CITY OF
BAINBRIDGE ISLAND

PLANNING COMMISSION SPECIAL MEETING
THURSDAY, OCTOBER 13, 2022

COUNCIL CHAMBERS
280 MADISON AVENUE NORTH
BAINBRIDGE ISLAND, WA

AND

ZOOM WEBINAR
HTTPS://BAINBRIDGEWA.ZOOM.US/J/97340072620
OR ONE TAP MOBILE :
US: +12532158782,,97340072620# OR +13462487799,,97340072620#
OR TELEPHONE:
DIAL(FOR HIGHER QUALITY, DIAL A NUMBER BASED ON YOUR CURRENT LOCATION):
US: +1 253 215 8782 OR +1 346 248 7799 OR +1 720 707 2699 OR +1 646 558 8656 OR +1 301 715 8592
OR +1 312 626 6799
WEBINAR ID: 973 4007 2620

AGENDA

1. **CALL TO ORDER/LAND ACKNOWLEDGMENT/AGENDA REVIEW/CONFLICT DISCLOSURE - 6:00 PM**

We would like to begin by acknowledging that the land on which we gather is within the ancestral territory of the Suquamish, "People of Clear Salt Water." Expert fishermen, canoe builders and basket weavers, the Suquamish live in harmony with the lands and waterways along Washington's Central Salish Sea as they have for thousands of years. Here, the Suquamish live and protect the land and waters of their ancestors for future generations as promised by the Point Elliot Treaty of 1855.

2. **MEETING MINUTES - 6:05 PM**

2.a **(6:05 PM) Draft Meeting Minutes (September 22 and September 29 Planning Commission Special Meeting)**
Sept222022DraftMinutes.pdf
Sept292022DraftMinuteswithRecordedMotion.pdf

3. **PUBLIC COMMENT - 6:10 PM**

3.a **(6:10 PM) Instructions for Proving Public Comment at Hybrid Meetings** 10 Minutes

Instructions_for_Providing_Public_Comment_at_Hybrid_Meetings.pdf

4. PUBLIC PARTICIPATION MEETING - 6:20 PM

4.a **(6:20 PM) Public Participation Meeting- Clark Construction Office PLN52300 PRE** 30 Minutes
Clark Construction Office project narrative.pdf
Clark Construction Office conceptual site plan.pdf
PLN52300 Clark Construction Bldg pre-app ltr.pdf
PLN52300 PRE PW-DE Comments - Clark Construction Building (SPR).pdf

5. NEW BUSINESS - 6:50 PM

5.a **(6:50 PM) Receive a Presentation on the consistency of the 2023-28 Capital Improvement Plan with the Comprehensive Plan.** 20 Minutes
PC_CIP Presentation_100422.pptx
COBI_2023-28 Capital Improvement Plan.pdf

5.b **(7:10 PM) Puget Sound Energy (PSE) Site-specific Rezones and Comprehensive Plan Amendments (CPA)** 45 Minutes
PSE Substations Overview Narrative.pdf
Murden Cove PSE Narrative.pdf
Murden Cove Site Plan.pdf
Public Comment_Murden Cove.pdf
Port Madison Narrative.pdf
PortMadison Site Plan.pdf
Public Comment_Port Madison.pdf
Winslow PSE Narrative.pdf
Winslow Site Plan.pdf
Public Comment Winslow.pdf
Staff analysis PC Murden Cove.pdf
Staff analysis PC Port Madison.pdf
Staff analysis PC Winslow.pdf

6. PLANNING DIRECTOR'S REPORT - 8:00 PM

7. FOR THE GOOD OF THE ORDER - 8:15 PM

8. ADJOURNMENT - 8:30 PM

GUIDING PRINCIPLES

Guiding Principle #1 - Preserve the special character of the Island, which includes downtown Winslow's small town atmosphere and function, historic buildings, extensive forested areas, meadows, farms, marine views and access, and scenic and winding roads supporting all forms of transportation.

Guiding Principle #2 - Manage the water resources of the Island to protect, restore and maintain their ecological and hydrological functions and to ensure clean and sufficient groundwater for future generations.

Guiding Principle #3 - Foster diversity with a holistic approach to meeting the needs of the Island and the human needs of its residents consistent with the stewardship of our finite environmental resources.

Guiding Principle #4 - Consider the costs and benefits to Island residents and property owners in making land use decisions.

Guiding Principle #5 - The use of land on the Island should be based on the principle that the Island's environmental resources are finite and must be maintained at a sustainable level.

Guiding Principle #6 - Nurture Bainbridge Island as a sustainable community by meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Guiding Principle #7 - Reduce greenhouse gas emissions and increase the Island's climate resilience.

Guiding Principle #8 - Support the Island's Guiding Principles and Policies through the City's organizational and operating budget decisions.

 **Planning Commission meetings are wheelchair accessible. Assisted listening devices are available in Council Chambers. If you require additional ADA accommodations, please contact the Planning & Community Development Department at (206) 780-3750 or pcd@bainbridgewa.gov by noon on the day preceding the meeting.**

Public comment may be limited to allow time for the Commissioners to deliberate. To provide additional public comment, email your comment to pcd@bainbridgewa.gov or mail it to Planning and Community Development, 280 Madison Avenue North, Bainbridge Island, WA 98110.

CITY OF BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: October 13, 2022 **ESTIMATED TIME:**

AGENDA ITEM: (6:05 PM) Draft Meeting Minutes (September 22 and September 29 Planning Commission Special Meeting)

AGENDA CATEGORY: Minutes **PROPOSED BY:** Maria Dozeman

PREVIOUS PLANNING COMMISSION REVIEW DATE(S):

PREVIOUS COUCIL REVIEW DATE(S):

RECOMMENDED MOTION:
I move to approve the draft minutes from the September 22 and September 29 Planning Commission Special Meetings)

SUMMARY:

BACKGROUND:

ATTACHMENTS:

CITY OF
BAINBRIDGE ISLAND

Planning Commission Special Meeting
September 22, 2022
Meeting Minutes

DRAFT

1) CALL TO ORDER/LAND ACKNOWLEDGMENT/AGENDA REVIEW/CONFLICT DISCLOSURE

The meeting was called to order at 6:00 PM. Commissioners present at the start of the meeting: Chair Sarah Blossom, Vice Chair Ashley Mathews, Yesh Subramanian, Ben Deines, Peter Schaab and Sean Sullivan. Commissioner Birtley arrived shortly after the start of the meeting, at the start of the Public Participation Meeting. Council member liaison Jon Quitslund was also present.

City staff in attendance were Planning Manager HB Harper, Associate Planner Ellen Fairleigh, Senior Planner Kelly Tayara and Engineering Manager Paul Nylund. Administrative Specialist Maria Dozeman monitored the meeting and prepared the minutes.

Commissioner Deines disclosed a conflict related to the Hyla High School project.

2) PLANNING COMMISSION MEETING MINUTES

2.a Meeting Minutes
Cover Page
DRAFT Meeting Minutes.pdf

Motion: I move to approve the September 08, 2022 meeting minutes.
Schaab/Mathews
The motion passed unanimously

3) PUBLIC COMMENT

3.a Instructions for providing public comment at a hybrid meeting
Cover Page
Instructions_for_Providing_Public_Comment_at_Hybrid_Meetings.pdf

4) PUBLIC PARTICIPATION MEETING

4.a Public Participation Meeting- Winslow Mall PLN52297 PRE
Cover Page
Winslow Town Center_Written Description & Design Narrative.pdf
Winslow Town Center_CONCEPTUAL SITE PLAN & EXISTING AND PROPOSED FLOOR PLAN.pdf
PLN52297 Winslow Mall pre-app ltr.pdf
PLN52297 PRE PW-DE Comments - Winslow Mall.pdf

Chair Blossom opened the PPM. Associate Planner Ellen Fairleigh presented the staff report. Architects Sam Kuhn and Matthew Coates provided presented additional details on the project.

Public Comment

Laurel Wilson, Winslow Mall tenant, is concerned about the plan and impact of this plan to existing tenants.
Rachel Ringdahl, Winslow Mall tenant, is concerned about the plan blocking her main display window from street view, concerned about the lack of facilities on the main floor, reduced employee parking and the impact of the redistribution of space.
Ariel Schultz, concerned about limited water resources and increased expense from this resource should be considered by current and potential tenants.
Nate commends the plan to update the Mall and echoes concerns given by existing tenants. Concerned the remodel will be done at the expense of current community members. Concerned current tenants aren't accounted for in the plan.
Joseph Pendergraft, Winslow Mall tenant, has had no communication from the new owner of the building and is wondering what will happen to his business during the remodel.
Jerry Childers, Winslow Mall tenant, has concerns about the plan and the impact to his business.
Alexandra L, is concerned about the current restaurants downstairs having to move upstairs and the impact to existing business since customers aren't likely to go upstairs.
Gi spoke representing current Winslow Mall tenant (Teriyaki Town), has met with the owner and confirmed the plan is to move the restaurant upstairs and has offered them $100,000 to terminate their existing lease.

5) PLANNING DIRECTOR'S REPORT

Planning Manager HB Harper suggested this agenda item take place after the Hyla High School site plan agenda item has been reviewed and discussed.

6) NEW BUSINESS - Hyla High School Site Plan Review

6.a Planning Commission Consideration of Public Comments, Deliberation, and Recommendation on Hyla High School Site Plan Review (City File No. PLN52173 SPR)

Cover Page
Staff Report Hyla High PLN52173 SPR.pdf
Applicant Narrative.pdf
Applicant evaluation of permit decision criteria.pdf
Plan Set.pdf
Outdoor Lighting Plan.pdf
SEPA checklist.pdf
Transportation Impact Analysis.pdf
Parking Assessment (Heath & Associates).pdf
Arborist Report.pdf
Public Comment_Greenberg.pdf
Design for Bainbridge DRB FRR - Hyla High School 02MAY2022.pdf

6) NEW BUSINESS - Hyla High School Site Plan Review

Senior Planner, Kelly Tayara, presented the staff report. Applicant, Charlie Wenzlau, presented details of the project. Commissioner Deines left the meeting due to a personal conflict and Commissioner Sullivan left the meeting due to technical difficulties. Jeff Bouma, Landscape Architect, spoke to the landscape plan.

DRAFT

Public Comment
Laurel Wilson, provided public comment and asked two questions.
Ryan Daniel, a resident of Ericksen, has concerns about traffic control zones at peak times, noise, light and vehicle related pollution.
Bob Greenberg, doesn't have concerns about the school but is concerned about traffic on Eriksen and provided additional comment related to HVAC noise.

Motion: I move to recommend this project as conditioned in the staff report
Schaab/Mathews
The motion passed unanimously

5) PLANNING DIRECTOR'S REPORT

HB Harper, Acting Planning Director, provided Planning and Community Development department updates.

7) FOR THE GOOD OF THE ORDER

Chair Blossom suggested the department consider encouraging more participation from the applicants (other than the architect) at Public Participation Meetings so that more questions and concerns can be addressed during the meeting.

8) ADJOURNMENT

The meeting adjourned at 8:54 PM

_____
Sarah Blossom, Chair

_____
Maria Dozeman, Administrative Specialist

DRAFT

CITY OF
BAINBRIDGE ISLAND

Planning Commission Special Meeting
September 29, 2022
Meeting Minutes

1) CALL TO ORDER/LAND ACKNOWLEDGMENT/AGENDA REVIEW/CONFLICT DISCLOSURE

The meeting was called to order at 6:00 PM. Commissioners present: Chair Sarah Blossom, Vice Chair Ashley Mathews (acting Chair for this meeting), Ariel Birtley and Ben Deines.
Commissioners absent and excused: Peter Schaab, Sean Sullivan and Yesh Subramanian.
Council member liaison Jon Quitslund was also present.
City staff in attendance were Planning Director Patty Charnas, Senior Planner Jennifer Sutton and Climate Adaptation Officer Autumn Salamack. Administrative Specialist Maria Dozeman monitored the meeting and prepared the minutes.

2) PUBLIC COMMENT

2.a Public Comment

Cover Page
Instructions_for_Providing_Public_Comment_at_Hybrid_Meetings.pdf

Ariel Schultz, spoke about the harbor policies/contracts.

3) PUBLIC HEARING

3.a Public Hearing for Ordinance No. 2022-14 related to Electric Vehicle Charging Zoning Code Amendments

Cover Page
EV Parking Ordinance No. 2022-14.docx
EV Parking Ordinance - Public Hearing Presentation - 09.29.22.pptx

Motion: I move to approve Ordinance No. 2022-14 to the City Council
Deines/Birtley
The motion passed unanimously.

Autumn Salamak, Climate Adaptation Officer, presented.
Public Comment: Frederick Scully, commends City and the Planning Commission on this work. Would like to see backup power since the island is prone to power outages. Concerned about wording in the ordinance.
The public hearing closed at 6:16 PM

4) PLANNING DIRECTOR'S REPORT

Planning Director, Patty Charnas, announced October is Community Planning Month and the related Proclamation calls out the work that those that serve on the Planning Commission provide. Would like the Commissioners to consider moving the Planning Commission Special meeting time permanently to 6:00 PM or possibly a 5:30 PM start time.

5) FOR THE GOOD OF THE ORDER

6) ADJOURNMENT

The meeting adjourned at 6:28 PM

_____
Sarah Blossom, Chair

_____
Maria Dozeman, Administrative Specialist

DRAFT

CITY OF
BAINBRIDGE ISLAND

PLANNING COMMISSION
RECORDED MOTION

Planning Commission Meeting Date:	**September 29, 2022**
Project Proposal Name and Number:	**Ordinance 2022-14**
Decision Maker:	**City Council**

Planning Commission Role and Responsibility: Pursuant to BIMC 2.16.180, Planning commission review and recommendation is required for amendments to BIMC Chapter 2.16, and BIMC Titles 16, 17, and 18, area-wide rezones initiated by the city, or area-wide rezones associated with a privately initiated amendment to the comprehensive plan.

Planning Commission Action:

1. In making a recommendation, the planning commission shall consider applicable decision criteria of this chapter, all applicable law, the comprehensive plan, public comment, and any necessary documents and approvals.
2. The planning commission shall issue a written recommendation that contains (a) a statement recommending that the proposed amendment be approved, approved as amended, or denied, and (b) a statement of facts upon which the recommendation is based and the conclusions derived from those facts.
3. The planning commission's written recommendation and other documents upon which its decision is based shall be immediately transmitted to the city council and department director.

Findings of Fact and Reasons for Action

The 2020 Climate Action Plan highlights the importance of reducing transportation emissions, and identifies increased electric vehicle charging as a strategy that could yield a notable greenhouse gas reduction. Consequently, the 2020 Climate Action Plan includes a target to have 80 percent of registered vehicles on Bainbridge Island be either electric vehicles or plug-in hybrid electric vehicles by 2045. The City wishes to be a leader in promoting low carbon forms of transportation and ensuring that any new, applicable development is planning for future electric vehicle demand. Additionally, Washington Administrative Code (WAC) 51-50-0429 has set requirements for electric vehicle supply equipment installation for the construction of new buildings and accessory units that come into effect on July 1, 2023.

Recommendation:

Motion: I move to approve Ordinance No. 2022-14 to the City Council
Deines/Birtley

X	Approve the ordinance.
	Approve the ordinance as amended.
	Deny the ordinance.

CITY OF
BAINBRIDGE ISLAND

PLANNING COMMISSION
RECORDED MOTION

Planning Commission Record of Vote:

Commissioner	Support	Oppose	Absent	Abstain
Blossom	X			
Mathews	X			
Subramanian			X	
Birtley	X			
Deines	X			
Schaab			X	
Sullivan			X	
Total	**4**	**0**	**3**	**0**

CITY OF BAINBRIDGE ISLAND PLANNING COMMISSION

Date:

Planning Commission Chair

Maria Dozeman

Date:

Administrative Specialist,
Planning and Community Development

CITY OF BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: October 13, 2022 **ESTIMATED TIME:** 10 Minutes

AGENDA ITEM: (6:10 PM) Instructions for Proving Public Comment at Hybrid Meetings

SUMMARY: please review the instructions if you would like to provide a public comment during this meeting.

AGENDA CATEGORY: Discussion **PROPOSED BY:** Planning & Community Development

RECOMMENDED MOTION: Please review for instructions if you would like to provide public comment during the meeting.

STRATEGIC PRIORITY:

FISCAL IMPACT:	
Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	

BACKGROUND:

ATTACHMENTS:

Instructions_for_Providing_Public_Comment_at_Hybrid_Meetings.pdf

FISCAL DETAILS:

Fund Name(s):

Coding:

CITY OF
BAINBRIDGE ISLAND

Planning and Community Development

Members of the public are encouraged to submit written public comment to the Planning Commission at any time by emailing Commissioners directly or sending comments to pcd@bainbridgewa.gov and City staff will forward your comment directly to Commissioners on your behalf. Members of the public who wish to provide public comment may attend the meeting in Council Chambers or may participate remotely by following the instructions outlined below. If you are attending in-person, please sign up to speak on the sign-in sheet by the Chamber doors. The Chair or Acting Chair will call the people signed up on the sign-in sheet in Council Chambers first, and speakers will have three minutes to speak from the podium. Following the in-person comment, people who have raised their hands in the Zoom meeting will be called on next. A timer on the screen will indicate when 3 minutes have elapsed. Guidelines for public comment are also attached.

Instructions for Providing Public Comment Remotely

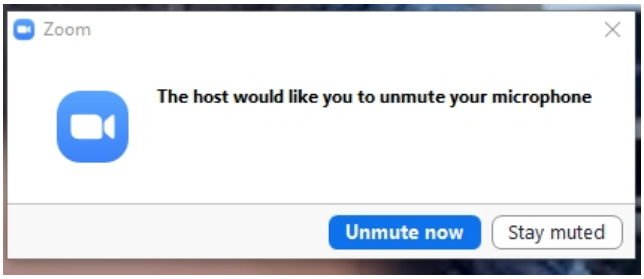
1. Join the Zoom webinar by following the link posted on the agenda and on the City calendar.

2. Sign in to Zoom with your full name.

3. The Chair will indicate when it is time for public comment.

4. Attendee indicates desire to speak by clicking on "Raise Hand" option at the bottom of the screen. If you are calling in by phone and would like to make a comment, *6 mute/unmute *9 raise/lower hand to be called on to speak.

5. Attendee clicks button "Unmute now" after they are called to speak by the Chair.



6. Attendee will appear on screen with other panelists, but without video, just name.

IMPORTANT NOTE: If you do not have the latest version of Zoom, you will be promoted to panelist. You will then appear with video enabled. Look for the video icon in the bottom left-hand corner of the screen to turn off your video.

7. Attendee provides comment.

8. A timer on the screen will track your time.

9. Stop speaking when the timer reaches the 3-minute mark.

10. Attendee is returned to attendee group, and microphone is muted.

11. Public comment is simply received by the Planning Commission, with no response.

CITY OF BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: October 13, 2022 **ESTIMATED TIME:** 30 Minutes

AGENDA ITEM: (6:20 PM) Public Participation Meeting- Clark Construction Office PLN52300 PRE

AGENDA CATEGORY: Discussion **PROPOSED BY:** Ellen Fairleigh

PREVIOUS PLANNING COMMISSION REVIEW DATE(S): N/A

PREVIOUS COUCIL REVIEW DATE(S): N/A

RECOMMENDED MOTION:
Discussion

SUMMARY:
This project proposes the renovation and expansion of an existing commercial building located at 901 Hildebrand Ln. NE (parcel #262502-2-084-2000). A pre-application conference was held with City staff on August 30, 2022. A Conceptual Review with the Design Review Board was held on September 19, 2022.

BACKGROUND: A public participation meeting (PPM) is a requirement for an application for major site plan review in accordance with the Bainbridge Island Municipal Code (BIMC) 2.16.040.D.

ATTACHMENTS:

PROJECT NARRATIVE

PROJECT DESCRIPTION

A renovation of an approximately 8,906 square foot, 2-story, existing building located at 901 Hildebrand Lane NE, at the corner of Wallace Way NE and Ericksen Ave NE. An expansion of approximately 4,204 square feet will be added to the total existing square footage, on both the first and second floor. The occupancy type will not change from Type B and the Construction Type remains 5B. The work includes but is not limited to selective demolition, construction of new non-bearing partitions, finishes, and incidental mechanical, plumbing, and electrical upgrades. New primary structure may be required to support the additional square footage on the second story.

DEVELOPMENT PROGRAM

This building will remain an office building, continuing to provide meeting space and private offices. The existing rounded brick corners will be squared off on Level 1, with a 632 SF expansion to the south where the existing drive-thru is currently. The existing second floor is centered over Level 1, but it will be expanded in all directions to match the Level 1 footprint. The second floor addition will total 3,572 SF. Due to the increased square footage, the parking lot will be re-striped to meet current parking space sizes, and increase the total number to 53 spaces.

DESIGN NARRATIVE

Clark Construction was founded on Bainbridge Island in 2006, as their business has continued to thrive, they quickly outgrew their previous office space. With the purchase of the 901 Hildebrand Lane location, renovating will allow them to use this new space as their corporate headquarters, with more room to expand their team.

Clark's goals for this project are simple but impactful; create a beautiful structure that helps them operate efficiently while showcasing their commitment to community and the environment.

In their previous office space, they celebrated the building process by constructing a large scale art installation created from found tools. A piece that symbolizes ingenuity and skill. In that same spirit, our building will capture the simplicity and joy of construction. Like a tool shed, our building will be well organized, with a lightweight structure, and it will honor the history of Clark Construction. The Pacific Northwest has a very distinct architectural style that we plan to capture by using local materials, and a simple shed roof form. With sustainability in mind, the building will utilize net-zero strategies through the use of solar panels, solar water heaters, rainwater collection to flush toilets and irrigate the landscaping.

ZONING SUMMARY

ZONE:
HIGH SCHOOL ROAD DISTRICT I

SITE AREA:
0.99 ACRES = 43,124 SF

FAR:
0.3 MAX = ALLOWABLE BUILDING AREA OF 12,937 SF

EXISTING BUILDING AREA = 8,906 SF
PROPOSED BUILDING AREA = 12,930 SF

LOT COVERAGE:
50% MAX = 26% PROVIDED

BUILDING SETBACKS:
FRONT: 10 FT MAX
SIDE: 0 FT
REAR: 0 FT

PARKING:
4 STALL PER 1,000 SF =52 REQUIRED, 53 PROVIDED

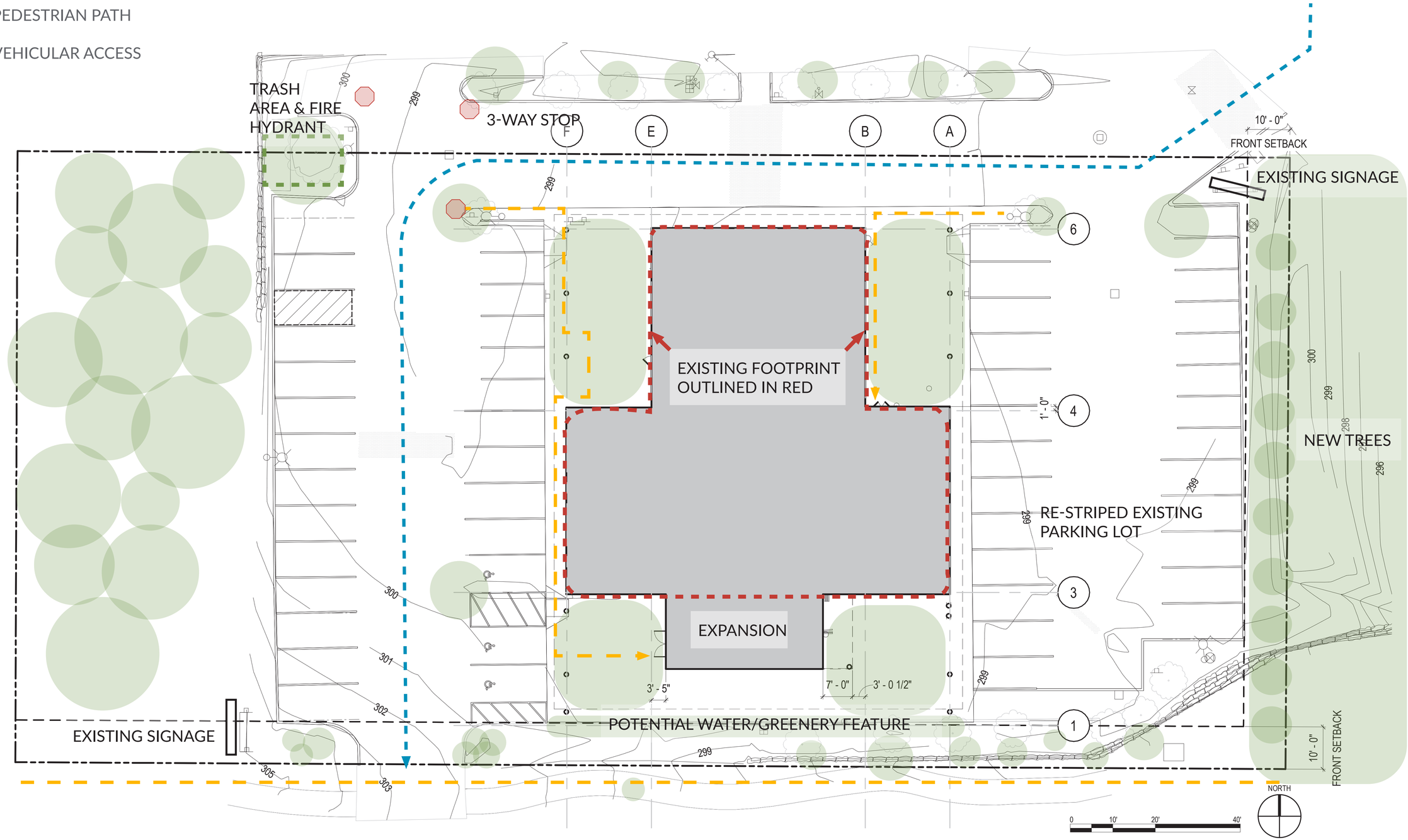
BIKE PARKING:
1 PER EVERY 5 PARKING SPOTS = 11 REQUIRED

LANDSCAPED SPACE:
DESIGN TO MEET BIMC 18.15

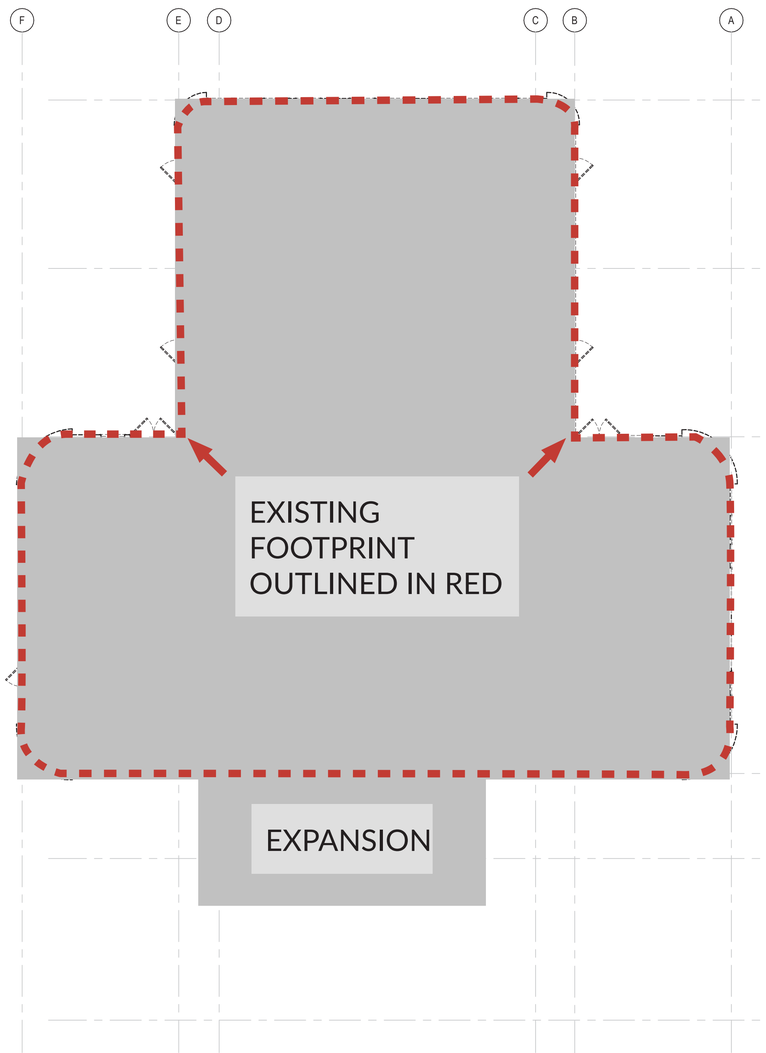
CONCEPTUAL SITE PLAN

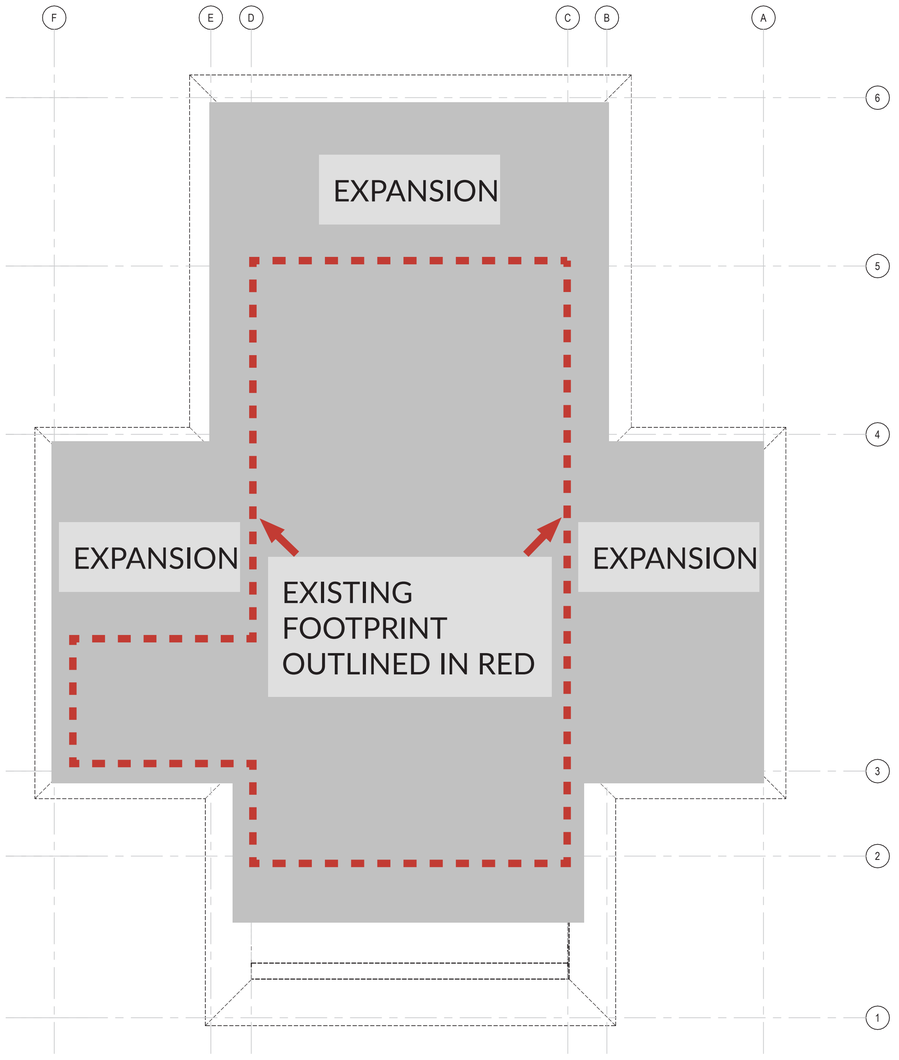
PEDESTRIAN PATH

VEHICULAR ACCESS



ADDITIONAL SQUARE FOOTAGE DIAGRAM







CITY OF BAINBRIDGE ISLAND

September 14, 2022

Clark Construction, Inc.
901 Hildebrand Ln NE
Bainbridge Island, WA 98110
Sent via email to: info@clarkconstruct.com

Re: Clark Construction Office PLN52300 PRE - Pre-application Conference Summary

Dear Applicant,

Thank you for meeting with staff on August 30, 2022 to discuss the proposed renovation of an existing building for use as the Clark Construction office. At this time, the proposed scope of work includes the renovation of an existing two-story, 8,906 square foot building. The project proposes an expansion of approximately 4,024 square feet. Work includes, but is not limited to, selective demolition, construction of new non-bearing partitions, finishes, and incidental mechanical, plumbing and electrical work. New primary structure may be required to support the additions. A summary of the land use review process, applicable Bainbridge Island Municipal Code (BIMC) regulations, comments from reviewers, fees, submittal requirements, and next steps is provided below.

General Information
Pre-Application Conference Date: August 30, 2022
Project Name and Number: Clark Construction office / PLN52300 PRE
Project Description: Renovation and expansion of an existing 2-story commercial building
Project Address: 901 Hildebrand Ln NE
Tax Parcel Number(s): 262502-2-084-2000
Tax Parcel Size: Approximately 0.99 acres or 43,124 sq. ft.
Zoning/Comp Plan Designation: High School Road 1 (HS-1)/High School Rd 1 District
Planning Contact: Ellen Fairleigh
Development Engineer: Paul Nylund

Land Use Review Process
Applications Required
BIMC 2.16.040.B.1.b: The expansion, remodel, or alteration of any building or other structure by more than five percent of its existing floor area, or overall size in cases where floor area is not applicable; or expansion that creates a new dwelling unit.

Planning and Community Development
280 Madison Avenue North
Bainbridge Island, Washington 98110-1812
www.bainbridgewa.gov
206.842.7633

This proposal exceeds the thresholds of a minor site plan review per the examples in BIMC 2.16.040.C.1. For instance, examples of a minor site plan review include a minor commercial remodel or the addition of a small room.

Initial research indicates that the property was developed as part of a site plan review that received a recommendation for approval with conditions from the Winslow Planning Agency on June 28, 1990 (file number SPR 02-12-90-1 North Sound Bank). The proposal was to establish three office buildings on three separate lots off the southwest corner of Hildebrand Lane NE.

In accordance with BIMC 2.16.040.H.2, a new application is required.

A **major** site plan review is required.

Proposal Stage:

- Preapplication Conference: August 30, 2022
- Conceptual Review- Design Review Board: scheduled for September 19, 2022
- Public Participation Meeting: TBD
- Design Guidance Review- Design Review Board: TBD
- Final Design Review and Recommendation- Design Review Board: TBD

Fees (effective September 1, 2022):

Site Plan Review (major): $17,530.00
Kitsap Public Health District (KPHD) review fee (separate review fee paid directly to KPHD)

For submittal requirements for all meetings with the Design Review Board (DRB) please reference the Appendix of the City's Design Review Manual- Design for Bainbridge

Submittal requirements for Site Plan Review application: Administrative Manual p. 21 Site Plan and Design Review

Other required permits: Building permits and separate sign permits

Approval Body
Administrative Decision (Director)
Review and Recommendation
Planning Commission- Review and Recommendation Kitsap Public Health District Bainbridge Island Fire Department Planning Division Development Engineer Building Division (at time of building permit submittal)

Bainbridge Island Municipal Code Requirements
BIMC 2.16 – Land Use Review Procedures
Review procedures and decision criteria for a Site Plan Review are outlined in BIMC 2.16.040.
BIMC 16.04 – Environmental Policy
The project is subject to the State Environmental Policy Act (SEPA) review as provided in Washington Administrative Code (WAC 197-11-800). • **A complete SEPA checklist is required at the time of application submittal.**
BIMC 16.18 – Tree Removal, Forest Stewardship, and Vegetation Maintenance
At the pre-application conference the applicant indicated that some tree removal is proposed around the existing parking lot. Please note per BIMC 16.18.050.B that a tree removal/vegetation maintenance permit (TRVM permit) is required prior to removing any tree eight inches in diameter or greater (measured four and one-half feet above grade) in the HS-1 zoning district. The applicant must demonstrate that the requested removal meets one of the following criteria: 1. The tree is dead, or determined to be hazardous, as certified by an International Society of Arboriculture (ISA) Tree Risk Assessment Qualified (TRAQ) arborist; or 2. The removal is necessary to allow reasonable use or enable permitted construction, and no alternative is feasible; or 3. The removal is necessary to maintain utilities, provide access, or fulfill the terms of an easement or covenant recorded prior to the adoption of the ordinance codified in BIMC Chapter 16.18.
BIMC 16.20 – Critical Areas
The west side of the subject parcel includes mapped slopes greater than 40%. The subject parcel also includes a mapped erosion hazard area. The City Development Engineer determined that a critical area report/geological hazards assessment is not required at this time.
BIMC 18.09 – Use Regulations
"Professional Service" is a permitted use in the HS-1 zoning district.
BIMC 18.12 – Dimensional Standards
Maximum Lot Coverage: 50% Basic Maximum Floor Area Ratio (FAR): Commercial and other non-residential uses: 0.3 Front Yard Setback: 10 ft. max. from sidewalk Side Yard Setback: 0 ft. Rear Yard Setback: 0 ft. Max Building Height: 35 ft.
BIMC 18.15 – Development Standards and Guidelines
BIMC 18.15.010.A.2.h: In the High School Road I and II districts, the intent is to provide landscape development to screen uses from adjacent single-family residential properties and to soften the appearance of surface parking areas. **Table 18.15.010-1: Landscape Requirements by Zone District**

Significant Tree and Tree Stand Retention:
BIMC 18.15.010.C.4.b.i: No cutting of trees shall be allowed on a site until the tree retention and planting plans have been approved by the director and a clearing, grading or building permit issued.

Perimeter Landscape: Perimeter landscaping is not required. (Please refer to "Design for Bainbridge" for further guidance regarding landscaping.)

Roadside Buffer (Not adjacent to Highway 305): A roadside buffer is not required.

Parking Lot Landscaping: Please refer to the regulations in BIMC 18.15.010.F.1.b for specific planting requirements.

Total Site Tree Unit Requirements:
BIMC 18.15.010.G.4.a.ii: In the HS-1 zoning district the development parcel shall have at least 40 tree units per acre following the proposed development or redevelopment.

OR

BIMC 18.15.010.G.4.a.iv: The development parcel will contain at least the same number of tree units after the proposed development or redevelopment as it had before that development or redevelopment. If opting to meet tree unit requirements pursuant to this allowance, the applicant shall identify the species and DBH of each tree to be removed

At the time of application, please identify all existing trees to be retained that are contributing to the total site tree unit requirements. The applicant shall also submit valuation of all trees to be retained, using the valuation standards of the International Society of Arboriculture (see Administrative Manual for submittal requirements for landscaping plans).

BIMC 18.15.020 Parking and Loading
Table 18.15.020-2: 4 spaces per 1000 square feet of floor area.

The proposal includes utilizing the existing parking lots and re-striping the current spaces. The application must demonstrate that adequate parking is available to serve the additional proposed floor area.

BIMC 18.15.020.D Location of Spaces
All parking spaces and driving aisles serving adjacent parking spaces, except those serving single-family residences, shall not be located within required front, rear or side setbacks.

BIMC 18.15.020.J Design Standards
Small car (compact) spaces may total no more than 30% of the required number of parking spaces.

BIMC 18.15.030 Mobility and Access
BIMC 18.15.030.B. Bicycle Facilities. The following requirements apply to multifamily and nonresidential developments.

All parking facilities, except those serving single-family residences (including any use accessory thereto), shall contain bicycle parking facilities that allow secure locking of both the frame and wheels of a bicycle. One bicycle space shall be provided for every five parking spaces with a minimum of four spaces provided for each parking lot. **BIMC 18.15.040 Outdoor Lighting** BIMC 18.15.040.D: All outdoor lighting fixtures and accent lighting shall be designed installed, located and maintained such that there is no light trespass. Outdoor fixtures and accent lighting must be shielded and aimed downward.
BIMC 18.18.030– Design Standards and Guidelines
The development is subject to the design standards as outlined in "Design for Bainbridge".
BIMC 20.04 – City Fire Code
The project shall comply with all applicable provisions of the adopted Fire Code (International Fire Code, 2018 Edition).

Department/Agency Comments
Development Engineer Comment:
Paul Nylund provided the attached comments and can be reached at (206) 780-3783 or pnylund@bainbridgewa.gov.
Survey Program Manager Comment:
Rob Grant provided the following comment and can be reached at (206) 780-3742 or rgrant@bainbridgewa.gov. A boundary and topographic survey is required to be submitted with the land use application.
Building Official Comment:
Blake Holmes has provided the following comment and be reached at (206)780-3715 or bholmes@bainbridgewa.gov. The City of Bainbridge Island Building Department is currently reviewing projects under the 2018 International Codes and the 2018 Washington State Energy Code. Your project is subject to meeting these code requirements if the proposed work involves the building department.
Bainbridge Island Fire District Comment:
Fire Marshal, Jackie Purviance, provided the attached comments and can be reached at (206) 451-2033 or jpurviance@bifd.org.
Kitsap Public Health District:
Richard Bazzell can be reached at (360) 728-2308 or richard.bazzell@kitsappublichealth.org.

Once you are ready to submit an application, please follow the procedures outlined on the City website: Submitting a Building or Land Use Permit Application. Please contact me to discuss scheduling of required meetings with the Design Review Board and to schedule the required Public Participation Meeting.

If you have any questions, please contact me at (206) 780-3767 or efairleigh@bainbridgewa.gov.

Sincerely,

E. Fairleigh

_____

Ellen Fairleigh
Associate Planner

Please note that information provided at the pre-application conference and in this letter reflects existing codes and standards, currently available information about the site and environs, and the level of detail provided in the pre-application conference submittal. Comments provided pursuant to pre-application review shall not be construed to relieve the applicant of conformance with all applicable fees, codes, policies, and standards in effect at the time of complete land use permit application. The comments on this proposal do not represent or guarantee approval of any project or permit. While we have attempted to cover as many of the Planning, Engineering, Building and Fire related aspects of your proposal as possible during this preliminary review, subsequent review of your land use permit application may reveal issues not identified during the is initial review. If the city's pre-application review indicates that the City intends to recommend or impose one or more conditions of permit approval, and if the applicant objects to any of said conditions, the applicant is hereby requested and advised to provide written notice to the City of which conditions the applicant objects to and the reasons for the applicant's objections.

CITY OF BAINBRIDGE ISLAND

Department of Public Works - Engineering

Memorandum

Date: September 13, 2022

To: Ellen Fairleigh, Planner, Planning and Community Development

From: Paul Nylund, P.E., Engineering Manager, Public Works

Subject: PLN52300 PRE – Clark Construction Building SPR PW-DE Pre-Application Conference Comments

Background:
Following the pre-application conference held on 30 August 2022 (remotely), Public Works Development Engineering (PW-DE) has completed a review of the subject project materials and submits the following comments to be included with and/or attached to the pre-application summary letter generated by Planning and Community Development. As noted below, a SAR was completed during this review and these comments serve in lieu of a stand-alone SAR letter of recommendation from COBI Development Engineering for any future permit application submittal requirements for a project substantively conforming to this proposal.

Brief Project Description:
This project proposes a renovation of an approximately 8,906 square foot, 2-story, existing building with an expansion of approximately 4,024 square feet. Work includes internal and external improvements, resulting in a project total of ~4500sf of new and replaced hard surfaces. Subject lot is a regular rectangle with the major axis oriented E-W, bounded on the south by Wallace Way and on the east by Hildebrand/Ericksen ROW, and on the remaining sides by similar residential and commercial development. Access to the project will remain unchanged from both Wallace on the south and Hildebrand to the east through an existing shared parking lot.

Comments:

1. The proposed project creates less than 5000sf of new and replaced hard surfaces. The land use and subsequent building permit submittals shall demonstrate project compliance with Minimum Requirements 1-5 of the Department of Ecology's Stormwater Management Manual of Western Washington (SWMMWW) as currently adopted by City of Bainbridge Island (COBI) at the time of building permit submittal.
2. A Site Assessment Review is required per BIMC 15.20.060(1) with the goal to mimic the site's natural hydrology, implement low impact development (LID) to the maximum extent feasible, and preserve native vegetation on site. A SAR application was received with the preapplication conference documentation, and a site assessment review has been completed in conjunction

with this preapplication review. The project as proposed will fully consider LID principles in all phases of development, and no further SAR analysis or review is required. These comments serve in lieu of a stand-alone SAR letter of recommendation from COBI Development Engineering for any future submittal requirements for a project substantively conforming to this proposal. as proposed shall continue to fully consider low impact development (LID) principles in all phases of development and will be reviewed with that expectation, so **no further SAR analysis or review is required**.

3. The project site contains mapped moderate slopes (15-39%), steep slopes (>40%) and an erosion hazard area. The steep slopes appear to be the result of landscape berm construction and a landscape rockery and shall not require a geologically hazardous area assessment. The erosion hazard will be minimized due to the existing impervious area coverage on site and the limited soil exposure proposed by applicant. A stormwater plan addressing the 13 elements of a construction stormwater pollution prevention plan as required per the Stormwater Management Manual for Western Washington (DOE, 2019) will be sufficient to mitigate the erosion control hazard after review during the building permit process.

4. The site and is located within the COBI water or sanitary sewer service areas. Both services are and may continue to be available to the proposed project. All utility connections, improvements, or expansions shall conform with COBI Design and Construction Standards and Specifications. The SPR application submittal shall include a conceptual utility plan to include but not be limited to proposed water, sewer, stormwater, power, and telecom utility installations.
5. A water/sewer availability (WSA) application is required prior to applying for subsequent land use permitting The COBI WSA letter is independent of the permitting process and will be provided to applicant for use in the subsequent land use applications.
6. A Traffic Impact Analysis (TIA) sufficient for the City Engineer to perform a concurrency test may be required per BIMC 15.40 if preliminary trip generation calculation methods per the Institute of Traffic Engineers (ITE) Trip Generation Manual, 7th Edition (or later) indicate net trip generation (proposed trip generation minus credit for existing use trip generation) will be beyond the threshold of 50 average daily trips (ADT) or 5 or more AM or PM peak-hour trips added as a result of this project. A trip generation analysis shall be submitted with land use applications, and if required, a Traffic Impact Analysis shall be submitted for approval during the land use permitting review(s).

7. If required, applicant shall select a consultant to perform the TIA and submit the proposed scope of work for review by COBI Development Engineering prior to executing the field work and subsequent analysis. The scope shall include but not be limited to discussion of the following: Intersections to be analyzed for Level of Service (LOS) calculations, analysis of pedestrian movement on to, off, and through the site, line-of-sight considerations for vehicular traffic exiting onto Wallace and/or Hildebrand, and considerations to reduce vehicular/pedestrian conflicts throughout the site, but especially at the site access point(s).

8. Project is subject to evaluation for Transportation Impact Fees (TIFs) because there a proposed change in the classification or quantity of primary use. Fees are generally due at time of building permit issuance. A preliminary TIF worksheet will be required with subsequent land use application(s).

9. Adequate right of way exists along both the Wallace Way and Hildebrand frontages. No additional ROW is anticipated. Project frontages are well developed and generally within standards, so no significant frontage improvements are expected to be required. If required, any improvements would be consistent with COBI's design and construction standards for a collector roadway or consistent with proposed deviations to the standards as approved by COBI engineering during the review process.
10. Any civil improvements required as conditions of a preliminary site plan review approval to be constructed in the Public Right of Way (ROW) require a ROW use permit subject to independent review and additional fee/submittal requirements.
11. No construction on or to the site may take place until the civil improvement plans have been reviewed and approved by the City as part of a construction permit to include but not limited to Building, Grade and Fill, or Right of Way Use permits.

Please note that information provided in this letter reflects existing codes and standards, currently available information about the site and the nature of the immediate environs. Comments provided pursuant to preapplication review shall not be construed to relieve the applicant of conformance with all applicable fees, codes, policies, and standards in effect at the time of complete land use permit application. The comments on this proposal do not represent or guarantee approval of any project or permit. While covering as many of the Planning, Engineering, Building and Fire related aspects of the proposal as possible during this preliminary review, please be advised that subsequent review of any land use permit application may reveal issues not identified during this initial review.

CITY OF BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: October 13, 2022 **ESTIMATED TIME:** 20 Minutes

AGENDA ITEM: (6:50 PM) Receive a Presentation on the consistency of the 2023-28 Capital Improvement Plan with the Comprehensive Plan.

SUMMARY: Public Works staff will present the Commission with an overview of the 2023-28 Capital Improvement Plan.

AGENDA CATEGORY: Presentation **PROPOSED BY:** Public Works

RECOMMENDED MOTION: I move to recommend the 2023-28 Capital Improvement Plan as consistent with the 2018 Comprehensive Plan.

STRATEGIC PRIORITY:

FISCAL IMPACT:	
Amount:	N/A
Ongoing Cost:	N/A
One-Time Cost:	N/A
Included in Current Budget?	Yes

BACKGROUND: In accordance with State law, all cities in Washington are required to develop a 6-year Capital Improvement Plan (CIP) that is consistent with the city's Comprehensive Plan. For this agenda item, Public Works staff will present an overview of the 2023-28 CIP for the Planning Commission's review and determination that the plan is consistent with the 2018 Comprehensive Plan.

