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CITY OF BELLINGHAM STAFF REPORT FOR TRANSPORTATION COMMISSION AND CITY COUNCIL

Agenda Topic:	Amendments to BMC 19.06 “Transportation Impact Fees” to add vehicle trip reduction credits for Urban Village development in close proximity to transit that is committed to transportation demand management practices that are proven to reduce vehicle trips based on accepted transportation planning methodology.
For:	November 9, 2010 Transportation Commission meeting December 6, 2010 City Council Public Hearing
Staff Contact:	Chris Comeau, AICP, Transportation Planner

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I. SUMMARY OF PROPOSAL

16 The City of Bellingham and Sustainable Connections have collaborated on a set of ten tasks to
17 be accomplished in 2010 to support and encourage green building. The “**Ten In '10**” initiative
18 (*ATTACHMENT A*) is part of the City of Bellingham's on-going commitment to streamline permitting
19 and support projects that conserve resources and minimize impact to the environment. Project
20 #4 in the Ten in '10 initiative is titled “**Transportation Mode Shift Incentive**” with the goal of
21 lowering transportation impact fees for development in Urban Villages when performance
22 measures proven to reduce vehicle trip generation are incorporated into the project.

23 More specifically, the “Transportation Mode Shift Incentive” is a proposal from Public Works
24 transportation planners to amend Bellingham Municipal Code (BMC) 19.06 “Transportation
25 Impact Fees,” adding new text, where needed and a new table (*TABLE 2 AND ATTACHMENT B*) to
26 allow vehicle trip reduction credits for new development that is 1.) located in master-planned
27 mixed-use Urban Villages; 2.) located in close proximity to WTA transit service; and/or 3.) enters
28 into commitments for Transportation Demand Management (TDM) strategies that are proven to
29 result in lower on-site vehicle trip generation rates (Examples: Commute Trip Reduction (CTR),
30 provision of bus passes, or provision of car-share vehicles or memberships). The goal of the
31 amendment to BMC 19.06 is to further implement the infill land use strategy and multimodal
32 transportation policies of the Bellingham Comprehensive Plan by offering the incentive of lower
33 Transportation Impact Fees (TIFs) for infill development in Urban Villages that includes
34 performance measures proven to reduce vehicle trips.

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II. TRANSPORTATION COMMISSION AND CITY COUNCIL ROLES

37 The proposed amendments are additions to BMC 19.06.030 C. and 040 E., which are not land
38 use development regulations or Neighborhood or Comprehensive Plan Amendments, do not
39 require a Type VI public process, and are therefore not subject to any particular criteria other
40 than consistency with the Bellingham Comprehensive Plan (*SEE SECTION V*) and State law
41 requirements for Transportation Impact Fees (RCW 82.02). Public Works has requested that
42 the Transportation Commission discuss this proposal at the **November 9, 2010** public meeting
43 and provide a recommendation to the City Council. Sustainable Connections held a special
44 evening forum for developers and other parties interested in this proposal on **October 26, 2010**.
45 Public Works has also requested that the City Council hold a public hearing on **December 6,**
46 **2010** to allow public comment from citizens and the development industry prior to adoption. If
47 adopted, the proposed amendments to BMC 19.06 would become effective **January 1, 2011**.

1 **III. BACKGROUND**

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3 BMC 19.06 contains the technical definitions, vehicle trip generation rates (BMC 19.06.030,
4 Table 1), calculations, and process requirements for Bellingham to carry out the State law
5 requirements (RCW 82.02) for implementing a Transportation Impact Fee (TIF) ordinance.
6 These development regulations require that new development in the City limits of Bellingham
7 pay a proportional share of the cost to provide city-wide transportation infrastructure based on
8 the 20-year planning period in the Comprehensive Plan, the transportation capital investments
9 made by the City, and the calculated transportation impact of new development.

10
11 BMC 19.06 Transportation Impact Fees was originally adopted in 1994 by the City Council when
12 Bellingham completed its first GMA-compliant Comprehensive Plan. BMC 19.06 was
13 significantly revised in 2006, after Bellingham completed the last significant update to the
14 Comprehensive Plan, and the new TIF system became effective on January 1, 2007. Since
15 then, several portions of the Bellingham Urban Growth Area (UGA) have been annexed to the
16 City of Bellingham, Urban Village planning work has been completed for Old Town, North
17 Samish Way, and the Fountain District. Planning for a Waterfront District Urban Village is
18 underway, and when a master plan, development regulations, and adopting ordinances are
19 completed, the Waterfront District will become eligible for vehicle trip reduction credits.

20
21 Public Works transportation planners have conducted research into vehicle trip generation rates
22 in mixed use urban environments, have investigated accepted trip reduction methodology, and
23 are proposing a menu of location factors and performance measures (*TABLE 2 AND ATTACHMENT B*),
24 which may be applied to new development projects in master-planned Urban Villages in
25 Bellingham. These changes require amendments to BMC 19.06 “Transportation Impact Fees.”

26
27 Public Works provided public notice and opportunities for comment on this proposal, as follows:

- 28 • April 19, 2010: City issues press release for “Ten in ’10 Initiative” with project #4 listed as
29 “**Transportation Mode Shift Incentive** - reduction in transportation impact fees for
30 performance measures that are proven to reduce on-site trip generation, such as
31 location on Whatcom Transportation Authority Go-Lines”;
 - 32 • September 8, 2010: Planning Director signed DNS for SEP2010-00034 Minor text
33 amendments to BMC 19.06 Transportation Impact Fees;
 - 34 • September 9, 2010: SEPA DNS and Checklist mailed to State agencies, MNAC, and
35 other interested parties;
 - 36 • September 9, 2010: Planning Department posted SEPA DNS Notice on City web site;
 - 37 • September 10, 2010: Legal Notice of SEPA DNS published in Bellingham Herald with
38 14-day public comment period ending on Monday, September 27, 2010;
 - 39 • September 27, 2010: SEPA public comment period ended – no comments received;
 - 40 • October 26, 2010: Sustainable Connections/Public Works special forum for developers
41 to discuss proposed amendments to BMC 19.06.
 - 42 • November 1, 2010: Staff report emailed and mailed to Transportation Commissioners
43 and made available to public;
 - 44 • November 3, 2010: Whatcom Community Transportation Advisory Group (CTAG);
 - 45 • November 4, 2010: Whatcom Transportation Technical Advisory Committee (TTAC);
 - 46 • November 9, 2010: Public Transportation Commission meeting to review proposal;
 - 47 • November 22, 2010: 10-day notice issued for December 6 City Council public hearing;
 - 48 • December 6, 2010: Public hearing before City Council; Vote; 1st & 2nd Reading; and
 - 49 • December 13, 2010: City Council 3rd & Final Reading (Effective date January 1, 2011).
- 50

1 **IV. ISSUES/PROPOSED CHANGES**

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3 **A. Recommendations for Change**

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5 When the “Ten in ‘10” Initiative was being conceived, Public Works recommended incorporation
6 of specific vehicle trip reduction credits that would result in lower vehicle trip generation, and
7 thus lower TIF payments for development located in mixed use Urban Villages. Public Works
8 stipulated, however, that TIF reductions must be based on transportation industry-accepted
9 methodology and performance measures that have been documented to reduce vehicle trips.

10
11 The “Ten in ‘10 Initiative,” the integrated land use-transportation policies in the Bellingham
12 Comprehensive Plan, and the GMA all include goals to encourage infill development and
13 multimodal transportation in a compact urban area to reduce environmental impacts. The
14 proposal to incorporate vehicle trip reduction credits in BMC 19.06 implements these goals by
15 providing incentives for the appropriate type of development (infill) in the appropriate types of
16 places (Urban Villages) that the Bellingham community has stated support for.

17
18 **B. Research on Accepted Trip Reduction Methodology**

19
20 In recommending the incorporation of vehicle trip generation and TIF reduction credits,
21 Public Works staff worked within the following framework:

- 22 **1) TIF reduction must be legally defensible:** State law (RCW 82.02) and BMC 19.06 are
23 both very specific regarding impact fees and City TIF assessments can, and have been,
24 appealed to both the Public Works Director and the City Hearings Examiner. There is
25 substantial Washington State case law regarding TIF assessments and appeals and the
26 Washington State Supreme Court has issued several decisions specific to transportation
27 impact fees. Bellingham’s current TIF system was created in 2006 and is based on the
28 City of Olympia’s, which was upheld by the Washington Supreme Court during that
29 same year after being appealed by developers (*City of Olympia v. Drebick*). Therefore,
30 any incorporation of trip reduction credits must be based on legally defensible practices
31 using accepted methodology and practices within the field of transportation planning and
32 engineering.
- 33 **2) Consistency with ITE Methodology:** BMC 19.06 references the most recent edition (8th
34 edition, 2009) of the Institute of Transportation Engineers (ITE) Trip Generation Manual,
35 which is the transportation industry standard that has compiled trip generation rates¹ for
36 161 different land use types based on thousands of studies over the past 40 years. This
37 is the source of trip generation data that almost all jurisdictions in the United States use
38 for traffic studies, transportation models, and transportation impact fee calculations. The
39 *ITE Trip Generation Manual*; *ITE Trip Generation Handbook*, and *ITE Transportation*
40 *Planning Handbook* all contain research and recommended practices for adjusting trip
41 generation rates for mixed use development, downtown locations, development that is
42 well-served by public transit, and application of TDM strategies. ITE also publishes
43 research in the *ITE Journal* on the adjustment of trip generation rates for urban
44 locations, mixed use development, internal capture rates, and the effect of various TDM
45 strategies.

