

Urban Growth Area Review

City of Bellingham Final UGA Proposal

September 2015

I. Introduction

Growth Management Act (GMA) requires each county to designate urban growth areas (UGAs) within which urban growth will be encouraged (RCW 36.70A.110(1)). GMA planning goal 11 requires coordination between jurisdictions in the comprehensive planning process (RCW 36.70A.020(11)). Additionally, the GMA indicates that county and city comprehensive plans must be coordinated and consistent when they share common borders or related regional issues (RCW 36.70A.100). Therefore, Whatcom County and the cities are undertaking a joint planning process to allocate population and employment growth, review permitted densities, and review UGA boundaries. The joint planning process includes a number of steps, including:

- Approval of interlocal agreements (2012).
- Preliminary city population and employment growth proposals (2013).
- County Planning Commission review of preliminary city population and employment growth proposals (2013-2014).
- City and County approval of non-binding multi-jurisdictional resolutions regarding preliminary population and employment allocations (2014).
- Draft Environmental Impact Statement (2015).
- City UGA boundary proposals (2015).
- Final Environmental Impact Statement (2015).
- County Planning Commission review (2015).
- County Council and City Council approval of comprehensive plans (2016).

UGAs must include areas and densities sufficient to accommodate the projected urban growth for the 20-year planning period (RCW 36.70A.130 (3)), which extends through 2036. However, cities and the County are not required to plan for the future based solely upon past trends. Local government goals and policies, public input, infrastructure availability, capital facility planning, land capacity, and other factors are also taken into consideration.

Existing interlocal agreements indicate that the County and cities will work together to develop proposed population and employment allocations to UGAs and review UGA boundaries. The County and cities have recommended UGA boundary proposals for their respective UGAs. Review of these proposals includes opportunities for public comments and County Planning Commission recommendations. Final growth allocations and UGA boundaries will be adopted by the County Council in the Comprehensive Plan update, which must be completed by June 2016 (RCW 36.70A.130).

II. City Profile

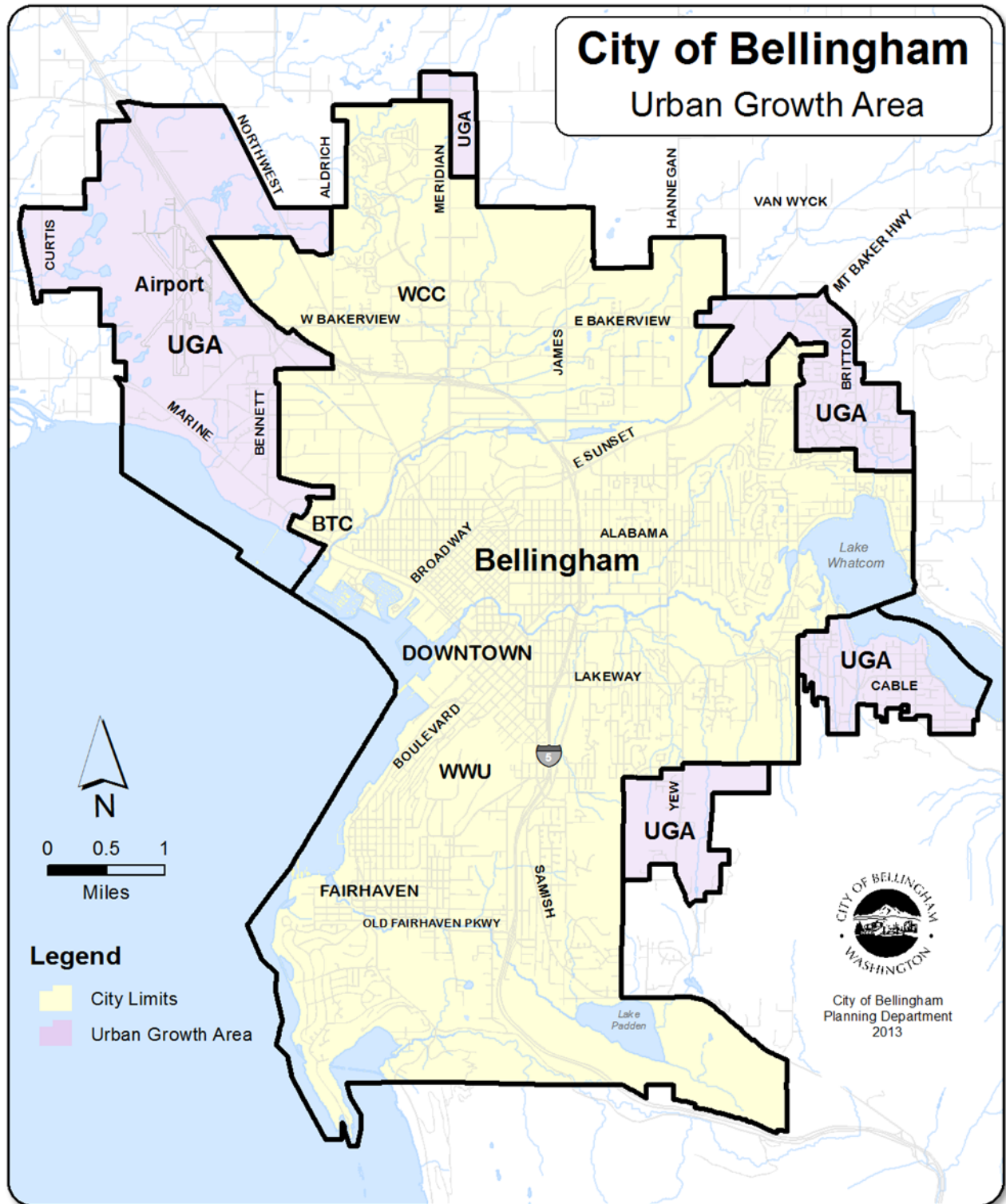
On the shores of Bellingham Bay with Mount Baker as its backdrop, Bellingham is the last major city before the Washington coastline meets the Canadian border. Bellingham serves as the county seat of Whatcom County, and accommodates about half of the county's population and about two thirds of its jobs.

Prior to white settlement, the Lummi, Nooksack and other Coast Salish tribes thrived on the natural resources of what would eventually become Bellingham. English Captain George Vancouver first explored the area in 1792 and named Bellingham Bay for Sir William Bellingham, Vancouver's British Navy provisioner. Small communities came and went on the shores of Bellingham Bay through boom and bust cycles during the 1800s. The City of Bellingham incorporated in 1904 after the populations of four adjacent bayside towns voted to consolidate. Bellingham's historic character is remarkably well-preserved, with a large number of historic buildings downtown, in Fairhaven's Historic District, and in adjacent neighborhoods.

