



City Council Agenda Bill

20063

Bill Number

Subject: A worksession to continue committee review of the Waterfront District Sub-area Plan and related documents.

Summary Statement: On August 5, 2013 the City Council held a public hearing on the proposed Waterfront District Sub-Area Plan, Development Regulations, Design Standards, Planned Action Ordinance, Development Agreement and Interlocal Agreement for Facilities. Council's Downtown/Waterfront Committee held an initial worksession on August 12 and provided direction to staff regarding the content of future worksessions.

Issues expected to be discussed at the September 9, 2013 worksession include the Waterfront Futures Group's "vision" for redevelopment of the site, environmental clean-up, utilities planning, and social equity.

Previous Council Action: Public hearing - August 5, 2013; Downtown/Waterfront Committee worksession #1 - August 12, 2013.

Fiscal Impact: The City has invested over nineteen million dollars to date for planning, site cleanups, property acquisitions and design and construction of capital facilities. Additional financial commitments by the City through 2037 are proposed in the Interlocal Agreement for Facilities.

Funding Source: Pending Council discussion and action (options: LIFT, Street, REET, PIF, TBD and grants).

Attachments: Staff memo

Meeting Activity	Meeting Date	Staff Recommendation	Presented By	Time
Committee Briefing Council Direction Requested	09-Sep-2013	Provide Direction to Staff	Various staff	60 min

Council Committee:

Agenda Bill Contact:

Greg Aucutt, Asst. Director, 778-8344

Committee Actions:

Reviewed By	Initials	Date
Jeff Thomas, PCD Director	<i>[Signature]</i>	9-4-2013
Tara Sundin, WD Project Mgr	<i>[Signature]</i>	9-4-13
Legal	<i>[Signature]</i>	9-4-13
Mayor	<i>[Signature]</i>	9-4-13

Council Action:

TO: City Council / Downtown Waterfront Committee
FROM: Tara Sundin, Economic Development Manager
DATE: September 3, 2013
RE: Waterfront District September 9, 2013 Work Session

Four Committee work sessions have been scheduled for the month of September beginning September 9, 2013. The September 9th work session agenda will focus on **overarching topic areas** identified by Council on August 12, 2013:

Agenda:

1. Vision - Compare Waterfront Futures Group vision to current proposed Waterfront District Sub-area Plan.
2. Site Clean-up - The City's role in approving the Waterfront District proposal in this process and outside of this process.
3. Climate Change / Sea Level Rise
4. Liquefaction and Soil Stability
5. Social Equity - Focus on Jobs
6. Utility Master Plan

Staff has prepared brief (10 minute or less) presentations for each topic area above allowing adequate time for Committee discussion and deliberation.

In addition, Council asked staff to provide a summary of the primary (repeated several times) topic areas heard at the **August 5, 2013 Public Hearing** with a staff response:

- **Seeking the maximum level of environmental site clean-up.**

Staff response: The Department of Ecology has authority under the Model Toxics Control Act (MTCA) to ensure that the cleanup of environmental contamination from historic industrial practices is safe and protective and long-lasting. Ecology's MTCA process includes multiple opportunities for public review and comment of their decision-making process.

City, Port and Department of Ecology staff made presentations to the Planning Commission and later to City Council (June 3, 2013) to provide further clarification on the roles and responsibilities for clean-up decision-making. Staff will provide Council with a brief presentation on September 9, 2013 outlining Council's role in this current legislative process and outside of this process.

Council's role within this legislative process, which could impact cleanup levels, is limited to land use decisions. The proposed land-uses (commercial uses allowed even in the light industrial areas) would drive a soil clean-up level for "unrestricted land use".

- **Asking for additional study of potential uses for the Aeration Stabilization Basin (ASB).**

Staff response: The adaptive re-use of the ASB as a breakwater for expanded marina services has been part of the proposed plan for the Waterfront since the Port acquired the property from Georgia Pacific in 2005. Alternative uses of the ASB were considered in a number of public fora in 2003 and 2004, including the Waterfront Futures Group, the multi-agency Bellingham Bay Action Team, and Port Commission meetings regarding property acquisition, condemnation, and marina siting. The 2005 New Whatcom Special Development Area interlocal between the Port and City anticipated the ASB marina, and the Environmental Impact Statement completed for the Waterfront District considered the impacts of that proposed re-use. In 2007 the Port, City and others entered into a Consent Decree with Ecology to clean up Whatcom Waterway, including adaptive re-use of the ASB for marina operations. In 2011 the Consent Decree was amended to require cleanup of the inner part of the Whatcom Waterway first, and cleanup of the ASB and outer waterway as a next step.

Marina operations are a core part of the Port's mission, supporting the interests the boating community and the marine trades economy. Prior to making the decision to pursue this expansion of marine services, the Port explored alternative locations for a new marina in a public process. The Port also explored alternative uses for the ASB, including use as a stormwater facility, which was determined by the City not to be feasible given that the stormwater outfall is approximately 20-feet below the grade of the ASB. The Port and City also evaluated the alternative of filling a portion of the ASB and turning it into a park. This alternative was not supported by the City due to cost.

- **Calling for the imposition of a living wage rate (including benefits) for jobs within the Waterfront District.**

Staff response: The City is in support of businesses that pay a living wage and employers that provide good benefits. In 2002, the City of Bellingham adopted a living wage ordinance requiring the City pay a living wage when contracting for services. In addition, the State of Washington requires both the City of Bellingham and the Port of Bellingham to pay prevailing wage rates on all public work projects, rates which typically far exceed a living wage rate. Further, the State of Washington sets a minimum wage rate for the entire state, currently \$9.19 per hour, which is the highest rate in the country. The State closely regulates compliance with the law.

