

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

WHATCOM COUNTY COUNCIL
Planning and Development Committee

June 19, 2007

Committee Chair Seth Fleetwood called the meeting to order at 11:07 a.m. in the Council Chambers, 311 Grand Avenue, Bellingham, Washington.

Present:

Laurie Caskey-Schreiber
Dan McShane

Absent:

None

Also Present:

Sam Crawford
Carl Weimer
Barbara Brenner

COMMITTEE DISCUSSION

1. PRESENTATION BY TOM BECKWITH, BECKWITH CONSULTING GROUP, REGARDING THE COUNTYWIDE HOUSING AFFORDABILITY TASKFORCE (CHAT) PLANNING PROCESS AND TIMELINES (AB2007-147A)

Tom Beckwith, Beckwith Consulting Group, stated he is a consultant on the Housing Team and submitted information (*on file*). He read the first page from the handout regarding the timeline.

McShane asked if the procedure for changing zoning will fall into this procedure and will be docketed.

Fleetwood stated that is the assumption. His zoning text amendment is broad enough to bring forward staff recommendations this year. The consultant will present draft ordinances for the Council to craft and refine this year.

Beckwith read the handout regarding direct and indirect costs, available tools to use, and packaging properties. They must address all four factors of the direct and indirect costs. A question is whether these tools will fit for Whatcom County and how to make them the most responsive possible. Some of the examples given in the handout will inform and help them create the mail out survey questions. The strategies will be vetted through the committee, the public, and the cities.

McShane stated people in neighborhoods fear changes to their areas. He asked how they make the residents more receptive. Beckwith stated the most successful projects include mixed income households. The solutions in the product should be high quality, regardless of what they cost, such as cottage housing and accessory housing. Make sure they develop quality, effective projects. It needs to be done by demonstration. That's why he uses examples from other areas. Get out of the abstract and talk about examples.

Beckwith stated the next presentation is with the City Council in July. He will come to the County Council again in August to talk about the tools that are emerging.

1 Crawford asked what affordable market segment is not currently being met. Condos
2 in the affordable range are not being sold. Beckwith stated there is demand coming from
3 growth. About 70 or 80 percent of people can't go out and buy or rent what's currently
4 being built in the market. One of the committee's tasks is to reduce housing costs across
5 the board for everyone, in addition to a certain segment of the population. There are many
6 specialized needs who can't afford a traditional product. The objective is to define how to
7 lower all costs rather than finding a product for a specific segment.
8

9 **2. DISCUSSION REGARDING BELLINGHAM'S URBAN FRINGE SUBAREA PLAN**
10 **(AB2006-309)**
11

12 Linda Peterson, Planning and Development Services Department, handed out
13 information (*on file*) and read from the handout on the history of what the County staff,
14 Planning Commission, and Council have done so far. This process started in 2002. Between
15 March 2003 and December 2006, the Planning Commission held more than 40 meetings,
16 including 12 public hearings on this matter. She continued to read the timeline and
17 describe the history of the Planning Committee's work.
18

19 They won't get in to the land use policies today. The policies that came out of the
20 Planning Commission were based on a zero percent safety factor. If the Committee
21 recommends a different safety factor, staff will have to review those policies.
22

23 Cathy Craver, Planning and Development Services Department, read through the
24 Planning Commission's findings of fact. The Planning Commission recommends zero percent
25 safety factor, a land supply monitoring program, and including the Queen Mountain project
26 in the urban growth area (UGA).
27

28 Fleetwood asked if the Planning Commission discussed how analyzing things and
29 bringing in lands as needed annually is better than establishing a greater safety factor and
30 looking more long term. Craver stated that is the basis of having the land supply
31 monitoring program. If they can go back and assess what is happening periodically, they
32 could look at the protection of rural lands. If expanding into those areas, they would have
33 sufficient time to address those different regulations and zoning at that time.
34

35 Fleetwood stated regular monitoring seems to be a better protection of rural
36 character than having a larger safety factor and more land. Craver stated it would allow the
37 City to maximize densities, as well. There would be incremental expansion, and they would
38 develop strategies to keep the urban core dense and only expand when necessary in the
39 meantime.
40

41 Craver indicated a map of the Hillsdale watershed planning area. There was a
42 motion to have a Lake Whatcom urban zone and to remove a certain area from the UGA.
43 She indicated the areas that the Planning Commission and this Committee recommend to
44 remove from the UGA. The City policy of extending services may not exist in the future.
45 Therefore, it's possible for some of those lots to subdivide in the future. With the current
46 policy, they can remove about eight to ten units. The staff recommendation is to remove
47 the area and create an overlay to address some of the water quality concerns that
48 Councilmember McShane mentioned.
49

50 This concern applied to Geneva also, but there are no good areas to remove from the
51 UGA. The lots are scattered in different locations. Staff recommends moving forward and
52 reviewing the stormwater overlay for better protections.
53

1 McShane stated he likes the recommendation for Hillsdale. For the Geneva overlay,
2 make sure it's not just additional stormwater regulations and rules for those subdividing,
3 but they ought to not allow any more subdividing of that area. This Council and Committee
4 has spent a lot of time on overlay rules in the watershed. There was an effort to reduce the
5 impact to the lake. The intent was always to reduce impact, but there is still impact from
6 that development. It's clear that the lake can handle no more development. The lake
7 systems are clearly being harmed by residential development. Don't add any more to that.
8 They still have to deal with development on those existing lots. Overlay rules won't be as
9 effective as not allowing additional lots and additional density. That's what he'd look for in
10 an overlay. He asked if that is something that would be done in the future. Craver stated it
11 is.

12
13 McShane asked if staff needs guidance to move in that direction before working on
14 that overlay.