Today Bellingham is the hub of a robust local and regional economy and home to a diverse business community featuring large and small companies across many sectors. Excellence in education is a hallmark of our community. Nationally lauded K-12 public schools, two community colleges, and Western Washington University – consistently ranked high among public regional universities – all call Bellingham home. In addition to its marine port facilities, Bellingham sits on the Interstate 5 highway, and Burlington Northern rail corridors connecting the Vancouver BC and Seattle metro areas. In recent years the Bellingham airport has seen dramatic increases in numbers of flights, passengers, and offered destinations. This trend has spurred development of hotels, retail centers, and services in the northwest corner of the City and unincorporated urban growth area.

Bellingham's plans for the future focus largely on infill and sustainable redevelopment. Since adoption of its 2006 Comprehensive Plan, the City has approved master plans for Old Town, Samish Way, the Fountain District, and Fairhaven urban villages. Master plans for the Downtown and Waterfront areas are also in their final stages and will be adopted soon.

Like the rest of Whatcom County, Bellingham's population saw slow but steady growth through the 1950's to 1980's averaging about 1% annual growth. Beginning in 1986 the growth rate increased to just over 2%. The period 1990 to 2010 saw Bellingham's urban growth area population grow from 60,714 to 91,251. This represents an increase of about 30,500 people, or 50%.



III. Review of Permitted Densities

The GMA, at RCW 36.70A.130(3)(a), requires that:

Each county that designates urban growth areas . . . shall review . . . its designated urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review the densities permitted within its boundaries, and the extent to which the urban growth occurring within the county has located within each city and the unincorporated portions of the urban growth areas.

Zoning districts and permitted densities in the city and the portion of the UGA within unincorporated Whatcom County are shown below.

<i>Table 1. Permitted Densities in the City</i>		
Zoning Abbreviation	Zoning	Permitted Densities
RS	Residential Single	2 to 12 DU/acre
RM	Residential Multi	4 to 43 DU/acre
UV	Urban Village	8 to unlimited DU/acre
CC	Central Commercial	Unlimited
NC	Neighborhood Commercial	Residential development allowed as an accessory use
PC	Planned Commercial	17 to unlimited DU/acre

<i>Table 2. Permitted Densities in the UGA (outside the City)</i>		
Zoning Abbreviation	Zoning	Permitted Densities
UR4	Urban Residential	4 du/acre, if public water & sewer are available
UR6	Urban Residential	6 du/acre, if public water & sewer are available
URMX	Urban Residential Mixed	6-12 du/acre if public sewer and water are available

IV. UGA Growth Allocation Proposal

This section of the proposal compares population and employment growth allocations in the 2015 City proposal to those in the non-binding multi-jurisdictional resolutions approved by the County and all cities in 2014.

Table 3. UGA Population Allocation Proposal		
1	Multi-jurisdictional Resolution Growth Allocation (2014)	35,918
2	City Proposal (2015)	28,398
3	Difference	-7,520

See attached Council Resolution 2015-14 and Findings of Fact, Conclusions and Recommendations for an explanation of the City's proposed modification to the multi-jurisdictional resolution population growth allocation.

Table 4. UGA Employment Allocation Proposal		
1	Multi-jurisdictional Resolution Growth Allocation (2014)	22,641
2	City Proposal (2015)	22,641
3	Difference	0

The City does not propose any modification to the multi-jurisdictional resolution employment growth allocation.

V. UGA Boundary Proposal

No modification to the City's UGA boundary is recommended. The City's proposal does include retaining the S. Yew Street area as UGA Reserve and designating the S. Caitac and adjacent properties as UGA Reserve. See attached City Council Resolution 2015-14 and Findings document for an explanation of the City's UGA Reserve recommendations.

VI. Land Capacity Analysis Overview

A land capacity analysis compares the proposed growth allocations to the capacity of the UGA to accommodate growth. The land capacity analysis is an important tool for sizing UGAs. Land capacity analysis results for the 2015 City Proposal, based upon existing and proposed UGA boundaries, are shown below.

Table 5. Existing UGA - Residential Land Capacity Analysis Results		
1	Population Growth Capacity of Existing UGA	32,677
2	Population Growth Allocation Proposed	28,398
3	Surplus (Deficit)	4,279

Although estimated capacity would exceed the recommended allocation, no changes to the UGA are recommended. This is because the areas remaining in the Bellingham's UGA are consistent with the GMA's definition of lands that should be included in an urban growth area in that they are characterized by urban levels of development. Examples include the Geneva, Tweed Twenty, Hillsdale, Northern Heights and Alderwood neighborhoods.

Table 6. Existing UGA - Commercial/Industrial Land Capacity Analysis Results		
1	Employment Growth Capacity of Existing UGA	26,676
2	Employment Growth Allocation Proposed	22,641
3	Surplus (Deficit)	4,035

Forecasting land requirements for employment is difficult. Bellingham commercial and industrial zoning allows a wide range of land uses. Individual sites may develop with high or low employment generators. The City considers a small surplus of land for employment to be acceptable over the 20-year planning horizon.

VII. Capital Facility Planning

The City and special districts, as applicable, have undertaken the following capital facility planning efforts in order to assure adequate public facilities and services are planned for the UGA.

Water - The City's Water Comprehensive Plan was completed in 2009 and is being updated.

Sewer - The Sanitary Sewer Comprehensive plan was completed in 2009 and is currently being updated.

Stormwater - The Stormwater Comprehensive plan was completed in 2007 and is currently being updated.

Fire Protection - The comprehensive plan capital facilities chapter is currently being updated.

Schools - The Bellingham School District's new CFP is currently under review by the City and the district.

Transportation - The transportation chapter of the 2006 comprehensive plan is currently being updated. The City adopted a Pedestrian Master Plan in 2012 and a Bicycle Master Plan in 2014.

RESOLUTION NO. 2015 - 14

A RESOLUTION REGARDING THE UPDATE TO BELLINGHAM'S COMPREHENSIVE PLAN, PROVIDING RECOMMENDATIONS TO WHATCOM COUNTY REGARDING POPULATION AND EMPLOYMENT GROWTH ALLOCATIONS AND POTENTIAL CHANGES TO THE CITY'S URBAN GROWTH BOUNDARY.

