

AN ORDINANCE OF THE CITY OF BELLINGHAM RELATING TO THE IMPACT OF RESIDENTIAL DEVELOPMENT ON PUBLIC SCHOOL FACILITIES, CREATING A NEW CHAPTER 16.100 OF THE BELLINGHAM MUNICIPAL CODE RELATING TO THE IMPOSITION AND COLLECTION OF SCHOOL IMPACT FEES, AND REPEALING BMC 16.04.250 AND 16.04.255.

WHEREAS, the State of Washington enacted the Growth Management Act (GMA) in 1990 amending RCW 82.02 to authorize the collection of school impact fees on new development under specified conditions; and

WHEREAS, the City of Bellingham adopted its comprehensive plan on January 16, 1996 and in November, 1998 adopted the 1998-2003 School Facilities Plan of the Bellingham School District #501; and

WHEREAS, the Growth Management Act requires that the City's development regulations be consistent with and support the goals of the comprehensive plan; and

WHEREAS, Capital Facilities Policy CFP-32 of the City's comprehensive plan encourages the use of impact fees to partially mitigate the impacts of population growth and new development proposals as they pertain to schools; and

WHEREAS, the Bellingham School District has done extensive study of projected population growth, enrollment trends, and facility capacities and has determined that the projected population growth will create additional demand and need for public school facilities; and

WHEREAS, the City Council of the City of Bellingham finds that Chapter 16.04 of the Bellingham Municipal Code (local SEPA code), which establishes the framework for implementing school impact fees should be amended to authorize the collection of impact fees under the Growth Management Act; and

WHEREAS, the City is authorized by Chapter 82.02 RCW to require new growth and development within the City to pay a proportionate share of the cost of new facilities to serve such new growth and development through the assessment of impact fees; and

WHEREAS, the School Impact Fee Ordinance and all attachments set forth a reasonable methodology and analysis for the determining of the impact of development on the need for and costs of planning, design, and/or construction of school facilities within the Bellingham School District; and

WHEREAS, the Bellingham School District has met the criteria for imposition of impact fees under GMA and has requested the City to impose a school impact fee on its behalf for residential development within the city; and

WHEREAS, the revenues obtained from the school impact fees will be used for needed capital facilities as documented in the District's School Facilities Plan;

NOW, THEREFORE, THE CITY OF BELLINGHAM, WASHINGTON, DOES ORDAIN:

Section 1. School Impact Fee Program. A new chapter to Title 16 is hereby added to the Bellingham Municipal Code, to read as follows:

**Chapter 16.100
School Impact Fee Program**

Sections:

- 16.100.010 Findings, Purpose and Applicability**
- 16.100.020 Authority**
- 16.100.030 Definitions**
- 16.100.040 School District Eligibility for Impact Fees**
- 16.100.050 School Facilities Plan Requirements and Procedures**
- 16.100.060 School Impact Fee**
- 16.100.070 Impact Fee Accounting**
- 16.100.080 Adjustments, Appeals and Arbitration**

16.100.010 Findings, Purpose and Applicability

- A. Findings. The City Council of the City of Bellingham (Council) hereby finds that new residential growth and development resulting from projected population growth will create additional demand for public school facilities.
- B. Purpose. The purpose of this title is (1) to ensure that adequate school facilities are available to serve new growth and development; and (2) to require that new growth and development pay a proportionate share of the costs of new school facilities needed to serve new growth and development.
- C. Applicability. The terms of this title shall apply to all development for which a complete application for approval is submitted on or after the effective date of this chapter, except for development that was the subject of a prior State Environmental Policy Act (SEPA) threshold determination that provided for school mitigation. All building permit applications accepted by the city prior to the effective date of this chapter, or for development that was the subject of a prior SEPA threshold determination that included provisions for school mitigation, shall be reviewed for all

purposes allowed under state law, including environmental review pursuant to the City of Bellingham environmental policy ordinance, Chapter 16.04.

16.100.020 Authority

This chapter is adopted as a basis for the exercise of substantive authority by the City under the Growth Management Act, Chapter 36.70.A RCW and Chapter 82.02 RCW as a means of mitigating impacts on school facilities as an element of the environment.

16.100.030 Definitions

A. As used in this chapter the following terms have the meaning set forth below:

1. Words defined by RCW 82.02.090. Words used in this title and defined in RCW 82.02.090 shall have the same meaning assigned in RCW 82.02.090 unless a more specific definition is contained herein.
2. "Affordable Housing" refers to the City's definition of affordability as stated in the Consolidated Plan
3. "Average Assessed Value" means the average assessed value for each dwelling unit type within the Bellingham School District.
4. "Boeckh Index" means the current construction trade index of construction costs for each school type.
5. "Building Permit" means the permit required for new construction and additions pursuant to Title 17 of the Bellingham Municipal Code. As used herein, the shall not be deemed to include permits required for remodeling, rehabilitation or other improvements to an existing structure or rebuilding a damaged or destroyed structure; provided there is no increase in the resulting number of dwelling units.
5. "Capital Facilities" means school facilities identified in the District's 6-Year School Facilities Plan that are "system improvements" as defined by the GMA as opposed to localized "project improvements."
7. "City" means the City of Bellingham.
8. "Council" means the Bellingham City Council.
9. "Department" means the City of Bellingham Planning and Community Development Department.