15
16 Crawford stated that aerial photo is not indicative of building potential. Some of
17 those lots indicated can be subdivided, but may not be buildable. A question is how many
18 existing lots have not been built on. Potential building by zoning only is one small piece.

19
20 Craver stated the Natural Resources Committee could begin considering an overlay
21 and provide direction to staff.

22
23 **McShane moved** to recommend removing the u-shaped section indicated from the
24 Hillsdale UGA boundary maps.

25
26 *(Clerk's Note: End of tape one, side A.)*

27
28 **Motion carried unanimously.**

29
30 McShane stated the Council will adopt its supporting arguments at a later date. The
31 City has a policy that doesn't allow much subdividing there anyway. This is zoning that
32 better-reflects what can happen on the ground. It makes zoning more realistic.

33
34 Craver indicated a map of the Lake Padden UGA and Samish Crest residential area.
35 Staff can show the Committee what the densities would be for those areas, based on
36 recommendations from the City and Planning Commission. The area needs a density of at
37 least urban residential, four units per acre (UR-4) in the UGA to be in compliance. If the
38 Council is not comfortable with the higher density recommended, then go with the UR-4
39 zone. Later they can address another overlay for this area to address impacts to water.

40
41 In this area, 231 units can be added with the recommended zoning. At a density of
42 UR-4, the total would be about 142 units. That estimate includes the section of the urban
43 residential mixed use (UR-MX) zone that is within the watershed.

44
45 Caskey-Schreiber asked if removing the area from the UGA is not an option because
46 of existing infrastructure. Craver stated infrastructure is one issue for taking out some of
47 that area to the east. The decision needs to be made whether any of that area will be kept
48 in the UGA, and the density if it remains in the UGA. The current recommended zoning is
49 UR-MX and UR-6.

50
51 **McShane moved** to change the UGA boundary for this map. The area from the
52 north watershed boundary that is east of Yew Street, down to the next map to the south,

1 down to the area labeled UR-4 on the next map of South Samish, would be pulled out of the
2 urban growth area. That area would revert to rural, one unit per five acres (R5A) zoning.
3

4 Craver stated there are no vested plats on the South Samish map. On the previous
5 Padden UR-6 map, there are two vested subdivisions in that area. Their density is about
6 UR-4.
7

8 Caskey-Schreiber stated she would support the motion.
9

10 McShane stated an environmental impact statement (EIS) clearly states there is a
11 problem in the Lake Padden watershed. He's submitted the watershed boundary map
12 during a past meeting. A significant portion of the entire watershed is being proposed to be
13 urbanized. This area is the bulk of the watershed.
14

15 Throughout the record, before the City and County Planning Commissions, the
16 neighborhood residents have said that they don't support urbanizing that area. It has a
17 rural, open character. It's at the edge of forestland.
18

19 Given the polling data and questionnaires, the City's rationale for expanding the
20 urban growth area, and methodology, the City had concerns that the area wasn't likely to
21 be divided and urbanized at the level of the zoning. That's why they assigned a large safety
22 factor to that area. They don't anticipate high density in that area. Given the sensitivity of
23 that area, don't urbanize that watershed.
24

25 Crawford stated that is a UGA boundary that exists today.
26

27 Craver stated a very rough estimate is that the motion would affect 20 to 30 units.
28 The motion to rezone will be another entire process. This would finalize the UGA boundary.
29 They would have another process to reduce the zoning.
30

31 ***Motion carried unanimously.***
32

33 ***McShane moved*** to remove areas from the UGA: the area that is currently zoned
34 west of Yew Street, south of the watershed boundary, not including the build out of
35 subdivisions or the two vested plats in the northwest corner, to the city limits in the east. A
36 UR-4 density won't provide much protection from tree and soil removal. He can provide
37 information that even with rural zoning densities, water quality is harmed by conversion of
38 forested land to more intensive rural development. He indicated the location on the aerial
39 photo.
40

41 Caskey-Schreiber stated she supports the idea of having less impervious surface
42 than planned. Anything above ten percent impervious surface would degrade a watershed.
43 If they add the Templeton project, they could develop a transfer of development rights
44 (TDR) program to offset the impacts to those people who were in the stages of developing
45 their properties. She asked the number of development rights this would affect.
46

47 Fleetwood stated he believes that much of that area is platted and vested. He asked
48 if those properties would revert to R5A.
49

50 McShane stated they would.
51

52 Craver stated the school site will be annexed into the city.
53

1 McShane stated they don't have that information. The City is going to run the water
2 and sewer line from the south. There would be costs of not having those properties along
3 the lines available for hookup. That would influence where he would want to draw that
4 boundary. Once they get those questions answered, including the financial implications of
5 extending infrastructure to this area, he would be more inclined to shrink it back than
6 expand it.
7

8 Craver stated that the large area under the two vested plats, which can
9 accommodate 72 units, was just approved.
10

11 Crawford stated don't support this motion. He understands the purpose of the
12 motion. However, the City has gone deep into the process of including this into their urban
13 growth area and planning for a significant amount of urban growth. The School District has
14 already gone through the process of building a school. There are plans to build roads
15 through these areas. He asked the notification process to the property owners about this.
16 Those owners will need to be involved in this process. Don't thrust an area of non-urban
17 development into this area.
18

19 *(Clerk's Note: The committee took a lunch break from 12:25 - 1:43 p.m.)*
20

21 Craver stated City of Bellingham staff would comment on the Lake Padden area. A
22 good portion of the UR-6 zone west of the elementary school has a service agreement with
23 the City. Removal would not be beneficial in that area.
24