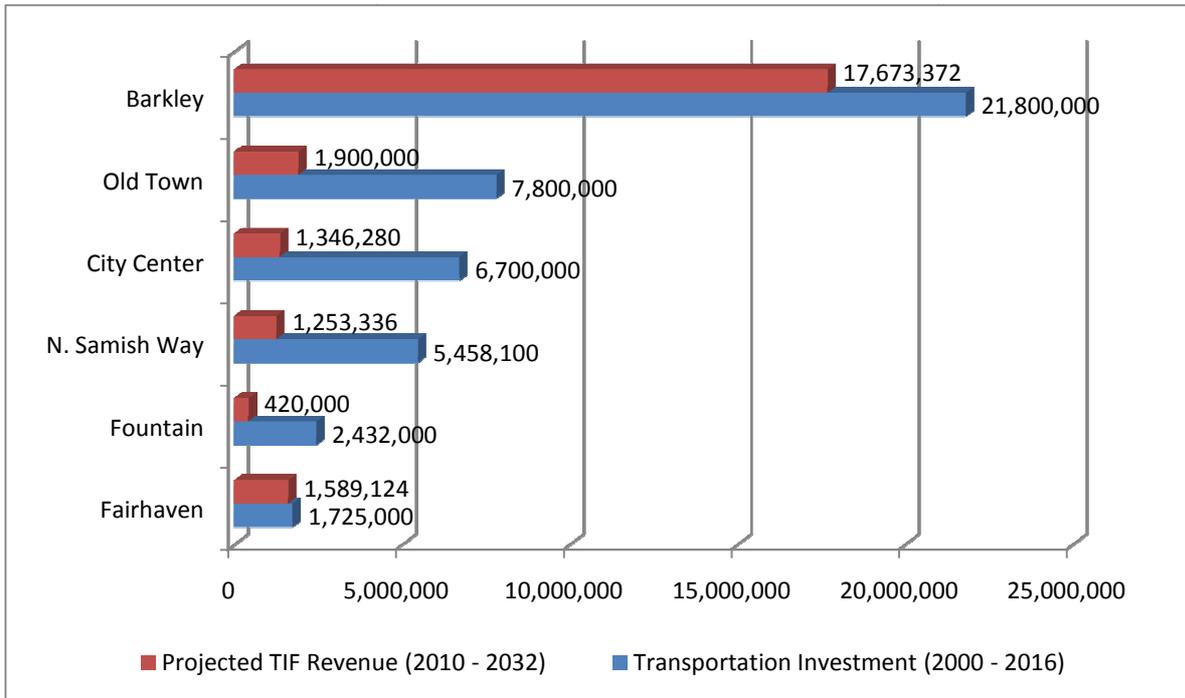
46 [Notes: 1. Institute of Transportation Engineers Trip Generation Manual, Weekday Peak Hour of Adjacent
47 Street Traffic, One Hour Between 4 and 6 p.m., Average Rate.]

- 1 **3) Survey of trip reduction practices of other Washington and U.S. cities:** In May
2 2010, Public Works staff submitted a research request to the Washington State
3 Municipal Research and Services Center (MRSC) for documentation of vehicle trip
4 reduction practices being used by other jurisdictions in Washington and, more broadly,
5 within the United States. The MRSC list of resources was used in addition to accepted
6 ITE methodology to examine methods being used by other jurisdictions to achieve
7 similar goals. This survey yielded some useful sources, but also confirmed that most
8 research is rooted in ITE methodology and jurisdictions only cautiously stray from ITE's
9 Trip Generation Manual unless they have the financial resources to conduct extensive
10 local trip generation studies for their specific jurisdiction.
- 11 **4) Sustainable Connections Coordination:** In May of 2010, Sustainable Connections
12 hired an intern to assist Public Works staff in conducting the initial research for this part
13 of the "Ten in '10" initiative. Sustainable Connections and Public Works staff met every
14 two weeks between June and October to report on progress and coordinate public
15 outreach to the development community.
- 16 **5) The Proposed TIF Reduction is Limited to 50%:** TIFs are collected to recover a
17 proportional share of the cost of the City's capital investment in the citywide
18 transportation network, which everyone uses. All development, including infill
19 development in Urban Villages, has transportation impact because vehicle trips are
20 generated from both inside and outside of the Urban Village. Every Urban Village plan
21 has had transportation investments made or have transportation improvements identified
22 in the Urban Village Master Plan, all of which cost more than the amount of TIF
23 generated by the full build-out potential of the plan (See Table 1. and Charts 1-3, below).
24 Therefore, it is appropriate to offer TIF reduction incentives, but it is not appropriate to
25 waive TIFs in Urban Villages. The menu of proposed trip reduction incentives is optional
26 and additive, but may not exceed a 50% reduction of vehicle trips and TIF.

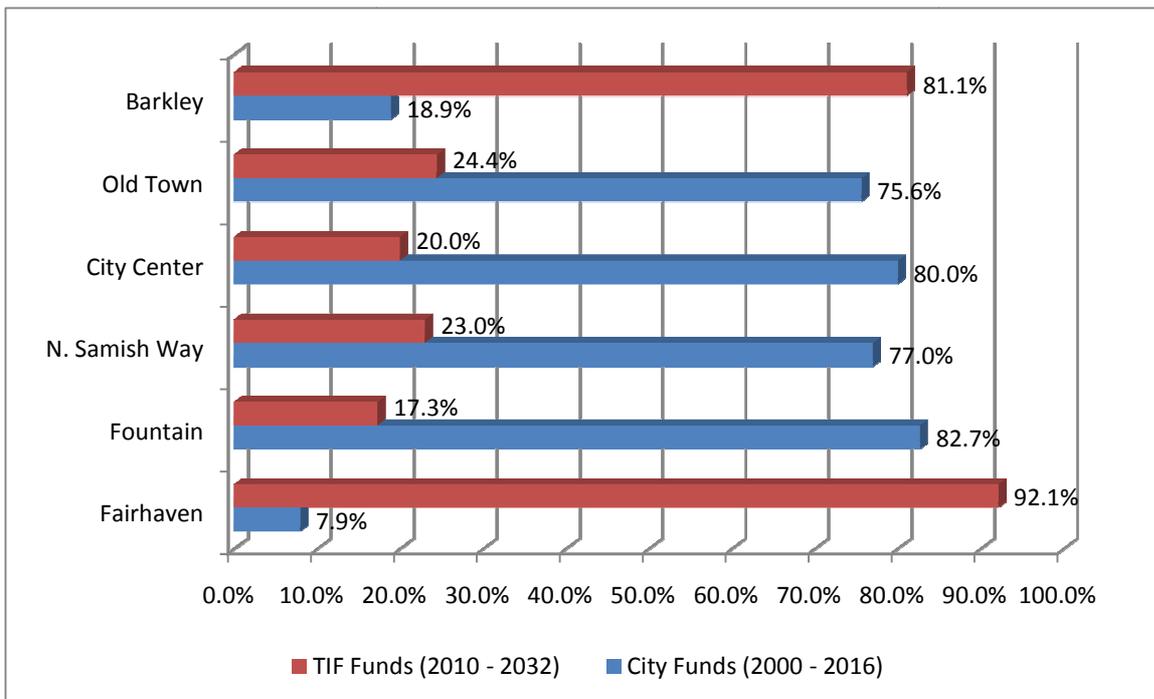
Table 1. Urban Village Transportation Investments (2000 – 2016) vs TIF Revenue (2010 – 2032)			
Urban Village	Transportation Investments¹	TIF Revenue²	TIF % of Cost
Fairhaven	1,725,000	1,589,124	92.1%
Fountain	2,432,000	420,000	17.3%
N. Samish Way	5,458,100	1,253,336	23.0%
City Center	7,725,000	1,346,280	17.4%
Old Town	7,800,000	1,900,000	24.4%
Barkley	21,800,000	17,673,372	81.1%
Averages	46,940,100	24,182,112	51.5%

- 27 1.) Includes past (2000-2010), present, and future (2011-2032) transportation investments serving
28 Urban Villages in adopted 6-Year TIPs and adopted Urban Village master plans.
- 29 2.) Based on 2010 TIF rates, Urban Village Master Plans or existing zoning for increased residential
30 and commercial development, and presumed build-out by 2032.