WHEREAS, the state Growth Management Act (GMA) requires the City of Bellingham to review and, if needed, update its comprehensive plan and urban growth areas (UGAs) by June 30, 2016; and

WHEREAS, new 20-year population and employment growth forecasts are needed to complete the review of the comprehensive plan and UGAs; and

WHEREAS, in 2013 the County and Cities within the County retained a consultant to develop a range of low, medium and high population and employment growth forecasts for the new planning period ending in 2036; and

WHEREAS, the consultant's growth forecasts were reviewed by the Planning Commission and City Council in public hearings and work sessions, and the Council forwarded preliminary recommendations to Whatcom County (Resolution 2014-11) to use the high range population and employment growth forecasts; and

WHEREAS, the high-range preliminary population growth allocation (35,918) and employment growth allocation (22,641) recommended by the City were intended to provide the starting point for initial review of the comprehensive plan and UGAs; and

WHEREAS, the County agreed with the City's preliminary high range growth allocation recommendations as reflected in the "non-binding multi-jurisdictional resolution" approved by the County in April 2014 (Resolution 2014-13); and

WHEREAS, City and County staff completed an extensive land capacity analysis to estimate the remaining development capacity in the City and UGAs in order to evaluate the implications of planning for high range population and employment growth forecasts; and

WHEREAS, the results of the analysis showed that the current land supply in the City and UGA could accommodate about 32,900 of the 35,900 additional residents

anticipated under the high-range population growth forecast and all of the 22,641 additional jobs under the high-range employment growth forecast; and

WHEREAS, in order to address the 3,000 person shortfall in capacity under the high-range population growth scenario, areas that could potentially be added to the City's urban growth boundary were evaluated for suitability for urban growth by City staff and in the County's draft Environmental Impact Statement published in February 2015; and

WHEREAS, two areas were identified as potentially appropriate additions to the City's UGA -- the S. Yew Street UGA Reserve area and the S. Caitac area located adjacent to the northern city limits on the west side of Meridian Street; and

WHEREAS, City Staff evaluated existing development patterns and land supply data, critical areas information, capital facilities infrastructure and service requirements and a cost/benefit analysis for the two areas; and

WHEREAS, staff's analysis shows that while adding the S. Yew Street and S. Caitac areas to the UGAs would provide sufficient development capacity to address the 3,000 person shortfall that would result from continued use of the high population growth forecast, both areas would require significant investment by the City in order to provide the full range of urban facilities and services needed to support urban levels of development; and

WHEREAS, the needed facilities for the S. Yew Street area include a new fire station and staff, and significant improvements to Yew Street Road. Neither of these projects are currently included in the City's adopted Capital Improvement Program; and

WHEREAS, the needed facilities for the S. Caitac area include a new east/west arterial connection and sanitary sewer conveyance improvements. Neither of these projects are currently included in the City's adopted Capital Improvement Program; and

WHEREAS, the process to develop final recommendations regarding the growth forecasts and potential changes to the UGA boundary included meetings with neighborhood and stakeholder groups, and a number of opportunities for the public to participate and comment, including a survey that included over 1,200 respondents, a well-attended open house meeting, and through the "Engage Bellingham" web site; and

WHEREAS, review of the population and employment growth forecasts and potential changes to the urban growth boundary, including requests from several

property owners seeking to have their land added to the UGA, were reviewed by the Planning Commission in a public hearing and three work sessions; and

WHEREAS, the staff report, the record of over 100 public comment letters and emails, and the findings and recommendations of the Planning Commission to use the high-range population and employment growth forecasts and to add both the S. Yew Street and S. Caitac areas to the UGA were reviewed by the City Council in a public hearing and two work sessions; and

WHEREAS, it was clearly stated in the County's non-binding multi-jurisdictional resolution #2014-13 that cities could recommend changes to the preliminary population and employment allocations before final decisions on the allocations are made by Whatcom County in 2016; and

WHEREAS, the Council finds and concludes that use of the mid-range population growth forecast and the high-range employment growth forecast for planning purposes provide flexibility, reduce the risk of over, or under forecasting, and are the most likely to actually occur of all the forecasts provided by the consultants; and

WHEREAS, the City/County land capacity analysis shows that the current City and UGAs have sufficient capacity to accommodate the mid-range population growth estimate of 28,398 new residents and the high range estimate of 22,641 new jobs during the planning period to 2036; and

WHEREAS, the City's resources are limited, and the ability to afford the facilities and services that the forecasted population and employment growth will require is critical to meeting City and State planning goals that seek to accommodate growth primarily through infill, reduce sprawl, provide affordable housing, protect agricultural and other resource lands, and develop and maintain livable urban neighborhoods.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLINGHAM:

1. The mid-range forecast of 28,398 should be the final population growth allocation used to update the Bellingham Comprehensive Plan. The preliminary high-range employment allocation of 22,641 should continue to be used.
2. Use of the mid-range population growth forecast and the high-range employment growth forecast means that no changes to the City's urban growth boundary are needed or recommended at this time.

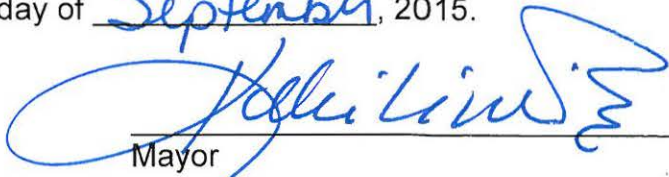
3. The south Yew Street area shown on the attached map should remain in an UGA Reserve classification so that planning for eventual inclusion in the UGA will occur.
4. The south Caitac area shown on the attached map should be placed in a UGA Reserve classification.
5. The Council hereby adopts the attached Findings of Fact, Conclusions and Recommendations.

PASSED by the Council this 31st day of August, 2015.



Council President

APPROVED by me this 10th day of September, 2015.