25 Tim Stewart, City of Bellingham Planning Department, stated this area has been in
26 the UGA since 1997. Before that, service agreements cover part of it. The City has
27 assumed the area will be in the UGA and has planned infrastructure accordingly. That area
28 has been planned for incorporation into the city for at least ten years.
29

30 McShane asked about the EIS regarding Lake Padden. He asked if the City plans to
31 change development regulations to address the Lake Padden watershed and the impacts of
32 phosphorus loading in the lake beyond the current critical areas ordinance and State
33 Department of Ecology stormwater manual. Stewart stated the City adopted the new
34 Department of Ecology (DOE) stormwater regulations and best management practices.
35 They focus a lot of their energy on Lake Whatcom. There are six or seven watersheds
36 within the city. All need to be carefully considered.
37

38 McShane asked if there is any view that phosphorus loading in a lake setting is
39 different from a stream. There is evidence that Lake Padden has degraded. He is
40 concerned about commitments the City has made. Consider which areas they urbanize.
41 Commitments have been made, but they didn't anticipate other commitments. He asked
42 how specifically the Public Works Department will address stormwater management in that
43 area if the lake becomes listed as a degraded water body. It's already listed, and it may be
44 listed for dissolved oxygen. Some of those areas, because of past service agreements, will
45 be very unlikely to be annexed, so the County will be responsible for dealing with
46 stormwater management for areas that have already been built out. That's been a
47 significant burden for the County elsewhere in urbanized areas. He asked how far the City
48 has considered the consequences of urbanizing about 50 percent of a lake's watershed.
49 Stewart stated the City has stormwater regulations, a critical areas ordinance, and values in
50 the Comprehensive Plan to protect from stormwater in all watersheds. He would have to do
51 additional research to answer the question fully. If there are service agreements, they are
52 still valid. If this is not annexed, the development would move forward in the county with
53 City water and sewer.

1
2 McShane asked if those agreements would override zoning. Stewart stated they
3 would not. They would provide water and sewer to a plat that moves forward. Good
4 planning would dictate that they consider those as part of the infrastructure that is
5 available, and then do the best they can to live with any negative impacts that may occur as
6 a result.
7

8 McShane stated they could change the zoning for density. Another option for
9 Geneva would be to develop a zoning overlay. He asked if the City would be interested in
10 developing an overlay that allows for greater protection so there is no net degradation.
11 Stewart stated the City suggested that the southern edge of Geneva be taken out of the
12 existing UGA. That's the City's current recommendation. Regarding stormwater, they must
13 work together collaboratively to figure out how to best protect the lake.
14

15 Caskey-Schreiber asked how many units would be affected. Craver stated she would
16 have to do research to determine that number.
17

18 Caskey-Schreiber stated the argument that this has been planned for ten years isn't
19 a good argument. It doesn't address the environmental concerns for Lake Padden. She
20 doesn't want to sanctify what's been planned knowing that will it degrade the lake. She
21 would like to use the Templeton project to develop TDR's. She will support the motion.
22

23 McShane stated this proposal is to increase the density. Since the City entered into
24 that agreement, the zoning was UR-4. He's not sure about the best solution right now.
25 He's sensitive to the water and sewer line agreements, but doesn't know the details. The
26 County is well within its right to change zoning. They are not stuck with the lots vested at a
27 particular density. There is a lot of evidence that phosphorous loading is a big problem.
28 Zoning will only go so far. Get this out there, and it can be resolved when the City and
29 County come together
30

31 *(Clerk's Note: End of tape one, side B.)*
32

33 McShane continued to state that they may decide to leave the area in the UGA at a
34 lower density. They must balance the need for growth with the commitments the City made
35 to extend utility lines. The Department of Ecology DOE stormwater manual is primarily to
36 protect streams and fish. The impacts to lakes aren't fully considered. They must carefully
37 consider how to handle stormwater. He is interested in Councilmember Caskey-Schreiber's
38 proposal regarding the Templeton property.
39

40 Craver stated area three is currently zoned UR-4. The northern portion that is UR-
41 MX is currently zoned rural residential, two units per acre (RR2). If removed from the UGA,
42 that area would be zoned RR2. They may be stuck with zoning in an urban growth area
43 that is out of compliance.
44

45 McShane stated there is a compelling environmental condition that makes that okay.
46

47 Fleetwood stated he will agree with the motion. The reasons will be reflected in the
48 non-binding resolution regarding reconciliation with the City. If, at that time, there are
49 ideas for more protection, they can consider it during that process.
50

51 ***Motion carried unanimously.***
52

1 Gary Davis, Planning and Development Services Department, read from the
2 Attachment E of the handout regarding the staff's comments on land supply. There are
3 three basic recommendations before the committee, the City's, the County Planning
4 Commission's, and the County staff's recommendations. He summarized the Planning
5 Commission's recommendations and the City's recommendations. The staff's
6 recommendation is an attempt to reconcile the other two recommendations.
7

8 All three recommendations accept the City's basic methodology. The
9 recommendations are for different safety factors. There are options for dealing with the
10 development uncertainty, since they are projecting for 20 years. They can have a
11 continuous land supply monitoring program to make sure that the population and
12 development trends are happening as they assumed. If not, they can make corrections.
13 The staff recommends reconciling the issues by saying a modest safety factor is justified
14 given a number of inevitable uncertainties. At the same time, go with a land supply
15 monitoring program in addition to the safety factor to continuously track the trends.
16

17 He handed out maps (*on file*) showing different safety factor scenarios and discussed
18 effective safety factors.
19

20 Crawford stated the City designated different safety factors for specific areas around
21 the City. A lot of analysis went into those safety factor. He is concerned that the County
22 starts changing the safety factors for those same areas without a similar level of analysis on
23 those areas.
24

