

AN ORDINANCE OF THE CITY OF BELLINGHAM, WASHINGTON RELATED TO IMPACT FEES, REPEALING BMC 16.100 "SCHOOL IMPACT FEE PROGRAM" AND ADOPTING A NEW CHAPTER 19.08 ENTITLED "SCHOOL IMPACT FEES" AS SET FORTH BELOW.

WHEREAS, a new Title 19 has been created in the Bellingham Municipal Code entitled "Impact Fees";

WHEREAS, the public and City of Bellingham benefit by having the Bellingham Municipal Code organized in the most easily accessed, intuitive format possible; and

WHEREAS, some minor changes to the School Impact Fees structure are necessary for uniformity among the three Impact Fee Chapters.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BELLINGHAM DOES ORDAIN AS FOLLOWS:

Section 1. School Impact Fees. A new chapter 19.08 is hereby added to the Bellingham Municipal Code to read as follows:

TITLE 19 – IMPACT FEES

**Chapter 19.08
School Impact Fees**

Sections:

- Section 19.08.010: Findings, Purpose and Applicability
- Section 19.08.020: Authority
- Section 19.08.030: Definitions
- Section 19.08.040: School District Eligibility
- Section 19.08.050: School Facilities Plan Requirements and Procedures
- Section 19.08.060: School Impact Fee
- Section 19.08.070: Impact Fee Accounting
- Section 19.08.080: Adjustments, Waivers, Appeals and Arbitration

19.08.010 - 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 forecasted population growth will create additional demand for public school facilities.

B. Purpose. The purpose of this chapter is (1) to ensure that adequate school facilities are available to serve new growth and development; (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; and (3) to ensure that school impact fees are administered consistently and fairly.

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C. Applicability. The terms of this chapter 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.

19.08.030 - 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. **Average Assessed Value:** The average assessed value for each dwelling unit type within the Bellingham School District.

3. **Boeckh Index:** The current construction trade Index of construction costs for each school type.

4. **Building Permit:** The permit required for new construction and additions pursuant to Title 17 of the Bellingham Municipal Code. As used herein, this 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:** School facilities identified in the District's 6-Year School Capital Facilities Plan (See Attachment B) that are "system improvements" as defined by the State Growth Management Act as opposed to localized "project improvements."

6. **City:** The City of Bellingham.

7. **Council:** The Bellingham City Council.

8. **Department:** the City of Bellingham Planning and Community Development Department.

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9. **Developer:** 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.

10. **Development:** For the purposes of this chapter, development 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.

11. **Development Activity:** 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.

12. **Development Approval:** Any written authorization from the City that authorizes the commencement of a development activity.

13. **Director:** The City's Planning and Community Development Director or the Planning Director's designee.

14. **District:** the Bellingham School District #501.

15. **District Property Tax Levy Rate:** The Bellingham School District's current capital property tax rate per thousand dollars of assessed value.

16. **Duplex Dwelling Units:** Any residential building containing two separate dwelling units. For purposes of calculating school impact fees to correctly mitigate the impact of new development, each duplex building shall be considered as two single family dwelling units.

17. **Encumbered:** 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:** 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:** The number of students each school type is designed to accommodate, based on the standard of service as determined by the District.

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20. Growth Management Act/GMA: 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: The current interest rate as stated in the Bond Buyer Twenty Bond General Obligation Bond Index.

22. Interlocal Agreement: The 1999 agreement between the City and the District concerning collection and handling of school impact fees.

23. Land Cost Per Acre: 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. Low Income Housing: The City's definition of Low Income Housing as set forth in the current City of Bellingham Consolidated Plan (or successor thereto).

25. Multi-Family Dwelling Unit: Any residential building containing three or more dwelling units.

26. Permanent Facilities: School facilities of the District with a fixed foundation.

27. Relocatable Facilities: 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.

28. Relocatable Facilities Cost: The total cost, based on actual costs incurred by the district, for purchasing and installing portable classrooms.

29. Relocatable Facilities Student Capacity: The rated capacity for a typical portable classroom used for a specified grade span.