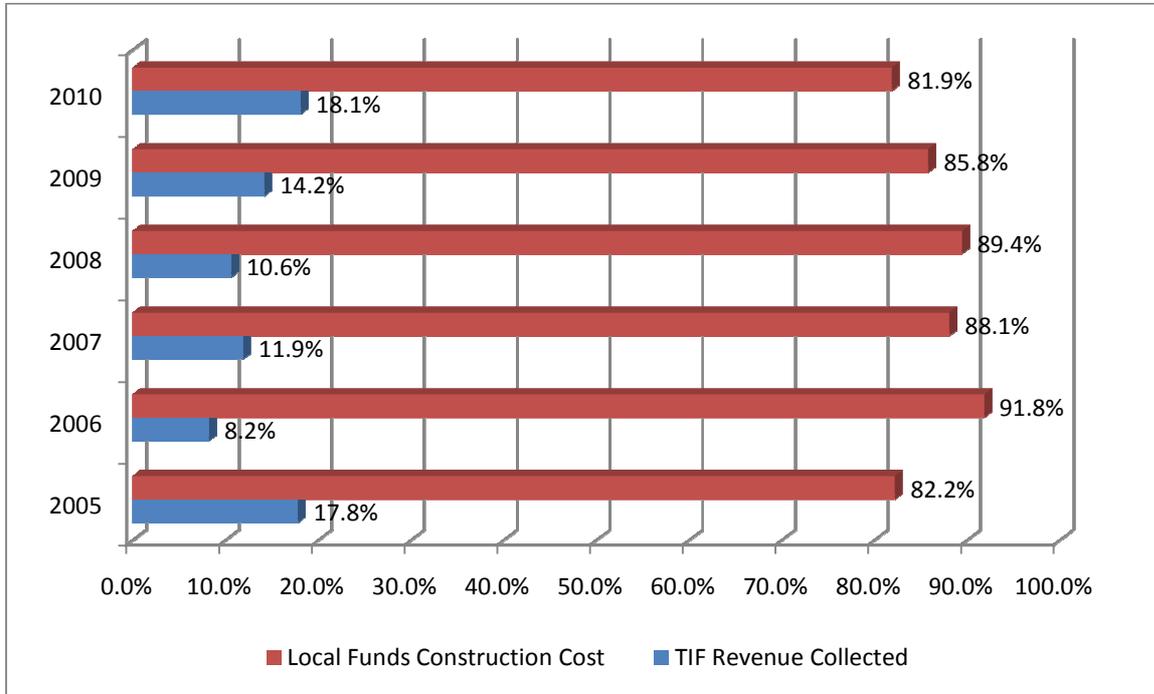
1 **Chart 1. Funds for Actual and Planned Transportation Investments (2000 - 2016)**
 2 **Compared to Projected TIF Revenue (2010 – 2032) in Urban Villages**



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 5 **Chart 2. Percent of Actual and Planned Transportation Investments (2000 - 2016)**
 6 **Compared to Projected TIF Revenue (2010 – 2032) in Urban Villages**

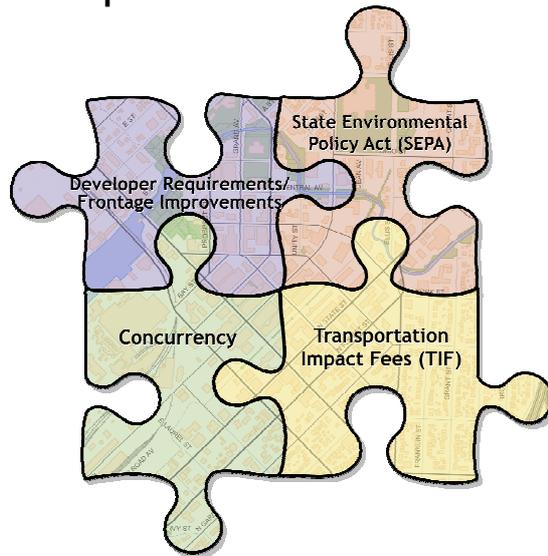


1 **Chart 3. Citywide Percent of Actual Transportation Investments (2005 - 2010)**
 2 **Compared to Collected TIF Revenue (2005 – 2010¹)**
 3 **[¹2010 TIF Revenue Collected Through October 21, 2010]**



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 6 State law does not allow cities to charge 100% impact fees, developers do pay significant
 7 regulatory fees when making application for projects in Bellingham, and TIFs are only one
 8 aspect of transportation review for new development.

Development Review Elements



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1 Some people think that developers should bear the maximum amount of the cost for City
2 infrastructure needed to serve our growing community. However, each citizen born or moved
3 here has added to the growth of our community and each citizen contributes to traffic
4 congestion every time a choice is made to drive in an automobile, sometimes on new streets
5 that were paid for and constructed by developers. There is a public share of the costs for new
6 transportation facilities and everyone will use and benefit from them, not just the new residents
7 of the development project.

8
9 Prior to submitting an application, development projects are required to pay for Multimodal
10 Transportation Concurrency evaluation (BMC 13.70). After submitting an application for
11 development, many projects require SEPA review for traffic safety impacts (BMC 16.20)
12 according to Public Works Development Guidelines and Improvement Standards. These
13 requirements can result in street improvements, new traffic signals, sidewalks, bicycle lanes,
14 curbs, gutters, storm water detention facilities, and other transportation improvements as a way
15 of ensuring that the automobile traffic generated from the new development will not exceed
16 adopted intersection safety and LOS standards in the Comprehensive Plan.

17
18 Conditions of development normally require construction of new public streets or enhancement
19 of existing streets to City street standards (BMC 13.04). If the application is approved, then the
20 developer must apply for building permits. If building permits are approved, Transportation
21 Impact Fees, and all other impact fees and associated development fees, must be paid for in-full
22 before the City will issue the building permit to the developer. These costs are translated into
23 higher home prices and higher lease rates for commercial and office space, which can have a
24 negative effect on housing affordability and centrally located employment opportunities. The
25 proposed vehicle trip reductions will help to create incentives for development to locate in mixed
26 use Urban Villages by lowering transportation impact fees to help offset some of the costs of
27 development in exchange for performance measures that will reduce transportation impact.

28 29 **C. General Proposed Amendments to Allow Vehicle Trip and TIF Reductions**

30 Public Works proposes to amend two sections of BMC 19.06 "Transportation Impact Fees."

31 Amend **BMC 19.06.030 C.**, as follows:

32 **C.** Reductions in PM peak hour traffic volume from a development as a result of traffic
33 demand management strategies, linked trips, or other incentives to reduce PM peak hour
34 traffic loads will be considered; and if valid, reduce the TIF.

35
36 1. Specific vehicle trip reduction credits are available in 19.06.040 E., **Table 2.** for Urban
37 Village development. Auto-oriented commercial and drive-through are not eligible.

38
39 Amend **BMC 19.06.040 E.**, as follows:

40 **E.** To further implement the infill land use strategy and multimodal transportation goals and
41 policies of the Bellingham Comprehensive Plan, new development in Urban Villages with
42 adopted master plans, are eligible for Vehicle Trip Reduction Credits listed in **Table 2.** Auto-
43 oriented commercial and drive-through are not eligible.

44 **Table 2. "Urban Village Vehicle Trip Reduction Credits"**

45 *[See Table 2 detail on next page as well as example of TIF reduction (ATTACHMENT B)]*

TABLE 2 – URBAN VILLAGE VEHICLE TRIP REDUCTION CREDITS	CREDIT
Menu of Location Factors and Performance Measures to Reduce Vehicle Trips	
<i>Note: Reductions below are additive and may not exceed a total of 50%</i>	
1.) MIXED USE URBAN VILLAGE LOCATION	15%
<i>(Based on ITE Internal Trip Capture - Mixed Use Urban Environment)</i>	
2.) WTA TRANSIT PROXIMITY (Only one transit proximity reduction below may be used)	
Development fronts on a high-frequency WTA GO Line	10%
Development within 1/4-mile of WTA GO Line	7%
Development fronts on standard WTA Route (< 60 min)	5%
Development within 1/4-mile ⁵ of standard WTA Route (< 60 min)	2%
3.) EMPLOYER MANDATORY COMMITMENT TO COMMUTE TRIP REDUCTION (CTR)	
CTR/TDM commitment combining economic incentives with transportation services	10%
4.) VOLUNTARY ANNUAL WTA TRANSIT PASS PROVISION (Non-CTR)	
2-year transit pass provided for residential units = 1% per unit pass	1%
2-year transit pass provided for employees = 1% per employee pass	1%
5.) VOLUNTARY CAR SHARE PARTICIPATION OR PROVISION (Non-CTR)	
Car Share Vehicle(s) Parked On Residential or Employment Site = 2% per vehicle	2%
Car Share membership fee provided for residential units = 2% per unit	2%
Car Share membership fee provided for employees = 2% per employee	2%

1 **D. Specific Proposed Vehicle Trip and TIF Reductions**

2 Each section that follows provides the rationale for offering trip generation reductions in
3 Bellingham’s Urban Villages, highlights the research and methodology that supports the
4 types of reductions examined, and proposes a specific trip reduction percentage based on
5 the most applicable research and accepted methodology (*TABLE 2 AND ATTACHMENT C*).

6 **1) Urban Village Location:** In recommending the incorporation of vehicle trip reduction
7 credits, Public Works targeted Bellingham’s mixed use Urban Village (UV) locations that
8 have adopted master plans² (City Center, Old Town, North Samish Way, Fountain
9 District, and potentially Waterfront District), adopted Urban Development Center (UDC)
10 zoning (Barkley Village), or adopted Commercial/Historic District zoning (Fairhaven). It
11 is anticipated that other UVs identified in the Comprehensive Plan will become eligible
12 for vehicle trip reductions in the future as additional UV master plans are adopted.