25 McShane asked the City staff to talk about the variability of the safety factors in
26 different areas. He asked the supporting analysis for the City's recommended safety factor.
27 To him, it seemed like a guess. Stewart stated the City spent a huge amount of time,
28 effort, and resources to analyze and conclude the safety factor. He explained the City's
29 process for determining the safety factor. They looked at the existing neighborhoods and
30 used a factor of 2.5 for the minimum lot size. They applied that factor to every lot in the
31 residential areas of Bellingham. If someone lives on a lot that is two and a half times
32 greater than the minimum lot size, they assumed the lot could be redeveloped to include
33 another house. That's not the way the real world works. There are many lots in the City
34 that have twice as much land as required. That's the reason that the 25 percent safety
35 factor would be reasonable in those neighborhoods. He thinks that's low. The
36 neighborhoods aren't going to shift and change to those factors over the next 20 years. To
37 do a detailed and objective analysis of the land supply, they need to understand the final
38 number and the assumptions for buildable and vacant land, and then apply a
39 reasonableness test for the probability of redevelopment.
40

41 He's concerned that they are letting small numbers drive the process, getting bogged
42 down by the minutiae, and losing track of the bigger picture. He submitted maps (*on file*).
43 His staff looked at the final recommendations in April 2005 in terms of where they are going
44 to accommodate 31,000 new people. The County is responsible for accommodating growth.
45 The City and County agreed that the City would accept 31,000 of those new people.
46

47 The land supply concluded that they would accommodate those 31,000 people in
48 three areas. The first area is 20,000 in the existing corporate limits of the city. The second
49 area is for 7,000 of those people in the present urban growth area. That wasn't enough to
50 accommodate 31,000 people. The third area was to expand into the five-year review areas
51 for another 5,000 people.
52

1 This is not an exact calculation. They are forecasting estimates based on
2 assumptions. It's not science. It's art that follows a method that's logical and testable. It
3 is a method in which they have to show their work. The big question is whether the City
4 can accommodate 20,000. If growth is lagging in the urban villages, which it is, then that
5 20,000 number goes down. If they are going to add urban villages and more intensive
6 development in the urban growth area, then the 7,000 number can go up. They can also
7 adopt master plans for the five-year review areas that will accommodate more than 5,000
8 people. Think about this on a higher policy level that is not so detailed. The numbers
9 should be a factor in, but not drive, their decision.

10
11 Caskey-Schreiber referred to the Mr. Stewart's February 15, 2007 memo and page
12 15 regarding the City of Bellingham land supply analysis summary table. The City identified
13 that it needs to accommodate 5,215 more folks in the proposed UGA additional areas, and
14 they need 1,389 additional acres to accommodate those people. However, the City asked
15 for 2,200 acres. She asked why they asked for an additional 800 acres. Stewart stated it
16 was to allow additional flexibility and planning in the five-year review areas. It reflected a
17 concern that infill for 20,000 more people would be a challenge. His interpretation of the
18 Council's final deliberations is that the Council wanted to provide room and flexibility for
19 growth to occur.

20
21 McShane asked if the reason they used the 20 percent safety factor in the urban
22 centers is because of the uncertainties about those urban centers. Stewart stated there is a
23 difference between the land use capacity technical work and the policy debate that occurred
24 at the Council level. There are real questions about the City's ability to provide urban
25 infrastructure. The City's sewer plan has a service limit capacity at Smith Road. When
26 looking at urban growth areas, one important factor is how far the sewer can actually be
27 extended. The same questions come up with the transportation system. There is a cost of
28 expansion into the urban growth area. It will cost \$131 million to the community if all the
29 urban growth areas are annexed into the city. That cost includes roads, sewer, parks,
30 water, and operating expenses for City services. How to build that infrastructure, build
31 neighborhoods, and provide for added-value growth is where they should focus their
32 discussions. The City has serious challenges in terms of fiscally accommodating growth.

33
34 Caskey-Schreiber stated that the estimated 1,389 acres does include the 25 percent
35 safety factor. She asked why the City still asked for an additional 800 acres. Stewart
36 stated that subsequent to the City's vote on the urban growth area, he asked about what
37 the wetlands and critical areas look like in the north. Using the best information available,
38 which was the National Wetlands Inventory, which is about 20 percent off, staff applied the
39 current critical area ordinance to land in the north. They looked at the land first and applied
40 a conservative buffer along the streams and wetland corridors. There are provisions in the
41 current zoning code to allow for scraping density off the wetlands and building in other
42 places. That's often compensated with minimum lot sizes that limit the use of that density.
43 There are competing regulations regarding the ultimate density. The bottom line is that
44 they just don't know what development will happen to the north. They should have a
45 monitoring system for consumption, but it should be done countywide. Apply the same
46 rules and assumptions across the county, not just to Bellingham.

47
48 Fleetwood asked about doing a countywide monitoring program. He asked if that
49 would require agreement from the County and all the cities. Stewart stated they can do it a
50 couple of ways. The County has the option of adopting the buildable lands law as a local
51 option. The County could then assume that responsibility and liability. He doesn't
52 recommend that option. He recommends considering an interlocal agreement or

1 countywide planning policy that calls for this to happen, in addition to a cost sharing
2 agreement and a single methodology for the entire region.
3

4 Weimer stated the City showed a need for 1,400 acres, but the City Council asked for
5 an extra 800 acres. Part of the reason for the discrepancy is due to the wetlands and
6 critical areas. He asked who added the extra 800 acres.
7

8 Chris Behee, City of Bellingham Planning Department, stated there wasn't a real
9 detailed analysis after they see what is in the land supply methodology, which
10 recommended 1,400 acres. The reason for the acreage difference is due to critical areas
11 and the need for commercial and industrial growth in the Stuart/Smith area, which is
12 incredibly parcelized and impacted by critical areas. It would be difficult to squeeze 700 net
13 useable acres out of that area. The analysis takes them to a certain point, but then they
14 must make informed decisions beyond that.
15