10. "Developer" means the proponent of a development activity, such as any person or entity who owns or holds purchase options or other development control over property for which development activity is proposed.
11. "Development" development, for the purposes of this chapter shall mean, all single-family subdivisions (short and preliminary/final plats), condominium and multifamily residential development, including planned residential development, and all multifamily structures which require building permits, but excluding remodel or renovation permits which do not result in additional dwelling units.
12. "Development Activity" means any residential construction or expansion of a building, structure or use of land, or any other change in use of a building, structure, or land that creates additional demand and need for school facilities, but excluding remodeling or renovation projects which do not result in additional dwelling units. Also excluded from this definition is "Housing for Older Persons" as defined by 46 U.S.C. § 3607, when guaranteed by a restrictive covenant.
13. "Development Approval" means any written authorization from the City that authorizes the commencement of a development activity.
14. "Director" means the City's Planning and Community Development Director or the Planning Director's designee.
15. "District" means the Bellingham School District #501.
16. "District Property Tax Levy Rate" means the district's current capital property tax rate per thousand dollars of assessed value.
17. "Encumbered" means school impact fees identified by the district to be committed as part of the funding for capital facilities for which the publicly funded share has been assured, development approvals have been sought or construction contracts have been let.
18. "Estimated Facility Construction Cost" means the planned costs of new schools or the actual construction costs of schools of the same grade span recently constructed by the district, including on-site and off-site improvement costs. If the district does not have this cost information available, construction costs of school facilities of the same or similar grade span within another district are acceptable.
19. "Facility Design Capacity" means the number of students each school type is designed to accommodate, based on the district's standard of service as determined by the district.

20. "Growth Management Act/GMA" means the Growth Management Act, Chapter 17, Laws of the State of Washington of 1990, 1st Executive Session, as now in existence or as hereafter amended.
21. "Interest Rate" means the current interest rate as stated in the Bond Buyer Twenty Bond General Obligation Bond Index.
22. "Interlocal Agreement" means the agreement between the City and the District as authorized in Section 16.100.070.
23. "Land Cost Per Acre" means the estimated average land acquisition cost per acre (in current dollars) based on recent school site acquisition costs, comparisons of comparable site acquisition costs in other districts, or the average assessed value per acre of properties comparable to school sites located within the district.
24. "Multi-Family Unit" means any residential dwelling unit that is not a single-family unit as defined by this ordinance, including duplexes.
25. "Permanent Facilities" means school facilities of the district with a fixed foundation.
26. "Relocatable Facilities" means factory-built structures, transportable in one or more sections, that are designed to be used as education spaces and are needed to prevent the over building of school facilities, to meet the needs of service areas within a district, or to cover the gap between the time that families move into new residential developments and the date that construction is completed on permanent school facilities.
27. "Relocatable Facilities Cost" means the total cost, based on actual costs incurred by the district, for purchasing and installing portable classrooms.
28. "Relocatable Facilities Student Capacity" means the rated capacity for a typical portable classroom used for a specified grade span.
29. "School Facilities Plan" means the District's 6-Year plan for capital facility improvements adopted by the School Board consisting of those elements required by Chapter 16.100.040 BMC and meeting the requirements of the GMA.
30. "School Impact Fee" means a payment of money imposed upon development as a condition of development approval to pay for school facilities needed to serve new growth and development. The school impact fee does not include a reasonable permit fee, an application fee, the administrative fee for collecting and handling impact fees, or the cost of reviewing independent fee calculations.

31. "Single-Family Unit" means any detached residential dwelling unit designed for occupancy by a single family or household, including mobile homes.
32. "Standard of Service" means the standard adopted by the District which identifies the program year, the class size by grade span and taking into account the requirements of students with special needs, the number of classrooms, the types of facilities the district believes will best serve its student population, and other factors as identified in the district's capital facilities plan. The district's standard of service shall not be adjusted for any portion of the classrooms housed in relocatable facilities which are used as transitional facilities or from any specialized facilities housed in relocatable facilities.
33. "State Match Percentage" means the proportion of funds that are provided to the district for specific capital projects from the state's Common School Construction Fund. These funds are disbursed based on a formula which calculates district assessed valuation per pupil relative to the whole state assessed valuation per pupil to establish the maximum percentage of the total project eligible to be paid by the state.
34. "Student Factor" (Student Generation Rate) means the number of students of each grade span (elementary, middle school, high school) that the district determines are typically generated by different dwelling unit types within the district. The school district will use a survey or statistically valid methodology to derive the specific student generation rate.

16.100.040 School District Eligibility

- A. School Facilities Plan required. The Bellingham School District shall be eligible to receive school impact fees upon adoption by the City Council of a 6-Year School Facilities Plan for the District. This action will also constitute adoption by the City of the schedule of school impact fees specified in such facilities plan. The District's plan shall meet the applicable requirements of the GMA.
- B. Expiration of District plan. For purposes of school impact fee eligibility, the District's School Facilities Plan shall expire on December 31, 2003, or when an updated plan meeting the requirements of the GMA is adopted by the City Council, whichever date first occurs.
- C. Revising the School Facilities Plan.
 1. The School District may initiate revisions to the School Facilities Plan or fee schedule prior to the 2003 expiration date. The revised plan shall first be approved by the School Board and then transmitted to the City. The District's revised plan will then be considered by the City Council as part of the City's

Six-Year Capital Facilities Program in the annual budget, unless the School Board of the district declares, and the City finds, that an emergency exists.

2. The Bellingham City Council may, by resolution, recommend that the school district initiate a review of the School Facilities Plan or impact fee schedule prior to the expiration date.
3. The School Facilities Plan may include revised data for the impact fee formula and/or calculations, and a corresponding modification to the fee schedule.

16.100.050 School Facilities Plan Requirements and Procedures

- A. Minimum requirements for the District's School Facilities Plan. To be eligible for school impact fees, the District must submit a 6-year School Facilities Plan to the City pursuant to the procedure established by this chapter. The plan shall contain data and analysis necessary and sufficient to meet the requirements of the GMA. The plan must provide sufficient detail to allow computation of the fees according to the formula contained in Attachment A and in the School Facilities Plan.
- B. Council adoption. Following receipt of the District's School Facilities Plan or amendment thereto, the City Council shall schedule a public hearing to consider adoption or amendment of said plan as part of the City's Six-Year Capital Facilities Program in the annual budget process.
- C. If an updated school facilities plan has not been adopted by the City Council prior to the existing plan's expiration date due to the District's failure to submit an updated plan, the District shall not be eligible to receive school impact fees until the updated plan has been adopted by the Council.

