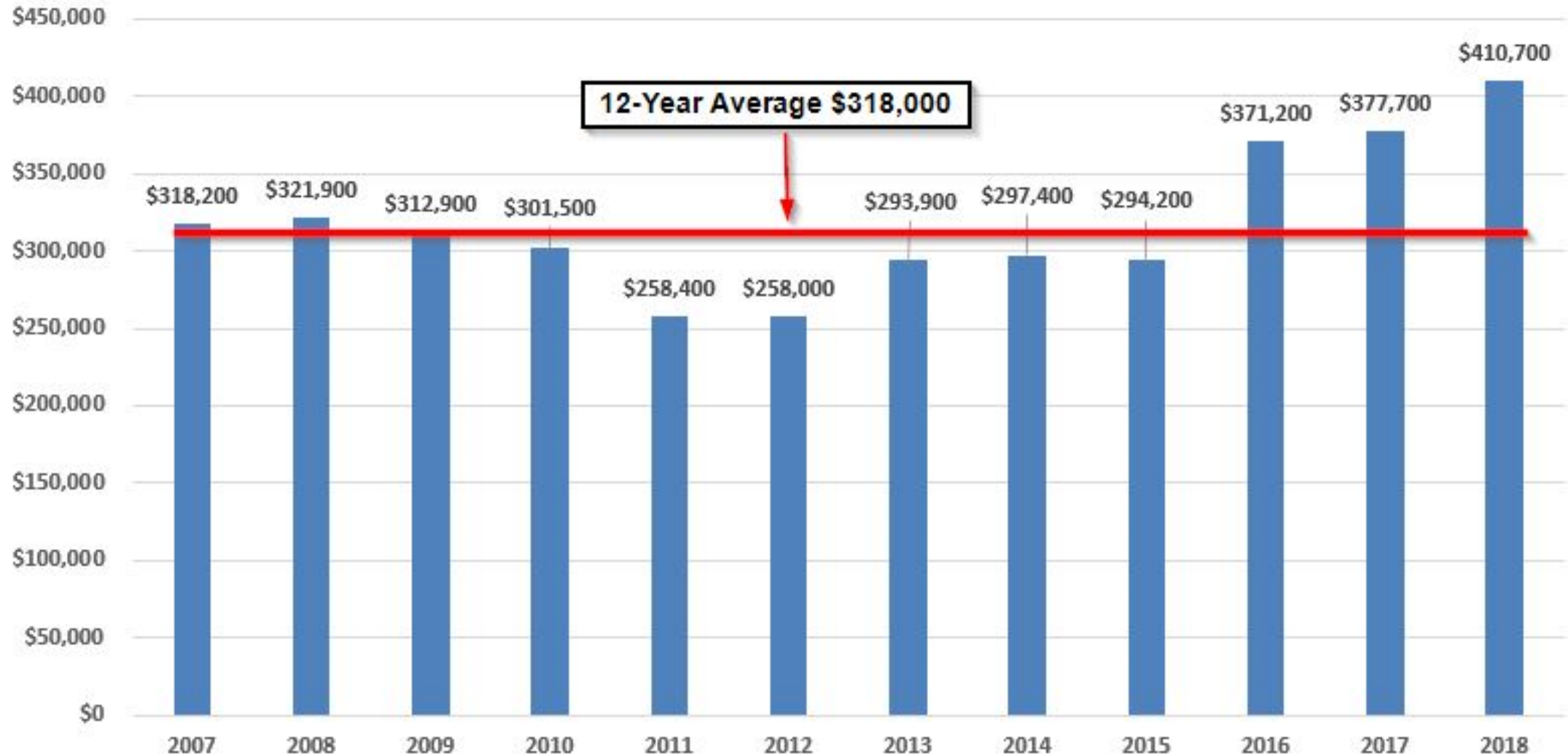
- Multimodal transportation system improvements attributable to the impacts of new growth

## TIF Base Rates 2007-2018



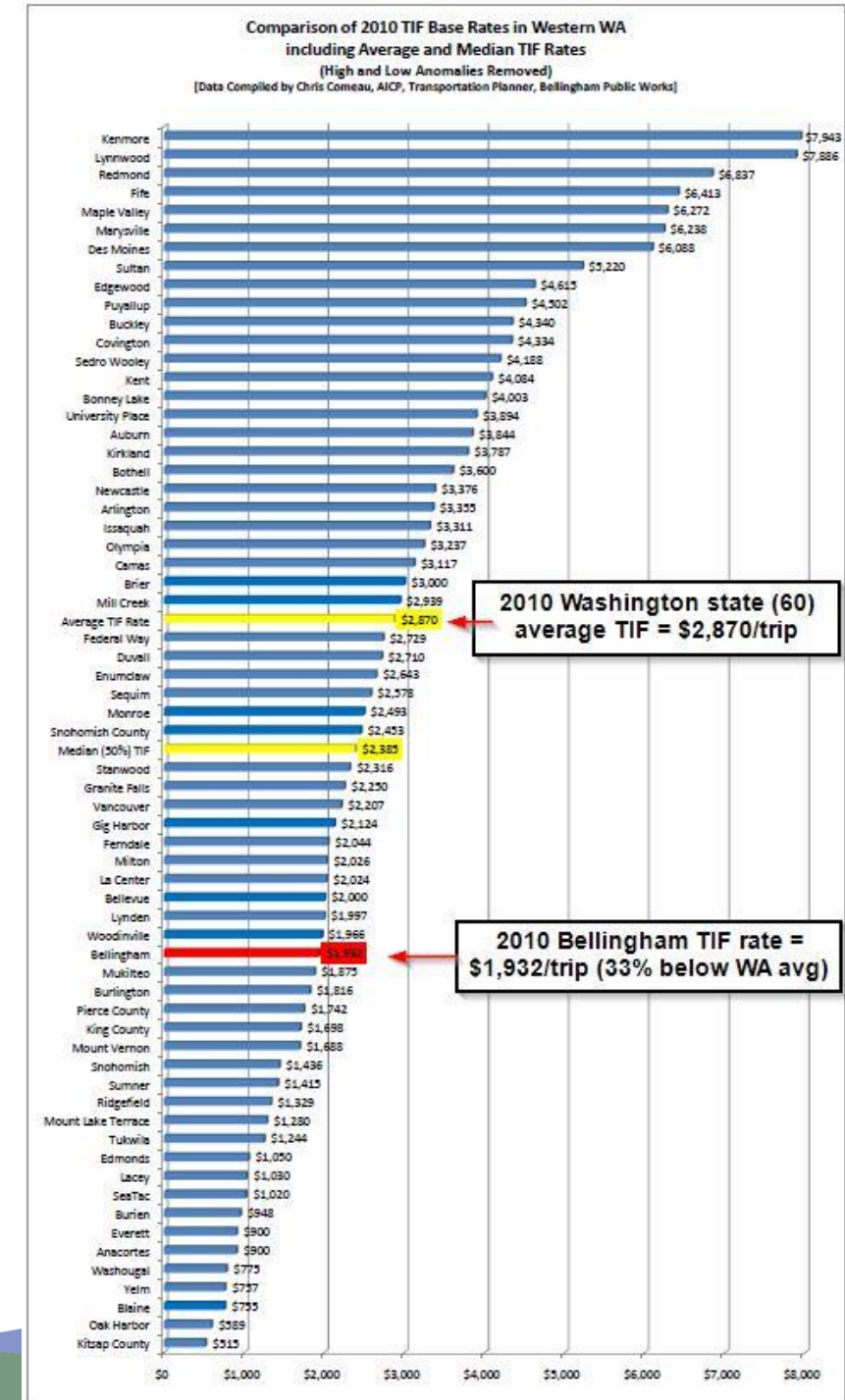
## Bellingham Average Home Price, 2007-2018

Sources: 2007-2017 U.S. Census & 2018 Zillow



# How Does Bellingham TIF Compare to TIF in Other Places in Western Washington 2010?

- 2010 Study of 60 cities and 4 counties in Western WA
  - *Note: High and Low anomalies removed to avoid skew*
- 2010 Average WA TIF = \$2,870 per trip
- 2010 Bellingham TIF = **\$1,932** per trip (**33% below WA avg TIF**)  
**Bottom 33% of TIF in Western WA**
- Locally in Whatcom County, Bellingham invests more in transportation infrastructure, but in 2010 charged less TIF per trip than both **Ferndale (\$3,000)** or **Lynden (\$1,997)**