16 Weimer stated they've heard that the City has done a very careful job and can
17 account for every single acre, and that the County hasn't done a very good job and can't
18 show its work. However, it looks like there is another 50 percent fudge factor mixed in with
19 this acreage. The gross acreage in the UGA's where the City wants to expand is much
20 larger than the needed.
21

22 Behee stated the wetland map handed out today was done after the initial land
23 supply analysis. The land supply analysis calculated 33 percent of critical areas. The
24 subsequent wetland calculation is about 56 percent. If they substitute the 56 percent for
25 the 33 percent into the calculations, they get a need for about 2,100 acres. That's the
26 reason for the extra acreage. It's for increased buffer areas required by the new critical
27 areas ordinance.
28

29 Rebecca Craven, County Council Policy Analyst, stated her focus was on the issues
30 that would be dealt with in any challenge to a County decision. She looked at the State
31 Department of Community, Trade, and Economic Development (CTED) documents and a
32 board decisions about challenges to various UGA sizes and safety factors. The Council
33 knows the purpose of the safety factor. CTED advised that counties add a safety factor if it
34 can't monitor the supply. The statute was amended to say that counties can include a
35 reasonable market analysis of how much to expand their UGA.
36

37 *(Clerk's Note: End of tape two, side A.)*
38

39 Craven continued to state that the Hearings Board will scrutinize any UGA extensions
40 that involve a safety factor above 25 percent and that the County must show its work.
41

42 A concern came up while looking at the description in the City's land supply analysis.
43 Under the land availability factor, the description reiterates the CTED advice to remove all
44 the parcels that won't be available in the 20-year planning horizon. The City describes what
45 it did under the land availability factor. The land availability factor accounted for those
46 parcels that won't be available and also for a chronic under-build of density within the city.
47 Because the City's safety factor is already high, that part of the land availability factor that
48 deals with density under-build, which properly belongs in the safety factor, they increase
49 the City's safety factor numbers over the allowed 25 percent.
50

51 The City's analysis recommends 1,389 acres. The minutes before the City Council
52 referred to the Councilmembers' concerns about going to 2,200 acres rather than the 1,400
53 acres that the analysis asked for. This is the first time she's seen the wetlands map. It

1 does go a long way to accounting for some of that difference. However, they'd have to
2 review it more to see if it's sufficient to provide a record for those differences. If the County
3 relies solely on the City's land supply analysis, she is concerned the County won't be able to
4 show its work properly.
5

6 Fleetwood asked if this land supply and safety factor has been analyzed so they can
7 show their work, or if they will put them over the 25 percent limit. Stewart stated his
8 experience in King County was to go through the methodology of establishing the buildable
9 lands, with reductions for historic preservation and critical area to get to a certain number.
10 That was the number to which they applied the safety factor, over and above individual
11 reductions.
12

13 The methodology Bellingham selected was a more detailed and rigorous analysis. It
14 made adjustments for critical areas and probability of redevelopment, and then applied a
15 safety factor to those units. That methodology is appropriate and has been disclosed. If
16 they review the CTED and Hearings Board decisions, they will find that the safety factor is
17 usually put on top of all those assumptions and reductions. The City has done its work,
18 which would withstand a challenge.
19

20 Caskey-Schreiber asked how realistic it is that the City will be able to annex all the
21 UGA properties. Stewart stated the cost is \$131 million more than revenues that would
22 come in. This fiscal model has been worked on over a number of months. It was first used
23 in the watershed. When applied to the urban growth area, they came up with this deficit.
24 They will use this model to analyze specific annexation proposals. The City's park level of
25 service is 24 new acres per 1,000 new residents. When they apply that standard, it gets
26 very expensive. The park impact fee doesn't collect even 25 percent of the true cost.
27

28 Fleetwood asked the consequences to the County adopting something like a ten
29 percent safety factor. Stewart stated it would overly constrain the availability of land. Do a
30 countywide analysis of where urban growth is occurring. Be more liberal on the UGA, and
31 do advanced planning earlier to figure out questions of urban form and infrastructure before
32 actual development. Look out beyond the planning period. This UGA proposal is only to
33 2022. In a few years, they will be required to reopen this issue. The City plan has a policy
34 to do a 50-year long-range plan. Do a joint 50-year plan to phase growth, based on ability
35 to pay infrastructure.
36

37 Fleetwood asked about a lower safety factor and annual monitoring. Stewart stated
38 the City is struggling with its workload, and will not be able to give resources to a
39 monitoring program, in terms of priority workload. It doesn't make sense to monitor only
40 the City of Bellingham. The City, County, and Council of Governments (COG) should move
41 toward a single transportation model. They also need to do unified land use planning.
42

43 McShane stated the suggestion of concurrency has been brought up at the County
44 Council, in terms of having agreements with impact fees that would be applied to City
45 roads.
46

47 Caskey-Schreiber asked what safety factor the staff recommends. Davis stated the
48 staff recommends a safety factor no greater than 18 percent. There is still a lot of
49 uncertainty about the numbers in the existing UGA in the watershed areas. They may still
50 have to look at those areas to come up with a good accurate number. This is not purely a
51 numbers game, as Mr. Stewart says. They must look at five-year review areas that make
52 sense for being brought into the UGA. County and State policies are to develop inside the
53 City first, then go to the edge, then go outward. That's the approach staff recommends.