ATTACHMENTS:

PC_CIP Presentation_100422.pptx

COBI_2023-28 Capital Improvement Plan.pdf

FISCAL DETAILS: N/A

Fund Name(s):

Coding:

2023-28
Capital Improvement Plan (CIP)
Workshop Discussion

Planning Commission
October 13, 2022

CITY OF BAINBRIDGE ISLAND

CIP Workshop **- Goal**

- Review recommended projects
- Ensure consistency with the City's Comprehensive Plan

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CIP Workshop – **Agenda**

- Overview of Capital Facilities Element (context)
- Utilities Element and Projects
- Transportation Element and Projects
- Facility/Fleet Projects

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Capital Facilities Element

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CIP Workshop **– Capital Facilities Element**

- Required by the state's Growth Management Act
- RCW 36.70A.070(3)(d) – "at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes"

CITY OF BAINBRIDGE ISLAND

CIP Workshop – **Capital Facilities Element Policies**

- **CF1** – Support orderly compact urban growth, protect and support public and private investments, maximize use of existing facilities, promote economic development and redevelopment, increase public well-being and safety, and implement the Comprehensive Plan.
- **CF2** - Serve future development and redevelopment
- **CF3** - Prudently manage fiscal resources
- **CF4** - Meet appropriate safety, construction, energy conservation, durability and sustainability standards.

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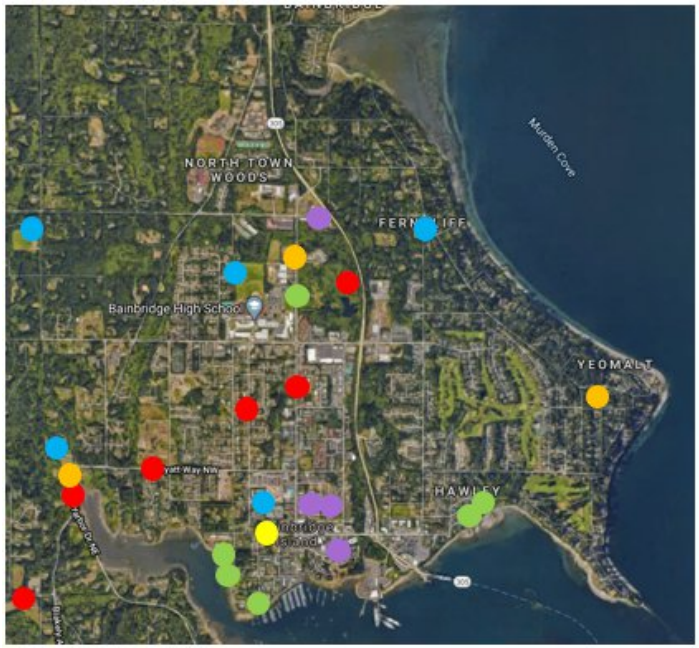
CIP Workshop – **Capital Improvement Plan Purpose**

- In many Cities, the CIP is a tool for managing sustainable population growth, including expansions of the Urban Growth Area
- COBI growth strategy is mostly fixed, with no expansions of the UGA, and population growth steadily, but not rapidly expanding
- COBI CIP focuses on:
  - Asset management
  - Service improvements
  - Expanding transportation options and safety

CITY OF BAINBRIDGE ISLAND

Project Locations – Support for Compact Development

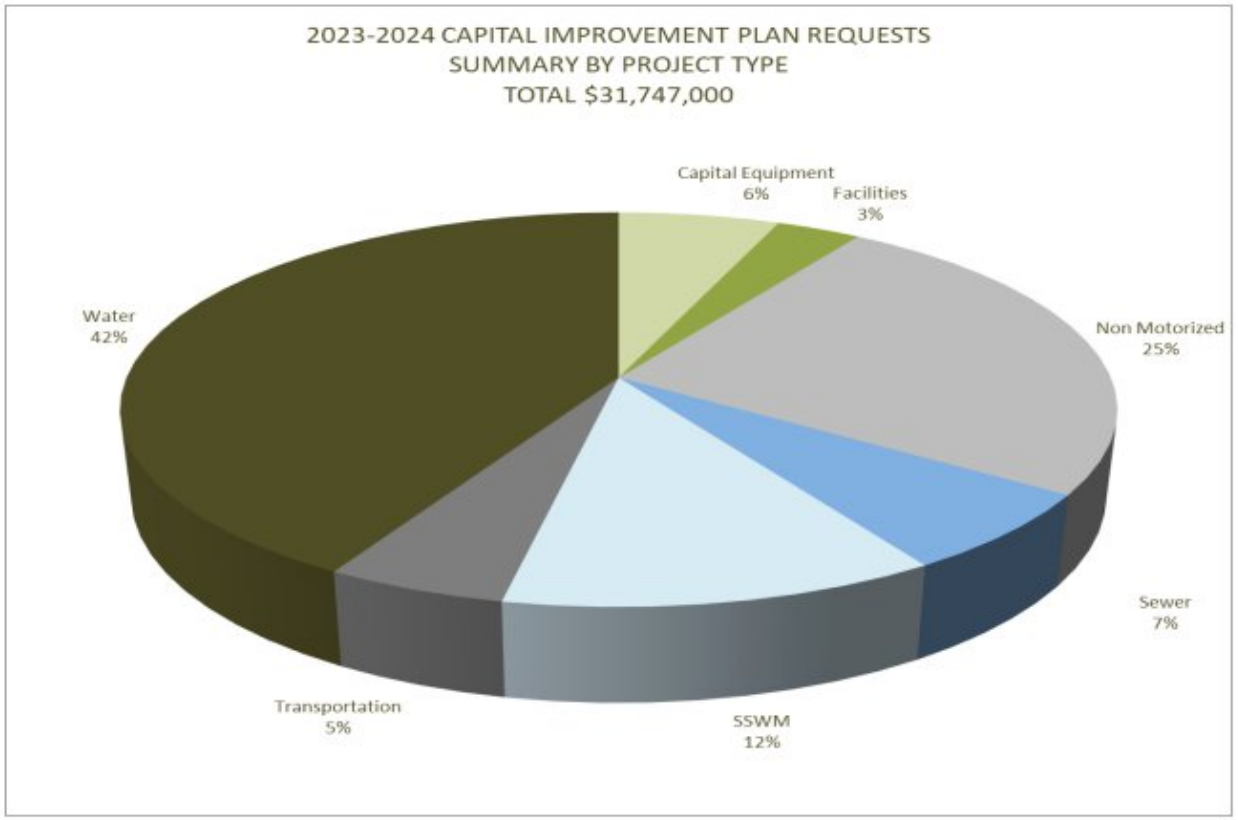




- Transportation
- Non-Motorized
- Water
- Sewer
- SSWM (Storm)
- Facilities

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CIP Workshop – **2023-24 CIP Budget**



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Utilities Element and Projects

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CIP Workshop **– Utilities Element**

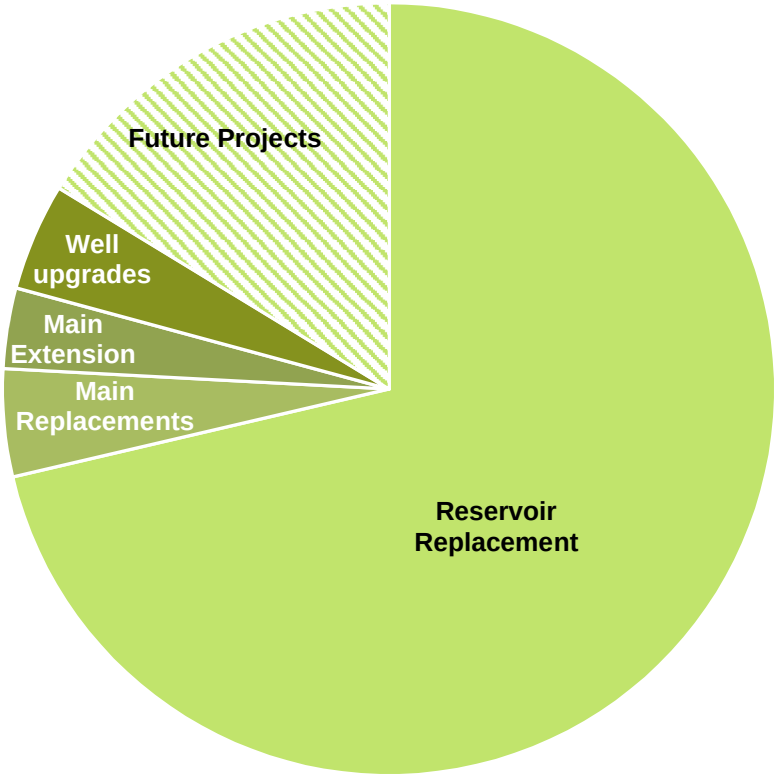
- **Vision** – Ensure reliable electric, telecommunications, potable water, solid waste and recycling services, and stormwater facilities that prevent flooding and erosion, maximize infiltration and eliminate pollutants.

- **Goal for 21-26** – Focus on major asset management projects that enhance service and improve reliability

CITY OF BAINBRIDGE ISLAND

CIP Workshop – **Utility Projects (Water)**







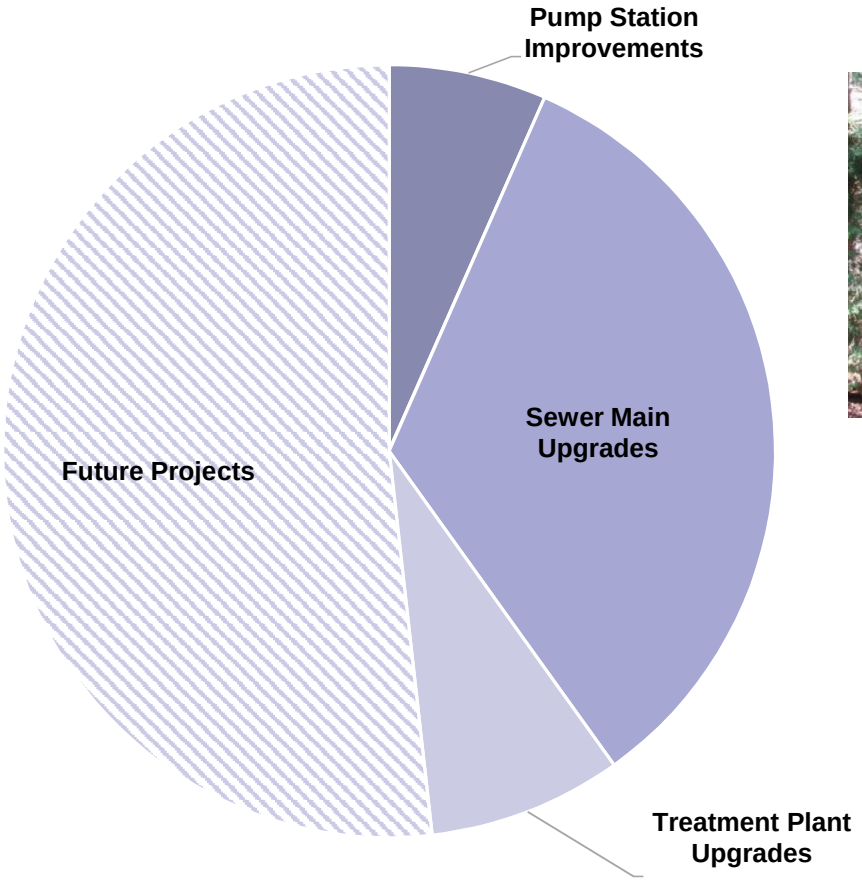


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CIP Workshop – **Utility Projects (Sewer)**





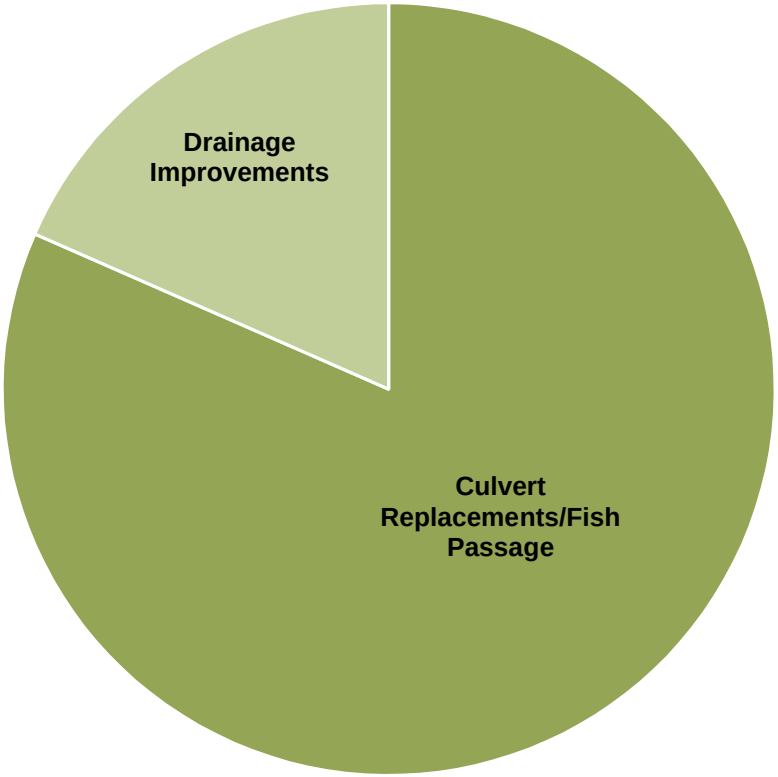




CITY OF BAINBRIDGE ISLAND

CIP Workshop – **Utility Projects (Stormwater)**







CITY OF BAINBRIDGE ISLAND

Transportation Element and Projects

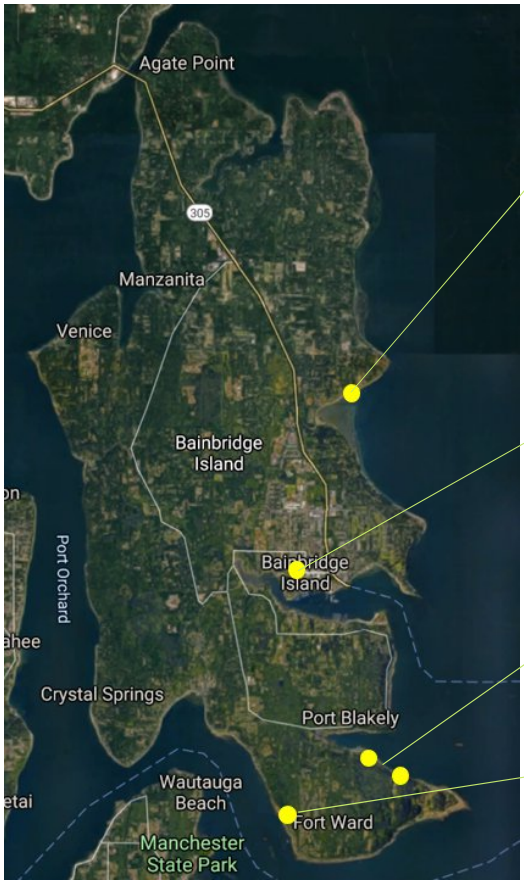
CITY OF BAINBRIDGE ISLAND

CIP Workshop – **Transportation Element**

- Vision guided by the Comprehensive Plan and Sustainable Transportation Plan
  - Safe, dependable, properly maintained, and fiscally responsible, multimodal
  - Good facilities for non-motorized users and pedestrians and good access to transit, consistent with and supporting the other Elements of the Comprehensive Plan.
  - Improves mobility and safety for all users while respecting the character of neighborhoods and maintaining a climate resilient environment.
  - Regionally coordinated, adequately financed, and community supported.

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CIP Workshop – **Transportation Projects**



Manitou Road Reconstruction/Stabilization

Winslow Way West

Country Club Road Reconstruction

Fort Street

CITY OF BAINBRIDGE ISLAND

CIP Workshop – **Non-Motorized Projects**



Sound to Olympic Trail (Planning) *

Madison Bundled Improvements *

Grow Ave Traffic Calming *

Eagle Harbor/Wyatt Non-Motorized *

Bucklin Non-Motorized *

* Identified in the Sustainable Transportation Plan as Priority Projects (Scenario #2)

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Facility and Fleet Projects

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CIP Workshop – **Fleet Purchases**

Assumptions and Strategies:

- Begin transitioning pool/maintenance vehicles to electric
- Continue evaluating electric police vehicle options
- Replace large streets/sewer equipment
- Purchase small bike lane sweeper, plan for larger electric sweeper
- Increase for inflation



CITY OF BAINBRIDGE ISLAND

CIP Workshop – **Facility Projects**

Assumptions and Strategies:

- Focus on delivery of Police/Court and Senior Center projects
- Plan for investments in electric vehicle charging infrastructure
- Invest in City Hall and Public Works functional improvements
- Increase for inflation



CITY OF BAINBRIDGE ISLAND

CIP Workshop – **Q&A**

CITY OF
BAINBRIDGE ISLAND

Section 5



Capital Improvement Plan

Section 5: Capital Improvement Plan

Capital Improvement Plan Summary 145-147

Transportation 148-153

Non-Motorized 154-159

Fleet and Equipment 160

Facilities 161-171

Water 172-178

Sewer 179-184

Stormwater 185-190

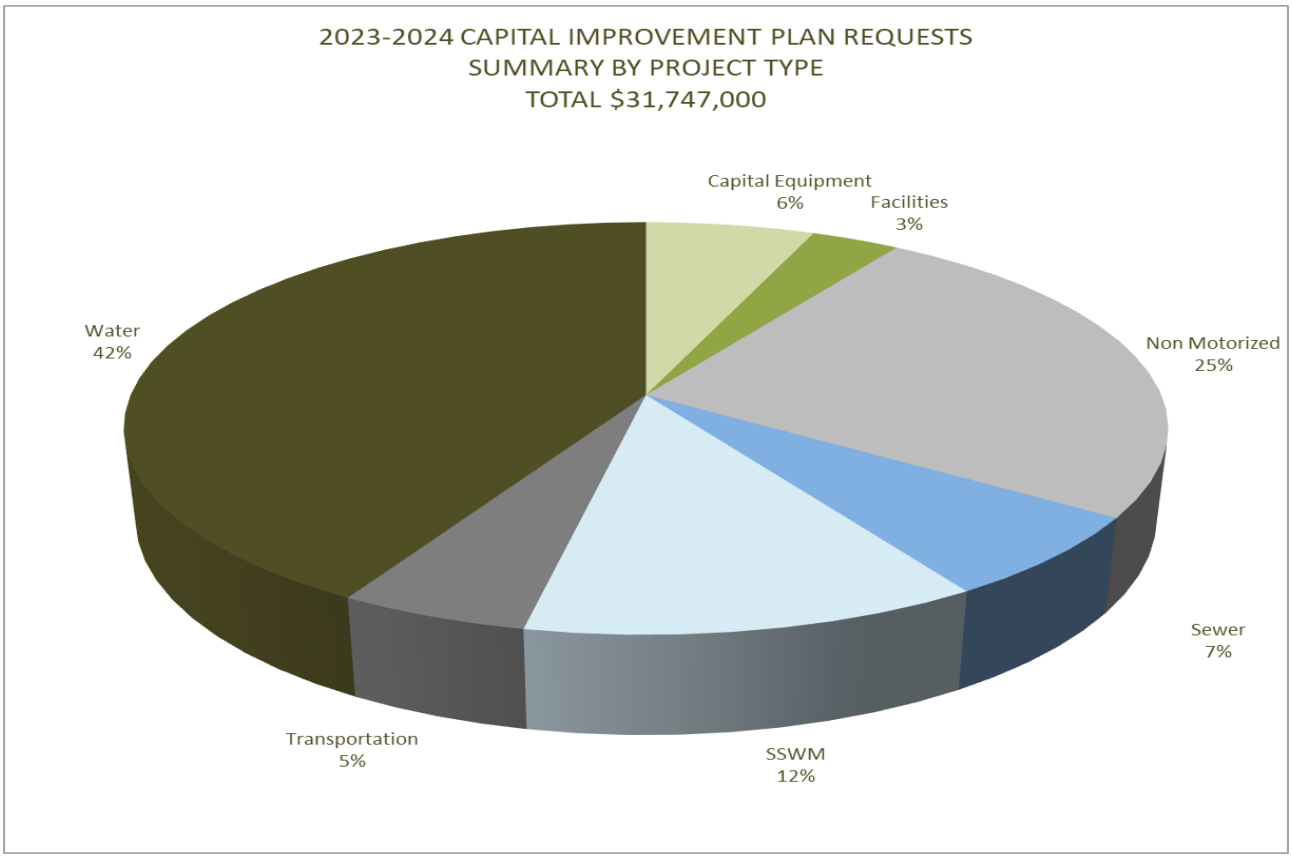
Capital Improvement Plan Summary

The Capital Improvement Plan (CIP) represents an important element in the City's long-range and strategic planning. The CIP is a multi-year planning tool used to identify needed capital projects for preservation and improvements to the City's owned and operated infrastructure, and to coordinate the financing and timing of these improvements. The CIP document is a roadmap for the next six years and is strategically implemented to meet the City's goals.

Capital projects at the City have a construction or acquisition cost equal to, or greater than, $50,000, and an estimated useful life of one year or greater. Projects and assets that do not meet these requirements are operating expenses and included in the operating budget. Major repairs will only be capitalized if they increase the value, extend the useful life beyond the original estimate, or increase the capacity, capability or efficiency of an existing capital asset.

The 2023-2028 CIP is a robust plan with emphasis on critical water and sewer utility projects, in conjunction with continuation of significant non-motorized and transportation projects. The Police and Municipal Court Building renovation is planned to be completed mid-year 2023.

Fiscal year 2023 and 2024 capital improvements are incorporated into the 2023 – 2024 Biennial Budget. The following pages organize each project by project type, such as: transportation, non-motorized, fleet & capital equipment, facilities, water, sewer, or stormwater. In addition to the summary "Level Zero", for each section, a "Level One" sheet lists the projects, estimated costs, and potential grant funding. There is an additional "Level Two" for capital projects that have spending authority this biennium, describing the project, its benefits, estimated schedule, funding sources and uses, and, where appropriate, estimates for the on-going annual impact on the operating budget.


2023-2024 CAPITAL IMPROVEMENT PLAN REQUESTS
SUMMARY BY PROJECT TYPE
TOTAL $31,747,000
Capital Equipment 6%
Facilities 3%
Non Motorized 25%
Sewer 7%
SSWM 12%
Transportation 5%
Water 42%

City of Bainbridge Island
Total CIP (2023 - 2028)
2023-2024 Proposed Budget

	Prior Years	2023	2024	2025	2026	2027	2028	2029 - 2042	**Total**
in (1000s)									
Transportation Projects	451	858	754	1,725	645	-	-	-	4,433
Transportation Grants	-	-	-	-	-	-	-	-	-
Non Motorized Projects	1,537	4,191	3,038	-	-	-	-	-	8,766
Non Motorized Grants	*1,485*	-	*735*	-	-	-	-	-	*2,220*
Fleet and Equipment	-	1,170	770	625	735	950	1,205	-	5,455
Facility Projects	20,974	478	539	80	-	-	-	-	22,071
Facility Grants	*273*	-	-	-	-	-	-	-	*273*
Water Projects	1,639	12,259	586	-	-	-	-	-	14,483
Water Grants	-	*400*	-	-	-	-	-	-	*400*
Sewer Projects	4,197	928	1,160	3,184	-	-	-	-	9,468
Sewer Grants	-	-	-	-	-	-	-	-	-
SSWM Projects	563	2,103	1,778	693	-	-	-	-	5,137
SSWM Grants	-	*85*	-	*1,000*	-	-	-	-	*1,085*
Utility Funding	6,399	15,205	3,523	2,877	-	-	-	-	28,004
General Govt Funding	21,204	5,527	3,596	1,805	645	-	-	-	32,777
Total Project Cost Less Grants	27,603	21,502	7,889	5,307	1,380	950	1,205	-	65,836
Grant Totals	1,758	485	735	1,000	-	-	-	-	3,978
TOTAL PROJECT COST	29,361	21,987	8,624	6,307	1,380	950	1,205	-	69,814

City of Bainbridge Island
Transportation CIP (2023 - 2028)
2023 - 2024 Proposed Budget

Project / Location	Grant Eligible	Grant Awarded	Grant Funds	General Comp	Strts Component	Wtr Component	Swr Component	SSWM Comp	Prior Years	2023	2024	2025	2026	2027	2028	2029-2042	**Total**
TRANSPORTATION PROJECTS - 6-YEAR CIP																	
Country Club Bulkhead Reconstruction *at Seawall*			-		Y				15	-	667	-	-	-	-	-	682
Country Club Rd Reconstruction *Past Toe Jam to Seawall*			-		Y				386	599	-	-	-	-	-	-	985
Manitou Beach Rd & Bulkhead Repair *Manitou Beach Rd*			-		Y				-	259	-	1,075	-	-	-	-	1,334
Fort Street Extension *Tani Creek to Pleasant Beach*			-		Y				-	-	87	375	-	-	-	-	462
Springbrook Fish Passage *Fletcher Bay Rd*	X				Y				50			100					150
Winslow Way West *Parfitt to Grow Ave*			-		Y	Y			-	-	-	175	645	-	-	-	1,195
City Funding									451	858	754	1,725	645	-	-	-	4,433
Grant Totals									-	-	-	-	-	-	-	-	-
TOTALS									451	858	754	1,725	645	-	-	-	4,433

Amounts in thousands

Project: Country Club Bulkhead Reconstruction **Number:** 00781

Location: Seawall on Country Club Road

Project Description





Description: The project consists of long-term (10-15-yr) repair and replacement of the Country Club bulkhead, including the replacement of drainage facilities and repair of the adjacent roadway.

Benefit: Repairing the bulkhead will prevent further failure of the roadway.

Schedule: 2020: Design and permitting; 2024: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	667	-	-	-	-	-	667
REET	15	-	-	-	-	-	-	-	15
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**15**	**-**	**667**	**-**	**-**	**-**	**-**	**-**	**682**
FUNDING USES (1000's)									
Project Management	-	-	17	-	-	-	-	-	17
Design/Construction	15	-	650	-	-	-	-	-	665
Sub-total	**15**	**-**	**667**	**-**	**-**	**-**	**-**	**-**	**682**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Country Club Road Reconstruction **Number:** 00712

Location: Toe Jam Road to the Seawall

Project Description





Description: This project will repair failing roadway pavement and improve drainage conditions east of Toe Jam Road to the existing bulkhead.

Benefit: Roadway preservation.

Schedule: YR1: Design; YR2: Construction

Capital Funding (1000's)

	Prior Yrs	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	61	599	-	-	-	-	-	-	660
REET	325	-	-	-	-	-	-	-	325
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**386**	**599**	**-**	**-**	**-**	**-**	**-**	**-**	**985**
FUNDING USES (1000's)									
Project Management	65	24	-	-	-	-	-	-	89
Design/construction	321	575	-	-	-	-	-	-	896
Sub-total	**386**	**599**	**-**	**-**	**-**	**-**	**-**	**-**	**985**

Estimated Impact on Future Operating Budget

	Prior Yrs	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Manitou Beach Rd and Bulkhead Stabilization **Number: 01226**
Location: Murden Cove - Falk

Project Description

PICTURE NOT AVAILABLE

Description: This project will evaluate roadway, stabilization and flooding conditions along Manitou Beach Drive and design and construct improvements that will limit long-term impacts on the roadway conditions.

Benefit: Preservation of roadway conditions for vehicular and non-motorized use.

Schedule: YR1:Design/permitting, YR2: Construction.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
REET Fund	-	259	-	1,075	-	-	-	-	1,334
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**259**	**-**	**1,075**	**-**	**-**	**-**	**-**	**1,334**
FUNDING USES (1000's)									
Project Management	-	9	-	50	-	-	-	-	59
Design/construction	-	250	-	1,025	-	-	-	-	1,275
Sub-total	**-**	**259**	**-**	**1,075**	**-**	**-**	**-**	**-**	**1,334**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Fort Street Extension **Number: 01227**
Location: Tani Creek to Pleasant Beach

Project Description

PICTURE NOT AVAILABLE

Description: The project proposes to improve vehicular and fire safety, and reduce the maintenance and operations costs of the existing Pleasant Beach/Fort Street, by reconfiguring the roadway geometry and access locations.

Benefit: Vehicular and fire safety, and reduced long-term maintenance costs.
Schedule: YR 1: Design; YR 2: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
REET Fund	-	-	87	375	-	-	-	-	462
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**-**	**87**	**375**	**-**	**-**	**-**	**-**	**462**
FUNDING USES (1000's)									
Project Management	-	-	8	15	-	-	-	-	23
Design/construction	-	-	79	360	-	-	-	-	439
Sub-total	**-**	**-**	**87**	**375**	**-**	**-**	**-**	**-**	**462**

Estimated Impact on Future Operating Budget

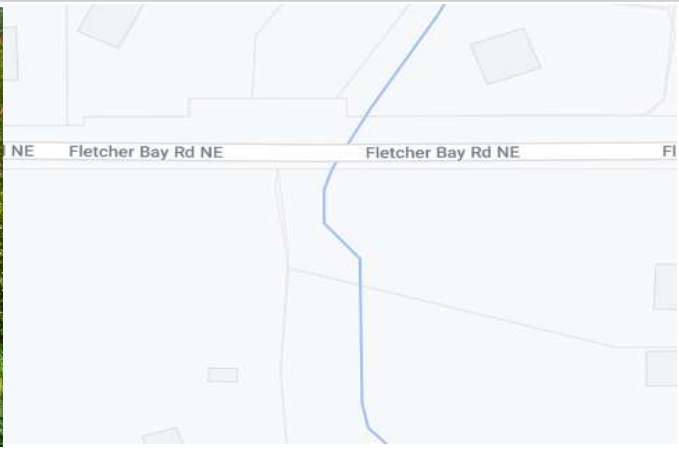
	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Springbrook Fish Passage **Number:** 01159

Location: Fletcher Bay Road west of New Brooklyn

Project Description





Description: The Springbrook Fish Weir/Passage project proposes to replace the existing culvert at Springbrook Creek with an open box/bridge structure and streambed restoration.

Benefit:

Schedule: YR 1: Design

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	50	-	-	100	-	-	-	-	150
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	50	4	13	125	-	-	-	-	192
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	85	-	-	1,800	-	-	-	-	1,885
Sub-total	**185**	**4**	**13**	**2,025**	**-**	**-**	**-**	**-**	**2,227**
FUNDING USES (1000's)									
Project Management	4	3	13	25	-	-	-	-	45
Design/construction	181	1		2,000	-	-	-	-	2,182
Sub-total	**185**	**4**	**13**	**2,025**	**-**	**-**	**-**	**-**	**2,227**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

City of Bainbridge Island
Non-Motorized Transportation CIP (2021- 2026)
2022 Modifications

Project	Grant Eligible	Grant Awarded	Grant/Donations f	General Comp	Strts Comp	Wtr Comp	Swr Comp	SSWM Comp	Prior Years	2023	2024	2025	2026	2027	2028	2029-2042	**Total**
NON-MOTORIZED PROJECTS - 6-YEAR CIP																	
Madison Avenue Sidewalk Improvements	X	X	1,410		Y				2,375	3,365	-	-	-	-	-	-	5,740
Wyatt to High School																	
C40 Eagle Harbor Dr Phase I	X	X	735		Y				375	531	2,833	-	-	-	-	-	3,740
Wyatt to past Bucklin Hill																	
C40 - Bucklin Ph 2			-		Y				57	277	836	-	-	-	-	-	1,170
Blakely - Fletcher Bay																	
STO Long Range Plan			75		Y				215	17	8	-	-	-	-	-	241
Grow Avenue Traffic Calming	X				Y				-	-	95	-	-	-	-	-	95
City Project Funding									1,537	4,191	3,038	-	-	-	-	-	8,766
Grant Totals									1,485	-	735	-	-	-	-	-	2,220
TOTALS									3,022	4,191	3,773	-	-	-	-	-	10,986

Amounts in thousands

Project: Madison Avenue Non-Motorized and Street Improvements **Number:** 01088

Location: Winslow Way to New Brooklyn

Project Description





Description: This project will widen the existing east-side sidewalk to 5-feet or greater, and include sections of landscape buffer. Driveways and ramps on the both sides will be upgraded to meet current standards. This project is combined with the sewer project Village Basin Improvements.

Benefit: The goal of the project is to better accommodate pedestrians of all ages and abilities along this heavily used corridor that currently has barriers for many users.

Schedule: YR1: Design; YR2 Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	209	-	-	-	-	-	-	-	209
REET	731	505	-	-	-	-	-	-	1,236
TBD	25	860	-	-	-	-	-	-	885
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
ARPA	-	2,000	-	-	-	-	-	-	2,000
Federal Grant	1,410	-	-	-	-	-	-	-	1,410
Sub-total	**2,375**	**3,365**	**-**	**-**	**-**	**-**	**-**	**-**	**5,740**
FUNDING USES (1000's)									
Project Management	75	49							124
Design/construction	2,300	3,316							3,316
Sub-total	**2,375**	**3,365**	**-**	**-**	**-**	**-**	**-**	**-**	**5,740**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Connecting Centers: Eagle Harbor/Wyatt **Number:** 00968

Location: Wyatt to past Bucklin Hill

Project Description





Description: Project will include shoulder widening, separated bike lanes, refuge islands, intersection safety improvements and traffic calming along Wyatt Way from Nicholson west to the Head of the Bay and continuing on Eagle Harbor Drive along the shoreline.

Benefit: Safety and Non Motorized Transportation Connectivity.

Schedule: 2023: Design; 2024: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	4	-	-	-	-	-	-	-	4
REET	370	531	2,098	-	-	-	-	-	3,000
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	735	-	-	-	-	-	735
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**375**	**531**	**2,833**	**-**	**-**	**-**	**-**	**-**	**3,740**
FUNDING USES (1000's)									
Project Management	30	31	33	-	-	-	-	-	95
Design/construction	345	500	2,800	-	-	-	-	-	3,645
Sub-total	**375**	**531**	**2,833**	**-**	**-**	**-**	**-**	**-**	**3,740**

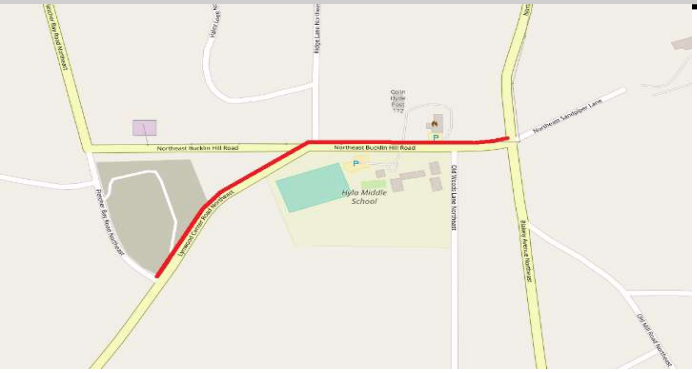
Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Connecting Centers: Bucklin Hill **Number:** 00723
Location: Blakely to Fletcher

Project Description





Description: Provide shoulder widening on both sides of Bucklin Hill Road and Lynwood Center Road from Blakely Avenue to Fletcher Bay Road. There is a potential for separated paths along portions of this segment on both sides of the road.

Benefit: Safety and non-motorized transportation connectivity.
Schedule: YR1: Construction (in-house design)

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	57	277	836	-	-	-	-	-	1,170
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**57**	**277**	**836**	**-**	**-**	**-**	**-**	**-**	**1,170**
FUNDING USES (1000's)									
Project Management	10	11	36	-	-	-	-	-	57
Design/construction	47	266	800	-	-	-	-	-	1,113
Sub-total	**57**	**277**	**836**	**-**	**-**	**-**	**-**	**-**	**1,170**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: STO Long-Range Plan **Number:** 01213

Location:

Project Description



Description: This project will develop a high-level plan for the alignment of the Sound to Olympics Trail from Madison Avenue to the Agate Pass Bridge, and a more detailed design plan for the trail segment between Sakai Pond and Madison Avenue.

Benefit: Concept and design plans for trail alignment will aid in the procurement of grant funds for the project implementation.
Schedule: YR 1: Design

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
TBD	140	17	8	-	-	-	-	-	166
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Donation	75	-	-	-	-	-	-	-	75
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**215**	**17**	**8**	**-**	**-**	**-**	**-**	**-**	**241**
FUNDING USES (1000's)									
Project Management	-	17	8	-	-	-	-	-	26
Design	215	-	-	-	-	-	-	-	215
Sub-total	**215**	**17**	**8**	**-**	**-**	**-**	**-**	**-**	**241**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Grow Ave Traffic Calming **Number:** 01089
Location: Grow Ave

Project Description

PICTURE NOT AVAILABLE

Description: Project will include minor traffic calming improvements such as speed humps, chicanes, neighborhood traffic circles and/or other applications between Winslow Way and High School Road.

Benefit: Project will mitigate speeding and improve pedestrian and bicyclist safety on Grow Avenue.
Schedule: YR1: Design and construct

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
TBD	-	-	95	-	-	-	-	-	95
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**-**	**95**	**-**	**-**	**-**	**-**	**-**	**95**
FUNDING USES (1000's)									
Project Management	-	-	-	-	-	-	-	-	-
Design/construction	-	-	95	-	-	-	-	-	95
Sub-total	**-**	**-**	**95**	**-**	**-**	**-**	**-**	**-**	**95**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

City of Bainbridge Island

FLEET and EQUIPMENT CIP (2023 - 2028)

2023-2024 Proposed Budget

Project	General Comp	Strts Component	Wtr Component	Swr Component	SSWM Comp	2023	2024	2025	2026	2027	2028	**Total**
FLEET & EQUIPMENT - 6-YEAR CIP (1000s)												
Police Vehicles (2)	100%					-	190	200	210	220	230	1,050
Vactor Truck				50%	50%	650	-	-	-	-	-	650
Electric Sedan	20%	20%	20%	20%	20%	70	-		-	-	-	70
Medium Duty Pickup	20%	20%	20%	20%	20%	200	-	-	-	-	-	200
Electric Sidewalk Sweeper/Plow		100%				150						150
Landscape Trailer	20%	20%	20%	20%	20%	30						30
Electric Sedan	20%	20%	20%	20%	20%	70	-	-	-	-	-	70
Electric SUV	20%	20%	20%	20%	20%	-	70	-	-	-	-	70
City Hall Vehicle	100%					-	70		-	-	-	70
Electric SUV	100%					-	70	-	-	-	-	70
Truck Cab and Chassis		50%			50%	-	300	-	-	-	-	300
Salt Brine System		100%				-	70					70
Heavy Duty Pickup	20%	80%				-	-	175	-	-	-	175
Asphalt Patch Machine		100%				-	-	250	-	-	-	250
Forklift	20%	20%	20%	20%	20%	-	-	-	50	-	-	50
Street Sweeper		20%			80%	-	-	-	325	-	-	325
Pup Trailer		50%			50%	-	-	-	150	-	-	150
Electric Sedan	1					-	-	-	-	80	-	80
Ravo Street Sweeper		20%			80%	-	-	-	-	500	-	500
Electric Medium Pick-up	20%	20%	20%	20%	20%	-	-	-	-	120	-	120
Commercial Mower					100%	-	-	-	-	30	-	30
Backhoe	20%	20%	20%	20%	20%	-	-	-	-	-	350	350
Dump Truck	20%	20%	20%	20%	20%	-	-	-	-	-	325	325
Roadside Mower		100%				-	-	-	-	-	300	300
TOTALS						1,170	770	625	735	950	1,205	5,455

Amounts in thousands

City of Bainbridge Island
Facilities CIP (2023 - 2028)
2023 - 2024 Proposed Budget

Project	Grant Eligible	Grant Awarded	Grant/ Donations Funds	General Comp	Strts Component	Wtr Component	Swr Component	SSWM Comp	Prior Years	2023	2024	2025	2026	2027	2028	2029-2042	**Total**
FACILITIES PROJECTS - 6-YEAR CIP																	
Police and Municipal Court Building				Y					20,270	-	-	-	-	-	-	-	20,270
City Hall Parking Lot Retrofit	x		113	Y					224	18	14	-	-	-	-	-	255
City Hall Security				Y					160	11	-	-	-	-	-	-	171
B.I. Senior Center Renovations	x		160	Y					568	100	-	-	-	-	-	-	668
City Hall Map Room Enclosure				Y					-	260	-	-	-	-	-	-	260
PW Inventory Storage Facility				Y					-	3	210	-	-	-	-	-	213
PW Truck Storage Pole Building				Y					-	3	110	-	-	-	-	-	113
PW Truck Hoist				Y					-	3	116	-	-	-	-	-	119
PW Yard Security Gate				Y					-	1	89	-	-	-	-	-	91
Electric Vehicle Charging Stations				Y					25	80	-	80	-	-	-	-	185
City Total									20,974	478	539	80	-	-	-	-	22,072
Grant Totals									273	-	-	-	-	-	-	-	273
TOTALS									21,247	478	539	80	-	-	-	-	22,344

Project: Police and Municipal Court Facility **Number:** 00724
Location: 8804 Madison

Project Description





Description: This project provides for the replacement of the Police Station and relocation of the Municipal Court.

Benefit: Replacement Police facility will provide adequate space for current and future departmental needs, while correcting numerous space, structural, and security deficiencies in the current facility. New Court facility will replace existing leased space, which marginally meets current requirements and will create operational efficiencies by being co-located with the Police Station.

Schedule: Construction in 2023.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	10,551	-	-	-	-	-	-	-	10,551
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
REET	1,719	-	-	-	-	-	-	-	1,719
Long-Term Debt	8,000	-	-	-	-	-	-	-	8,000
Sub-total	**20,270**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,270**
FUNDING USES (1000's)									
Project Management	200	-	-	-	-	-	-	-	200
Predesign	450	-	-	-	-	-	-	-	450
Acquisition	8,975	-	-	-	-	-	-	-	8,975
Design	672	-	-	-	-	-	-	-	672
Construction	9,973	-	-	-	-	-	-	-	9,973
Sub-total	**20,270**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,270**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating		100	100	100	100	100	100	1,400	2,000
Debt Service	482	510	508	510	511	507	507	6,620	10,155
Sub-total	**482**	**610**	**608**	**610**	**611**	**607**	**607**	**8,020**	**12,155**

Project: City Hall Parking Lot Retrofit **Number:** 01118

Location: City Hall

Project Description





Description: Improve the stormwater drainage system and add water quality facilities at the City Hall lower parking lot in accordance with the City's stormwater permit. The project would seek to eliminate the use of asphalt paving as part of the suite of improvements.

Benefit: The improvements would improve drainage and water quality from the site, and potentially enhance the visual aesthetics of the parking lot.

Schedule: YR 1: Design and construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
REET Fund	111	18	14	-	-	-	-	-	144
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
State Grant	113	-	-	-	-	-	-	-	113
Sub-total	**224**	**18**	**14**	**-**	**-**	**-**	**-**	**-**	**256**
FUNDING USES (1000's)									
Project Management	-	18	14	-	-	-	-	-	32
Design/construction	224	-	-	-	-	-	-	-	224
Sub-total	**224**	**18**	**14**	**-**	**-**	**-**	**-**	**-**	**256**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: City Hall Security **Number:** 01092
Location: City Hall

Project Description



Description: Replace the obsolete existing security system at City Hall to match and coordinate with the new system to be installed at the new Police/Court Facility.

Benefit: Improved security at City Hall, and coordinated systems across the organization for ease of maintenance and operability.

Schedule: YR 1: Design and construction; YR 2: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	160	11	-	-	-	-	-	-	171
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**160**	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**171**
FUNDING USES (1000's)									
Project Management	10	11	-	-	-	-	-	-	21
Design/construction	150	-	-	-	-	-	-	-	150
Sub-total	**160**	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**171**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Bainbridge Island Senior Center Renovations **Number:** 01050
Location: BISCC

Project Description



Description: The Bainbridge Island Senior Community Center Renovations project includes a suite of repair and maintenance upgrades (heat pump and roof replacement, security and electrical upgrades, etc.), and renovations to improve efficiency and the use of space for community programs. The work will include retrofitting the east-wing for a more communal layout, reconfiguring the entryway, and expanding the thrift store.

Benefit: Improved asset and more efficient use of existing space.

Schedule: YR1: Design; YR2: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	62	-	-	-	-	-	-	-	62
REET	346	100	-	-	-	-	-	-	446
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Donated	160	-	-	-	-	-	-	-	160
Sub-total	**568**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**668**
FUNDING USES (1000's)									
Project Management	58	16	-	-	-	-	-	-	74
Design/construction	510	84	-	-	-	-	-	-	594
Sub-total	**568**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**668**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: City Hall Map Room Enclosure **Number:** 01228
Location: City Hall

Project Description

PICTURE NOT AVAILABLE

Description: This project proposes to enclose the City Hall Map Room to increase the usability of the space for private in-person and remote meetings.

Benefit: The improvements will expand available meeting space at City Hall for staff, City Committees and other community purposes.

Schedule: YR 1: Design and Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	260	-	-	-	-	-	-	260
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**260**	**-**	**-**	**-**	**-**	**-**	**-**	**260**
FUNDING USES (1000's)									
Project Management	-	6	-	-	-	-	-	-	6
Design/construction	-	254	-	-	-	-	-	-	254
Sub-total	**-**	**260**	**-**	**-**	**-**	**-**	**-**	**-**	**260**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Public Works Inventory Storage Facility **Number:** 01229

Location: Hidden Cove PW Yard

Project Description

PICTURE NOT AVAILABLE

Description: This project will provide dry storage for critical operations and maintenance small equipment and parts.

Benefit: The project will improve current sub-standard size and conditions of Operations and Maintenance storage facilities.

Schedule: YR 1: Procurement/Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	3	210	-	-	-	-	-	213
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**3**	**210**	**-**	**-**	**-**	**-**	**-**	**213**
FUNDING USES (1000's)									
Project Management	-	3	6	-	-	-	-	-	9
Design/construction	-	-	204	-	-	-	-	-	204
Sub-total	**-**	**3**	**210**	**-**	**-**	**-**	**-**	**-**	**213**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Public Works Truck Storage Pole Building **Number:** 01230
Location: Hidden Cove PW Yard

Project Description

PICTURE NOT AVAILABLE

Description: The Public Works truck storage pole building is needed to preserve the maintenance life of heavy equipment and vehicles at the Public Works facility. The building will house 4-8 vehicles.

Benefit: Storing large equipment and vehicles (between 4 and 8) will extend the assets' life and reduce time needed for repairs and maintenance.

Schedule: YR 1: Procurement/Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	3	110	-	-	-	-	-	113
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**3**	**110**	**-**	**-**	**-**	**-**	**-**	**113**
FUNDING USES (1000's)									
Project Management	-	3	6	-	-	-	-	-	9
Design/construction	-	-	104	-	-	-	-	-	104
Sub-total	**-**	**3**	**110**	**-**	**-**	**-**	**-**	**-**	**113**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Public Works Truck Hoist **Number:** 01231

Location: Hidden Cove PW Yard

Project Description

PICTURE NOT AVAILABLE

Description: The Public Works truck hoist replaces an existing lift that is over twenty years old and is used on heavy duty equipment or dump truck sized vehicles. The lift is needed to continue safely maintaining heavy duty equipment and maintain the continuity of operations.

Benefit: The lift is needed for maintaining heavy duty equipment and providing for continuity of operations.

Schedule: YR 1: Procurement/Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	3	116	-	-	-	-	-	119
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**3**	**116**	**-**	**-**	**-**	**-**	**-**	**119**
FUNDING USES (1000's)									
Project Management	-	3	6	-	-	-	-	-	9
Design/construction	-	-	110	-	-	-	-	-	110
Sub-total	**-**	**3**	**116**	**-**	**-**	**-**	**-**	**-**	**119**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Public Works Yard Security Gate **Number:** 01232
Location: Hidden Cove PW Yard

Project Description

PICTURE NOT AVAILABLE

Description: The Public Works facility security gate upgrade project is to replace the existing facility with a motorized gate that can be accessed by key card or code. The gate will improve safety and security of the facility and prevent break-ins.

Benefit: The gate will improve safety and security of the facility that has experienced several break-ins over the last five years.

Schedule: YR 1: Procurement/Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	1	89	-	-	-	-	-	91
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**1**	**89**	**-**	**-**	**-**	**-**	**-**	**91**
FUNDING USES (1000's)									
Project Management	-	1	4	-	-	-	-	-	6
Design/construction	-	-	85	-	-	-	-	-	85
Sub-total	**-**	**1**	**89**	**-**	**-**	**-**	**-**	**-**	**91**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Electric Charging Stations **Number:** 01185

Location:

Project Description

PICTURE NOT AVAILABLE

Description: Electric vehicle charging stations, and related electrical infrastructure, are planned to be installed at City Hall and the Public Works Maintenance Facility to support the conversion of City fleet vehicles from gas to electric power.

Benefit: Progress towards the City's goal of reducing greenhouse gas emissions in City operations.