13 a) Vehicle Trip and TIF Reductions in Urban Villages: TIFs are collected from new
14 development and redevelopment to recoup a proportional share of the City’s cost to
15 provide the transportation infrastructure to accommodate the 20-years of growth in
16 the Bellingham Comprehensive Plan. TIFs are based on the number of vehicle trips
17 generated by new development, or redevelopment, that creates a net new
18 transportation impact due to more vehicle trips being generated than the previous
19 use. Vehicle trip and TIF reductions are appropriate in UV locations for the following
20 reasons:

- 21 ✓ Most UV locations already have, or will have, more pedestrian, bicycle, transit,
22 and auto capacity than non-UV or suburban locations
- 23 ✓ UV locations are generally characterized by a mix of land use types in close
24 proximity to each other and to non-auto transportation facilities and services,
25 which is conducive to both internal trip capture and alternative mode trip-making
- 26 ✓ Downtown metered parking helps to create a dis-incentive for over-use of
27 automobiles while also creating an incentive for non-auto mode trips, especially
28 by employees and downtown residents (No metered parking effect in other UV’s)
- 29 ✓ ITE-accepted methodology and published research exists documenting location
30 and proximity factors, as well as specific transportation demand management
31 (TDM) performance measures, that have been proven to reduce vehicle trips for
32 mixed use urban environments, thus providing justification and legal defensibility.
- 33 ✓ Due to all of the above, most UV locations will require additional transportation
34 investments for enhancing pedestrian, bicycle, and transit facilities, but should
35 also require less new automobile transportation infrastructure investment than
36 non-UV suburban or commercial auto-oriented locations. ***Because all UV plans
37 require additional capital investments in multimodal infrastructure (Table 1.
38 and Charts 1-3, above), UV development should continue to be required to
39 pay a proportional, but reduced, share of the City’s cost to fund these
40 multimodal improvements through TIF revenue generated from new UV
41 development. Therefore, the TIF reduction is capped at 50%.***

42
43 [Notes: 2. Adopted Urban Village Master Plan Examples: City Center, Old Town, Fairhaven,
44 Barkley, N. Samish, Fountain District; Waterfront District]
45

1 b) ITE Methodology for Mixed Use Development Areas: “Internal trip capture”^{3, 3a, 3b} is a
2 measure of the extent to which multimodal trips made within multi-use development
3 areas are internalized with both origin and destination within the development area.
4 ITE methodology¹ for calculating “internal trip capture” from mixed use development
5 areas generally suggests an average of 14.5% reduction of auto trips due to
6 complimentary mix of land uses and close proximity between residential uses and
7 commercial services, generally within ¼-mile (1,320 feet; 5-minute) walking distance.
8

[Notes: 3. ITE "Internal Capture" trips occur when mixed land uses complement each other and eliminate vehicle trips.

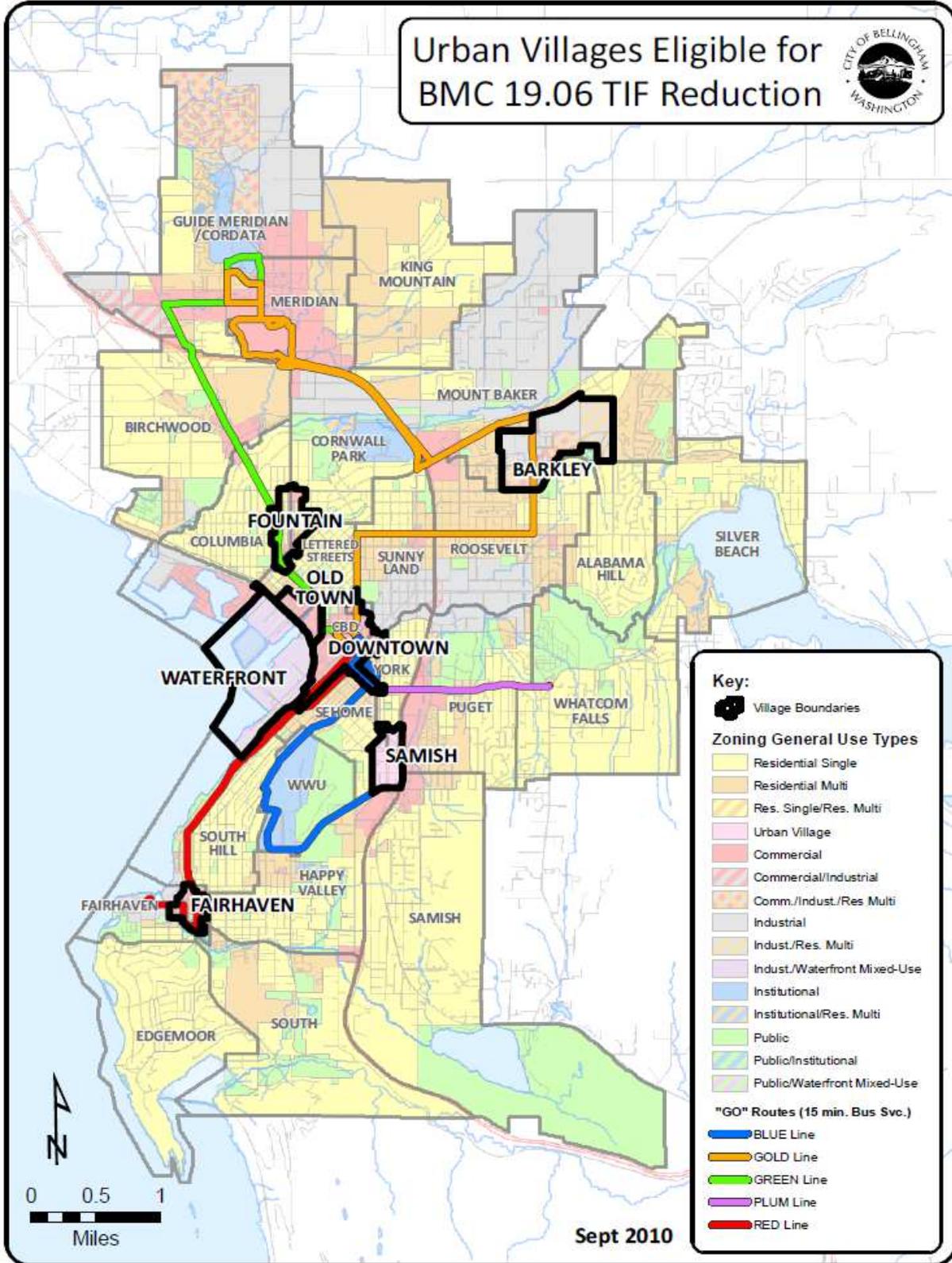
3.a. ITE Trip Generation Handbook, Chapter 7 "Multi-Use Development", pp 79-104.

3.b. "Improved Estimation of Internal Trip Capture for Mixed-Use Developments," ITE Journal, August 2010, pp 24-28.]

9 **Urban Village Location Trip Reduction Proposal:** Consistent with accepted ITE
10 methodology for internal trip capture in mixed use development areas, Public Works is
11 proposing a **15%** vehicle trip reduction for new development located within the
12 boundaries of Urban Villages that have adopted master plans (City Center, Old Town,
13 North Samish Way, Fountain District, and potentially the Waterfront District), adopted
14 Urban Development Center (UDC) zoning (Barkley Village), or adopted
15 Commercial/Historic District zoning (Fairhaven) [See Table 2. “Mixed Use Urban Village
16 Location” and example of TIF reduction (*ATTACHMENT B*)]. All new development, with the
17 exception of auto commercial and drive-thru/drive-in uses, in these mixed use Urban
18 Villages would be charged 85% of the baseline TIF to reflect that residents, employees,
19 customers, and visitors would be expected to make fewer automobile trips due to the
20 complimentary mix of residential, commercial, and industrial land uses and the increased
21 opportunities to walk, ride a bike, or ride transit. In downtown Bellingham, metered
22 parking reinforces both internal trip capture and incentives to walk or ride a bike or bus.
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NOTE: Waterfront District Not Eligible Until Planning Process Is Completed.



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1 **2) Proximity to WTA Transit:** In 2004, WTA and City transportation planners worked
2 together to update both the WTA Strategic Plan and the Transportation Element of the
3 Bellingham Comprehensive Plan. WTA completely revised their County-wide service
4 delivery strategy and developed the WTA Primary Transit Network to provide high-
5 frequency (15-minute) bus service on key corridors connecting Bellingham's Urban
6 Villages (See map on previous page). City transportation planners incorporated WTA's
7 Primary Transit Network into the Transportation Element of the Bellingham
8 Comprehensive Plan and have integrated high-frequency transit routes, bus capacity,
9 and ridership data into Bellingham's multimodal transportation concurrency program,
10 which is also designed to incentivize development in Urban Villages.

11
12 a) Transit Availability in Urban Villages: All Urban Villages that are eligible for TIF
13 reduction (See map) are, or will be, well- served by WTA transit service and most of
14 the Urban Villages encompass less than a ¼-mile radius of geographic area. The
15 exceptions to this are the larger City Center/Downtown, which includes the
16 Bellingham Station transit hub on Railroad Avenue, and the Waterfront District when
17 fixed-route transit service becomes available. This means that from almost any point
18 in any of the Urban Villages, it is a 5- to 10-minute walk (for the average person) to
19 bus stops served by transit busses with frequencies of 15, 30, or 60 minutes. The
20 availability of WTA high-frequency transit service creates both an opportunity for less
21 reliance/dependence on automobiles and the likelihood that a certain percentage of
22 the motorized trips into and out of Urban Villages are made on transit busses.⁴

23
24 b) ITE Methodology for Proximity to Transit Corridors: There is ITE-accepted
25 documentation of the trip reducing effect that proximity to transit can have on new
26 development in mixed use development areas. The ITE Trip Generation Handbook,
27 Appendix B "Effects of Transportation Demand Management (TDM) and Transit on
28 Trip Generation,"^{4a} cites documentation from an Oregon Department of
29 Transportation study designed to estimate the trip reducing effects of various urban
30 forms, TDM measures, and transit service and proximity. Table B.2. "Transportation
31 Impact Factors for Development Around Bus Transit Corridors"^{4b} shows that a 10%
32 vehicle trip reduction can occur if development in a mixed use urban environment is
33 within ¼-mile (1,320 feet; 5-minute walking distance) of a bus transit corridor.