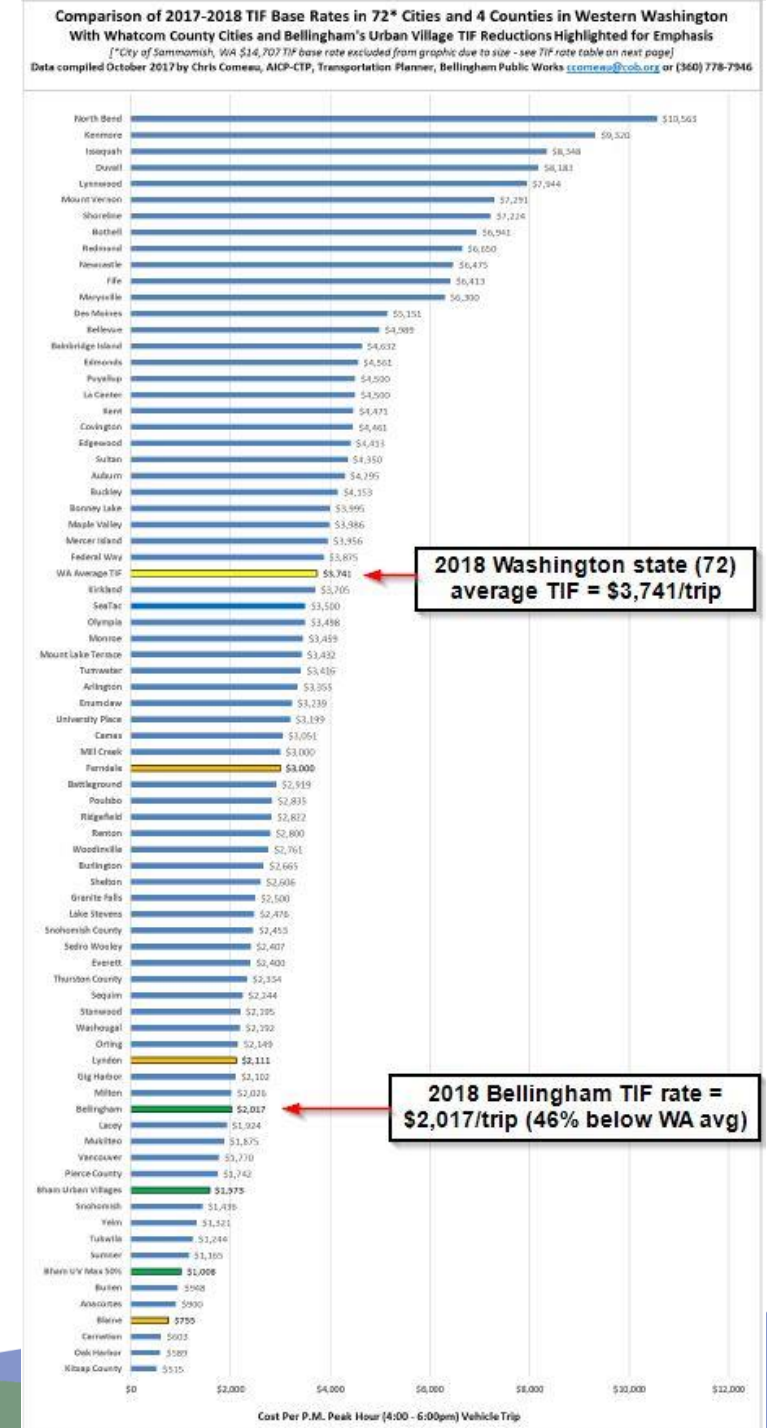


# How Does Bellingham TIF Compare to TIF in Other Places in Western Washington 2018?

- 2017 Study of 72 cities and 4 counties in Western WA
- TIF Comparison Chart posted on City web site  
*Note: High and Low anomalies removed to avoid skew*
- 2018 Average WA TIF = \$3,741 per trip (23% increase in 8 years)
- 2018 Bellingham TIF = \$2,017 per trip (46% below WA avg TIF)  
**Bottom 25% of TIF in Western WA**
- Locally in Whatcom County, Bellingham invests more in transportation infrastructure, but in 2018 charges less TIF per trip than both Ferndale (\$3,000) and Lynden (\$2,111)

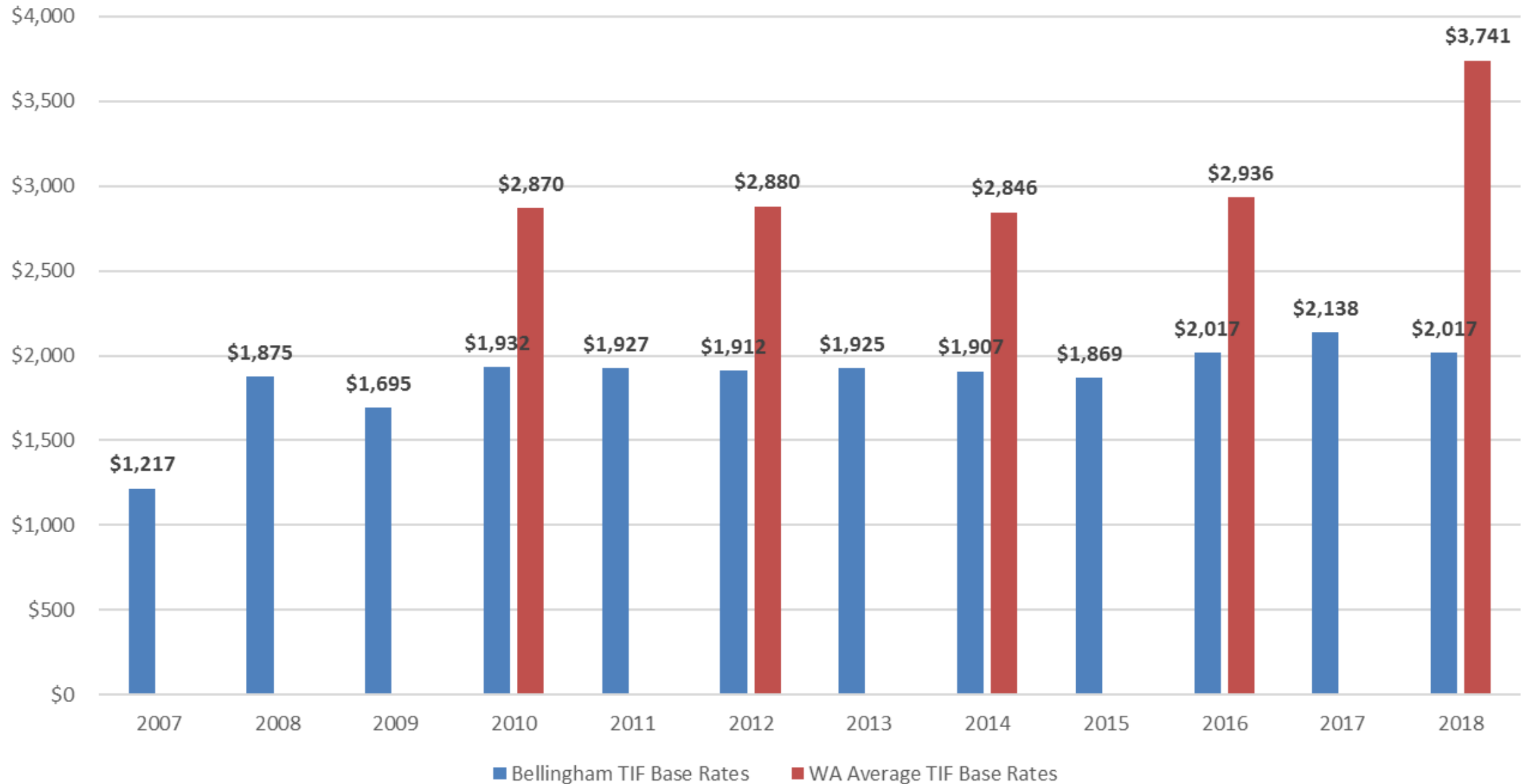
## Bottom Line

- Washington average TIF rate has increased 23% in 8 years
- Bellingham TIF rate has remained static locally, but has declined from 33% to 46% below WA average TIF rate





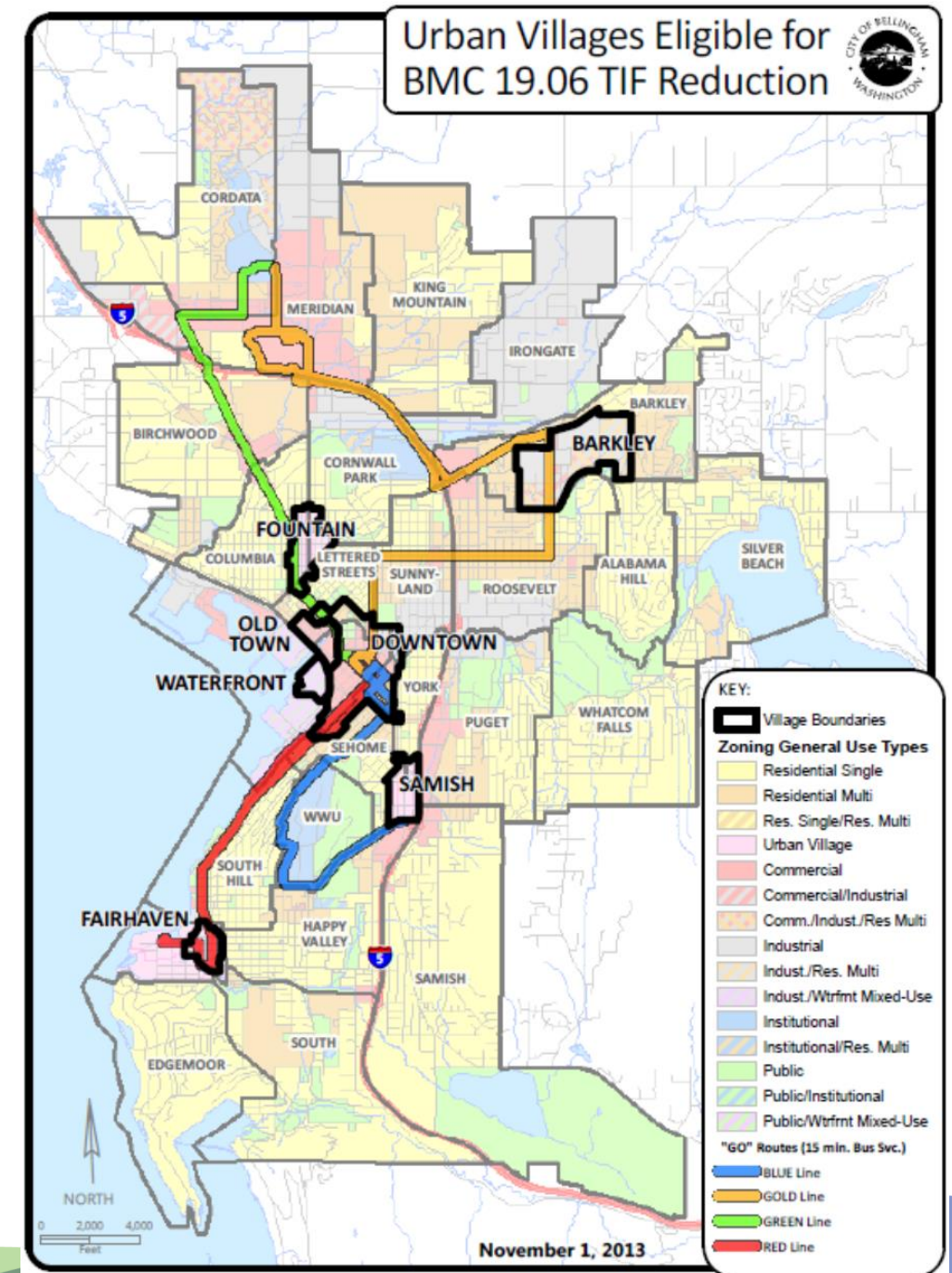
## Comparison of Bellingham & Washington Average TIF Base Rates (2007-2018)