30. School Facilities Plan: The District's 6-Year plan for capital facility improvements adopted by the School Board consisting of those elements required by Chapter 19.08.040 BMC and meeting the requirements of the GMA. See Attachment B.

31. School Impact Fee: 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.

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32. Single Family Dwelling Unit: Any attached or detached residential dwelling unit designed for occupancy by one or two families or households, including mobile homes. For purposes of this ordinance and to correctly mitigate the impact of new development, duplex buildings are classified as two single family dwelling units.

33. Standard of Service: 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.

34. State Match Percentage: 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.

35. Student Factor or Student Generation Rate: 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 Bellingham School District will use a survey or statistically valid methodology to derive the specific student generation rate.

19.08.040 - School District Eligibility

A. School Capital 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 Capital Facilities Plan (see Attachment B). 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 State Growth Management Act.

B. Expiration of District Plan. For purposes of school impact fee eligibility, the District's School CFP shall expire on December 31, 2009, 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 (CFP).

1. The School District may initiate revisions to the School CFP or fee schedule prior to the 2009 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 Capital Facilities Program in the annual budget, unless the School Board of the District declares, and the City finds, that an emergency exists.

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2. The Bellingham City Council may, by resolution, recommend that the District initiate a review of the School CFP 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.

19.08.050 - School Facilities Plan Requirements And Procedures

A. Minimum requirements for the District's School Capital Facilities Plan. To be eligible for school impact fees, the District must submit a 6-year School CFP 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 State 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 CFP, Attachment B.

B. Council adoption. Following receipt of the District's School CFP 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 6-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.

19.08.060 - 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 CFP.

B. Impact fee schedule. The school impact fees specified in the District's School Capital 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.

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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 6 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 19.08.060 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 19.08.060 F. below. Final determinations may be appealed pursuant to the procedures established in Chapter 19.08.080.

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

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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 19.08.080.

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

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environmental impacts on the school system for the purposes of BMC 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.

19.08.070 - 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 19.08.070.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.

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1. School impact fees not spent or encumbered within 6 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 19.08.070.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.

19.08.080 - Adjustments, Waivers, Appeals And Arbitration

A. Administrative adjustment of fee amount.

1. An applicant for a building permit or the School District may, within 21 days of acceptance by the City of a complete building permit application, submit a letter to the Director requesting an adjustment to the impact fees imposed by this title. The Director may adjust the amount or waive the entire 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 19.08.060.F above, is warranted;

d. The proposed development will result in the provision of Low Income Housing as defined by the then current City of Bellingham Consolidated Plan (or successor thereto). Fees 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.

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2. To avoid delay pending resolution of the adjustment or 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 19.08.080.B below.

B. Appeals of decisions - procedure.

1. The Director's final impact fee determination may be appealed to the Hearings Examiner under the provisions of Chapter BMC 2.56. The appeal provisions of Chapter BMC 16.20 shall govern appeals of mitigation requirements imposed pursuant to this chapter.

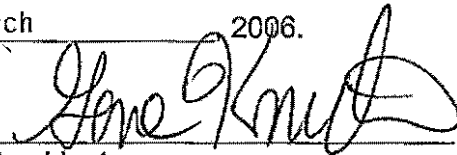
2. At the hearing, the appellant shall have the burden of proof, which shall be met by a preponderance of the evidence. The impact fee may be modified upon a determination that it is proper to do so based on the application of the criteria contained in BMC 19.08.080.A. Appeals shall be limited to application 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. Effective date


This ordinance shall be effective fifteen (15) days after passage and publication of the ordinance or a summary thereof.

PASSED by the Council this 6th day of March, 2006.

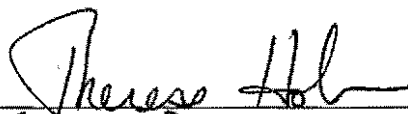


Council President

APPROVED by me this 10th day of March, 2006.



Mayor

ATTEST: 

FINANCE DIRECTOR

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~~Finance Director~~

APPROVED AS TO FORM:



Office of the City Attorney

Published: March 10, 2006

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Attachment A

Impact Fee Calculation Formula

The formula listed below provides the basis for the impact fee schedule for the District. The District's School Capital Facilities Plan (CFP) 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 CFP, projected school capacity needs for the current year and for not less than the succeeding five-year period. The School CFP 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.

