April 4, 2012

Bellingham City Council
City Hall
210 Lottie Street
Bellingham, WA 98225

RE: Response to City Council Request for Proposal
Padden Trails Neighborhood Plan Amendment and Rezone

Honorable Council President Bornemann and Council Members,

We reviewed the public comments submitted to the City Council at the March 12 public hearing and thereafter, as well as the City Council discussion at its March 26 work session. Many public comments to the Council expanded on points previously presented at the Planning Commission which were conditioned in the Commission Findings in support of the rezone. Council Members voiced support for adding the Infill Toolkit (BMC 20.28) but did not support the proposed density, citing issues with site access and traffic impacts. Towards the end of the work session, Council requested an alternative proposal from the owners to reflect the Council discussion.

Padden Trails LLC members and our design team took your directive to heart. We analyzed several realistic scenarios to achieve the Planning Commission Findings as well as the Council’s recent direction. The resulting alternative was surprising to us as it achieves the public’s goal to minimize traffic impacts with safe access, while also addressing some Council members comment to obtain additional public benefit.

Our analysis began with two fundamental questions:

What number of mixed residential units (single family, infill toolkit, multi-family) would have the same or less traffic impact than the 224 single family units approved by the Hearing Examiner in the 2006 Padden Trails Preliminary Plat?

How can we meet the Comprehensive Plan directive to increase residential densities in the lowest density zone in the City and increase the public benefit?
Traffic Impacts
To answer the first question, guidance comes from the Hearing Examiner’s approval with conditions of the Padden Trails Preliminary Plat (hereafter the "Plat") in January 2006 (HE-05-PL-067, 224 single-family lots). The Hearing Examiner approved one access route for the Plat with all traffic passing through the Connelly Ave/34th St. intersection, estimated to be 226 PM peak trips. From there, the road standards were increased per the Fire Marshal’s directive to provide wider pavement and turnouts at strategic locations for safe maneuverability of Fire Department apparatus. In addition, sprinklers were required for all houses. Engineered road designs meeting these requirements were then approved by Public Works and the Fire Department in the City Construction Facilities Contract for the Plat. The owners began construction, but later stopped site work as the economy tumbled.

In the current rezone proposal for 492 dwelling units, we identified a second access route to Padden Trails by modifying the Connelly Ave/33rd St intersection to right in/right out. WSDOT and City Public Works agreed with this proposal. The number of PM peak trips through Connelly Ave/34th St were estimated to be 227 trips, only 1 more than the 226 PM peak trips previously approved with the single family Plat.

However, we recognize the Council did not voice support for the proposed 492 dwelling units. Our design team took a fresh look at meeting the Comp Plan goal for residential infill while further reducing the traffic impact at Connelly/34th St. Perteet Traffic Engineers estimated the number of trips through this intersection would be 18% less than the trips approved by the 2006 Plat by reducing the Padden Trails rezone to 410 units. The 2006 Plat generates 226 trips through Connelly/34th and a revised rezone proposal for 410 dwelling units generates about 186 trips.

Therefore, we propose reducing the traffic impact at Connelly/34th below what was approved in the 2006 Plat by reducing the Padden Trails rezone request to a maximum of 410 dwelling units. The resulting density would be 12,000 square feet per unit, the current density for the 411 acres in Samish Area 4 north of the Padden Trails site.

Recommended Zoning: Residential Multi Planned (12,000 square feet)

Additional Public Benefit
We now turn to the second question of providing infill residential opportunities. The Planning Commission Findings document the significant levels of public benefit provided by this rezone from arterial road and intersection improvements, a signalized intersection, 4-way stop signs, open space dedication, trail construction and dedication, and storm water management. Council raised an additional point regarding the housing market served by Padden Trails.

Our goal has been to serve the broadest spectrum of the housing market with a diversity of housing forms. Our design team concluded mixing conventional single
family and duplex units with more nuanced forms permitted by the Infill Toolkit is the best path. Our project Architect Ross Chapin, AIA, is the leading designer in the Pacific Northwest for pocket neighborhoods. With his insight, our team concluded Padden Trails can provide market rate housing at an affordable price. The City’s Residential Multi (RM) Planned designation with the Infill Toolkit provides this opportunity. City staff testified the zoning only creates the opportunity. We must still take the risk to invest in the infrastructure and houses to create affordable products. That is not possible with the current zoning, but becomes more likely with the proposed density coupled with the RM Planned designation and the Infill Toolkit. The resulting homes would be affordable to a broad range of the housing market.

We also heard two Council members raise the other spectrum of affordability - subsidized units for low to moderate income families. We reviewed methods to achieve this goal and have determined this can become part of our proposal. We believe 15% of the dwelling units approved for the Padden Trails site can be defined as subsidized affordable units. At the revised density of RM Planned (12,000), the proposed 410 units would be distributed as 348 market rate units and 62 subsidized units. We identified several financial models to successfully achieve this distribution.

Our proposal for subsidized units is based on two major findings in the Countywide Housing Affordable Task Force (CHAT) final report:

- Improve zoning policies and adopt measures that reduce land costs through increased density, diversity of housing types (ADU’s smaller lots and cottage housing) and allowing infill development; and

- Adopt voluntary inclusionary zoning to encourage affordable units.