16.100.060 School Impact Fee

- A. Fee required. Each development activity, as a condition of approval, shall be subject to the school impact fee established pursuant to this title. The school impact fee shall be calculated in accordance with the formula established in Attachment A, and incorporated in full by this reference. The school impact fee due and payable shall be as shown in the School Facilities Plan.
- B. Impact fee schedule. The school impact fees specified in the District's School Facilities Plan and adopted by the City Council shall constitute the City's schedule of school impact fees. The Planning and Community Development Department and the School District shall, for the convenience of the public, keep available an information sheet summarizing the schedule of school impact fees applicable throughout the City.

C. Service areas established. For purposes of calculating and imposing school impact fees for various land use categories per unit of development, the geographic boundary of the Bellingham School District constitutes a separate service area.

D. Impact fee limitations.

1. School impact fees shall be imposed for District capital facilities that are reasonably related to the development under consideration, shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the development, and shall be used for system improvements that will reasonably benefit the new development.
2. School impact fees must be expended or encumbered for a permissible use within six years of receipt by the District.
3. To the extent permitted by law, school impact fees may be collected for capital facilities costs previously incurred to the extent that new growth and development will be served by the previously constructed capital facilities, provided that school impact fees shall not be imposed to make up for any existing system deficiencies.
4. A developer required to pay a fee pursuant to RCW 43.21C.060 for school facilities shall not be required to pay a school impact fee pursuant to RCW 82.02.050 - .090 and this title for the same facilities.

E. Fee determination

1. For non-discretionary residential building permits, the applicability of school impact fees will be determined at the time of building permit application. The amount of the fee due shall be based on the fee schedule in effect at the time of permit application. Credit amounts and allocation of credits to be applied against the fees shall be determined by the District at the time of permit approval in accordance with BMC 16.100.060.F.
2. Residential development activities that are subject to discretionary review by the City such as long plats and planned contracts shall include in the conditions of approval a determination of the project's school impact fee obligation under this chapter. Said determination shall include any credits for in-kind contributions provided under BMC 16.100.060.F below. Final determinations may be appealed pursuant to the procedures established in Chapter 16.100.080.
3. In all cases, the amount of school impact fees shall be that which is in effect at the time of application for building permit. The fee shall be paid at building permit issuance.

F. Credit for in-kind contributions.

1. A developer may request, and the District may grant a credit against school impact fees otherwise due under this title for the value of any dedication of

land, improvement to, or new construction of any capital facilities identified in the District's School Facilities Plan provided by the developer. Such requests must be accompanied by supporting documentation of the estimated value of such in-kind contributions. All requests must be submitted to the District in writing prior to the City's determination under Section E above.

2. Where the District determines that a development activity is eligible for a credit for a proposed in-kind contribution, it shall provide the Department and the developer with a letter setting forth the justification for and dollar amount of the credit, the legal description of any dedicated property, and a description of the development activity to which the credit may be applied. The value of any such credit may exceed the impact fee obligation of the development, but the District shall not be responsible for reimbursing the developer for the difference.
 3. Where there is agreement between the developer and the School District concerning the value of proposed in-kind contributions, the developer's eligibility for a credit, and/or the amount of any credit, the Director may 1) approve the request for credit and adjust the impact fee obligation accordingly, and 2) require that such contributions be made as a condition of development approval. Where there is disagreement between the developer and the District regarding the value of in-kind contributions, however, the Director may render a decision that can be appealed by either party pursuant to the procedures in Chapter 16.100.080.
 4. For subdivisions, planned residential developments and other large-scale projects where credits for in-kind contributions are proposed or required, it may be appropriate or necessary to establish the value of the credit on a per-unit basis as a part of the development approval. Such credit values will then be recorded as part of the plat or other instrument of approval and will be used in determining the fee obligation - if any - at the time of building permit application for the development activity. In the event that such credit value is greater than the impact fee in effect at the time of permit application, the fee obligation shall be considered satisfied.
- G. SEPA mitigation and other review.
1. The City shall review development proposals and development activity permits pursuant to all applicable state and local laws and regulations, including the State Environmental Policy Act (Chapter 43.21C RCW), the state subdivision law (Chapter 58.17 RCW), and the applicable sections of the Bellingham Municipal Code. Following such review, the City may condition or deny development approval as necessary or appropriate to mitigate or avoid significant adverse impacts to school services and facilities, to assure that appropriate provisions are made for schools, school grounds, and safe student walking conditions, and to ensure that development is compatible and consistent with the District's services, facilities and capital facilities plan.

2. Impact fees required by this title for development activity, together with compliance with development regulations and other mitigation measures offered or imposed at the time of development review and development activity review, shall constitute adequate mitigation for all of a development's specific adverse environmental impacts on the school system for the purposes of Chapter 16. Nothing in this chapter prevents a determination of significance from being issued, the application of new or different development regulations, and/or requirements for additional environmental analysis, protection, and mitigation measures to the extent required by applicable law.

16.100.070 Impact Fee Accounting

A. Collection and transfer of fees.

1. School impact fees shall be due and payable to the City at the time of issuance of building permits for all development activities.
2. The District shall establish an interest-bearing account separate from all other District accounts in which to deposit the impact fees. The City will remit to the District all impact fees collected, with interest. The District shall deposit all impact fees received from the City in the impact fee account.
3. The District shall institute a procedure for the disposition of impact fees and providing for annual reporting to the City that demonstrates compliance with the requirements of RCW 82.02.070, and other applicable laws.