1 Create an urban form that makes sense for existing infrastructure and limits impacts to the
2 outer fringe.

3
4 Caskey-Schreiber stated she is comfortable with dealing with the safety factor now,
5 at a level of ten to 15 percent. She reviewed the materials and the available inventory
6 today. They are growing, but not as much as they thought, so there is room to go lower.
7

8 Brenner asked which 18 percent safety factor the staff recommends. Davis stated
9 the 18 percent scenario represents an effective safety factor of 13 percent.
10

11 McShane stated he needs clarity on safety factor impact on commercial and
12 industrial land. Davis submitted a handout on commercial and industrial land supply (*on*
13 *file*). This handout was taken from the City's analysis of forecasted demand. He read the
14 analysis. The Smith Cordata five-year review area is about 650 gross acres in size.
15

16 McShane asked if the safety factors were applied to specific places. He asked the
17 location of existing light industrial areas in the City. The Stuart Smith area is full of
18 wetlands, it seems. Behee stated the main areas in the city with serviceable parcels and
19 adequate utilities are the northern end of the Hannegan Industrial area, in Fairhaven west
20 of Padden Creek and south of Harris Avenue, and the waterfront redevelopment site. The
21 City calculated 16 gross acres of vacant waterfront for pier and industrial use, plus another
22 seven acres that can be redeveloped. If they don't reach a master plan for the waterfront,
23 the entire area reverts back to industrial.
24

25 Other areas throughout the UGA that have industrial land is the swath between the
26 interstate and Northwest Road. It's heavily impacted by wetlands, and has been chipped
27 away around the edges.
28

29 The Port leases a number of commercial and industrial sites around the airport area.
30 Their airport master plan calls for another 20 acres to be developed for light industrial and
31 commercial use. Beyond that, there are some scattered areas in the growth area.
32

33 The Stuart/Smith area was designated because of its proximity to the Highway 539
34 corridor and in anticipation of the State Department of Transportation's improvement
35 project. In addition, adequate water and sewer improvements will be extended to Smith
36 Road.
37

38 The acreage around Ohio Street and Iowa Street areas have small bits and pieces
39 that are available. A small amount can be redeveloped. The redevelopment improvement
40 to total value ratio was much more aggressive because commercial and industrial land turns
41 over more frequently than residential land. There is continual use and reuse of buildings.
42 They used up to 50 percent improvement to total value for that category, which is part of
43 their justification for using a 25 percent safety factor for those types of things. They
44 assume those commercial and industrial areas will redevelop, but they may not.
45

46 McShane asked how a zero percent safety factor would affect the need for additional
47 light industrial land in the UGA. Behee stated that if they make the safety factor zero, the
48 City will assume that the 50 percent of the existing commercial and industrial uses with low
49 improvement value will completely redevelop in the next 16 years. If they don't, the City
50 will be short in that supply.
51

52 Crawford stated he hasn't heard any rationale to go below the City's
53 recommendation. No one has justified a lower percentage. Take a rational approach based

1 on a lot of time spent studying the City's numbers. He asked how they come up with 18
2 percent or ten percent. He doesn't understand the justification. Davis stated the 18
3 percent and ten percent scenarios were not without study. They used the same
4 methodology the City used. The Planning Commission asked staff to plug a ten percent
5 factor into that analysis. Staff was asked to prepare something halfway between a ten and
6 25 percent safety factor. That's how those numbers came in. It's just a multiplier figured
7 in.

8
9 Caskey-Schreiber stated there are several reasons why she's come to the conclusion
10 that ten to 15 percent is appropriate. First, they look at this data consistently and annually.
11 The City will have no problem studying it yearly rather than once in twenty years. That is
12 one reason they can choose a lower safety factor. The City is going higher than a 25
13 percent safety factor in many areas. She doesn't believe that the presence of wetlands is
14 sufficient reason to go so high. Some of that density can be condensed and development
15 can go up. Almost all the City's estimates were based on minimum density development.
16 The City didn't calculate to the highest density possible. Many UGA areas border city limits
17 that have lower densities than the UGA area. If the City has an accessory dwelling unit
18 provision, those existing neighborhoods may double up the density. That's how the City of
19 Seattle got its density. The city of Bellingham proper has a very low density, compared to
20 other cities of the same size. The likelihood of the City annexing the properties they have
21 now is becoming unrealistic. A ten to 15 percent safety factor will incorporate enough land
22 for the City to meet its needs, and will allow them to meet their fiduciary needs by not
23 expanding too fast.

24
25 Brenner stated the biggest rationale is environmental constraints and concerns, so
26 they can salvage as much of the natural resource as possible. It's something to keep in
27 mind. The people who have supported the most growth of the city used as an argument
28 that they want to avoid sprawl.

29
30 McShane asked how the City made the decision to make the east side of the Guide
31 Meridian industrial and the west side of the Guide Meridian as residential. Behee stated
32 they used the master plans of the projects on the west side, which is the Larrabee Springs
33 project and King Mountain area.

34
35 The Stuart /Smith property is large enough to have industrial and mixed commercial
36 uses. The Bear Creek area was considered also, but it's very wet. It's a logical boundary.
37 There is limited capacity for residential, which is what was allocated to it. They haven't
38 done the same level of analysis and debate for the five-year review areas that they did for
39 the City UGA areas.

40
41 McShane asked about maintaining the level of service for parks. Stewart stated the
42 community must address the parks and open space issue. Clearly distinguish between all
43 the different types of open spaces. Then they will have to decide if they can continue with
44 the current level of service. Much of their level of service is based on legacy gifts.