The CHAT was Co-Chaired by (then) County Councilman Seth Fleetwood and City Councilman Terry Bornemann, and City Councilman Stan Snapp served as an Alternate member. All the CHAT members submitted the final report in April 2008 to the County Council and City Council with the following statement:

“We realize the enormous effort and measurable costs that will be involved, and pledge as a group, as participating organizations, and as individuals to work to support your efforts to the extent necessary to see the effective resolution of this effort.”


We are responding to the CHAT call for leadership on this issue and trust the City Council will now do the same in approving the revised density with the 15% subsidized affordable unit allocation in our proposal.
Other Issues
Although density and traffic are the major issues identified, the hearing record includes other issues for consideration. Below is a summary of our proposal on these items:

Traffic mitigation: Perteet’s Traffic Impact Analysis (TIA) for 492 units, approved by City Public Works and WSDOT, calls for installing a traffic signal at the Northbound I-5 off-ramp and Connelly Ave. Reducing the residential units from 492 to 410 as defined above will reduce the number of Padden Trails’ trips through that intersection. Our commitment to install the traffic signal remains intact. However the financial burden for constructing that improvement needs to be offset by including the project in the City’s 6-year TIP for some time, thereby enabling credits against future traffic impact fees. We remain committed to the other traffic mitigation including the street improvements required in the 2006 Plat approval and installing 4-way stop signs at Connelly Ave / 34th Street. For the latter, we believe a different curb/sidewalk alignment is needed to provide a safe haven for the school bus stop, and we are committed to providing that.

Trails and Open Space Dedication: Parks Director James King toured the site and met with us to confirm the items needed to comply with the Parks Recreation and Open Space Plan. We are in agreement with his recommendations. Additional open space dedication can occur within the stormwater conveyance agreement below.

Stormwater conveyance: The approved 2006 Plat included a Real Estate Transfer and Storm Water Agreement. Staff testified to the Council that our proposal for a broader Development Agreement is premature at this time. We now concur with that assessment and believe the proper management tool would be a revision to the Agreement signed in 2006.

Utilities: The March 12 City Council packet included a letter from our professional planner Bill Geyer, AICP, documenting the utility service to the Padden Trails site:

Water: Padden Trails is in the Padden-Yew 696 water zone with a service elevation of 615 feet. This is sufficient to serve all of Padden Trails including the ridge developable areas between 560 to 620 feet. Water main extensions from 40th and Wilkin were approved with the 2006 Plat and by Public Works in the subsequent Construction Facilities Contract Permit, to be built by the developer. The approved plans include the Padden Creek crossing as permitted in the Conservation Easement between the property owners and the City.

Sewer: Sewer service would consist of gravity and pressurized lines within Padden Trails connecting via gravity sewer main along 33rd Street to an existing manhole at 33rd and Connelly Avenue.

Stormwater: Water quantity is managed by the weir constructed by Padden Trails LLC at the Lake Padden outfall as approved by the City. The weir regulates the flow capacity within Padden Creek as it passes through the Padden Trails site. Revisions to the 2006 Real Estate Transfer agreement above would
accomplish this task. Water quality is managed by implementing the City stormwater drainage code during the development project permit review.

Private utilities (electricity, natural gas, cable TV, phone): All private systems can be extended from the site periphery into Padden Trails to serve the proposed density.

Land Use Policy / Development Regulation: The hearing record and staff testimony detailed the Comp Plan Amendment / Rezone is a land use policy decision, a Type VI procedure decided by the City Council. As required by the Bellingham Municipal Code, project development applications are reviewed and approved by the Bellingham Hearing Examiner. We submitted a complete application for the Comp Plan Amendment and Rezone per the BMC. We provided additional documentation over and above the BMC requirements to the Planning Commission to document the proposed number of units could be accommodated on the site. The Planning Commission deliberated this information in great detail when it adopted a Finding supporting the RM Planned (10,000) designation. That information is readily available for the Council as it conducts its deliberations. The Council decision will establish the zoning requirements for project applications to be reviewed by the Hearing Examiner as defined in the BMC.

Closing Comments
The Padden Trails LLC members remain committed to doing what is right for the community. Our guidance comes from the adopted City plans and ordinances and input from the general public and our prospective customers. We believe our current proposal has great merit for all as it:

- Complies with the Comprehensive Plan Amendment and Rezone criteria;
- Implements the Bellingham Comprehensive Plan directive for residential infill;
- Creates an opportunity to utilize one of the lowest density locations in the City for modest residential density;
- Complies with the City infrastructure requirements;
- Creates the best regulatory tool for City review of the development applications;
- Embraces the Infill Toolkit adopted by City Council;
- Implements the CHAT members call for producing affordable housing;
- Creates the opportunity for affordable market rate homes;
- Provides substantial public benefit in the form road improvements, storm water management, trails and open space dedication, and affordable housing; and
- Creates the opportunity for a future significant revenue stream to the City

On balance, our proposal for designating Padden Trails as Residential Multi Planned (12,000) with 15% subsidized affordable units benefits all, and we respectfully request your approval of this proposed zoning.
We thank you for the opportunity to provide this proposal, and look forward to addressing any questions during the upcoming City Council work sessions.

Sincerely,

George Huston, Managing Partner
Padden Trails LLC

Cc:     Mayor Kelli Linville
        Dr. David Nelson, Member, Padden Trails LLC
        Kevan Kvamme, Member, Padden Trails LLC
        Jeff Derksen, Member, Padden Trails LLC
        Bill Geyer, AICP, Geyer & Associates Inc.
        Phil Serka, Attorney, Adelstein, Sharpe and Serka LLP