B. Use of funds.

1. School impact fees may be used by the District only for capital facilities that are reasonably related to the development for which they were assessed and may be expended only in conformance with the District's adopted School Facilities Plan.
2. In the event that bonds or similar debt instruments are issued for the advance provision of capital facilities for which school impact fees may be expended, and where consistent with the provisions of the bond covenants and state law, school impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that the capital facilities provided are consistent with the requirements of this title.

3. The responsibility for assuring that school impact fees are used for authorized purposes rests with the District. All interest earned on a school impact fee account must be retained in the account and expended for the purpose or purposes for which the school impact fees were imposed, subject to the provisions of Section 16.100.070.C below.
4. The District shall provide the City an annual report showing the source and the amount of school impact fees received by the District and the capital facilities financed in whole or in part with those school impact fees.

C. Refunds.

1. School impact fees not spent or encumbered within six years after they were collected shall - upon receipt of a proper and accurate claim - be refunded, together with interest, to the then current owner of the property. In determining whether school impact fees have been encumbered, impact fees shall be considered encumbered on a first in, first out basis. At least annually, the City, based on the annual report received from the District pursuant to BMC 16.100.070.B(4) and shall give notice to the last known address of potential claimants of any funds, if any, that it has collected that have not been spent or encumbered. The notice will state that any persons entitled to such refunds may make claims.
2. Refunds provided for under this section shall be paid only upon submission of a proper claim pursuant to City claim procedures. Such claims must be submitted to the Director within one year of the date the right to claim the refund arises, or the date of notification provided for above, whichever is later.

16.100.080 Adjustments, Appeals, and Arbitration

A. Administrative adjustment of fee amount.

1. A developer or the School District may, within 21 days of acceptance by the City of a building permit application, appeal to the Director for an adjustment to the fees imposed by this title. The Director may adjust the amount of the fee, in consideration of studies and data submitted by the developer and the District, if one of the following circumstances exists.
 - a. It can be demonstrated that the school impact fee assessment was incorrectly calculated;
 - b. Unusual circumstances of the development activity demonstrate that application of the school impact fee to the development would be unfair or unjust;
 - c. A credit for in-kind contributions by the developer, as provided for under BMC 16.100.060.F above, is warranted;
 - d. The proposed development will result in the provision of affordable housing as defined by the City of Bellingham. Fee reduced or waived in this circumstance must be replaced with other public funds; or
 - e. Any other credit specified in RCW 82.02.060(1) (b) may be warranted.

2. To avoid delay pending resolution of the appeal, school impact fees may be paid under protest in order to obtain a development approval.

3. Failure to exhaust this administrative remedy shall preclude appeals of the school impact fee pursuant to BMC 16.100.080.B below.

B. Appeals of decisions - procedure.

1. The appeal provisions of Chapter BMC 16.04 shall govern appeals of mitigation requirements imposed pursuant to this chapter.

2. At the hearing, the appellant shall have the burden of proof, which shall be met by a preponderance of the evidence. The impact fee may be modified upon a determination that it is proper to do so based on the application of the criteria contained in BMC 16.100.080.A. Appeals shall be limited to application of the impact fee provisions to the specific development activity and the provisions of this title shall be presumed valid.

C. Arbitration of disputes. With the consent of the developer and the District, a dispute regarding imposition or calculation of a school impact fee may be resolved by arbitration.

Section 3. Repeal of Old Mitigation Ordinance. Bellingham Municipal Code Chapter 16.04.250 and 16.04.255, School Impact Mitigation Ordinance, relating to mitigation of school impacts resulting from development proposals, is hereby repealed.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect fifteen (15) days after passage and publication of an approved summary thereof consisting of the title. The School Facilities Plan and fee schedule shall remain in effect until such time as the City of Bellingham, in response to a recommendation by the Bellingham School District, revises said plan and/or fee schedule.

PASSED by the City Council this 22nd day of NOVEMBER, 1999.



COUNCIL PRESIDENT

APPROVED by me this 6th day of December, 1999



MAYOR

ATTEST:



FINANCE DIRECTOR

APPROVED AS TO FORM:



OFFICE OF THE CITY ATTORNEY

Published: 11/26/99

SUMMARY OF ORDINANCE NO. 1999-11-078
of the City of Bellingham, Washington

On NOVEMBER 22, 1999, the City Council of the City of Bellingham, Washington, approved Ordinance No 1999-11-078 the main point of which may be summarized by its title as follows:

**AN ORDINANCE OF THE CITY OF BELLINGHAM
CREATING A NEW CHAPTER 16.100 OF THE
BELLINGHAM MUNICIPAL CODE RELATING TO
IMPOSITION OF SCHOOL IMPACT FEES, AND
REPEALING BMC 16.04.250 and 16.04.255.**

The full text of this ordinance will be mailed upon request.

APPROVED by the City Council at their meeting of NOVEMBER 22, 1999.



DEPUTY CITY CLERK, FINANCE LIAISON

Attachment A

Impact Fee Calculation Formula

The formula listed below provides the basis for the impact fee schedule for the district. The district's capital facilities plan shall include a calculation of its proposed impact fee schedule, by dwelling unit type, utilizing this formula. In addition, a detailed listing and description of the various data and factors needed to support the fee calculation is included herein and within BMC 16.100.030, Definitions.

Determination of Projected School Capacity Needs

The district shall determine, as part of its school facilities plan, projected school capacity needs for the current year and for not less than the succeeding five-year period. The school facilities plan shall also include estimated capital costs for the additional capacity needs. The district shall then calculate the impact fees using the formula set forth in this Attachment.