Schedule: YR 1: Procurement/Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	25	80	-	80	-	-	-	-	185
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**25**	**80**	**-**	**80**	**-**	**-**	**-**	**-**	**185**
FUNDING USES (1000's)									
Project Management	-	9	-	-	-	-	-	-	9
Design/construction	25	71	-	80	-	-	-	-	176
Sub-total	**25**	**80**	**-**	**80**	**-**	**-**	**-**	**-**	**185**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

City of Bainbridge Island

Water CIP (2023 - 2028)

2023 - 2024 Proposed Budget

Project	Location	Grant/Loan Eligible	Tax Supported	Strts Comp	Wtr Comp	Swr Comp	SSWM Comp	Prior Years	2023	2024	2025	2026	2027	2028	2029-2042	**Total**
WATER PROJECTS - 6-YEAR CIP (1000s)																
Winslow Water Tank Replacement	New Brooklyn	x			Y			1,579	11,100	-	-	-	-	-	-	12,679
Fire Flow and Pipeline Improvements	Winslow				Y			-	169	431	-	-	-	-	-	600
Emergency Generator	Head of the Bay				Y			-	70	155	-	-	-	-	-	225
Ferncliff Main Extension	Ferncliff Ave	x			Y			60	776	-	-	-	-	-	-	836
Booster Pump Upgrade	Head of the Bay				Y			-	168	-	-	-	-	-	-	168
Sands Ave Well Rehabilitation	Sands Ave				Y			-	375	-	-	-	-	-	-	375
City Project Funding								1,639	12,259	586	-	-	-	-	-	14,483
Grant Totals								-	400	-	-	-	-	-	-	400
SUBTOTAL								**1,639**	**12,659**	**586**	**-**	**-**	**-**	**-**	**-**	**14,883**
UNFUNDED WATER PROJECTS - (1000s)																
Winslow Supply Well	TBD		Y		Y				208	17	840	-	-	-	-	1,065
Water Treatment Improvements	Head of the Bay				Y				-	415	1,015	-	-	-	-	1,430
Winslow Way West					Y				-	-	75	300	-	-	-	375
City Project Funding																
Grant Totals																
SUBTOTAL								**-**	**208**	**432**	**1,930**	**300**	**-**	**-**	**-**	**2,870**
TOTAL ALL WATER PROJECTS - (1000s)																
City Project Funding								1,639	12,467	1,017	1,930	300	-	-	-	17,353
Grant Totals								-	400	-	-	-	-	-	-	400
GRAND TOTAL								**1,639**	**12,867**	**1,017**	**1,930**	**300**	**-**	**-**	**-**	**17,753**

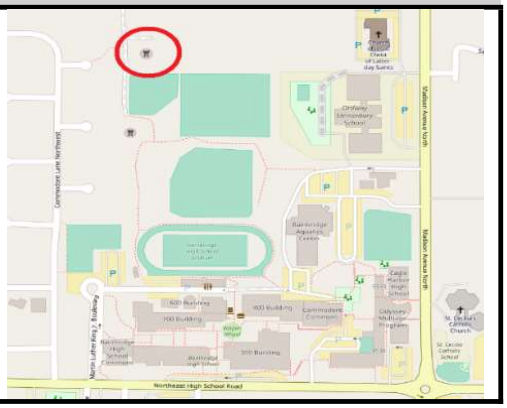
Amounts in thousands

Project: Winslow Water Tank Replacement **Number:** 00988

Location: New Brooklyn

Project Description





Description: Construct a new 2 million-gallon reservoir to replace both of the existing tanks that are located on an easement near the High School.

Benefit: A new tank built at a sufficient elevation, and to the most recent design standards, will correct several deficiencies associated with existing tanks including: significant dead storage, pressure zone deficiencies, water quality issues, and seismic deficiencies.

Schedule: 2021: Design; 2023: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	426	922	-	-	-	-	-	-	1,348
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Long-Term Debt	1,153	10,178	-	-	-	-	-	-	11,331
Sub-total	**1,579**	**11,100**	**-**	**-**	**-**	**-**	**-**	**-**	**12,679**
FUNDING USES (1000's)									
Project Management	79	28	-	-	-	-	-	-	107
Design/construction	1,500	11,072	-	-	-	-	-	-	12,572
Sub-total	**1,579**	**11,100**	**-**	**-**	**-**	**-**	**-**	**-**	**12,679**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	9	731	731	731	731	731	9,503	13,167
Sub-total	-	9	731	731	731	731	731	9,503	13,167

Project: Fire Flow Improvements **Number:** 01095
Location: Winslow

Project Description





Description: As recommended by the City's 2017 Water System Plan, two pipeline upgrades have been identified that will allow the Winslow Water System to provide the required fire flow requirements for commercial and multi-family buildings.
Benefit: Sufficient fire flow to provide life safety and property protections.

Schedule: YR1: design, YR2: construction.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	169	431	-	-	-	-	-	600
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**169**	**431**	**-**	**-**	**-**	**-**	**-**	**600**
FUNDING USES (1000's)									
Project Management	**-**	9	36	-	-	-	-	-	45
Design/construction	-	160	395	-	-	-	-	-	555
Sub-total	**-**	**169**	**431**	**-**	**-**	**-**	**-**	**-**	**600**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Emergency Generator **Number:** 01098

Location: Head of Bay

Project Description





Description: Install an emergency generator to provide a permanent, redundant power source for the well site that provides 25% of the supply for the system.

Benefit: Improves system reliability in the event of power outages.

Schedule: YR 1: Design; YR2: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	70	155	-	-	-	-	-	225
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**70**	**155**	**-**	**-**	**-**	**-**	**-**	**225**
FUNDING USES (1000's)									
Project Management	**-**	7	11	-	-	-	-	-	18
Design/construction	-	63	144	-	-	-	-	-	
Sub-total	**-**	**70**	**155**	**-**	**-**	**-**	**-**	**-**	**225**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Ferncliff Main Extension **Number:** 01170
Location: Ferncliff Ave

Project Description

PICTURE NOT AVAILABLE

Description: This project will extend the existing water main in Ferncliff Avenue to serve the Ferncliff Water Association properties (18), and the City's isolated Casey Street water system properties (9). The project is subject to a low-interest loan from the State of Washington which includes 50% loan forgiveness upon completion of the project.

Benefit: The extension will extend water availability to new customers in the service area, and reduce long-term maintenance costs associated with the Casey Street water system.

Schedule: YR1: Design; YR2: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	60	376	-	-	-	-	-	-	436
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Loan	-	400	-	-	-	-	-	-	400
Sub-total	**60**	**776**	**-**	**-**	**-**	**-**	**-**	**-**	**836**
FUNDING USES (1000's)									
Proj. Management	10	26	-	-	-	-	-	-	36
Design/construction	50	750	-	-	-	-	-	-	800
Sub-total	**60**	**776**	**-**	**-**	**-**	**-**	**-**	**-**	**836**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	5	26	26	26	26	26	260	395
Sub-total	-	5	26	26	26	26	26	260	395

Project: Booster Pump Upgrade **Number:** 01233
Location: Head of the Bay

Project Description

PICTURE NOT AVAILABLE

Description: Currently, the secondary booster pump is limited to half capacity of the primary booster pump at the Head of the Bay. The replacement of the secondary booster pump to match water rights is needed to provide redundancy and the ability to continue water operations at full capacity.
Benefit: Improve system reliability.

Schedule: YR1: Design/Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	168	-	-	-	-	-	-	168
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**168**	**-**	**-**	**-**	**-**	**-**	**-**	**168**
FUNDING USES (1000's)									
Proj. Management	-	7	-	-	-	-	-	-	7
Design/construction	-	161	-	-	-	-	-	-	161
Sub-total	**-**	**168**	**-**	**-**	**-**	**-**	**-**	**-**	**168**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Sands Ave Rehabilitation **Number:** 01183
Location: Sands Ave

Project Description

PICTURE NOT AVAILABLE

Description: This project will rehabilitate one of the primary water source wells for the Winslow Water System at the Sands Avenue well site. The project includes replacement of the well pumps, which are over 30 years old, and past their design life.
Benefit: Improve water system reliability and redundancy.

Schedule: YR1: Design/Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	375	-	-	-	-	-	-	375
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**375**	**-**	**-**	**-**	**-**	**-**	**-**	**375**
FUNDING USES (1000's)									
Proj. Management	-	-	-	-	-	-	-	-	-
Design/construction	-	375	-	-	-	-	-	-	375
Sub-total	**-**	**375**	**-**	**-**	**-**	**-**	**-**	**-**	**375**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

City of Bainbridge Island
Sewer CIP (2023 - 2028)
2023 - 2024 Proposed Budget

Project	Location and/or Phase	Grant/Loan Awarded	Grant/Loan Funds	General Comp	Strts Component	Wtr Component	Swr Component	SSWM Comp	Prior Years	2023	2024	2025	2026	2027	2028	**Total**
SEWER PROJECTS - 6-YEAR CIP (1000s)																
Rehabilitate Pumps	Sunday Cove	Y	-				Y		935	92	-	-	-	-	-	1,027
Pump Station & Force Main	Wood Ave	Y	-				Y		791	-	-	3,184	-	-	-	3,975
Rehabilitate Pump Station (Lower Lovell)	Lower Lovell	Y	-				Y		1,113	-	550	-	-	-	-	1,663
Village Basin /Madison Ave Reconstruction	Madison Ave						Y		792	15	-	-	-	-	-	807
Hawley Irene Grinders	Hawley/Irene						Y		396	-	-	-	-	-	-	396
WWTP Upgrades	WWTP						Y		170	820	610	-	-	-	-	1,600
City Total									4,197	928	1,160	3,184	-	-	-	9,468
Grant Total									-	-	-	-	-	-	-	-
SUBTOTALS									4,197	928	1,160	3,184	-	-	-	9,468
UNFUNDED SEWER PROJECTS - (1000s)																
Rehabilitate Pump Station (Wing Point)	Wing Point						Y		134	-	1,318	-	-	-	-	1,452
Hawley Pump	Lower Hawley						Y		124	-	640	-	-	-	-	764
North Town Woods Pump	NW Winslow						Y		114	4	527	-	-	-	-	645
Woodward Pump	NW Winslow						Y		133	-	-	635	-	-	-	768
Rehabilitate Pump Station (Island Terrace)	Island Terrace						Y		-	180	-	545	-	-	-	725
Install Gravity Sewers	Sunday Cove	Y	-				Y		1,010	4	11	600	-	-	-	1,625
Extend WWTP Outfall	Wing Point						Y		-	385	15	1,800	-	-	-	2,200
Ferncliff Ave Conveyance Upgrades	Ferncliff Ave						Y		-	-	250	1,000	-	-	-	1,250
Ferry Terminal Pump Station Relocation	Winslow						Y		-	-	-	-	-	150	700	850
City Total									1,515	572	2,762	4,580	-	150	700	10,279
Grant Total									-	-	-	-	-	-	-	-
SUBTOTALS									1,515	572.23	2,761.66	4,580	-	150	700	10,279
TOTAL ALL SEWER PROJECTS - (1000s)																
City Total									5,712	1,500	3,921	7,764	-	150	700	19,747
Grant Total									-	-	-	-	-	-	-	-
GRAND TOTALS									5,712	1,500	3,921	7,764	-	150	700	19,747

Amounts in thousands

Project: Rehabilitate Pumps **Number:** 00989
Location: Sunday Cove

Project Description





Description: Some components of the Sunday Cove pump station will reach the end of their useful life, which is assumed to be approximately 30 years, over the next few years. In addition to replacement of the pumps and motors, this project will include the replacement of the station's emergency generator.

Benefit: Replacement of a deteriorated system with a reliable sewer collection system that can be maintained in the future.

Schedule: YR1: Design and construction.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	935	92	-	-	-	-	-	-	1,027
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**935**	**92**	**-**	**-**	**-**	**-**	**-**	**-**	**1,027**
FUNDING USES (1000's)									
Project Management	62	12	-	-	-	-	-	-	74
Design/construction	873	80	-	-	-	-	-	-	953
Sub-total	**935**	**92**	**-**	**-**	**-**	**-**	**-**	**-**	**1,027**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	0	22	22	22	22	22	291	402
Sub-total	-	0	22	22	22	22	22	291	402

Project: Pump Station and Force Main **Number:** 00990
Location: Wood Ave

Project Description



Description: This project is part of a suite of projects (Lovell Pump Station; Sunday Cove Pump Station; and Sunday Cove Gravity Sewers) that are planned to facilitate the abandonment of the north and south sewer beach main, which is an aging facility that has reached the end of its useful life. Abandonment of the beach mains was determined to be the best replacement approach due to environmental, maintenance and cost-benefit concerns.

Benefit: Replacement of a deteriorated system with a reliable sewer collection system that can be maintained in the future.
Schedule: YR1: design/permitting, YR3: construction.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	791	-	-	3,184	-	-	-	-	3,975
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**791**	**-**	**-**	**3,184**	**-**	**-**	**-**	**-**	**3,975**
FUNDING USES (1000's)									
Project Management	41	-	-	54	-	-	-	-	95
Design/construction	750	-	-	3,130	-	-	-	-	3,880
Sub-total	**791**	**-**	**-**	**3,184**	**-**	**-**	**-**	**-**	**3,975**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	0	89	89	89	89	89	1,162	1,610
Sub-total	-	0	89	89	89	89	89	1,162	1,610

Project: Rehabilitate Pump Station and Re-connect Side Sewers **Number:** 01086

Location: Lower Lovell

Project Description





Description: The pump station is reaching the end of its useful life, and needs to be upgraded with replacement pumps. This project is part of a suite of projects (Lovell Pump Station; Sunday Cove Pump Station; and Sunday Cove Gravity Sewers) that are planned to facilitate the abandonment of the north and south sewer beach main, which is an aging facility that has reached the end of its useful life. Side sewers associated with several properties along Lovell Avenue will be reconnected to the upland sewer main as part of this project.

Benefit: Replacement of a deteriorated system with a reliable sewer collection system that can be maintained in the future.

Schedule: YR1: design. YR2: construction.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	1,113	-	550	-	-	-	-	-	1,663
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**1,113**	**-**	**550**	**-**	**-**	**-**	**-**	**-**	**1,663**
FUNDING USES (1000's)									
Project Management	60	-	20	-	-	-	-	-	80
Design/construction	1,053	-	530	-	-	-	-	-	1,583
Sub-total	**1,113**	**-**	**550**	**-**	**-**	**-**	**-**	**-**	**1,663**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	0	37	37	37	37	37	484	671
Sub-total	-	0	37	37	37	37	37	484	671

Project: Village Basin**/** Madison Ave Reconstruction **Number:** 01100

Location: Madison Ave

Project Description





Description: This project will construct a new sewer force main in Madison Avenue between the New Brooklyn sewer pump station and High School Road in conjunction with the Madison Avenue Sidewalk project. The purpose of the main is to more adequately serve the existing and future development in the Village Pump Station sewer area.

Benefit: Improves reliability of sewer collection system.

Schedule: YR1: Design and Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	792	15	-	-	-	-	-	-	807
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**792**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**807**
FUNDING USES (1000's)									
Project Management	42	15	-	-	-	-	-	-	57
Design/construction	750	-	-	-	-	-	-	-	750
Sub-total	**792**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**807**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: WWTP Upgrades **Number:** 01187

Location: WWTP

Project Description

PICTURE NOT AVAILABLE

Description: The Wastewater Treatment Plant requires near-term capacity upgrades to ensure compliance with the City's wastewater discharge permit issued by the Department of Ecology. The near-term improvements include optimization of settling capacity; replacing the UV disinfection system; modifying existing clarifiers and improving sludge dewatering.

Benefit: Compliance with state requirements.

Schedule: YR1: design. YR2: construction.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	170	820	610	-	-	-	-	-	1,600
SSWM Fund	-	-	-	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**170**	**820**	**610**	**-**	**-**	**-**	**-**	**-**	**1,600**
FUNDING USES (1000's)									
Project Management	**-**	36	35	-	-	-	-	-	71
Design/construction	170	784	575	-	-	-	-	-	1,529
Sub-total	**170**	**820**	**610**	**-**	**-**	**-**	**-**	**-**	**1,600**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

City of Bainbridge Island
Stormwater CIP (2023- 2028)
2023 - 2024 Proposed Budget

Project	Grant Eligible	Grant Awarded	Grant Funds	General Comp	Strts Component	Wtr Component	Swr Component	SSWM Comp	Prior Years	2023	2024	2025	2026	2027	2028	2029-2042	**Total**
STORMWATER PROJECTS - 6-YEAR CIP (1000s)																	
Eagle Hrbr. Dr. @ McDonald Creek Culvert			-					Y	276	-	-	-	-	-	-	-	276
Yeomalt Area Drainage Improvements			-					Y	61	823	-	-	-	-	-	-	884
Springbrook Creek Restoration and Culvert Complex Replacement	x		-					Y	-	310	1,250	-	-	-	-	-	1,560
Springbrook Fish Passage	x		1,885	X				Y	185	4	13	2,025	-	-	-	-	2,227
Eagle Harbor Drive Cooper Creek Fish Passage	x		-					Y	126	966	515	-	-	-	-	-	1,608
Blakely Ave. Drainage Improvements			-					Y	-	-	-	468	-	-	-	-	468
City Funding									563	2,103	1,778	693	-	-	-	-	5,137
Grant Totals									85	-	-	1,800	-	-	-	-	1,885
TOTALS									648	2,103	1,778	2,493	-	-	-	-	7,022

Project: Eagle Harbor Drive at McDonald Creek **Number:** 00823
Location: 5530 Eagle Harbor Drive

Project Description





Description: Replacement of an existing deep concrete culvert that shows signs of failure.

Benefit: Preservation of roadway and drainage system.

Schedule: 2020: Design and permitting; Construction deferred until permits are in place.

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	276	-	-	-	-	-	-	-	276
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**276**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**276**
FUNDING USES (1000's)									
Project Management	20	-	-	-	-	-	-	-	20
Design/construction	256	-	-	-	-	-	-	-	256
Sub-total	**276**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**276**

Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Yeomalt Area Drainage Improvements **Number:** 00663

Location: Area bordered by Cherry, Yeomalt, Madrona and Wing Point Way

Project Description



Description: Provides for storm drainage improvements in the Yeomalt area. The City completed design in 2014 with funds received from a DOE grant for water quality.

Benefit: Much of the Wing Point area above Yeomalt Point was developed before regulations required conveyance systems. Currently there are drainage problems in many areas and/or existing conveyances are lacking or inadequate.

Schedule: 2021: Design; 2023: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	61	823	-	-	-	-	-	-	884
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**61**	**823**	**-**	**-**	**-**	**-**	**-**	**-**	**884**
FUNDING USES (1000's)									
Project Management	1	21	-	-	-	-	-	-	22
Design/construction	60	802	-	-	-	-	-	-	862
Sub-total	**61**	**823**	**-**	**-**	**-**	**-**	**-**	**-**	**884**

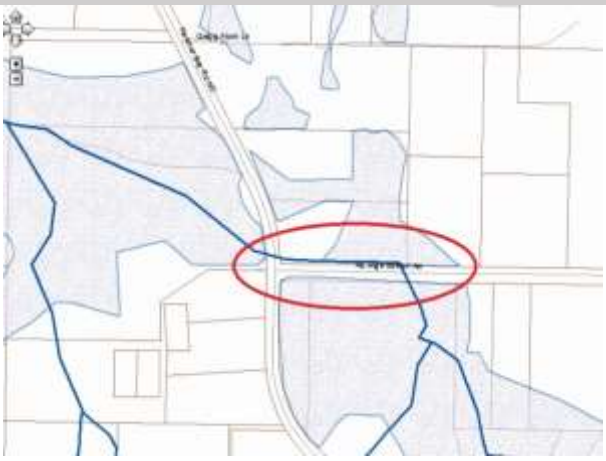
Estimated Impact on Future Operating Budget (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Springbrook Creek Restoration and Culvert Complex Replacement 01236
Location: Vicinity of High School and Fletcher Intersection

Project Description





Description: Upgrade failing complex of culverts across High School and Fletcher Bay Roads to fish passage culverts and restore section of creek that has been degraded.

Benefit: Preserve roadway and improve environmental conditions

Schedule: YR 1: Design; YR 2: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	-	310	1,250	-	-	-	-	-	1,560
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**310**	**1,250**	**-**	**-**	**-**	**-**	**-**	**1,560**
FUNDING USES (1000's)									
Project Management	-	10	38	-	-	-	-	-	48
Design/construction	-	300	1,212	-	-	-	-	-	1,512
Sub-total	**-**	**310**	**1,250**	**-**	**-**	**-**	**-**	**-**	**1,560**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Springbrook Fish Passage **Number:** 01159
Location: Fletcher Bay Road west of New Brooklyn

Project Description





Description: The Springbrook Fish Weir/Passage project proposes to replace the existing culvert at Springbrook Creek with an open box/bridge structure and streambed restoration.

Benefit: Provide a more adequate infrastructure for fish passage.

Schedule: YR 1: Design YR 2: Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	50	-	-	100	-	-	-	-	150
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	50	4	13	125	-	-	-	-	192
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	85	-	-	1,800	-	-	-	-	1,885
Sub-total	**185**	**4**	**13**	**2,025**	**-**	**-**	**-**	**-**	**2,227**
FUNDING USES (1000's)									
Project Management	4	3	13	25	-	-	-	-	45
Design/construction	181	1		2,000	-	-	-	-	2,182
Sub-total	**185**	**4**	**13**	**2,025**	**-**	**-**	**-**	**-**	**2,227**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Project: Eagle Harbor Drive Cooper Creek Fish Passage **Number:** 1107
Location: Head of the Bay North of Green Light Automotive

Project Description





Description: Replace existing undersized culvert with a fish passage box culvert wide enough to accomodate non-motorized improvements on Eagle Harbor Drive.

Benefit: Addresses flooding, provides for fish passage, and accommodates future non-motorized improvements.

Schedule: 2021: Design; 2024 Construction

Capital Funding (1000's)

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
FUNDING SOURCES (1000's)									
General Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	-	-	-	-
Sewer Fund	-	-	-	-	-	-	-	-	-
SSWM Fund	126	966	515	-	-	-	-	-	1,608
Federal Grant	-	-	-	-	-	-	-	-	-
State Grant	-	-	-	-	-	-	-	-	-
Sub-total	**126**	**966**	**515**	**-**	**-**	**-**	**-**	**-**	**1,608**
FUNDING USES (1000's)									
Proj. Management	31	16	15	-	-	-	-	-	63
Design/construction	95	950	500	-	-	-	-	-	1,545
Sub-total	**126**	**966**	**515**	**-**	**-**	**-**	**-**	**-**	**1,608**

Estimated Impact on Future Operating Budget

	Prior Yrs.	2023	2024	2025	2026	2027	2028	2029-2042	Total
Operating	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

Section 6



Appendix

Section 6: Appendix

Budget Development Activities & Schedule 191

Resolution 2022-07 (Financial and Budget Policies) 192-200

Resolution 2022-08 (Debt Management Procedures & Policies) 201-213

Resolution 2022-09 (Investment Policy) 214-226

Resolution 2022-10 (Facilities Maintenance, Replacement, & Reconstruction Policy) 227-232

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2023-2024 Budget Development Activities and Schedule

Action Item	Date	Comment
Update Financial Policies	Tuesday, April 12, 2022	Resolutions 2022-07, 2022-08, 2022-09, passed by Council on April 12, 2022
Establish City Facilities Maintenance Capital Replacement and Reconstruction Policy	Tuesday, April 12, 2022	Resolution 2022-10, passed by Council on April 12, 2022
Cost allocation methodology update	Tuesday, April 12, 2022	Information provided to Council
City staff work to develop initial operating budget and capital budget information	July - August, 2022	
2023-2024 Baseline Budget Presented to Council	Tuesday, June 14, 2022	2023-2024 Preliminary Budget Presented including Revenue and Expense Assumptions
Budget requests submittals	Friday, July 29, 2022	Due to Finance from Departments
City Staff complete final adjustments and balancing; production of budget documents	August-September	
Set Public Hearing for 2023 Property Tax (Revenue)	Tuesday, September 13, 2022	Ordinance 2022-18
Set First Public Hearing for 2023-2024 Biennial Budget	Tuesday, September 13, 2022	Ordinance 2022-19
Proposed Budget delivered to Public and City Council	Tuesday, September 27, 2022	Presentation to Council
City Council deliberations	October-November	
1st Reading 2023-2028 Capital Improvement Plan	Tuesday, October 11, 2022	Ordinance 2022-20
1st Reading 2023-2024 Biennial Budget	Tuesday, October 11, 2022	Ordinance 2022-19
Public Hearing on the 2023-2024 Biennieal Budget	Tuesday, October 11, 2022	Ordinance 2022-19 and schedule second Public Hearing
Public Hearing of 2023 Property Tax Levy	Tuesday, October 11, 2022	Ordinance 2022-18 and Planned Adoption
2nd Reading of 2023-2028 Capital Improvement Plan	Tuesday, October 25, 2022	Ordinance 2022-20 and Planned Adoption
Second Public Hearing of 2023-2024 Biennial Budget	Tuesday, November 8, 2022	Ordinance 2022-19 and Planned Adoption

RESOLUTION NO. 2022-07

A RESOLUTION of the City of Bainbridge Island, Washington, establishing a consolidated set of updated financial and budget policies, updating policies adopted by the City during 2020.

WHEREAS, the City Council ("Council") is responsible for setting financial and budget policies for the City of Bainbridge Island ("City"); and

WHEREAS, state law, including Chapter 35A.33 RCW, provides guidance for budgets in code cities; and

WHEREAS, Chapter 35A.34 RCW authorizes cities to establish biennial budgets under which authorization, and the authorization of the Bainbridge Island Municipal Code ("BIMC"), including Chapter 2.82 BIMC, the City prepares a biennial budget with a mid-biennial review; and

WHEREAS, in the past, the Council has approved policies and passed resolutions related to financial and budget policies that continue to guide City financial practices including, but not limited to: Resolution No. 1993-52 and was amended through the passage of Resolution No. 2021-19, which establishes investment policies; Resolution No. 2008-01, which establishes an Emergency Rainy Day Reserve Fund and a Contingency Reserve within the General Fund; Resolution No. 2008-14, which establishes debt management policies; Resolution No. 2010-35, which set targets for General Fund reserves; Resolution No. 2013-13, which provides that funds from the City's utilities shall not be expended for general governmental services; Resolution No. 2014-17, which sets a minimum fund balance policy for the General Fund; Resolution No. 2016-20 adopting a Municipal Securities Disclosure Policy, which establishes public disclosure rules for City-issued municipal securities; Resolution No. 2016-18, which establishes procedures for the surplus and sale of City real property; Resolution No. 2016-19, updating the consolidated Financial Policies; and Resolution No. 2018-07, Resolution No. 2020-08, establishing the consolidated Financial Policies, Resolution No. 2020-09, Updating the City Debt Policy, Resolution No. 2020-11, Establishing Equipment Rental and Revolving Fund; and

WHEREAS, the City Administration ("Administration") requested, as part of the 2023-2024 biennial budget process, that the Council update the financial and budgetary policies that were adopted by the City prior to 2022; and

WHEREAS, the Council last updated the financial and budgetary policies as Resolution No. 2020-08; and

WHEREAS, the Council and Administration wish to establish an ongoing consolidated set of financial and budget Policies to be administered by the Administration and to guide Council action on an ongoing basis.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND DO RESOLVE AS FOLLOWS:

Section 1. The updated financial and budget Policies as shown in **Exhibit A**, which is attached hereto and incorporated herein by this reference, are hereby adopted.

PASSED by the City Council this 12th day of April 2022.

APPROVED by the Mayor this 12th day of April 2022.

Joe Deets, Mayor

ATTEST/AUTHENTICATE:

Christine Brown, MMC, City Clerk

FILED WITH THE CITY CLERK: April 1, 2022
PASSED BY THE CITY COUNCIL: April 12, 2022
RESOLUTION NO.: 2022-07

Attachment: Exhibit A, Financial and Budget Policies

Exhibit A

FINANCIAL AND BUDGET POLICIES

Section 1. PURPOSE

The primary purpose of financial and budget policies is to provide guidelines for the City Council and staff to use in making financial decisions that ensure core services are maintained and the Council's vision for the community is achieved.

The financial and budget policies guide the City to be able to withstand local and regional economic variations, to adjust to changes in service requirements, and to respond to other changes as they affect the community.

It is the policy of the City to maintain an excellent credit rating and assure taxpayers that the City of Bainbridge Island is maintained in sound financial condition.

SECTION 2. OPERATING BUDGET POLICIES

The biennial budget is the City's comprehensive two-year financial plan, which supports the City's approved programs and services.

Biennial budgets should provide for design, construction, maintenance and replacement of the City's capital assets and equipment consistent with the Capital Facilities Plan including the related cost for operating new assets.

The City will maintain all its assets such that it protects the City's capital investment, preserves public safety, and minimizes future maintenance and replacement costs.

All general government current operating expenditures will be paid from current revenues and cash carried over from prior years.

The City shall adopt a balanced budget. The City defines a balanced budget as one in which current biennium budgeted revenues in addition to fund balances are equal to or greater than current biennium budgeted expenditures. In addition, the City's budget shall maintain recurring expenditures for each fund at a level less than recurring revenues for that fund.

Reports on revenues and expenditures shall be prepared monthly and provided to the Council. Mid-year and annual reports will also be prepared and provided. These reports will also be posted to the City's website or reporting portal.

The City shall consider its financial capacity when making budget decisions. Staff shall deliver to Council a ten-year financial capacity analysis as part of the biennial budget process. For each financial capacity analysis, the financial assumptions shall be reasonable and shall take into account an appropriately chosen set of inflation factors and an appropriate set of economic projections. The Administration's chosen assumptions for revenues, expenditure inflation factors and economic measures shall be disclosed to the Council.

SECTION 3. REVENUES

The City will strive to maintain a diverse and stable revenue stream to protect against short-run volatility of any single revenue source.

Because revenues, especially those of the General Fund and other tax-supported funds, are sensitive to economic changes, the City will use a conservative approach to revenue forecasting.

Departmental revenues of the tax-supported funds shall be considered unrestricted revenue of the City – subject to any applicable legal restriction, and subject to any applicable provision of the financial Policies, that may apply to a particular revenue source.

Revenues from the Commercial Parking Tax shall be treated as revenues of the Street Fund.

Real Estate Excise Tax revenue shall be first applied to current capital debt service and then, to the extent available, to other eligible expenses.

The City shall maintain a structure for all fees and charges where the beneficiary of the service pays the cost of that service except to the extent that the Council has determined that provision of the specific service in question provides a general public benefit.

No less than once every three years, ~~On a periodic basis,~~Building and Development Services (B&DS) rates shall be reviewed, with a goal of full cost recovery for the B&DS Fund.

The City will maintain water, sewer and storm water utility rates adequate to ensure that each of these three utility funds is fully self-supporting. Additionally, for analysis and rate modeling purposes, the proposed rates shall take into account debt service coverage commitments, if applicable. The capacity to support identified utility reserves will also be taken into account.

SECTION 4. EXPENDITURES

The City budget will provide for a sustainable level of service to meet the City's identified results.

The City will maintain expenditure categories according to state statute and administrative regulation. Capital expenditures shall meet the requirements of generally accepted accounting principles (GAAP).

The City shall use major one-time revenue to fund capital improvements, debt reductions, or reserves. The use of one-time revenues to fund operating expenditures is strongly discouraged.

The Council shall review the Administration's recommended plan for the allocation of City costs to various funds as part of the biennial budget process.

As a general rule, when an expenditure is incurred for which both restricted and unrestricted fund balance is available, the City will consider the more restricted amounts to have been spent first.

On a periodic basis, the Administration shall compare the cash compensation and the value of benefits for City employee positions to the compensation and benefit levels to a set of comparable employers, to provide data for potential compensation and benefit policies which may be adopted by the Council.

SECTION 5. CAPITAL

The Capital Facilities Goals and Policies that are stated in the City's Comprehensive Plan, as amended from time to time, are hereby included in full in the Financial Policies.

The Capital Improvement Plan and the City operating budget will be reviewed at the same time to ensure that capital and operating needs are balanced with each other and support overall City goals.

The City shall develop a six-year plan for capital improvements and update it at least biennially.

The City will identify the estimated costs and proposed funding sources for each capital project proposal before it is submitted to Council for approval. The City will use intergovernmental assistance and outside resources whenever possible. In the event that a grant, or other type of intergovernmental assistance, is identified as a funding source for a project and the outside funding is not secured, the City will reconsider the financial viability of that project at that time.

Each individual project included in the capital improvement plan (CIP) shall have a budget with identified contributions by fund. Each fund amount shall be distinct and cannot be transferred without amending the CIP. Reporting will be presented at the project and fund level.

When a capital project is complete and has been capitalized in accordance with Generally Accepted Accounting Principles, any remaining project budget appropriation authority shall lapse, and all remaining funds shall return to their original source.

SECTION 6. RESERVES

Reserve funds enable the City to deal with unforeseen emergencies and changes in economic conditions.

General Fund Reserves

Emergency Reserve: The City shall maintain an Emergency Reserve with a budgetary target amount of $1.0 million. These funds shall be used only to pay for emergencies that cannot reasonably be accommodated by current budget appropriations. These funds may be appropriated only by a vote of not less than five (5) members of the City Council or the unanimous vote of a legal quorum. It is the Council's policy that if funds are spent from the Emergency Reserve, it should be replenished as resources become available.

General Fund Minimum Fund Balance. The City shall maintain a minimum fund balance of 25% of ongoing revenues in the General Fund. The General Fund minimum fund balance shall mean the dollar amount of unencumbered fund balance, excluding any amounts held in reserves or otherwise committed funds. This fund balance is intended to provide stability in the event of unexpected changes to revenues or expenses.

Utility Fund Reserves

Capital Contingency Reserve. Each utility fund shall maintain a separate capital contingency reserve. Each reserve shall have a targeted level of at least one percent (1%) of the utility system's capital assets at net book value. The primary purpose of the reserve is to provide a ready source of cash in case of an emergency, should a major piece of equipment or a portion of the utility's infrastructure fail unexpectedly.

Operating Reserve – Water and Sewer Funds. These reserves shall have a targeted level as of each year-end of at least sixty (60) days' operating expenses. The primary purpose of the reserve is to provide cash for operations in case of seasonal variations in revenue or expenses, or to support operations in a year in which revenues are abnormally low.

Operating Reserve – Storm and Surface Water Management Fund. This reserve shall have a targeted level as of June 30 and December 31 of at least 90 days' operating expenses. The primary purpose of the year-end reserve is to provide cash for operations during the period between the payment of the fees, which occurs in two large payments in April and October.

Restricted Debt Reserve. To the extent that the City issues a form of debt (e.g. Revenue Bonds) that requires the City to maintain a restricted cash reserve during the term of the debt repayment period, the utility shall maintain a restricted reserve for such purpose. This reserve is to safeguard the purchasers of the utility's debt and may be used to fund the final installment or last year's debt service.

SECTION 7. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The City will establish and maintain a high standard of internal controls and accounting practices. The City accounts and budgets for revenue and expenditures on a modified accrual basis for general government and enterprise activities. Year-end financial statements for enterprise activities shall use full accrual accounting.

The accounting system will maintain records on a basis consistent with accepted national standards for local government accounting and the Washington State Auditor's Budgeting, Accounting and Reporting System.

The annual financial statements shall conform to Generally Accepted Accounting Principles (GAAP) and be in the form of an Annual Comprehensive Financial Report ~~Comprehensive Annual Financial Report~~ as recommended by the Government Finance Officers Association.

A capital asset system will be maintained to identify all City assets and their location.

The City will ensure that City records are audited annually, resulting in a financial opinion. The results of the audit will be available to the public through the City's website.

SECTION 8. DEBT

The City's Debt Policy, as it may be amended from time to time, is hereby included in the Financial and Budget Policies.

SECTION 9. INVESTMENT

The City's Investment Policy, as it may be amended from time to time, is hereby included in the Financial and Budget Policies.

SECTION 10. BANKING AND MONEY MANAGEMENT

Safety

The City shall engage in relationships, and conduct its business, with one or more banks, repositories of public pooled funds, and financial institutions in a manner that avoids concentrating City balances in a way that may expose the City to material losses in the event of an adverse development affecting any bank or financial institution in which City assets are held.

Money Management

The City Administration shall seek to form relationships with banking and financial institutions that offer the City efficient and effective tools and technologies to manage and track transactions and balances.

SECTION 11. MUNICIPAL SECURITIES DISCLOSURE

The City's Municipal Securities Disclosure Policy, as it may be amended from time to time, is hereby included in the Financial and Budget Policies.

SECTION 12. SURPLUS REAL PROPERTY

The City's Surplus Real Property Policy, as it may be amended from time to time, is hereby included in the Financial and Budget Policies.

SECTION 13. PROCUREMENT POLICY

The City's Procurement Policy, as it may be amended from time to time, is hereby included in the Financial and Budget Policies.

SECTION 14. EQUIPMENT RENTAL AND REVOLVING FUND

The Equipment Rental and Revolving (ER&R) Fund policy, as it may be amended from time to time, is hereby included in the Financial and Budget Policies.

SECTION 15. GRANTS

City Council approval is required to submit an application for grants over $50,000, unless pre-authorized for acceptance by the City Council through ordinance or resolution. The $50,000 threshold must include as part of the estimate any City "in-kind" labor used as matching funds, and City staff will describe to the Council the amount that is provided through the grant and the amount that is provided through in-kind matching funds.

For grants that are over $50,000, or otherwise require Council approval, but for which there is an application deadline that does not allow City staff to obtain prior Council approval to apply for the grant, the Department Director shall obtain the approval of the City Manager or their designee prior to submitting the application and subsequently bring the grant to the Council for approval and ratification. Applications for grants in the amount of $50,000 or less can be submitted without City Council approval, unless such approval is required by the granting agency.

The City Manager, or designee, is authorized to execute all required agreements and documents with a grant-issuing agency to effectuate any grant approved or accepted by the City Council.

To the extent that this section conflicts with any other policy or resolution adopted by the City Council, this section controls.

RESOLUTION NO. 2022-08

A RESOLUTION of the City Council of Bainbridge Island, Washington, revising the City's Debt Policy.

WHEREAS, the City Council ("Council") is responsible for setting financial policy for the City of Bainbridge Island ("City"); and

WHEREAS, state law, including Chapter 35A.33 RCW, provides guidance for budgets in Code Cities; and

WHEREAS, in accordance with Chapter 35A.34 RCW and Chapter 2.82 BIMC, the City prepares a biennial budget with a mid-biennial review; and

WHEREAS, the City Administration ("Administration") requested, as part of the 2023-2024 biennial budget process, that the Council update the financial and budgetary policies that were adopted by the City prior to 2022; and

WHEREAS, the Council updated the City's Debt Policy in August 2008 through the passage of Resolution No. 2008-14; and

WHEREAS, the Council last updated the City's Debt Policy in July 2020 through the passage of Resolution No. 2020-09; and

WHEREAS, the City Council now desires to revise the City's Debt Policy to incorporate suggested modifications to the Debt Policy identified by the Washington Treasury Association's technical review committee in September 2021.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND DOES RESOLVE AS FOLLOWS:

Section 1. The debt policy adopted by Resolution No. 2020-09 is hereby revised as shown on **Exhibit A**, which is attached hereto and incorporated herein by this reference as if set forth in full.

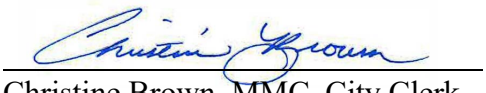
Section 2. This Resolution shall take effect and be in force immediately upon its passage.

PASSED by the City Council this 12th day of April 2022.

APPROVED by the Mayor this 12th day of April 2022.

Joe Deets, Mayor

ATTEST/AUTHENTICATE:



Christine Brown, MMC, City Clerk

FILED WITH THE CITY CLERK: April 8, 2022
PASSED BY THE CITY COUNCIL: April 12, 2022
RESOLUTION NO. 2022-08

Exhibit A – Debt Policy

CITY OF
BAINBRIDGE ISLAND

Debt Policy
Department of Finance and Administrative Services

Prepared by Finance Director DeWayne Pitts
Revised April 12, 2022

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Purpose and Overview

The Debt Policy for the City of Bainbridge Island is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth comprehensive guidelines for the issuance and management of all financings of the Issuer. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations.

The City maintains conservative financial policies to ensure strong financial health in both the short- and long-term. Maintaining the City's strong bond rating is an important objective of the City's financial policies.

Capital planning

The City shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying attention to financing priorities, capital outlays and competing projects. Long-term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs.

Authoritative Guidance

Legal Governing Principles
In the issuance and management of debt, the City shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

State Statutes – The City may contract indebtedness as provided for by RCW 35A.40.090. General Obligation indebtedness is subject to the limitations on indebtedness provided for in RCW 39.36.020 and Article VIII of the Washington State Constitution. Bonds evidencing such indebtedness shall be issued and sold in accordance with RCW 39.46.

Federal Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the Treasury Department regulations there under; and the Securities Acts of 1933 and 1934.

Local Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by local rules and regulations.

Debt Structure

Types of Debt Instruments:
The City may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of City Council, the City is authorized to issue:

General Obligation Bonds
Debt issued in this category can be used for any purpose allowed by law. This debt is backed by the full faith and credit of the City. RCW 39.36.020 limits debt to 2.5% of the assessed valuation of the city for each of three purposes:

Limited Tax General Obligation Bonds – A Limited-Tax General Obligation debt (LTGO), also known as "Non-Voted General Obligation Debt" or "Councilmanic Debt", requires the City to levy a property tax sufficient to meet its debt service obligations but only up to a statutory limit. The City shall use LTGO Bonds as permitted under Article 8, Section 6 of the Washington State Constitution and RCW 39.36 for general capital purposes only. LTGO Bonds are backed by the full faith and credit of the City and is payable from General Fund reserves and taxes collected by the City. LTGO Bonds will only be issued if:

- A project requires funding not available from alternative sources
- Matching fund monies are available which may be lost if not applied for in a timely manner; or,
- Emergency conditions exist

Unlimited Tax General Obligation Bonds – The City shall use Unlimited Tax General Obligation Bonds (UTGO), also known as "Voted General Obligation Bonds" as permitted under Article 7, Section 2(b) of the Washington State Constitution and laws of the state of Washington including, but not limited to, Chapters 39.36, 39.46 RCW and RCW 84.52. UTGO Bonds are limited to capital purposes only. Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the assent of 60% of the voters at an election to be held for that purpose.

Open Space and Parks - Debt issued in this category must be used for park and open space and/or recreation facilities. All debt in this category must be approved by the voters.

Utilities - Debt issued in this category must be used for utility infrastructure. All debt in this category must be approved by the voters.

Revenue Bonds – The City shall use Revenue Bonds as permitted under RCW 39.46.150 and RCW 39.46.160 for the purpose of financing construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Plan. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

Special Assessment/Local Improvement District (LID) Bonds – The City shall use Special Assessment Bonds as permitted under RCW 35.43 for the purpose of assuring the greatest degree of public equity in place of general obligation bond as determined by Council. Local Improvement District Bonds represent debt that is repaid by the property owners who specifically benefit from the capital improvements through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment. No taxing power or general fund pledge is provided as security, and LID Bonds are not subject to statutory debt limitations. The debt is backed by the value of the property within the district and a LID Guaranty Fund, as required by State Law.

Short Term Debt – The City shall use short term debt as permitted under RCW 39.50, for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate financing needs of a project for which long term funding has been secured but not yet received. The City may use inter-fund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All inter-fund loans will be subject to Council approval and will bear interest at prevailing rates.

Leases – The City is authorized to enter into capital leases under RCW 35.42.200, subject to the approval of City Council.

Public Works Trust Fund Loans – The City shall use Public Works Trust Fund Loans as provided under RCW 43.155-for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste/recycling facilities and bridges.

Local Option Capital Asset Lending (LOCAL) Program Debt – The City is authorized to enter into a financing contract with the Office of the State Treasurer under RCW 39.94, for the purpose of financing equipment and capital needs through the State Treasurer's Office subject to existing debt limitations and financing considerations. The LOCAL Program is an expanded version of the state agency lease/purchase program that allows the pooling of funding into larger offerings of securities.

Other Debt Instruments – The City is authorized to enter into other forms of debt instruments in consultation with the Financial Advisor subject to State law and the approval of City Council.

Roles and Responsibilities

The City Council shall:

- Approve all indebtedness;
- Approve debt financing only for capital projects or to refund outstanding debt; debt shall not be issued for operating costs;
- Approve the Debt Policy;
- Approve budgets sufficient to provide for the timely payment of principal and interest on all debt; and
- Set parameters for bonds (maximum principal amount, interest rate, sale price) and set the final terms of any debt;
- Adopt an ordinance or resolution authorizing the issuance and sale of any debt and determine whether the execution of such a sale will be delegated to a designated representative, including the Finance Director, or any other other designated representative, as contemplated within the parameters for the delegation in RCW 39.46.040.

The Finance Director in consultation with the City Manager, Deputy City Manager, and Council shall:

- Assume primary responsibility for debt management;
- Provide for the issuance of debt at the lowest possible cost and risk;
- Determine the available debt capacity;
- Provide for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the City Council the method and manner of sale of debt that is most advantageous for the City;
- Monitor opportunities to refund debt and recommend such refunding as appropriate;
- Comply with all Internal Revenue Service (IRS), Securities and Exchange (SEC), and Municipal Securities Rulemaking Board (MSRB) rules and regulations governing the issuance of debt.
- Provide for the timely payment of principal and interest on all debt and ensure that the fiscal agent receives funds for payment of debt service on or before the payment date;
- Provide for and participate in the preparation and review of offering documents;
- Comply with all terms, conditions and disclosure required by the legal documents governing the debt issued;
- Submit to the City Council all recommendations when to issue debt;
- Distribute to appropriate repositories information regarding financial condition and affairs at such times and in the form required by law, regulation and general practice,

including Rule 15c2-12 regarding continuing disclosure;
- Provide for the distribution of pertinent information to rating agencies; and
- Apply and promote prudent fiscal practices
- Appoint one or more subordinate employees from the Department as necessary to assist in the performance of duties to be carried out in this policy

Ethical Standards Governing Conduct
The members of the City Council will adhere to the requirements of the City's Code of Conduct and Ethics Program as well as RCW 42.23 City staff will adhere to the standards of conduct contained in the City's Employee Manual. The City Manager will adhere to the standards of conduct contained in the International City/County Manger's Association (ICMA) Code of Ethics or other standards specified upon appointment by the City Council.

Professional Services
The City shall procure professional services as required to execute financing transactions and to advise on non-transaction related work. Professional services may be provided by Municipal Advisors, Legal Counsel, underwriters, and other service providers such as rating agencies, trustees or escrow agents, verification agents, printers, arbitrage rebate calculation firms, or bidding agents. The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt.

- Bond Counsel – Bond Counsel renders an opinion on the validity of an offering, the security for the offering, and whether and to what extent interest is exempt from income taxation.

  With the exception of debt issued by the State on the City's behalf, all debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status, and any other components necessary for the proposed debt.

  Unless otherwise justified, the appointment of Bond Counsel will be made from among nationally recognized law firms with significant operations in Washington State and expertise with Washington State law.

  The firm selected as Bond Counsel may be engaged to provide the full range of legal services required in connection with a) the successful issuance and delivery of particular bond issues and b) on-going legal services for the issuer financing programs, including advising the City on compliance with regulatory requirements. The scope of services may include, but not be limited to, preparation of the official statement and on-going disclosure requirements, review of the legal structure of the bonds, tax advice, preparation of the official transcript and additional legal services as necessary for the issuance and on-going services related to Bonds.

- Financial Advisor – A Financial Advisor may be used to assist in the issuance and on-going administration of the City's debt. The Financial Advisor will provide the City with objective

advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring, and pricing of debt, assistance in reviewing official statements of disclosure, monitoring the City's outstanding obligations, identifying refunding opportunities, and providing post sale analysis, including an issue summary and Final Report for the financing.

- Underwriters – An Underwriter will be used for all debt issued in a negotiated sale method. The Underwriter is responsible for purchasing negotiated debt and reselling the debt to investors.

- Escrow Agent – The City shall, when deemed necessary or when required for refunding or defeasance transactions, procure the services of an escrow agent. The purpose of the Escrow Agent is to hold in trust the securities and/or funds that are to be paid out for the purposes, and upon compliance with the conditions specified, in an escrow agreement.

- Arbitrage Calculation Firm – The City shall, when deemed necessary or when required, procure the services of an arbitrage rebate calculation firm. The purpose of the arbitrage rebate calculation firm is to provide arbitrage rebate compliance services in accordance with the Internal Revenue Code of 1986.

- Fiscal Agent – A fiscal agent will be used to provide accurate and timely securities processing and timely payment to bondholders. As provided under RCW 43.80, the City will use the Fiscal Agent selected by the State of Washington.

- Professional Service providers may be selected through a competitive selection process conducted by the Finance Director in consultation with City Attorney's Office.

Transaction Specific Policies

Method of Sale – The Finance Director shall evaluate and determine the best method of sale for each proposed bond issue. City Council approval is required prior to the issuance of debt.