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

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

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(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 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

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

$$F(1)(1 + F(1))^{10}$$

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

BELLINGHAM SCHOOL DISTRICT NO. 501 CAPITAL FACILITIES PLAN 2004-2009

BOARD OF DIRECTORS

**Ken Gass
Jeffrey Hagen
Elaine Lynch
Stephen Schoenfeld
Ann Whitmyer**

**SUPERINTENDENT
Dr. Dale E. Kinsley**

Board Approved March 25, 2004

Contact Jim Stevens, Assistant Superintendent, at (360) 676-6400 for information.

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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 March 2004.

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 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.

The City of Bellingham has adopted a school impact fee ordinance. This updated Plan must be adopted by reference as a part of the City's Comprehensive Plan. For impact fees to be collected in unincorporated areas of Whatcom County, the Whatcom County Council must adopt this Plan and must adopt 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 ("OSPI") 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)	23 Students
Middle School (6-8)	25 Students
High School (9-12)	25 Students

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 2003-2004 permanent capacity is 9,740 (plus relocatable capacity of 902), and student enrollment is 10,296. 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 during the next six years.

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 northwest quadrant, east Bakerview, Sudden Valley, and Yew Street vicinity. This projection is based upon population forecasts made in both the Bellingham Comprehensive plan and the Whatcom County Comprehensive Plan, and upon existing land use policies and anticipated development decisions.

Student enrollment projections have been developed using the Whatcom County Population Forecast to determine base enrollments. (See Table 1-A.) The Office of Superintendent of Public Instruction 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. These projections are used as a comparison. (See Table 1-B.)

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 needs. 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.

The District has updated its standard of service since the preparation of the last Plan. Specifically, the District engaged in a comprehensive review of its facilities, identifying the actual use of each school for regular classroom instruction, special programs, and other non-instructional needs. The District also incorporated class size reductions as a result of Initiative 728 (passed by the Legislature in 2000) as well as other District programs and contract requirements.

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 23 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 both the classroom and 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 25 students.
- In general, class size for grades 9-12 should not exceed 25 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 both the classroom and 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

As discussed above in Section III, the District recently completed a comprehensive review of its facilities, identifying the actual use of each school for regular classroom instruction, special programs, and other programmatic needs.

The District currently has permanent capacity to house 9,740 students and relocatable capacity to house 902 students. This capacity is based upon the District's service standard as set forth in Section III. The District's actual enrollment in February 2004 was 10,296. Based upon population forecasts contained in the City of Bellingham and Whatcom County Comprehensive Plans, the District's enrollment is projected to increase to 10,880 in 2009 (see Table 1-A).

Calculations of elementary, middle school, and high school capacities are set forth in Tables 2-A and 2-B.

Relocatables

The District inventory includes 46 relocatables (portable classrooms). Due to the age and condition of some of the portables, the District intends to remove thirteen portables from its inventory by the year 2008. Other portables may be relocated throughout the District to meet capacity needs.

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.

Table 2-B contains an evaluation of District capacity in relation to the six-year enrollment projections.

V. THE DISTRICT'S SIX-YEAR CONSTRUCTION PLAN

During the next six years, new growth will create the need to complete one new elementary school and add classrooms to existing schools in the District. To respond to neighborhood enrollment projections, the new elementary school (Elementary No. 14) should be located in the northwest area of Bellingham.

After an extensive review of existing facility information, the District has identified the following list of major maintenance and modernization projects which will be required over the next 10 years:

Facilities Upgrade and Modernization	Classroom additions, gymnasium expansion, windowwall replacement, structural modifications, athletic bleachers
Districtwide	Flooring replacement, hazardous materials removal, heating unit vents replacement, technology, indoor air quality assessment
Property Purchase	Two elementary school sites
Mechanical/Electrical Upgrade	Install heat pumps, water tank replacement, electrical upgrade
Facility Assessment	Conduct condition assessments of several existing facilities
Systems Upgrades	Chimney relining, fire alarm system upgrade, re-roofing,
Wetlands Mitigation	Squalicum/Roosevelt
Fiber Lite	Districtwide fiber optics installation

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, enrollment will exceed District permanent capacity within the six-year period covered by this Plan, particularly at the elementary level.

