



Whatcom Chapter

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June 20, 2008

Gary Davis
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Support Whatcom County Transportation Impact Fees (TIFs)

Dear Gary:

Futurewise Whatcom (FWW) strongly supports implementation of cost-based impact fees in Whatcom County, including those for schools, transportation, parks, and any other areas permitted by state law. We believe that impact fees are a very important mechanism to ensure that new developments pay their fair share of the costs of public infrastructure required by their projects. Impact fees help reduce the existing subsidies from current taxpayers to new developments. Therefore, we are very pleased with the current activities to bring a TIF plan to county council soon.

Futurewise Whatcom is the local chapter of the statewide smart-growth group Futurewise. Our primary goal is to protect the rural areas of Whatcom County from sprawling development. To accomplish that goal, local governments must ensure that developers pay their proportionate share of the capital costs for the new infrastructure required by their projects.

Our major question on the current plan concerns Attachment C (Schedule of TIFs) of Chapter 20.77 (Transportation Impact Fees). What is the basis for the many numbers shown in this 18-page rate table? What determines the number of trips and their locations for each of these facility types? Equally important, will these proposed fees adequately compensate Whatcom County taxpayers (i.e., current residents and business owners) for the transportation-related costs of new residential, commercial, and industrial developments? Specifically, will the fees enumerated in Attachment C be sufficient to offset most of the \$82 million identified in Attachment B?

A related question concerns Attachment A (Transportation Service Areas). What is the basis for these eight TSAs, across which fees vary by a factor of two?

The projects listed in Attachment B (TIF Project List) total \$82 million. What portion of this \$82 million will be paid for by TIFs? Is this for the full 6-year period of the county's Transportation Improvement Plan? Will the TIF ensure that new developments pay their fair share of the capital

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costs of expanded bus service (e.g., Whatcom Transportation Authority purchase of new buses) and nonmotorized forms of transportation (e.g., bicycle lanes)?

Chapter 20.77 (TIFs) calls for the Director of Public Works to be the official responsible for overseeing the county's TIF program. What reasons led to this choice rather than having the Department of Planning and Development Services be the lead entity? To date, the Transportation Concurrency Management system (Chapter 20.78) has been managed by Planning, although the responsibility, here too, may shift to Public Works.

Does the ENR Construction Cost Index (Chapter 20.77.090) fully adjust for inflation in the materials, labor, and land costs of creating new transportation infrastructure? What other measures were considered for this annual adjustment? Will the overall structure and content of the fees (Attachment C) be reviewed and revised periodically, say once every five years?

In the event that Attachment C does not adequately describe the type of land use being proposed, the project applicant must provide a study conducted by a traffic engineer. FWW recommends that the *county* select the traffic engineer rather than having the *developer* select this consultant. Allowing the developer to select the consultant leads to at least the appearance of self-dealing, such that the consultant will produce a traffic study showing minimal impacts on the Whatcom County transportation system. Requiring the county to select the traffic engineer eliminates this bias.

Section 20.77.120 requires that TIFs be imposed only for system improvements "that are reasonably related to the new development," as required under RCW 82.02.050(3)(a). What determines and defines the term "reasonably"?

The requirement that TIFs be used to "benefit the new development" is correct but much too limiting. The TIF revenues should also be used to benefit residents countywide to offset the costs (primarily increased congestion) caused by new developments.

Chapter 20.77.150 says that the impact fees can be used to "pay the principal on ... bonds." Should not the fees also be available for interest payments on these bonds, because both principal and interest are associated with funding these transportation capital projects?

Policy 4J-1 (Chapter 4, Capital Facilities) should ensure no degradation in traffic level of service because of new developments. This policy should require new developments to pay the great majority of the costs associated with any incremental or actual reduction in level of service caused by the traffic generated by that development. The current policy is much too weak because it proposes merely to administer a concurrency management system but says nothing about the purpose of this system.

Chapter 20.78 (Transportation Concurrency Management) proposes to exempt residential projects with nine or fewer units from concurrency requirement (an increase from the current five). To date, only developments with four or fewer units are exempt. What motivates and justifies this more lenient requirement?

Again, Futurewise Whatcom believes a comprehensive cost-based system of impact fees is an essential component of growth management. Such fees provide much needed money to maintain current levels of service for public systems, including roads, parks and open space, and schools. And they minimize unwarranted subsidies from existing residents and businesses to new developments.

Thank you for considering these comments from Futurewise Whatcom.

Eric Hirst
Chapter Chair

cc: David Stalheim, Dept. of Planning & Development Services
Whatcom County Planning Commission
Whatcom County Executive Pete Kremen
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