1. **Competitive Bid Method** City debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the City.

The City, with the assistance of its Financial Advisor, shall evaluate the terms offered by the underwriting team. Evaluations of prices, interest rates, fees and commissions shall include prevailing terms and conditions in the marketplace for comparable issuers. No debt issue will be sold on a competitive bid basis without an independent financial advisor.

2. **Negotiated Bid Method** – When a negotiated sale is deemed advisable (in consultation with City Council) the Finance Director shall negotiate the most competitive pricing on debt issues and broker commissions in order to ensure the best value to the City. If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees and commissions.

The City, with the assistance of its Financial Advisor, shall evaluate the terms offered by the underwriting team. Evaluations of prices, interest rates, fees and commissions shall include prevailing terms and conditions in the marketplace for comparable issuers. No debt issue will be sold on a negotiated basis without an independent financial advisor.

3. Private Placement/Direct Purchase/Bank Loan – When deemed appropriate to minimize the costs and risks of City's debt issue, including to facilitate a debt issuance of small size or having other characteristics which may cause the debt issuance to be less suited to sale in a public offering, whether by competitive bid or negotiated sale, the Finance Director will submit to the City Council a request to sell the debt issue through private placement/direct purchase/bank loan. If this option is authorized, the City shall seek two or more proposals. The Request for Proposal shall include a term sheet requesting quotes for financing alternatives consistent with the Council's goals. The proposers' a) fees and rates b) terms and structure, and c) acceptance of the terms and conditions of the City may be factored into the evaluation of the final proposals.

4. **Bond Refundings** – A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. The City shall use refunding bonds in accordance with the Refunding Bond Act, Chapter 39.53 RCW. Unless otherwise justified, the City will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 5% minimum cost savings (discounted to its present value) of the outstanding amount over the remainder of the debt life must be demonstrated for any "advance refunding", unless otherwise justified. An "advance refunding" refers to the practice of taking the funds received from a new bond issuance to pay off a prior issue's debt.

The City, in consultation with its Financial Advisor, may also approve a "current refunding" transaction of an existing debt issue if the refunding demonstrates a positive present value savings over the remaining life of the debt. A current refunding is a refinance of debt between the call date and the final redemption date of the bond issuance. Unless otherwise justified, a current refunding transaction will require, at a minimum, a graduated present value savings of at least 3% of the outstanding amount.

5. **Interfund Loans –** With Council approval, the City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected funds indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will bear interest based at prevailing rates and have terms consistent with state guidelines for interfund loans.

6. **Special Assessments –** When issuing debt, the City shall strive to use special assessment, revenue, or other self-supporting bonds in lieu of general obligation bonds.

Limitations on Debt Issuance

1. The City shall remain in compliance with all debt limitations. As part of the annual budgeting process, a current summary of outstanding debt and compliance targets is prepared. The City shall observe the following limitations on debt issuance:

- **General Obligation** – Maximum of 2.5% of Assessed Value (RCW 39.36.020)
  - **Non-Voted:** 1.5% of Assessed Value **- (**Limited Tax General Obligation (LTGO) Bonds)
  - **Voted:** 2.5% of Assessed Value **- (**Unlimited Tax General Obligation (UTGO) Bonds)
- **Utilities – Voted:** Maximum of 2.5% of Assessed Value
- **Open Space and Park Facilities - Voted: –** Up to 2.5% of Assessed Value
- **Revenue Debt –** no limit
- **Local Improvement District –** no limit

2. Debt Limit Target: -The City will reserve $30 million of LTGO debt capacity, or 25% of the total legal limit (which statutory limit is 1. 5% of total city-wide assessed value), whichever is larger, for emergencies.

3. Net LTGO Debt Service: LTGO debt shall not be issued to the extent it would cause the net debt service that would become payable from the Tax Supported funds to exceed 25% of the total budgeted Tax Supported funds revenues for the current or subsequent year.

4. The City will plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.

5. When considering new debt, City finance staff will conduct a debt affordability analysis to evaluate the City's ability to support long-term debt. The analysis will review available resources for debt and project the effects utilizing a ten- year recurring revenues and expenditure capacity analysis financial modeling tool. The financial assumptions shall be reasonable and shall take into account appropriately chosen sets of inflation factors and an appropriate set of economic projections. The Administration's chosen assumptions for revenues, expenditure inflation factors and economic measures shall be disclosed to the Council.

Debt Structuring Practices
The following terms shall be applied to the City's debt transactions, as appropriate. Individual terms may change as dictated by the marketplace or the unique qualities of the transaction.

- **Maturity** –The City shall issue debt with an average life less than or equal to the average life of the assets being financed. Unless otherwise stated in law, the final maturity of the debt shall be no longer than 40 years (RCW 39.46.110).

- **Debt Service Structure** – Unless otherwise justified, debt service should be structured on a level basis. Refunding bonds should be structured to produce equal savings by fiscal year. If appropriate, debt service reserve funds may be used for revenue bonds.

- **Price Structure** – The City's long-term debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, given market conditions.

- **Call Provisions** – For each transaction, the City shall evaluate the costs and benefits of call provisions. In general, the City shall opt for the shortest possible optional call date consistent with optimal pricing.

- **Bond Insurance** – For each transaction, the City shall evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively priced.

- **Tax-exemption** – Unless otherwise justified and deemed necessary, the City shall issue its debt on a tax-exempt basis.

- **Reimbursement resolution** – A reimbursement resolution may be adopted by City Council if the project hard costs are advanced prior to the bond sale.

Compliance Polices

Investment of Proceeds
The City shall comply with all applicable Federal, State, and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

Arbitrage Liability Management
Due to the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City shall solicit the advice of bond counsel and other qualified experts about arbitrage rebate calculations. The City shall, when deemed necessary or required, contract with a third party for preparation of the arbitrage rebate calculation.

The City shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings. The expenditure of bond proceeds shall be tracked in the financial system by issue. Investments may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds is co-mingled with other investments, the City shall adhere to IRS rules on accounting allocations.

Washington State Department of Commerce and the Bond Users Clearinghouse
The City shall ensure that the Washington State Department of Commerce and the Bond Users Clearinghouse receives municipal bond information for all debt sold as provided by RCW 39.44.200 – 39.44.240 and WAC 365-130.

Legal Covenants
The City shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

Continuing Disclosure
The City shall comply with SEC 15c-12 regulations, which require municipal debt issuers to provide specified financial and operating information for fiscal years beginning January 1, 1996. The Finance Director, or designee, shall be the Compliance Officer for disclosure requirements. The City is committed to provide or cause to be provided, either directly or through a designated agent, annual disclosure reports and notices regarding the occurrence of certain events specified by the SEC. These reports and notices will be submitted to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) website.

Other Policies

Periodic review
The City's debt policy shall be adopted by City Council. The policy shall be reviewed at least every two years by the Finance Director and modifications shall be submitted to and approved by City Council.

Credit Rating
The City of Bainbridge Island seeks to maintain the highest possible credit ratings for all categories of short and long-term General Obligation debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives.

The City recognizes that external. economic, natural, or other events may from time-to-time affect the creditworthiness of its debt. Nevertheless, the City Council is committed to ensuring that actions within their control are prudent and consistent with the highest standards of public financial management, and supportive of the creditworthiness objectives defined in this policy.

RESOLUTION NO. 2022-09

A RESOLUTION of the City Council of Bainbridge Island, Washington, relating to updating the City's Investment Policy.

WHEREAS, the City Council ("Council") is responsible for setting financial policies for the City of Bainbridge Island ("City"); and

WHEREAS, state law, including Chapter 35A.33 RCW, provides guidance for budgets in Code Cities; and

WHEREAS, in accordance with Chapter 35A.34 RCW and Chapter 2.82 BIMC, the City prepares a biennial budget with a mid-biennial review; and

WHEREAS, the City Administration ("Administration") requested, as part of the 2023-2024 biennial budget process, that the Council update the financial and budgetary policies that were adopted by the City prior to 2022; and

WHEREAS, the City Council has determined that section 3.12.010 of the Bainbridge Island Municipal Code ("BIMC")relates to the contents of the City's investment policy

WHEREAS, the City of Bainbridge Island periodically invests excess funds in the Kitsap County Investment Pool; and

WHEREAS, Chapter 3.12 BIMC includes the adoption of the City's investment program; and

WHEREAS, Chapter 3.12 BIMC directs that any modifications to the City's investment program policies must be approved by the City Council; and

WHEREAS, the Council last updated the City's Investment in December 1993 through the passage of Resolution No. 1993-52 and was amended through the passage of Resolution No. 2021-19 that revised Section 5 Delegation of Authority; and

WHEREAS, the City Council now desires to replace and update the City's Investment Policy to reflect changes in City Code, clarify certain sections, and incorporate current best practices.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND DOES RESOLVE AS FOLLOWS:

Section 1. The investment policy adopted by Resolution No. 1993-52 and revised by Resolution No. 2021-19 is hereby repealed in its entirety and replaced as shown on **Exhibit A**, which is attached hereto and incorporated herein by this reference as if set forth in full.

Section 2. This Resolution shall take effect and be in force immediately upon its passage.

PASSED by the City Council this 12th day of April, 2022.

APPROVED by the Mayor this 12th day of April, 2022.

Joe Deets, Mayor

ATTEST/AUTHENTICATE:

Christine Brown, MMC, City Clerk

FILED WITH THE CITY CLERK:	April 8, 2022
PASSED BY THE CITY COUNCIL:	April 12, 2022
RESOLUTION NO.	2022-09

Exhibit A – Investment Policy

CITY OF
BAINBRIDGE ISLAND

INVESTMENT POLICY

Effective Date: April 12, 2022

I. POLICY

It is the policy of the City of Bainbridge Island ("City") to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the City's daily cash flow demands and conforming to all federal, state, and local laws and regulations governing the investment of public funds. The City's primary investment objectives in order of priority shall be safety, liquidity, and yield (return on investment).

II. GOVERNING AUTHORITY

The City's investment authority derives from the Revised Code of Washington ("RCW"), including:

- RCW 35A.40.050 – "Fiscal; - Investment of Funds"
- RCW 39.58 – "Public funds – deposits and investments"
- RCW 39.59 – "Public Funds – Authorized Investments"
- RCW 43.250 – "Investment of Local Government Funds – Separately Managed Accounts"
- Bainbridge Island Municipal Code ("BIMC") - Chapter 3.12 "Investment of City Funds"

III. SCOPE

This policy applies to all financial assets of the City. These funds are reported for in the City's Annual Comprehensive Financial Report. Should bond covenants be more restrictive than this policy, such funds shall be invested in full compliance with those restrictions.

IV. OBJECTIVES

The primary objectives of investment activities, in order of priority, shall be safety, liquidity, and return:

1. *Safety*

   Safety of principal is the foremost objective of the City's investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

   a. Credit Risk

      The City will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

      - Limiting investments to the types of securities listed in Section VIII of this investment policy.
      - Prequalifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business in accordance with Section VI.

- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing primarily in shorter-term securities, or similar investment pools, and limiting individual security maturity as well as the average maturity of the portfolio in accordance with Section IX.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in local government investment pools which offer same-day or next-day liquidity for short-term funds.

3. *Return on Investment*

The return on the City's investment portfolio is of secondary importance compared to the safety and liquidity objectives described above. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- Selling a security and reinvesting the proceeds may be undertaken to improve the quality, yield, or target duration of the portfolio; and
- Unanticipated liquidity needs may require a security be sold.

V. STANDARDS OF CARE

1. *Prudence*

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing an overall portfolio under prevailing economic conditions at the moment of investment commitments. Investment officers acting in accordance with written procedures and the investment policy and

exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to minimize adverse developments.

In determining whether an Investment official has exercised prudence with respect to an investment decision, the determination shall take into consideration the investment of all funds over which the official had responsibility rather than the prudence of a single investment, and, whether the investment decision was consistent with this investment policy.

2. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions that conduct business with the City. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. *Delegation of Authority*

a. Governing Body

Ultimate responsibility and authority for investment of City funds resides with the City Council who have the authority to direct the management to the City's investment program.

b. Authority

Overall management of the City's investment program is delegated by the Council to the Director of Finance and Administrative Services ("Director") who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director. The Director, or their designee, shall be responsible for all transactions undertaken in the portfolio based on the liquidity and cash flow requirements of the City and their respective funds. In addition, the Director, or their designee, shall establish a system of controls to regulate the activities of subordinate officials.

c. Investment Advisor

The City may engage the services of an external investment advisor, and the State Treasurer's Separately Managed Account services, to assist with the management of the City's investment portfolio in a manner consistent with the City's objectives and this investment policy. Such advisors shall provide recommendations and advice regarding the City's investment program including but not limited to advice related to the purchase and sale of investments in accordance with this investment policy.

VI. Authorized Financial Institutions, Depositories, and Broker/Dealers

Selection of a primary bank for the City general banking services will be made by the City Council. The Director shall maintain a list of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness and/or other factors, such as Financial Industry Regulatory Authority ("FINRA") broker check. Additions and deletions to the lists will be at the sole discretion of the City. This responsibility may be placed with the investment advisor and the approved lists provided to the City as updates occur.

Broker/dealers will be limited to those that meet three or more of the following:

- Financial institutions approved by the State of Washington Public Deposit Protection Commission ("PDPC") and that meet all regulatory capital requirements.
- Primary broker/dealers recognized by the Federal Reserve.
- Non-primary broker/dealers qualified under Security Exchange Commission ("SEC") rule 15C3-1 and that are a certified member of FINRA (not applicable to Certificate of Deposit counterparties).
- Proof of state registration.
- Certification of having read, understood, and agreed to compliance with the City's investment policy.
- Evidence of adequate insurance coverage.

Investment advisors must be registered under the Investment Advisor Act of 1940, must act in a non-discretionary capacity, and must receive prior approval from the City for all investment transactions.

VII. Safekeeping and Custody

1. *Delivery vs. Payment*
All trades of marketable securities will be executed by delivery vs. payment ("DVP") to ensure securities are deposited in an eligible custodial account prior to release of funds.

2. *Safekeeping*
All securities will be held in the City's name by an independent third-party custodian selected by the City. This safekeeping institution shall annually provide a copy of their most recent report on internal controls.

3. *Internal Controls*
The City shall establish a system of internal controls, designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by City employees and officers. The internal controls are subject to review by the City's independent external auditor.

VIII. Suitable and Authorized Investments

The City may only invest in those securities and deposits authorized by statute. Authorized investments include:

- U.S. Treasury obligations which carry the full faith and credit guarantee of the United States government.
- U.S. government agency obligations that have a liquid market with a readily determinable market value.
- Certificates of deposit with financial institutions qualified under the State of Washington PDPC, as qualified to hold public deposits at the time of investment.
- Municipal debt of the State of Washington and any local government in the State of Washington which have, at the time of investment, one of the three highest credit ratings of a nationally recognized credit rating agency.
- Municipal debt of other states or local governments of a state other than the State of Washington which have, at the time of investment, one of the three highest credit ratings of a nationally recognized credit agency.
- State of Washington Local Governmental Investment Pool (LGIP).
- Local County investment pools operating in the State of Washington as defined under the RCW 36.29.020.

Bank Collateralization
Washington State provides for collateralization of certificates of deposit with qualified public depositories. The State Treasurer's Office administers the PDPC which manages the collateralization program. Chapter 39.58 RCW prohibits certificates of deposit with financial institutions that are not qualified public depositories.

IX. Investment Diversification and Constraints

1. *Diversification*
It is the policy of the City to diversify its investment portfolios. To eliminate risk of loss resulting from the overconcentration of assets in specific maturities, issuers, or classes of securities, the City's investment portfolio shall be diversified by maturity, issuer, and security type. In establishing specific diversification strategies, the following general constraints shall apply:

U.S. Treasury Obligations	100%
State of Washington Local Governmental Investment Pool	100%
U.S. Government Agency Obligations	90%
Other Washington State County government investment pools	70%
Certificates of deposit in PDPC qualified public depositories	40%
Municipal debt of the State of Washington or any local government in the State of Washington	20%
Municipal debt of other states or local governments of a state other than the State of Washington	15%

2. *Maximum Maturities*

To the extent possible, and to preclude sales of securities that could result in a loss, the City shall attempt to match its investments with anticipated cash flow needs. Because of the inherent difficulties in accurately forecasting cash flow needs, a portion of the portfolio should be continuously invested in readily available funds to ensure appropriate liquidity is maintained to meet ongoing obligations.

A. To this extent, at least 20% of the portfolio, at the time of investment, will be comprised of investments maturing within a year.

B. Satisfying this requirement, remaining funds may be invested in authorized securities not to exceed five years in maturity, except when compatible with a specific fund's investment needs.

C. To ensure additional liquidity and provide for ongoing market opportunity the weighted average maturity and modified duration of the overall portfolio shall not exceed three years without the prior written approval of the Director.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a single issuer or investment type may be exceeded at a point in time after the purchase of a single issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

X. REPORTING

1. *Methods*

The Director, or designee, shall prepare an investment report at least semi-annually, including a management summary that provides an analysis of the status of the current investment portfolio. The management summary will be prepared in a manner which allows the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report shall be posted on the Finance Department's website and include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Performance of portfolio as compared to applicable benchmarks.
- Percentage of the total portfolio which each type of investment represents.
- A statement that the investment portfolio complies with the investment policy and is meeting the investment policy objectives.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a

market/economic environment of stable interest rates, considering investment risk constraints and cash flow/liquidity needs. An appropriate benchmark shall be established against which portfolio performance shall be compared on a regular basis. The benchmark shall be reflective of the actual securities being purchased and risks undertaken and shall have a similar weighted average maturity as the portfolio.

XI. Approval of Investment Policy

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed at least biennially by the Director, or designee, to ensure its consistency with respect to the overall objectives of safety, liquidity, and return, and its relevance to current laws and financial practices. Any proposed amendments shall be reviewed by the Director and City Manager and forwarded to the City Council for consideration and adoption.

XII. Glossary

ASSET – Available funds, for payment of debts.

AVERAGE MATURITY – A weighted average of the expiration dates for a portfolio's securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

BOND – A long-term debt security, or IOU, issued by a government or corporation that generally pays a stated rate of interest and returns the face value on the maturity date.

BROKER – A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides.

CERTIFICATES OF DEPOSIT – Certificates of Deposit, familiarly known as CDs, are certificates issued against funds deposited in a bank for a definite period of time and earning a specified rate of return. Certificates of Deposit bear rates of interest in line with money market rates current at the time of issuance.

COLLATERAL – Property (as securities) pledged by a borrower to protect the interest of the lender.

COUNTY INVESTMENT POOL (Washington State) – An investment option available to municipalities who invest, by law, through a County Treasurer and other public entities who sign Investment Services Agreements with the Treasurer. To participate in the Pool, a participant must enact an ordinance or adopt a resolution and sign an Investment Services Agreement with a County Treasurer's Office.

CREDIT QUALITY – Measurement of a bond issuer's financial strength. This measurement helps an investor understand an issuer's ability to make timely interest payments and repay the loan principal at maturity. Generally, the higher a bond issuer's credit quality, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

CREDIT RISK – The risk another party to an investment transaction will not fulfill its obligations. Credit

risk can be associated with the issuer of a security, a financial institution holding the entity's deposit, or a third-party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one investment type or with any one party.

CUSTODIAN – An independent third party (usually bank or trust company) that holds securities in safekeeping as an agent for the investor.

DEALER – A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VS PAYMENT – There are two methods of delivery of securities: Delivery vs. payment and delivery vs. receipt (also called free). Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

DIVERSIFICATION – Investing in a variety of securities and institutions to minimize market risk.

EFFECTIVE RATE – The yield you would receive on a debt security over a period of time taking into account any compounding effect.

FEDERAL AGENCY SECURITIES – Several government-sponsored agencies, in recent years, have issued short and long-term notes. Such notes typically are issued through dealers, mostly investment banking houses. The main issuing institutions are the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank System (FHLB), and the Federal Farm Credit Bank System (FFCB).

FEDERAL DEPOSIT INSURANCE (FDIC) – A Federal institution that insures bank deposits. The current limit is up to $100,000 per depository account.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) – An independent, nongovernmental organization that writes and enforces rules governing registered brokers and broker-dealer firms in the United States. Its stated mission is "to safeguard the investing public against fraud and bad practices." It is considered a self-regulatory organization.

GOVERNMENT SECURITY – Any debt obligation issued by the U.S. government, its agencies, or instrumentalities. Certain securities, such as Treasury bonds are backed by the government as to both principal and interest payments. Other securities, such as those issued by the Federal Home Loan Mortgage Corporation, or Freddie Mac, are backed by the issuing agency.

LIQUIDATION – Conversion into cash.

LIQUIDITY – Refers to the ease and speed with which an asset can be converted into cash without a substantial loss in value.

LOSS – The excess of the cost or book value of an asset over selling price.

MARKETABILITY – Ability to sell large blocks of money market instruments quickly and at competitive prices.

MARKET RISK – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline.

MARKET VALUE – The price at which a security is trading and could presumably be sold.

MATURITY – The point in time when a security becomes due and the principal and interest or final coupon payment is paid to the investor.

MUNICIPAL DEBT – Debt securities issued by states, cities, counties, and other governmental entities with funds typically used for capital projects. Generally, interest on municipal bonds is exempt from federal income taxes and often from state and local taxes also.

NATIONALLLY RECOGNIZED RATING AGENCY – A credit rating agency that issues credit ratings the U. S Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes.

NET WORTH – A financial institutions available funds after total liabilities have been deducted from total assets.

PRUDENCE – The ability to govern and discipline oneself using reason. Shrewdness in the management of affairs. The ability to use skill and good judgment in the use of resources.

PUBLIC FUND INTEREST BEARING INVESTMENT ACCOUNTS – Bank accounts with Qualified Public Depositories which pay a rate of interest on the balance maintained. Used in diversifying the investment portfolio and commonly used as part of a liquidity portfolio.

QUALIFIED PUBLIC DEPOSITORY – A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated, for the benefit of the commission, eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

REGISTERED SECURITY – A security that has the name of the owner written on its face. A registered security cannot be negotiated except by the endorsement of the owner.

SAFEKEEPING – A service to customers, usually by banks, for a fee where securities and valuables of all types and descriptions are held in the bank's vaults for protection, or in the case of book entry securities, are held and recorded in the customer's name and are inaccessible to anyone else.

SECURITIES – Bonds, notes, mortgages, or other forms of negotiable or non-negotiable instruments.

SECURITIES AND EXCHANGE COMMISION (SEC) – A U.S. government agency that oversees securities transactions, activities of financial professionals and mutual fund trading to prevent fraud and intentional deception. The SEC consists of five commissioners who serve staggered five-year terms. No more than three of the commissioners may belong to the same political party.

SETTLEMENT DATES – The day when payment is due for a securities purchase. For stocks and mutual funds bought through an investment dealer, settlement is normally five business days after the trade date. Bonds and options normally settle one business day after the trade date and mutual fund shares purchased directly by mail or wire settle on the day payment is received.

STATE OF WASHINGTON LOCAL GOVERNMENT INVESTMENT POOL (LGIP) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment

and reinvestment.

THIRD-PARTY SAFEKEEPING – A safekeeping arrangement whereby the investor has full control over the securities being held and the dealer or bank investment department has no access to the securities being held.

TIME DEPOSIT – Interest-bearing deposit at a savings institution that has a specific maturity.

TREASURY BILLS – Treasury bills are short-term debt obligations of the U.S. Government. They offer maximum safety of principal since they are backed by the full faith and credit of the United States Government. Treasury bills, commonly called "T-Bills," account for the bulk of government financing, and are the major vehicle used by the Federal Reserve System in the money market to implement national monetary policy.

TREASURY BONDS – is a marketable, fixed-interest U.S. government debt security with a maturity of more than ten years. Treasury bonds make payments semi-annually, and the income received is only taxed at the federal level. Treasury bonds are known in the market as primarily risk-free due to the lack of default risk of the U.S. government.

U.S (UNITED STATES) TREASURY OBLIGATIONS – Federally guaranteed obligations are debt securities issued by the United States government and considered risk-free because they receive the full faith and credit of the federal government. These include Treasury bonds, Treasury notes and Treasury bills.

U.S. (UNITED STATES) AGENCY OBLIGATIONS – A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally Sponsored Agencies (FSAs) are backed by each agency with a market perception that there is an implicit government guarantee. (Also see FEDERAL AGENCY SECURITIES and GOVERNMENT SECURITY)

UNDERLYING SECURITIES – Securities transferred in accordance with a repurchase agreement.

VENDOR – A business or individual who provides a service or product at a cost.

RESOLUTION NO. 2022-10

A RESOLUTION of the City Council of Bainbridge Island, Washington, Establishing the City's Municipal Facilities Maintenance, Replacement and Reconstruction Policy.

WHEREAS, the City Council ("Council") is responsible for setting financial policy for the City of Bainbridge Island ("City"); and

WHEREAS, state law, including Chapter 35A.33 RCW, provides guidance for budgets in Code Cities; and

WHEREAS, in accordance with Chapter 35A.34 RCW and Chapter 2.82 BIMC, the City prepares a biennial budget with a mid-biennial review; and

WHEREAS, the City Administration ("Administration") requested, as part of the 2023-2024 biennial budget process, that the Council update the financial and budgetary policies that were adopted by the City prior to 2022; and

WHEREAS, in 2018 the City completed a Facilities Condition Assessment that identified significant deficiencies in City-owned facilities and developed cost estimates for documented issues, and used cost models to predict future capital costs over a 20-year horizon; and

WHEREAS, the City owns and operates a variety of municipal facility assets that must be properly maintained, replaced or reconstructed to ensure that they remain safe, that financial and service level investments are maintained, and that they provide a welcoming and usable space to serve their intended purposes; and

WHEREAS, adequate budget appropriation levels are needed to provide resources for asset management, planning and major maintenance costs of existing City-owned facilities; and

WHEREAS, the City desires to establish a Municipal Facilities Maintenance, Replacement and Reconstruction Policy to provide sufficient planning and funding to meet the City's demands related to maintenance, upgrades, replacement, reconstruction and mitigation needs of facility assets throughout the useful life of such assets; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND DOES RESOLVE AS FOLLOWS:

Section 1. The City Municipal Facilities Maintenance, Replacement and Reconstruction policy as shown in **Exhibit A**, which is attached hereto and incorporated herein by this reference, is established, and set forth in full.

Section 2. Severability. If any one or more sections, subsections, or sentences of this resolution are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this resolution and the same shall remain in full force and effect.

Section 3. This resolution shall take effect and be in force immediately upon its passage.

PASSED by the City Council this 12th day of April 2022.

APPROVED by the Mayor this this 12th day of April 2022.

By: _____
Joe Deets, Mayor

ATTEST/AUTHENTICATE:

By: _____
Christine Brown, MMC, City Clerk

FILED WITH THE CITY CLERK: April 8, 2022
PASSED BY THE CITY COUNCIL: April 12, 2022
RESOLUTION NO. 2022-10

CITY OF
BAINBRIDGE ISLAND

City Municipal Facilities Maintenance, Replacement and Reconstruction Policy
Department of Finance and Administrative Services

Prepared by Finance Director DeWayne Pitts
Initial Development: 4/12/2022

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Policy Statement

The City owns and operates a variety of municipal facility assets including City Hall, the Police and Court facility, the Senior Center Commons building and various storage, park, farm, and other investments that must be properly maintained and eventually replaced or reconstructed to ensure they remain safe, that financial and service level investments are maintained, and that they provide a welcoming and usable space to serve their intended purposes.

Purpose

This policy supports the City in asset management and budgeting efforts and is established to fund the planned replacement, reconstruction, and major maintenance costs of existing City-owned facilities. A separate fund will be created and established by the City Council to account for projects contemplated by this policy. Adequate budget appropriations will be calculated and included in budgets to provide resources for planned projects.

Scope

This policy applies to the City's existing general government municipal facility assets. It includes all facility structures such as City Hall, the Police and Court Facility, the Senior Center Commons building, and various storage, park, farm, and other investments that have an estimated useful life of at least 25 years. It does not include the City's utility owned assets or new planned purchases, land or leased assets. It includes funding for facility replacement or reconstruction and major maintenance as defined under the City's capital asset policy.

Goals

Effective asset management is comprised of several components including:

- Assets need to be regularly assessed so there is up-to-date information on condition and status.
- Assessment information is used to determine maintenance, upgrades, replacement, reconstruction, and mitigation issues.
- Facility asset management includes a plan to address asset lifecycle needs, including replacement, reconstruction, inspections, and maintenance
- A system in place to prioritize asset care and the allocation of limited resources.

It is the intention of this policy to adequately fund major maintenance projects of City-owned facilities to include an additional reserve amount for unforeseen or catastrophic events, plus an additional amount to set aside for eventual replacement or reconstruction of City-owned facilities.

Funding

The municipal facilities renewal and replacement policy may incorporate several available funding sources to pay for major maintenance. These sources vary in legal, grant and other restrictions. This policy will also incorporate and follow an existing financial policy that states when an expenditure is incurred, the City will first consider and target the more restricted funding sources where possible. The following sources, at a minimum, may be considered for allocation to the City Facilities Capital and Maintenance fund:

- Real Estate Excise Tax
- Grants
- General fund reserve transfers
- One-time revenue transfers
- Other sources as appropriate and allowed by policy or legal authority

Authoritative Guidance

Government Finance Officers Association (GFOA)
The Government Finance Officers Association represents public finance officials throughout the United States and Canada. GFOA's mission is to advance excellence in public finance and includes best practices in governmental finance. The following link provides best practices for establishing capital asset renewal and replacement. Strategies for Establishing Capital Asset Renewal and Replacement Reserve Policies (gfoa.org)

City of Bainbridge Island – Capital Asset Policy
The capital asset policy provides guidance on acquisition, inventories, maintenance and the disposal of capital assets.

City of Bainbridge Island – 2018 Facility Condition Assessment
A facility condition assessment was performed in 2018 that will serve as a minimum target consideration to meet funding obligation for major maintenance projects. An updated condition assessment will need to be completed periodically as outlined below under "Procedures" but no less than once every five years.

Roles and Responsibilities

Facility asset management is a shared function between the Public Works Department and the Finance and Administrative Services Department. Public Works is responsible for the asset life cycle process including acquisition, condition assessment, maintenance, cost estimates and the disposal of assets. Finance is responsible for the budgeting, recording, depreciation, physical inventory, and update of a physical asset list.

Finance will also oversee the administration of the municipal facilities fund and calculate an annual budget appropriation. The final appropriation of funds is the responsibility of the City Council.

Procedures

Condition Assessment of Existing Municipal Facilities

The City will conduct a systematic condition review of all facility assets no more than every five years. The assessment will include scoring criteria, asset useful lives used for assessments, project justification and estimated cost to replace or repair. Major repairs may be capitalized following the City's Capital asset policy. Operating project costs that are not capitalized will follow the procedures of this policy for determining appropriation into the fund as outlined in "Budget appropriation funding" below. Cost estimates from the assessment will be used to determine an estimate for adequate funding for needed asset improvements.

Budget appropriation funding

The budget appropriation for funding the Municipal Facilities Maintenance, Replacement, and Reconstruction fund each year shall be calculated using the following components:

- Six year planned Facilities Operating projects planned in the City operating budget plus;
- An amount to be calculated for existing building replacement or reconstruction such as current depreciation or some other reasonable method of calculation that will support projects such as facility replacement or reconstruction over the estimated useful life.

*Note that any 6-year Facilities Capital Improvement Plan projects that meet City capitalization thresholds will be funded separately in the Capital Construction Fund and identified in the 6-year Capital Improvement plan and will not directly affect this fund. If there is a purchase of a new City facility, it will be factored into future consideration once it has been placed into service.

Major Facility Replacement or Reconstruction

The future replacement or reconstruction of major facilities may be initially funded using an amount equal to the annual depreciation expense or some other reasonable method of calculation of major facility buildings over their expected useful lives. Utilizing depreciation to fund major facility replacement or reconstruction should be considered a starting point and will not typically generate enough funds for capital replacement needs because the cost of replacing or reconstructing facility assets generally increases over time and may exceed the original cost. Periodic review and the facility condition assessment will be used to determine if additional replacement funds are needed and if funds accumulated are reasonable in amount. If replacement revenue received over the life of an asset is insufficient to cover the facility replacement or reconstruction, the funding decision for the incremental difference may be made on a case-by-case basis depending on the nature and extent of the difference and the short- and long-term impact on the fund balance, operating budget, and future asset replacement schedules. Conversely, if funds accumulated in the fund are determined to be excessive, an adjustment to future rates may be considered.

Unfunded Mandates

An unfunded mandate is a statute or regulation that requires a state or local government to perform certain actions, with no money provided for fulfilling the requirements. Compliance with these mandates affects the City's work plan and expenditures without any corresponding increases in revenue.

Examples of numerous unfunded mandates placed on the City are listed below:

- American with Disabilities Act (ADA) Requirements
- Commute Trip Reduction
- Endangered Species Act – Salmon Recovery
- Family Medical Leave Act Requirements
- Federal Clean Water Act
- Hazardous Waste Management – EPA Requirements
- Homeland Security
- Maintenance Cost of State Highways (when the City reaches 25,000 in population)
- Model Toxics Control Act Requirements
- National Pollutant Discharge Elimination System (NPDES) Storm Water Standards
- Open Public Record Act Requirements
- Prosecution of State Traffic Law Violators
- Providing a Public Defender
- Puget Sound Clean Air Authority Standards
- Safe Drinking Water Act
- Prosecution of State Traffic Law Violators
- Prosecution of State Traffic Law Violators
- Shoreline Management Act and Shoreline Master Program Standards
- State Environmental Protection Act (SEPA) 90-Day Issuance Requirement
- State Solid Waste Guidelines and Disposal Requirements
- US Consumer Product Safety Commission Standards
- Washington State Growth Management Act Requirements

2022 IAM Salary Pay Scale & Step Increases

Annual and monthly salaries, in effect at start of first pay period immediately following ratification

		Steps								
Range	**Title**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
11	Parking Enforcement Officer	50,589	52,051	53,552	55,077	56,665	58,279	59,956	61,683	63,448
	Maintenance Technician I	4,216	4,338	4,463	4,590	4,722	4,857	4,996	5,140	5,287
	PerPayPeriod	2,108	2,169	2,231	2,295	2,361	2,428	2,498	2,570	2,644
12	Court Security Officer *	55,669	57,258	58,897	60,573	62,338	64,116	65,969	67,847	69,801
	Judicial Specialist	4,639	4,772	4,908	5,048	5,195	5,343	5,497	5,654	5,817
	Administrative Specialist II									
	Utilities Technician I									
	PerPayPeriod	2,320	2,386	2,454	2,524	2,597	2,671	2,749	2,827	2,908
13	Senior Judicial Specialist									
	Payroll Specialist	61,216	62,981	64,784	66,662	68,566	70,532	72,537	74,629	76,785
	Senior Accounting Technician	5,101	5,248	5,399	5,555	5,714	5,878	6,045	6,219	6,399
	Administrative Specialist III *									
	Permit Specialist									
	Senior Police Clerk									
	Evidence Technician									
	Maintenance Technician II									
	PerPayPeriod	2,551	2,624	2,699	2,778	2,857	2,939	3,022	3,110	3,199
14	Accountant									
	Arborist									
	Code Compliance Officer									
	Building Inspector/Plans Examiner									
	Deputy City Clerk	67,343	69,284	71,276	73,318	75,411	77,579	79,798	82,105	84,487
	Planner									
	Signs & Markings Specialist II									
	Mechanic II	5,612	5,774	5,940	6,110	6,284	6,465	6,650	6,842	7,041
	Water Resource Technician									
	Treatment Plant Operator II									
	Utilities Technician II									
	PerPayPeriod	2,806	2,887	2,970	3,055	3,142	3,232	3,325	3,421	3,520

2022 IAM Salary Pay Scale & Step Increases

Annual and monthly salaries, in effect at start of first pay period immediately following ratification

		Steps								
Range	Title	1	2	3	4	5	6	7	8	9
15	Senior IT Specialist									
	GIS/CAD Specialist									
	Associate Planner	74,075	76,205	78,386	80,630	82,962	85,332	87,803	90,312	92,909
	Construction Inspector									
	Mechanic III	6,173	6,350	6,532	6,719	6,914	7,111	7,317	7,526	7,742
	Financial Analyst									
	Maintenance Technician III									
	PerPayPeriod	3,086	3,175	3,266	3,360	3,457	3,556	3,658	3,763	3,871
16	Treatment Plant Operator III									
	Utilities Technician III									
	NPDES Permit Coordinator	81,487	83,819	86,240	88,698	91,257	93,879	96,577	99,338	102,199
	Senior Planner									
	Engineering Specialist (Water Resources)	6,791	6,985	7,187	7,392	7,605	7,823	8,048	8,278	8,517
	Engineering Project Manager									
	Operations Project Manager									
	PerPayPeriod	3,395	3,492	3,593	3,696	3,802	3,912	4,024	4,139	4,258
17	Engineer I	89,630.88	92,214.96	94,862.40	97,585.44	100,371.60	103,258.08	106,220.88	109,258.80	112,385.04
	Survey Program Manager	7,469	7,685	7,905	8,132	8,364	8,605	8,852	9,105	9,365
	PerPayPeriod	3,735	3,842	3,953	4,066	4,182	4,302	4,426	4,552	4,683
18	Engineer II	98,607	101,418	104,355	107,330	110,431	113,595	116,848	120,201	123,642
	Senior Plan Check Engineer	8,217	8,451	8,696	8,944	9,203	9,466	9,737	10,017	10,304
	PerPayPeriod	4,109	4,226	4,348	4,472	4,601	4,733	4,869	5,008	5,152

**Employees in these classifications on Jan. 1, 2015 will be red-lined, but will receive future cost-of-living-adjustments. Future employees hired into these classifications will be subject to the salary ranges above.*

2022 Unrepresented Pay Scale & Step Increases

Range	Title	Steps 1	2	3	4	5	6	7	8	9
14	Harbormaster	67,344	69,282	71,268	73,312	75,407	77,582	79,805	82,098	84,486
	Monthly	5,612	5,774	5,939	6,109	6,284	6,465	6,650	6,842	7,041
15	Executive Assistant*, HR Analyst	74,082	76,211	78,386	80,632	82,950	85,338	87,797	90,304	92,904
	Monthly	6,174	6,351	6,532	6,719	6,912	7,111	7,316	7,525	7,742
16		81,484	83,824	86,236	88,696	91,249	93,874	96,570	99,336	102,197
	Monthly	6,790	6,985	7,186	7,391	7,604	7,823	8,047	8,278	8,516
17	Climate Mitigation/Adaptation Officer, Court Administrator, Communications Coordinator, Senior Financial Analyst, Public Works Administrative Supervisor, Public Safety Administrative Supervisor	89,641	92,219	94,853	97,586	100,376	103,261	106,217	109,268	112,412
	Monthly	7,470	7,685	7,904	8,132	8,365	8,605	8,851	9,106	9,368
18	City Clerk, Deputy City Attorney, Emergency Management Coordinator, Public Works Supervisor	98,603	101,426	104,349	107,328	110,426	113,595	116,844	120,192	123,644
	Monthly	8,217	8,452	8,696	8,944	9,202	9,466	9,737	10,016	10,304
19	Accounting Manager, Budget Manager, Engineering Manager, Current Planning Manager, Building Offical, IT Manager, HR Manager, Project Executive	108,459	111,572	114,774	118,068	121,456	124,942	128,528	132,217	136,012
	Monthly	9,038	9,298	9,564	9,839	10,121	10,412	10,711	11,018	11,334
20	Public Works Manager	119,304	122,730	126,251	129,875	133,602	137,436	141,381	145,439	149,613
	Monthly	9,942	10,227	10,521	10,823	11,133	11,453	11,782	12,120	12,468
21	Deputy Police Chief	126,792	130,405	134,122	137,945	141,877	145,919	150,078	154,355	159,016
	Monthly	10,566	10,867	11,177	11,495	11,823	12,160	12,506	12,863	13,251

2022 Unrepresented Pay Scale & Step Increases

		Steps								
Range	Title	1	2	3	4	5	6	7	8	9
22	City Attorney, Police Chief, Finance & Administrative Services Director, Public Works Director, Planning & Community Development Director	139,488	143,463	147,552	151,758	156,082	160,532	165,107	169,812	174,907
	Monthly	11,624	11,955	12,296	12,646	13,007	13,378	13,759	14,151	14,576
23	Deputy City Manager	153,437	157,810	162,307	166,933	171,691	176,585	181,617	186,794	192,397
	Monthly	12,786	13,151	13,526	13,911	14,308	14,715	15,135	15,566	16,033
25	City Manager	202,279								
	Monthly	16,857								

CITY OF BAINBRIDGE ISLAND
POLICE PAY SCALE - 2023

Grade	Patrol Officer	Step A	Step B	Step C	Step D	Step E
1	Annual	83,203	88,062	93,186	98,618	104,358
	Monthly	6,934	7,338	7,765	8,218	8,696
	Per Pay Period	3,467	3,669	3,883	4,109	4,348

Grade	Corporal	Step A	Step B	Step C	Step D	Step E
1.5	Annual	-	-	-	109,594	114,802
	Monthly	-	-	-	9,133	9,567
	Per Pay Period	-	-	-	4,566	4,783

Grade	Sergeant	Step A	Step B	Step C	Step D	Step E
2	Annual	-			119,324	126,268
	Monthly	-			9,944	10,522
	Per Pay Period	-			4,972	5,261

Glossary – Finance, Accounting and Municipal Debt

Acceleration – A remedy for default that allows the bondholder or lender to declare the unpaid balance immediately due and payable.

Accrual Basis – The basis of accounting under which transactions are recognized when incurred regardless of the timing of related cash receipts and disbursements. This is the basis of accounting used by most large private corporations. The City uses the accrual basis to account for year-end accounting and reporting of Proprietary Funds such as the City's utility funds and for the Government-wide Financial Statements required by GASB Statement No. 34.

Acquired Purpose Obligations – A term used in IRS regulations to describe loans taken out to meet a municipality's governmental obligations.

***Ad Valorem* Tax** – Property tax.

Additional Bonds Test – A covenant that an issuer will not issue new additional bonds that will have a claim to revenues already pledged to outstanding bonds, unless certain financial or other requirements are met.

Advance Refunding – Issuance of new bonds to repay an outstanding bond issue prior to its first call date in order to capture savings (in the form of a lower interest rate), or to change covenants or other provisions. Generally, the proceeds of the new issue are invested in government securities, which are placed in escrow. The trustee or escrow agent uses these maturing government securities to pay interest the old issue until its first call date, at which point it is called and repaid.

Agreement Among Underwriters (AAU) – The contract set up between members of an underwriting syndicate, stipulating the activities of each member.

Amortization Schedule – The schedule of principal and interest payments for the elimination of debt.

Any Interest Date Call – A call feature under which an issuer can redeem outstanding securities on any interest payment date, after the first call date.

Appropriation – An authorization by a legislative body to set aside cash for a specific purpose.

Arbitrage – The practice of buying and selling in different markets to profit from a spread in prices or yields resulting from market conditions. Except in limited circumstances, municipal issuers are generally prohibited from selling bonds in the tax-exempt market, and turning around to invest the proceeds in higher-yielding taxable market in order to earn profits. Any such arbitrage profits must be rebated to the U.S. Treasury.

Artifice or Device – A term used in section 103 of the IRS code to describe a transaction that enables the issuer to gain arbitrage profits.

Assessed Valuation – The valuation placed on real estate by the Kitsap County Assessor's Office as the basis for levying property taxes.

Assessment – The valuation placed on property for the purposes of taxation. Also used as the charges made against properties included in a local improvement district, generally called special assessments.

Assessment Bonds (or **Local Improvement District Bonds**) – Bonds the repayment of which is secured by special assessments paid by property owners whose property receives a special benefit from the bond-financed improvement.

Auction Rate Securities (ARS) – Variable rate securities in which the interest rate is reset periodically (daily, weekly or monthly), based on the results of a dutch auction.

Authority – A unit or agency of a municipality established to perform a

single function or group of functions, usually supported by user fees.

Authorization Ordinance – A law that allows a municipality to sell a specific bond issue or finance a specific project.

Average Annual Debt Service (AADS) – The average amount of total debt service due in each year over the life of the bonds.

Average Effective Interest Cost – The average interest rate on a bond issue, including all issuance costs, expressed as either net interest cost or true interest cost.

Average Life – The average length of time an issue of bonds with mandatory sinking funds is expected to remain outstanding.

Baby Bond – A denomination issued in less than $1,000, also known as a mini-bond.

Balloon Maturity or **Balloon Payment**– A large proportion of bond principal maturing in a single year.

Back-Loaded Debt – A debt service structure in which total debt service payments are lower in the early years and increase toward the final maturity. This is typically accomplished with smaller principal maturities in the early years, balloon payments, "zero-coupon" bonds or capitalized interest bonds.

Balanced Budget – Estimated expenditures for the fiscal year shall not exceed the total of the estimated revenues for the fiscal year plus the expected fund balance at the close of the preceding fiscal year. Loan proceeds are not used to balance the budget.

Bank Qualified (BQ) – Bonds issued by municipalities that anticipate selling less than $10 million in bonds in a given calendar year. Certain financial institutions that buy these securities are allowed to deduct 80 percent of the interest expense incurred to buy them.

Basis of Accounting – The structure used to determine when financial transactions are recognized. The primary methods used by municipalities are cash basis, modified accrual and full accrual basis.

Basis point – One one-hundredth of a percent (0.01%). One hundred basis points equal 1 percent. Used in discussing the pricing and yields of bond issues.

Benefits Employee benefits including employer taxes (social security, medicare, and worker's compensation) and City-paid benefits such as health insurance, life insurance, uniform cleaning/replacement and State-mandated retirement contributions.

Bid – The price offered by prospective purchasers of securities.

Bid Wanted – A listing of securities put out by a dealer asking for bids on part or all of them.

Black-box Deal – Term to describe a variety of abusive bond issues sold in the 1980s in which the proceeds were used to earn arbitrage profits and nothing more.

Blind Pool – A bond issue sold without the specific borrowers or projects they wish to finance known in advance.

Block – A large amount of bonds trading in the market, generally speaking, $100,000 or more.

Blue List – A daily publication by Standard & Poor's, printed on distinctive blue paper, showing what dealers are offering for sale from their inventory in the so called secondary market. The *Blue List* volume is the total par value of all bonds offered for sale in the publication, properly entitled *The Blue List of Current Municipal and Corporate Offerings.*

Blue Sky Law –A term referring to various state laws enacted to protect the public against securities fraud.

Boilerplate – Commonly repeated legal sections of an official statement, which vary little from transaction to transaction.

Bond – A promise by an issuer to repay a stated principal amount, which obligation will accrue interest at a stated rate. Bonds typically have an average life of 3 years or more. Securities with shorter maturities are termed notes (3 years or less) or commercial paper (12 months or less).

Bond Anticipation Note (BAN) – A short-term borrowing (usually 3 years or less) that the issuer anticipates retiring with

the proceeds of a bond sale. Typically used during a construction period before final costs are known. *See also Tax Anticipation Note (TAN), Revenue Anticipation Note (RAN), Tax and Revenue Anticipation Note (TRAN), Grant Anticipation Note (GAN).*

Bond Bank – State bond banks bundle debt offerings from small issuers into larger offerings, to create advantages of scale.

Bond Buyer, The – The daily, and only, newspaper of record of the municipal market, published since 1891. The paper was known first as *The Daily Bond Buyer* and changed its name to the current one in 1987.

Bond Buyer Index – Generally used in reference to The Bond Buyer 20-bond general obligation (GO) bond index, which is calculated weekly using 20 GO bonds maturing in 20 years. The index has a rating roughly equivalent to a double-A. Eleven of the same bonds are also used to calculate an index equivalent to a double-A-plus.
The 20- and 11-dond indexes were compiled monthly from 1917 to 1946; they are now compiled weekly. The record high for the 20-bond index was 13.44 percent, which it hit on January 14, 1982. The record low was 1.29 percent; which it posted on February 14, 1946. The record high for the 11-bond index was 13.05 percent; the record low 1.04 percent. *The Bond Buyer* started a weekly revenue bond index in 1979, comprising 25 revenue bonds maturing in 30 years, with an average rating of A-plus. Its high was 14.32 percent, also reached in January 1982. In 1989 the newspaper also started a short-term tax exempt note index calculating using 10 various note issuers. The bond issuers used in the calculation of all of the indexes change from time to time, as their fortunes rise or fall.

Bond Buyer Municipal Bond Index – An index of bond prices designed by the Chicago Board of Trade used in trading municipal bond futures, and sometimes used by observers as a benchmark in assessing the state of the municipal market.

Bond Contract – Terms of the agreement between issuer and buyer, typically including the bond resolution, trust indenture, and various security provisions.

Bond Counsel – A lawyer who typically represents the bond issuer, reviews the transaction, and writes an opinion on its legality, security, and tax status.

Bond Election – The process by which voters approve or reject the sale of unlimited tax general obligation (UTGO) bonds.

Bond Fund – An issuer's debt service repayment fund, into which all money collected for the repayment of bonds is deposited.