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 Number 14 will accommodate expected growth at the elementary level.

VII. FINANCE PLAN

The Finance Plan shown on Table 3 demonstrates how the District plans to finance improvements for the years 2004 through 2009. The financing components include secured and unsecured funding. The Finance Plan is based on remaining interest earnings and state matching funds from prior bond issues, collection of impact fees under the State Growth Management Act, and a future bond issue which will need to be approved by voters.

VIII. IMPACT FEES

New residential developments built within the District's boundaries will generate additional students. Specifically, the District's student generation rate indicates that .377 students will be generated from each new single family development in the District and .161 students will be generated from each new multi-family dwelling unit. (See Appendix B.) These students will create the need for additional capacity at the elementary level.

The impact fee formula takes into account the cost of the growth-related 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 any funds that will be provided by the State for new construction. For the impact fee calculations see Appendix A. School impact fees will be used to offset that portion of the cost to construct Elementary No. 14 that is related to new growth, with the majority of the facility being funded by state and local funds.

School impact fees will not be used to fund improvements necessary to correct existing needs. The financing plan for the non-growth capital projects and non-capacity projects clearly indicates funding from other sources.

School Impact Fee Schedule

Impact fee per single-family dwelling unit	\$1,211.00
Impact fee per multi-family dwelling unit	\$ 721.00

Table 1-A
Bellingham School District Projected Student Population
Whatcom County Population Forecast, Medium Range

GRADE	2003*	2004	2005	2006	2007	2008	2009
K	714	719	729	739	748	758	768
1	723	796	801	813	824	834	845
2	772	732	806	811	823	834	844
3	730	786	745	820	826	838	849
4	732	729	785	744	819	825	836
5	773	750	747	804	763	839	845
6	819	786	763	759	818	775	853
7	812	830	796	772	769	828	785
8	828	835	853	819	795	791	852
9	1,012	979	987	1,009	968	939	935
10	925	954	923	931	951	913	886
11	853	854	881	852	859	878	842
12	646	717	718	741	716	723	738
K-5	4,444	4,512	4,613	4,732	4,802	4,927	4,988
6-8	2,459	2,451	2,412	2,351	2,382	2,395	2,491
9-12	3,436	3,504	3,509	3,532	3,495	3,453	3,402
TOTAL	10,339	10,467	10,534	10,615	10,678	10,775	10,880

*Actual enrollment

Source: Kask Consulting. Full enrollment report available by request from the Bellingham School District.

**Table 1-B
Bellingham School District Projected Student Population
Cohort Survival**

GRADE	2003*	2004	2005	2006	2007	2008	2009
K	714	645	691	696	702	704	768
1	723	796	763	770	776	782	789
2	772	732	806	773	780	786	792
3	730	786	746	821	787	794	801
4	732	729	785	745	820	786	793
5	773	750	747	805	764	840	806
6	819	786	763	760	819	777	854
7	812	829	796	773	770	829	787
8	828	835	853	819	795	792	853
9	1,012	977	987	1,009	968	940	936
10	925	953	921	930	951	912	886
11	853	851	879	850	858	878	842
12	646	717	716	739	715	722	738
K-5	4,444	4,478	4,538	4,601	4,629	4,696	4,695
6-8	2,459	2,450	2,412	2,352	2,384	2,398	2,494
9-12	3,436	3,498	3,503	3,528	3,492	3,452	3,402
TOTAL	10,339	10,426	10,453	10,490	10,505	10,546	10,591

*Actual enrollment

Source: Office of the Superintendent of Public Instruction.

**Table 2-A
Existing Facilities**

Currently there are thirteen elementary schools (K-5), four middle schools (6-8), and three high schools (9-12). Following is an inventory of their capacity.