Mayor

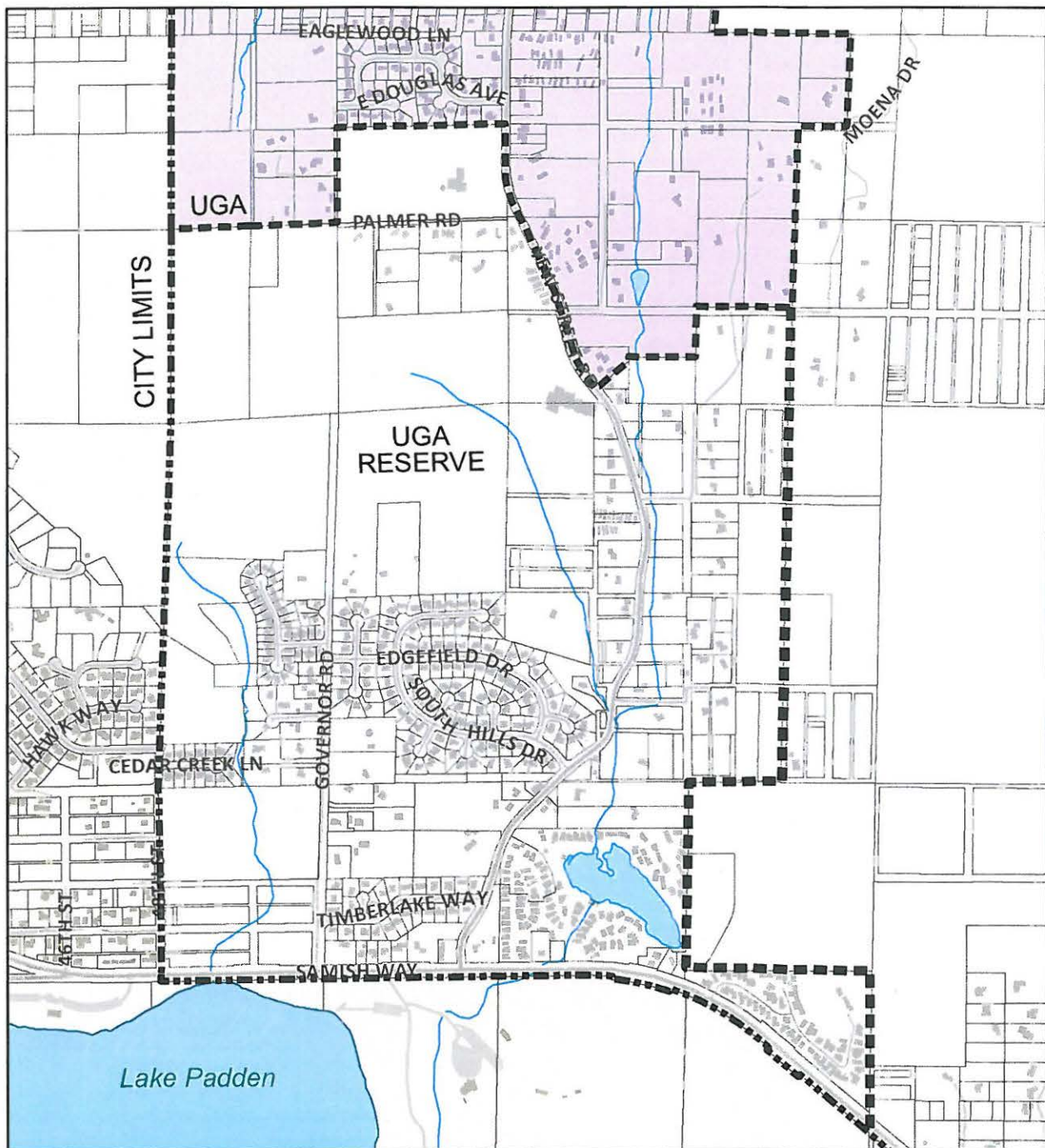
ATTEST: 

Finance Director

APPROVED AS TO FORM:



Office of the City Attorney



City of Bellingham Comprehensive Plan Update Urban Growth Area Boundary Review

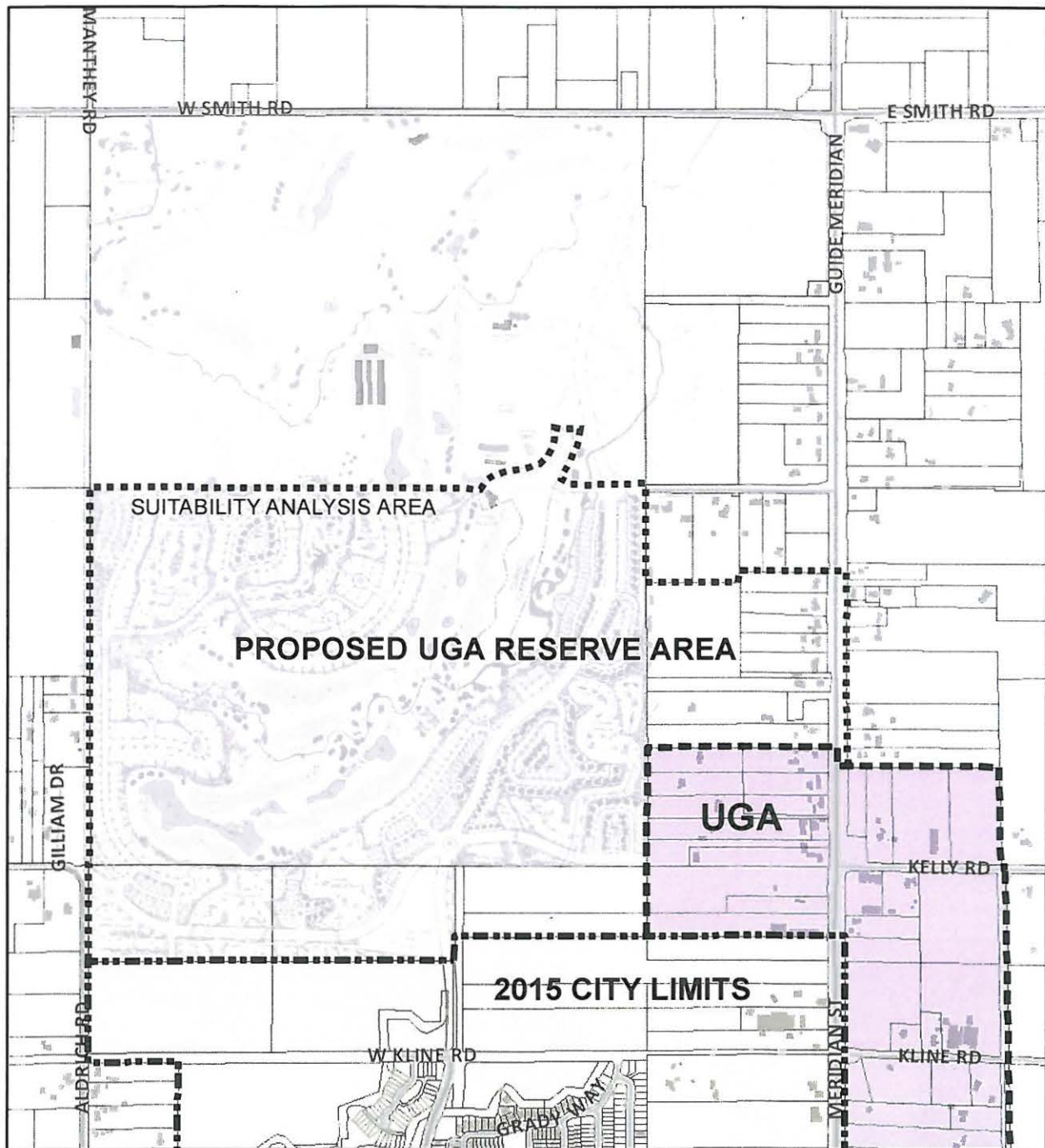
South Yew Street UGA Reserve

Estimated Growth Capacity (522 total acres):
Includes 485 existing housing units accommodating an estimated 1,009 residents and 142 jobs. Growth capacity estimated at 430 new housing units accommodating 1,005 residents. Total buildout (existing + new) estimated at 915 housing units accommodating an estimated 2,014 residents. No anticipated job growth.