The proposed zoning for the Waterfront District retains approximately 70% of the land for light industrial purposes. Staff estimates about 57% of the total square footage will be for industrial and office uses, 37% for residential uses and only 6% of the total for goods and services (see page 2-8 of the EIS Addendum issued December 2012). Examples of businesses that comprise the "goods and services" sector are retail, restaurant, and personal care, such as salons and dry cleaning, which are more likely to pay a lower wage than light industrial employers. Demand for retail and other goods and services will be based upon employees working in the other commercial trades as well as residents living in or near the Waterfront District.

- **The process has not included enough opportunities for public input; more time is needed to review the proposal; additional public hearings are needed.**

Staff response: The extensive public process used to develop the Waterfront District Sub-area Plan is described in Chapter 1, Section 1.3 (pg.4-7). Most recently, the Waterfront Advisory Group completed their review of the Plan in December 2012 and forwarded it to the City for its review. In 2013, the Transportation Commission, the Parks and Recreation Advisory Board, and the Historic Preservation Commission reviewed the proposal and offered numerous recommendations. The Planning Commission held hearings on two evenings and accepted written comments throughout its review process. The Planning Commission made a number of recommendations for Council consideration that address many of the comments also made by the review boards and the public. City Council held a public hearing on August 5, 2013 and the Port Commission on August 20, 2013. City Council continues to accept written comments. In addition, City Council may choose to hold additional hearings. Further, all documents have been posted for public review since December 17, 2012 and all Planning Commission work sessions (8) were televised. All comments received by the Planning Commission were forwarded to the City Council.

- **Calling for habitat restoration/enhancement and requests for inclusion of a Habitat Restoration Plan in the Sub-area Plan.**

Staff response: Over the past 10-15 years the Port and City have participated in a number of regulatory fora that have resulted in broad-scale habitat restoration planning applicable to the Waterfront District. One such forum is the multi-agency Bellingham Bay Action Team. As the lead agency for that work group, the Department of Ecology published an October 2000 FEIS, "Bellingham Bay Comprehensive Strategy", which included a Final Habitat Restoration Documentation Report. This report delineated 36 habitat restoration goals for Bellingham Bay. Many of these goals are being implemented pursuant to specific projects, such as MTCA cleanups and voluntary habitat enhancement projects. Examples of planned habitat restoration occurring in specific projects are: the Whatcom Waterway Site cleanup, the Cornwall Avenue Landfill cleanup, and the head of the I&J Waterway. Generally, these projects are being performed under legal agreements with Ecology, and regulatory permit approvals by federal, state and local agencies.

The findings of the 2000 FEIS Bellingham Bay Comprehensive Strategy and Restoration Plan have been reinforced by the recently completed WRIA 1 Nearshore & Estuarine Assessment and Restoration Prioritization (NEARP). All of the three-year enhancement projects prioritized as "High Ranking" in this 2013 report are included in the Habitat Restoration Opportunities shown on page 18 in Figure 3.2 in the Waterfront District 2012 Draft Subarea Plan. Figure 3.2 of the Sub-area Plan also includes restoration projects listed in the City of Bellingham Shoreline Master Program Restoration Plan, such as the log pond area. New opportunities for restoration or

enhancement, such as saltmarsh creation at the end of C Street, can be scored and integrated into the prioritization process used in the NEARP since it is a living document.

- **Fewer number of individuals referenced parks and public access and the comments varied from concerns that 33 acres of new park land was not enough to concerns regarding connectivity.**

Staff response: The 33-acres of park space was identified while trying to find a balance between the public, employment and housing uses. Staff supports the recommended additions made by the Planning Commission to further strengthen pedestrian and bike connections through the District including:

Add policies regarding trails to the Parks Chapter 7:

- Develop an interim and permanent off-road trail connection between Bellwether Way and the ASB/Marina trail. The specific location of the interim trail and future permanent trail will be coordinated with future industrial uses to avoid unnecessary conflict with Port and/or Port-tenant operations.
- Develop a continuous waterfront trail along the south side of the Whatcom Waterway and Log Pond shoreline from Roeder Ave. to the Northeasterly edge of the Shipping Terminal. This trail should be extended through the Log Pond planning area to connect to Cornwall Ave. if compatible with industrial and/or cargo uses in the Log Pond area. If the Log Pond area is subdivided into smaller parcels to be leased or sold for long term uses which do not require access to the Shipping Terminal, dedication of a trail connection should be considered during the binding site plan approval process. Public access along the Log Pond trail may be suspended for public safety or site security purposes during periods when upland uses conflict with trail use.
- The breakwater trail around the marina should include a flat surface to accommodate a variable width public trail with a minimum width of 12-15-feet, several public gathering areas and gently sloping public beaches suitable for public use.

Revise the following policies and strategies on visitor moorage.

- *Current policy on page 53 Transportation: Develop launching facilities and services for hand carry boats in one or more of the following areas: at the head of the I&J Waterway, north of the ASB lagoon, ~~the Log Pond~~ the South side of the Whatcom Waterway, Cornwall Cove, and/or south of the Cornwall Avenue Landfill.*
- *Move the following Implementation Strategy from page 71 Parks to be a new Policy on top of page 70- Parks: Include hand carry boat launch areas and facilities for boaters within parks where topography and water depth support water access, with attention to potential impacts on near-shore habitat.*
- *Add a new Implementation Strategy on page 71 Parks: Park plans for the first phase of the Whatcom Waterway Waterfront Park should identify a location for a small visitor float, pier or beach area for access and temporary storage of kayaks, dinghies and other small vessels.*
- *Modify Figure 7-1 Parks, Opens Space and Trails on page 64 to add "Beach access/kayak launch" and "Visitor Moorage" to the text box pointing to the Waterfront Park.*