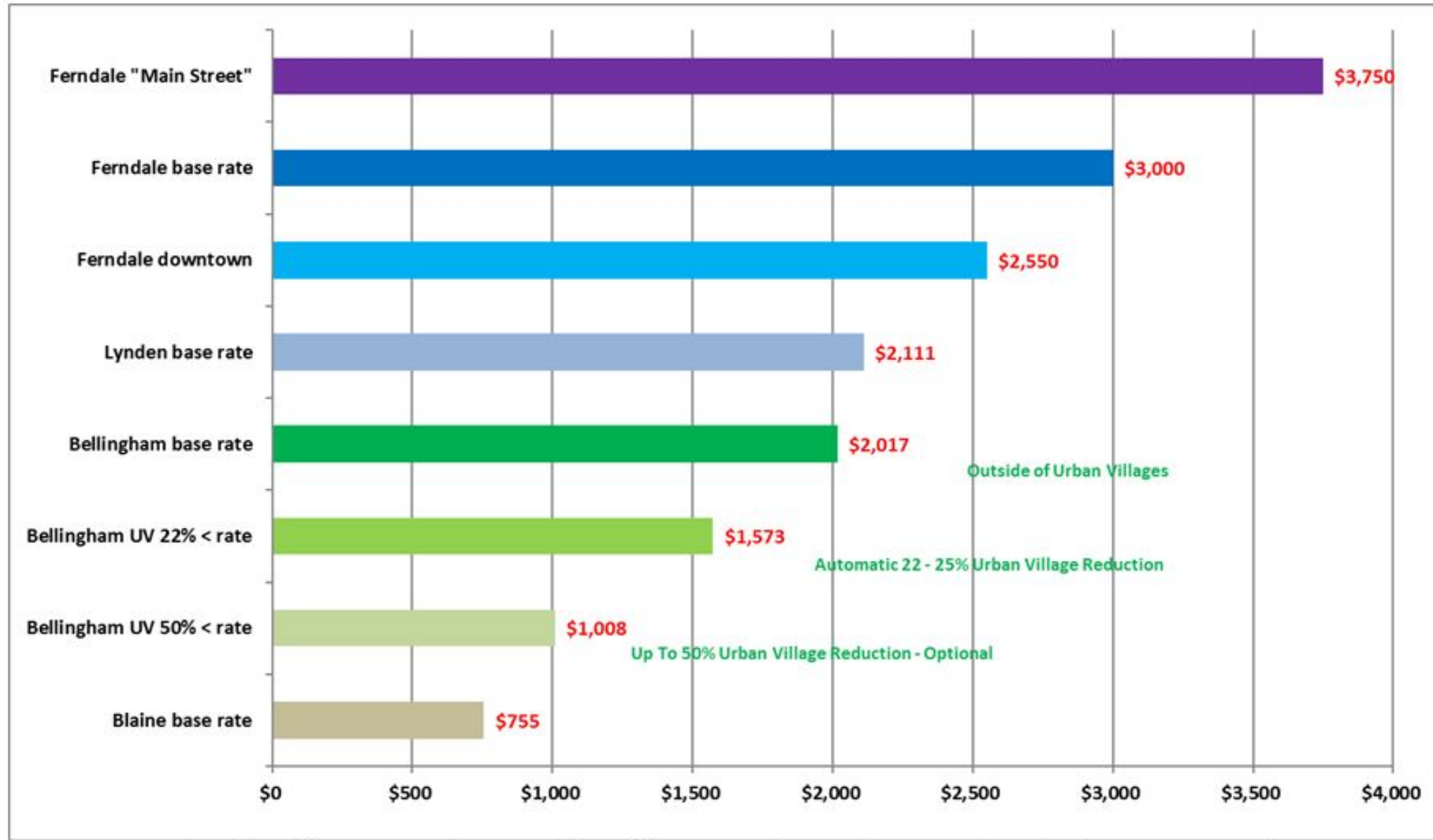


# Urban Village TIF Reduction Program

- Created by Public Works staff in 2010-2011
- Vehicle trip reductions for 7 urban villages:
  - Downtown
  - Old Town
  - Waterfront
  - Fountain District
  - Samish Way
  - Fairhaven
  - Barkley Village
- Automatic vehicle trip reductions for:
  - **15%** for mixed use environment with relatively complete pedestrian and bicycle networks
  - **7%** for ¼-mile proximity to WTA high-frequency transit service
  - **10%** if abutting WTA high-frequency transit
- **Up to 50% TIF Reduction** with voluntary performances measures (bus passes, car share, CTR)
- **Since implementation in March 2011, has saved over \$763,000 in Urban Villages** (Average over \$100,000/year)



**FIGURE 2. Comparison of 2018 Transportation Impact Fee Base Rates in Whatcom Region**



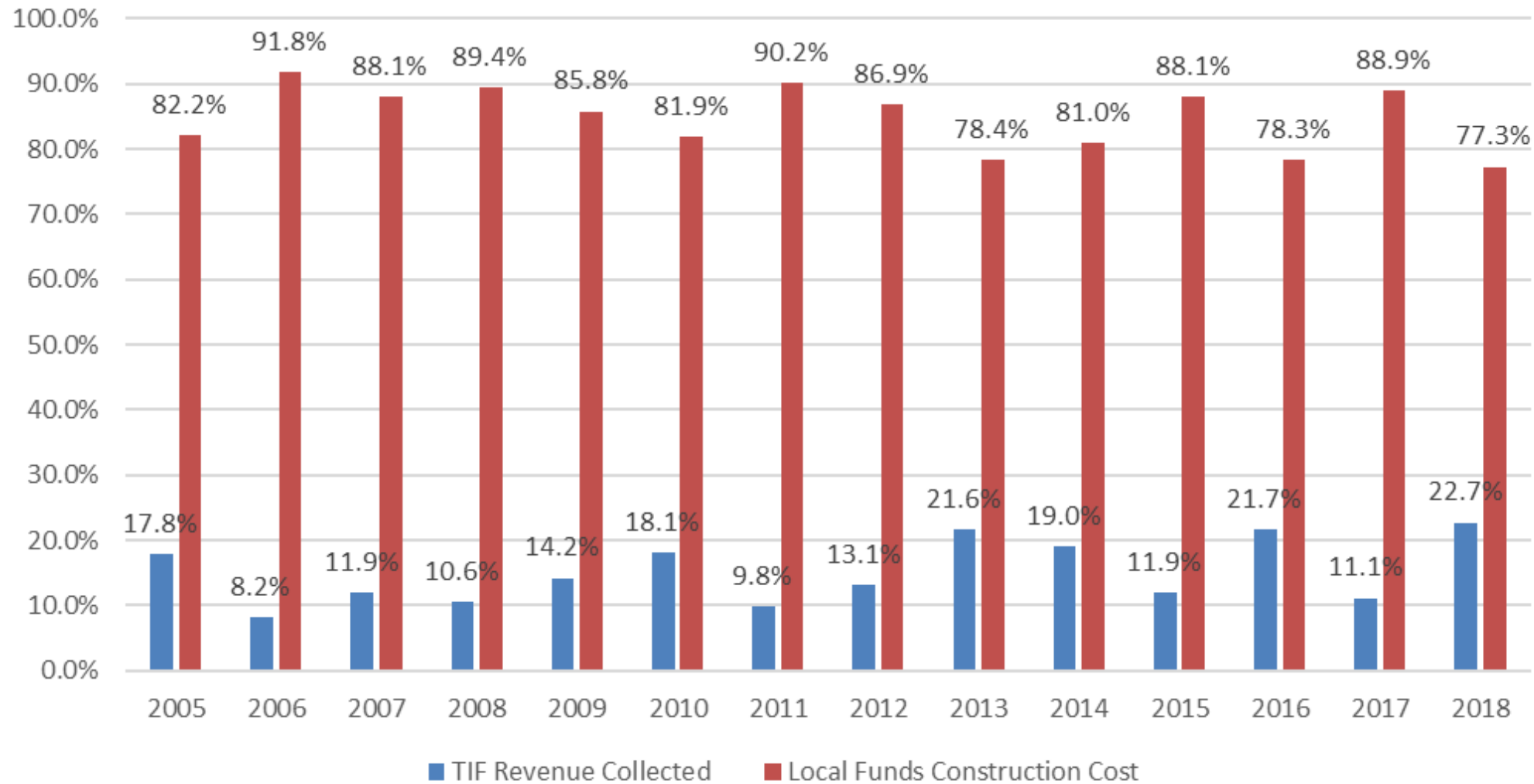
UV = Urban Villages (Downtown, Fairhaven, Barkley, Old Town, Samish, Fountain, & Waterfront District-Downtown Area)