45
46 McShane asked if there was any conversation about park acreage and private
47 acreage outside of cities being incorporated into the level of service. Stewart stated they
48 need to consider all those areas, including parks that the Port, the County, and the State
49 provide. They must maintain quality and those levels of service. However, quality parks is
50 not simply a total acreage numbers game. The Fairhaven Green is the kind of amenity that
51 pays huge dividends. They are gearing up to update the Parks Plan next year.
52

1 Fleetwood stated the overarching object is preserving some concept of rural
2 character. The effect of too small a safety factor is that it will squeeze people and squeeze
3 density into the County where they don't want it. That seems to violate the County's
4 established policies about where they want density to go. The notion of a safety factor
5 either lessening or improving the quality of rural character is his reason for choosing a
6 safety factor.

7
8 *(Clerk's Note: End of tape two, side B.)*
9

10 Fleetwood asked if councilmembers agree that they are attempting to preserve rural
11 character. They will not be able to preserve rural character and will increase the likelihood
12 of development in places they don't want it by accepting a safety factor that's too low.
13

14 McShane stated that to preserve rural character, sprawl and additional land
15 subdividing in the county at densities that are non-rural is a non-issue in this debate. It all
16 depends on how they define rural character. They can have a very large urban growth area
17 expansion for the City of Bellingham, or the City could have no urban growth area
18 expansion and do an exceptional job of densifying. High density in the city will do nothing
19 to prevent additional homes from being built in the rural area. A certain segment of the
20 population will want that kind of development. Growth can play a role to reduce the
21 amount of development in the rural area, so those five-acre parcels are protected for
22 agricultural purposes. He doesn't believe that they need to expand the urban growth area
23 or generate growth in the city to protect rural areas. They need to take other actions to do
24 that. They can link it to urban growth expansion, which would be a very good idea if they
25 are going to consider expanding the urban growth areas.
26

27 Fleetwood stated there was never an argument in the past that a density of one unit
28 per five acres (R5A) constituted sprawl. However the Council is sensitive to development
29 out there, so it's calling that density sprawl.
30

31 McShane stated it causes impacts to city roads. Rural development clearly causes
32 impacts to a number of transportation nodes.
33

34 Weimer stated the expansion of UGA's around Bellingham isn't going to control
35 people who want to live in homes. He agrees with Councilmember McShane. There are
36 other options to control that growth. There are many ways to remove land from rural areas
37 so it's not as developable. As long as five-acre tracts are available, people will buy them
38 whether or not the Council expands UGA's.
39

40 McShane stated that for those who want more intense development within the city
41 limits, having that safety valve of R5A zoning all over that far exceeds the rural
42 development projection has a negative consequence to the City's efforts for urban planning.
43

44 Caskey-Schreiber stated the reason people choose to live in Bellingham is because of
45 amenities and its proximity to the urban core. The City has said it wants to grow to the
46 extreme north. That may not be the area that draws people to Bellingham. She has a
47 vision to make Bellingham as urban and compact as they can. It provides a healthy
48 community. If the City isn't able to service it's urban growth areas, the County will have to.
49 That will be a huge economic burden on the County for many years to come. If they create
50 urban areas in rural lands, the County will have to pay for higher service demands. She
51 would like a safety factor in the ten to 15 percent range. Have some kind of monitoring
52 with the City every three to five years to determine how the UGA's are being used. By

1 then, they may have a more realistic timeline for how they can annex properties the County
2 has allowed to develop at an urbanized level.
3

4 **Caskey-Schreiber moved** to recommend a general safety factor of ten percent
5 which would create a deficit of 1,772 as recommended by Planning Department staff on
6 page three of a memo to the Council dated January 23, 2007.
7

8 Brenner stated she would prefer a safety factor no greater than 18 percent.
9

10 Crawford asked if they should discuss whether the Council has legally met the
11 burden of supporting a safety factor other than what the City has proposed.
12

13 Fleetwood stated the City Planning Commission and County staff have all accepted
14 the methodology. The safety factor is discretionary, according to the law. He's not sure
15 where there would be room to claim that they are legally not justified. His general
16 inclination is to go with the County staff's recommendation, which is a bit vague now. It
17 recommends a safety factor between zero to 18 percent. He agrees to not exceed that
18 amount.
19

20 Crawford stated there is ample evidence that there is much uncertainty and question
21 about the ability to fill the other numbers in the existing UGA's as well as the existing City.
22 It's too bad for the County that the Growth Management Hearings Board rulings have
23 limited the ability to only use a 25 percent safety factor. It should be more. That is the
24 very least they should consider.
25

26 Brenner stated she supports a safety factor no greater than 18 percent for several
27 reasons. That is the staff's recommendation. The Council can use the staff's work to
28 support that recommendation. There is so much uncertainty that it seems they should not
29 go as high as they can. A better way to do it would be to keep it limited, and review it in a
30 few years. The lowest safety factor she would consider would be ten percent.
31

32 McShane stated he supports a safety factor of ten percent. The parks question has
33 some influence. He accepts the methodology. Within that, it informs his view of the need
34 for a safety factor. Because of the waterfront issue, there is a tremendous uncertainty
35 about the amount of land that will be available for residential development. They will know
36 more in a couple of years. For that reason, watch things carefully. It is a significant
37 impact. It creates uncertainty for the industrial land supply also.
38

39 The acreage for other facilities may change over time as property values increase.
40 The ability to purchase land for certain facilities will shrink. The same will happen for
41 residential land use.
42

43 Having readily available land supply for single family residential development or
44 other density puts a damper on redevelopment efforts. The City's proposal to accommodate
45 20,000 within the existing city limits is aggressive. That calls out for significant
46 redevelopment. A high safety factor, and accompanying expansion, will dampen the City's
47 ability to meet that level due to market forces. That has been expressed in the record by a
48 number of development interests in the city. A number of high-rise development projects
49 are off the table now because the market force isn't there.
50

51 Throughout the Puget Sound, areas are starting to redevelop because people are
52 more inclined to move to central city districts because of traffic conditions. Bellingham
53 doesn't have that luxury. People have a high tolerance for commutes here. He will support

1 a ten percent safety factor. That does not determine where the urban growth areas will
2 expand. That's the next decision. Coming up with findings of fact and rationale for
3 supporting a ten percent safety factor is very reasonable.