April 2015

0 500 1,000
Feet





Proposed North Bellingham UGA Reserve

Estimated Growth Capacity (339 total acres):

Caitac USA ownership (284 acres) would accommodate an estimated 710 hsg units (374 single family, 256 townhome, 44 duplex and 36 six-plex units). Remaining 55 acres could support 120 additional housing units assuming URMX 6-10 zoning and 25% multi-family. Land for employment in this area could support an estimated 255 new jobs.

August 31, 2015

0 500 1,000
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BELLINGHAM CITY COUNCIL FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATIONS

2036 GROWTH FORECASTS AND UGA BOUNDARY REVIEW AUGUST 31, 2015

SUMMARY

Review of the preliminary 2036 population and employment growth forecasts and potential changes to the current urban growth area (UGA) boundary.

The City is in the process of updating its 2006 Comprehensive Plan, a 20-year vision that sets the framework for Bellingham's growth and development. The State Growth Management Act (GMA) requires counties and cities to conduct periodic updates of their comprehensive plans and development regulations. This mandatory periodic update takes place for most communities at least once every eight years. In Bellingham's case, the update is required by June 2016. The population and employment growth forecasts are a key piece of information used to update the comprehensive plan and to review the urban growth area boundary.

The Planning Commission and City Council reviewed and approved the scope of the comprehensive plan update in 2013, including a public participation plan. The Council and Commission agreed that the goals and policies contained in the plan remain applicable and a major revision was not needed. The Commission and Council agreed that the City should continue to focus resources on implementing the policy direction established in the current plan. The required update would only address legal requirements related to changes in state law, update information in the plan, establish new 20-year growth projections, review current urban growth area boundaries, and review the Critical Areas Ordinance to ensure that best available science provisions are included (the CAO review project is on a separate track).

The Planning Commission met on April 23, April 30, and May 7, 2015, in work sessions and held a public hearing on June 11 to discuss the growth projections and UGA boundaries. Public comment was taken at all of these meetings. The City Council held a public hearing on July 27 and work sessions on August 10 and August 31. This document contains the results of the Council's review process.

I. FINDINGS OF FACT

1. Proposal Description

The City of Bellingham is in the process of updating the 2006 comprehensive plan. In order to do so, new 20-year population and employment growth forecasts are needed. All of the cities and Whatcom County are working together to review growth forecasts provided by the

State Office of Financial Management and our consultants. The City provided, and the County Council adopted, preliminary high range growth allocations in 2014. These preliminary forecasts were to be used to review land supply, capital facilities, housing needs, transportation and circulation, environmental constraints and other factors. At this point in the update process, final population and employment allocations are needed. The City will provide recommendations to the County for final adoption.

Under this proposal, the final 2036 population growth allocation would be revised to the mid-range forecast of 28,398. No change to the preliminary 2036 employment growth allocation is needed.

Adoption of the mid-range population growth forecast means that no change to the current UGA boundary is needed at this time. However, it is recommended that the southern half of the "Caitac" property and the adjacent properties fronting on Meridian Street be placed in a UGA Reserve classification to preserve the option of including them in the UGA in the future. The S. Yew Street area that is currently in a UGA Reserve classification should remain in reserve.

2. Background Information/Procedural History

2013:

- The County is designated as the lead agency for environmental review of the population growth allocations and review of UGA boundaries.
- The Planning Commission and City Council review and approve the scope of the comprehensive plan update, including the public participation plan.
- All the cities and Whatcom County agree to hire BERK to prepare 2036 population and employment projections and UGA allocations.
- The BERK report is completed.
- Staff recommends using the BERK mid-range population growth forecast.
- After public hearings by the Bellingham Planning Commission and City Council, recommendations on preliminary population and employment growth allocations are transmitted to Whatcom County. The city recommended the high range allocation for both population and employment growth. (Council Resolution 2014-11)

2014:

- The County Council adopts a "non-binding" resolution containing the preliminary growth allocations recommended by the City of Bellingham (Resolution 2014-013). The resolution acknowledges that the city's final growth allocations may be different as a result of the review of information regarding land supply, and impacts on capital facilities, transportation network, housing needs, environmental constraints and other factors.
- Staff uses the growth allocations to begin review of the land capacity analysis, the city's transportation and capital facilities plans, housing needs and choices, and other factors.
- A wetland consultant field tests existing information and looks at new portions of the city, UGA and areas adjacent to the UGA. The results show extensive wetland areas all around the northern border of the city and UGA.
- Staff conducts an on-line survey to gauge public opinion on a number of topics related to the population growth forecasts and UGA boundary issues. Approximately 1,200 people responded to the survey.

2015:

- The County (lead agency for adoption of population growth forecasts and UGA review) issues a draft environmental impact statement (DEIS). The DEIS includes a range of population growth forecasts and a suitability analysis for areas adjacent to the city and UGA for potential urban development.
- Staff holds an open house attended by over 100 people to review issues associated with the growth forecasts and potential UGA boundary changes.
- The web site "Engage Bellingham" is established to solicit public opinion on a number of topics related to the growth forecasts and potential UGA changes.
- Staff meets with neighborhood groups, stakeholder groups such as the Association of Bellingham Citizens, the Building Industry Association, the Board of Realtors, the Mayor's Neighborhood Advisory Commission and property owners and interested individuals to discuss the growth forecasts and potential UGA boundary changes.
- The Bellingham Planning Commission reviews the preliminary growth allocations in a series of work sessions and a public hearing. The Commission completed their review and forwarded recommendations to the City Council on June 11.
- The City Council reviews the record created by the Planning Commission, holds a public hearing and two work sessions. On August 31, the Council approves a resolution with findings and recommendations to be transmitted to Whatcom County.

3. Public Comment

Extensive public comments were received and considered throughout the review process. Over 100 letters and emails were submitted and reviewed by the Planning Commission and City Council.

In summary, the comments ranged from those advocating for the BERK low-range population growth forecast (or even lower than the low-range number) to those suggesting that the preliminary high-range forecast is most appropriate. Property owners, and representatives of the Caitac and S. Yew Street areas and others suggested that the higher growth number is more reflective of future growth rates and that the city needs additional areas for housing, especially single family housing in order to address market demand and the need for affordable housing .

Those advocating a lower number felt that recent slow population growth trends suggested that future growth would be less than that reflected in the mid and high range scenarios presented in the BERK report. They also cited a desire to limit growth to protect neighborhood character, limit increases in traffic and the other impacts of growth, and the cost to the public associated with development at the farthest edges of the city.

The Planning Commission and City Council listened to several hours of public comment and reviewed all of the written comments submitted during the review process. The Council discussed and evaluated all points of view and fairly came to the conclusions and recommendations included in this document.