Bond Insurance – A policy written by a mono-line insurance company that guarantees payment to bondholders of principal and interest payments when due, resulting in a higher credit rating, lower borrowing cost, or enhanced marketability for the bonds.

Bond Ordinance or **Bond Resolution** – A legal document describing the terms and conditions of the offering, the rights of the bondholder, and the obligations of the issuer.

Bond Proceeds – The amount of money received by the issuer in exchange for an issue of bonds.

Bond Purchase Agreement (BPA) or **Bond Purchase Contract (BPC)** – The contract between the issuer and the underwriter setting the terms, prices, and conditions of the sale.

Bond Rating – The series of letters, numbers, and symbols used by rating agencies to designate the credit quality of an issuer's securities.

Bond Register – A record, kept by a transfer agent or bond registrar on behalf of an issuer, of the names and addresses of registered bond owners.

Bond Registrar – The person or entity who maintains the bond register. In Washington, typically the State's Fiscal Agent (currently The Bank of New York) acts as registrar for most governmental

issuers. A trustee, treasurer or finance officer may alternatively be appointed as bond registrar.

Bond Transcript – The legal documents associated with a bond offering.

Bond Year – $1,000 of debt outstanding for one year. The number of bond years in an issue is the number of bonds times the number of years from the dated date to maturity. The number of bond years is used in calculating the average life of an issue and its net interest cost.

Bonded Debt – The portion of an issuer's total indebtedness as represented by outstanding bonds.

Book – Presale orders for a new bond issue, based on preliminary price levels. The syndicate member who keeps track of orders is said to be the senior book running manager.

Book-Entry – Securities in the form of entries in the issuer's or a clearing house's books, rather than in the form of paper certificates with coupons. All but the smallest bond issues are sold in book-entry format.

Broker – An agent between buyers and sellers of securities. Brokers' brokers handle inter-dealer transactions.

Budget – The City's plan for financial operations during the coming year as approved by ordinance of the City Council. Also refers to the published document containing that plan.

Budget Amendment – A change to a budget adopted in accordance with State law. A budget may be amended by ordinance when unanticipated revenues or expenditures occur. The City Manager is authorized to amend budget expenditures within a single fund without City Council approval provided overall expenditures for the fund are not increased.

Budgetary Basis – The basis of accounting under which the City's budget is prepared. The City budgets are prepared using the modified accrual basis of accounting and include the assumption that all budgeted activities will be completed in the budget year except where indicated otherwise. Some expenditures are not budgeted such as the recognition of depreciation in the City's Utility Funds. Capital asset purchases are recognized for budget purposes as expenditures in the year the cash outlay occurs.

Budgeting, Accounting & Reporting System (BARS) – The chart of accounts established by the State Auditor's Office and required to be used by all governments within the State.

Calendar – The list of upcoming bond sales.

Call – Redemption of a bond prior to maturity. The first call is usually 10 years away, at par, although most issuers allow for earlier calls at a premium of 101 or 102.

Call Provision – A provision permitting an issuer to redeem a bond prior to its stated maturity date.

Call Premium – An amount, usually stated as a percentage of the principal amount, paid as a "penalty" or a "premium" for the exercise of a call provision.

Callable Bonds – Bonds that may be redeemed by the issuer prior to the stated maturity date. Typically, a first call date is 10 years from issuance, at a price of par plus interest accrued to the call date. Other call provisions (and premiums) can be negotiated.

Canadian Interest Cost (CIC) – A method of calculating the interest cost, as a percentage, of a bond issue. Not used as often as the net interest cost (NIC) method.

Capital Appreciation Bond (CAB) – A bond purchased at a deep discount to face value, for which principal and all interest are due at maturity. Also called a capitalized interest bond or compound interest bond.

Capital Expenditures – Expenditures for acquisition of or improvement to assets with a fixed or permanent character such as land and buildings.

Cash Basis – The basis of accounting under which transactions are recognized when cash is received or disbursed.

Closing – The point in the sale at which an issuer delivers securities to the underwriters, and receives the proceeds.

Competitive Sale or **Competitive Bid** – The sale of bonds to a purchaser based on bids submitted electronically at a specified time.

Comprehensive Plan (Comp Plan) – Plan required by the Growth Management Act to accommodate the population growth anticipated over the next 20 years. The Plan must show what public facilities are needed and how the local government plans to pay for those facilities during the first six years of the period. Projects in the City's annual budget are required to conform to the City's Plan.

Conduit Financing – A financing structure in which an issuer sells bonds and then lends the proceeds, pursuant to a loan agreement, to a borrower. The bond issuer promises to repay the bonds using the loan repayment amounts received from the borrower.

Contingent Loan Agreement – A form of credit enhancement whereby an entity independent of the issuer agrees to provide credit enhancement to an issuer in the form of one or more loans. For example, a public development authority (PDA) may obtain a guarantee from the city that created it that if the PDA is unable to make debt service payments, the city will provide additional funds to the PDA to be used for that purpose. See also *Guaranty Agreement.*

Continuing Disclosure – An issuer's obligation to provide ongoing updates of information regarding the issuer's financial condition, pursuant to a written Undertaking to Provide Continuing Disclosure, to the NRMSIRs and other specified market participants.

Core Services Expected level of traditional and community-driven services delivered by the City to its citizens.

Councilmanic Debt – Bonds authorized to be issued by a City Council (or other local governing body) without a vote of the people.

Coupon – The rate of interest to be paid by the issuer. Formerly, physical coupons were attached to bond certificates. They would literally be clipped and brought to a bank or paying agent and presented for payment. Such certificated bonds are very rare today.

Covenant – A legally binding commitment by the issuer to the bondholder.

Cover Bid – The second-best bid received at a competitive sale.

Coverage – A ratio of the amount of project or utility revenues to the expected debt service requirements during a given 12-month period. Typically expressed in a covenant as a promise, e.g., to keep utility rates high enough to produce 1.25 times average annual debt service.

Credit Enhancement (or Credit Support) – Additional security provided for an issue of bonds. Examples of credit enhancement include bond insurance, guarantee agreements, contingent loan agreements, and letters of credit.

Dated Date – The date from which interest on a bond will accrue, usually the issue date.

Debt Per Capita – The ratio of bonded debt divided by population.

Debt Service Reserve Fund (DSRF) – A separate fund established in revenue bond issues as a reserve for the payment of debt service, into which an issuer may typically deposit cash, securities or reserve sureties. *See Reserve Requirement.*

Default – Failure to comply with terms of a bond issue, which may include making timely payment of principal and interest and other covenants.

Defeasance – Placement of cash or securities into an escrow or trust account to be used by the escrow agent or trustee for the payment of principal of and interest on bonds when due. Defeased bonds are no longer treated as "outstanding" debt.

Deficit – The excess of liabilities of a fund over its assets or the excess of expenditure over revenues during the accounting period. As used in State law relative to the budget, a deficit only occurs when expenditures exceed the sum of revenues and beginning cash balances.

Denomination – The face or par amount that the issuer promises to pay at a specific bond or note maturity.

Depository – A business that provides immobilization, safekeeping, and book-entry settlement services to its customers.

Designated Order – When a buyer gives credit to a certain dealer or dealers in an underwriting group.

Direct Debt – The debt that a municipality incurs in its own name.

Discount Bonds – A bonds initially sold at a price that is less than par, meaning that the issuer receives less in payment than the stated face value of the bonds. The amount of premium is usually described as a percentage below par. (For example, a $100,000 face value bond might sell for 99% or $99,000.) A purchaser buying discount bonds must consult their tax advisor regarding the tax treatment of discount bonds.

Dollar Bonds – Bonds that are quoted in terms of price rather than yield. These are the biggest and most common issues in the market and trade relatively frequently.

Double-Barreled Bond – A bond with two distinct revenue sources pledged to repayment, most typically a specific (but often narrow and subject to fluctuation) revenue stream and a broader stream such as a general obligation pledge.

Downgrade – A reduction in a bond rating.

Due Diligence – The investigation of a bond issue, by underwriter's and issuer's counsel, to ensure that all material facts related to the issue have been disclosed to potential buyers in the official statement (OS).

Duration – The sum of the present values of each of the principal and interest payments of a security, weighted gy the time to receipt of each payment, divided by the total of the present values of the payments. Unlike average life or average maturity, duration takes into account the timing of both principal and interest payments.

Dutch Auction – An auction at which purchasers submit bids stating the lowest interest rate they will accept for a stated amount of bonds, and bonds are distributed among the purchasers, beginning with the lowest bidder, at the price bid by the last bidder to receive an allocation (the "clearing price"). Bids will be filled from the lowest yield (price offering the highest premium) until the entire issue has been allocated.

Encumbrance – The commitment of funds for a specific purchase of goods or services which reserves part of the appropriation (budget) of the department making the commitment. Used as a tool to prevent spending the same amount twice.

Enterprise Fund – A fund established to account for operations financed in a manner similar to a private business enterprise. In an Enterprise Fund, the cost of providing goods or services is fully recovered through user charges. The City's Enterprise Funds are the Water, Sewer, SSWM and Building & Development Services funds.

Escrow Account – A trust account established for a particular purpose, typically in conjunction with a refunding or defeasance of bonds.

Expenditures – Decreases in net current assets. Expenditures include debt service, capital outlays and those current operating costs which require the use of current assets.

Face Amount – The principal amount stated on a bond. *See also Par Value.*

Feasibility Study – A report by an independent expert on the economic need and practicality of a proposed program.

Federal Tax Code (or **Code**) – The Internal Revenue Code of 1954, as amended, and related interpretations.

Fiduciary Fund – Funds used to report assets held in a trustee or agency capacity for others and which cannot be used to support the government's own programs. The fiduciary fund category includes pension and other employee benefit trust

funds, investment trust funds, private-purpose trust funds and agency funds.

Financial Adviser (FA) – A finance professional hired to advise an issuer on finance matters including structuring of a proposed transaction, appropriateness of issuing debt and related issues.

Financial Capacity Analysis – An analysis of the community's ability to pay for capital facilities (roads, schools, parks, utilities, etc.) which would be required to provide service to its expected population over the six year planning horizon required by the State of Washington as part of the Comprehensive Planning Process

Fiscal year – A 12-month period not necessarily corresponding to the calendar year.

Floating Rate Bond or **Floater** – An obligation bearing interest at a variable rate that is reset periodically, ranging from daily to annually.

Flow of Funds – Typically a covenant requiring amounts to be paid into and out of specific funds in a particular order, ensuring that available money is applied first to the highest priority uses.

Full Faith and Credit – A pledge of any and all resources available to an issuer, including general taxing power, to repay its debt obligations.

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

In governmental accounting, funds are classified into three categories and seven generic fund types:

- *Governmental Funds*
  - General Fund
  - Special Revenue Funds
  - Debt Service Funds
  - Capital Projects Funds
- *Proprietary Funds*
  - Enterprise Funds
  - Internal Service Funds (accounts for services provided by one department to another)
- *Fiduciary Funds*

Fund Balance – The difference between assets and liabilities reported in a governmental fund.

GASB 34 – Governmental Accounting Standards Board (GASB) Statement No. 34 which dictates how governments structure their financial reporting. The standard requires that Government-wide financial statements be prepared using accrual basis accounting and incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units.

General Obligation (GO) – A security backed by the full faith and credit of a municipality. General obligation debt is typically thought of as being backed by *ad valorem* property taxes. *See also Limited Tax General Obligation and Unlimited Tax General Obligation.*

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for financial accounting and reporting used to provide a consistent standard by which to measure financial presentations. The City of Bainbridge Island prepares its annual reports in accordance with GAAP (except as noted in the reports); however, GAAP is not used in the preparation of the City's annual budgets.

Global Certificate – A single certificate representing an entire issue, kept at a depository or book-entry agent.

Good Faith Deposit – A sum of money, usually 2 percent of par value, given by bidders to issuers when they bid for competitive deals. The sum, usually given as a cashier's or certified check, is returned to the bidder if the bid is rejected.

Grant Anticipation Note (GAN) – Short-term debt (usually three years or less) that is issued in anticipation of receiving a grant and is secured by those grant funds.

Grants – Assets, usually cash, given by one organization to another. The recipient is

the City and the grantor (donor) is usually the State or Federal government. It is illegal for Washington cities to make grants to private parties, including charities.

Gross Revenues – Typically includes all revenues received by a project (or an issuer) before payment of expenses for operation, maintenance or debt service.

Group Net Order – An order confirmed to the buyer where the sales credits benefit all members of the underwriting group.

Growth Management Act (GMA) – Legislation passed by the Washington State Legislature in 1990 which requires that certain cities and counties plan for population growth and to identify funding alternatives for the facilities needed by the increased population. The resulting plan is called the Comprehensive Plan.

Guaranteed Investment Contract (GIC) – An investment vehicle in which a financial institution guarantees a specified rate of return on investment. In Washington, true GICs are rare, and more commonly issuers invest bond proceeds in repurchase agreements (or "repos") in which a financial institution sells investment securities to the issuer and promises to repurchase those securities at a definite time in the future for a stated price.

Guaranty (Guarantee) Agreement – A form of credit enhancement whereby an entity independent of the issuer agrees to provide credit enhancement to an issuer. For example, a public development authority (PDA) may obtain a guarantee from the city that created it that if the PDA is unable to make debt service payments, the city will provide additional funds to the PDA to be used for that purpose. See also *Contingent Loan Agreement*.

High-grade Bonds – Top-rated bonds, usually triple-A.

Hospital Revenue Bonds – Bonds sold by a state or local agency to finance construction of a hospital or nursing home, which is then operated under lease by a corporation.

Housing Bonds – Bonds issued by a state or local agency to finance construction of housing, and secured by mortgages. There are two types: single-family bonds, sold to provide residential mortgages, and multi-family, bonds sold to construct apartment buildings.

Impact Fees – Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g., parks, sidewalks).

Indenture or **Trust Indenture** – A legal document creating a "trust estate" comprising the security for repayment of bonds. The indenture describes the terms and conditions of a bond offering, the rights of the bondholder, and the obligations of the issuer to the bondholder. Typically used in revenue transactions, and replaced by a bond ordinance or bond resolution for most general obligation bonds.

Industrial Development Bond (IDB) (or **Industrial Revenue Bond (IRB))** – Tax-exempt securities sold by a public agency to finance qualifying facilities for private enterprises, such as water and air pollution control, ports, airports, resource recovery plants, and housing. The bonds are usually repaid by revenues from the corporate beneficiary.

Interest Rate Swap – An agreement between two parties to exchange future flows of interest payments. One party agrees to pay the other a fixed rate; the other pays the first party an variable rate usually tied to a short-term index.

Interfund Transactions – Transactions between funds including interfund loans, services provided and/or used, transfers & reimbursements.

Inverted Yield Curve – A market environment when short-term interest rates are higher than long-term rates. A typical yield curve shows lower short-term interest rates and higher long-term rates.

Investment Grade – Designation given by a rating agency to a security in one of its

top four categories, ranging from triple-A to BBB and Baa.

Joint and Several Obligation – A form of contract in which each of the signers is obligated for the full contract amount if other signers should default.

Junior Lien Bonds – Bonds issued with a subordinate claim against pledged revenues. Not associated with general obligation bonds.

Junk Bonds – Bonds rated lower than Baa by Moody's and BBB by Standard & Poor's.

Lease Financings – A financing structure in which an issuer enters into a lease for equipment and/or facilities that it typically will acquire at the end of a stipulated period.

Legal Opinion – The written conclusion of a lawyer about a bond's security, legality, and tax status.

Letter of Credit (LOC) – A form of security that provides liquidity and credit support, primarily for variable rate transactions. A financial institution promises to make cash available under certain conditions for debt service payments on behalf of the issuer or to be drawn during a remarketing or mode reset of variable rate demand obligations.

Level Debt Service – A debt service structure in which total principal and interest payments are approximately equal in each year over the life of the debt.

Levy Rate – The amount of taxes stated in terms of tax dollars per $1,000 of assessed valuation of real or personal property for the determination of property taxes.

Liability – Debt or other obligations.

Limited Tax General Obligation Bonds (LTGOs) – A general obligation bond that is secured by the pledge of the full faith and credit of an issuer, including *ad valorem* tax revenues, all within the property tax limits under the state constitution and state law without a vote. *See also Councilmanic Debt or Nonvoted Debt.*

Line of Credit – A type of debt instrument in which a borrower may draw funds, up to a maximum amount, and repay the principal plus interest, which is usually a variable rate that is set at the time a draw is made. Frequently used for short-term notes and during construction periods.

Local Improvement District (LID) – An area in which property owners are subject to compulsory special levies to pay for part or all of the cost of specific improvements deemed to benefit those specific properties.

Level of Service (LOS) – A standard or goal specifying the amount and/or quality of service to be provided in a particular area.

Managers – The chief members of an underwriting syndicate. The senior or book-running manager handles both the administration and allotment of the transaction.

Mandatory Redemption – A required redemption of bonds or a portion of a maturity of bonds, prior to the stated maturity. Used with term bonds or under extraordinary circumstances such as a default or sale of bond-financed property.

Mark to Market – Taking the actual, market value of a portfolio of securities.

Market Maker – A bank or underwriting firm that stands ready at any time to make a bid or an offer on a security.

Maturity – The date on which the principal amount of a security is due and payable.

Maximum Annual Debt Service (MADS) – The highest total debt service due in any given year over the life of a bond issue.

Mode or **Interest Rate Mode –** Provision in bond documents permitting a change in how interest is calculated, permitting changes between fixed rate and variable rate options, under specified circumstances.

Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund spending measurement focus. Under this basis, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The City uses this basis in

accounting for all funds when preparing and reporting budgetary information.

Moral Obligation Bond – A municipal bond that is not backed by the full faith and credit of an issuer. The issuer has no legally enforceable obligation to pay.

MSRB – The Municipal Securities Rulemaking Board.

Multi-Modal Bonds – A bond issue in which the method of calculating interest may be changed from one interest rate mode to another under specified circumstances.

Municipal Research & Services Center – An organization funded by the State of Washington that provides advice to cities and counties at no cost. The advice includes legal advice, policy guidance and technical help. The organization also maintains a library of materials relevant to local governments.

Negotiated Sale – The sale of bonds to an underwriter selected by the issuer before the sale date.

Net Interest Cost (NIC) –Represents the average coupon rate of a bond issue, weighted to reflect the term of the bonds and adjusted for the premium or discount. It does not consider the time value of money, as does true interest cost (TIC). [NIC = (total coupon interest +(-) discount (premium)) / bond years]

Net Revenues – Typically defined as gross revenues less operating and maintenance expenses.

Notes – Short-term borrowings, usually maturing in less than three years. Used to cover seasonal cash flow needs or interim financing.

NRMSIR – A nationally recognized municipal securities information repository designated by the SEC.

Official Statement (OS) – A document prepared to provide potential bond purchasers with all material information about a bond issue, the security and sources of repayment for the bonds, the issuer and its financial condition. The SEC requires that an underwriter obtain from the issuer an OS for any publicly marketed bond issue of over $1 million.

Operating Expenditures – Ongoing current expenditures to pay for the normal, recurring costs of the City.

Ordinance – A law passed by a local government.

Original Issue Discount (OID) / **Original Issue Premium (OIP)** – The discount (or premium) below (or above) the stated par amount of a bond that the initial purchaser pays to the issuer of a bond. For example, the *coupon* may be 4.00%, but the initial purchaser may offer to pay a price of 4.05% or 3.95%. The IRS has detailed rules on how bond purchasers must treat OID or OIP for income tax purposes.

Overlapping Debt – The proportionate share of debt issued by overlapping taxing jurisdictions (such as a park district or school district), in addition to an issuer's own direct debt obligations, for which the issuer's taxpayers may also be responsible. Used as a measure by bond rating agencies and potential purchasers to gauge the taxpayers' overall debt burden and their ability to repay.

Parity Bonds – More than one series of bonds, which may be issued at different times, but are payable from the same source of pledged funds and hold the same lien position against those funds.

Paying Agent – A bank or trust company appointed by an issuer to receive the money necessary for principal and interest payments from the issuer and distribute those payments to bondholders.

Pay-As-You-Go Basis – A financial policy that states that capital outlays will be paid from current revenues rather than from borrowing.

Pledge – The legal term for the promise of repayment, specifying the sources of repayment and any repayment-related covenants.

Pledged Revenues or **Pledged Funds** – The money set aside or revenue stream promised to be used solely for the payment of debt service and to provide security for payment of debt service, as specified in the bond documents.

CITY OF BAINBRIDGE ISLAND

Planning Commission Special Meeting Agenda Bill

MEETING DATE: October 13, 2022 **ESTIMATED TIME:** 45 Minutes

AGENDA ITEM: (7:10 PM) Puget Sound Energy (PSE) Site-specific Rezones and Comprehensive Plan Amendments (CPA)

SUMMARY: PSE operates three electrical substations on the Island. Most of the infrastructure was constructed between 50 and 70 years ago, and is nearing the end of its useful life. The substations are within residentially zoned districts, and PSE seeks to change the zoning to Business / Industrial. If approved, these applications would result in an amendment to the Comprehensive Plan Land Use Map.

This Planning Commission study session on the three PSE requests is an opportunity for:
- The applicant to present the CPA applications to the Planning Commission
- City staff to present its analysis of the CPA applications
- Planning Commissioners to ask questions

Meeting materials include a substation overview from PSE, a narrative from PSE specific to each property, existing site maps for each of the properties, public comment received to date, and staff analysis of each property.

Next steps: Planning Commission review and recommendation of the PSE applications will be scheduled during a public hearing at which all CPA applications (five in total) will be considered. Recommendation of the Planning Commission is provided to the City Council for decision on the applications.

AGENDA CATEGORY: Discussion **PROPOSED BY:** Planning & Community Development

RECOMMENDED MOTION: Study Session (discussion only)

STRATEGIC PRIORITY:

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	

BACKGROUND: The City accepts requests to amend the Comprehensive Plan every three years. Five CPA applications were accepted between January and February 2022 for this current cycle. The review process and decision criteria for Site-specific Rezones are contained in BIMC 2.16.140. The CPA review process and

decision criteria are contained in BIMC 2.16.190. An overview of the CPA process was provided to the Planning Commission on August 11, 2022.

ATTACHMENTS:

PSE Substations Overview Narrative.pdf

Murden Cove PSE Narrative.pdf

Murden Cove Site Plan.pdf

Public Comment_Murden Cove.pdf

Port Madison Narrative.pdf

PortMadison Site Plan.pdf

Public Comment_Port Madison.pdf

Winslow PSE Narrative.pdf

Winslow Site Plan.pdf

Public Comment Winslow.pdf

Staff analysis PC Murden Cove.pdf

Staff analysis PC Port Madison.pdf

Staff analysis PC Winslow.pdf

FISCAL DETAILS:

Fund Name(s):

Coding:

PUGET SOUND ENERGY

Bainbridge Island PSE Electrical Substation Overview

Summary

Flexibility required to implement a range of potential reliability and capacity improvements is being sought in Puget Sound Energy's (PSE) Comprehensive Plan Map Amendment and Site-Specific Rezone applications for the three substations to meet electrical needs on Bainbridge Island. These local needs were identified and analyzed through needs and solutions studies undertaken by PSE's Strategic System Planning department to ensure PSE can reliably serve residents and businesses over a 10-year planning horizon. The solutions report concluded that a hybrid of potential wires and non-wires alternatives would best meet the identified needs, includin installing a new 115 kV transmission line to create a looped system, installing a battery energy storage system (BESS), as well as other non-wires energy efficiency and demand response solutions (collectively called distributed energy resources or DERs). As an example, a transmission line and battery energy storage system (BESS) solution will require improvements at PSE's existing substations on Bainbridge Island if implemented at either the Murden Cove or Winslow Substation sites. To give PSE the flexibility to upgrade our existing system to meet these needs, while limiting environmental and community impacts by making full use of our existing substation sites, PSE is requesting that the substation sites be rezoned from low density residential to business/industrial designations. This overview provides background on the history of the substation sites, PSE's needs and solutions assessments, and potential outcomes if the Comprehensive Plan Map Amendment and Site-Specific Rezone requests are not approved.

History of Bainbridge Island Substations

Puget Sound Energy (PSE) operates three electrical substations on Bainbridge Island. These substations serve as connection points to distribute electricity to homes and businesses within the community from transmission lines that bring electricity to the Island from generation sources. Two transmission lines, the Port Madison Tap and Foss Corner-Port Madison 115 kV lines, bring power to Island from the Kitsap Peninsula over Agate Pass to Port Madison Substation located at the intersection of NE Day Road West and SR-305. From the Port Madison Substation, the Murden Cove Tap 115 kV radial transmission line connects to Murden Cove Substation located on Sportsman Club Road NE and the Winslow Tap 115 kV radial transmission line connects to Winslow Substation located on NE Bucklin Hill Road bringing electricity further onto the Island. Equipment within the three substations reduces the transmission line voltage (115 kV – 115,000 volts) to distribution voltage (12.5 kV – 12,500 volts). From these substations, distribution lines distribute power to homes and businesses throughout the community.

The first substation constructed on Bainbridge Island was the Port Madison Substation in the early 1950s. At that time, a previous configuration of the Port Madison Tap transmission line brought power to the Island via a transmission line crossing on the west side of Agate Pass bridge. The Winslow Substation was constructed in the early 1960s and was connected to Port Madison Substation with the installation of the Winslow Tap transmission line. In the 1969/1970 timeframe, the steel lattice transmission towers on either side of the Agate Pass crossing on the east side of the Agate Pass bridge were constructed, providing the support for two transmission supply lines to the Island. The existing crossing on the west side of the bridge was converted to a distribution line crossing. Murden Cove Substation was constructed in 1979 and was connected to the Port Madison Substation via the Murden Cove Tap transmission line.

As growth occurred on Bainbridge Island, PSE's facilities were replaced and upgraded to meet capacity needs and improve service reliability. In 2014 the two aging steel lattice towers on either side of the Agate Pass crossing were replaced with four steel monopoles. In 2015 the Port Madison Tap line was rebuilt with new poles and higher capacity conductors. Then in 2016 the Foss-Corner – Port Madison 115-kV line was rebuilt with new poles and higher capacity conductors. Over the years, as the linear transmission and distribution infrastructure has been upgraded and expanded, so have the three substations on the Island to support this infrastructure.

Prior to the 1991 annexation of the area of Bainbridge Island outside of the Town of Winslow, all of PSE's substations were located within rural unincorporated Kitsap County. As growth occurred on Bainbridge Island, community development extended into the areas surrounding the substation sites and PSE's substation facilities were expanded and upgraded to accommodate the added electrical load resulting from this growth. When PSE initially purchased the substation properties, it was expected that the facilities would expand and grow as additional infrastructure would be needed to support increased electrical demand. It was also understood that the substation use was not characteristic of rural residential development. Upon annexation of the City of Bainbridge Island from Kitsap County, the new City adopted existing Kitsap County zoning and development regulations (City of Bainbridge Island Ordinance 90-17), but has since expanded upon these regulations to reflect additional rural conservation policies.

Aquifer Recharge Protection Area (ARPA) Regulations

The Bainbridge Island Code regulates Aquifer Recharge Areas as critical areas under the City's critical areas regulations. According to a December 2021 City handout, "the ARPA requirement grew out of a review and assessment of the City's adoption of new state stormwater regulations that emphasize the use of Low Impact Development (LID) Best Management Practices (BMPs). A new requirement to designate an Aquifer Recharge Protection Area of up to 65 percent of a site is included in the critical areas ordinance because the City's stormwater regulations allow for *engineered solutions* which may not include any native vegetation retention".

The ARPA regulations designate the entirety of Bainbridge Island as an aquifer recharge area, however the requirement to designate a percentage of the site as an Aquifer Recharge Protection Area and preserve native vegetation is specific to low density residential zoning districts (R-0.4, R-1, and R-2), which make up a significant portion of the Island's zoning outside of areas designated to absorb density.

PSE's substation sites are located within the R-0.4 and R-2 zoning districts as a relic of the rural zoning in place prior to the incorporation of the City of Bainbridge Island. Port Madison Substation was constructed in 1954 with Winslow Substation and Murden Cove Substation constructed in 1960 and 1979 respectively. The developed area on these sites was established well before current consideration

of aquifer recharge protection. Development on the substation sites incorporates low impact stormwater features and maintains significant portions of the sites as native vegetation. With the adoption of the ARPA regulations in 2018, consideration was not given to established development providing essential services to the Island that are conditionally allowed within the low residential density zoning. The ARPA regulations do not provide a mechanism to allow continued upgrades and expansion of these essential facilities.

PSE's Substation Planning

PSE has a duty to our customers to make prudent financial investments based on infrastructure needs. PSE's Strategic System Planning department regularly assesses electrical system needs to ensure that PSE can reliably serve residents and businesses over a 10-year planning horizon. A determination of need is based on violations of NERC Compliance Standard TPL 001-4 which looks at categories including reliability, capacity, aging infrastructure and operational needs. The Bainbridge Island Electric System Needs Assessment published in 2019 determined that the Bainbridge Island electrical system has reliability, capacity, and aging infrastructure needs and concerns during the 10-year planning horizon on both the transmission and distribution systems. Per PSE solution criteria, once a solution is implemented, it must last ten years. Therefore, the solutions in the 2019 assessment are expected to serve the Bainbridge community at least 10 years beyond their in service date. The identified Bainbridge Island needs and concerns related to the Comprehensive Plan Map Amendment and Site-Specific Rezone requests for PSE's 3 substation sites include:

- **Substation Capacity Need**: A distribution substation group capacity need was identified to support general load growth on the island and planned additional load for the electrification of the Washington State Ferries. The needs assessment identified a load growth need of 6.6 MW (megawatts) and a ferry electrification need of 10 MW.

- **Transmission Reliability Need**: A transmission reliability need was identified to improve the performance of the Winslow Tap transmission line that feeds Winslow Substation. Nearly 70 percent of the transmission outage time on Bainbridge Island is attributed to events on this transmission line.

- **Transmission Operational Flexibility Concern**: To deliver power reliability, the Bainbridge Island electrical system must be able to transfer electrical load when a transmission line needs to be taken out of service for maintenance or when a substation outage occurs due to the lack of a redundant transmission line. Customers served by Winslow and Murden Cove Substations make up two-thirds of the Island customers and these substations do not have a backup power source if the single transmission line serving each substation experiences an outage. This concern coincides with the transmission reliability need.

The range of identified needs and concerns require that PSE evaluate potential wire and non-wire solutions, the majority of which require or potentially require upgrades and improvements at the Murden Cove, Winslow and Port Madison substation sites.

Solutions. PSE is actively evaluating a range of potential solutions to address the identified needs and concerns. As noted above, many of these solutions could result in needed improvements at PSE's three existing substation sites. Potential solutions to address capacity needs include the installation of a battery energy storage system (BESS) at either the Murden Cove or Winslow Substation site or encouraging the use of DERs. DERs (distributed energy resources) are demand response and energy efficiency measures that homeowners and businesses can incorporate into their residences and buildings as a means of reducing total island energy needs.

Transmission reliability and operational flexibility solutions are also being evaluated to determine which solutions PSE will ultimately propose, design, and move forward with permitting and implementation. This includes the potential to construct a new 115 kV transmission line between the Murden Cove and Winslow Substations (the Murden Cove – Winslow 115 kV transmission line) to create a looped transmission system between the three substations on Bainbridge Island and to build redundancy into the system should one of the existing radial transmission liens experience an outage. Finally, PSE is considering the potential need to install a second transformer bank at Murden Cove and/or Winslow Substations in the long-term (beyond the 10 year planning horizon). PSE needs the flexibility to implement a range of solutions, many of which may require infrastructure improvements at one or more substation sites.

Potential Substation Improvements. PSE is in various stages of planning for potential improvements at the three substation sites. Potential improvements at each site following approval of the Comprehensive Plan Map Amendment and Site-Specific Rezone requests include:

Port Madison Substation: PSE is proposing to replace the existing control house (enclosure that houses the equipment that oversees, controls and protects the functioning of the substation) and other associated equipment within the existing substation yard in 2023. This work is to address aging infrastructure replacement needs within the substation and must be completed prior to work at the other two substations.

Long-term (beyond 10-years), PSE may need to expand the Port Madison Substation and upgrade the substation 115 kV bus infrastructure to meet future system needs.

Murden Cove Substation: PSE is evaluating the potential to install a 3.3 MW BESS at Murden Cove Substation to address substation capacity needs during peak demand periods, installing a new control house and upgrading site stormwater improvements. Additionally, PSE is evaluating expanding the existing 115 kV bus infrastructure to address transmission line reliability and operational flexibility solutions, including a new 115 kV transmission line. This would require expansion of the existing 115 kV bus within the substation and addition of a control house which would be needed in the event the BESS was not installed at the site and a control house not already installed for that project.

Winslow Substation: Another potential site that PSE is exploring with BESS vendors is the Winslow Substation site. A BESS at this site could address substation capacity need now or in the future. A BESS at Winslow would require expansion of the existing substation fenced area and installation of a new control house, as well as stormwater upgrades. To address transmission system reliability, if PSE ties the new 115 kV transmission line into Winslow Substation, substation expansion will be needed independent of the improvements needed for

the BESS, including expansion of the 115 kV bus and stormwater upgrades. In the long-term, independent of near term needs, PSE anticipates the need to add a second transformer bank to the substation to support system capacity.

Potential Outcomes without the Rezone

PSE determined that rezoning the substation sites is the appropriate strategy to meet the long-term electrical needs of the community. In order for the potential solutions in the 10 year horizon plan and beyond to be implemented, improvements are needed at the substation sites. Expansion of the existing substation yards are needed at Winslow and Murden Cove Substations. In order for these expansions to occur and bring the site designations into alignment with their long-term utility use, PSE is requesting that the City of Bainbridge Island rezone the properties.

The following summarizes potential outcomes if the Comprehensive Plan Map Amendment and Site-Specific Rezone requests for the three substations were not approved by the City of Bainbridge Island. These outcomes are based on the 10-year planning horizon and preferred solutions identified by PSE's Strategic System Planning department.

Outcome 1: Aquifer Recharge Protection Area Code Amendment. PSE explored the option to amend the existing critical areas regulations as they pertain to Aquifer Recharge Protection Areas (ARPA) to allow an exemption or accommodation for substation uses located on low density residentially zoned property. After discussions with City staff, it was determined that providing an exemption or allowance for a specific non-residential use in specific locations within in the ARPA code was not preferred from a policy standpoint.

The ARPA regulations were passed in 2018 as part of a critical areas code update to address protection of groundwater resources as the entirety of Bainbridge Island was designated as an ARPA based upon its sole source aquifer designation for the community's drinking water. The City chose to impose the ARPA restrictions based on assumptions that the use of the properties in low density residential zoning districts would predominantly be low density single-family residential development. The code does make an incremental allowance for additional developed area for parks and schools, but does not consider other existing essential community uses that are located within low-density residential zoning districts. The substations are within these districts as a vestige of zoning designations and associated development standards being overlaid on existing land uses that were present before Bainbridge Island was incorporated as a city. As the community grows and policies evolve, these essential uses do not necessarily reflect characteristic development within the low density residential zoning districts or the associated policies within the Comprehensive Plan.

The ARPA regulations focus on maintaining the Island's rural character when developing low density residential property. The substation sites are already significantly developed with non-residential uses that will not revert back to having less developed area. Code amendments generally do not target specific sites, but do generally provide performance standards for specific uses. Changing the zoning designation to reflect the use of the sites for substations provides clarity and certainty for the community and is the preferred approach from a policy standpoint.

Outcome 2: Retain Low Density Residential Zoning and Comply with ARPA Regulations. The implications of this approach are site dependent; however retaining the existing zoning at any substation site does not allow for flexibility in upgrading the existing system to meet current and future needs while limiting environmental and community impacts by making full use of the existing sites.

Port Madison Substation: The Port Madison Substation site is currently 75 percent developed. The improvements identified within the next 10 year planning horizon can be accommodated within the existing substation yard footprint. These improvements do not trigger over 800 square feet of new impervious surfaces on the site or 7,000 square feet of land disturbing activity. Therefore, compliance with the ARPA regulations is not triggered. This should sustain substation operations for the next 10 -20 year planning period.

Substation Capacity Improvements: If the Murden Cove Substation site retains the R-2 zoning designation, the BESS cannot be accommodated on the site and would have to be sited elsewhere. Assuming the Winslow Substation retains the R-0.4 zoning designation, the BESS could not be located on that site. Port Madison Substation does not have enough land area for inclusion of the battery at that site, regardless of the zoning designation. Based on land availability on Bainbridge Island, a green field site that is located within low density residential zoning (R-0.4, R-1, or R-2) would be a likely location.

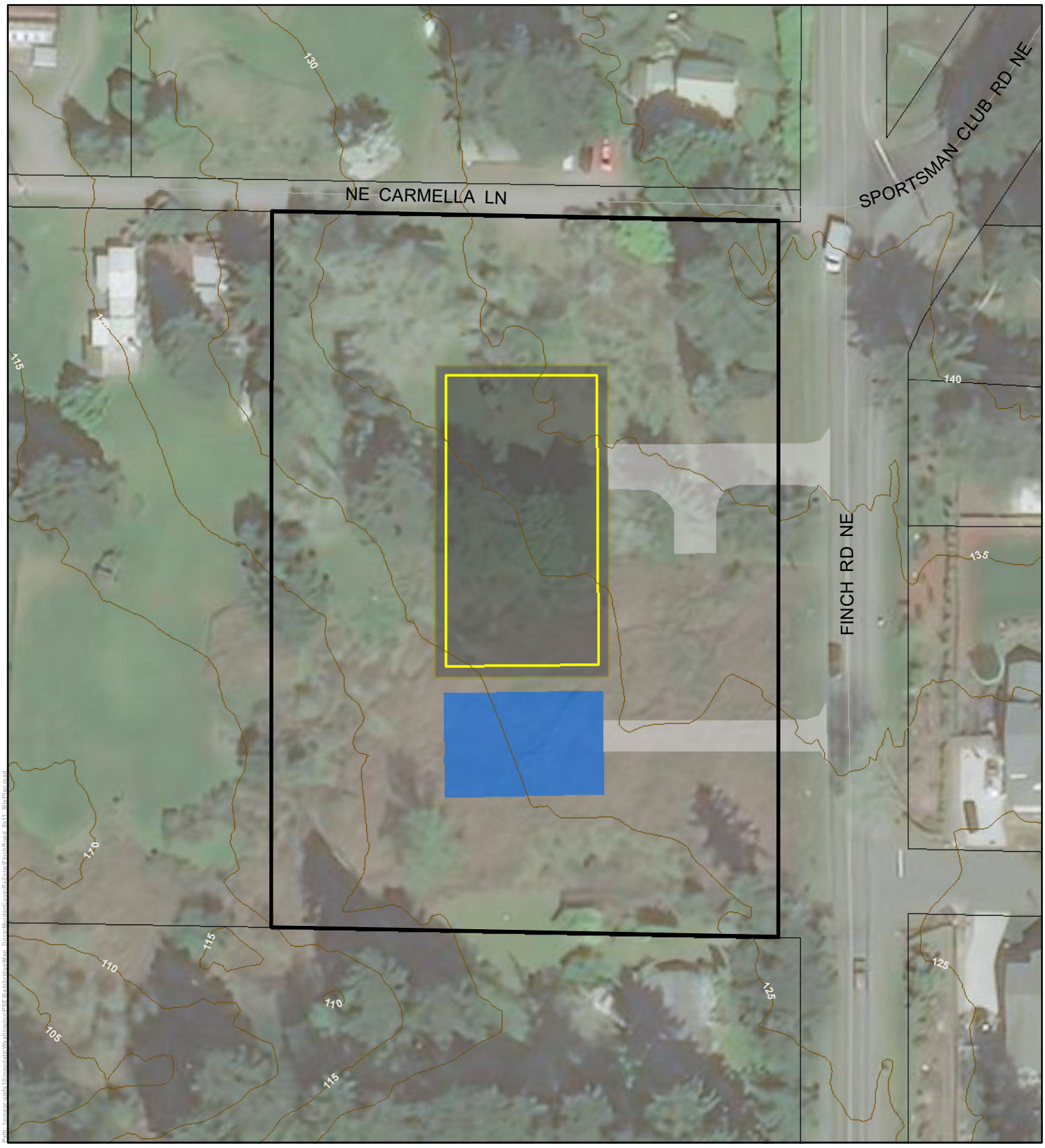
For hypothetical purposes, PSE analyzed a 1.79 acre site at the intersection of Finch Road and NE Carmella Lane as a potential BESS green field site since PSE owns the property. The site is zoned R-1; therefore ARPA regulations would apply. For illustrative purposes, an approximate footprint for the BESS and associated improvements were placed on the site. This is a high level estimate of what would actually be required and does not reflect detailed engineering. An approximate 6,450 square foot expansion footprint for the BESS that could be accommodated at the Murden Cove or Winslow Substation sites was increased by approximately 45 percent to create a hypothetical BESS development area on the PSE green field site (Figure 2: Illustrative Site Plan) and footprints for additional required improvements such as access driveways and a stormwater feature were added. The BESS pad is larger due to additional improvements such as a control house that would otherwise be provided as a component of the Murden Cove or Winslow Substation site station yard. A green field site of this approximate size (1.79 acres) or larger would be needed in order to meet the ARPA standards for siting the BESS on a low density residential site. This does not account for the potential for critical areas or other site features that may impact site layout.

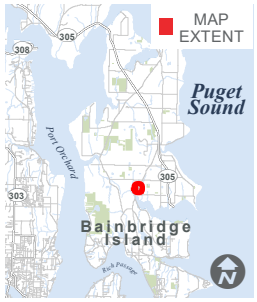
In order for the BESS to serve the intended function, new distribution system feeder infrastructure would have to be installed to the site. This would entail building approximately 1.5 miles of new distribution lines that would be otherwise unneeded if the BESS were accommodated at the Murden Cove Substation or Winslow Substation sites. Ultimately, moving the BESS to a green field location will result in greater impact due to the need to clear a new site and provide redundant improvements, including a control house, access driveways and a site stormwater feature.

Transmission Line Reliability: The inability to expand the existing substation yard at both Murden Cove and Winslow Substation sites to accommodate transmission line improvements with the associated Murden Cove - Winslow 115 kV transmission line would preclude the transmission line from being connected to the existing substations. If the improvements needed to connect the new transmission to the Murden Cove and Winslow Substations cannot be installed at the existing substation sites, then the loop cannot be completed. The substations in their entirety would have to move to

other, larger sites. If the substations moved, the associated linear infrastructure would also need to be relocated. This includes the 2 transmission lines connected to each substation as well as the distribution feeders that are connected to each substation and serve the community (see Figure 2: Substation and Transmission Line Interconnection). Since the substations are sited based on electric load need on the island together with proximity to transmission and distribution infrastructure, any new substation sites would need to be in close proximity to the existing sites. Simply stated, if PSE cannot rezone the current substation sites, moving the substations to alternative site locations also requires rerouting the transmission lines (existing and proposed) and distribution lines connected to the existing substations.

Based on land availability in the vicinity of the sites (Figure 3 and 4: Existing Land Use), a new substation site would likely be located within another low density residential zoning district. For a site subject to the ARPA requirements (within the R-0.4, R-1 or R-2 zoning districts), a site over 2 acres in size would need to be acquired. This does not account for potential site characteristics such as stream or wetland critical areas or buffers, site topography, site configuration or other factors that may impact the ability to develop the site. If a site were acquired that located within a zoning district that did not require ARPA compliance, it is likely that another use would need to be displaced as there is little undeveloped land located outside of the R-0.4, R-1 and R-2 zoning districts. In any case, relocation of either substation would incur substantial impact beyond that resulting from making use of expansion area on the existing substation sites. Impacts may include significant cost to acquire new property, install improvements on the new site as well as reconfiguration the transmission and distribution infrastructure serving each site, and decommission the existing facilities. Additionally, site improvements beyond the substation yard would need to be installed at the new sites including access driveways, stormwater features and landscaping improvements at a minimum. Because this approach is far more impactful and costly, it is not under consideration by PSE at this time.





- Site Boundary
- Approximate Driveway
- Approximate Stormwater Feature
- Approximate BESS Footprint
- Contour (5ft)
- Kitsap County Parcels
- Local Roads

This is a hypothetical scenario for illustrative purposes and not a development proposal.

0 60 Feet

1 inch = 60 feet

FIGURE 1
ILLUSTRATIVE SITE PLAN
BATTERY ENERGY STORAGE SYSTEM (BESS)

PARCEL: 272502-2-073-2002
7580 FINCH RD NE

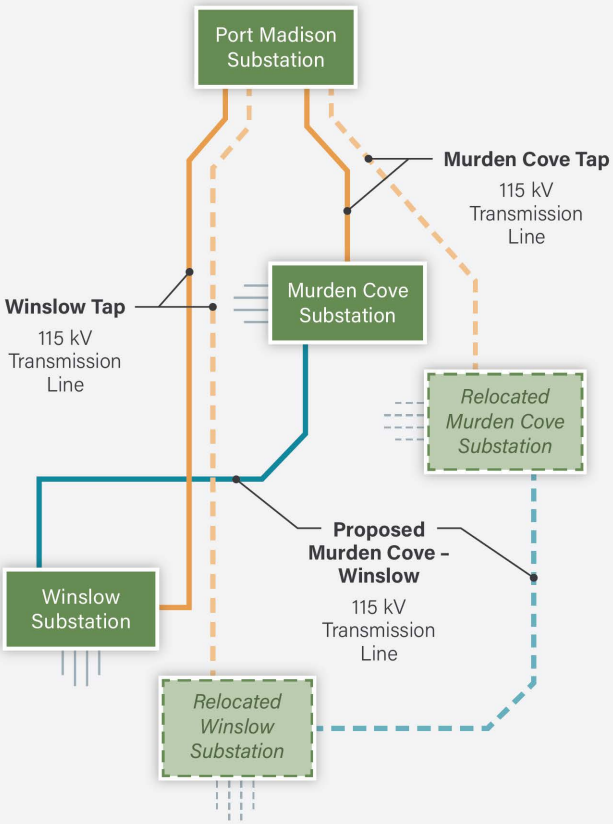
Page: 1 of 1

Date: 2/23

SOURCES: Wetlands, streams, and roads - City of Bainbridge Island (2019), Aerial - City of Bainbridge Island (2017) Online.