34 [Notes: 4. WTA high-frequency GO Lines provide a transit bus every 15 minutes in each direction; 40-
35 seat bus = Two-way capacity of 320 riders/hour.

36 4.a. ITE Trip Generation Handbook, Appendix B "Effects of TDM and Transit on Trip
37 Generation", pp 121-127.

38 4.b. ITE Trip Generation Handbook, Appendix B, Table B.2. Transportation Impact Factors for
39 Development Around Bus Transit Corridors.]

40
41 **Transit Proximity Trip Reduction Proposal:** Consistent with accepted ITE
42 methodology, **varying degrees of vehicle trip reduction credit** are proposed for new
43 mixed use development located within the boundaries of Urban Villages that is within ¼-
44 mile (1,320 feet; 5-minute walking distance) of a WTA transit bus route. Vehicle trip
45 reduction credit for development in close proximity to transit is based on distance from
46 and frequency of the transit service available, as follows:

- 47 • **10%** for fronting on a WTA high-frequency transit corridor;
- 48 • **7%** within ¼-mile of a WTA high-frequency transit corridor;
- 49 • **5%** for fronting on a standard service (30-60 minute) WTA transit corridor; and
- 50 • **2%** within ¼-mile of a standard service (30-60 minute) WTA transit corridor.

51 **Note:** Only one transit proximity credit above may be applied to lower TIF charges.

1 **3) Mandatory Commute Trip Reduction⁷ (CTR) Performance Measures** Commute Trip
2 Reduction (CTR) is a term that describes various Transportation Demand Management
3 (TDM) measures that may be used by employers in an effort to reduce Single Occupant
4 Vehicle (SOV) trips by employees to and from work sites. More generally, TDM
5 measures can also be used to reduce vehicle trips that are not commute/work-related.

6 a) Employer Mandatory Commitment to Commute Trip Reduction (CTR): Washington
7 State's Clean Air Act (RCW 70.94) has specific requirements for cities and counties
8 to adopt transportation demand management strategies, including a Commute Trip
9 Reduction plan (RCW 70.94.527) with mandatory requirements for all employers with
10 100 or more employees to commit resources to reducing employee single occupant
11 vehicle (SOV) trips 10% below the standard vehicle trip generation baseline.

12 State law requires the regional CTR coordinator to survey employers participating in
13 the CTR program every two years to determine whether they are meeting their 10%
14 SOV reduction goals. If not, the CTR coordinator works with the employer to identify
15 additional methods that the employers could use to reduce SOV trips to achieve the
16 target reduction goal. These CTR employer surveys and reports are submitted to the
17 State. To date, employer compliance has been variable and enforcement has been
18 relatively relaxed.

19 b) ITE Methodology for CTR Performance Measures: The ITE Trip Generation
20 Handbook, Appendix B "Effects of Transportation Demand Management (TDM) and
21 Transit on Trip Generation," cites documentation from a Transit Cooperative
22 Research Program (TCRP) Project B-4 Study that conducted a nationwide survey of
23 employers to determine the effectiveness of various CTR performance measures.
24 The study examined three primary categories of CTR/TDM measures that employers
25 implement to reduce SOV commute trips with varying degrees of success.

26 1) Support Measures: Provided by employers to foster a work environment that
27 supports commuting by alternative modes. Includes employee transportation
28 coordinators, rideshare matching, promotional activities, on-site child care, and
29 alternative work schedules (flexible work hours, compressed work weeks,
30 staggered work hours, and telecommuting). The surveyed TDM programs that
31 provide only support services (with no economic or service incentives) were
32 measured to generally have no significant effect on the number of SOV trips
33 made by commuters.

34 2) Economic Incentives^{7a}: Employer-provided monetary incentives for employees to
35 use alternative travel modes, such as transit subsidies/bus pass, parking fees for
36 non-ride share vehicles, parking discounts for rideshare vehicles, and
37 transportation allowances. The surveyed TDM programs that include employer-
38 provided economic incentives to not drive alone were found to have an average
39 of 16% reduction in the number of SOVs used by commuters.

40 3) Transportation Services^{7b}: Employer-based efforts, such as vanpool programs,
41 shuttle bus service to off-site transit stations and park-n-ride lots, guaranteed ride
42 home programs, and provision of on-site showers and changing room facilities.
43 The surveyed TDM programs that include employer-provided transportation
44 services were measured to have an average 8% reduction in the number of
45 SOVs used by commuters.

46 The TCRP study concluded that TDM programs that combine support measures,
47 transportation services, and economic incentives produce the most significant effect

1 of reducing commuter vehicles from employment sites and, under ideal mixed use
2 development circumstances in dense urban environments with high levels of public
3 transit and high parking rates, can have up to a 24% reduction of commuter vehicles.
4 Generally, however, the combined effect of all three TDM categories is an **average**
5 **13% reduction** in the number of SOVs used by commuters^{7c}. Bellingham's
6 moderate density, moderate transit service and frequencies, abundant surface
7 parking supply, and low or free parking rates can make the success of CTR
8 programs even more challenging.

9 Adding the 'carrot' of a 10% reduction in TIF charges, potentially worth thousands of
10 dollars, would require a contractual CTR agreement with the City, a specific time
11 commitment (2-3 years) to reach the 10% SOV reduction goal, demonstration of
12 good-faith efforts to comply, and the consequence of having to reimburse the City for
13 TIF-equivalent funds minus the cost of CTR measures implemented within the
14 contractual time period. While it is not expected that there will be a large number of
15 CTR-mandated employers locating in the UVs, the potential to save money in TIF
16 charges for something that State law already requires should be seen as an
17 additional incentive for large employers to locate in the UVs.

18
19 **Commute Trip Reduction Proposal:** Consistent with both accepted ITE methodology
20 and the RCW 70.94.527 (CTR law) target of 10% reduction of employee SOV commute
21 trips, Public Works is proposing a **10% CTR** vehicle trip reduction credit for employers
22 located in Urban Villages with over 100 employees, which are required to comply with
23 RCW 70.94.527 (CTR law). In order to receive the 10% reduction in TIF, the employer
24 would be required to sign a CTR contract with the City, a specific time commitment (2-3
25 years) to reach the 10% SOV reduction goal, demonstration of good-faith efforts to
26 comply, and the consequence of having to reimburse the City for TIF-equivalent funds
27 minus the cost of CTR measures implemented within the contractual time period.

28 [Notes: 7. Employers >100 = Mandatory CTR; Employers <100 = Voluntary CTR with 2-Year Minimum
29 Commitment. Washington CTR Requires 10% Single Occupant Vehicle Reduction below Baseline
30 for Employers.

31 7.a. Economic Incentives = Transit passes, parking discounts for rideshare vehicles, parking fees for
32 SOVs, transportation allowances.

33 7.b. Transportation Services = Vanpools, shuttle bus service to transit station or park-n-ride, on-site
34 showers, lockers, changing facilities.

35 7.c. ITE Trip Generation Handbook, Appendix B, Section B.3. Reported Typical Experience TCRP
36 Project B-4 - Cost Effectiveness of TDM Programs.]

37 38 **4) Voluntary Transportation Demand Management (TDM) Performance Measures:**

39 As stated above, CTR programs are typically, and most effectively, packages of various
40 TDM measures offered to employees, but individual TDM measures can also be used to
41 reduce vehicle trips that are not commute/work-related.

42 a) TDM Research and Methodology: In addition to the ITE methodology for CTR/TDM,
43 referenced above, there is also research, based on ITE trip generation methodology,
44 that provides both legitimate guidance, and caution, in developing vehicle trip
45 reduction incentives for individual TDM performance measures. Nelson/Nygaard
46 Consulting Associates, an international firm specializing in public transit and TDM,
47 (Nelson/Nygaard helped to develop the 2004 WTA Strategic Plan), published

1 research in 2006 recommending trip generation reductions for CTR/TDM
2 performance measures in the City of Berkeley, California.⁸

3 The Nelson/Nygaard study recommended research-based methodology combined
4 with policy incentives, but also ***cautioned that jurisdictions should not offer***
5 ***CTR/TDM trip reduction incentives without some requirement for post-***
6 ***occupancy reporting from participants, staff resources to monitor the***
7 ***effectiveness of participant TDM measures, and effective enforcement***
8 ***mechanisms to ensure compliance.***

- 9 b) Provision of Bus Passes: Nelson/Nygaard's research indicates that there can be a
10 corresponding reduction in vehicle trip rates when bus passes are provided to
11 residents or employees in mixed use urban environments and in close proximity to
12 transit service. The degree of vehicle trip reduction depends on population size,
13 urban density, frequency and type of public transit service, and, most importantly,
14 parking rates as a disincentive to automobile use. Large and densely built cities with
15 light rail or bus rapid transit (BRT) and expensive parking rates (Seattle, San
16 Francisco, Vancouver B.C.) can have the highest degree of vehicle trip reduction (up
17 to 30%) if residents or employees are provided with free transit passes.