**Inventory of Existing School Facilities
Bellingham School District**

<i>Site</i>	<i>Site Size (acres)</i>	<i>Facility Size (square feet)</i>	<i>Capacity (Enhanced)*</i>
Elementary			4,817
Alderwood	10.7	30,947	357
Birchwood	4.6	33,510	379
Carl Cozier	4.2	45,390	513
Columbia	3.0	35,041	223
Geneva	8.8	52,013	469
Happy Valley	7.5	39,697	446
Larrabee	1.3	18,260	201
Lowell	3.2	35,427	290
Northern Heights	16.0	50,108	379
Parkview	4.1	33,882	334
Roosevelt	14.2	50,140	468
Silver Beach	10.0	48,364	446
Sunnyland	2.9	32,607	312
Middle			2,525
Fairhaven	13.6	89,480	550
Kulshan	17.0	74,497	675
Shuksan	15.7	87,964	675
Whatoom	8.2	103,844	625
High			3,300
Bellingham	16.5	166,164	1,050
Sehome	41.0	175,624	1,025
Squalicum	39.0	178,616	1,225
TOTAL			10,642

*Capacity
 Permanent Capacity 9,740
 Relocatable 902
 Total (Enhanced) 10,642

**Table 2-B
PROJECTED CAPACITY BY GRADE LEVEL: 2004-2009
BASED UPON HEADCOUNT ENROLLMENT**

<i>ELEMENTARY SCHOOL FACILITIES</i>	<i>Actual Feb. 2004</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Permanent Capacity	4215	4215	4215	4215	4215	4715	4715
Capacity Enhancements (Portables)	602	602	602	602	602	602	602
Enhanced Capacity	4817	4817	4817	4817	4817	5317	5317
New Construction						500	
School Closures							
Projected Enrollment	4445	4512	4613	4732	4802	4927	4988
Permanent Capacity Surplus/(Deficit)	(229)	(297)	(398)	(517)	(587)	(212)	(273)
Enhanced Capacity Surplus/(Deficit)	372	305	204	85	15	390	329

<i>MIDDLE SCHOOL FACILITIES</i>	<i>Actual Feb. 2004</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Permanent Capacity	2325	2325	2325	2325	2325	2325	2325
Capacity Enhancements (Portables)	200	200	200	200	200	200	200
Enhanced Capacity	2525	2525	2525	2525	2525	2525	2525
New Construction							
School Closures							
Projected Enrollment	2445	2451	2412	2351	2382	2395	2491
Permanent Capacity Surplus/(Deficit)	(120)	(126)	(87)	(26)	(57)	(70)	(166)
Enhanced Capacity Surplus/(Deficit)	80	74	113	174	143	130	34

<i>HIGH SCHOOL FACILITIES</i>	<i>Actual Feb. 2004</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Permanent Capacity	3200	3200	3200	3200	3200	3200	3200
Capacity Enhancements (Portables)	100	100	100	100	100	100	100
Enhanced Capacity	3300	3300	3300	3300	3300	3300	3300
New Construction							
School Closures							
Projected Enrollment	3406	3504	3509	3532	3495	3453	3402
Permanent Capacity Surplus/(Deficit)	(206)	(304)	(309)	(332)	(295)	(253)	(202)
Enhanced Capacity Surplus/(Deficit)	(106)	(204)	(209)	(232)	(195)	(153)	(102)

TABLE 3

BELLINGHAM SCHOOL DISTRICT NO. 501
Bellingham, Washington

SIX YEAR FINANCE PLAN: 2004-2009

	2004	2005	2006	2007	2008	2009	Total	Secured Local	Unsecured Local*
Elementary No. 14					9,000,000		9,000,000		9,000,000
Elementary Property	1,500,000	1,000,000					2,500,000	2,500,000	
Facilities Upgrades & Modifications		3,250,000					3,250,000	3,250,000	
Districtwide Projects	2,700,000						2,700,000	2,700,000	
Mechanical/Electrical Upgrades		400,000					400,000	400,000	
Facility Assessments	125,000						125,000	125,000	
System Upgrades	425,000						425,000	425,000	
Wetlands Mitigation	22,000	22,000	22,000				66,000	66,000	
Fiber Optics Installation	700,000						700,000	700,000	
Total	5,472,000	4,672,000	22,000	-	9,000,000	-	19,166,000	10,166,000	9,000,000