4. Population and Employment Allocations

Population and employment growth forecasts are used in updating the City's comprehensive plan to address the following issues:

- How much developable land and how many housing units will be required to accommodate the forecasted population growth;
- How much developable commercial and industrial land will be needed to accommodate the forecasted employment growth;
- What new public facilities (roads, parks, schools, fire stations) will be required to serve the forecasted population growth;
- What additional public services (police officers, firefighters, etc.) will be needed to serve the anticipated population growth;
- Where in the city the growth should occur and in what form; and
- How much additional tax and other revenues the City can expect to receive from the forecasted population and employment growth.

In 2014, Whatcom County and the cities in the county retained the BERK consulting firm to develop population and employment growth forecasts. The consultants provided a range of low, medium and high growth forecasts as shown in Table 1 and Table 2:

Table 1: Bellingham 2013-2036 Population Growth Forecasts

City + UGA	2013 Population	2036 Forecast	Total Growth	Ave. Annual Growth (people per year)
Low	93,107	116,491	23,384	1,017
Medium	93,107	121,505	28,398	1,235
High	93,107	129,025	35,918	1,562

Table 2: Bellingham 2013-2036 Employment Growth Forecasts

City + UGA	New Commercial and Retail Jobs	New Industrial Jobs	Total New Jobs
Low	11,223	2,923	14,156
Medium	13,927	3,624	17,551
High	17,965	4,676	22,641

In 2014 the City Council recommended and the County Council adopted *preliminary* population and employment forecasts based on the high range for growth provided by the consultants. The high range forecasted 35,918 new residents and 22,641 new jobs (see Table 1 and Table 2). The purpose of adopting a preliminary population and employment projection early in the comprehensive plan update process was to establish a starting point for community evaluation and discussion.

The next step in the process was a review of the County's land capacity analysis (LCA) for the existing city and UGAs. The purpose of this analysis was to determine the capacity in the City and UGAs to accommodate population and employment growth. The results of the LCA

show that the current city and UGAs can accommodate about 32,900 new residents broken down as follows:

City neighborhoods	17,700
Urban villages	11,700
UGAs	<u>3,500</u>
Total	32,900

Selecting the high-range as the *final* 2036 population growth forecast would mean the capacity in the current city and UGAs is about 3,000 short of meeting the 32,918 high-range forecast.

The LCA also indicated that the current land supply can accommodate about 26,000 new jobs. As a result, the 2036 high range employment growth forecast of 22,641 can be accommodated in the current city and UGAs.

The Planning Commission and City Council evaluated the implications of selecting the low, medium or high forecasts as the final number to be used to update the comprehensive plan. It was noted that the implications of selecting a growth forecast that is either too high or too low can be significant. Selecting a number that turns out to be low may result in a significant lag between when capital facilities and public services are needed and when they can be provided by the City. Public capital projects such as road improvements, fire stations, and new parks take years to fund and complete. For example, the recent Post Point Wastewater Treatment Plant upgrade took seven years to complete (2007-2014). Hiring and training additional City staff such as police officers and firefighters takes time and resources. Playing catch-up with capital facilities and services is not a good position to be in. The low forecast could also potentially put the City at risk of losing all or portions of existing urbanized areas in the UGA because capacity (32,900) would greatly exceed the forecasted demand (23,400) under this scenario.

Likewise, selecting a growth forecast that is too high could result in allocating resources unnecessarily (oversizing of facilities for example), or in the wrong location. A related concern would be the designation of a UGA that is larger than needed, prematurely expanding the footprint of the City. Oversizing new facilities or focusing spending on capital projects in UGAs takes time and resources away from other in-city needs. Additionally, the Council recognized that there are limited areas in which to expand the UGA as noted in the following section.

Staff noted that population growth in the city and UGA has averaged about 1,350 people per year (ppy) since 1990. This 24-year period is an appropriate time frame to use because it includes the some periods of fairly rapid growth (early 1990s and mid-2000s) and some when growth was relatively slow (late 1990s and 2008-2012). Of the three forecasts provided by the consultants, the 1990-2014 average of 1,350 ppy is closest to the BERK mid-range forecast of 1,235 ppy.

Recent building permit data indicates that development activity is increasing. The City permitted almost 1,200 new dwelling units 2013 and 2014, including 743 in 2014. This is the highest total for a single year since 2005.

5. Urban Growth Boundary Review

In order to assess the feasibility of accommodating the preliminary high-range population growth forecast, staff conducted an extensive analysis of the existing UGAs and areas for potential UGA expansion. The analysis included the results of the County's land capacity analysis, the need for capital improvement projects such as roads, parks, sewer and water improvements, and estimates for new services such as police and fire. Consultants were retained to analyze existing and new wetland information. The results of this analysis show that there are very limited areas where it is feasible to expand the City's urban growth boundary. Two areas were identified -- the S. Yew Street UGA Reserve area and the "Caitac" area and adjacent properties at the north end of the current city limits. Both areas were reviewed for potential inclusion in the city's urban growth boundary.

The S. Yew Street area includes about 520 acres. There is existing development in the area - 485 dwelling units that use City water and sewer facilities that were developed while the area was part of the city's UGA. Wade King Elementary School is also located in this area. The S. Yew Street area was placed in a reserve classification by the County in 2009, largely because of concerns regarding the impacts of additional urban development on water quality in Lake Padden. It is estimated that the area could accommodate about 430 new units and 1,000 new residents.

Significant new capital facilities and services would be needed in this area if it were added to the UGA and annexed to the city. Capital projects identified include retrofitting Yew Street to an urban standard, constructing and staffing a new fire station, and sewer and water improvements. The total cost of these projects was estimated to be about 33 million dollars. Operating costs (primarily for police and fire services) were estimated to be between 20 and 40 million dollars over the planning period to 2036. Total estimated cost to the City to serve the 1,000 new residents in this area range from 46 to 72 million dollars.

The southern half of the Caitac property and the adjacent area abutting Meridian Street includes about 360 acres. The area includes some existing businesses on Meridian Street and a portion of the North Bellingham Golf Course. If the property was added to the UGA and annexed to the city, it is estimated that the property could be developed with 800 to 875 new housing units (1,800 - 2,000 new residents) and 125 to 375 new jobs.

A number of capital projects were identified for the Caitac area, including a new east/west arterial street and sewer and water improvements. Total costs to the City for the needed improvements range from 30 to 40 million dollars over the planning period.

None of the identified capital projects for these two areas are currently included in the City's Capital Improvement Program.

Since the current comprehensive plan was adopted in 2006, the City has annexed over 1,300 acres, almost all of it undeveloped property zoned for residential development. There are pending annexation proposals for another 500 acres of residential and industrial zoned land.

Almost all of the residential land remaining in the City's UGAs has very little growth capacity. However, most of these areas are already developed to urban densities and have City water and/or sewer services. As such, they meet the GMA definition for lands appropriate to be

included in an urban growth area. These areas include the Geneva, Tweed Twenty, Northern Heights, Hillsdale, and Alderwood neighborhoods. No annexation petitions have been received from these areas.