# TIF Revenue Collected vs Local Funds Spent on Transportation Improvements

Year	TIF Revenue Collected	Local Funds Construction Cost	Percent
2005	\$907,063	\$5,104,174	17.8%
2006	\$592,093	\$7,215,130	8.2%
2007	\$872,615	\$7,313,021	11.9%
2008	\$656,620	\$6,220,278	10.6%
2009	\$637,812	\$4,506,032	14.2%
2010	\$716,458	\$3,944,000	18.2%
2011	\$572,788	\$5,867,989	9.8%
2012	\$912,904	\$6,982,837	13.1%
2013	\$1,449,562	\$6,712,146	21.6%
2014	\$1,143,542	\$5,993,424	19.0%
2015	\$941,022	\$7,940,181	11.9%
2016	\$873,171	\$4,025,253	21.7%
2017	\$847,859	\$7,649,468	11.1%
2018*	\$915,193	\$4,033,000	22.7%
*Estimate: as of 10/31/2018			

**2007-2018  
Average  
= 15.5%**

## Percent of City Transportation Improvement Costs Covered by TIF Revenue



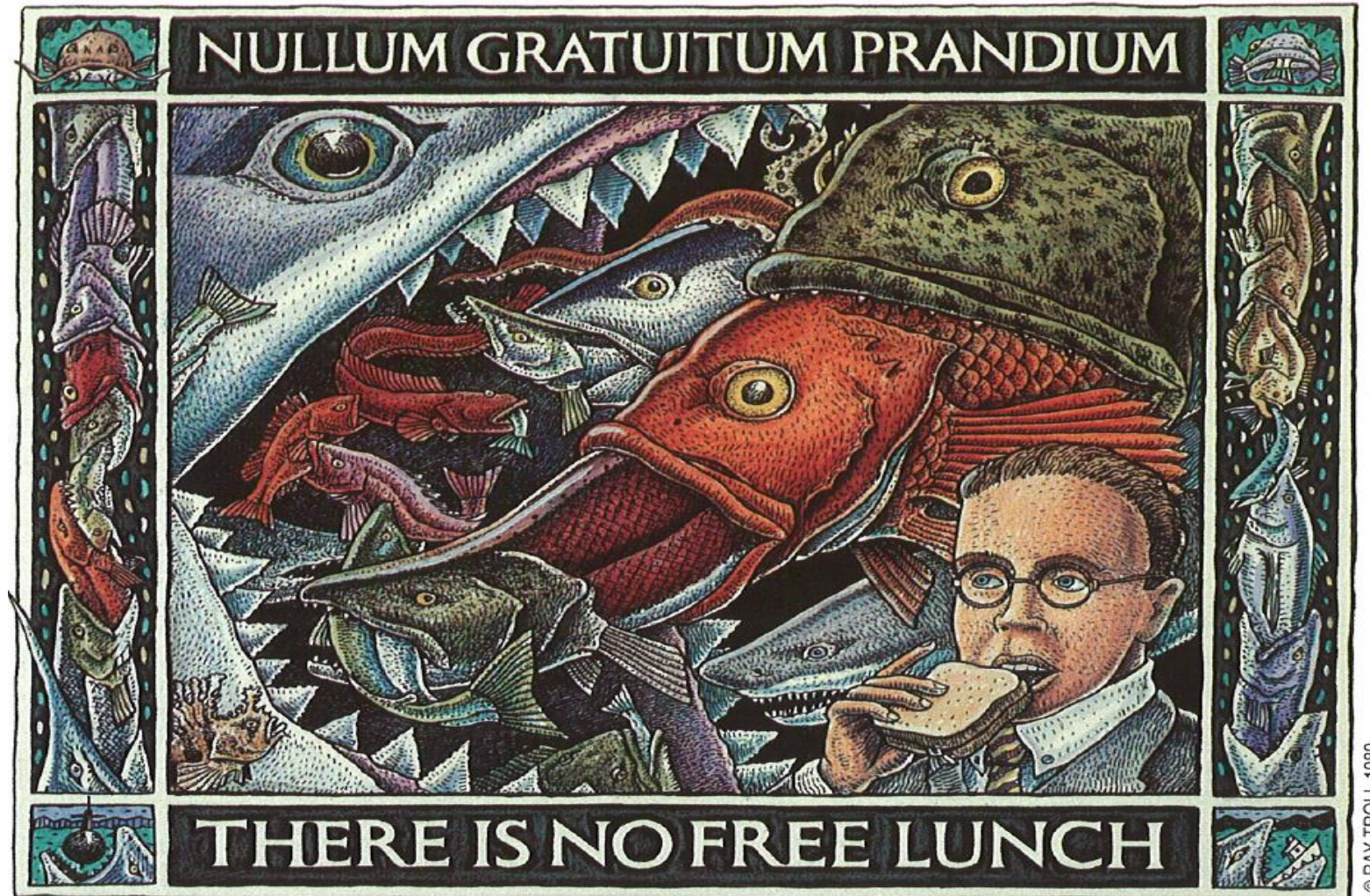
**2007-2018  
Average  
= 15.5%**



# Who Should Pay the Costs to Serve Growth?

Q. New development that creates new transportation impacts OR the City tax-payers?

A. Both - but how much should new development or City tax-payers be expected to pay?



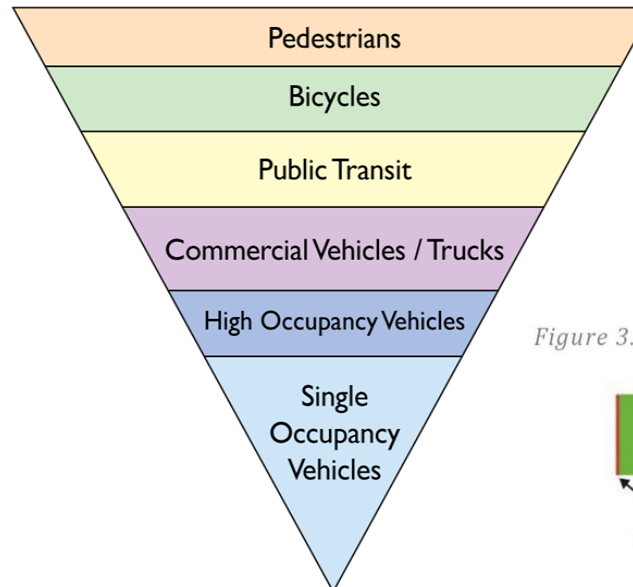
# Who Are We Planning For?

**GOAL T-2** Provide safe, well-connected, and sustainable mobility options for **all users**.

**Policy T-5** Connect missing links within the Citywide multimodal transportation network for **all modes** of transportation, including pedestrian, bicycle, transit bus, freight trucks, and private automobiles.

**Policy T-6** Design multimodal transportation improvements on existing and new streets with the **safety and mobility needs of all user groups considered** and with priority emphasis placed on the most vulnerable user groups, as illustrated

- Youth (WWU & school kids)
- Families
- Senior citizens
- Physically challenged
- Low-income
- Racial and Ethnic Diversity
- Urban Village infill development
- Bike Network Connectivity
- “All Ages and Abilities”



**BALANCE:** All mobility needs for all modes must be carefully considered, balanced, and implemented so that the citywide multimodal transportation system continues to work for everyone.



Figure 3.2: Four Types of Cyclists by Proportion of Population



Source - Portland, OR DOT



# 2016 Bellingham Comprehensive Plan Multimodal Transportation Chapter

## Transportation Policy T-29

- Assess TIF to all new development
- Recover proportional share of construction of multimodal transportation system
- Including pedestrian and bicycle infrastructure projects
- Necessary to accommodate growth planned for 2016-2036

### Multimodal Transportation Impact Fees

The GMA allows local jurisdictions to assess transportation impact fees on new development to recover a proportional share of the local costs of providing transportation system improvements that are needed to accommodate planned future growth. The City has assessed Transportation Impact Fees (BMC 19.06) on new development since 1994. In 2011, Bellingham adopted the Urban Village TIF Reduction Program (BMC 19.06.040 E.), which is an economic development incentive to reward developers in compact, mixed-use urban villages that have complete sidewalk and bicycle networks and are served with WTA high-frequency transit service.

The transportation system improvements needed to accommodate planned future growth in Bellingham include sidewalk projects on the Primary Pedestrian Network and the bikeway improvements on the Primary Bicycle Network that are funded with local dollars. State and federal grant funding is not included in the assessment of TIFs for new development.