4
5 Fleetwood stated he would support a safety factor between ten and 18 percent.

6
7 Weimer stated they can adopt the land use analysis, but as soon as one number is
8 changed, all the numbers change. For now, he supports a safety factor between zero and
9 15 percent. He has a number of questions.

10
11 Fleetwood stated he has a concern about how they should address this growth
12 boundary. The idea is to preserve rural character by reducing density potential, which
13 implies holding the line on growth and exerting pressure on the City to thoughtfully densify.
14 He had asked Mr. Stewart if an expansion of the five-year review areas would have an effect
15 to raise the pressure, and not relieve pressure. He asked if bringing in the five-year review
16 areas would diminish the pressure on the City to thoughtfully densify. Stewart stated he
17 doesn't think it will diminish the pressure. The City's choice of going to an urban village
18 mode is clearly evident in all its policies. The City is moving in that direction in Old Town,
19 the waterfront, and certain city neighborhoods. The time it takes to develop those areas
20 will push the timeline out. They will benefit from going to a longer planning period. Start
21 looking at an ultimate boundary, and then talk about phasing of road improvements, water
22 improvements, parks, and other services to get to the ultimate boundary. There may be a
23 market pressure that will change things. It's not just the number of units available and
24 where they are, but it's the type of units that might be available. Many infill options will be
25 in higher density spots that won't be single family units with a yard. If they don't provide
26 those opportunities for single family units with a yard, he fears they will see an accelerated
27 move to five-acre lots in the rural area, which increases trip miles and other things. They
28 must have a balanced approach.

29
30 Brenner stated already-existing houses should be allowed to have a detached
31 accessory dwelling unit. It's an important issue.

32
33 Fleetwood asked the City's concern with annual monitoring and incremental
34 increases in land supply to accommodate growth. Stewart stated the challenge with annual
35 monitoring is that it often takes two years or longer to bring a unit to market. With market
36 fluctuations, there is lag time and lead time and a boom and bust cycle of the real estate
37 industry. A too-narrow monitoring timeframe tells them where they've been, but not where
38 they want to go.

39
40 It's important to link the entitlements, the up-zoning of property, to benefits of
41 establishing a transfer of development rights (TDR) or making sure they have infrastructure.
42 When the entitlement occurs, all that value established by the new entitlement goes right to
43 the land. It doesn't go into any public purpose activities. When the cost of growth will be
44 \$131 million, they must consider linking entitlement with the fair share cost of growth. The
45 principal of receiving a windfall with an upzone or a wipe out with a downzone applies
46 today. Trying to equalize those windfalls and wipeouts, and not socialize the cost of growth
47 on the whole community, is something they should work toward.

48
49 Brenner stated not everyone who receives an upzone receives a windfall.

50
51 McShane stated some people were up-zoned who didn't want to be up-zoned. They
52 ended up having to bear significant costs for that upzone, and had to sell out because they
53 couldn't afford those upgrades. They would not have received a windfall. It's easy if a

1 proponent comes forward. Some people came to the County Council ended up having to
2 sell when they didn't want to. They had latecomer fees and local improvement district costs
3 in addition to the raised taxes. He's seen that occur in a number of places.
4

5 Brenner stated she supports a latecomer process because proponents pay the up
6 front costs, and get repaid as people develop when the market is there.
7

8 Crawford asked if a safety factor of ten percent would require any UGA expansion.
9 Davis stated it will. The deficit under the ten percent safety factor will change as a result of
10 the committee's action taken this morning. The deficit will go up. The ten percent scenario
11 has an effective rate of about eight percent.
12

13 ***Motion carried unanimously.***
14

15 Craver stated staff will calculate the correct deficit and come back with a draft
16 resolution from the committee for the Committee of the Whole. At that point, staff will be
17 prepared to talk about the service zone agreements and different scenarios that have been
18 discussed. She thanks the City staff for attending the today's meeting.
19

20
21 **OTHER BUSINESS**
22

23 There was no other business.
24

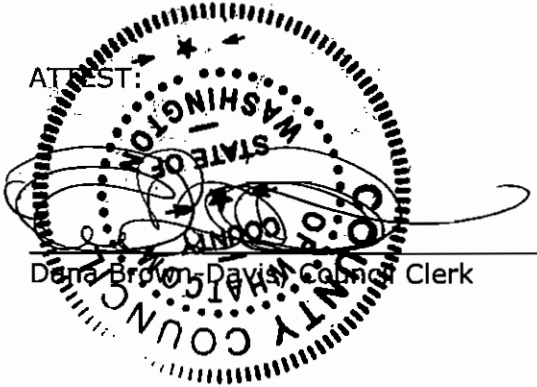
25
26 **ADJOURN**
27

28 The meeting adjourned at approximately 4:15 p.m.
29

30 
31

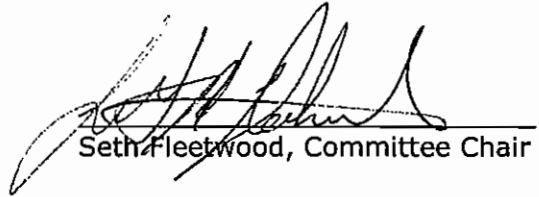
32 Jill Nixon, Minutes Transcription
33

34
35 ATTEST:



Dana Brown, Davis Council Clerk

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON


Seth Fleetwood, Committee Chair