3

Cost Calculation by Element

The fees shall be calculated on a "per dwelling unit" basis, by "dwelling unit type" as set forth below:

Site Acquisition Cost Element

$$\{[B(2) \times B(3)] \times B(1)\} \times A(1) = \text{Site Acquisition Cost Element}$$

Where:

B(2) = Site Size (in acres, to the nearest 1/10th)

B(3) = Land Cost (Per Acre, to the nearest
dollar)

B(1) = Facility Design Capacity [see BMC 16.100.030]

A(1) = Student Factor (for each dwelling unit type)see BMC
16.100.030]

The above calculation shall be made for each of the identified grade levels (e.g. elementary, middle, junior high and/or senior high). The totals shall then be added with the result being the "Total Site Acquisition Cost Element" for purposes of the final school impact fee calculation below.

School Construction Cost Element

$$[C(1) \quad B(1) \times A(1) = \text{School Construction Cost Element}]$$

Where:

C(1) = Estimated Facility Construction Cost [see BMC 16.100.030]

B(1) = Facility Design Capacity

A(l) = Student Factor (for each dwelling unit type)

The above calculation shall be made for each of the identified grade levels (e.g. elementary, middle, junior high and/or senior high). The totals shall then be added and multiplied by the square footage of permanent facilities divided by the total square footage of school facilities, with the result being the "Total School Construction Cost Element" for purposes of the final school impact fee calculation below.

Relocatable Facilities (Portables) Cost Element

$$[E(1) \quad E(2)] \times A(1) = \text{Relocatable Facilities Cost Element}]$$

Where:

E(1) = Relocatable Facilities Cost

E(2) = Relocatable Facilities Student Capacity [see BMC 16.100.030]

A(1) = Student Factor (for each dwelling unit type)

The above calculation shall be made for each of the identified grade levels (e.g. elementary, middle, junior high and/or senior high). The totals shall then be added and multiplied by the square footage of relocatable facilities divided by the total square footage of school facilities, with the result being the "Total Relocatable facilities Cost Element" for purposes of the final school impact fee calculation below.

Credits Against Cost Calculation—Mandatory

The following monetary credits shall be deducted from the calculated cost elements defined above for purposes of calculating the final school impact fee below.

1. State Match Credit:

$$D(1) \times D(3) \times D(2) \times A(1) = \text{State Match Credit}$$

Where:

- D(1) = Boeckh Index [see BMC 16.100.030]
D(3) = Square footage of school space allowed per student, by grade span, by the Office of the Superintendent of Public Instruction
D(2) = State Match Percentage [see BMC 16.100.030]
A(1) = Student Factor (for each dwelling unit type)

The above calculation shall be made for each of the identified grade levels (e.g. elementary, middle, junior high and/or senior high). The totals shall then be added with the result being the "Total State Match Credit" for purposes of the final school impact fee calculation below.

2. Tax Payment Credit

$$\frac{[(1 + F(1))^{10}] - 1}{F(1)(1 + F(1))^{10}} \times F(2) \times F(3) = \text{Tax Credit}$$

Where:

- F(1) = Interest Rate [see BMC 16.100.030]
F(2) = District Property Tax Levy Rate [see BMC 16.100.030]
F(3) = Average Assessed Value (for each dwelling unit type)[see BMC 16.100.030]

Calculation of Total Impact Fee

The total school impact fee, per dwelling unit, shall be:

The sum of:

- Total Site Acquisition Cost Element
- Total School Construction Cost Element
- Total Relocatable Facilities Cost Element

Minus the sum of:

- Total State Match Credit
- Total Tax Payment Credit
- Elective Adjustment by District

Equals:

Total Dollars per Dwelling Unit, by Dwelling Unit Type.

The total school impact fee obligation for each development activity pursuant to the school impact fee schedule of this ordinance shall be calculated as follows:

Number of Dwelling Units, by Dwelling Unit Type

multiplied by

School Impact Fee for Each Dwelling Unit Type

less

the value of any in-kind contributions proposed by the developer and accepted by the school district, as provided in BMC 16.100.060.F.

Adjustments

The full school impact fee calculated in accordance with the formula established herein shall then be discounted by 40% to determine the actual school impact fee due and payable in accordance with Section 16.100.060.

Attachment B

**School Facilities Plan
1998 - 2003**

Board Approved September 10, 1998

**BELLINGHAM SCHOOL DISTRICT NO. 501
1306 Dupont Street
P.O. Box 878
Bellingham, Washington 98227**

**BELLINGHAM SCHOOL DISTRICT NO. 501
CAPITAL FACILITIES PLAN
1998-2003**

BOARD OF DIRECTORS

**David Blair
Becky Diaz
Elaine Lynch
Mary Stender
Ann Whitmyer**

**SUPERINTENDENT
Dr. Dale E. Kinsley**

Contact Dr. Greg L. Cowan, Assistant Superintendent, at (360) 676-6400 for information.

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	1
SIX-YEAR ENROLLMENT PROJECTIONS.....	2
SERVICE STANDARDS.....	3
INVENTORY AND EVALUATION OF CURRENT FACILITIES.....	5
THE DISTRICT'S SIX-YEAR CONSTRUCTION PLAN.....	6
SIX-YEAR CLASSROOM CAPACITIES	7
FINANCE PLAN.....	8
IMPACT FEE FORMULA AND SCHEDULES	9

I. EXECUTIVE SUMMARY

This Capital Facilities Plan (the "Plan") has been prepared by the Bellingham School District No. 501 (the "District") as the District's principal facility planning document, in compliance with the requirements of Washington's Growth Management Act. It has been prepared using data available in June 1998.

This Plan is consistent with prior long-term capital facilities plans adopted by the District. However, it is not intended to be the sole plan for all of the District's needs. The District also prepares interim long range capital facilities plans consistent with board policies. Such plans take into account longer and shorter time periods, other factors and trends in the use of facilities, and other needs of the District as may be required. These plans are consistent with this Plan. Pursuant to the requirements of the Growth Management Act, this Plan and the fee schedule will be updated based on the City of Bellingham's and Whatcom County's schedules for updating comprehensive plans.