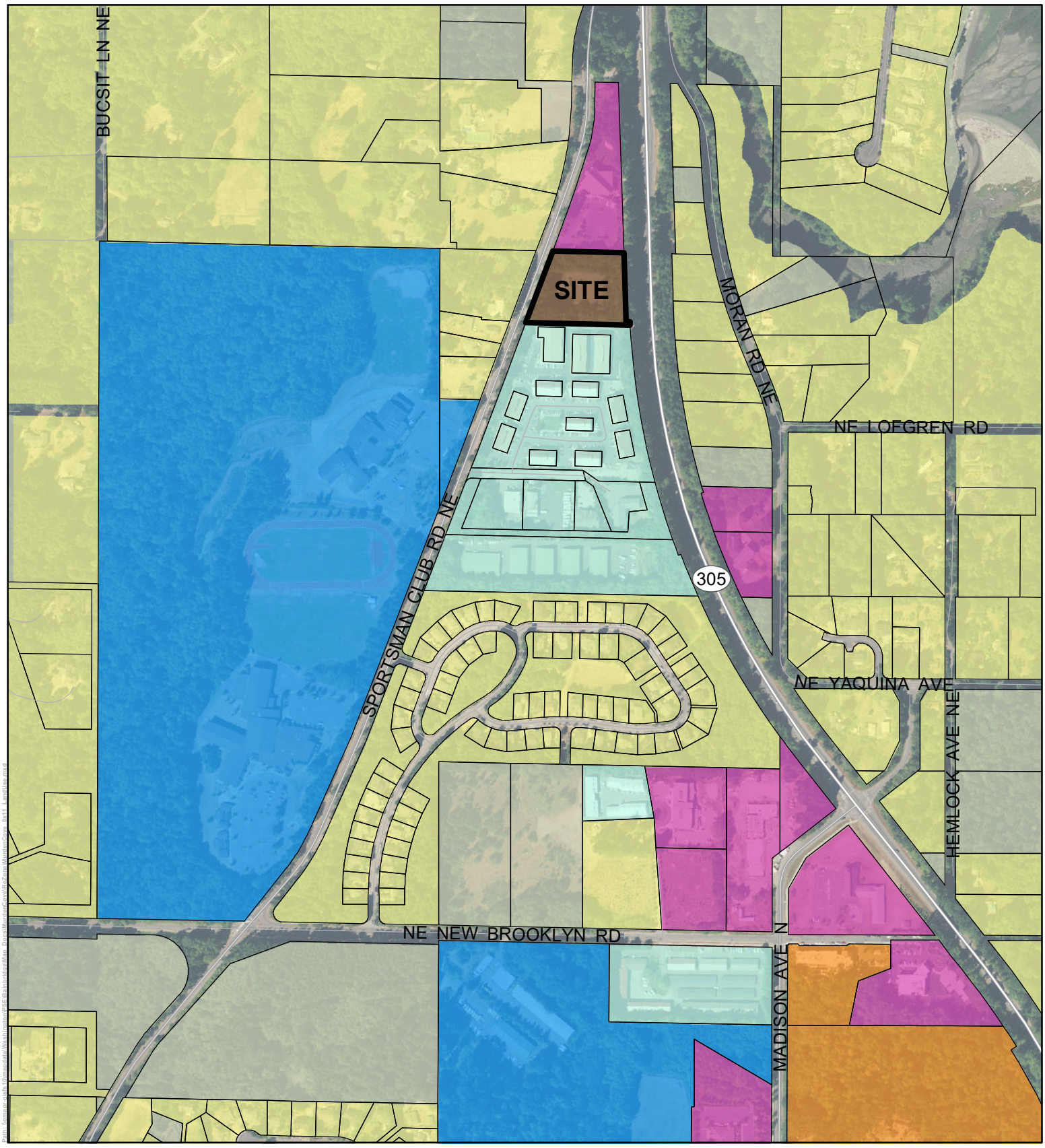
FIGURE 2

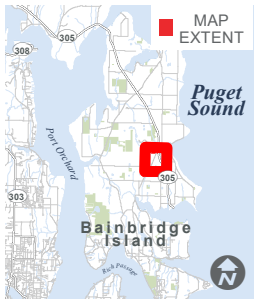
Substation and Transmission Line Location Interconnection



LEGEND

- Existing 115 kV transmission line
- Relocated 115 kV transmission line
- Proposed 115 kV transmission line
- Relocated Proposed 115 kV transmission line
- Distribution Lines
- Relocated Distribution Lines





Site Boundary
Kitsap County Parcels
State Route
Major Roads
Local Roads

Community Facility
Multi-family Residential
Single-family Residential
Commercial
Utilities
School
Undeveloped

0 500 Feet
1 inch = 500 feet

Figure 3: EXISTING LAND USE

MURDEN COVE SUBSTATION

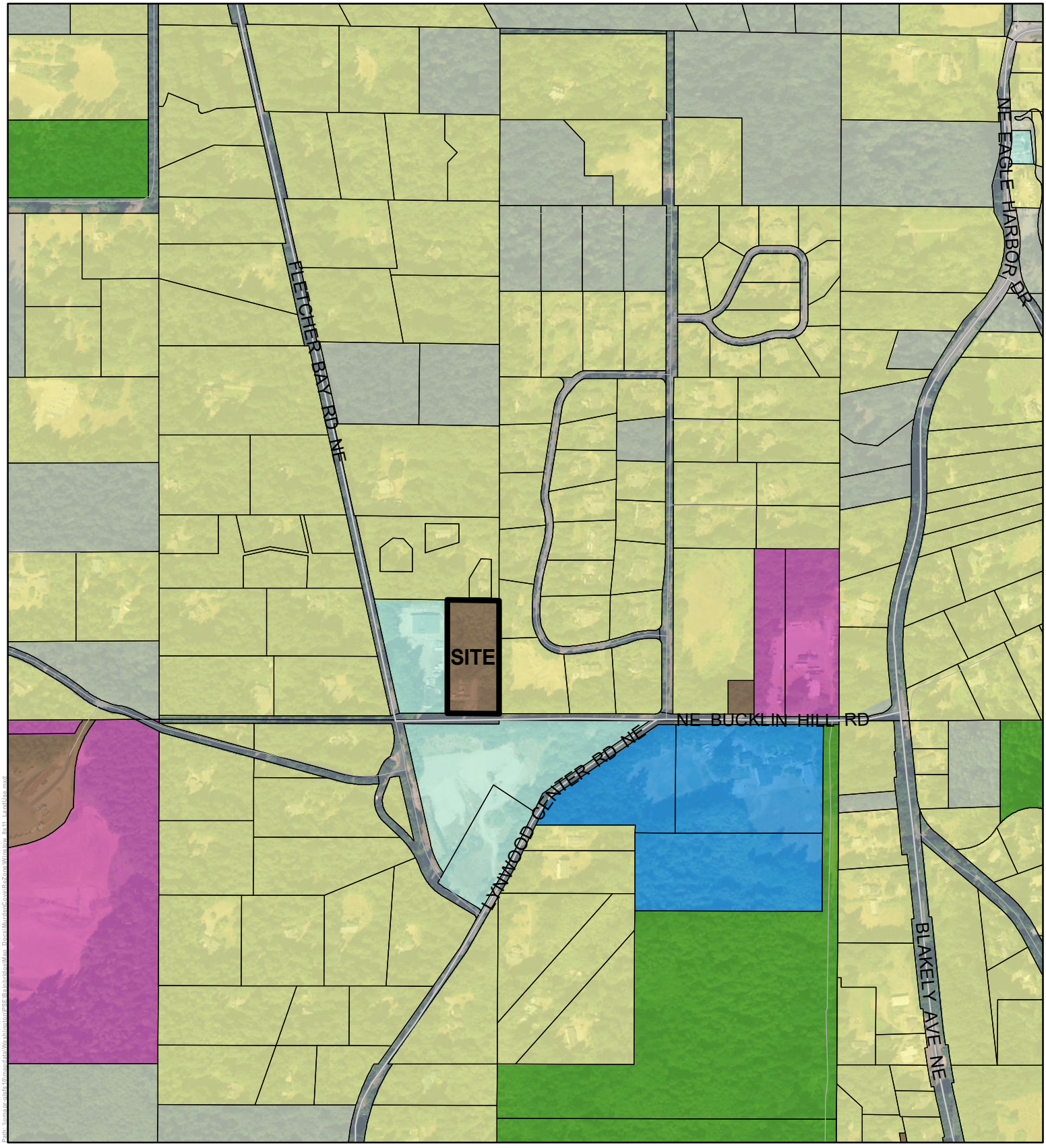
PARCEL: 222502-1-024-2009
9582 SPORTSMAN CLUB RD NE

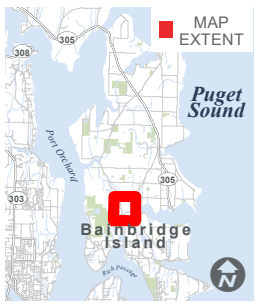
Disclaimer: Minor changes to land use data from Kitsap County Assessor has been made to reflect underlying land use.

Page: 1 of 1

Date: 2/14/2020

SOURCES: Wetlands, streams, and roads - City of Bainbridge Island (2019), Aerial - City of Bainbridge Island (2017) Online.





Site Boundary
Kitsap County Parcels
Major Roads
Local Roads

Community Facility
Single-family Residential
Commercial
Utilities
School
Conservation
Undeveloped

0 500 Feet
1 inch = 500 feet

Figure 4: EXISTING LAND USE

WINSLOW SUBSTATION

PARCEL: 4178-000-028-0204
NE BUCKLIN HILL RD

Disclaimer: Minor changes to land use data from Kitsap County Assessor has been made to reflect underlying land use.

Page: 1 of 1

Date: 2/14/2020

SOURCES: Wetlands, streams, and roads - City of Bainbridge Island (2019), Aerial - City of Bainbridge Island (2017) Online.

PUGET SOUND ENERGY

Murden Cove Substation Comprehensive Plan Map Amendment Request and Decision Criteria Compliance Narrative

Comprehensive Plan Map Amendment

Puget Sound Energy (PSE) is requesting a change in the land use designation for the Murden Cove Substation site located at 9582 Sportsman Club Road NE (Parcel #222502-1-024-2009). Per the Future Land Use Map (Figure LU-5) in the Bainbridge Island Comprehensive Plan, the land use designation for the site is Residential 2 units/acre (R-2). PSE is requesting that this designation be changed to Business/Industrial (B/I), which is more consistent with its existing land use and will allow PSE to engage in needed upgrades.

The Murden Cove Substation is one of three substations on Bainbridge Island that distribute electricity to homes and businesses within the community. Two 115,000 volt (115kV) transmission lines, the Port Madison Tap and the Foss Corner-Port Madison lines, bring power to the Island from the Kitsap Peninsula over Agate Pass to Port Madison Substation located on the northwest corner of NE Day Road West and SR-305. Electricity continues on to the Murden Cove Substation via the Murden Cove Tap transmission line and to the Winslow Substation located along Bucklin Hill Road NE via the Winslow Tap transmission line.

The Murden Cove Substation was constructed on the site in 1979 then under the jurisdiction of Kitsap County. It was the last substation constructed on Bainbridge Island and has since been a consistent element of the community's electrical infrastructure. The site became part of the City of Bainbridge Island when the City incorporated in 1991. The site is surrounded to the north by the Bainbridge Alliance Church, to the south by the Coppertop Business Park, to the west across Sportsman Club Road NE by single-family residential and to the east by SR-305 (see Existing Zoning map). The Coppertop Business Park property is zoned B/I. The area between Sportsman Club Road NE and SR-305 north of NE New Brooklyn Road is designated as the Sportsman Triangle Industrial Center in Figure LU-3 *Island-wide Land use Concept* of the City of Bainbridge Island Comprehensive Plan. The Comprehensive Plan includes a land use vision for 2036 that states:

> *Most of the preceding two decades of growth have been attracted to the high quality of life in the Island's thriving* ***Designated Centers*** *where cultural amenities, employment and housing opportunities abound and public services, utilities and infrastructure are efficiently provided.*

The Murden Cove Substation site was acquired by PSE (formerly Puget Sound Power & Light – Puget Power) with the expectation that as the community grew, the substation and associated facilities would

be expanded and upgraded to accommodate capacity and reliability needs. The substation has not been expanded since its original construction in 1979. The site's Comprehensive Plan Land Use designation is not conducive to supporting the long-term needs of the community. The current R-2 designation focuses on low density residential development and conservation; not on the ability to serve the community with essential infrastructure and electrical service. The B/I designation is consistent with this long-term need and the site's location within the designated Sportsman Triangle Industrial Center.

PSE's Strategic System Planning department has determined that upgrades are needed at the substation to accommodate the construction of a new 115 kV transmission line between Murden Cove Substation and Winslow Substation (Murden Cove-Winslow 115 kV transmission line). This transmission line is being proposed to address the lack of transmission backup should one of the radial transmission lines serving either substation experience an outage. Additionally, to address a substation capacity need, PSE is proposing to install a 3.3 MW battery storage facility at the Murden Cove Substation site. The improvements needed for the new transmission line and the battery storage facility installation include expansion of the existing 115 kV bus within the substation, the addition of a control house, and stormwater improvements. The current zoning requirements will not accommodate this expansion (see Rezone narrative – attachment x). In order to rezone the site from R-2 to B/I, an amendment to the Future Land Use Map in the Comprehensive Plan is required to designate the site as B/I.

BIMC 2.16.190.D. Map Amendments. Changes to the land use map may only be approved if the proponent has demonstrated that all of the following are true:

1. The designation is in conformance with the appropriate land use designation purpose statement identified in the comprehensive plan; and

   Response: The purpose for the Business/Industrial designation provided in the Comprehensive Plan is:

   Provide appropriate Business/Industrial zoned land to create opportunities for new businesses and expansion of existing land businesses for diversity of jobs and for low-impact industrial activity that contributes to well-paying and new employment opportunities, where traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized.

   The Murden Cove Substation site is a developed substation site located directly north of and nearby other business industrial uses (see Existing Zoning map). The substation parcel is located within the Sportsman Triangle Industrial Center designated area in the City's Comprehensive Plan. Designated areas are intended to absorb growth and leave the remaining low-density residential areas as conservation areas. The property has been used as a substation site since 1980 and will continue to be part of PSE's electrical infrastructure on the Island indefinitely. The substation function is more aligned with a low-impact industrial activity than with a low-density residential use. The visual impacts of the substation site will not change and are consistent with the look and feel of the surrounding industrial uses, while at the same time existing site screening softens visual impacts to surrounding uses.

2. The map amendment or site is suitable for the proposed designation; and

   Response: The map amendment and site are both suitable for the proposed designation. The site is already developed with an electrical substation that has been in service since 1980 and directly abuts business park uses that are designated in the Comprehensive Plan and zoned as Business/Industrial. The site is also located within the Sportsman Triangle designated Industrial Center. The substation site is separated from residential uses by Sportsman Club Road NE and the site is screened with significant vegetation. The site's current low-density residential designation and zoning are not consistent with its current and continued use and an essential utility. Additionally, this amendment will in no way affect the pattern of development or use adjacent to the existing substation site.

3. The map amendment implements applicable comprehensive plan policies better than the current map designation.

   Response: The map amendment will implement applicable comprehensive plan policies better than the current map designation. The current map designation of low-density residential (R-2) aligns with comprehensive plan policies focused on low impact development and conservation:

   Develop context-sensitive *regulations for residential development in areas designated R-3, R-1, or R-0.4, in order to limit clearing, soil disturbance, promote* low impact development *and reconcile development and conservation* (Goal LU-14).

   This goal is supported by associated Residential District policies:

   Policy LU 14.1: The Residential District area is designated for less intensive residential development and a variety of agricultural and forestry uses.

   > **Response:** The existing substation use is not indicative of less intensive residential development nor agricultural or forestry uses.

   Policy LU 14.2: Encourage residential development that is compatible with the preservation of *open space*, forestry, agricultural activities, and natural systems. Accessory *farm* buildings and uses are allowable.

   > **Response:** The substation site maintains appropriate landscape buffers; however the use itself is not compatible with open space preservation, forestry or agricultural activities. The site is almost 50% developed with the substation yard and associated driveways and substation shoulder.

   Whereas policies that support the Business/Industrial map designation are more appropriate for the substation use:

Policy LU 10.1: The Business/Industrial (B/I) District is for light manufacturing as well as other uses that add to the diversity of economic activity on the Island.

> **Response:** Electricity is needed to support existing and future economic development on the Island as well as residences and other uses. Allowing for greater flexibility in substation upgrades supports increased diversity of economic activity on Bainbridge Island.

Policy LU 10.4: Applications for development approval within the B/I district must show that adequate water, wastewater, transportation, fire and storm drainage services are available to serve the development.

> **Response**: The substation use does not require water or wastewater utilities and is already supported by existing transportation, fire and storm drainage facilities.

Policy LU 10.6: Performance standards for the B/I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential *neighborhoods.*

> **Response:** The substation use does not generate daily motorized or non-motorized traffic trips, as only occasional maintenance vehicles visit the site. The existing substation is screened on all sides, including from Sportsman Club Road NE and SR-305. The substation does not generate light or odor. Noise levels generated from the substation equipment are within levels established by City of Bainbridge Island noise regulations. The battery storage facility will generate noise at higher levels than the substation. PSE plans to install the battery on the south side of the existing substation closer to the existing business park use. Appropriate measures will be employed to ensure noise levels are kept within City regulatory limits.

Policy LU 10.7: B/I uses must be visually screened year-round from the adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer.

> **Response:** The substation site maintains an existing landscape screen from Sportsman Club Road NE as well as SR-305. Any future site development would maintain existing screening from these two roadways and comply with other applicable screening requirements.

Policy LU 10.8: Discourage the inappropriate designation of isolated Business/Industrial Districts.

> **Response:** The designation of the site as Business/Industrial is consistent with surrounding designations. The substation site is bordered by B/I zoned property to the

south and is located in close proximity to other B/I zoned property within the designated Sportsman Triangle Industrial Center.

Policy LU 10.9: Isolated B/I activities are designated to reflect historical use and the designation shall not be expanded.

Response: Designation of the site as Business/Industrial would not represent an isolated designation. Business/Industrial is an appropriate designation for the historic use of the site.

The proposed Comprehensive Plan map amendment also complies with Electrical Utility goals and policies in the Comprehensive Plan.

Goal U-1: Ensure that reliable utility services are available to all Bainbridge Island residents.

Response: Without the Comprehensive Plan map amendment for the Murden Substation site, improvements to the substation to accommodate the potential future improvements including a battery energy storage system (BESS), long-term addition of second transformer bank, or improvements to connect a new 115 kV transmission line to the substation would not be viable without approval of the requested Comprehensive Plan Map Amendment.

Goal U-3: Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands.

Response: Without the Comprehensive Plan map amendment to change the designation from R-2 to B/I, substation capacity deficiencies cannot be addressed to meet predicted demands under the 10-year planning horizon.

Goal U-5: Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment.

Response: Changing the comprehensive plan designation of the site from R-2 to B/I will allow for expansion of the substation at the current site, including the installation of a battery storage facility to address a substation capacity deficiency. Expansion of the substation at the current site will not further impact residents and environmental resources in the vicinity of the site.

Goal U-14: Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island.

Policy U 14.3: Encourage the electric service provider to improve reliability, with particular attention to adding transmission redundancy and mitigating impacts on service from storms or other natural events.

Response: The purpose of the proposed Murden Cove - Winslow 115 kV transmission line is to provide redundancy within the transmission system between the Murden Cove and Winslow Substations. The Comprehensive Plan map amendment changing the Murden Cove Substation site designation from R-2 to B/I is needed to accommodate improvements related to connecting the transmission line to the substation. The transmission line cannot function absent the ability to connect to both the Murden Cove and Winslow Substations. Additional system resiliency will be accomplished through the independent substation capacity projects under consideration.

BIMC 2.16.190.H. Decision Criteria. The planning commission and city council shall base their respective recommendation or decision on a proposed comprehensive plan amendment on the following criteria:

1. Compliance with Law. Amendments to the comprehensive plan shall comply with Growth Management Act and other state and federal laws.

   Response: The proposed comprehensive plan map amendment is consistent with the Growth Management Act (GMA) and other state and federal laws. Providing adequate public facilities and services within urban growth areas is a cornerstone goal of the GMA as reflected by the inclusion of a mandatory Utilities Element in the Comprehensive Plan. RCW 80.28.110 charges PSE with a duty to serve customers with electricity. The Washington Utilities and Transportation Commission (WUTC) regulates PSE and other investor owned-utilities in Washington State to ensure safe and reliable service to customers at reasonable rates through laws and tariffs. PSE is also regulated by the North American Electric Reliability Corporation (NERC) which assures reliability and security of the electrical grid nationwide. The Comprehensive Plan Map Amendment will ensure PSE's continued compliance with applicable state and federal regulations related to power delivery.

2. Resources.
   a. The city must have the resources, including staff and budget, necessary to implement the proposal.

      Response: Changing the future land use designation of the Murden Cove Substation site from R-2 to B/I provides for a change to a designation that better reflects the existing use on the site and will not result in the need for City resources beyond normal operation.

   b. The amendment will not result in development that has significant adverse effects on community resources, including but not limited to: water resources, utilities, transportation, parks or schools.

      Response: Changing the future land use designation of the substation site will not result in development that has a significant adverse effects on community resources. The existing

site provides infrastructure to serve a basic need for the community in providing electricity. Needed stormwater infrastructure is situated on site and the substation does not use other utilities, transportation resources (beyond occasional maintenance visits), schools or parks.

c. The amendment must not adversely affect the City's ability to provide the full range of public facilities and services at the planned level of service, or consume public resources otherwise needed to support comprehensive plan implementation strategies.

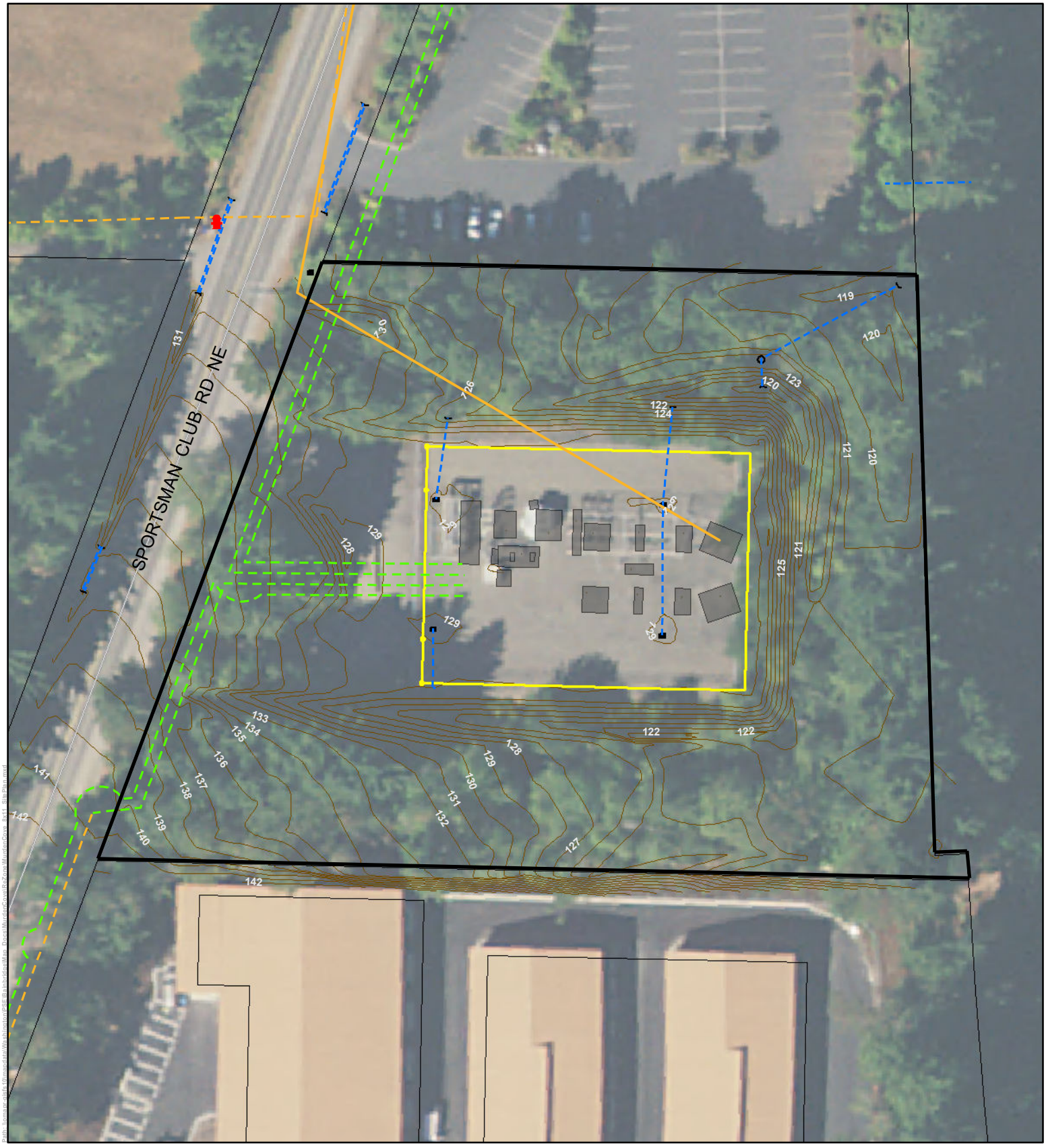
Response: The proposed amendment will support the city's ability to provide the full range of public facilities and services at the planned level of service by supporting the electrical needs of the community as the community continues to grow.

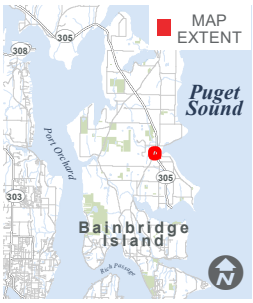
3. Internal Consistency. Amendments shall be consistent with the land uses and growth projections that are the basis of the comprehensive plan and with the overall intent of the comprehensive plan, including the community vision, overriding principles, and overall goals that guide the plan.

Response: The land use designation change for the site on the future land use map will have a positive impact on growth projection consistency. The existing land use is not consistent with the current designation of R-2. Changing the designation to B/I will allow PSE to continue to upgrade and expand the substation to serve the existing community in the long-term and support further growth on the Island.

4. Cumulative Effect. All amendments must be considered concurrently in order to evaluate their cumulative effect on the comprehensive plan text and map, development regulations, capital facilities program, adopted environmental policies and other relevant implementation measures.

Response: PSE is requesting amendments to change the exiting designation of our three substation sites serving the community from low-density residential (R-0.4 and R-2) to Business/Industrial (B/I). The cumulative effect of this change will not impact existing comprehensive plan text, development regulations, capital facilities, adopted environmental policies or any other implementation measures applicable to the sites. The change will also not affect the scale and pattern of development in the vicinity of the substation sites. Rather, the change in designation will allow the sites that are already developed with electric utility infrastructure to continue to be upgraded and expanded to support the electrical needs of the community.





- Site Boundary
- Fence Line
- Transmission Line
- Overhead Distribution Line
- Underground Distribution Cable
- Stormwater
- Equipment Footprint
- Contour (1ft)
- Kitsap County Parcels
- Major Roads
- Hydrant

0 60 Feet

1 inch = 60 feet

SITE PLAN

MURDEN COVE SUBSTATION

PARCEL: 222502-1-024-2009
9582 SPORTSMAN CLUB RD NE

Page: 1 of 1

Date: 2/14/2020

SOURCES: Wetlands, streams, and roads - City of Bainbridge Island (2019), Aerial - City of Bainbridge Island (2017) Online.

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners and Hearing Examiner,

I am writing in response to the following Comprehensive Plan Amendment and Site-Specific Rezone applications from Puget Sound Energy (PSE): PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. In order for PSE to seamlessly move forward on their package of solutions to improve reliability and capacity on the Island, PSE is requesting approval of these applications. I am supportive of PSE's efforts to improve reliability and capacity on Bainbridge Island, and encourage the City to move PSE's application forward as expeditiously as possible.

It is no secret that reliability on Bainbridge Island needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no carbon technologies.

I know firsthand the challenges associated with reliability on Bainbridge Island. A recent move to Lynwood from Fort Ward brought awareness of how much wind comes thru Cove areas on this island and these areas in particular need a future plan for non-wired solutions. After a Tornado warning this last year it's hard to not think about what we can do better to improve infrastructure and protect all our residents. Things have improved but we can do better. The City can lead the way in support of this. I see businesses not investing in this concept yet. The Lynwood area has a lot of new construction but businesses such as Pleasant Beach Inn have taken *out* electric car charging stations.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses

adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to our customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. We would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Thank you for your time.

Kind Regards,

Carrie Blunt

Kelly Tayara

From: Kelly Tayara
Sent: Tuesday, May 31, 2022 10:52 AM
To: Kriner, Kerry
Cc: elizabethlynndoll@gmail.com
Subject: RE: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Hello,
Thank you for forwarding this public comment. The comment was caught in the City's spam filter, and I will upload it as public comment on the application. Future correspondence from Ms. Doll will be allowed through.

CITY OF BAINBRIDGE ISLAND

KELLY TAYARA
Senior Planner

206.780.3787 (office)

Planning Department pcd@bainbridge wa.gov 206.780.3750
City Website www.bainbridgewa.gov

From: Kriner, Kerry <Kerry.Kriner@pse.com>
Sent: Wednesday, May 18, 2022 12:34 PM
To: Kelly Tayara <ktayara@bainbridgewa.gov>
Subject: FW: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

FYI.

---------- Forwarded message ---------
From: **Elizabeth Doll** <elizabethlynndoll@gmail.com>
Date: Tue, May 3, 2022 at 12:39 AM
Subject: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
To: <pcd@bainbridgewa.gov>

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners, and Hearing Examiner,

I am writing to offer comments regarding the Comprehensive Plan Amendment and Site-Specific Rezone applications from PSE: PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. Having lived on the Island for nearly seven years, I am extremely supportive of efforts to improve the reliability and capacity of our electrical grid. In order to make improvements as efficiently as possible, I support the approval of these applications and hope that you will move to approve them as soon as possible.

A community with as many resources as ours should not have such poor utility reliability. My friends frequently joke that we live in a first-world city with developing-world infrastructure. More seriously, power outages present accessibility challenges for my elderly neighbors: no power means no elevators, which traps mobility-challenged seniors in their apartments. This is unacceptable. I live in the Winslow core and power failures are STILL disquietingly common. My job requires reliable power and internet access. It's a travesty that in 2022, reliable power is the item that's still an active issue here.

It is no secret that reliability on Bainbridge needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility-scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no-carbon technologies.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

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I love Bainbridge and I want to see it continue to improve and thrive. Improved reliability and capacity on the Island will vastly improve my quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Sincerely,

Elizabeth Doll | **(360) 689-4927**

Marlene Schubert

From: Carrie Fisher <sea2ogg@yahoo.com>
Sent: Tuesday, May 10, 2022 8:32 PM
To: PCD
Subject: PSE Comprehensive Plan
Attachments: PSESupport1.pdf

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

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Thank you for your time.

Kind Regards,

Carrie Blunt

Marlene Schubert

From: Kathy Hansen <kathy.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:36 AM
To: PCD
Subject: Support for Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications
Attachments: Support for PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications.docx.pdf

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

Dear Ms. Tayara,

Please find the attached in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone proposals:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Thank you,

Kathleen Hansen

1525 Fort Ward Hill Rd NE

Bainbridge Island, WA 98110

206-201-3414

May 12, 2022

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of Puget Sound Energy's:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

After listening and commenting at the Planning Commission meeting held on January 13, 2022 and reading the various applications and SEPA checklists, it makes sense to align the zoning to the particular use. The designation of an electric substation as residential only works to hinder the electric improvements that Bainbridge Islanders need and want. The current residential designation is inappropriate for uses now and any planned or future use.

Granting these applications would allow Puget Sound Energy to move forward more quickly with long-overdue electric improvements, would result in similar Business/Industrial designations with adjacent properties and circumvent the need to find new and additional properties to locate additional substations. Commenters with just about everything related to the city, mention retaining vegetation and trees. A larger setback would be required for a Business Industrial designation that would afford even greater protections to area residents.

Searching for alternative sites would only create more delays, more disruption to the environment and create the need for PSE to move infrastructure to another location. Islanders have already gone through the process of discussing a preferred route and that alone has taken several years. Puget Sound Energy has

done its due diligence in finding appropriate solutions to our current energy problems while planning to remain flexible in order to address future needs.

Keep in mind, PSE is not meeting many of its service reliability metrics and a VP confirmed that we have some of the worst reliability in the entire PSE system. This is not a badge of honor. As a city we are not presently poised to meet current or future electric needs. Please approve Puget Sound Energy's Comprehensive Plan Amendment and site-specific rezone applications for the three substations. This past summer we submitted to City Council the signatures of hundreds of residents who signed in support of PSE efforts to improve electric reliability. My HOA, the Rich Passage Estates Homeowners Association sent a similar public comment. Those of us on the South end of Bainbridge serviced by the Winslow Substation don't need or want yet another decade of delay.

Respectfully,

Kathleen Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

Renee Argetsinger

From:	winifredperkins25@gmail.com
Sent:	Friday, June 17, 2022 2:37 PM
To:	PCD
Subject:	Comments on PSE's Comp Plan and Rezone Applications
Attachments:	Letter of Support Rezone CPA 2022 Final.wgp.docx

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RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Attached, please find my comments on the above-referenced applications.

Please feel free to contact me with any questions or comments.

Thank you,
Winifred Perkins

June 17, 2022

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

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Reliability on Bainbridge Island needs to be improved and PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet PSE's clean energy goals, including the planned future electrification of ferries, and other transportation on Bainbridge Island, PSE researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect the Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving.

PSE has spent years evaluating and discussing various options to improve electric reliability on Bainbridge Island. The time is long overdue for the implementation of these much-needed improvements. For the past several years PSE has undertaken a widespread informational and educational outreach effort to work with the residents and business on Bainbridge Island to identify alternatives to improve reliability. After receiving input from hundreds of homeowners, businesses and institutions, PSE has carefully selected the alternatives that best meets the environmental, engineering and socio-economic requirements of a majority of stakeholders. The next step in this process is for the City to now approve the comprehensive plan amendment and rezone approvals for their three existing substation properties on

Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to their customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. PSE would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can safely live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island and also minimize environmental impacts while affording people a more reliable source of power. I support PSE's proposal to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments as out lined in the above-referenced applications.

Sincerely,
Winifred Perkins
10120 NE Garibaldi Loop
Bainbridge Island, WA 98110

Marlene Schubert

From: Tom Hansen <tom.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:55 AM
To: PCD
Subject: Public Comment for PSE Proposals
Attachments: Support for PSE_CompPlanAmmendement&RezoneApplications.docx

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

Dear Ms. Tayara,

Please find the attached public comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone proposals:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Tom Hanen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110
206-201-3414 / 281-728-4929

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of PSE applications for rezoning the Murden Cove, Port Madison, and Winslow substations from various R-x designations to B/I designations.

- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

The past and current uses, originally permitted by Kitsap County, are inconsistent with current and future uses as rezoned by the City of Bainbridge Island. PSE's responses clearly meet the City's Policy and Goals (shown below):

Electrical Utility Goals and Policies

- Ensure that reliable utility services are available to all Bainbridge Island residents
- Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands
- Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment
- Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island

Business/Industrial Policies

- The Business/Industrial (B/I) District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island
- Applications for development approval within the B/I district must show that adequate water, wastewater, transportation, fire and storm drainage services are available to serve the development
- Performance standards for the B/I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential neighborhoods

- B/I uses must be visually screened year-round from the adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request..

Additionally, I support PSE's request for a change to Critical Area regulations contained in BIMC 16.20.140.G.2 and 16.20.100.E.1 in order to allow for continued maintenance, upgrade and installation of linear electrical distribution and transmission infrastructure.

- PSE Municipal Code Amendment PLN52234 LDR

A blanket restriction regarding Category II wetlands would restrict a public utility form maintaining, upgrading an constructing transmission and distribution infrastructure to meet island utility current and future needs as required by State law.

> *"In general, although Category II wetlands may in theory provide higher habitat values than Category III or IV wetlands, the portion of Category II wetlands within the road rights-of-way and within or adjacent to existing cross-country transmission corridors is already subject to the effects of human disturbance, and therefore is likely to provide more limited habitat value than the habitat score alone would indicate."*

Installing new aerial distribution and transmission lines within or adjacent to road rights-ofway; or as an overbuild or underbuild to an existing aerial primary utility within cross country corridors on easement within Category II wetlands is the best way to minimize the environmental impact while meeting the need for reliable energy and helping to reduce the Island's Carbon Footprint.

PSE is required to apply the best science available and follow all laws.

> *"When PSE maintains or upgrades an existing utility line or installs a new line, they follow federal, state, and local requirements to avoid and minimize wetland impacts to the extent feasible in accordance with the following preferred mitigation sequence, as outlined in the Interagency Guidance on Wetland Mitigation in Washington State (Ecology 2006) and BMC 16.20.030: 1. Avoid the impact altogether by not taking a certain action or parts of an action; 2. Minimize impacts by limiting the degree or magnitude of the action and its implementation by using appropriate technology or by taking affirmative steps to avoid or reduce impacts; 3. Rectify the impact by repairing, rehabilitating, or restoring the affected environment; 4. Reduce or eliminate the impact over time by preservation and maintenance operations during the life of the action; 5. Compensate for the impact by replacing, enhancing, or providing substitute resources or environments; and 6. Monitor the impact and take appropriate corrective measures."*

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request.

PSE has been both transparent and through in its public engagement for its Electric Reliability Projects. Personally, I have been skeptical, questioning, and have requested data all through the process and independently formed my own opinions. For those of us that have and continue to participate in community meetings and read the detail material that has been submitted we support PSE. The public comments the do not support electric reliability improvements largely come from individuals who have not participated, naively form an opinion without o objectively informing themselves on the details or have been made their comment from a “Not In My Neighborhood” perspective. Many of the comments have acted like “nail strips” to derail the projects. I truly believe that the majority of Islanders are not engaged because of their busy lives or the pandemic but want reliable electricity. The bottom line is that the electric infrastructure on the island is decades old and as a resident of the south end of the island, I do not to want to wait decades more for electric reliability improvements.

Tom Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

Renee Argetsinger

From: winifredperkins25@gmail.com
Sent: Friday, June 17, 2022 2:37 PM
To: PCD
Subject: Comments on PSE's Comp Plan and Rezone Applications
Attachments: Letter of Support Rezone CPA 2022 Final.wgp.docx

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June 17, 2022

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Bainbridge Island, WA 98110

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PSE has spent years evaluating and discussing various options to improve electric reliability on Bainbridge Island. The time is long overdue for the implementation of these much-needed improvements. For the past several years PSE has undertaken a widespread informational and educational outreach effort to work with the residents and business on Bainbridge Island to identify alternatives to improve reliability. After receiving input from hundreds of homeowners, businesses and institutions, PSE has carefully selected the alternatives that best meets the environmental, engineering and socio-economic requirements of a majority of stakeholders. The next step in this process is for the City to now approve the comprehensive plan amendment and rezone approvals for their three existing substation properties on

Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to their customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. PSE would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can safely live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island and also minimize environmental impacts while affording people a more reliable source of power. I support PSE's proposal to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments as out lined in the above-referenced applications.

Sincerely,
Winifred Perkins
10120 NE Garibaldi Loop
Bainbridge Island, WA 98110

Marlene Schubert

From: Tom Hansen <tom.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:55 AM
To: PCD
Subject: Public Comment for PSE Proposals
Attachments: Support for PSE_CompPlanAmmendement&RezoneApplications.docx

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Dear Ms. Tayara,

Please find the attached public comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone proposals:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Tom Hanen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110
206-201-3414 / 281-728-4929

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of PSE applications for rezoning the Murden Cove, Port Madison, and Winslow substations from various R-x designations to B/I designations.

- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

The past and current uses, originally permitted by Kitsap County, are inconsistent with current and future uses as rezoned by the City of Bainbridge Island. PSE's responses clearly meet the City's Policy and Goals (shown below):

Electrical Utility Goals and Policies

- Ensure that reliable utility services are available to all Bainbridge Island residents
- Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands
- Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment
- Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island

Business/Industrial Policies

- The Business/Industrial (B/I) District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island
- Applications for development approval within the B/I district must show that adequate water, wastewater, transportation, fire and storm drainage services are available to serve the development
- Performance standards for the B/I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential neighborhoods

- B/I uses must be visually screened year-round from the adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request..

Additionally, I support PSE's request for a change to Critical Area regulations contained in BIMC 16.20.140.G.2 and 16.20.100.E.1 in order to allow for continued maintenance, upgrade and installation of linear electrical distribution and transmission infrastructure.

- PSE Municipal Code Amendment PLN52234 LDR

A blanket restriction regarding Category II wetlands would restrict a public utility form maintaining, upgrading an constructing transmission and distribution infrastructure to meet island utility current and future needs as required by State law.

> *"In general, although Category II wetlands may in theory provide higher habitat values than Category III or IV wetlands, the portion of Category II wetlands within the road rights-of-way and within or adjacent to existing cross-country transmission corridors is already subject to the effects of human disturbance, and therefore is likely to provide more limited habitat value than the habitat score alone would indicate."*

Installing new aerial distribution and transmission lines within or adjacent to road rights-ofway; or as an overbuild or underbuild to an existing aerial primary utility within cross country corridors on easement within Category II wetlands is the best way to minimize the environmental impact while meeting the need for reliable energy and helping to reduce the Island's Carbon Footprint.

PSE is required to apply the best science available and follow all laws.

> *"When PSE maintains or upgrades an existing utility line or installs a new line, they follow federal, state, and local requirements to avoid and minimize wetland impacts to the extent feasible in accordance with the following preferred mitigation sequence, as outlined in the Interagency Guidance on Wetland Mitigation in Washington State (Ecology 2006) and BMC 16.20.030: 1. Avoid the impact altogether by not taking a certain action or parts of an action; 2. Minimize impacts by limiting the degree or magnitude of the action and its implementation by using appropriate technology or by taking affirmative steps to avoid or reduce impacts; 3. Rectify the impact by repairing, rehabilitating, or restoring the affected environment; 4. Reduce or eliminate the impact over time by preservation and maintenance operations during the life of the action; 5. Compensate for the impact by replacing, enhancing, or providing substitute resources or environments; and 6. Monitor the impact and take appropriate corrective measures."*

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request.

PSE has been both transparent and through in its public engagement for its Electric Reliability Projects. Personally, I have been skeptical, questioning, and have requested data all through the process and independently formed my own opinions. For those of us that have and continue to participate in community meetings and read the detail material that has been submitted we support PSE. The public comments the do not support electric reliability improvements largely come from individuals who have not participated, naively form an opinion without o objectively informing themselves on the details or have been made their comment from a “Not In My Neighborhood” perspective. Many of the comments have acted like “nail strips” to derail the projects. I truly believe that the majority of Islanders are not engaged because of their busy lives or the pandemic but want reliable electricity. The bottom line is that the electric infrastructure on the island is decades old and as a resident of the south end of the island, I do not to want to wait decades more for electric reliability improvements.

Tom Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

Marlene Schubert

From: Bryan Telegin <telegin@bnd-law.com>
Sent: Thursday, May 5, 2022 11:22 AM
To: PCD; Kelly Tayara
Subject: Comments on Proposed PSE Winslow Rezone and Comprehensive Plan Amendment—PLN52149 REZ/CPA
Attachments: 2022 05 05 Stetson Ridge Comment Letter on PSE Rezone DRAFT.pdf

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Dear Ms. Tayara,

Attached, please find comments submitted on behalf of my client, the Stetson Ridge Homeowners Association, on the proposed PSE Winslow Rezone and Comprehensive Plan Amendment, PLN52149 REZ/CPA.

If you have trouble opening the attachment, or if you have any questions about the attached letter, please do not hesitate to contact me at the number below.

Thank you for your consideration.

-Bryan Telegin
Counsel for Stetson Ridge Homeowners Association

Bryan Telegin

Bricklin & Newman, LLP
123 NW 36th Street, Suite 205
Seattle, WA 98107
Tel: 1.206.264.8600, ext. 3
Fax: 1.206.264.9300
Email: telegin@bnd-law.com
http://www.bnd-law.com

PLEASE NOTE OUR NEW OFFICE LOCATION AS OF FEBRUARY 1, 2022: 123 NW 36th Street, Suite 205, Seattle, WA 98107.

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BRICKLIN & NEWMAN LLP
lawyers working for the environment

Reply to: Seattle Office

May 5, 2022

VIA E-MAIL TO
pcd@bainbridgewa.gov

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment by Stetson Ridge Homeowners Association on Proposed PSE Winslow Rezone and Comprehensive Plan Amendment—PLN52149 REZ/CPA

Dear Ms. Tayara:

I represent the Stetson Ridge Homeowners Association, an association of 36 homes to the immediate east of the Puget Sound Energy ("PSE") substation parcel located at 7480 NE Bucklin Hill Road (Tax Parcel No. 4178-000-028-0204). PSE is currently proposing to rezone the substation property from R-0.4 to Business Industrial (B/I), and to change the comprehensive plan map designation for this same parcel. We understand that PSE's primary motivation for seeking these amendments is to circumvent the city's Aquifer Recharge Protection Area ("ARPA") requirements at Section 16.20.100 of the Bainbridge Island Municipal Code ("BIMC"), as stated in PSE's rezone narrative submitted to the city on February 25, 2022. We also understand that the city plans to issue a Determination of Non-Significance ("DNS") under Washington's State Environmental Policy Act ("SEPA"), Chapter 43.21C RCW, as stated in the city's Notice of Application/SEPA Comment Period published on April 22, 2022. For the following reasons, the Stetson Ridge Homeowners Association opposes the proposed rezone and comprehensive plan map amendment, as well as the proposed DNS.

A. The Rezone Proposal Conflicts with the Comprehensive Plan

The proposal conflicts with the city's Comprehensive Plan, which prohibits the expansion of isolated B/I zoning designations. *See* Bainbridge Island Comprehensive Plan, Land Use Element at LU-19 (Feb. 28, 2017). In this case, the proposed rezone property is situated to the immediate east of an isolated B/I-zoned parcel at 7480 NE Bucklin Hill Road (Tax Parcel No. 4178-000-028-0105). This parcel contained light industrial uses prior to its incorporation into city limits (hence its current, grandfathered zoning designation) and represents the only single-parcel B/I zoning

designation within the entire city. In essence, PSE is asking to expand this zoning designation to the east, doubling the size of this isolated B/I zoning area to cover the PSE substation parcel.

This is flatly prohibited by Policy LU 10.9 of the Comprehensive Plan, which provides: "Isolated B/I activities are designated to reflect historical use and *the designation shall not be expanded*" (emphasis added).[1] This comprehensive plan provision is unequivocal—isolated B/I zoning designations *shall not* be expanded. As such, this policy prohibits PSE's planned expansion of the existing B/I zoning designation on NE Bucklin Hill Road to the east, to cover the PSE substation parcel. This also means that the proposed rezone does not satisfy the city's decision criteria for site-specific rezones, one of which is that the proposed rezone must be "in accord with the comprehensive plan." BIMC 2.16.140.H.5. Expanding this isolated B/I zoning designation is not "in accord" with Policy LU 10.9, which flatly prohibits such expansions.

Relatedly, Comprehensive Plan Goal LU-10 provides that the B/I zone should be designated only in areas that will "create opportunities for new businesses and expansion of existing businesses," where this zoning designation will "contribute[] to well-paying and new employment opportunities," and where "traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized." It is not clear whether any of PSE's plans will contribute to new businesses or the expansion of existing businesses. There is no evidence that PSE's plans will contribute to well-paying jobs or new employment opportunities. And without more detail regarding PSE's ultimate expansion plans, there is no evidence that the impacts of such plans on the surrounding neighborhood—including visual impacts—can be minimized. For these reasons, too, the proposed rezone is not "in accord" with the Comprehensive Plan.

B. The Environmental Checklist Is Inadequate

Regarding SEPA, PSE's environmental checklist is inadequate. First and foremost, we note that SEPA requires the City of Bainbridge Island (as well as PSE) to evaluate the indirect or "growth-inducing" effects of the proposed rezone. The city must also evaluate whether the current proposal "will serve as a precedent for future actions." WAC 197-11-060. *See also* WAC 197-11-330(3)(e)(iv) (observing that "[a] proposal may to a significant degree . . . [e]stablish a precedent for future actions with significant effects.").

In this case, expanding the isolated B/I zoning designation on NE Bucklin Hill Road would likely serve as a precedent for other property owners in the area, who may similarly wish to rezone their parcels for business/industrial use. For example, we are aware that the owner of the "triangle property" to the immediate south of the PSE substation parcel (Tax Parcel No. 332502-1-007-2007) applied in 2013 to rezone that property from R-0.4 to B/I, and more recently has proposed siting an industrial compost facility there. Expanding the isolated B/I zoning designation on Bucklin Hill Road—ignoring the city's Comprehensive Plan which flatly prohibits such expansions—would serve as a precedent for future similar applications. The city should evaluate

[1] *See also* Policy LU 10.8 ("Discourage the inappropriate designation of isolated Business/Industrial Districts").

whether the current proposal would serve as a precedent for future rezones and proposed industrial activity, and then evaluate the environmental consequences of establishing such a precedent.

Second, in many instances, PSE's environmental checklist fails to disclose potential environmental impacts, stating that any such impacts will be evaluated later when PSE applies for development permits approving specific development projects or facility expansions. Answers along this line—deferring environmental review to a later date—are given for Checklist Questions B.1.e (grade and fill impacts), B.1.g (impervious surface), B.4.b (vegetation impacts), B.4.d (landscaping and native plants), B.5.d (wildlife impacts), B.10.b (aesthetics), B.13.d (historic resources), D.1 (water, air, and noise), and D.2 (plants and animals), among others. In general, the checklist reads as though PSE believes that no impacts need to be addressed at this time, because the proposed rezone is a "non-project" action that does not directly entail physical work or construction.

This represents a false view of SEPA's requirements. Washington courts—as well as the Growth Management Hearings Board—have been clear that even non-project actions must be subjected to meaningful environmental review, that local agencies must evaluate whether anticipated development is likely to result in a significant adverse environmental impact, and may not blind their eyes to anticipated development resulting from the non-project action. *See, e.g., Alpine Lakes Protection Society v. DNR*, 102 Wn. App. 1, 16, 979 P.2d 929 (1999) ("the fact that an action will not cause an immediate land use change or the fact that there is no specific proposal 'on the table' does not automatically mean that no EIS is required"); *Lands Council v. Washington State Parks Recreation Comm'n*, 176 Wn. App. 787, 803, 309 P.3d 734, 742 (2013) (explaining "the risk of postponing environmental review is 'a dangerous incrementalism where the obligation to decide is postponed successively while project momentum builds.'") (quoting *King County v. Boundary Review Bd.,* 122 Wash.2d 648, 664, 860 P.2d 1024 (1993)); *Assoc. of Citizens Concerned About Chambers Lake Basin v. City of Olympia*, WWGMHB No. 13-20014, FDO (Aug. 7, 2013) at 9 ("[W]hen a city amends its Comprehensive Plan or changes zoning, a detailed and comprehensive SEPA environmental review is required"); *Id.* at 10 ("agencies must evaluate environmental impacts of non-project actions up-front and not wait until the project level," and "[s]imply providing . . . that any impacts will be addressed on a permit basis fails to assess the cumulative impacts and to fully inform the decision makers of the potential consequences of the designations challenged here"); *Whidbey Environmental Action Council v. Island County*, WWGMHB No. 03-2-0008, FDO (Aug. 25, 2003) at 39 ("the County must evaluate the impacts allowed under the changed designation at the time of that non-project action").