18 At 77,000 residents, Bellingham is a comparatively small city with comparatively
19 moderate density and fixed route transit bus service available, even in the planned
20 Urban Villages. Parking meters only exist in the downtown area and the weekday
21 parking rates are extremely low compared to larger cities. There is no metered
22 parking in any of the planned Urban Villages outside of the downtown area, which
23 does not create a disincentive for automobile use and reduces the effectiveness of
24 public transit incentives, including the provision of free bus passes to residents and
25 employees. Given Bellingham's current circumstances, the research on individual
26 TDM measures would suggest a **1%** vehicle trip reduction credit for each residential
27 unit or employee provided with a free bus pass, if a reporting and compliance
28 requirement is included.

29 Offering the economic incentive of vehicle trip reduction credit, and thus lower TIF
30 charges, for the voluntary provision of free bus passes to residents and employees
31 also creates concerns for the City regarding compliance and longevity, as well as
32 loss of TIF revenue. There is inherent turnover of apartment residents and
33 employees, which can make permanent change of travel behavior challenging,
34 especially without parking rate disincentives in place. The most effective way to
35 provide free bus passes to non-permanent residents and employees is monthly or
36 quarterly, rather than annually, over an established time period. It would be nice to
37 require free bus passes "in perpetuity", as per Transportation Goal 36 from the
38 Bellingham Comprehensive Plan, below, but it would not likely be used by
39 developers because it would not make economic sense to do so. The cost of
40 permanently providing bus passes would exceed the benefit gained by the developer
41 and thus remove the economic incentive to seek parking, or vehicle trip, reduction.

- 42 • **TG-36** Establish parking reduction allowances for residential units in Urban
43 Villages and within ¼ mile of the WTA Primary Transit Network that require
44 each unit to receive WTA bus passes in perpetuity.

45 In order to maintain the proposed economic incentive of lower TIF while legitimately
46 attempting to reduce vehicle trips, a limited time period must be balanced against a
47 reasonable presumption that non-automobile travel behavior will be established and,
48 hopefully, maintained over a longer period of time, even without other automobile

1 disincentives, such as metered parking, in place. Each developer or employer would
2 be required to enter into a contractual agreement with the City to provide bus passes
3 equivalent to 2 years worth of free passes to residents or employees with written
4 verification of compliance to Bellingham Public Works by WTA. Failure to comply
5 would constitute a breach of contract and would require full payment of the original
6 TIF, minus any bus passes already purchased. It is reasonable to expect that after
7 two years, general travel behavior to and from a site will be established and that, to
8 some extent, there will be less reliance on private automobiles. As mixed use Urban
9 Village environments become more established, this will be further reinforced.

10 In 2010, WTA bus passes cost \$25 per month (\$300/year), \$70 per quarter
11 (\$280/year), or \$250 for an annual pass,^{8a} while one peak hour vehicle trip costs
12 \$1,932. Due to normal turnover of apartment residents, monthly or quarterly passes
13 are more appropriate for Urban Village resident or employee bus passes. In the
14 example used in Attachment C., a 1% reduction credit is offered for each residential
15 unit or employee provided with a free bus pass and the developer has chosen to
16 provide free quarterly bus passes to all 24 units to eliminate 24% (8.45) of the overall
17 vehicle trips generated. At \$560 per unit for two years worth of free quarterly WTA
18 bus passes, this would cost the developer \$13,440, but would save \$2,885.40
19 (17.7%) that would otherwise have to be paid as part of the \$16,325.40 in standard
20 TIF charges. The City would forego \$2,885.40 in TIF revenue for this 2-year
21 provision of bus passes, which would be in addition to the 15% UV location reduction
22 and the up to 10% transit proximity reduction. If annual WTA passes were
23 purchased for owner-occupied condominiums, townhomes, or long-term lease
24 apartment residents verified by the City, then the savings would be even greater with
25 a cost of \$12,000 for the annual passes and a savings of \$4,325.40 (26.5%) in
26 standard TIF charges. Transit-oriented travel behavior and lifestyle choice would be
27 more likely from owner occupants or residents with long-term leases, which justifies
28 the greater savings in TIF.

29 **Provision of Bus Pass Proposal⁹:** A variable vehicle trip reduction credit of up to
30 10% has already been offered for Urban Village development in close proximity to
31 transit and, therefore, to avoid duplication of vehicle trip reduction credit, the
32 provision of free bus passes is proposed as **1% for each Urban Village residential
33 unit or employee provided with 2-years worth of free WTA transit passes.** A
34 contract would be required with the City to ensure compliance with verification of bus
35 pass purchases provided by WTA. Failure to comply would be a breach of contract
36 requiring full TIF payment, minus the cost of any purchased bus passes.

37 [Notes: 8. Nelson/Nygaard "Recommended Refinements to Trip Generation Methodology."
38 April 2006 Study for City of Berkeley, CA.

39 8.a. 2010 WTA bus pass cost = \$250/year; 2-year minimum commitment for this reduction.

40 9. Not Available to Employers Participating in CTR to avoid duplication of TDM measures.]

41
42 c) Provision of Car Share Membership or Accommodation of Car Share Vehicle:

43 Car sharing is essentially having access and use of a vehicle without the requirement
44 and cost of owning and insuring the vehicle.¹⁰ Community Car Share (CCS) of
45 Bellingham was a local non-profit car share organization that existed from 2006 to
46 2010, but did not survive the economic recession. National for-profit car share
47 companies like ZipCar® exist in large city markets like Seattle, San Francisco, and

1 Vancouver, B.C. Some national rental car companies have also begun exploring the
2 possibility of offering car share services in communities that they serve.

3 Research on car share organizations and travel behavior of car share members
4 indicates that once people become car share members they drive fewer vehicles
5 miles annually than average vehicle owners (up to 47% according to one study).
6 The Nelson/Nygaard research⁸ indicates that there can be corresponding vehicle trip
7 reduction of **2%** when memberships to car share organizations are provided to
8 residents or employees.

9 While there is currently not a local or national car share presence or membership
10 opportunity in Bellingham, it is possible that a car share organization will have a
11 presence here in the future. Providing a TDM incentive for developers and car share
12 organizations at this time may help to create a market for car sharing in the future.
13 Similar to the provision of free bus passes, developers could arrange to pre-
14 purchase memberships to a local car share organization, which would then be
15 provided to residential units or employees on a quarterly basis to avoid problems
16 with turnover. Membership with the former CCS was \$250 per year so the
17 economics would be similar to the provision of bus passes. Additional requirements
18 may be necessary to qualify residents and employees as members based on driving
19 record and credit score, but business or organizational memberships may also be
20 available. Damage deposits could be the responsibility of individual residents while
21 the initial 2-years worth of membership fee (\$500) would be paid by the developer or
22 employer in exchange for vehicle trip reduction credit, which would lower the TIF.

23 The Nelson/Nygaard research^{10a} also indicates that vehicle trip reduction of **2%** can
24 occur if car share vehicles are parked on-site or provided for use by residents or
25 employees in mixed use urban environments. If a car share vehicle is parked on-site
26 and is highly visible to residents or employees, then it becomes quite convenient to
27 become a car share member. At its peak, CCS owned three vehicles, all of which
28 were parked in the downtown and Fairhaven Urban Villages at locations where WTA
29 high-frequency transit was easily accessible. National car share organizations with
30 large vehicle fleets enhance this convenience to members by parking several
31 vehicles in close proximity to major employment centers and residential
32 neighborhoods. Urban density, limited parking supply, and higher parking fees are
33 the key indicators of where car sharing is most likely to succeed.

34 Another possible method of parking a car share vehicle on-site would be for a
35 developer to unbundle parking stalls from residential units, reduce the overall
36 number of stalls available for use, and provide a car share vehicle, available by
37 reservation, for use by building residents or Condominium Association members.
38 The developer's cost of providing the car share vehicle on-site could be off-set by the
39 cost savings of building fewer structured parking stalls for the residential units, each
40 of which are very expensive at \$25,000 to \$30,000 per parking stall. This
41 arrangement would require additional coordination with the Planning Department, as
42 well as parking code changes, to allow unbundled parking, but adopted
43 Transportation Element goals call for both unbundled parking and car sharing in
44 Urban Villages, as follows:

- 45 • **TG-34** Encourage the “unbundling” (separate pricing) of parking spaces
46 associated with residential development in Urban Villages to promote
47 reduction in ownership of multiple automobiles.
48

- **TG-35** Encourage the provision of car-sharing with new residential development within Urban Villages to reduce the residential parking demand.

Provision of Car Share Membership or Vehicle Accommodation Proposal⁹:

Similar to the provision of free bus passes, the vehicle trip reduction credit for provision of free car share membership is proposed as **2% for each Urban Village residential unit or employee provided with 2-years worth of free car share organization membership¹¹** and **2% for each car share vehicle parked on an Urban Village residential or employment site**. A contract would be required with the City to ensure compliance with verification of memberships provided by the car share organization. Failure to comply would be a breach of contract requiring full TIF payment, minus the cost of any purchased bus passes.

[Notes: 9. Not Available to Employers Participating in CTR to avoid duplication of TDM measures.

10. Car Sharing = Membership access to an automobile shared by multiple users in a Car Share Company or Non-Profit Organization.