For impact fees to be collected in unincorporated areas of Whatcom County, the Whatcom County Council must adopt this Plan and a school impact fee ordinance. For impact fees to be collected in incorporated portions of the District, the City of Bellingham must also adopt this Plan and a school impact fee ordinance.

The Plan establishes a service standard in order to ascertain current and future capacity. Though the Office of the Superintendent of Public Instruction establishes square foot guidelines for use as capacity funding criteria, those guidelines do not account for the local program needs in the District. The Growth Management Act authorizes the District to make adjustments to the service standard based on the District's specific needs. In general, the District's current standard provides the following:

Grade Level	Class Size
Primary (K-3)	23 Students
Intermediate (4-5)	26 Students
Middle School (6-8)	26 Students
High School (9-12)	26 Students

(See Section III for more specific information)

School capacity is based on the number of teaching stations or classrooms, class size, and the type of educational program provided by the school district. Existing inventory includes both permanent and relocatable classrooms. The District's 1997-1998 overall capacity is 10,475 (9,375 permanent and 1,350 relocatable), and student enrollment is 10,202. Based upon preliminary projections, the District anticipates growth in enrollment to be focused in the Elementary levels. This increase will necessitate the completion of one new elementary school. The District will also open a new high school in August 1998.

A financing plan is included in Section VII which demonstrates the District's ability to implement this plan.

II. SIX-YEAR ENROLLMENT PROJECTIONS

Enrollment projections are most accurate for the initial years of the forecast period. Moving further into the future, more assumptions about economic conditions and demographic trends in the area affect the projections. The District expects enrollment increases in the next six years to occur in the City's South neighborhood, Mount Baker neighborhood, and Guide Meridian neighborhood. This projection is based upon population forecasts made in both the Bellingham Comprehensive Plan and the Whatcom County Comprehensive Plan.

Student enrollment projections have been developed using a two-step approach. The cohort survival method was used to determine base enrollments. The Office of the Superintendent of Public Instruction ("OSPI") prepares enrollment projections for school districts using the cohort survival method. This method uses historic patterns of student progression by grade level to measure the portion of students moving from one grade level up to the next higher cohort or grade. This ratio, or survival rate, is used in conjunction with an estimate of Kindergarten enrollment as a base for enrollment projections. The District in its enrollment projections has further modified the cohort survival methodology by placing a greater weight on the more recent years. (See Table 1).

III. SERVICE STANDARDS

The District's service standard is used to ascertain its overall capacity. The service standard identifies the program year, the class size, the number of classrooms, students, and programs of special need. The service standard outlined below reflects only those programs and educational opportunities provided to students which directly affect the capacity of the school buildings.

The District operates basic educational programs under the following grade level configurations:

- Elementary schools house Kindergarten through grade five
- Middle schools house grades six through eight
- High schools house grades nine through twelve

Service Standard for Elementary Students

- In general, class size for grades K-3 should not exceed 23 students.
- In general, class size for grades 4-5 should not exceed 26 students.
- Special Education for students with disabilities is generally provided in self-contained classrooms.
- Music instruction for all students is generally provided in a separate classroom.
- Computer instruction for all students is generally provided in a special computer lab.

Identified students will also be provided other special educational opportunities in classrooms designated as follows:

- Resource rooms
- Learning assisted programs
- Life skills programs
- Mild, moderate and severe disabilities

Service Standard for Secondary Students

- In general, class size for grades 6-8 should not exceed 26 students.
- In general, class size for grades 9-12 should not exceed 26 students.
- Special Education for students with disabilities is generally provided in self-contained classrooms.
- Music instruction for all students is generally provided in a separate classroom.
- Computer instruction for all students is generally provided in a special computer lab.

Identified students will also be provided other special educational opportunities in classrooms designated as follows:

- Resource rooms
- Learning assisted programs
- Life skills programs
- Mild, moderate and severe disabilities

Room Utilization

It is not possible to achieve 100% utilization of regular teaching stations because of scheduling conflicts for student programs, the need for specialized rooms for certain programs, and the need for teachers to have a work space during their planning periods.

New School Planning

When planning, designing and constructing new schools, the school facilities are sized to accommodate the number of students shown below:

- Elementary schools - 500 students
- Middle schools - 700 students
- High schools - 1,200 students

When acquiring new school sites, the following standards are used:

- Elementary schools - 10 acres
- Middle schools - 20 acres
- High schools - 40 acres

IV. INVENTORY AND EVALUATION OF CURRENT FACILITIES

The District has permanent capacity to house 10,050 students and relocatable capacity to house 875 students in 1998-99. This capacity is based upon the District's service standard as set out in Section III. The District's actual enrollment in October 1997 was 10,202. Based upon population forecasts contained in the City of Bellingham and Whatcom County Comprehensive Plans, the District's enrollment is projected to be 11,439 in 2003.

Calculations of elementary, middle school, and high school capacities are set forth in Table 2.

Relocatables

The District inventory includes 45 relocatables.

Based on enrollment projections and planned permanent facilities, the District may need to acquire additional relocatables during the next six-year period.

As enrollment fluctuates, relocatables provide flexibility to accommodate immediate needs and interim housing. The use and need for relocatables will be balanced against program needs.

V. THE DISTRICT'S SIX-YEAR CONSTRUCTION PLAN

During the next six years, new growth will create the need to complete one new high school, reconstruct an existing high school, and construct one new elementary school. To respond to neighborhood enrollment projections, the new elementary school should be located in the northeast or southeast areas of the District. The new high school will be completed and available for occupancy in the fall of 1998. The elementary school is scheduled for completion in 2002. One of the existing high schools will be closed for reconstruction from the fall of 1998 to the fall of 2000. This school is scheduled to be opened in the 2000-01 school year.