### Policy T-29

Assess all new development for transportation impact fees to recover a proportional share of the costs of constructing planned transportation system improvements, including those in the Primary Pedestrian and Bicycle Networks that are necessary to accommodate the level of growth planned for 2016-2036.



A bicyclist rides with traffic in Barkley Village.

# 2016 Bellingham Comprehensive Plan Multimodal Transportation Chapter

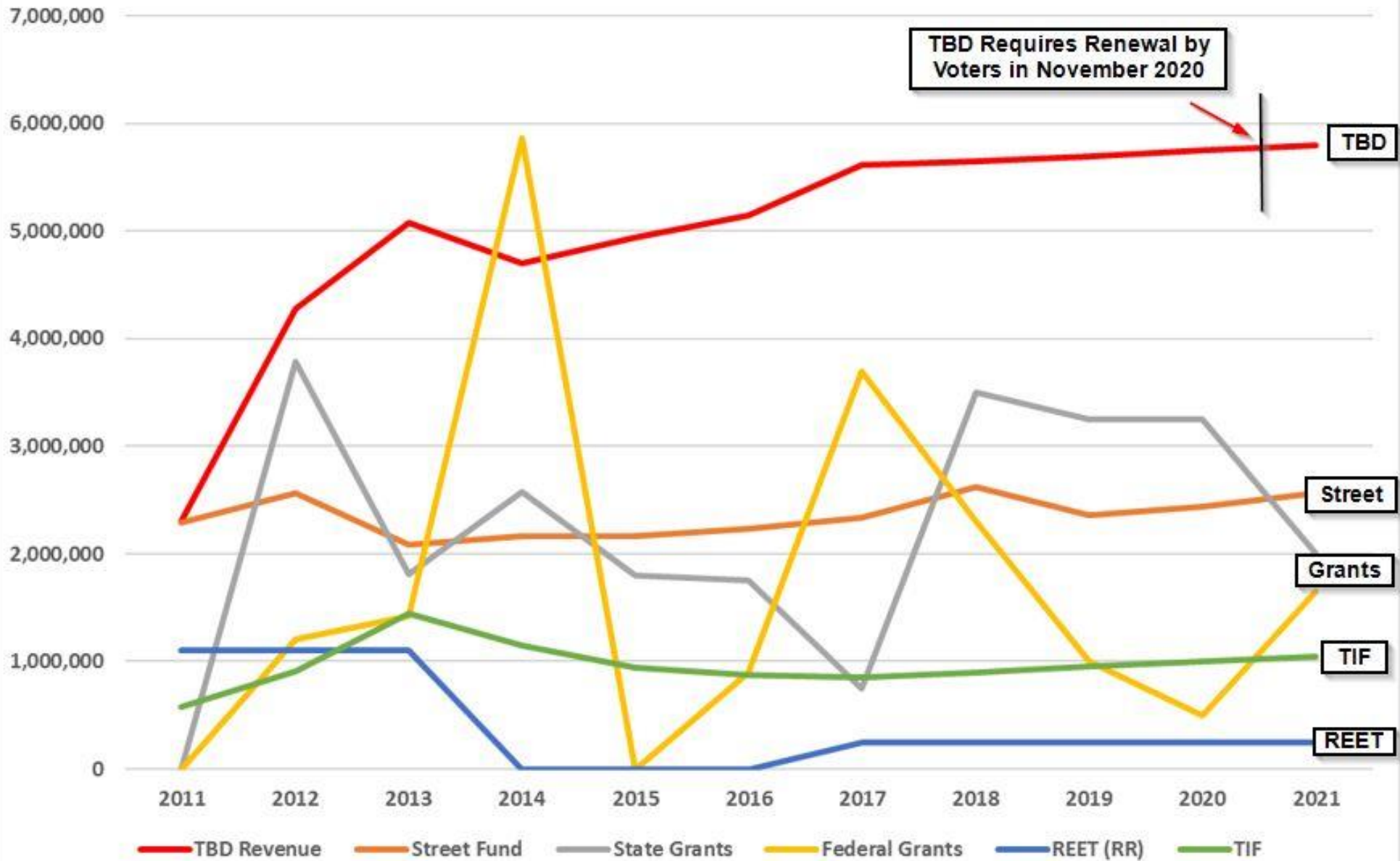
E. Anticipated Funding Available for Transportation System Improvements 2016-2027													
LOCAL FUNDING	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Totals
Street Fund <sup>1</sup>	\$2,300,000	\$2,350,000	\$2,400,000	\$2,450,000	\$2,500,000	\$2,550,000	\$2,600,000	\$2,650,000	\$2,700,000	\$2,750,000	\$2,800,000	\$2,850,000	\$30,900,000
TBD <sup>2</sup>	\$4,900,000	\$5,000,000	\$5,100,000	\$5,200,000	\$5,300,000	\$5,400,000	\$5,500,000	\$5,600,000	\$5,700,000	\$5,800,000	\$5,900,000	\$5,950,000	\$65,350,000
TIF <sup>3</sup>	\$950,000	\$1,000,000	\$1,050,000	\$1,100,000	\$1,150,000	\$1,200,000	\$1,250,000	\$1,300,000	\$1,350,000	\$1,400,000	\$1,450,000	\$1,500,000	\$14,700,000
REET <sup>4</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$8,150,000	\$8,350,000	\$8,550,000	\$8,750,000	\$8,950,000	\$9,150,000	\$9,350,000	\$9,550,000	\$9,750,000	\$9,950,000	\$10,150,000	\$10,300,000	\$110,950,000
STATE FUNDING													
TIB	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$16,500,000
Bike-Ped		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000	\$5,000,000
Connecting WA			\$10,000,000		\$10,000,000								\$20,000,000
Totals	\$1,500,000	\$2,500,000	\$11,500,000	\$2,500,000	\$11,500,000	\$2,500,000	\$1,500,000	\$2,500,000	\$1,500,000	\$2,500,000	\$1,500,000		\$41,500,000
FEDERAL FUNDING													
HSIP	\$500,000		\$500,000		\$500,000		\$500,000		\$500,000		\$500,000		\$3,000,000
SR2S		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000	\$5,000,000
STP		\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000	\$10,000,000
TAP		\$200,000		\$200,000		\$200,000		\$200,000		\$200,000		\$200,000	\$1,000,000
Totals	\$500,000	\$3,200,000	\$500,000	\$3,200,000	\$500,000	\$3,200,000	\$500,000	\$3,200,000	\$500,000	\$3,200,000	\$500,000	\$3,200,000	\$22,200,000
PARTNERSHIP FUNDING													
Miscellaneous <sup>5</sup>	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		\$1,100,000
PRIVATE SEPA MITIGATION FUNDING													
New Development													Unknown
2016-2027 Total													\$175,750,000
Notes:													
1. Assumption: Street Fund revenue increases approximately 1.5% - 2% annually.													
2. TBD expires 12-31-2020. Assumption: TBD reapproved by Bellingham voters in 2020 and TBD revenue increases approximately 1.5% - 2% annually.													
3. Assumption: Transportation Impact Fees (TIF) revenue increases approximately 1.5% - 2% annually.													
4. Assumption: REET funding continues to be allocated solely to Waterfront District infrastructure to support redevelopment.													
5. Includes WWU, WCC, BTC, WTA, BSD, Parks, and Private Businesses													



# 2016 Bellingham Comprehensive Plan Multimodal Transportation Chapter

F. Anticipated Funding Available for Transportation System Improvements 2028-2037											
LOCAL FUNDING	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	Totals
Street Fund <sup>1</sup>	\$2,900,000	\$2,950,000	\$3,000,000	\$3,050,000	\$3,100,000	\$3,200,000	\$3,250,000	\$3,300,000	\$3,350,000	\$3,400,000	\$31,500,000
TBD <sup>2</sup>	\$5,900,000	\$6,000,000	\$6,100,000	\$6,200,000	\$6,300,000	\$6,400,000	\$6,500,000	\$6,600,000	\$6,700,000	\$6,800,000	\$63,500,000
TIF <sup>3</sup>	\$1,450,000	\$1,500,000	\$1,550,000	\$1,600,000	\$1,650,000	\$1,700,000	\$1,750,000	\$1,800,000	\$1,850,000	\$1,900,000	\$16,750,000
REET <sup>4</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Totals</b>	<b>\$10,250,000</b>	<b>\$10,450,000</b>	<b>\$10,650,000</b>	<b>\$10,850,000</b>	<b>\$11,050,000</b>	<b>\$11,300,000</b>	<b>\$11,500,000</b>	<b>\$11,700,000</b>	<b>\$11,900,000</b>	<b>\$12,100,000</b>	<b>\$111,750,000</b>
<b>STATE FUNDING</b>											
TIB	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$15,000,000
Bike-Ped		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000	\$5,000,000
<b>Totals</b>	<b>\$1,500,000</b>	<b>\$2,500,000</b>	<b>\$1,500,000</b>	<b>\$2,500,000</b>	<b>\$1,500,000</b>	<b>\$2,500,000</b>	<b>\$1,500,000</b>	<b>\$2,500,000</b>	<b>\$1,500,000</b>	<b>\$2,500,000</b>	<b>\$20,000,000</b>
<b>FEDERAL FUNDING</b>											
HSIP	\$500,000		\$500,000		\$500,000		\$500,000		\$500,000		\$2,500,000
SR2S		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000	\$5,000,000
STP		\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000	\$10,000,000
TAP		\$200,000		\$200,000		\$200,000		\$200,000		\$200,000	\$1,000,000
<b>Totals</b>	<b>\$500,000</b>	<b>\$3,200,000</b>	<b>\$500,000</b>	<b>\$3,200,000</b>	<b>\$500,000</b>	<b>\$3,200,000</b>	<b>\$500,000</b>	<b>\$3,200,000</b>	<b>\$500,000</b>	<b>\$3,200,000</b>	<b>\$18,500,000</b>
<b>PARTNERSHIP FUNDING</b>											
Miscellaneous <sup>5</sup>	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,000,000
<b>PRIVATE SEPA MITIGATION FUNDING</b>											
New Development											Unknown
<b>2028-2037 Total</b>											<b>\$151,250,000</b>
<b>Notes:</b>											
1. Assumption: Street Fund revenue increases approximately 1.5% - 2% annually.											
2. Assumption: TBD reapproved by Bellingham voters in 2020 and again in 2030 with TBD revenue increasing approximately 1.5% - 2% annually.											
3. Assumption: Transportation Impact Fees (TIF) revenue increases approximately 1.5% - 2% annually.											
4. Assumption: REET funding continues to be allocated solely to Waterfront District infrastructure to support redevelopment.											
5. Includes WWU, WCC, BTC, WTA, BSD, Parks, and Private Businesses											