6. Comprehensive Plan Amendment Review Criteria

The Growth Management Act (GMA) assigns the responsibility of designating urban growth areas to counties. Designating the southern half of the Caitac property and adjacent properties in a UGA Reserve area as proposed by the City Council would require an amendment to the Whatcom County Comprehensive Plan.

Whatcom County Code 2.160.080: In order to approve an initiated comprehensive plan amendment, the County Planning Commission and Council shall find all of the following:

Criteria 1. The Amendment conforms to the GMA, in internally consistent with the county-wide planning policies and is consistent with any interlocal planning agreements.

This proposal is consistent with the infill and sprawl reduction goals of the GMA. It is also consistent with county-wide planning policies for city urban growth areas and with the 2012 city/county interlocal planning agreement.

Per the Whatcom County Comprehensive Plan, "Urban Growth Area Reserve" is a land use designation that may be applied to those areas which are adjacent and contiguous to either incorporated or unincorporated UGAs which appear to be suitable for future inclusion in the respective UGA. The S. Caitac property is adjacent to the northern boundaries of the Bellingham city limits. The property owner is interested in developing the property with primarily single-family housing (800 - 875 units) and includes a tourist commercial-zoned area, providing up to 375 jobs.

The recommended mid-range population growth forecast and high-range employment growth forecast means that no change to the City's UGA is needed at this time to accommodate the 20-year growth forecasts. However, placing the area in an Urban Growth Area Reserve would protect the property from unsuitable development patterns until the area is brought into the UGA. A number of issues would need to be resolved if/when the property is added to the UGA. Some issues include appropriate zoning/density, mix of housing types, the need for a new east/west arterial street, and the costs to the City to provide the area with the full range of urban services.

Once the comprehensive plan update is completed in 2016, it is the City's intent to begin a process to review and update the 2009 Annexation Phasing Plan. The S. Yew Street area will be added to the phasing plan and, if placed in a reserve classification, the S. Caitac area would also be added. Adding these areas to the phasing plan will allow the City, working with

the property owners, to plan for the needed infrastructure and other urban service improvements.

Criteria 2. Further studies made or accepted by the Department of Planning and Development Services indicate changed conditions that show need for the amendment.

Bellingham City staff conducted an analysis of growth opportunities and constraints in the City, UGA, and adjacent areas outside the UGA. The analysis included a review of the land capacity analysis, a wetlands study and a financial impact analysis. The results of the analysis indicate that there are very few opportunities to expand the City's UGA if/when it becomes necessary to do so. While the Caitac property is mostly vacant and relatively free of environmental constraints, the costs to the public to provide the full range of urban services to the S. Caitac area exceeded potential revenues by \$30 - \$40 million over the planning period to 2036.

The UGA Reserve designation is appropriate for S. Caitac and adjacent properties, as it would protect one of the few remaining expansion options from inappropriate development patterns until the property is needed to accommodate the forecasted population growth and a plan is developed to serve the area, including a method to address the capital and operational costs needed to provide the full range of urban services to the property.

Criteria 3. The public interest will be served by approving the amendment. In determining whether the public interest will be served, factors including but not limited to the following shall be considered:

- a. The anticipated effect upon the rate or distribution of population growth, employment growth, development, and conversion of land as envisioned in the comprehensive plan.*
- b. The anticipated effect on the ability of the county and/or other service providers, such as cities, schools water and/or sewer purveyors, fire districts, and other as applicable, to provide adequate services and public facilities including transportation facilities.*
- c. Anticipated impact upon designated agricultural, forest or mineral resource lands.*

According to the land capacity analysis, approximately 32,900 people and 24,000 new jobs can be accommodated within existing city and UGA boundaries. The mid-range population and high-range employment growth forecasts can be accommodated within the current city and UGA; thus, the City's existing comprehensive plan vision and strategy for accommodating growth in compact, mixed use urban centers will continue to be implemented.

Adding the south half of Caitac and adjacent properties to the UGA Reserve Area will serve the public interest by protecting one of the few remaining expansion options from unsuitable development prior to inclusion in the UGA. The UGA Reserve Area can be brought into the UGA and annexed at a later time when it is deemed necessary to accommodate population growth and when a plan is developed to serve the area, including a method to address the capital and operational costs needed to provide the full range of urban services to the property. Since the property cannot be developed to urban densities until it is added to the

UGA and annexed, there should be no impact on other service providers such as the County or the fire district.

The S. Caitac and adjacent properties are not a designated agricultural, forest or mineral resource area.

Criteria 4. The amendment does not include or facilitate spot zoning.

Placing the property in a UGA Reserve classification would not change the current zoning.

Criteria 5. Urban Growth area amendments that propose the expansion of an urban growth area boundary shall be required to acquire development rights from a designated TDR sending area.

This criteria does not apply as no change to the city's UGA is proposed at this time.

7. SEPA Review

The County is the lead agency for SEPA review of the population and employment growth allocations and UGA review process. An EIS process is underway, and it will be completed prior to the County taking final action on the growth allocations and potential UGA changes.

II. CONCLUSIONS

Based on the staff report, the record of the Planning Commission's review process, and the information presented at the work sessions, public hearing, and written comment, the City Council concludes:

1. Based on historic population growth trends and the consultant's 2036 forecasts, the mid-range population growth forecast of 28,398 represents the most likely to occur scenario and is therefore the most appropriate number to use for planning purposes and to update the City's comprehensive plan.
2. Based on the County's land capacity analysis, the current City and UGAs can accommodate approximately 32,900 additional residents and 24,000 new jobs. Therefore the mid-range population growth forecast and the high-range employment growth forecast can be accommodated within the existing City and UGA boundaries.
3. Consistent with the City's 2006 comprehensive plan, adopting the recommended mid-range population growth forecast will allow the city to concentrate capital improvement and other resources in existing neighborhoods, in designated urban centers and in the undeveloped portions of the City and in the existing UGAs.
4. The current comprehensive plan's focus on urban villages is working. 1,055 new housing units have been constructed in the downtown, Fairhaven, Fountain District and Barkley Village areas. **This is 45% of all the new units constructed in the City since the plan was adopted in 2006.**