After an extensive review of existing facility information, the District has identified an extensive list of major maintenance and modernization of existing schools required over the next 10 to 15 years. The District used the following criteria in order to prioritize and establish a plan for sequence and timing of these projects:

- Safety and building integrity needs will receive highest priority.
- Buildings that have not had any modernization or major improvements recently will receive higher priority.

During the period of this Plan, the District will also undertake the following projects in order of priority:

- Fire suppression and alarm systems, and emergency lighting (9 schools).
- Major maintenance, modernization, and improvements (by building):

Birchwood	covered play area, ADA accessibility, glass block walls replacement, traffic/parking improvement (contingent on land acquisition); asphalt work.
Carl Cozier	windows/wall replacement, heating system, accessibility, asphalt work, foundation work.
Columbia	seismic, water and heating systems.
Larrabee	seismic, accessibility, covered play area, water and sewer system improvements.
Lowell	seismic, water and sewer system improvements, accessibility, bridge and ramp work, covered play area.
Parkview	windows/walls replacement, gym expansion, cafeteria expansion, accessibility.

VI. SIX-YEAR CLASSROOM CAPACITIES: AVAILABILITY/DEFICIT PROJECTION

Based on the District's enrollment forecast, current service standard, current inventory and capacity, and future planned classroom space, elementary school enrollment will exceed District capacity within the six-year period covered by this Plan.

To meet the needs associated with deficiencies or surpluses, the District will utilize a number of tools. These tools include the movement of relocatables, boundary changes, new construction, and modifications in the educational program. Completion of Elementary No. 13 will alleviate some overcrowding at the elementary level. With the completion of the new high school in the fall of 1998 and the completed renovation and reopening of Bellingham High School in 2000, there will be sufficient capacity to house anticipated high school enrollment.

VII. FINANCE PLAN

Sources

The Finance Plan shown on Table 3 demonstrates how the District plans to finance improvements for the years 1998 through 2003. The financing components include secured and unsecured funding. The Finance Plan is based on approved bond issues (approved in 1994 and 1996 by election), securing of state funding, collection of impact fees under the State Growth Management Act, and voluntary mitigation fees paid pursuant to the State Environmental Policy Act.

\$19.2 million in bonds was passed in February of 1994 and issued in August of 1995 to provide a portion of funds necessary to build the new high school. The District issued \$9.9 million in bonds in December of 1996 and \$9.9 million in January of 1998 to pay for renovation and expansion of Bellingham High School and to make various improvements to other school facilities. In 1999, the District expects to issue the remaining \$12.1 million in bonds of a total of \$31.9 million of bonds approved in 1996.

VIII. IMPACT FEE FORMULA AND SCHEDULES

New residential developments built within the District's boundaries will generate additional students. These students will create the need for new or expanded schools. New growth should pay a part of the cost of the facilities needed to serve the growth.

The impact fee formula takes into account the cost of the capital improvements identified in this Plan for the next six years. It calculates the fiscal impact of each single family or multi-family development in the District based on projected student generation rates for single family and multi-family dwelling units. It also takes into account the taxes that will be paid by these developments and the funds that will be provided by the State for new construction. For the impact fee calculations, see Table 4.

School impact fees are authorized by the Growth Management Act, but must be imposed by the Whatcom County Board of Commissioners in unincorporated Whatcom County, and by the Bellingham City Council in the City of Bellingham.

School Impact Fee Schedules

Impact fee per single family dwelling unit	\$1,481.00
Impact fee per multi- family dwelling unit	\$ 164.00

TABLE 1

BELLINGHAM SCHOOL DISTRICT NO. 501
 PRELIMINARY ENROLLMENT PROJECTION BASED ON COHORT SURVIVAL METHOD
 OCTOBER HEADCOUNT 1998 THROUGH 2003

Grade Level	1992-93 to 1996-97 Average Cohort %	Actual	PROJECTED HEAD COUNT					
			1998	1999	2000	2001	2002	2003
Kindergarten		710	717	724	732	739	746	754
First	109.13%	703	775	783	790	798	806	814
Second	100.56%	757	707	779	787	795	803	811
Third	101.03%	733	765	714	787	795	803	811
Fourth	99.98%	815	733	765	714	787	795	803
Fifth	101.24%	748	825	742	774	723	797	805
Total K-5		4,466	4,522	4,507	4,584	4,637	4,750	4,797
Sixth	101.06%	753	756	834	750	782	731	805
Seventh	100.58%	808	757	760	839	754	787	735
Eighth	100.48%	827	812	761	764	843	758	791
Total 6-8		2,388	2,325	2,355	2,352	2,379	2,275	2,331
Ninth	108.46%	949	897	881	825	829	914	822
Tenth	96.06%	894	912	862	846	793	796	878
Eleventh	90.25%	846	807	823	778	763	716	718
Twelfth	80.52%	659	681	650	662	626	615	576
Total 9-12		3,348	3,297	3,215	3,111	3,011	3,040	2,994
TOTAL	101.24%	10,202	10,144	10,077	10,047	10,027	10,065	10,122

ASSUMES: 1% GROWTH IN ENROLLMENT AND ROLLS ALL OTHER GRADES FORWARD WITH COHORT. DOES NOT INCLUDE RUNNING START.

