



## COMMUNITY DEVELOPMENT COMMITTEE

### MINUTES

4:00 PM February 17, 2021

Microsoft Teams and 2<sup>nd</sup> Floor Conference Room, City Hall

#### 1. ROLL CALL

**Councilors:** Lenssen, Bode, Strengholt, Mayor Korthuis

**Staff:** Gudde, Banham, Timmer, Martin

**Public:** Gary Vis, Darryl Roosendaal,

**City Consultants:** Jason Hennessy and Lisa Grueter of Berk Consulting

#### 2. APPROVAL OF MINUTES

- a. Community Development Committee Meeting 1-20-21 Minutes

To be reviewed and approved at next Council Meeting as this was considered a full Council Meeting.

#### 3. DISCUSSION ITEMS

##### a. Pepin Creek – Financial Mitigation Conclusions and Next Steps

Gudde introduces the financial mitigation report and Berk consultants. Summary of January meeting that included action items for further consideration: Market analysis, Pepin Rezone, SEPA exemption thresholds, minimum densities for residential development in PCSA.

Calendar: Moratorium to be extended for another 3 months in March with the goal to lift the moratorium in June.

Subarea Plan to be updated based on the current plans by the end of the year.

Mike Martin: Key questions: SEPA mitigation fee? Share of costs by City (\$10 million) vs. Developer (\$30 million) – \$3 million of City is already secured. Traffic Impact Fee - \$19,000 is a big number but development still feasible.

Points for the Council to note and consider associated with this direction.

- Ditch will not extend all the way north through the center of the sub-area.
- There will not be “affordable” housing in PCSA strictly due to the costs of development and SEPA mitigation fee.
- The fees will incentivize lower development so minimum densities and frequent review of fee schedule which will likely need to be adjusted over time

to ensure the City is accurately funding the needed infrastructure costs for development.

- Upcoming 5 month schedule is aggressive and will require everyone keeping on task.

Gudde explains the Resolution of Intent which will come to Council with the extension of the moratorium at the March 1 Council meeting. The details specific to minimum densities and other numbers are not determined in the Resolution of Intent. The resolution simply solidifies the Council's direction on these issues.

Lenssen suggests going through the Resolution of Intent for review and discussion. Minimum densities? Is there an option to buy out a minimum density for someone to maintain a large lot? Also, an annual review based on the existing numbers.

Bode: How do we prevent a school district type of purchase as occurred in East Lynden that took out a significant number of potential residential units out of the east Lynden sewer assessment.

Discussion on potential scenarios where minimum densities will be complex. Concern is over-collecting and/or under-collecting. Council is supportive of the SEPA mitigation fee approach knowing that details are forthcoming.

Discussion as to if separate SEPA fees in various parts of the City are defensible. Banham replied that it is common in other Cities to have a variety of TIFs according to the location.

Jason Hennessy and Lisa Grueter of Berk Consulting – Highlighted Western WA comparisons for Traffic Impact Fees and also described the methodology with their market analysis. The Market analysis (pg 16 of the Financial Assessment Report) examines post development land values in relatively comparable geographies with the assumption that the infrastructure improvements are increasing the post development land value. It is an indication of marketability. The analysis is not an exact science or a guarantee but demonstrates that developers facing similar infrastructure costs still choose to develop. This indicates that even when facing significant development costs, the market for residential development is still occurring.

The group noted that a closer look at Whatcom and Skagit transportation impact fee comparables might be useful in knowing how the City compared to adjacent jurisdictions. Discussion also noted that an increase in the city-wide transportation impact fee appears warranted.

The group discussed total unit count estimates within the Sub-Area. And development unit possibilities. The number is likely not going to go above the midpoint (or minimum densities) because of the incentive to underdevelopment based on the fees associated with specific units.

Gudde noted that the SEPA mitigation fee can be reviewed annually as needed to review collection rates and if adjustments are warranted. Likewise, as property within the sub-area is annexed into the City the Council has the option

of reviewing the zoning category. If the build-out of the initial phases of the sub-area warrant changes to later phases, then these categories can be reviewed and revised. The point of annexation is a good opportunity to evaluate the status of the Pepin Creek Sub-Area plan.

Questions: What does a high vehicular count intersection (Double Ditch and Main) look like and will improvements be needed? Banham concluded that intersection improvements would likely be needed eventually. Noted that without Pepin Creek running along this frontage the improvements would be more feasible. Noted that traffic circles seems to be the preference of traffic engineers and that may work in this location. Gudde noted that Main Street sees a lot of truck traffic so any improvement done there would need to be compatible with large trucks. However, traffic calming in this area would also be beneficial as speeds tend to be quite high at the west end of Main Street.

Pine St pedestrian bridge only? Committee indicated support for a vehicular bridge there.

Inflation. These numbers are current cost. Not including inflation costs. SEPA fees to be reviewed regularly to keep up with inflation.

Appendix A: Are we comfortable with the City expected costs? Question posed but not answered.

#### **b. Initiative to Add a Hearing Examiner – Request for Qualifications**

The packet provides a summary Code changes, the RFQ for the Hearing Examiner, procedural rules – These have been drafted by Carmichael's office.

RFQ – remove the examples of numbers of Conditional Use Permits seen by the City in previous years as these will not be reviewed by the Hearing Examiner.

Gudde confirmed that all decisions of the hearing examiner are appealable to the City Council with the exception of the Shoreline Permits that go to the hearing examiner. These, as per our existing code, get appealed to the State Shoreline Hearings Board. Bode noted that these were very technical reviews based on the Shoreline Master Program.

Committee expressed appreciation in getting to this point, collaborative with a lot of input from staff, council, planning commission, etc.

Next Meeting Date planned for March 17, 2021