Comparison of Bellingham's Transportation Funding Revenue, 2011-2021



**MOVING FORWARD**  
**to Create a new**  
**Multimodal Transportation Impact Fee**  
**Program for Bellingham**

PBOT explains...

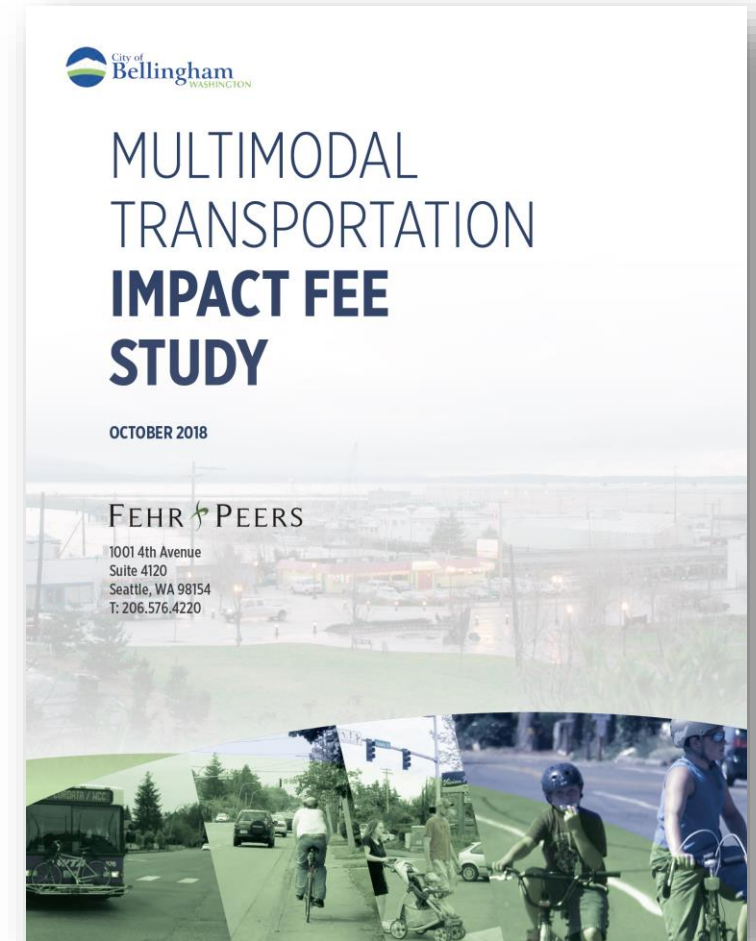
**TRANSPORTATION  
SYSTEM  
DEVELOPMENT  
CHARGES**



- **City of Portland, Oregon**
- **Transportation System Development Charges (TSDC) in Oregon**
- **Are equivalent to Transportation Impact Fees (TIF) in Washington**
- **Watch this Portland Bureau of Transportation [TSDC video](#)**

# 2018 TIF Update & Evolution to Multimodal TIF

- Bellingham hired **Fehr & Peers** transportation consultants
- [Multimodal TIF Rate Study](#) available on City web page
- Recognizes citywide transportation system is **multimodal** (ped, bike, transit, vehicle) not just vehicle based
- Assesses development for multimodal roadway project in Comprehensive Plan as well as **stand-alone pedestrian and bicycle projects** in Pedestrian and Bicycle Master Plans
- Supports Comprehensive Plan's **"Complete Network Program"** and connectivity strategy
- Based on **person trip** generation of a project

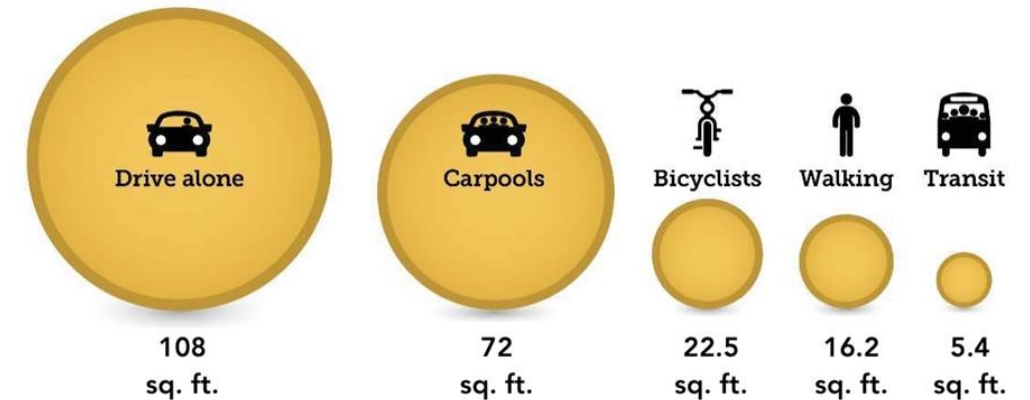
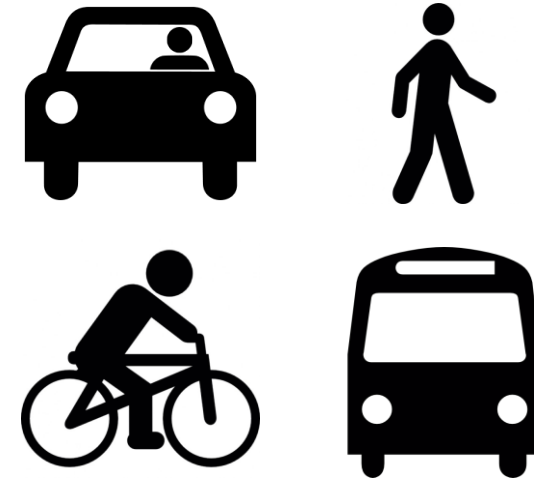




# What is a Person Trip?

*(As opposed to a vehicle trip)*

- Trip = travel between two points
- Mobility in the entire traveled way by any mode: vehicle, passenger in car, passenger in bus, walking, or biking
- Person trips have a “nexus” to all transportation projects