TABLE 2

BELLINGHAM SCHOOL DISTRICT NO. 501
Bellingham, Washington

PROJECTED CAPACITY BY GRADE LEVEL: 1998-2003

<i>ELEMENTARY SCHOOL FACILITIES</i>	1998	1999	2000	2001	2002	2003
Permanent Capacity	4300	4300	4300	4300	4300	4800
Capacity Enhancements (Portables)	400	400	400	400	400	400
Enhanced Capacity	4700	4700	4700	4700	4700	5200
New Construction					500	
School Closures						
Projected Enrollment	4522	4507	4584	4637	4750	4797
Permanent Capacity Surplus/(Deficit)	(222)	(207)	(284)	(337)	50	3
Enhanced Capacity Surplus/(Deficit)	178	193	116	63	450	403

<i>MIDDLE SCHOOL FACILITIES</i>	1998	1999	2000	2001	2002	2003
Permanent Capacity	2750	2750	2750	2750	2750	2750
Capacity Enhancements (Portables)	75	75	75	75	75	75
Enhanced Capacity	2825	2825	2825	2825	2825	2825
New Construction						
School Closures						
Projected Enrollment	2325	2355	2352	2379	2275	2331
Permanent Capacity Surplus/(Deficit)	425	395	398	371	475	419
Enhanced Capacity Surplus/(Deficit)	500	370	473	446	550	494

<i>HIGH SCHOOL FACILITIES</i>	1998	1999	2000	2001	2002	2003
Permanent Capacity	3000	3000	3000	4200	4200	4200
Capacity Enhancements (Portables)	400	400				
Enhanced Capacity	3400	3400	3000	4200	4200	4200
New Construction			1200			
School Closures						
Projected Enrollment	3297	3215	3111	3011	3040	2994
Permanent Capacity Surplus/(Deficit)	(297)	(215)	(111)	1189	1160	1206
Enhanced Capacity Surplus/(Deficit)	103	185	1089	1189	1160	1206

TABLE 3

**BELLINGHAM SCHOOL DISTRICT NO. 501
Bellingham, Washington**

SIX YEAR FINANCE PLAN: 1998-2003

	1997	1998	1999	2000	2001	2002	2003	Total	Secured Local	Est. or Secured State	Unsecured Local*
Squalicum High School	27,000,000									2,000,000	
Elementary No. 13					6,900,000				400,000		6,500,000
Bellingham High School		26,000,000							26,000,000	2,000,000	
** Birchwood Elementary						1,500,000					
** Carl Cozier Elementary						1,500,000					
** Columbia Elementary						1,400,000					
** Larrabee Elementary						1,000,000					
** Lowell Elementary						750,000					
** Parkview Elementary						750,000					

* These are expected to be secured through local bond issues, impact fees and mitigation payments.

Calculations of estimated impact fees are shown in Table 4.

** These schools are being modernized and are not related to growth.

All schools other than noted are being constructed due to growth.

TABLE 4

School Impact Fee Calculation			DISTRICT		Bellingham School District #501		
School Site Acquisition Cost:							
((AcresxCost per Acre)/Facility Capacity)xStudent Generation Factor							
	Facility	Cost/	Facility	Student	Student	Cost/	Cost/
	Acreage	Acre	Capacity	Factor	Factor	SFR	MFR
Elementary	10.00	\$40,000	500	0.157	0.051	\$126	\$41
Middle	0.00	\$0	0	0.070	0.013	\$0	\$0
Sr. High	40.00	\$14,000	1,200	0.125	0.028	\$58	\$13
TOTAL						\$184	\$54
School Construction Cost:							
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(permanent/Total Sq Ft)							
	%Perm/	Facility	Facility	Student	Student	Cost/	Cost/
	Total Sq.Ft	Cost	Capacity	Factor	Factor	SFR	MFR
Elementary	96.80%	\$6,500,000	500	0.157	0.051	\$1,976	\$642
Middle	96.80%	\$0	0	0.070	0.013	\$0	\$0
Sr. High	96.80%	\$26,000,000	1,200	0.125	0.028	\$2,622	\$587
TOTAL						\$4,597	\$1,229
Temporary Facility Cost:							
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(Temporary/Total Square Feet)							
	%Temp/	Facility	Facility	Student	Student	Cost/	Cost/
	Total Sq.Ft	Cost	Size	Factor	Factor	SFR	MFR
Elementary	3.20%	\$60,000	25	0.157	0.051	\$12	\$4
Middle	3.20%	\$0	25	0.070	0.013	\$0	\$0
Sr. High	3.20%	\$60,000	25	0.125	0.028	\$10	\$2
TOTAL						\$22	\$6
State Matching Credit:							
Boeckh Index X SPI Square Footage X District Match % X Student Factor							
	Boeckh	SPI	District	Student	Student	Cost/	Cost/
	Index	Footage	Match %	Factor	Factor	SFR	MFR
Elementary	\$98.78	80	38.28%	0.157	0.051	\$475	\$154
Middle	0	100	38.28%	0.070	0.013	\$0	\$0
Sr. High	98.78	120	38.28%	0.125	0.028	\$567	\$127
TOTAL						\$1,042	\$281
Tax Payment Credit:							
						SFR	MFR
Average Assessed Value						\$121,400	\$68,934
Capital Bond Interest Rate						5.11%	5.11%
Net Present Value of Average Dwelling						\$932,431	\$529,458
Years Amortized						10	10
Property Tax Levy Rate						\$1.3870	\$1.3870
Present Value of Revenue Stream						\$1,293	\$734
Fee Summary:							
				Single	Multiple		
				Family	Family		
Site Acquisition Costs				\$183.93	\$53.87		
Permanent Facility Cost				\$4,597.35	\$1,229.04		
Temporary Facility Cost				\$21.66	\$6.07		
State Match Credit				(\$1,042.13)	(\$281.33)		
Tax Payment Credit				(\$1,293.24)	(\$734.33)		
FEE				\$2,468	\$273		
FEE WITH DISCOUNT OF 40%				\$1,481			
FEE WITH DISCOUNT OF 40%					\$164		