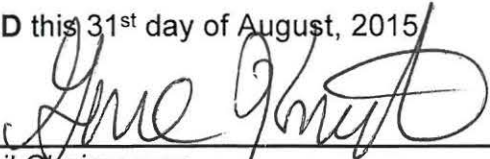
5. Currently, about 54% of the housing in Bellingham and the UGAs is single family and 46% is in a multifamily configuration. By 2036, the ratio will change to 48% single family and 52% multifamily. This is approximately the same ratio that was forecasted in the City's 2006 comprehensive plan.
6. The suitability analysis identified two areas that could potentially be added to the City's UGA during the planning period -- the S. Yew Street Reserve area and the southern half of the "Caitac" property and the adjacent area abutting Meridian Street.
7. The S. Yew Street UGA Reserve area will require a significant investment in the existing infrastructure and in a new fire station to provide the full range of urban services. However, this area may be needed in the future and so should remain in a reserve classification and should be added to the City's Annexation Phasing Plan.
8. The southern half of the Caitac property and the adjacent area abutting Meridian Street will also require a significant investment to provide the full range of urban services. Placing the area in a UGA reserve classification and adding it to the City's Annexation Phasing Plan will preserve future options for eventual annexation and urban development while allowing time to plan for the necessary infrastructure and other urban service improvements. Designating the area as UGA Reserve would require an amendment to the Whatcom County Comprehensive Plan. The City Council concludes that the amendment to add the S. Caitac area to the UGA Reserve is consistent with the County's review criteria for plan amendments as detailed in Section 6.
9. The remaining residentially zoned areas in the City's UGA such as the Geneva, Tweed Twenty, Northern Heights, Hillsdale, North Yew Street, and Alderwood neighborhoods are already developed to urban densities and have City water and/or sewer services. While these areas have limited additional development capacity, the fact that they are developed to urban densities with City services means that they meet the GMA definition for land appropriate to be included in an urban growth area.

III. RECOMMENDATIONS

1. Based on the analysis of historic population growth trends, estimates of future growth by the consultants, the land capacity analysis, a review of current capital facility plans and forecasts of future needs, environmental considerations and public comment, the City Council recommends that the final population growth allocation for the City of Bellingham be the mid-range forecast of 28,398. The Council also finds that the preliminary 2036 employment growth allocation of 22,641 is appropriate and recommends no change to this allocation.
2. With regard to the current UGA boundaries, the Council recommends that no change to the existing UGA boundary is appropriate or needed at this time.
3. The southern half of the "Caitac" property and the adjacent properties fronting on Meridian Street should be placed in a UGA Reserve classification to preserve the option of including the property in the UGA in the future.

4. The S. Yew Street area should remain in a UGA Reserve classification to preserve the option of including the property in the UGA in the future.

APPROVED this 31st day of August, 2015



City Council Chairperson

ATTEST: 

Recording Secretary

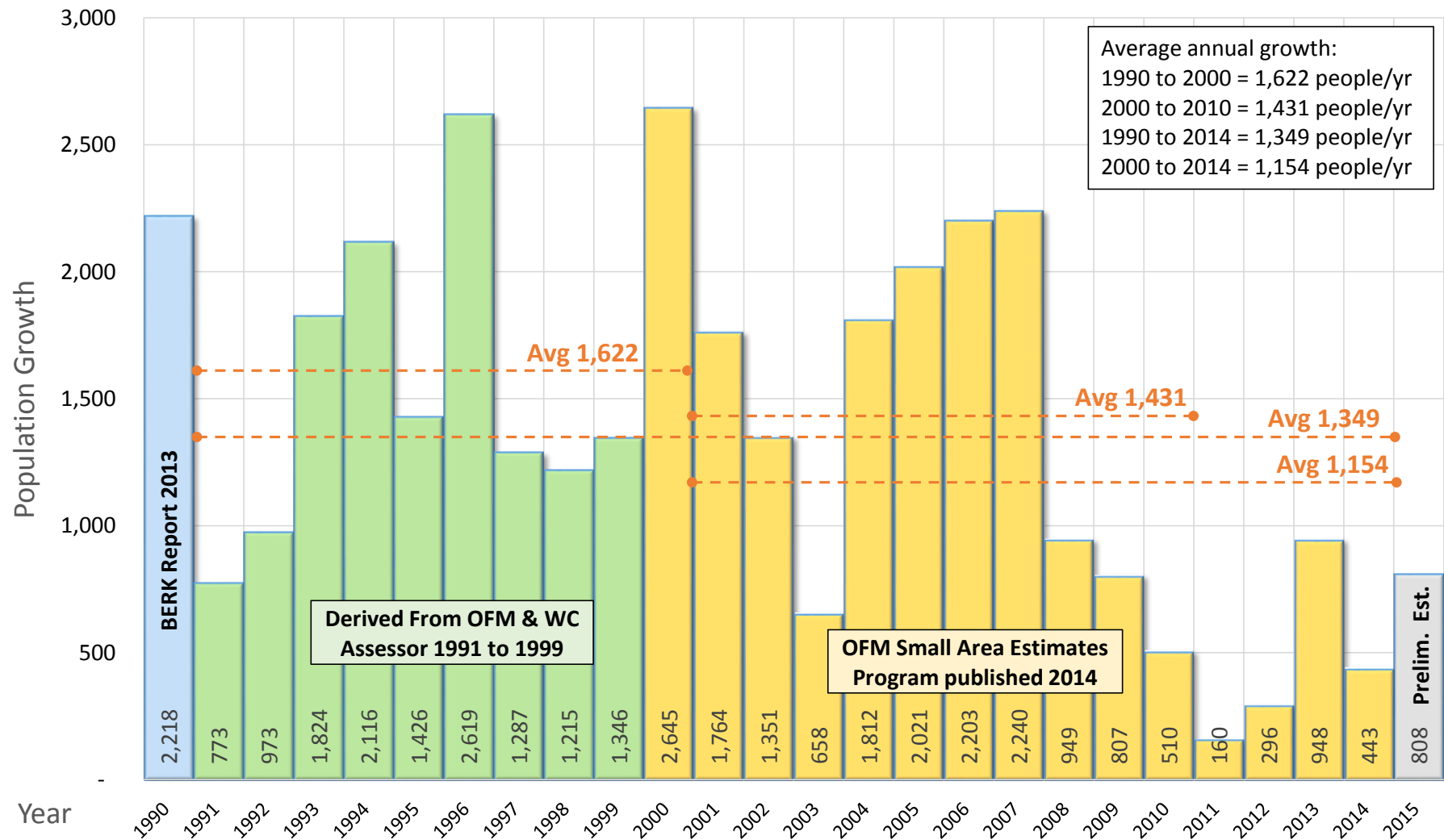
APPROVED AS TO FORM:



City Attorney

City of Bellingham & UGA Annual Population Growth

Totals based on 2014
UGA geography



Sources: 2000 to 2014 From OFM Small Area Estimates Program - Urban Growth Areas table published 2014. 1990 value published by BERK - WC Pop & Emp Proj & UGA Alloc Report, 2013. 1991 to 1999 unincorporated UGA totals derived from WC Assessor's residential year built data, COB annexation data, and Census Bureau occupancy and persons per household data. 2015 value is a preliminary total using April 1st 2015 OFM estimate for City and data from WC Assessor for unincorporated UGA.