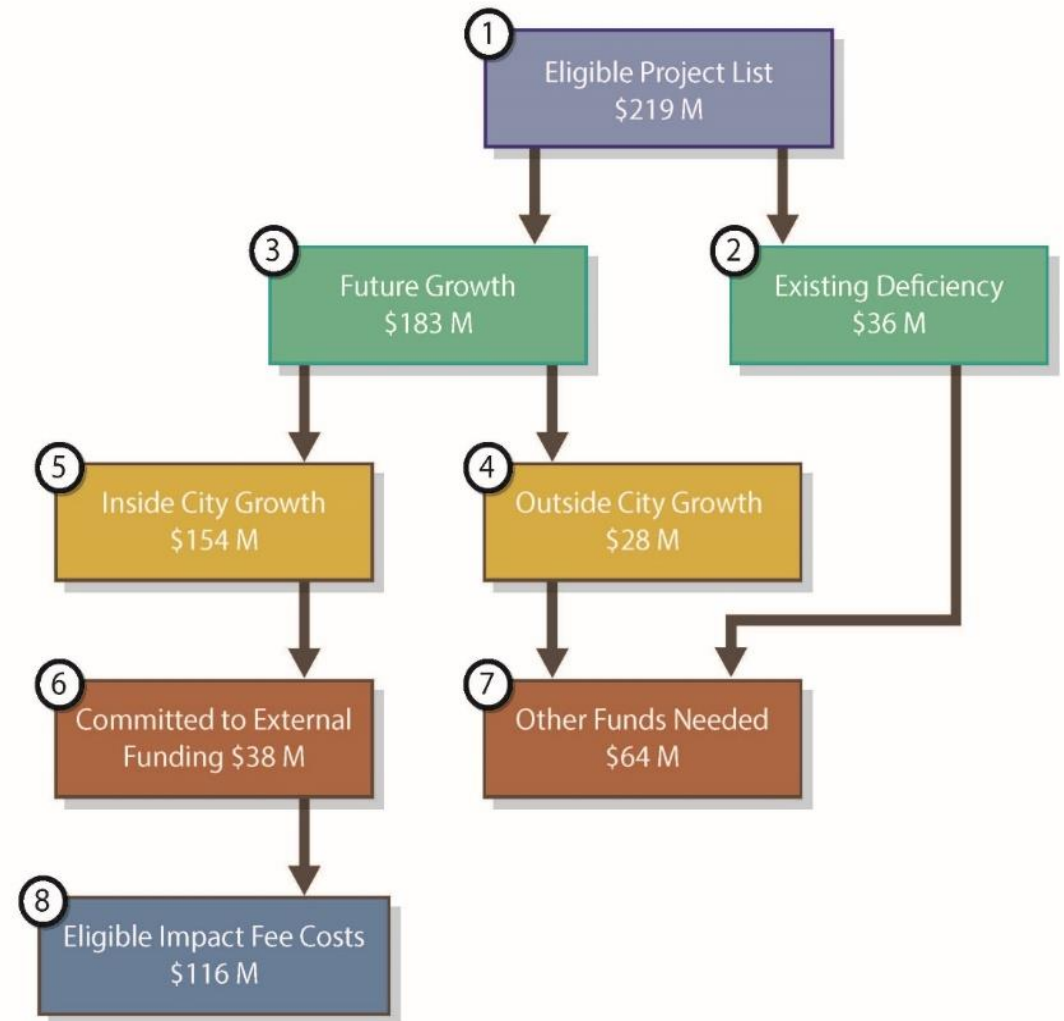


# Steps for Calculating Multimodal TIF

- A. Determine amount of new development over next 20 years (2016 – 2036)
  - Bellingham Land Supply Analysis
  - WCOG Regional Travel Demand Model
- B. Calculate number of new person trips = **30,944**
- C. Determine TIF-eligible project list (1, 3, 5) from
  - Comprehensive Plan
  - Pedestrian & Bicycle Master Plans
- D. Remove ineligible projects/costs (2, 4, 7)
- E. Account for grants/external funds (6)
- F. Determine total project costs (8) - **\$116 million**
- G. Determine cost per person trip - **\$3,763\***

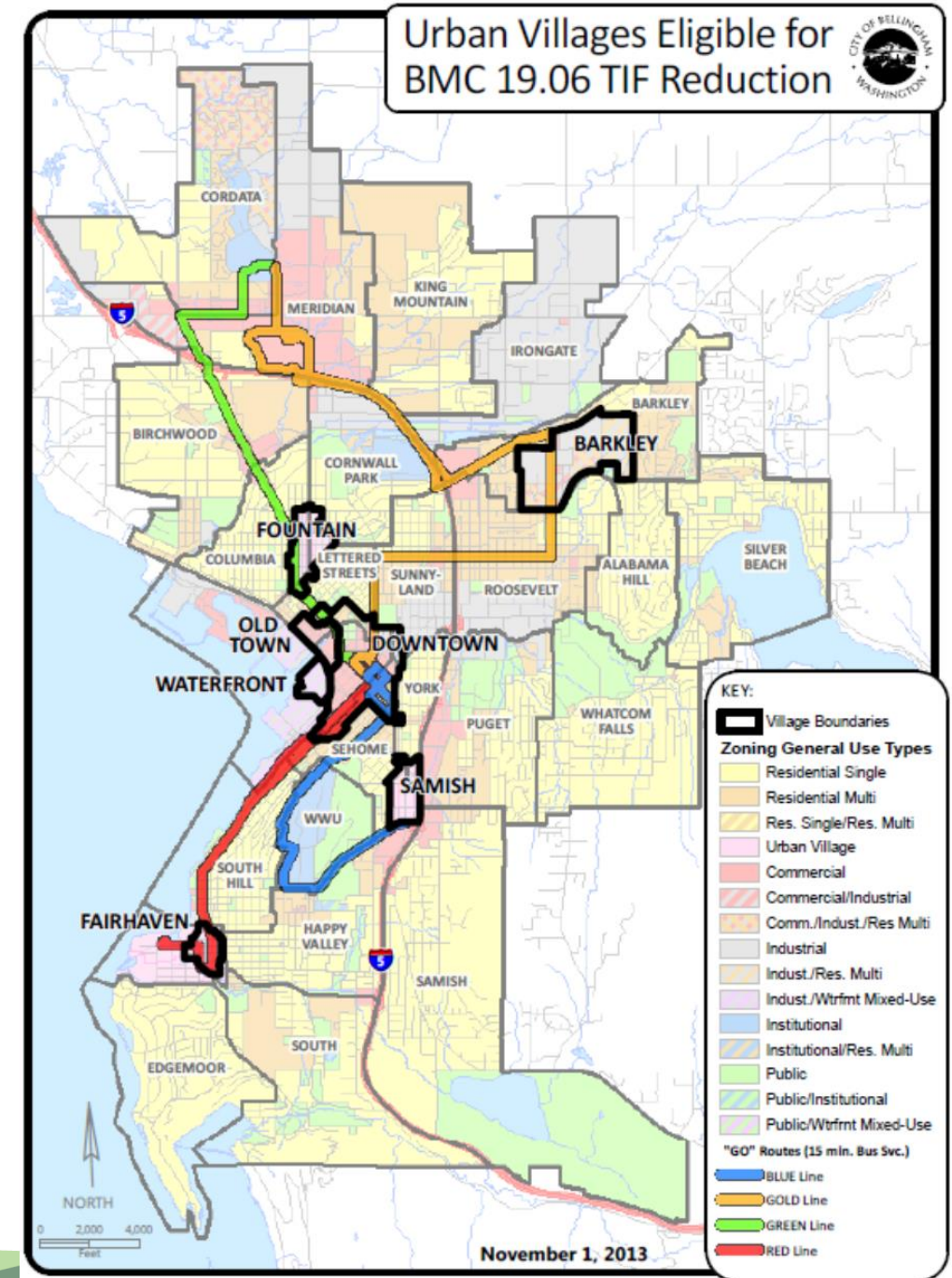
*\* NOT what Public Works is recommending*

*\* See next slides for Public Works recommended TIF rate*



# Urban Village TIF Reduction Program

- ✓ 2018 TIF Rate Study research supports Urban Village TIF Reduction Program
- **Proposal:** Increase the automatic TIF reduction for mixed use environment with pedestrian and bicycle networks in **Downtown** and **Fairhaven** from 15% to **20%**
  - ✓ Two most mature Urban Villages
  - ✓ Nearly complete pedestrian and bicycle networks
- ✓ All other Urban Villages remain at 15%
  - ✓ Less mature Urban Villages
  - ✓ Less complete pedestrian and bicycle networks
- ✓ TIF reduction for proximity to WTA high-frequency transit to remain the same for all Urban Villages
  - ✓ (7% within ¼-mile or 10% abutting)



# Options for Implementing Multimodal TIF Rate:

A. Legal Maximum Allowable TIF Rate with 47% funded by grants



\$3,763\* per person trip based on TIF Rate Study

\*This **NOT** what PW staff is recommending



B. Assume City secures grants to cover 50% of TIF-eligible project costs  
(25% less successful than today)



\$3,538 per person trip

\$2,760 Urban Villages

\$2,583 Downtown & Fairhaven

- Phased in over 3 Years
- TIF increases \$558/year x 3
- Full TIF not realized until 2022
- May be too high, too soon



C. Assume City secures grants to cover 60% of TIF-eligible project costs  
(12% less successful than today)



\$2,830 per person trip

\$2,207 Urban Villages

\$2,066 Downtown & Fairhaven

- Phased in over 6 Years
- TIF increases \$161/year x 6
- Full TIF not realized until 2025
- PW Staff Recommendation