10.a. Nelson/Nygaard "Recommended Refinements to Trip Generation Methodology." April 2006 Study for City of Berkeley, CA.

11. Requires Car Share Vehicle to be located within 1/4-mile (5-minute walk) of development.]

d) Other performance measures to reduce vehicle trips in Urban Villages

There are no other TIF reductions proposed for specific performance measures at this time, but transportation planning staff would like to continue to conduct research to determine if there is documented vehicle trip reduction effects for other performance measures, including but not limited to secure bicycle parking (bike lockers or cages) and commercial/employer-provided shuttle bus service (WTA van pool or private shuttle). If a legitimate and documented vehicle trip reduction can be attributed to other performance measures, then these can be added to BMC 19.06 at a future time.

1 **V. COMPREHENSIVE PLAN GOALS AND POLICIES SUPPORTING PROPOSAL**

2
3 The proposed amendments to BMC 19.06 Transportation Impact Fees reflects the essential
4 basis and intent of many infill land use strategy and multimodal transportation goals and policies
5 in the Bellingham Comprehensive Plan. Most specifically, the proposed amendments are
6 consistent with the adopted goal and policy direction of the Transportation Element, as follows:
7

8 **Transportation Visions for Bellingham**

9
10 **TV-2** Development patterns that encourage walking, biking and transit use are fostered
11 through ***incentives*** and zoning regulations, including provisions for developments which
12 allow people to live within walking distance of shopping and employment. These provisions
13 may encourage small scale neighborhood centers as well as cottage industry or home
14 occupations.
15

16 **Transportation Element Goals**

17
18 **TG-22** Support WTA high-frequency transit service by allowing higher density development
19 in designated Urban Villages in Bellingham and the Bellingham UGA.
20

21 **TG-23** When new development takes place, support WTA high-frequency transit service by
22 encouraging transit-oriented development along and within ¼ mile of WTA's Primary Transit
23 Network within Bellingham and the Bellingham UGA.
24

25 **TG-28** Set target goals to increase the mode share of pedestrian, bicycle, and transit trips
26 and reduce automobile trips as a percentage of total trips, as listed below.
27

Mode	2004	2010	2015	2022
Automobile	87%	84%	80%	75%
Transit Bus	2%	3%	4%	6%
Bicycle	3%	4%	5%	6%
Pedestrian	8%	9%	11%	13%

28
29
30
31
32
33 *(Note: 2004 data from FTA/Social Data Study)*
34

35 **TG-30** Bellingham reduces automobile trips on roadways and increases the efficiency of
36 transportation facilities by ***developing and encouraging Transportation Demand***
37 ***Management (TDM) strategies to help achieve target goals for transportation mode***
38 ***shift, wherever possible.***
39

40 **TG-32** Emphasize and commit to the implementation of infill and Urban Village land use
41 strategies to create residential densities that will support safe, viable, and convenient
42 opportunities to use transportation modes other than the private automobile.
43

44 **TG-33** Establish reduced parking requirements for transit-oriented development within
45 master-planned Urban Villages and along and within ¼ mile of the WTA Primary Transit
46 Network while ensuring that there will be minimal impacts to surrounding residential
47 neighborhoods.
48

49 **TG-34** Encourage the “unbundling” (separate pricing) of parking spaces associated with
50 residential development in Urban Villages to promote reduction in ownership of multiple
51 automobiles.

1
2 **TG-35 Encourage the provision of car-sharing** with new residential development within
3 Urban Villages to reduce the residential parking demand.

4
5 **TG-36** Establish parking reduction **allowances for residential units in Urban Villages and**
6 **within ¼ mile of the WTA Primary Transit Network th at require each unit to receive**
7 **WTA bus passes** in perpetuity.

8
9 **Transportation Element Policies**

10
11 **TP-1** Consider revision of land use plans to allow densities and mixes of uses that **reduce**
12 **the number and length of vehicle trips and increase the opportunity to use public**
13 **transportation and non-motorized modes of travel.**

14
15 **TP-2** Reinforce the link between land use and public transportation by encouraging transit-
16 oriented development along and within ¼ mile of WTA Primary Transit Network corridors
17 and near urban villages, town centers, and neighborhood centers.

18
19 **TP-4** Provide **development incentives** (such as increased density, increased square
20 footage, and parking requirement reductions) for new development located within Urban
21 Villages and along and within ¼ mile of WTA Primary Transit Network corridors when
22 amenities for transit users, bicyclists and pedestrians are included, while minimizing impacts
23 to surrounding residential neighborhoods.

24
25 **TP-15** Develop regionally consistent and **equitable transportation impact fees by which**
26 **land developers are assessed fair-share contributions for any transportation**
27 **improvements**, including but not limited to pedestrian facilities, bikeways, or roadways that
28 are that are identified in the six-year Capital Improvement Financing Plan listed in the
29 Capital Facilities Element.

30
31 **TP-22** Support pro-active marketing, advertising, and public education efforts by the WTA,
32 WCOG, and City and County Bicycle Pedestrian Advisory Committees to **encourage major**
33 **employers and businesses to provide incentives for their employees to use transit,**
34 **non-motorized transportation, or car-pooling/ridesharing to get to work rather than**
35 **single-occupant private automobiles.**

36
37 **TP-32** Promote energy conservation by **implementing transportation demand**
38 **management policies** and through the use of alternative fuels.

39
40 **TP-37** Develop programs to reduce single-occupancy vehicle use, vehicle miles traveled,
41 trip length, and travel during peak periods. **Encourage more major employers and**
42 **developments to implement transportation management plans (including flexible**
43 **work schedules) that reduce single occupancy vehicle use and travel during the peak**
44 **periods.**

45
46 **TP-39** Encourage use of non-automotive travel modes by developing parking management
47 plans. Mechanisms to be considered include:

- 48
49
 - An emphasis on short-term parking in retail areas;
 - Market-based pricing of on-street parking meters to encourage short-term day time
50 parking;

51

- 1 • Incentive-based pricing in garages to encourage long-term day time parking;
- 2 • Reduction of free or subsidized employee long-term parking availability;
- 3 • Re-evaluation of appropriate minimum and maximum parking ratios for development
- 4 proposals; and
- 5 • Elimination of “free” public parking in Urban Villages.

6
7 **TP-40** Consider revisions to current zoning code requirements for the area adjacent to the
8 CBD, Urban Villages, and major retail districts, as part of a parking management plan
9 designed to reduce the minimum number of on-site parking spaces required for
10 development and to increase preferential space and lower costs for car pool and van pool
11 parking in private developments.

12
13 **TP-41** Consider imposing a maximum amount of number of parking spaces allowed within
14 Urban Villages and along the WTA Primary Transit Network where high frequency transit
15 service exists prior to or concurrent with development.

16
17 **TP-46** The City should *develop and promote Transportation Demand Management*
18 *strategies and programs for the purpose of reducing automobile trips generated*
19 *rather than increasing roadway capacity.*

20
21 **TP-91** Encourage the WTA to *develop employer-subsidized transit pass programs in*
22 *conjunction with major employers.*

23
24 **TP-92** Encourage employers to *establish employee benefits for ridesharing and transit.*
25
26
27

1 **VI. Conclusion**

2 State law allows jurisdictions to impose transportation impact fees for the purpose of
3 recovering a proportional share of the cost invested in City transportation infrastructure that
4 can be attributed to new growth. TIF revenue is an important contribution to the annual
5 funding stream available to the Public Works Department and helps to fund the multimodal
6 transportation improvements called for in all adopted Urban Village master plans.

7 While infill development in Urban Villages can be expected to generate fewer vehicle trips
8 with less need for transportation capacity investments, it will still generate vehicle trips from
9 both within and outside of the urban village boundary and will therefore create additional
10 transportation impact. Every Urban Village plan has transportation capital improvements
11 identified to support the level of infill development potential and, in every Urban Village plan,
12 the cost of transportation investment is far more than the amount of TIF revenue generated
13 by the full build-out potential of the plan.

14 There is no accepted transportation planning methodology or research-based justification to
15 waive impact fees in mixed use urban environments and it is not appropriate to adopt policy
16 that disproportionately adds cost to city-wide development in order to subsidize Urban
17 Villages development and transportation investments. It is appropriate, however, to offer
18 vehicle trip generation reductions, based on accepted transportation planning methodology
19 to lower TIFs and thus further encourage infill development in the Urban Villages.

20 In order to recover a proportional share cost of the transportation investments needed to
21 support the development potential in Urban Villages, a maximum trip reduction of 50% is
22 proposed. The potential 50% TIF revenue reduction represents the opportunity cost of
23 trying to further implement the infill land use strategy and multimodal transportation
24 emphasis of the Bellingham Comprehensive Plan, while still generating some TIF revenue
25 for the multimodal transportation infrastructure needed to support the existing and planned
26 Urban Villages.

27
28 **VII. STAFF RECOMMENDATION**

29
30 The proposed amendments to BMC 19.06 “Transportation Impact Fees” are consistent with:

- 31
32 ✓ Accepted trip reduction methodology with the field of transportation planning;
33 ✓ The requirements of Washington’s Growth Management Act;
34 ✓ Washington State law governing impact fees (RCW 82.02);
35 ✓ The goals and policies of the Bellingham Comprehensive Plan;
36 ✓ The purpose and intent of BMC 19.06 “Transportation Impact Fees”; and
37 ✓ The goals of the joint City-Sustainable Connections “Ten in ‘10” initiative.