In this case, PSE has plans to expand its operations on the substation parcel, which is precisely why it is seeking a rezone (obviously, any existing uses would likely qualify as "legal nonconforming," thus obviating the need for a rezone simply to maintain the status quo). In its Rezone Narrative and SEPA checklist, PSE says that it plans to install improvements needed accommodate a proposed 115 kV transmission line, and also plans to install a second transformer bank and/or a new battery energy storage system. It is unclear whether these are the only improvements planned by PSE. The city should require PSE to disclose the nature of these improvements, any preliminary plans, and any other potential expansions that may be requested in the future under the new zoning designation. The city must then evaluate the environmental

impacts of these projects prior to approving the rezone or issuing a threshold determination under SEPA. To date, this has not been done.

Finally, it is troubling that PSE's primary motivation for requesting the rezone is to evade the city's Aquifer Recharge Protection Area requirements at Section 16.20.100 of the Bainbridge Island Municipal Code. That section of the code contains critical development standards needed to protect the Island's water supply and health of the underlying aquifer, including location and mapping of critical areas during project review, limitations on the removal of native vegetation, and prevention of harm to significant trees. Given that PSE is on record saying that these requirements would inhibit its ultimate plans (though, we are not aware of any formal determination by the city on this issue), it is critical that the city evaluate whether releasing PSE from these requirements will result in adverse environmental impacts. It is also necessary to consider the consequences of PSE's plans now to determine if they conflict with Comprehensive Plan policies relating to environmental protection and water resources. This must be done before the rezone is approved, not after.

D. Absent More Detailed Plans, PSE Has Not Demonstrated Compliance With the City's Rezone Decision Criteria.

Finally, many of the city's rezone criteria cannot be fully evaluated without more detailed information about PSE's ultimate plans for the substation parcel. For example, in order to approve the rezone, the city must find that it "will not be materially detrimental to the public welfare or injurious to the property or improvements in the immediate vicinity and zone in which the property is located." BIMC 2.16.140.H.1. This criterion cannot be evaluated without knowing more about the improvements planned by PSE and how they will affect nearby landowners.

Similarly, before approving the rezone, the city must find that "the site-specific rezone would not devalue surrounding or nearby property" and that "the site-specific rezone will not result in an adverse environmental consequence." BIMC 2.16.140.H.7 & 8. Without knowing the details of how PSE plans to expand its operation, the city cannot determine whether the proposed rezone will ultimately devalue surrounding or nearby property. Likewise, without more detailed plans, the city cannot ensure that the proposal will not result in an adverse environmental consequence.

E. Conclusion

In summary, the proposed rezone conflicts with the City of Bainbridge Island's Comprehensive Plan—in particular, with Policy 10.9 which flatly prohibits the expansion of the isolated B/I zoning designation on NE Bucklin Hill Road. PSE's environmental checklist fails to meet the requirements of SEPA, principally by ignoring the precedential effect of the proposed rezone, deferring environmental review to future permit applications, and failing to address the environmental consequences of removing Aquifer Recharge Protection Area requirements from the substation parcel. More details are also needed before the city can fully evaluate PSE's compliance with its rezone approval criteria, including those criteria aimed at avoiding detrimental impacts on surrounding properties and the environment. For all of these reasons, the rezone should be denied and no SEPA threshold determination should be made unless and until these deficiencies are rectified.

Thank you for your consideration of these comments. If you have any questions or would like to discuss this letter, please feel free to contact me at telegin@bnd-law.com or by phone at (206) 264-8600.

Very truly yours,

BRICKLIN & NEWMAN, LLP



Bryan Telegin
Counsel for the Stetson Ridge Homeowners Association

cc: Client

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners and Hearing Examiner,

I am writing in response to the following Comprehensive Plan Amendment and Site-Specific Rezone applications from Puget Sound Energy (PSE): PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. In order for PSE to seamlessly move forward on their package of solutions to improve reliability and capacity on the Island, PSE is requesting approval of these applications. I am supportive of PSE's efforts to improve reliability and capacity on Bainbridge Island, and encourage the City to move PSE's application forward as expeditiously as possible.

It is no secret that reliability on Bainbridge Island needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no carbon technologies.

I know firsthand the challenges associated with reliability on Bainbridge Island. A recent move to Lynwood from Fort Ward brought awareness of how much wind comes thru Cove areas on this island and these areas in particular need a future plan for non-wired solutions. After a Tornado warning this last year it's hard to not think about what we can do better to improve infrastructure and protect all our residents. Things have improved but we can do better. The City can lead the way in support of this. I see businesses not investing in this concept yet. The Lynwood area has a lot of new construction but businesses such as Pleasant Beach Inn have taken *out* electric car charging stations.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses

adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to our customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. We would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Thank you for your time.

Kind Regards,

Carrie Blunt

Kelly Tayara

From: Kelly Tayara
Sent: Tuesday, May 31, 2022 10:52 AM
To: Kriner, Kerry
Cc: elizabethlynndoll@gmail.com
Subject: RE: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Hello,
Thank you for forwarding this public comment. The comment was caught in the City's spam filter, and I will upload it as public comment on the application. Future correspondence from Ms. Doll will be allowed through.

CITY OF BAINBRIDGE ISLAND

KELLY TAYARA
Senior Planner

206.780.3787 (office)

Planning Department pcd@bainbridge wa.gov 206.780.3750
City Website www.bainbridgewa.gov

From: Kriner, Kerry <Kerry.Kriner@pse.com>
Sent: Wednesday, May 18, 2022 12:34 PM
To: Kelly Tayara <ktayara@bainbridgewa.gov>
Subject: FW: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

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FYI.

---------- Forwarded message ---------
From: **Elizabeth Doll** <elizabethlynndoll@gmail.com>
Date: Tue, May 3, 2022 at 12:39 AM
Subject: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
To: <pcd@bainbridgewa.gov>

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners, and Hearing Examiner,

I am writing to offer comments regarding the Comprehensive Plan Amendment and Site-Specific Rezone applications from PSE: PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. Having lived on the Island for nearly seven years, I am extremely supportive of efforts to improve the reliability and capacity of our electrical grid. In order to make improvements as efficiently as possible, I support the approval of these applications and hope that you will move to approve them as soon as possible.

A community with as many resources as ours should not have such poor utility reliability. My friends frequently joke that we live in a first-world city with developing-world infrastructure. More seriously, power outages present accessibility challenges for my elderly neighbors: no power means no elevators, which traps mobility-challenged seniors in their apartments. This is unacceptable. I live in the Winslow core and power failures are STILL disquietingly common. My job requires reliable power and internet access. It's a travesty that in 2022, reliable power is the item that's still an active issue here.

It is no secret that reliability on Bainbridge needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility-scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no-carbon technologies.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

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I love Bainbridge and I want to see it continue to improve and thrive. Improved reliability and capacity on the Island will vastly improve my quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Sincerely,

Elizabeth Doll | **(360) 689-4927**

Marlene Schubert

From: Carrie Fisher <sea2ogg@yahoo.com>
Sent: Tuesday, May 10, 2022 8:32 PM
To: PCD
Subject: PSE Comprehensive Plan
Attachments: PSESupport1.pdf

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners and Hearing Examiner,

I am writing in response to the following Comprehensive Plan Amendment and Site-Specific Rezone applications from Puget Sound Energy (PSE): PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. In order for PSE to seamlessly move forward on their package of solutions to improve reliability and capacity on the Island, PSE is requesting approval of these applications. I am supportive of PSE's efforts to improve reliability and capacity on Bainbridge Island, and encourage the City to move PSE's application forward as expeditiously as possible.

It is no secret that reliability on Bainbridge Island needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no carbon technologies.

I know firsthand the challenges associated with reliability on Bainbridge Island. A recent move to Lynwood from Fort Ward brought awareness of how much wind comes thru Cove areas on this island and these areas in particular need a future plan for non-wired solutions. After a Tornado warning this last year it's hard to not think about what we can do better to improve infrastructure and protect all our residents. Things have improved but we can do better. The City can lead the way in support of this. I see businesses not investing in this concept yet. The Lynwood area has a lot of new construction but businesses such as Pleasant Beach Inn have taken *out* electric car charging stations.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses

adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to our customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. We would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Thank you for your time.

Kind Regards,

Carrie Blunt

Marlene Schubert

From: Kathy Hansen <kathy.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:36 AM
To: PCD
Subject: Support for Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications
Attachments: Support for PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications.docx.pdf

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

Dear Ms. Tayara,

Please find the attached in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone proposals:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Thank you,

Kathleen Hansen

1525 Fort Ward Hill Rd NE

Bainbridge Island, WA 98110

206-201-3414

May 12, 2022

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of Puget Sound Energy's:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
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After listening and commenting at the Planning Commission meeting held on January 13, 2022 and reading the various applications and SEPA checklists, it makes sense to align the zoning to the particular use. The designation of an electric substation as residential only works to hinder the electric improvements that Bainbridge Islanders need and want. The current residential designation is inappropriate for uses now and any planned or future use.

Granting these applications would allow Puget Sound Energy to move forward more quickly with long-overdue electric improvements, would result in similar Business/Industrial designations with adjacent properties and circumvent the need to find new and additional properties to locate additional substations. Commenters with just about everything related to the city, mention retaining vegetation and trees. A larger setback would be required for a Business Industrial designation that would afford even greater protections to area residents.

Searching for alternative sites would only create more delays, more disruption to the environment and create the need for PSE to move infrastructure to another location. Islanders have already gone through the process of discussing a preferred route and that alone has taken several years. Puget Sound Energy has

done its due diligence in finding appropriate solutions to our current energy problems while planning to remain flexible in order to address future needs.

Keep in mind, PSE is not meeting many of its service reliability metrics and a VP confirmed that we have some of the worst reliability in the entire PSE system. This is not a badge of honor. As a city we are not presently poised to meet current or future electric needs. Please approve Puget Sound Energy's Comprehensive Plan Amendment and site-specific rezone applications for the three substations. This past summer we submitted to City Council the signatures of hundreds of residents who signed in support of PSE efforts to improve electric reliability. My HOA, the Rich Passage Estates Homeowners Association sent a similar public comment. Those of us on the South end of Bainbridge serviced by the Winslow Substation don't need or want yet another decade of delay.

Respectfully,

Kathleen Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

Marlene Schubert

From: Patrick Kelly <patrickonbainbridge@gmail.com>
Sent: Friday, May 6, 2022 3:59 PM
To: PCD
Subject: pln52149 comments

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

To Whom It May Concern,

On writing on behalf of myself, and my family who live at 6405 Haley Loop, in regards to the the proposed rezoning to business industrial to accomidate the expansion/update of the power facility.
I am not opposed to expansion and growth. I am however against changing/rezone what is currently a more rural and residential area to something that could potentially open the door for other additional "industrial" uses.
I've said this before when there was talk about putting in a composting facility behind our house in the triangle property....If we wanted to live in an industrial area, we would have moved to such a place. We chose our home location for exactly this reason, a non-industrial type of life.
I firmly believe that changing zoning, just to accommodate a project, without an actual vote from the people, the people who pay taxes and your salaries, is a slippery downward slope.
In Addition, I don't believe the city or the power company has proven our shown any proof of what this current change in zone would or could have immediately or in the future regarding the Aquifer Recharge Protection Area Ordinance. It seems by passing this rezoning you'd be ignoring things in place to protect our watershed and source.

Thanks,
Patrick Kelly

Marlene Schubert

From: Kevin Miller <kevinm@miller.house>
Sent: Thursday, May 5, 2022 2:03 PM
To: PCD
Subject: Feedback - PLN52149 REZ/CPA

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

Regarding: PLN52149 REZ/CPA, parcel 4178-000-028-0204

All,

I am a Bainbridge Island resident and homeowner in close proximity to the above-referenced parcel.

While I support taking action to increase the resiliency of power infrastructure on Bainbridge, I believe that the proposal to modify the comprehensive plan and rezone the subject parcel is not receiving appropriate scrutiny or critical review to understand if this is the appropriate way to achieve this end. I'm specifically concerned about the rezoning aspect, as this appears particularly unnecessary and counter-productive.

At this juncture I do not believe that the applicant and the City have taken inadequate steps to ensure that this proposal will:
1/ meet the standards of the City's Comprehensive Plan (particularly with respect to the expansion in designation of B/I zoned areas, LU 10.9)
2/ meet the State SEPA rules - WAC 197-11-060
3/ meet the City code with respect to rezoning criteria - BIMC 2.16.140.H.1

My suggestion is to conduct review of the actual changes necessary for specific PSE improvements that improve power resiliency and conduct appropriate environmental review of the specific improvements.

-Kevin

PUGET SOUND ENERGY

Port Madison Substation Comprehensive Plan Map Amendment Request and Decision Criteria Compliance Narrative

Comprehensive Plan Map Amendment Request

Puget Sound Energy (PSE) is requesting a change in the land use designation for the Port Madison Substation site located at the intersection of NE Day Road West and SR-305 (Parcel #032502-3-013-2001). Per the Future Land Use Map (Figure LU-5) in the Comprehensive Plan, the land use designation for the site is Residential 0.4 (R-0.4). PSE is requesting that this designation be changed to Business/Industrial (B/I).

The Port Madison Substation is one of three substations on Bainbridge Island that distribute electricity to homes and businesses within the community. Two transmission lines, Port Madison Tap and Foss Corner-Port Madison 115 kV lines, bring power to the Island from the Kitsap Peninsula over Agate Pass to Port Madison Substation. Electricity is then transferred to the other two substations on the Island via two radial transmission lines.

The long established utility facility use of the parcel as well as adjacency of B/I designated parcels support changing the substation parcel designation. Port Madison Substation was constructed on the site in 1954 under the jurisdiction of unincorporated Kitsap County. It was the first substation constructed on Bainbridge Island and has continued to be a consistent element of the community's infrastructure. The site was annexed into the City of Bainbridge Island when it was incorporated in 1991. To the northeast of the triangular substation site is the Day Road Business Park constructed in the 1980s. The business park property is zoned B/I with the Comprehensive Plan Future Land Use Map designation also being B/I. Additional B/I designated properties within the vicinity of the site includes a large business park complex on the north and south sides of NE Day Road West to SR-305 which includes the Day Road Business Park and a business industrial property on the east side of SR-305. The intersection of NE Day Road West and SR-305 is designated as the Day Road Industrial Center in Figure LU-3 *Island-wide Land Use Concept* of the City of Bainbridge Island Comprehensive Plan. The Comprehensive Plan includes a land use vision for 2036 that states:

> *Most of the preceding two decades of growth have been attracted to the high quality of life in the Island's thriving **Designated Centers** where cultural amenities, employment and housing opportunities abound and public services, utilities and infrastructure are efficiently provided.*

PSE (formerly Puget Sound Power & Light – Puget Power) acquired the Port Madison Substation site with the expectation that as the community grew, the substation and associated PSE facilities would be

expanded and upgraded to accommodate capacity and reliability needs. The substation footprint has not significantly changed since it was constructed in the 1950s. The current Comprehensive Plan designation is not conducive to supporting the long-term needs of the community. The R-0.4 designation focuses on low density residential development and conservation; but does not reflect the long-term utility use of the site. The current land use designation is also inconsistent with PSE's statutory duty to serve the community with essential infrastructure and electrical service whereas the B/I designation is consistent with this long-term need.

PSE's Strategic System Planning department has determined aging infrastructure needs to be replaced at the Port Madison Substation in the immediate future (planned 2022 construction). This includes replacing the existing control house and associated equipment within the existing substation fenced yard. The site zoning of R-0.4 will accommodate these improvements. Long-term projections (beyond 10-years) indicate the potential need to expand the Port Madison Substation to accommodate electrical demand from Bainbridge Island customers in the future. The current zoning requirements do not provide potential flexibility to upgrade and expand the substation in the future. In order to rezone the site from R-0.4 to B/I, an amendment to the Future Land Use Map in the Comprehensive Plan is required to also designate the site as B/I.

BIMC 2.16.190.D. Map Amendments. Changes to the land use map may only be approved if the proponent has demonstrated that all of the following are true:

1. The designation is in conformance with the appropriate land use designation purpose statement identified in the comprehensive plan; and

   Response: The purpose for the Business/Industrial designation provided in the Comprehensive Plan is:

   Provide appropriate Business/Industrial zoned land to create opportunities for new businesses and expansion of existing land businesses for diversity of jobs and for low-impact industrial activity that contributes to well-paying and new employment opportunities, where traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized.

   The Port Madison Substation site is a developed substation site located directly adjacent to and across NE Day Road West and SR-305 from other business industrial uses (see Existing Zoning map). The parcel location is better suited to be absorbed in the business industrial designation of the adjacent parcels than to be a stand-alone low-density residential parcel on the corner of a busy intersection with a state highway. The property has been used as a substation site since the early 1950s and will continue to be part of PSE's electrical infrastructure on the Island indefinitely. The substation function is more aligned with a low-impact industrial activity than with a low-density residential use. The visual impacts of the substation site will not change and they are consistent with the look and feel of the surrounding industrial uses.

2. The map amendment or site is suitable for the proposed designation; and

Response: The site is already developed with an electrical substation that has been in service since 1954, which predates the City's incorporation and much of the adjacent development. The site directly abuts business park uses that are designated in the Comprehensive Plan and zoned as Business/Industrial. The site is currently a stand-alone low-density residential parcel at the intersection of NE Day Road West and SR-305 and the site designation and zoning are not consistent with its current and continued use of the site. Continued use of this parcel as a substation utility facility will not interfere with or be incompatible with nearby residential uses as confirmed by the longtime collocation of these uses. Accordingly, the map amendment and site are both suitable for the proposed designation.

3. The map amendment implements applicable comprehensive plan policies better than the current map designation.

   Response: The map amendment will implement applicable comprehensive plan policies better than the current map designation. The current map designation of low-density residential (R-0.4) aligns with comprehensive plan policies focused on low impact development and conservation:

   Develop context-sensitive *regulations for residential development in areas designated R-2, R-1, or R-0.4, in order to limit clearing, soil disturbance, promote* low impact development *and reconcile development and conservation* (Goal LU-14).

   This goal is supported by associated Residential District policies:

   Policy LU 14.1: The Residential District area is designated for less intensive residential development and a variety of agricultural and forestry uses.

   > **Response:** The existing substation use is not indicative of less intensive residential development nor agricultural or forestry uses.

   Policy LU 14.2: Encourage residential development that is compatible with the preservation of *open space*, forestry, agricultural activities, and natural systems. Accessory *farm* buildings and uses are allowable.

   > **Response:** The substation site maintains appropriate landscape buffers; however the use itself is not compatible with open space preservation, forestry or agricultural activities. The site is nearly 75 percent developed with the substation yard and associated driveways and substation shoulder.

   Whereas policies that support the Business/Industrial map designation are more appropriate for the substation use:

   Policy LU 10.1: The Business/Industrial (B/I) District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island.

Response: Electricity is needed to support existing and future economic development on the Island as well as residences and other uses.

Policy LU 10.4: Applications for development approval within the B/I district must show that adequate water, wastewater, transportation, fire and storm drainage services are available to serve the development.

Response: The substation use does not require water or wastewater utilities and can be supported by existing transportation, fire and storm drainage facilities.

Policy LU 10.6: Performance standards for the B/I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential *neighborhoods.*

Response: The substation use does not generate daily motorized or non-motorized traffic trips, as only occasional maintenance vehicles visit the site. Residentially zoned property south of the site across NE Day Road West is encumbered by a conservation easement and the residence is set back significantly from the road. The existing substation site is screened from NE Day Road West and SR-305 by significant vegetation. The substation does not generate light or odor. Noise levels generated from the substation equipment are within levels established by City of Bainbridge Island noise regulations.

Policy LU 10.7: B/I uses must be visually screened year-round from the adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer.

Response: The substation site maintains an existing landscape screen from NE Day Road West as well as SR-305. Any future site development would maintain existing screening from NE Day Road West and comply with other applicable screening requirements.

Policy LU 10.8: Discourage the inappropriate designation of isolated Business/Industrial Districts.

Response: The designation of the site as Business/Industrial is consistent with surrounding designations. The substation site is surrounded by existing Business/Industrial designated property; including to the northwest, southwest, and east of SR-305.

Policy LU 10.9: Isolated B/I activities are designated to reflect historical use and the designation shall not be expanded.

Response: Designation of the site as Business/Industrial would not represent an isolated designation. Business/Industrial is an appropriate designation for the historic use of the property.

The proposed Comprehensive Plan map amendment also complies with Electrical Utility goals and policies in the Comprehensive Plan.

Goal U-1: Ensure that reliable utility services are available to all Bainbridge Island residents.

Response: Without the Comprehensive Plan map amendment for the Port Madison Substation site, flexibility to provide reliable utility services to all Bainbridge Island residents in the long-term is uncertain.

Goal U-3: Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands.

Response: Without the Comprehensive Plan map amendment to change the designation from R-0.4 to B/I, future substation deficiencies cannot be addressed to meet long-term capacity needs.

Goal U-5: Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment.

Response: Changing the comprehensive plan designation of the site from R-0.4 to B/I will allow flexibility for future upgrades and improvements at the substation site.

BIMC 2.16.190.H. Decision Criteria. The planning commission and city council shall base their respective recommendation or decision on a proposed comprehensive plan amendment on the following criteria:

1. Compliance with Law. Amendments to the comprehensive plan shall comply with Growth Management Act and other state and federal laws.

   Response: The proposed comprehensive plan map amendment is consistent with the Growth Management Act (GMA) and other state and federal laws. Providing adequate public facilities and services within urban growth areas is a cornerstone goal of the GMA as reflected by the inclusion of a mandatory Utilities Element in the Comprehensive Plan. RCW 80.28.110 outlines PSE's duty to serve customers with electricity. The Washington Utilities and Transportation Commission (WUTC) regulates PSE and other investor owned-utilities in Washington State to ensure safe and reliable service to customers at reasonable rates through laws and tariffs. PSE is also regulated by the North American Electric Reliability Corporation (NERC) which assures reliability and security of the electrical grid nationwide. The comprehensive plan amendment

will ensure PSE's continued compliance with applicable state and federal regulations related to power delivery.

2. Resources.
   a. The city must have the resources, including staff and budget, necessary to implement the proposal.

      Response: Changing the future land use designation of the Port Madison Substation site from R-0.4 to B/I provides for a change to a designation that better reflects the existing use on the site and will not result in the need for city resources beyond normal operation.

   b. The amendment will not result in development that has significant adverse effects on community resources, including but not limited to: water resources, utilities, transportation, parks or schools.

      Response: Changing the future land use designation of the substation site will not result in development that has a significant adverse effects on community resources. The existing site provides infrastructure to serve a basic need for the community in providing electricity. Needed stormwater infrastructure is situated on site and the substation does not use other utilities, transportation resources (beyond occasional maintenance visits), schools or parks.

   c. The amendment must not adversely affect the city's ability to provide the full range of public facilities and services at the planned level of service, or consume public resources otherwise needed to support comprehensive plan implementation strategies.

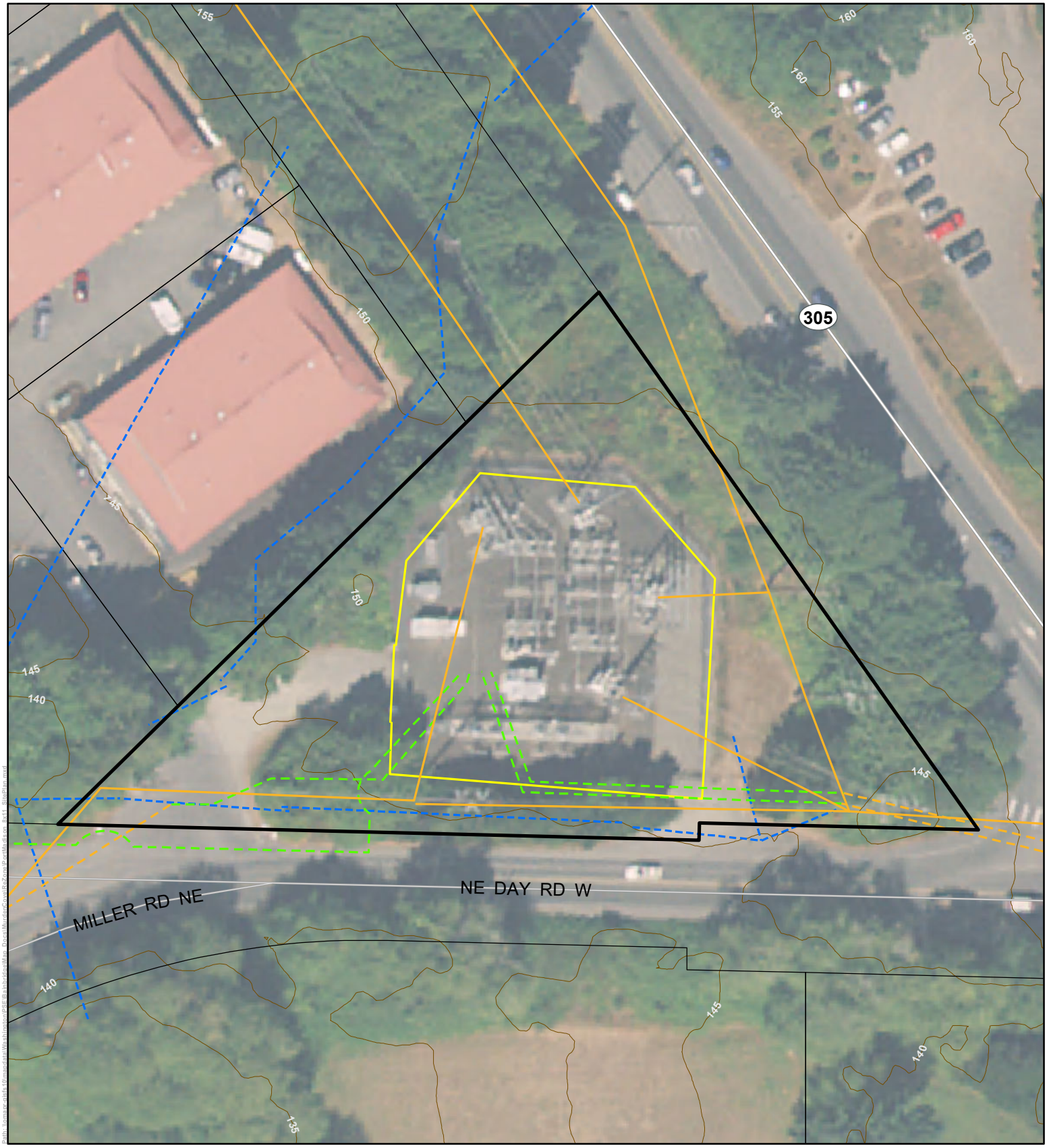
      Response: The proposed amendment will support the city's ability to provide the full range of public facilities and services at the planned level of service by supporting the electrical needs of the community as the community continues to grow.

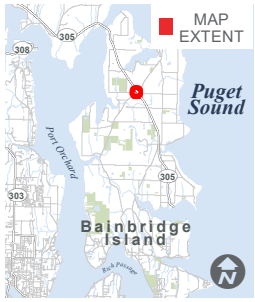
3. Internal Consistency. Amendments shall be consistent with the land uses and growth projections that are the basis of the comprehensive plan and with the overall intent of the comprehensive plan, including the community vision, overriding principles, and overall goals that guide the plan.

   Response: The designation change for the site on the future land use map will have a positive impact on growth projection consistency. The existing land use is not consistent with the current designation of R-0.4. Changing the designation to B/I will allow flexibility for PSE to continue to upgrade and expand the substation to serve the existing community in the long-term and support further growth on the Island.

4. Cumulative Effect. All amendments must be considered concurrently in order to evaluate their cumulative effect on the comprehensive plan text and map, development regulations, capital facilities program, adopted environmental policies and other relevant implementation measures.

Response: PSE is requesting amendments to change the exiting designation of our 3 substation sites from low-density residential (R-0.4 and R-2) to Business/Industrial (B/I). The cumulative effect of this change will not impact existing comprehensive plan text, development regulations, capital facilities, adopted environmental policies or any other implementation measures applicable to the sites. The change will also not result in a change in the pattern of adjacent development and land uses. The change in designation will allow the sites that are already developed with electric utility infrastructure to continue to be upgraded and expanded to support the electrical needs of the community.





- Site Boundary
- Fence Line
- Transmission Line
- Overhead Distribution Line
- Underground Distribution Cable
- Stormwater
- Contour (5ft)
- Kitsap County Parcels
- State Route
- Major Roads

0 60 Feet

1 inch = 60 feet

SITE PLAN

PORT MADISON SUBSTATION

PARCEL: 032502-3-013-2001
NE DAY RD W

Page: 1 of 1

Date: 2/14/2020

SOURCES: Wetlands, streams, and roads - City of Bainbridge Island (2019), Aerial - City of Bainbridge Island (2017) Online.

Path: \\omanc-dsfs10\manddata\Washington\PSE\Bainbridge\Mxd Docs\MurdanCove\RezZone\PortMadison 8x11 SitePlan.mxd

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

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I want Bainbridge Island to be a place where myself, my family and children can live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Thank you for your time.

Kind Regards,

Carrie Blunt

Kelly Tayara

From: Kelly Tayara
Sent: Tuesday, May 31, 2022 10:52 AM
To: Kriner, Kerry
Cc: elizabethlynndoll@gmail.com
Subject: RE: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Hello,
Thank you for forwarding this public comment. The comment was caught in the City's spam filter, and I will upload it as public comment on the application. Future correspondence from Ms. Doll will be allowed through.

CITY OF BAINBRIDGE ISLAND

KELLY TAYARA
Senior Planner

206.780.3787 (office)

Planning Department pcd@bainbridge wa.gov 206.780.3750
City Website www.bainbridgewa.gov

From: Kriner, Kerry <Kerry.Kriner@pse.com>
Sent: Wednesday, May 18, 2022 12:34 PM
To: Kelly Tayara <ktayara@bainbridgewa.gov>
Subject: FW: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

FYI.

---------- Forwarded message ---------
From: **Elizabeth Doll** <elizabethlynndoll@gmail.com>
Date: Tue, May 3, 2022 at 12:39 AM
Subject: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
To: <pcd@bainbridgewa.gov>

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners, and Hearing Examiner,

I am writing to offer comments regarding the Comprehensive Plan Amendment and Site-Specific Rezone applications from PSE: PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. Having lived on the Island for nearly seven years, I am extremely supportive of efforts to improve the reliability and capacity of our electrical grid. In order to make improvements as efficiently as possible, I support the approval of these applications and hope that you will move to approve them as soon as possible.

A community with as many resources as ours should not have such poor utility reliability. My friends frequently joke that we live in a first-world city with developing-world infrastructure. More seriously, power outages present accessibility challenges for my elderly neighbors: no power means no elevators, which traps mobility-challenged seniors in their apartments. This is unacceptable. I live in the Winslow core and power failures are STILL disquietingly common. My job requires reliable power and internet access. It's a travesty that in 2022, reliable power is the item that's still an active issue here.

It is no secret that reliability on Bainbridge needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility-scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no-carbon technologies.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to our customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. We would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I love Bainbridge and I want to see it continue to improve and thrive. Improved reliability and capacity on the Island will vastly improve my quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Sincerely,

Elizabeth Doll | **(360) 689-4927**

Marlene Schubert

From: Carrie Fisher <sea2ogg@yahoo.com>
Sent: Tuesday, May 10, 2022 8:32 PM
To: PCD
Subject: PSE Comprehensive Plan
Attachments: PSESupport1.pdf

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City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners and Hearing Examiner,

I am writing in response to the following Comprehensive Plan Amendment and Site-Specific Rezone applications from Puget Sound Energy (PSE): PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. In order for PSE to seamlessly move forward on their package of solutions to improve reliability and capacity on the Island, PSE is requesting approval of these applications. I am supportive of PSE's efforts to improve reliability and capacity on Bainbridge Island, and encourage the City to move PSE's application forward as expeditiously as possible.

It is no secret that reliability on Bainbridge Island needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no carbon technologies.

I know firsthand the challenges associated with reliability on Bainbridge Island. A recent move to Lynwood from Fort Ward brought awareness of how much wind comes thru Cove areas on this island and these areas in particular need a future plan for non-wired solutions. After a Tornado warning this last year it's hard to not think about what we can do better to improve infrastructure and protect all our residents. Things have improved but we can do better. The City can lead the way in support of this. I see businesses not investing in this concept yet. The Lynwood area has a lot of new construction but businesses such as Pleasant Beach Inn have taken *out* electric car charging stations.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses

adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to our customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. We would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Thank you for your time.

Kind Regards,

Carrie Blunt

Marlene Schubert

From: Kathy Hansen <kathy.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:36 AM
To: PCD
Subject: Support for Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications
Attachments: Support for PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications.docx.pdf

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Dear Ms. Tayara,

Please find the attached in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone proposals:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Thank you,

Kathleen Hansen

1525 Fort Ward Hill Rd NE

Bainbridge Island, WA 98110

206-201-3414

May 12, 2022

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of Puget Sound Energy's:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

After listening and commenting at the Planning Commission meeting held on January 13, 2022 and reading the various applications and SEPA checklists, it makes sense to align the zoning to the particular use. The designation of an electric substation as residential only works to hinder the electric improvements that Bainbridge Islanders need and want. The current residential designation is inappropriate for uses now and any planned or future use.

Granting these applications would allow Puget Sound Energy to move forward more quickly with long-overdue electric improvements, would result in similar Business/Industrial designations with adjacent properties and circumvent the need to find new and additional properties to locate additional substations. Commenters with just about everything related to the city, mention retaining vegetation and trees. A larger setback would be required for a Business Industrial designation that would afford even greater protections to area residents.

Searching for alternative sites would only create more delays, more disruption to the environment and create the need for PSE to move infrastructure to another location. Islanders have already gone through the process of discussing a preferred route and that alone has taken several years. Puget Sound Energy has

done its due diligence in finding appropriate solutions to our current energy problems while planning to remain flexible in order to address future needs.

Keep in mind, PSE is not meeting many of its service reliability metrics and a VP confirmed that we have some of the worst reliability in the entire PSE system. This is not a badge of honor. As a city we are not presently poised to meet current or future electric needs. Please approve Puget Sound Energy's Comprehensive Plan Amendment and site-specific rezone applications for the three substations. This past summer we submitted to City Council the signatures of hundreds of residents who signed in support of PSE efforts to improve electric reliability. My HOA, the Rich Passage Estates Homeowners Association sent a similar public comment. Those of us on the South end of Bainbridge serviced by the Winslow Substation don't need or want yet another decade of delay.

Respectfully,

Kathleen Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

Renee Argetsinger

From:	winifredperkins25@gmail.com
Sent:	Friday, June 17, 2022 2:37 PM
To:	PCD
Subject:	Comments on PSE's Comp Plan and Rezone Applications
Attachments:	Letter of Support Rezone CPA 2022 Final.wgp.docx

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RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Attached, please find my comments on the above-referenced applications.

Please feel free to contact me with any questions or comments.

Thank you,
Winifred Perkins

June 17, 2022

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners and Hearing Examiner,

I am writing in response to the following Comprehensive Plan Amendment and Site-Specific Rezone applications from Puget Sound Energy (PSE): PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. In order for PSE to move forward on their package of solutions to improve reliability and capacity on Bainbridge Island, PSE is requesting approval of these applications. I am supportive of PSE's efforts to improve reliability and capacity on Bainbridge Island, and encourage the City to move PSE's application forward as expeditiously as possible.

Reliability on Bainbridge Island needs to be improved and PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet PSE's clean energy goals, including the planned future electrification of ferries, and other transportation on Bainbridge Island, PSE researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect the Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving.

PSE has spent years evaluating and discussing various options to improve electric reliability on Bainbridge Island. The time is long overdue for the implementation of these much-needed improvements. For the past several years PSE has undertaken a widespread informational and educational outreach effort to work with the residents and business on Bainbridge Island to identify alternatives to improve reliability. After receiving input from hundreds of homeowners, businesses and institutions, PSE has carefully selected the alternatives that best meets the environmental, engineering and socio-economic requirements of a majority of stakeholders. The next step in this process is for the City to now approve the comprehensive plan amendment and rezone approvals for their three existing substation properties on

Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to their customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. PSE would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can safely live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island and also minimize environmental impacts while affording people a more reliable source of power. I support PSE's proposal to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments as out lined in the above-referenced applications.

Sincerely,
Winifred Perkins
10120 NE Garibaldi Loop
Bainbridge Island, WA 98110

Marlene Schubert

From: Tom Hansen <tom.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:55 AM
To: PCD
Subject: Public Comment for PSE Proposals
Attachments: Support for PSE_CompPlanAmmendement&RezoneApplications.docx

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Dear Ms. Tayara,

Please find the attached public comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone proposals:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Tom Hanen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110
206-201-3414 / 281-728-4929

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of PSE applications for rezoning the Murden Cove, Port Madison, and Winslow substations from various R-x designations to B/I designations.

- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

The past and current uses, originally permitted by Kitsap County, are inconsistent with current and future uses as rezoned by the City of Bainbridge Island. PSE's responses clearly meet the City's Policy and Goals (shown below):

Electrical Utility Goals and Policies

- Ensure that reliable utility services are available to all Bainbridge Island residents
- Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands
- Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment
- Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island

Business/Industrial Policies

- The Business/Industrial (B/I) District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island
- Applications for development approval within the B/I district must show that adequate water, wastewater, transportation, fire and storm drainage services are available to serve the development
- Performance standards for the B/I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential neighborhoods

- B/I uses must be visually screened year-round from the adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request..

Additionally, I support PSE's request for a change to Critical Area regulations contained in BIMC 16.20.140.G.2 and 16.20.100.E.1 in order to allow for continued maintenance, upgrade and installation of linear electrical distribution and transmission infrastructure.

- PSE Municipal Code Amendment PLN52234 LDR

A blanket restriction regarding Category II wetlands would restrict a public utility form maintaining, upgrading an constructing transmission and distribution infrastructure to meet island utility current and future needs as required by State law.

> *"In general, although Category II wetlands may in theory provide higher habitat values than Category III or IV wetlands, the portion of Category II wetlands within the road rights-of-way and within or adjacent to existing cross-country transmission corridors is already subject to the effects of human disturbance, and therefore is likely to provide more limited habitat value than the habitat score alone would indicate."*

Installing new aerial distribution and transmission lines within or adjacent to road rights-ofway; or as an overbuild or underbuild to an existing aerial primary utility within cross country corridors on easement within Category II wetlands is the best way to minimize the environmental impact while meeting the need for reliable energy and helping to reduce the Island's Carbon Footprint.

PSE is required to apply the best science available and follow all laws.

> *"When PSE maintains or upgrades an existing utility line or installs a new line, they follow federal, state, and local requirements to avoid and minimize wetland impacts to the extent feasible in accordance with the following preferred mitigation sequence, as outlined in the Interagency Guidance on Wetland Mitigation in Washington State (Ecology 2006) and BMC 16.20.030: 1. Avoid the impact altogether by not taking a certain action or parts of an action; 2. Minimize impacts by limiting the degree or magnitude of the action and its implementation by using appropriate technology or by taking affirmative steps to avoid or reduce impacts; 3. Rectify the impact by repairing, rehabilitating, or restoring the affected environment; 4. Reduce or eliminate the impact over time by preservation and maintenance operations during the life of the action; 5. Compensate for the impact by replacing, enhancing, or providing substitute resources or environments; and 6. Monitor the impact and take appropriate corrective measures."*

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request.

PSE has been both transparent and through in its public engagement for its Electric Reliability Projects. Personally, I have been skeptical, questioning, and have requested data all through the process and independently formed my own opinions. For those of us that have and continue to participate in community meetings and read the detail material that has been submitted we support PSE. The public comments the do not support electric reliability improvements largely come from individuals who have not participated, naively form an opinion without o objectively informing themselves on the details or have been made their comment from a “Not In My Neighborhood” perspective. Many of the comments have acted like “nail strips” to derail the projects. I truly believe that the majority of Islanders are not engaged because of their busy lives or the pandemic but want reliable electricity. The bottom line is that the electric infrastructure on the island is decades old and as a resident of the south end of the island, I do not to want to wait decades more for electric reliability improvements.

Tom Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

PUGET SOUND ENERGY

Winslow Substation Comprehensive Plan Map Amendment Request and Decision Criteria Compliance Narrative

Comprehensive Plan Map Amendment

Puget Sound Energy (PSE) is requesting a change in the land use designation for the Winslow Substation site located one parcel east of the intersection of Fletcher Bay Road NE and NE Bucklin Hill Road NE on the north side of NE Bucklin Hill Road (Parcel #4178-000-028-0204). Per the Future Land Use Map (Figure LU-5) in the Bainbridge Island Comprehensive Plan, the land use designation for the site is Residential 1 unit per 2.5 acres (R-0.4). PSE is requesting that this designation be changed to Business/Industrial (B/I), which is more consistent with its existing land use and will allow PSE to engage in needed upgrades.

The Winslow Substation is one of three substations on Bainbridge Island that distribute electricity to homes and businesses within the community. Two 115,000 volt (115kV) transmission lines, the Port Madison Tap and the Foss Corner-Port Madison lines, bring power to the Island from the Kitsap Peninsula over Agate Pass to Port Madison Substation located on the northwest corner of NE Day Road West and SR-305. Electricity continues on to the Murden Cove Substation via the Murden Cove Tap transmission line and to the Winslow Substation via the Winslow Tap transmission line.

The Winslow Substation was constructed on the site in 1960 then under the jurisdiction of Kitsap County. It was the second substation constructed on Bainbridge Island and has since been a consistent element of the community's electrical infrastructure. The site became part of the City of Bainbridge Island when it was incorporated in 1991. The property to the west by a self-storage business, to the east by a stormwater tract that is part of the Stetson Ridge residential plat, to the north by single-family residential development, and to the south across NE Bucklin Hill Road by a gravel mine. The self-storage property to the west is zoned B/I.

The Winslow Substation site was acquired by PSE (formerly Puget Sound Power & Light – Puget Power) with the expectation that as the community grew, the substation and associated facilities would be expanded and upgraded to accommodate capacity and reliability needs. The substation has not been expanded since its original construction; however upgrades have occurred within the substation fenced yard. The site's Comprehensive Plan Land Use designation is not conducive to supporting the long-term needs of the community. The current R-0.4 designation focuses on low density residential development and conservation; not on the ability to serve the community with essential infrastructure and electrical service. The B/I designation is consistent with this long-term need.

PSE's Strategic System Planning department has determined that upgrades are needed at the substation to accommodate the construction of a new 115 kV transmission line between Murden Cove Substation and Winslow Substation (Murden Cove - Winslow 115 kV transmission line). This transmission line is being proposed to address the lack of transmission backup should one of the radial transmission lines serving either substation experience an outage. Additionally, to address a future substation capacity need, additional area for a second bank at the substation is needed. The improvements needed for the new transmission line include expansion of the existing 115 kV bus within the substation, expansion of the substation yard, and stormwater improvements. The current zoning requirements will not accommodate this expansion. In order to rezone the site from R-0.4 to B/I, an amendment to the Future Land Use Map in the Comprehensive Plan is required to also designate the site as B/I.

BIMC 2.16.190.D. Map Amendments. Changes to the land use map may only be approved if the proponent has demonstrated that all of the following are true:

1. The designation is in conformance with the appropriate land use designation purpose statement identified in the comprehensive plan; and

   Response: The purpose for the Business/Industrial designation provided in the Comprehensive Plan is:

   Provide appropriate Business/Industrial zoned land to create opportunities for new businesses and expansion of existing land businesses for diversity of jobs and for low-impact industrial activity that contributes to well-paying and new employment opportunities, where traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized.

   The Winslow Substation site is a developed substation site located directly east of another site zoned B/I. The property has been used as a substation site since 1960 and will continue to be part of PSE's electrical infrastructure on the Island indefinitely. The substation function is more aligned with a low-impact industrial activity than with a low-density residential use. The visual impacts of the substation site will not change and they are consistent with the look and feel of the adjacent industrial use, but at the same time existing site screening softens visual impacts to surrounding residential uses.

2. The map amendment or site is suitable for the proposed designation; and

   Response: The map amendment and site are both suitable for the proposed designation. The site is already developed with an electrical substation that has been in service since 1960 and directly abuts a business park that is designated in the Comprehensive Plan and zoned as Business/Industrial. The site's current low-density residential designation and zoning are not consistent with its current and continued use. Electrical facility site improvements that occur following this amendment will in no way affect the pattern of development or uses adjacent to the existing substation site.

3. The map amendment implements applicable comprehensive plan policies better than the current map designation.

   Response: The map amendment will implement applicable comprehensive plan policies better than the current map designation. The current map designation of low-density residential (R-0.4) aligns with comprehensive plan policies focused on low impact development and conservation:

   Develop context-sensitive *regulations for residential development in areas designated R-2, R-1, or R-0.4, in order to limit clearing, soil disturbance, promote* low impact development *and reconcile development and conservation* (Goal LU-14).

   This goal is supported by associated Residential District policies:

   Policy LU 14.1: The Residential District area is designated for less intensive residential development and a variety of agricultural and forestry uses.

   > **Response:** The existing substation use is not indicative of less intensive residential development nor agricultural or forestry uses.

   Policy LU 14.2: Encourage residential development that is compatible with the preservation of *open space*, forestry, agricultural activities, and natural systems. Accessory *farm* buildings and uses are allowable.

   > **Response:** The substation site maintains appropriate landscape buffers; however the use itself is not compatible with open space preservation, forestry or agricultural activities.

   Whereas policies that support the Business/Industrial map designation are more appropriate for the substation use:

   Policy LU 10.1: The Business/Industrial (B/I) District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island.

   > **Response:** Electricity is needed to support existing and future economic development on the Island as well as residences and other uses. Allowing for greater flexibility in substation upgrades supports increased diversity of economic activity on the island.

   Policy LU 10.4: Applications for development approval within the B/I district must show that adequate water, wastewater, transportation, fire and storm drainage services are available to serve the development.

   > **Response**: The substation use does not require water or wastewater utilities and is already supported by existing transportation, fire and storm drainage facilities.

Policy LU 10.6: Performance standards for the B/I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential *neighborhoods.*

Response: The substation use and potential future improvements will not generate daily motorized or non-motorized traffic trips, as only occasional maintenance vehicles visit the site. The existing substation is screened on all sides, including from NE Bucklin Hill Road and existing residential development. The substation does not generate light or odor. Noise levels generated from the substation equipment are within levels established by City of Bainbridge Island noise regulations.

Policy LU 10.7: B/I uses must be visually screened year-round from the adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer.

Response: The substation site maintains an existing landscape screen from NE Bucklin Hill Road and adjacent properties zoned residential. Any future site development would maintain existing screening from NE Bucklin Hill Road and comply with other applicable screening requirements.

Policy LU 10.8: Discourage the inappropriate designation of isolated Business/Industrial Districts.

Response: The substation site is adjacent to another property zoned B/I and used for self-storage.

Policy LU 10.9: Isolated B/I activities are designated to reflect historical use and the designation shall not be expanded.

Response: Designation of the site as Business/Industrial would not represent an isolated designation. Business/Industrial is an appropriate designation for the historic use of the property.

The proposed Comprehensive Plan map amendment also complies with Electrical Utility goals and policies in the Comprehensive Plan.

Goal U-1: Ensure that reliable utility services are available to all Bainbridge Island residents.

Response: Without the Comprehensive Plan map amendment for the Winslow Substation site, improvements to the substation to accommodate potential future upgrades including a BESS, the proposed Murden Cove-Winslow 115 kV transmission line tie in, or a future second transformer bank are not viable without approval of the requested Comprehensive Plan Map Amendment request.

Goal U-3: Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands.

Response: Without the Comprehensive Plan map amendment to change the designation from R-0.4 to B/I, future substation deficiencies cannot be addressed to meet long-term capacity needs.

Goal U-5: Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment.

Response: Changing the comprehensive plan designation of the site from R-0.4 to B/I will allow for expansion of the substation to accommodate the proposed Murden Cove-Winslow 115 kV transmission line as well as future capacity needs. Expansion of the substation will not further impact residents and environmental resources in the vicinity of the site.

Goal U-14: Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island.

Policy U 14.3: Encourage the electric service provider to improve reliability, with particular attention to adding transmission redundancy and mitigating impacts on service from storms or other natural events.

Response: The purpose of the proposed Murden Cove-Winslow 115 kV transmission line is to provide redundancy within the transmission system between the Murden Cove and Winslow Substations. The Comprehensive Plan map amendment changing the Winslow Substation site designation from R-0.4 to B/I is needed to accommodate improvements related to connecting the transmission line to the substation. The transmission line cannot function absent the ability to connect to both the Murden Cove and Winslow Substations.

BIMC 2.16.190.H. Decision Criteria. The planning commission and city council shall base their respective recommendation or decision on a proposed comprehensive plan amendment on the following criteria:

1. Compliance with Law. Amendments to the comprehensive plan shall comply with Growth Management Act and other state and federal laws.