## **NOTE:**

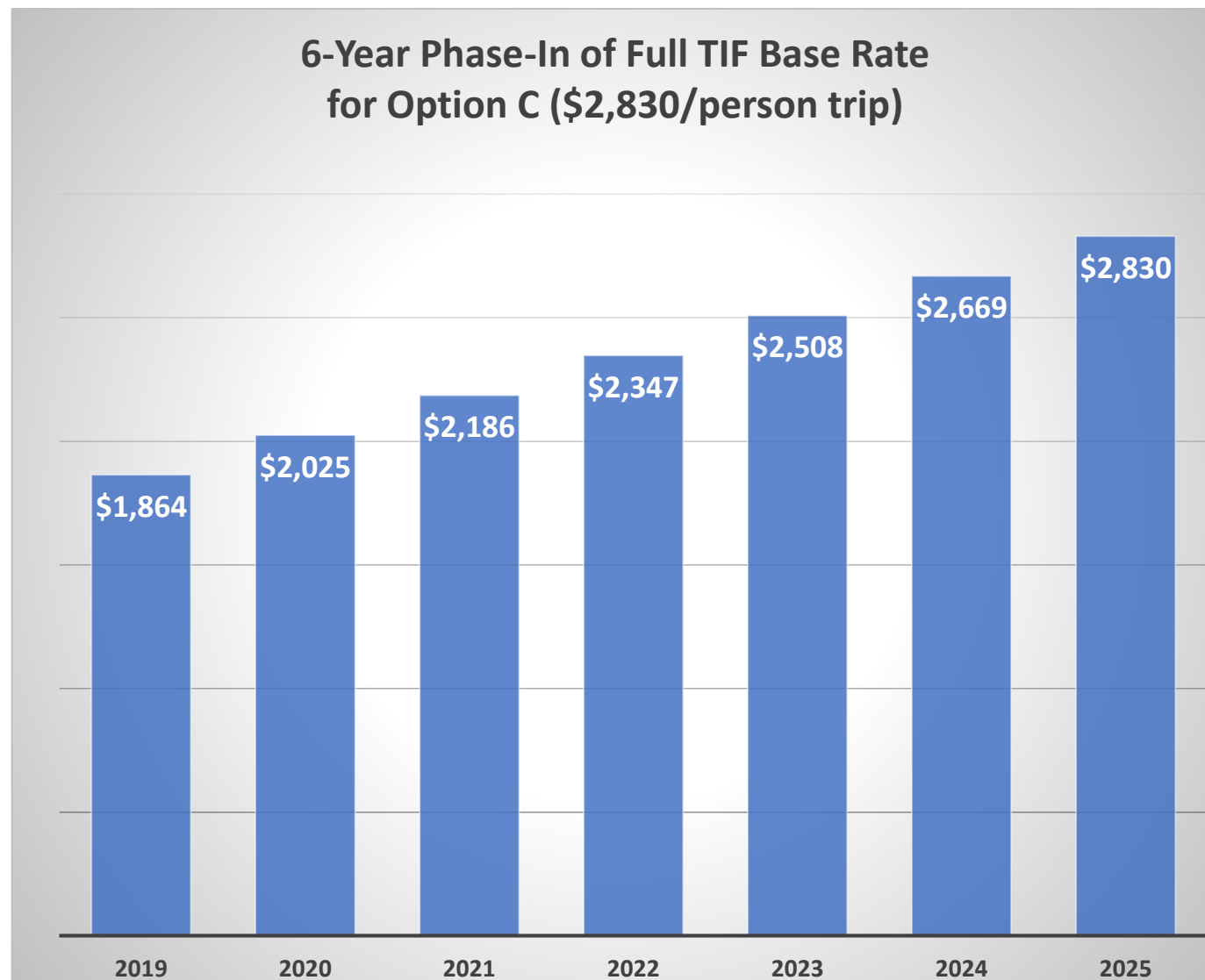
2018 Washington State Average TIF Rate = \$3,741/trip

2018 Ferndale "Planned Action Area" TIF = \$3,865/trip



# Phasing in new Multimodal TIF Base Rate

- Allows gradual transition from prior vehicle-trip-based TIF system
- Keep the prior TIF calculation method for already-committed funds
- New Multimodal TIF calculation method for all unfunded projects in 6-Year TIP and TIF-Eligible project list
- Phased in over 6 years (2019 - 2024)
- Annual TIF rate increase \$161/year x 6
- Full TIF base rate of \$2,830 per person trip realized in 2025

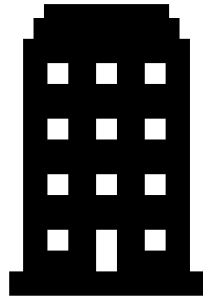


# Examples of 2019 TIF for Common Land Uses if Recommended TIF Rate Option C is adopted



## Single Family Home / Unit

- 1.44 person trips / unit
- **Outside Urban Village**
- 2019 TIF = \$2,676
- Increase over 6 years
- 2025 TIF = \$4,075



## Mid-Rise Apartments / Unit

- 0.64 person trips / unit
- **Outside Urban Village**  
2019 TIF = \$1,193/unit
- **Downtown/Fairhaven (-27%)**  
2019 TIF = \$870/unit
- **Other Urban Villages (-22%)**  
2019 TIF = \$931/unit



## Non-Medical Office / 1,000 sq. ft.

- 1.40 person trips / 1,000 SF
- **Outside Urban Village**  
2019 TIF = \$2,609/1,000 SF
- **Downtown/Fairhaven (-27%)**  
2019 TIF = \$1,905/1,000 SF
- **Other Urban Villages (-22%)**  
2019 TIF = \$2,035/1,000 SF

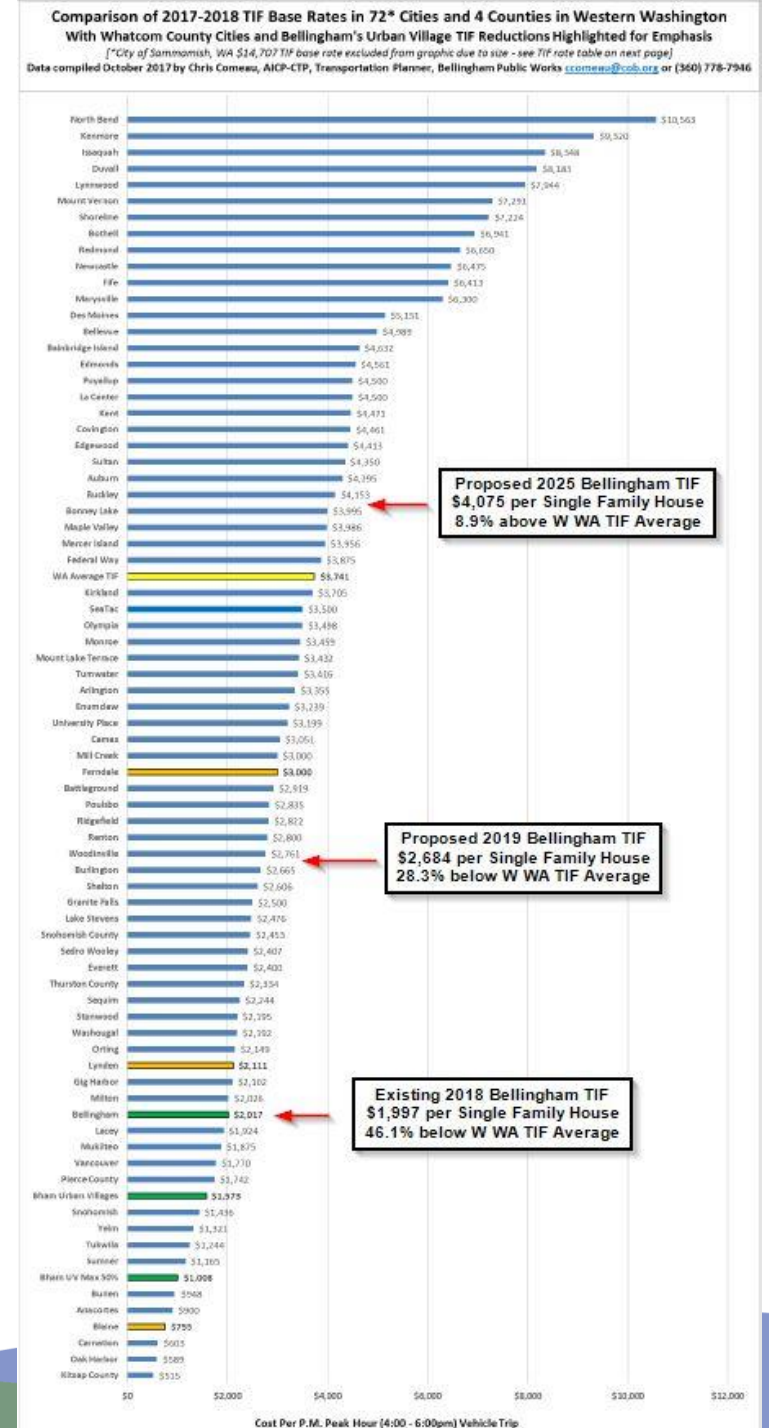


## Retail Shopping Store / 1,000 sq. ft.

- *[includes pass-by trip reduction of 34%]*
- 3.14 person trips / 1,000 SF
- **Outside Urban Village**  
2019 TIF = \$5,853/1,000 SF
- **Downtown/Fairhaven (-27%)**  
2019 TIF = \$4,273/1,000 SF
- **Other Urban Villages (-22%)**  
2019 TIF = \$4,565/1,000 SF

# How Would Bellingham TIF Compare to TIF in Other Places in Western Washington 2019?

- 2018 Study of 72 cities and 4 counties in Western WA
  - *Note: High and Low anomalies removed to avoid skew*
- 2018 Average WA TIF = \$3,741/vehicle trip/single family house
- 2019 Bellingham TIF = \$1,864 per person trip  
 \$2,684 per single family house  
 (28.3% below 2018 western WA TIF avg)  
 Still in lower 40% of TIF in western WA
- 2025 Bellingham TIF = \$2,830 per person trip  
 \$4,075 per single family house  
 (8.9% above 2018 western WA TIF avg)



# Public Process and Next Steps

## ✓ **October 9 – Bellingham Transportation Commission**

- PW staff & consultant presentation of TIF Rate Study;
- Discussion of methodology and preliminary recommendations
- Review, Question/Answer, Discussion

## ✓ **November 6 & 8 – Public meetings for development community**

- PW staff presentation of TIF Rate Study and preliminary recommendations
- PW staff presentation to BIAW Government Relations Committee
- Public Comments, Review, Question/Answer, Discussion

## ✓ **November 19 – City Council Public Hearing**

- PW staff presentation of TIF Rate Study and 2019 TIF rate recommendations
- Public Comments, Review, Question/Answer, Discussion; Council direction to staff

## ○ **December 3 – City Council Work Session**

- PW Staff and Council Discussion
- Final TIF rate to be set by Council

## ○ **Implement Multimodal TIF System January 1, 2019**



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