38
39 **The Transportation Commission should recommend approval of the proposed**
40 **amendments to BMC 19.06 Transportation Impact Fees to the City Council.**

41
42
43 **VI. LIST OF ATTACHMENTS**

- 44
45 A. Joint City-Sustainable Connections “Ten in ‘10” Press Release – April 19, 2010
46 B. Table 2. Urban Village Trip Generation Reduction Incentives
47 (with an example of vehicle trip and TIF reduction for a 5-story mixed use building)
48

1
2 **Attachment A**
3

4 **City launches ten green building initiatives in 2010**

5 *Posted: April 19, 2010 09:48:00 PST*

6 The City of Bellingham and Sustainable Connections have collaborated on a set of ten tasks to
7 be accomplished in 2010 to support and encourage green building. The **Ten In '10** initiative
8 is part of the City of Bellingham's ongoing commitment to streamline permitting and support
9 projects that conserve resources and minimize impact to the environment.

10 "After last year's successful development of five incentives for green building in 12 months (the
11 "FIVE/12" program), the City's Planning and Community Development Green Team staff and
12 Sustainable Connections have identified a number of tasks to be incorporated into the Green
13 Team Strategic Plan for 2010," explained Tim Stewart, Planning & Community Development
14 Department Director.

15 This collaborative effort is called the **Ten in '10** Initiative, and includes the following items:

- 16 1. **Green Building "Bin-Bump-Up" Pilot** - an expedited permit review program for
17 documented green projects, including a Green Permit Review Team;
- 18 2. **Construction Waste Recycling Pilot** - development of policies to
19 reduce construction and demolition debris entering the waste stream;
- 20 3. **Green Code Adoption** - adoption of standards set forth in the International Green
21 Building Code to reduce existing code barriers to green building techniques;
- 22 4. **Transportation Mode Shift Incentive** - reduction in transportation impact fees for
23 performance measures that are proven to reduce on-site trip generation, such as
24 location on Whatcom Transportation Authority Go-Lines;
- 25 5. **Subject-To-Field-Inspection Permits**- initially designed as a quick review system for
26 energy efficiency upgrades, this program has been expanded to include a wide range of
27 simple building permits;
- 28 6. **Sustainable Water Management Program** - creation of rules and polices encouraging
29 grey water and rain water harvesting where appropriate;
- 30 7. **Green Roof Initiative**- grant-funded case study of the effectiveness of the green roof on
31 the Whatcom Museum's_Lightcatcher Building and opportunities for streamlined adoption
32 of green roofs throughout Bellingham;
- 33 8. **Compilation of public and private utility incentives**- a single source of
34 comprehensive information on energy conservation;
- 35 9. **Staff training for review and inspections of green building methods**; and
36 10. **Advanced Materials and Methods (AMM)** - clear guidance and requirements
37 for advanced green building techniques (i.e. solar water heaters, porous concrete and
38 composting toilets).

39 For more information, contact Nicole Oliver, Communication Coordinator, at 778-8353,
40 noliver@cob.org, or Nick Hartrich, Green Building and Smart Growth Program Manager for
41 Sustainable Connections, 647-7093 X107, nick@sconnect.org or visit Sustainable Connection's
42 website at www.sustainableconnections.org

Attachment B - TABLE 2: Trip Generation Reduction Incentives for Infill Development in Urban Villages									
Proposed Addition to BMC 19.06.040 Transportation Impact Fee (TIF) Rate Schedule and Zone									
EXAMPLE DEVELOPMENT TYPE:		New 5-Story Mixed Use Development - Downtown Bellingham							
10,000 SF Ground Floor Commercial (4 x 2,500 SF Spaces); 24 Residential Apartments (6 Units/Floor)									
BASELINE TIF CALCULATION: Average trip rate for specific land uses listed in most current edition of ITE Trip Generation Manual ¹									
Ground Floor Commercial = ITE - 814 Specialty Retail: 2.71 trips per 1,000 SF = 27.1 trips									
Standard Pass-by % Reduction: Mixed Use Specialty Retail = 25% = 20.3 trips									
Upper Floor Residential = ITE - 220 Apartments: 0.62 trips per unit = 14.9 trips									
TOTAL BASELINE VEHICLE TRIPS = 35.2									
MENU OF LOCATION FACTORS AND PERFORMANCE MEASURES TO REDUCE VEHICLE TRIPS					VEHICLE	REDUCTION	TRIPS	NET	TIF
<i>Note: Reductions below are additive and may not exceed a total of 50%</i>					TRIPS	CREDIT	REDUCED	TRIPS	(x\$1,932)
1.) MIXED USE URBAN VILLAGE² LOCATION					35.2	100%	0	35.2	\$68,006.40
ITE Internal Capture ^{3, 3a, 3b} Reduction - Mixed Use Urban Environment						Downtown			
					35.2	15%	5.28	29.92	\$57,805.44
2.) WTA TRANSIT PROXIMITY⁴ (Only one transit proximity reduction below may be used)									
Development Fronts on a high-frequency ^{4a} WTA GO Line						State Street, WTA Red Line			
					35.2	10% ^{4b}	3.52	26.4	\$51,004.80
Development Within 1/4-mile ⁵ of WTA GO Line									
						7%			
Development Fronts on standard WTA Route ⁶ (< 60 min)									
						5%			
Development Within 1/4-mile ⁵ of standard WTA Route ⁶ (< 60 min)									
						2%			
3.) EMPLOYER MANDATORY COMMITMENT TO COMMUTE TRIP REDUCTION (CTR)⁷									
CTR/TDM commitment combining economic incentives ^{7a} with transportation services ^{7b}									
						10% ^{7c}			
4.) VOLUNTARY ANNUAL WTA TRANSIT PASS PROVISION^{8, 8a} (Non-CTR)⁹									
2-year transit pass provided for residential units = 1% per unit pass						24 units w/pass = 24%			
					35.2	1%	8.45	17.95	\$34,679.40
2-year transit pass provided for employees = 1% per employee pass									
						1%			
5.) VOLUNTARY CAR SHARE¹⁰ PARTICIPATION OR PROVISION^{10a} (Non-CTR)⁹									
Car Share Vehicle(s) Parked On Residential or Employment Site = 2% per vehicle									
						2%			
Car Share membership fee provided for residential units ¹¹ = 2% per unit									
						2%			
Car Share membership fee provided for employees ¹¹ = 2% per employee									
						2%			
					Vehicle	Percent	Trips	Net Trip	Total
					Trip Total	Reduction	Reduced	Total	TIF Charge
						49%	17.25	17.95	\$34,679.40
								SAVINGS	(\$33,327.00)
								% SAVED	-49%

Attachment B - Continued										
Notes:										
1. Institute of Transportation Engineers, Weekday Peak Hour of Adjacent Street Traffic, One Hour Between 4 and 6 p.m., Average Rate.										
2. Adopted Urban Village Master Plan (Examples: City Center, Old Town, Fairhaven, Barkley, N. Samish, Fountain District; someday Waterfront).										
3. ITE "Internal Capture" trips occur when mixed land uses complement each other and eliminate vehicle trips.										
3.a. ITE Trip Generation Handbook, Chapter 7 "Multi-Use Development", pp 79-104.										
3.b. "Improved Estimation of Internal Trip Capture for Mixed-Use Developments," ITE Journal, August 2010, pp 24-28.										
4. ITE Trip Generation Handbook, Appendix B "Effects of TDM and Transit on Trip Generation", pp 121-127.										
4.a. WTA high-frequency GO Lines provide a transit bus every 15 minutes in each direction; 40-seat bus = Two-way capacity of 320 riders/hour.										
4.b. ITE Trip Generation Handbook, Appendix B, Table B.2. Transportation Impact Factors for Development Around Bus Transit Corridors.										
5. Research widely recognizes 1/4-mile (1,320 feet) as a 5-minute walk for the average person.										
6. Transit bus frequency of greater than 60 minutes would not support significant vehicle trip reduction.										
7. Employers >100 = Mandatory CTR; Employers <100 = Voluntary CTR with 2-Year Minimum Commitment										
WA CTR Requires 10% Single Occupant Vehicle Reduction below Baseline for Employers										
7.a. Economic Incentives = Transit passes, parking discounts for rideshare vehicles, parking fees for SOVs, transportation allowances.										
7.b. Transportation Services = Vanpools, shuttle bus service to transit station or park-n-ride, on-site showers, lockers, changing facilities.										
7.c. ITE Trip Generation Handbook, Appendix B, Section B.3. Reported Typical Experience TCRP Project B-4-Cost Effectiveness of TDM Programs										
8. Nelson/Nygaard "Recommended Refinements to Trip Generation Methodology." April 2006 Study for City of Berkeley, CA.										
8.a. 2010 WTA bus pass cost = \$250/year;\$70/quarter;\$25/month; 2-year minimum commitment for this reduction.										
9. Not Available to Employers Participating in CTR to avoid duplication of TDM measures.										
10. Car Sharing = Membership access to an automobile shared by multiple users in a Car Share Company or Non-Profit Organization.										
10.a. Nelson/Nygaard "Recommended Refinements to Trip Generation Methodology." April 2006 Study for City of Berkeley, CA.										
11. Requires Car Share Vehicle to be located within 1/4-mile (5-minute walk) of development.										

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