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

** The District does not expect to be eligible for any state matching funds for the construction of Elementary 14.

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Appendix A

School Impact Fee Calculation				DISTRICT Bellingham School District #501			
School Site Acquisition Cost:							
((Acres x Cost per Acre) / Facility Capacity) x Student Generation Factor							
	Facility	Cost/	Facility	Student	Student	Cost/	Cost/
	Acreage	Acre	Capacity	SFR	MFR	SFR	MFR
Elemental	18.00	\$83,433	500	0.179	0.089	\$447	\$222
Middle	20.00	\$0	700	0.089	0.036	\$0	\$0
Sr. High	0.00	\$0	1,200	0.108	0.036	\$0	\$0
					TOTAL	\$447	\$222
School Construction Cost:							
((Facility Cost / Facility Capacity) x Student Generation Factor) x (permanent / Total Sq Ft)							
	%Perm/	Facility	Facility	Student	Student	Cost/	Cost/
	Total Sq Ft	Cost	Capacity	SFR	MFR	SFR	MFR
Elemental	96.80%	\$9,000,000	500	0.179	0.089	\$3,119	\$1,551
Middle	96.80%	\$0	700	0.089	0.036	\$0	\$0
Sr. High	96.80%	\$0	1,200	0.108	0.036	\$0	\$0
					TOTAL	\$3,119	\$1,551
Temporary Facility Cost:							
((Facility Cost / Facility Capacity) x Student Generation Factor) x (Temporary / Total Square Feet)							
	%Temp/	Facility	Facility	Student	Student	Cost/	Cost/
	Total Sq Ft	Cost	Size	SFR	MFR	SFR	MFR
Elemental	3.20%	\$0	25	0.179	0.089	\$0	\$0
Middle	3.20%	\$0	25	0.089	0.036	\$0	\$0
Sr. High	3.20%	\$0	25	0.108	0.036	\$0	\$0
					TOTAL	\$0	\$0
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 %	SFR	MFR	SFR	MFR
Elemental	0	100	0.00%	0.179	0.089	\$0	\$0
Middle	0	100	0.00%	0.089	0.036	\$0	\$0
Sr. High	0	120	0.00%	0.108	0.036	\$0	\$0
					TOTAL	\$0	\$0
Tax Payment Credit:							
Average Assessed Value						SFR	MFR
Capital Bond Interest Rate						\$148,904	\$55,057
Net Present Value of Average Dwelling						4.35%	4.35%
Years Amortized						\$1,186,973	\$438,881
Property Tax Levy Rate						0.0039	\$1.3039
Present Value of Revenue Stream						\$1,548	\$572
Fee Summary:				Single	Multiple		
				Family	Family		
Site Acquisition Costs				\$447.50	\$222.50		
Permanent Facility Cost				\$3,118.90	\$1,550.74		
Temporary Facility Cost				\$0.00	\$0.00		
State Match Credit				\$0.00	\$0.00		
Tax Payment Credit				(\$1,547.67)	(\$572.25)		
FEE				\$2,019	\$1,201		
FEE WITH DISCOUNT OF 40%				\$1,211			
FEE WITH DISCOUNT OF 40%					\$721		

APPENDIX B

2003 BELLINGHAM SCHOOL DISTRICT STUDENT GENERATION RATES

	Single Family	Multiple Family
Elementary	0.179	0.089
Middle School	0.089	0.036
High School	0.108	0.036
Total ¹	0.377	0.161

Attached is a summary table showing the summary information and the student generation rate calculations for both single family and multiple family.

Single Family

	# of Students	SGR
Elementary K-5	262	0.179
Middle School 6-8	130	0.089
High School 9-12	158	0.108
Total	550	0.377

Multiple Family

	# of Students	SGR
Elementary K-5	173	0.089
Middle School 6-8	70	0.036
High School 9-12	69	0.036
Total	312	0.161

Grade	SF #	MF #
K	33	37
1	36	32
2	38	27
3	41	31
4	72	23
5	42	23
6	43	26
7	48	24
8	39	20
9	36	19
10	48	21
11	36	18
12	38	11
Total	550	312
Total Units	1460	1942

¹Total may vary due to rounding.