

PADDEN TRAILS LLC

&

FREE SPIRIT ENT LLC

September 7, 2011

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Greetings all,

We are writing to provide an update on issues cited in your letter of May 3, 2011 to the Bellingham City Council regarding the Padden Trails Rezone.

Since the beginning of the year our design team has conducted a substantial amount of site analysis, site planning and design work. We participated in several meetings with City staff from the Planning, Parks, Legal and Public Works Departments. The Samish Neighborhood Association Board of Directors met with us on a number of occasions. On August 3 we had an in-depth discussion, and since then several follow-up emails were sent to the Board President to address their concerns. We also conducted a traffic impact report per the scope defined by the Bellingham Public Works staff and the Washington Department of Transportation (WSDOT). Our professional traffic consultant, Perteet Inc. of

Everett, delivered the report to the City and WSDOT, who agreed with the analysis and most of the recommendations. We also received comments and suggestions from neighbors and others commenting on the Padden Trails website.

<http://www.paddentrails.com/>

The net effect of many months of work is that our rezone and comprehensive plan amendment have been revised to a lower density than the original application. Instead of the proposed 615 dwelling units cited in your letter, our revised rezone proposal is for a designation of Residential Multi Planned with a density of 10,000 square feet per unit on 113 acres, which equates to 492 units. Fire Code restrictions will limit the maximum number of multi-family units to 200 units while all other 292 units will be single family or duplexes per City Code. Our revised proposal is a 20% reduction in the unit count than the application docketed for review by the City Council in February 2011.

Your letter raises several points that are addressed individually below:

1. Bellingham's housing growth direction.

The Bellingham Comprehensive Plan specifies the growth pattern for the City and its surrounding areas. Updated in 1985 and 2006, the Plan was approved in concert with the Countywide Planning Policies and the Urban Growth Area boundaries mutually adopted with Whatcom County and approved by the State of Washington. The primary goal is to protect agricultural and forest resource lands throughout rural Whatcom County while focusing urban development within City limits. Bellingham implemented this adopted policy by providing for a diversity of housing styles within the City.

The Comprehensive Plan documents citywide density at 3.8 dwelling units per acre for single family areas and 14 units per acre for multi-family areas, resulting in an overall citywide density of 6 units per acre. The Plan estimates Bellingham will need 14,800 new residential units by 2022 to serve the projected population growth. In order to remain compliant with the Countywide Planning Policies and the State Growth Management Act, Bellingham has targeted a citywide residential density of 8 units per acre or more.

Our current proposal for Padden Trails is to increase the density from 2.16 units per acre to 4.35 units per acre (492 units/113 acres), is approximately one half of the targeted city wide residential density goals. Increasing the density in Padden Trails will reduce pressure to develop +100 acres of rural/suburban zoned land outside the City limits. And, the increase of 246 units from the current zoning (246 units allowed) to the proposal (492 units allowed) will supply 1.66% of the 14,800 new units needed by 2022 to serve Bellingham's projected population. Therefore, increasing the Padden Trails density is more than consistent with the City's urban infill policy specified in the Comprehensive Plan as approved by the State of Washington.

2. Neighborhood served by automobiles or transit.

Existing WTA service in the Samish Neighborhood is limited to route #43/44 on Samish Way, an arterial. No WTA service is provided into adjacent Samish residential areas primarily due to the large lot, low density pattern (1-2 units per acre). Transit functions more efficiently and economically when serving urban density patterns. Padden Trails provides an urban density, and discussion with WTA staff reveals that the urban density drives opportunities for future WTA service into the Padden Trails site. The Padden Trails road systems will be built according to City standards so that WTA buses can use them. The Padden Trails residential population will provide a much greater opportunity for transit users than the existing low density areas in other parts of Samish neighborhood.

3. Road access for emergency services.

Road access into Padden Trails is designed according to all existing City Fire Codes and Street Standards. The proposal has been reviewed in detail with the City Fire Marshal who has applied code provisions that specify the following: for single access development, all residential units shall have sprinklers and multi-family units are limited to no more than 200 units. This restriction became a baseline design principle during our site analysis and planning which resulted in decreasing the proposal to 492 units. The current proposal meets all code requirements for single access roads.

4. Traffic impacts.

The City Public Works Transportation Planning Division, in consultation with the State Department of Transportation (WSDOT), defined a scope of work to analyze traffic impacts from the Padden Trails rezone. We hired traffic engineers at Perteet Inc. of Everett to perform the study. The City and WSDOT accepted Perteet's report as complete in its methods and analysis, and concurred with their findings recommending specific mitigation. Available for review at the Public Works Department and the Planning Department, as well as www.paddentrails.com. The report states the northbound I-5 off ramp at Connelly Ave. currently fails. Existing traffic turning left from the off ramp onto Connelly heading west during the PM peak period is often delayed. The existing condition will become worse even without development of the Padden Trails site. This results in a backlog of cars on the off ramp creating dangerous conditions on I-5. Perteet recommends installing a traffic light at the intersection of the northbound off ramp and Connelly Ave. We have agreed to pay for this improvement during the development of Padden Trails.

Perteet also identified delays at the intersection at 34th and Connelly Ave. They recommend installing four-way stop signs due to the increased trips from Padden Trails. We agreed to fund this improvement as part of the Padden Trails development.

We have been working on solutions to benefit all, including the west side of I-5 at exit 250. Perteet's report provides the professional analysis accepted by the City and WSDOT to guide possible solutions. Further information may be obtained from Chris Comeau at the City of Bellingham.

5. Area watersheds.

The City Public Works Department manages the City drainage system in compliance with State Department of Ecology standards and the City's National Pollution Discharge Elimination System (NPDES) permit. Per the City's approval in 2007, the Padden Trail owners installed a weir at the Lake Padden outfall to control Padden Creek downstream flow to prevent flooding in Happy Valley while moderating flows for the fish population. City and State staff have reviewed the

success of the weir and support its continued use for future watershed management.

Regarding water quality and storm water treatment, the City NPDES permit mandates using Best Management Practices when the site is developed. Padden Trails will incorporate Low Impact Development storm water treatment solutions as permitted in City code. This includes pervious pavement to reduce runoff, rain gardens to filter the water, and other water quality features to treat the runoff on site before it enters Padden Creek. The water quality features will be designed and installed according the City code at the time of development and will therefore be compliant with the adopted City code.

We are pleased to read your closing comment regarding the positives from the use of flexible (tool kit) housing types. Our site planning effort relied extensively on the diverse housing forms permitted by the City's Infill Code in BMC 20.28. Padden Trails is a natural area for building these diverse housing types as this code provides tools to reduce impervious surfaces, preserve more than 35% of the entire site in open space tracts, and construct up to 492 units serving a broad economic range of Bellingham households. We trust as you become more informed about the analysis to date and the supporting technical reports regarding our proposal, you will obtain a better understanding of the benefits to all Bellingham residents from this proposal.

We look forward to discussing all aspects of our proposal with you soon, at your earliest convenience.

Sincerely,

George Huston, Managing Partner for
Free Spirit LLC and Padden Trails LLC

CC.

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