Response: The proposed comprehensive plan map amendment is consistent with the Growth Management Act (GMA) and other state and federal laws. Providing adequate public facilities and services within urban growth areas is a cornerstone goal of the GMA as reflected by the inclusion of a mandatory Utilities Element in the Comprehensive Plan. RCW 80.28.110 charges PSE with a duty to serve customers with electricity. The Washington Utilities and Transportation

Commission (WUTC) regulates PSE and other investor owned-utilities in Washington State to ensure safe and reliable service to customers at reasonable rates through laws and tariffs. PSE is also regulated by the North American Electric Reliability Corporation (NERC) which assures reliability and security of the electrical grid nationwide. The comprehensive plan amendment will ensure PSE's continued compliance with applicable state and federal regulations related to power delivery.

2. Resources.
   a. The city must have the resources, including staff and budget, necessary to implement the proposal.

      Response: Changing the future land use designation of the Winslow Substation site from R-0.4 to B/I provides for a change to a designation that better reflects the existing use on the site and will not result in the need for city resources beyond normal operation.

   b. The amendment will not result in development that has significant adverse effects on community resources, including but not limited to: water resources, utilities, transportation, parks or schools.

      Response: Changing the future land use designation of the substation site will not result in development that has a significant adverse effects on community resources. The existing site provides infrastructure to serve a basic need for the community in providing electricity. Needed stormwater infrastructure will be provided on site and the substation does not use other utilities, transportation resources (beyond occasional maintenance visits), schools or parks.

   c. The amendment must not adversely affect the city's ability to provide the full range of public facilities and services at the planned level of service, or consume public resources otherwise needed to support comprehensive plan implementation strategies.

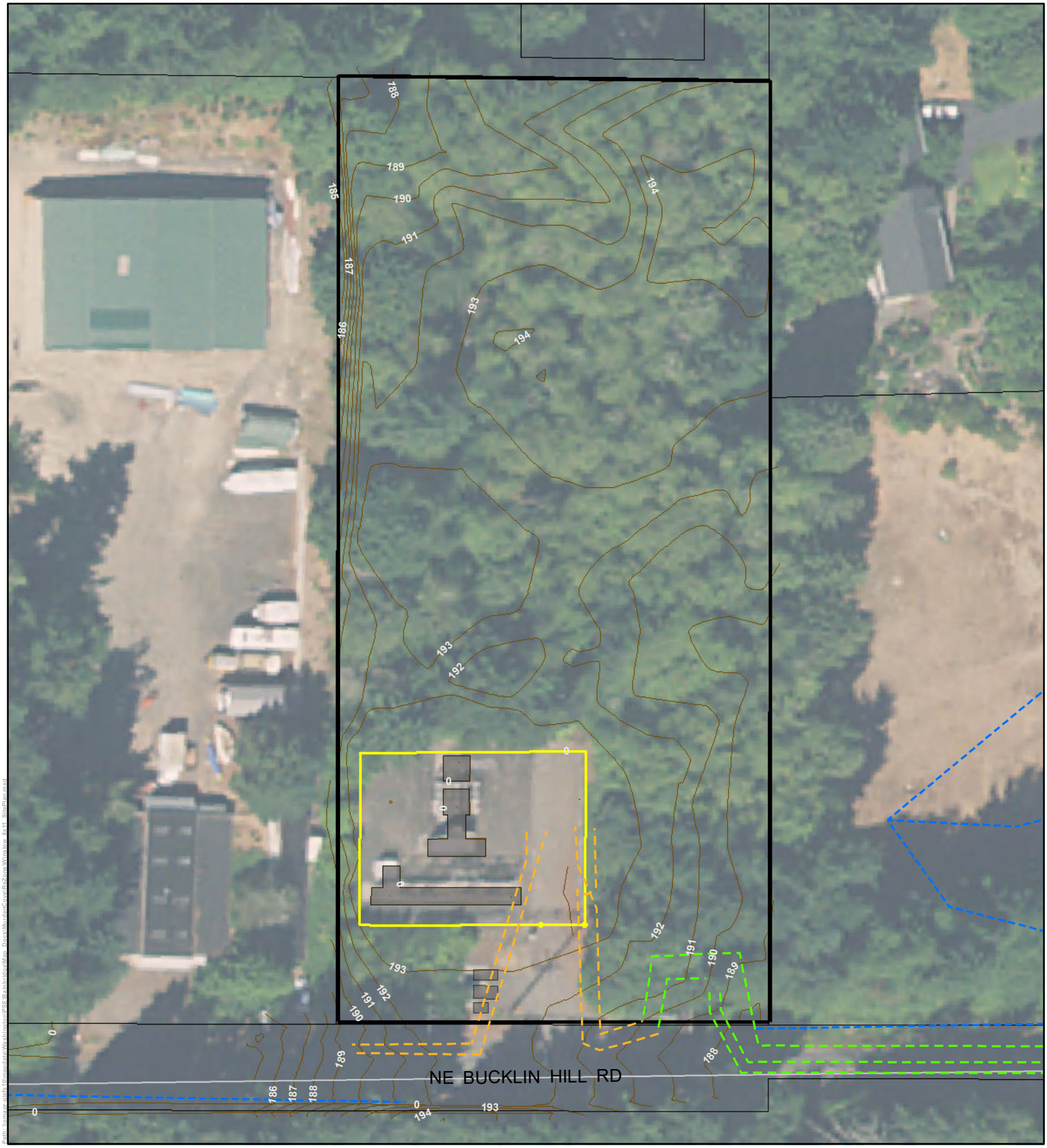
      Response: The proposed amendment will support the city's ability to provide the full range of public facilities and services at the planned level of service by supporting the electrical needs of the community as the community continues to grow.

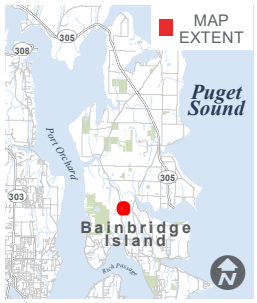
3. Internal Consistency. Amendments shall be consistent with the land uses and growth projections that are the basis of the comprehensive plan and with the overall intent of the comprehensive plan, including the community vision, overriding principles, and overall goals that guide the plan.

   Response: The land use designation change for the site on the future land use map will have a positive impact on growth projection consistency. The existing land use is not consistent with the current designation of R-0.4. Changing the designation to B/I will allow PSE to continue to upgrade and expand the substation to serve the existing community in the long-term and support further growth on the Island.

4. Cumulative Effect. All amendments must be considered concurrently in order to evaluate their cumulative effect on the comprehensive plan text and map, development regulations, capital facilities program, adopted environmental policies and other relevant implementation measures.

   Response: PSE is requesting amendments to change the exiting designation of our three substation sites serving the community from low-density residential (R-0.4 and R-2) to Business/Industrial (B/I). The cumulative effect of this change will not impact existing comprehensive plan text, development regulations, capital facilities, adopted environmental policies or any other implementation measures applicable to the sites. The change will not affect the scale and pattern of development in the vicinity of the substation sites. Rather, the change in designation will allow the sites that are already developed with electric utility infrastructure to continue to be upgraded and expanded to support the electrical needs of the community.





- Site Boundary
- Fence Line
- Overhead Distribution Line
- Underground Distribution Cable
- Stormwater
- Equipment Footprint
- Contour (1ft)
- Kitsap County Parcels
- Major Roads

0 60 Feet

1 inch = 60 feet

SITE PLAN

WINSLOW SUBSTATION

PARCEL: 4178-000-028-0204
NE BUCKLIN HILL RD

SOURCES: Wetlands, streams, and roads - City of Bainbridge Island (2019), Aerial - City of Bainbridge Island (2017) Online.

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners and Hearing Examiner,

I am writing in response to the following Comprehensive Plan Amendment and Site-Specific Rezone applications from Puget Sound Energy (PSE): PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. In order for PSE to seamlessly move forward on their package of solutions to improve reliability and capacity on the Island, PSE is requesting approval of these applications. I am supportive of PSE's efforts to improve reliability and capacity on Bainbridge Island, and encourage the City to move PSE's application forward as expeditiously as possible.

It is no secret that reliability on Bainbridge Island needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no carbon technologies.

I know firsthand the challenges associated with reliability on Bainbridge Island. A recent move to Lynwood from Fort Ward brought awareness of how much wind comes thru Cove areas on this island and these areas in particular need a future plan for non-wired solutions. After a Tornado warning this last year it's hard to not think about what we can do better to improve infrastructure and protect all our residents. Things have improved but we can do better. The City can lead the way in support of this. I see businesses not investing in this concept yet. The Lynwood area has a lot of new construction but businesses such as Pleasant Beach Inn have taken *out* electric car charging stations.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses

adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to our customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. We would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Thank you for your time.

Kind Regards,

Carrie Blunt

Kelly Tayara

From: Kelly Tayara
Sent: Tuesday, May 31, 2022 10:52 AM
To: Kriner, Kerry
Cc: elizabethlynndoll@gmail.com
Subject: RE: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Hello,
Thank you for forwarding this public comment. The comment was caught in the City's spam filter, and I will upload it as public comment on the application. Future correspondence from Ms. Doll will be allowed through.

CITY OF BAINBRIDGE ISLAND

KELLY TAYARA
Senior Planner

206.780.3787 (office)

Planning Department pcd@bainbridge wa.gov 206.780.3750
City Website www.bainbridgewa.gov

From: Kriner, Kerry <Kerry.Kriner@pse.com>
Sent: Wednesday, May 18, 2022 12:34 PM
To: Kelly Tayara <ktayara@bainbridgewa.gov>
Subject: FW: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

FYI.

---------- Forwarded message ---------
From: **Elizabeth Doll** <elizabethlynndoll@gmail.com>
Date: Tue, May 3, 2022 at 12:39 AM
Subject: Public Comment Re: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
To: <pcd@bainbridgewa.gov>

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications

Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners, and Hearing Examiner,

I am writing to offer comments regarding the Comprehensive Plan Amendment and Site-Specific Rezone applications from PSE: PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. Having lived on the Island for nearly seven years, I am extremely supportive of efforts to improve the reliability and capacity of our electrical grid. In order to make improvements as efficiently as possible, I support the approval of these applications and hope that you will move to approve them as soon as possible.

A community with as many resources as ours should not have such poor utility reliability. My friends frequently joke that we live in a first-world city with developing-world infrastructure. More seriously, power outages present accessibility challenges for my elderly neighbors: no power means no elevators, which traps mobility-challenged seniors in their apartments. This is unacceptable. I live in the Winslow core and power failures are STILL disquietingly common. My job requires reliable power and internet access. It's a travesty that in 2022, reliable power is the item that's still an active issue here.

It is no secret that reliability on Bainbridge needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility-scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no-carbon technologies.

PSE is pursuing comprehensive plan amendment and rezone approvals for their three substation properties on Bainbridge to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE to limit the need to site utilities in new parcels and make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to our customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. We would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I love Bainbridge and I want to see it continue to improve and thrive. Improved reliability and capacity on the Island will vastly improve my quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Sincerely,

Elizabeth Doll | **(360) 689-4927**

Marlene Schubert

From: Carrie Fisher <sea2ogg@yahoo.com>
Sent: Tuesday, May 10, 2022 8:32 PM
To: PCD
Subject: PSE Comprehensive Plan
Attachments: PSESupport1.pdf

CAUTION: THIS EMAIL ORIGINATED FROM OUTSIDE THE CITY OF BAINBRIDGE ISLAND EMAIL SYSTEM -Take caution NOT to open attachments or links unless you know the sender AND you were expecting the attachment or the link.

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

May 10, 2022

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

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It is no secret that reliability on Bainbridge Island needs to be improved and that PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet Puget Sound Energy's (PSE's) clean energy goals including the planned future electrification of ferries and other transportation on Bainbridge Island, Puget Sound Energy researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving. Tomorrow, PSE's work on Bainbridge may require future upgrades or installation of other low or no carbon technologies.

I know firsthand the challenges associated with reliability on Bainbridge Island. A recent move to Lynwood from Fort Ward brought awareness of how much wind comes thru Cove areas on this island and these areas in particular need a future plan for non-wired solutions. After a Tornado warning this last year it's hard to not think about what we can do better to improve infrastructure and protect all our residents. Things have improved but we can do better. The City can lead the way in support of this. I see businesses not investing in this concept yet. The Lynwood area has a lot of new construction but businesses such as Pleasant Beach Inn have taken *out* electric car charging stations.

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I want Bainbridge Island to be a place where myself, my family and children can live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island. I'm glad to support PSE's attempt to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments.

Thank you for your time.

Kind Regards,

Carrie Blunt

Marlene Schubert

From: Kathy Hansen <kathy.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:36 AM
To: PCD
Subject: Support for Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications
Attachments: Support for PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications.docx.pdf

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Dear Ms. Tayara,

Please find the attached in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone proposals:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Thank you,

Kathleen Hansen

1525 Fort Ward Hill Rd NE

Bainbridge Island, WA 98110

206-201-3414

May 12, 2022

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of Puget Sound Energy's:

- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

After listening and commenting at the Planning Commission meeting held on January 13, 2022 and reading the various applications and SEPA checklists, it makes sense to align the zoning to the particular use. The designation of an electric substation as residential only works to hinder the electric improvements that Bainbridge Islanders need and want. The current residential designation is inappropriate for uses now and any planned or future use.

Granting these applications would allow Puget Sound Energy to move forward more quickly with long-overdue electric improvements, would result in similar Business/Industrial designations with adjacent properties and circumvent the need to find new and additional properties to locate additional substations. Commenters with just about everything related to the city, mention retaining vegetation and trees. A larger setback would be required for a Business Industrial designation that would afford even greater protections to area residents.

Searching for alternative sites would only create more delays, more disruption to the environment and create the need for PSE to move infrastructure to another location. Islanders have already gone through the process of discussing a preferred route and that alone has taken several years. Puget Sound Energy has

done its due diligence in finding appropriate solutions to our current energy problems while planning to remain flexible in order to address future needs.

Keep in mind, PSE is not meeting many of its service reliability metrics and a VP confirmed that we have some of the worst reliability in the entire PSE system. This is not a badge of honor. As a city we are not presently poised to meet current or future electric needs. Please approve Puget Sound Energy's Comprehensive Plan Amendment and site-specific rezone applications for the three substations. This past summer we submitted to City Council the signatures of hundreds of residents who signed in support of PSE efforts to improve electric reliability. My HOA, the Rich Passage Estates Homeowners Association sent a similar public comment. Those of us on the South end of Bainbridge serviced by the Winslow Substation don't need or want yet another decade of delay.

Respectfully,

Kathleen Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

Marlene Schubert

From: Patrick Kelly <patrickonbainbridge@gmail.com>
Sent: Friday, May 6, 2022 3:59 PM
To: PCD
Subject: pln52149 comments

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To Whom It May Concern,

On writing on behalf of myself, and my family who live at 6405 Haley Loop, in regards to the the proposed rezoning to business industrial to accomidate the expansion/update of the power facility.
I am not opposed to expansion and growth. I am however against changing/rezone what is currently a more rural and residential area to something that could potentially open the door for other additional "industrial" uses.
I've said this before when there was talk about putting in a composting facility behind our house in the triangle property....If we wanted to live in an industrial area, we would have moved to such a place. We chose our home location for exactly this reason, a non-industrial type of life.
I firmly believe that changing zoning, just to accommodate a project, without an actual vote from the people, the people who pay taxes and your salaries, is a slippery downward slope.
In Addition, I don't believe the city or the power company has proven our shown any proof of what this current change in zone would or could have immediately or in the future regarding the Aquifer Recharge Protection Area Ordinance. It seems by passing this rezoning you'd be ignoring things in place to protect our watershed and source.

Thanks,
Patrick Kelly

Marlene Schubert

From: Kevin Miller <kevinm@miller.house>
Sent: Thursday, May 5, 2022 2:03 PM
To: PCD
Subject: Feedback - PLN52149 REZ/CPA

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Regarding: PLN52149 REZ/CPA, parcel 4178-000-028-0204

All,

I am a Bainbridge Island resident and homeowner in close proximity to the above-referenced parcel.

While I support taking action to increase the resiliency of power infrastructure on Bainbridge, I believe that the proposal to modify the comprehensive plan and rezone the subject parcel is not receiving appropriate scrutiny or critical review to understand if this is the appropriate way to achieve this end. I'm specifically concerned about the rezoning aspect, as this appears particularly unnecessary and counter-productive.

At this juncture I do not believe that the applicant and the City have taken inadequate steps to ensure that this proposal will:
1/ meet the standards of the City's Comprehensive Plan (particularly with respect to the expansion in designation of B/I zoned areas, LU 10.9)
2/ meet the State SEPA rules - WAC 197-11-060
3/ meet the City code with respect to rezoning criteria - BIMC 2.16.140.H.1

My suggestion is to conduct review of the actual changes necessary for specific PSE improvements that improve power resiliency and conduct appropriate environmental review of the specific improvements.

-Kevin

Renee Argetsinger

From:	winifredperkins25@gmail.com
Sent:	Friday, June 17, 2022 2:37 PM
To:	PCD
Subject:	Comments on PSE's Comp Plan and Rezone Applications
Attachments:	Letter of Support Rezone CPA 2022 Final.wgp.docx

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RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Attached, please find my comments on the above-referenced applications.

Please feel free to contact me with any questions or comments.

Thank you,
Winifred Perkins

June 17, 2022

City of Bainbridge Island
ATTN: Planning Department
280 Madison Avenue N
Bainbridge Island, WA 98110

Transmitted via email to: pcd@bainbridgewa.gov

RE: PSE Comprehensive Plan Amendment and Site-Specific Rezone Applications
Port Madison Substation Permit #s PLN52101 REZ/CPA
Winslow Substation Permit #s PLN52149 REZ/CPA
Murden Cove Substation Permit #s PLN51703 REZ/CPA

Dear Kelly Tayara, Planning Commissioners and Hearing Examiner,

I am writing in response to the following Comprehensive Plan Amendment and Site-Specific Rezone applications from Puget Sound Energy (PSE): PLN52101 REZ/CPA – Port Madison Substation site, PLN52149 REZ/CPA – Winslow Substation site, and PLN51703 REZ/CPA – Murden Cove Substation site. In order for PSE to move forward on their package of solutions to improve reliability and capacity on Bainbridge Island, PSE is requesting approval of these applications. I am supportive of PSE's efforts to improve reliability and capacity on Bainbridge Island, and encourage the City to move PSE's application forward as expeditiously as possible.

Reliability on Bainbridge Island needs to be improved and PSE's Beyond Net Zero goals depend on a reliable grid. To address reliability and capacity issues, as well as meet PSE's clean energy goals, including the planned future electrification of ferries, and other transportation on Bainbridge Island, PSE researched and developed a package of solutions uniquely designed for Bainbridge Island. Today, PSE's hybrid solutions package combines new technologies and grid infrastructure of wired and non-wired solutions, including: rebuilding the aging Winslow TAP Transmission Line, building a new transmission line to connect the Murden Cove and Winslow Substations, implementing targeted demand response, and constructing a utility scale battery for peak shaving.

PSE has spent years evaluating and discussing various options to improve electric reliability on Bainbridge Island. The time is long overdue for the implementation of these much-needed improvements. For the past several years PSE has undertaken a widespread informational and educational outreach effort to work with the residents and business on Bainbridge Island to identify alternatives to improve reliability. After receiving input from hundreds of homeowners, businesses and institutions, PSE has carefully selected the alternatives that best meets the environmental, engineering and socio-economic requirements of a majority of stakeholders. The next step in this process is for the City to now approve the comprehensive plan amendment and rezone approvals for their three existing substation properties on

Bainbridge Island to align the zoning of the existing substation sites with PSE's long-term use of the property. The proposed rezones are consistent with the zoning of neighboring businesses adjacent to the substation sites. They also help PSE make the best use of the existing sites.

PSE must periodically upgrade the substations to provide reliable and safe power to their customers long-term. The substations support the transmission and distribution lines that bring power to homes and businesses. PSE's goal is to use as much of the existing substation properties as possible for upgrades while limiting impacts to the community. An alternative to the comprehensive plan amendments and rezones for the Winslow and Murden Cove sites is for PSE to relocate the substations from their current locations to larger sites to support the needed infrastructure to supply power to the community. This would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. PSE would like to avoid this by using the current substation sites for upgrades and expansions once they are properly zoned for PSE's historical use. Rezoning all three sites is consistent with the Comprehensive Plan land use policies for business/industrial and low-density residential zoning.

I want Bainbridge Island to be a place where myself, my family and children can safely live and grow in for many years to come. Improved reliability and capacity on the Island will improve overall quality of life on the Island and also minimize environmental impacts while affording people a more reliable source of power. I support PSE's proposal to improve reliability and capacity on the Island and encourage the City to support PSEs substation rezone applications and comprehensive plan amendments as out lined in the above-referenced applications.

Sincerely,
Winifred Perkins
10120 NE Garibaldi Loop
Bainbridge Island, WA 98110

Marlene Schubert

From: Tom Hansen <tom.hansen206@gmail.com>
Sent: Thursday, May 12, 2022 10:55 AM
To: PCD
Subject: Public Comment for PSE Proposals
Attachments: Support for PSE_CompPlanAmmendement&RezoneApplications.docx

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Dear Ms. Tayara,

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- PSE Municipal Code Amendment PLN52234 LDR
- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

Tom Hanen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110
206-201-3414 / 281-728-4929

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment in support of Puget Sound Energy's Comprehensive Plan Amendment and Site-Specific Rezone Applications

Dear Ms. Tayara:

I am writing in support of PSE applications for rezoning the Murden Cove, Port Madison, and Winslow substations from various R-x designations to B/I designations.

- PLN52101 REZ/CPA – Port Madison Substation site
- PLN52149 REZ/CPA – Winslow Substation site
- PLN51703 REZ/CPA – Murden Cove Substation site

The past and current uses, originally permitted by Kitsap County, are inconsistent with current and future uses as rezoned by the City of Bainbridge Island. PSE's responses clearly meet the City's Policy and Goals (shown below):

Electrical Utility Goals and Policies

- Ensure that reliable utility services are available to all Bainbridge Island residents
- Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands
- Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment
- Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island

Business/Industrial Policies

- The Business/Industrial (B/I) District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island
- Applications for development approval within the B/I district must show that adequate water, wastewater, transportation, fire and storm drainage services are available to serve the development
- Performance standards for the B/I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential neighborhoods

- B/I uses must be visually screened year-round from the adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request..

Additionally, I support PSE's request for a change to Critical Area regulations contained in BIMC 16.20.140.G.2 and 16.20.100.E.1 in order to allow for continued maintenance, upgrade and installation of linear electrical distribution and transmission infrastructure.

- PSE Municipal Code Amendment PLN52234 LDR

A blanket restriction regarding Category II wetlands would restrict a public utility form maintaining, upgrading an constructing transmission and distribution infrastructure to meet island utility current and future needs as required by State law.

> *"In general, although Category II wetlands may in theory provide higher habitat values than Category III or IV wetlands, the portion of Category II wetlands within the road rights-of-way and within or adjacent to existing cross-country transmission corridors is already subject to the effects of human disturbance, and therefore is likely to provide more limited habitat value than the habitat score alone would indicate."*

Installing new aerial distribution and transmission lines within or adjacent to road rights-ofway; or as an overbuild or underbuild to an existing aerial primary utility within cross country corridors on easement within Category II wetlands is the best way to minimize the environmental impact while meeting the need for reliable energy and helping to reduce the Island's Carbon Footprint.

PSE is required to apply the best science available and follow all laws.

> *"When PSE maintains or upgrades an existing utility line or installs a new line, they follow federal, state, and local requirements to avoid and minimize wetland impacts to the extent feasible in accordance with the following preferred mitigation sequence, as outlined in the Interagency Guidance on Wetland Mitigation in Washington State (Ecology 2006) and BMC 16.20.030: 1. Avoid the impact altogether by not taking a certain action or parts of an action; 2. Minimize impacts by limiting the degree or magnitude of the action and its implementation by using appropriate technology or by taking affirmative steps to avoid or reduce impacts; 3. Rectify the impact by repairing, rehabilitating, or restoring the affected environment; 4. Reduce or eliminate the impact over time by preservation and maintenance operations during the life of the action; 5. Compensate for the impact by replacing, enhancing, or providing substitute resources or environments; and 6. Monitor the impact and take appropriate corrective measures."*

The City of Bainbridge Island should proceed to issue a Determination of Non-significance (DNS) threshold determination for this request.

PSE has been both transparent and through in its public engagement for its Electric Reliability Projects. Personally, I have been skeptical, questioning, and have requested data all through the process and independently formed my own opinions. For those of us that have and continue to participate in community meetings and read the detail material that has been submitted we support PSE. The public comments the do not support electric reliability improvements largely come from individuals who have not participated, naively form an opinion without o objectively informing themselves on the details or have been made their comment from a “Not In My Neighborhood” perspective. Many of the comments have acted like “nail strips” to derail the projects. I truly believe that the majority of Islanders are not engaged because of their busy lives or the pandemic but want reliable electricity. The bottom line is that the electric infrastructure on the island is decades old and as a resident of the south end of the island, I do not to want to wait decades more for electric reliability improvements.

Tom Hansen
1525 Fort Ward Hill Rd NE
Bainbridge Island, WA 98110

Marlene Schubert

From: Bryan Telegin <telegin@bnd-law.com>
Sent: Thursday, May 5, 2022 11:22 AM
To: PCD; Kelly Tayara
Subject: Comments on Proposed PSE Winslow Rezone and Comprehensive Plan Amendment—PLN52149 REZ/CPA
Attachments: 2022 05 05 Stetson Ridge Comment Letter on PSE Rezone DRAFT.pdf

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Dear Ms. Tayara,

Attached, please find comments submitted on behalf of my client, the Stetson Ridge Homeowners Association, on the proposed PSE Winslow Rezone and Comprehensive Plan Amendment, PLN52149 REZ/CPA.

If you have trouble opening the attachment, or if you have any questions about the attached letter, please do not hesitate to contact me at the number below.

Thank you for your consideration.

-Bryan Telegin
Counsel for Stetson Ridge Homeowners Association

Bryan Telegin

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PLEASE NOTE OUR NEW OFFICE LOCATION AS OF FEBRUARY 1, 2022: 123 NW 36th Street, Suite 205, Seattle, WA 98107.

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BRICKLIN & NEWMAN LLP
lawyers working for the environment

Reply to: Seattle Office

May 5, 2022

VIA E-MAIL TO
pcd@bainbridgewa.gov

City of Bainbridge Island
Attn: Kelly Tayara
280 Madison Avenue North
Bainbridge Island, WA 98110

Re: Comment by Stetson Ridge Homeowners Association on Proposed PSE Winslow Rezone and Comprehensive Plan Amendment—PLN52149 REZ/CPA

Dear Ms. Tayara:

I represent the Stetson Ridge Homeowners Association, an association of 36 homes to the immediate east of the Puget Sound Energy ("PSE") substation parcel located at 7480 NE Bucklin Hill Road (Tax Parcel No. 4178-000-028-0204). PSE is currently proposing to rezone the substation property from R-0.4 to Business Industrial (B/I), and to change the comprehensive plan map designation for this same parcel. We understand that PSE's primary motivation for seeking these amendments is to circumvent the city's Aquifer Recharge Protection Area ("ARPA") requirements at Section 16.20.100 of the Bainbridge Island Municipal Code ("BIMC"), as stated in PSE's rezone narrative submitted to the city on February 25, 2022. We also understand that the city plans to issue a Determination of Non-Significance ("DNS") under Washington's State Environmental Policy Act ("SEPA"), Chapter 43.21C RCW, as stated in the city's Notice of Application/SEPA Comment Period published on April 22, 2022. For the following reasons, the Stetson Ridge Homeowners Association opposes the proposed rezone and comprehensive plan map amendment, as well as the proposed DNS.

A. The Rezone Proposal Conflicts with the Comprehensive Plan

The proposal conflicts with the city's Comprehensive Plan, which prohibits the expansion of isolated B/I zoning designations. *See* Bainbridge Island Comprehensive Plan, Land Use Element at LU-19 (Feb. 28, 2017). In this case, the proposed rezone property is situated to the immediate east of an isolated B/I-zoned parcel at 7480 NE Bucklin Hill Road (Tax Parcel No. 4178-000-028-0105). This parcel contained light industrial uses prior to its incorporation into city limits (hence its current, grandfathered zoning designation) and represents the only single-parcel B/I zoning

designation within the entire city. In essence, PSE is asking to expand this zoning designation to the east, doubling the size of this isolated B/I zoning area to cover the PSE substation parcel.

This is flatly prohibited by Policy LU 10.9 of the Comprehensive Plan, which provides: "Isolated B/I activities are designated to reflect historical use and *the designation shall not be expanded*" (emphasis added).[1] This comprehensive plan provision is unequivocal—isolated B/I zoning designations *shall not* be expanded. As such, this policy prohibits PSE's planned expansion of the existing B/I zoning designation on NE Bucklin Hill Road to the east, to cover the PSE substation parcel. This also means that the proposed rezone does not satisfy the city's decision criteria for site-specific rezones, one of which is that the proposed rezone must be "in accord with the comprehensive plan." BIMC 2.16.140.H.5. Expanding this isolated B/I zoning designation is not "in accord" with Policy LU 10.9, which flatly prohibits such expansions.

Relatedly, Comprehensive Plan Goal LU-10 provides that the B/I zone should be designated only in areas that will "create opportunities for new businesses and expansion of existing businesses," where this zoning designation will "contribute[] to well-paying and new employment opportunities," and where "traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized." It is not clear whether any of PSE's plans will contribute to new businesses or the expansion of existing businesses. There is no evidence that PSE's plans will contribute to well-paying jobs or new employment opportunities. And without more detail regarding PSE's ultimate expansion plans, there is no evidence that the impacts of such plans on the surrounding neighborhood—including visual impacts—can be minimized. For these reasons, too, the proposed rezone is not "in accord" with the Comprehensive Plan.

B. The Environmental Checklist Is Inadequate

Regarding SEPA, PSE's environmental checklist is inadequate. First and foremost, we note that SEPA requires the City of Bainbridge Island (as well as PSE) to evaluate the indirect or "growth-inducing" effects of the proposed rezone. The city must also evaluate whether the current proposal "will serve as a precedent for future actions." WAC 197-11-060. *See also* WAC 197-11-330(3)(e)(iv) (observing that "[a] proposal may to a significant degree . . . [e]stablish a precedent for future actions with significant effects.").

In this case, expanding the isolated B/I zoning designation on NE Bucklin Hill Road would likely serve as a precedent for other property owners in the area, who may similarly wish to rezone their parcels for business/industrial use. For example, we are aware that the owner of the "triangle property" to the immediate south of the PSE substation parcel (Tax Parcel No. 332502-1-007-2007) applied in 2013 to rezone that property from R-0.4 to B/I, and more recently has proposed siting an industrial compost facility there. Expanding the isolated B/I zoning designation on Bucklin Hill Road—ignoring the city's Comprehensive Plan which flatly prohibits such expansions—would serve as a precedent for future similar applications. The city should evaluate

[1] *See also* Policy LU 10.8 ("Discourage the inappropriate designation of isolated Business/Industrial Districts").

whether the current proposal would serve as a precedent for future rezones and proposed industrial activity, and then evaluate the environmental consequences of establishing such a precedent.

Second, in many instances, PSE's environmental checklist fails to disclose potential environmental impacts, stating that any such impacts will be evaluated later when PSE applies for development permits approving specific development projects or facility expansions. Answers along this line—deferring environmental review to a later date—are given for Checklist Questions B.1.e (grade and fill impacts), B.1.g (impervious surface), B.4.b (vegetation impacts), B.4.d (landscaping and native plants), B.5.d (wildlife impacts), B.10.b (aesthetics), B.13.d (historic resources), D.1 (water, air, and noise), and D.2 (plants and animals), among others. In general, the checklist reads as though PSE believes that no impacts need to be addressed at this time, because the proposed rezone is a "non-project" action that does not directly entail physical work or construction.

This represents a false view of SEPA's requirements. Washington courts—as well as the Growth Management Hearings Board—have been clear that even non-project actions must be subjected to meaningful environmental review, that local agencies must evaluate whether anticipated development is likely to result in a significant adverse environmental impact, and may not blind their eyes to anticipated development resulting from the non-project action. *See, e.g., Alpine Lakes Protection Society v. DNR*, 102 Wn. App. 1, 16, 979 P.2d 929 (1999) ("the fact that an action will not cause an immediate land use change or the fact that there is no specific proposal 'on the table' does not automatically mean that no EIS is required"); *Lands Council v. Washington State Parks Recreation Comm'n*, 176 Wn. App. 787, 803, 309 P.3d 734, 742 (2013) (explaining "the risk of postponing environmental review is 'a dangerous incrementalism where the obligation to decide is postponed successively while project momentum builds.'") (quoting *King County v. Boundary Review Bd.,* 122 Wash.2d 648, 664, 860 P.2d 1024 (1993)); *Assoc. of Citizens Concerned About Chambers Lake Basin v. City of Olympia*, WWGMHB No. 13-20014, FDO (Aug. 7, 2013) at 9 ("[W]hen a city amends its Comprehensive Plan or changes zoning, a detailed and comprehensive SEPA environmental review is required"); *Id.* at 10 ("agencies must evaluate environmental impacts of non-project actions up-front and not wait until the project level," and "[s]imply providing . . . that any impacts will be addressed on a permit basis fails to assess the cumulative impacts and to fully inform the decision makers of the potential consequences of the designations challenged here"); *Whidbey Environmental Action Council v. Island County*, WWGMHB No. 03-2-0008, FDO (Aug. 25, 2003) at 39 ("the County must evaluate the impacts allowed under the changed designation at the time of that non-project action").

In this case, PSE has plans to expand its operations on the substation parcel, which is precisely why it is seeking a rezone (obviously, any existing uses would likely qualify as "legal nonconforming," thus obviating the need for a rezone simply to maintain the status quo). In its Rezone Narrative and SEPA checklist, PSE says that it plans to install improvements needed accommodate a proposed 115 kV transmission line, and also plans to install a second transformer bank and/or a new battery energy storage system. It is unclear whether these are the only improvements planned by PSE. The city should require PSE to disclose the nature of these improvements, any preliminary plans, and any other potential expansions that may be requested in the future under the new zoning designation. The city must then evaluate the environmental

impacts of these projects prior to approving the rezone or issuing a threshold determination under SEPA. To date, this has not been done.

Finally, it is troubling that PSE's primary motivation for requesting the rezone is to evade the city's Aquifer Recharge Protection Area requirements at Section 16.20.100 of the Bainbridge Island Municipal Code. That section of the code contains critical development standards needed to protect the Island's water supply and health of the underlying aquifer, including location and mapping of critical areas during project review, limitations on the removal of native vegetation, and prevention of harm to significant trees. Given that PSE is on record saying that these requirements would inhibit its ultimate plans (though, we are not aware of any formal determination by the city on this issue), it is critical that the city evaluate whether releasing PSE from these requirements will result in adverse environmental impacts. It is also necessary to consider the consequences of PSE's plans now to determine if they conflict with Comprehensive Plan policies relating to environmental protection and water resources. This must be done before the rezone is approved, not after.

D. Absent More Detailed Plans, PSE Has Not Demonstrated Compliance With the City's Rezone Decision Criteria.

Finally, many of the city's rezone criteria cannot be fully evaluated without more detailed information about PSE's ultimate plans for the substation parcel. For example, in order to approve the rezone, the city must find that it "will not be materially detrimental to the public welfare or injurious to the property or improvements in the immediate vicinity and zone in which the property is located." BIMC 2.16.140.H.1. This criterion cannot be evaluated without knowing more about the improvements planned by PSE and how they will affect nearby landowners.

Similarly, before approving the rezone, the city must find that "the site-specific rezone would not devalue surrounding or nearby property" and that "the site-specific rezone will not result in an adverse environmental consequence." BIMC 2.16.140.H.7 & 8. Without knowing the details of how PSE plans to expand its operation, the city cannot determine whether the proposed rezone will ultimately devalue surrounding or nearby property. Likewise, without more detailed plans, the city cannot ensure that the proposal will not result in an adverse environmental consequence.

E. Conclusion

In summary, the proposed rezone conflicts with the City of Bainbridge Island's Comprehensive Plan—in particular, with Policy 10.9 which flatly prohibits the expansion of the isolated B/I zoning designation on NE Bucklin Hill Road. PSE's environmental checklist fails to meet the requirements of SEPA, principally by ignoring the precedential effect of the proposed rezone, deferring environmental review to future permit applications, and failing to address the environmental consequences of removing Aquifer Recharge Protection Area requirements from the substation parcel. More details are also needed before the city can fully evaluate PSE's compliance with its rezone approval criteria, including those criteria aimed at avoiding detrimental impacts on surrounding properties and the environment. For all of these reasons, the rezone should be denied and no SEPA threshold determination should be made unless and until these deficiencies are rectified.

Thank you for your consideration of these comments. If you have any questions or would like to discuss this letter, please feel free to contact me at telegin@bnd-law.com or by phone at (206) 264-8600.

Very truly yours,

BRICKLIN & NEWMAN, LLP

Bryan Telegin
Counsel for the Stetson Ridge Homeowners Association

cc: Client

CITY OF BAINBRIDGE ISLAND

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

STAFF ANALYSIS

Date: October 5, 2022

To: Planning Commission

From: Kelly Tayara, Senior Planner

Project: Puget Sound Energy Site-specific Rezone and Comprehensive Plan Amendment (CPA) for Murden Cove Substation (Sportsman Club Road)

File Number: PLN51703 REZ/CPA

This report is prepared for a Planning Commission study session. Planning Commission review and recommendation will be scheduled during a public hearing.

Summary of Request

Puget Sound Energy (PSE) requests approval to change the site zoning from R-2 / Residential to Business / Industrial (B/I), which is a change to the Comprehensive Plan land use map and zoning map.

PSE requests the change from residential to B / I in order to support the long-term needs of the community. According to PSE, residential designation focuses on low-density residential development and conservation, does not reflect the historic long-term utility use of the site, and is inconsistent with its statutory duty to serve the community with essential infrastructure and electrical service, whereas a B / I designation is consistent with utility use.

The substation was established on the site in 1979 when the property was located in unincorporated Kitsap County. PSE acquired the site with the expectation that as the community grew, the substation and associated facilities would be expanded and upgraded to accommodate capacity and reliability needs. PSE has determined that long-term service projections (beyond ten years) indicate the potential need to expand the substation to accommodate future electrical demand from Bainbridge Island customers and ensure station reliability, and that the current Municipal Code requirements for the residential district, particularly those related to Aquifer Recharge Protection Areas, do not provide flexibility to upgrade and expand the substation in the future.

Part I: Land Use Process / Application History

Date:	Action:
November 9, 2021	Preapplication conference held
February 25, 2022	Application submitted
March 25, 2022	Application deemed complete
April 22, 2022	Notice of Application / SEPA Comment Period issued
August 11, 2022	Planning Commission meeting held: CPA overview

Part II: General Information and Site Characteristics

Assessor's Record Information:	
Tax lot numbers	222502-1-024-2009
Site Address	9582 Sportsman Club Road
Owner of record	Puget Sound Energy
Site size	2.13 acres

Use:

Utility (Primary)

The Murden Cove substation is one of three electric substations on Bainbridge Island that distribute electricity to homes and businesses within the community. Two transmission lines, the Port Madison Tap and the Foss Corner-Port Madison 115 kV lines, bring power to the Island from the Kitsap Peninsula over Agate Pass to the Port Madison substation. Electricity is then transferred to the other two substations on the Island via two radial transmission lines.

Utilities produce, transmit, carry, store, distribute, or process power or information. Primary utilities include utility lines, electrical power generating or transfer facilities, radio cellular telephone and microwave towers, and utility poles. Transmission utility poles support lines which transport electrical power (55kV or higher) from generation sources to substations. Distribution utility poles support lines which transport electrical power (less than 55kV) through distribution transformers from substations to homes and businesses. Utility poles may also support communication lines.

Primary utilities are a permitted use in the B/I district and a conditional use in the R-2 district. A conditional use is one that is permitted subject to compliance with a set of conditions or requirements set forth in the Municipal Code.

Zoning Designation:

R-2 (Business / Industrial requested)

Comprehensive Plan Designation:

Residential R-2 (Business / Industrial requested)

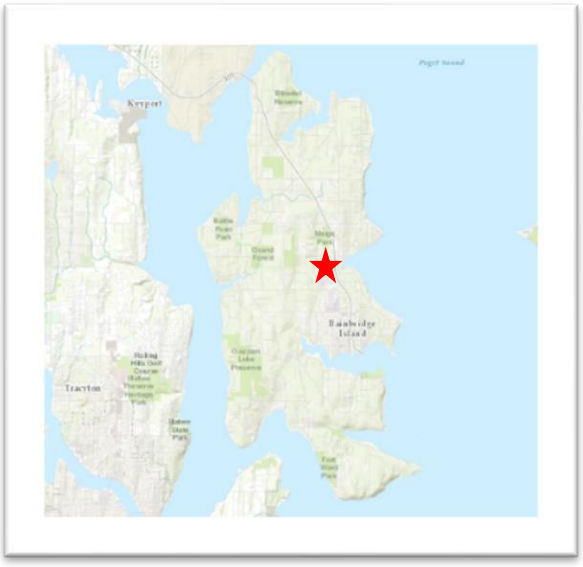
Soils:

Kapowsin gravelly loam

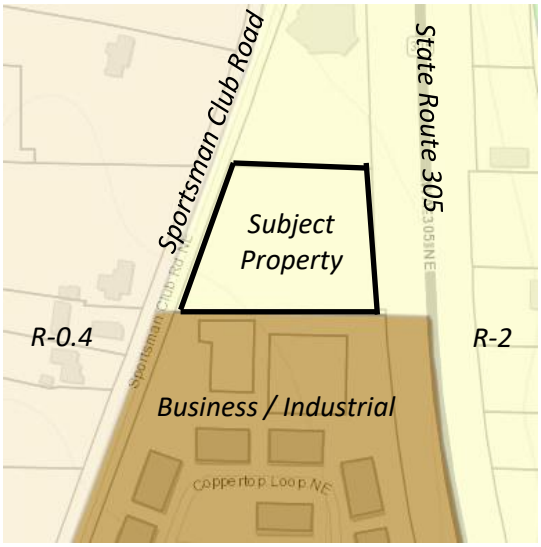
Surrounding Properties - Use, Zoning, and Comprehensive Plan Designation:

	Use (clockwise from north)	**Zoning District**	**Comprehensive Plan Designation**
North	Religious facility (church) and Park-and-Ride parking lot	R-2	Residential-2
East	SR 305 and two single-family residences across the highway	R-2	Residential-2
South	Commercial businesses that are part of the larger Coppertop Business Park.	Business / Industrial	Business / Industrial
West	Single-family residence	R-0.4	Residential-0.4

Vicinty Map



Zoning Map



Site and Surrounding Development / Aerial Image (2018)



Part III: Comprehensive Plan Guiding Principles, Goals and Policies

The Comprehensive Plan designation for the site is Residential R-2, and the applicant requests Business / Industrial designation. Comprehensive Plan goals and policies which are applicable to both districts are listed below, along with those applicable to electric utilities on the Island.

Comprehensive Plan Goals and Policies	Staff Annotation
Land Use Element	
Business / Industrial (B / I) Goal LU-10: Provide appropriate B / I zoned land to create opportunities for new businesses and expansion of existing Island businesses for diversity of jobs and for low-impact industrial activity that contributes to well-paying and new employment opportunities, where traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized.	While future redevelopment of the site may result in employment opportunities and business expansion, there are no employment opportunities directly resulting from a change in the land use designation.
Policy LU 10.1: The B / I District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island.	Primary utility use is a permitted use in the B / I district and conditional use in all other districts.
Policy LU 10.6: Performance standards for the B / I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential neighborhoods.	All districts include performance standards to protect adjacent residential-zone properties from non-residential use.
Policy LU 10.7: B / I uses must be visually screened year-round from adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer.	Both setbacks and vegetation buffers from Sportsman Club Road and SR 305 double in width from 25 to 50 feet if the property is designated B / I.
Policy LU 10.8: Discourage the inappropriate designation of isolated B / I Districts.	The property is adjacent to another property which is within the B / I district.
Residential District Goal LU-14: Develop context-sensitive regulations for residential development in areas designated R-2, R-1 or R-0.4, in order to limit clearing, soil disturbance, promote low impact development and reconcile development and conservation.	Residential districts are intended for residential development, agricultural and forestry use. However, with few exceptions, residential and B / I districts are similarly regulated. Notable differences are:

	• Standard setbacks from roads are 25 feet in width in the residential district and 50 feet in width in the B / I district. • The standard setback from the adjacent residentially zoned property to the north is five feet in width in the R-2 district and 50 feet in width in the B / I district. • The standard perimeter landscape buffer along the north side of the property is 25 feet in the R-2 district and would be 50 feet if the property is zoned B / I. • The standard roadside landscape buffer along Sportsman Club Road is 25 feet in the R-2 district and would be 50 feet if the property is zoned B / I. • Aquifer Recharge Protection Area (ARPA) designation is required in the residential district but not in the B/I district for any activity involving land use disturbance over an area 7,000 square feet in size or greater. Any activity, including clearing, is allowed in the ARPA provided that the activity maintains the pre-construction groundwater recharge volume. Landscape buffer regulations, in which trees must be retained, afford more stringent vegetation retention requirements. • Total Site Tree Unit requirements are applicable to the residential district and not applicable to the B / I district, but trees must be retained in roadside and perimeter buffers within either district.
Policy LU 14.1: The Residential District area is designated for less intensive residential development and a variety of agricultural and forestry uses.	A change to B / I designation results in less intensive residential development.
Policy LU 14.2: Encourage residential development that is compatible with the preservation of open space, forestry, agricultural activities, and natural systems. Accessory farm buildings and uses are allowable.	A change to B / I designation results in larger landscape buffer requirements. Primary utility use is otherwise incompatible with this residential policy.
Policy LU 14.3: Maintain the natural and scenic qualities of the Island by limiting residential density.	A change to B / I designation limits residential density.

Economic Element	
Diversified Economy Goal EC-1 (excerpt): By providing enterprises that both serve and employ local residents, the Island will be better able to withstand fluctuations in the larger regional economy. In addition, people who live and work in their community are available to invest time and money in their families, organizations, and community life.	PSE serves and employs local residents. While future redevelopment of the site may result in employment opportunities and business expansion, there are no employment opportunities directly resulting from a change in the land use designation.
Infrastructure Goal EC-2: Provide sufficient and resilient infrastructure that is supportive of a healthy economy and environment, particularly telecommunications and electrical reliability.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed because the current requirements for the residential district, particularly those related to Aquifer Recharge Protection Areas, do not provide flexibility to potentially upgrade and expand the substation in the future.
Policy EC 2.1: Identify long-term infrastructure needs that support economic sustainability and are designed to withstand future conditions.	PSE continues to engage with the community and has participated in multiple public meetings to identify long-term infrastructure needs in the past. Increased population growth upon which the Comprehensive Plan is based results in increased telecommunications and electrical infrastructure needs.
Policy EC 2.2: Support infrastructure enhancement to accommodate new information technology and changing conditions.	The rapidity of technological developments outpaces the City's ability to accommodate timely changes to the Comprehensive Plan, for which amendment requests are only accepted every three years.
Sustainability Policy EC 3.6: Policy EC 3.6 Create opportunities to foster green technology and industries, such as energy, waste and information technology, which have the potential to create local, family wage jobs in our community at the same time we are protecting our natural beauty, environmental and economic health.	The PSE Electric Reliability Projects include Bainbridge Island electric system improvements to address current energy solutions and future potential need. For example, the Planning Commission recently recommended requirements and incentives for electric vehicle charging infrastructure.
Public/Private Partnerships Policy EC-7.1: Leverage technology assets, such as existing fiber connections, to support technology- based businesses and potentially to pursue new revenue streams.	Potentially, future expansion of the substation would likely result in improved electric and communication reliability for home-based businesses. There are no direct impacts resulting from a change in the land use designation.

Services Sector Policy EC 9.3: Promote an emerging professional services sector that recognizes the Island's linkage to the Seattle job market for managerial jobs and information-based industries.	Potentially, future expansion of the substation would result in improved electric and communication reliability on the Island which would support an emerging professional services sector, including those who telecommute. There are no direct impacts resulting from a change in the land use designation.
Building Design and Construction Sector Goal EC-10 (excerpt): The professions and trades involved in design, construction, furnishing, renovation and marketing of commercial and residential real estate constitute a large and very important sector of the Island's economy. Productivity and profits within that sector are crucial factors in the stability and well-being of the entire community.	Site redevelopment such as a potential future expansion of the substation that would result in improved electric and communication reliability would support design, construction, furnishing, renovation and real estate professions and trades. There are no direct impacts resulting from a change in the land use designation.
Home-based Businesses Goal EC-13: Foster home-based businesses as a key to a present and future vital economy. Nearly half of all businesses licensed on Bainbridge Island are reported as homebased. Bainbridge Island allows home-based businesses in all zones, and 16.3% of the Island workforce works from home.	Site redevelopment such as a potential future expansion of the substation that would result in improved electric and communication reliability would support home-based businesses. There are no direct impacts resulting from a change in the land use designation.
Business / Industrial Goal EC-15: The B / I land use designation should provide space for job creating enterprises. Island based businesses provide the possibility of living and working in the community. It is the purpose of the B / I land use designations to provide opportunities for light industrial and other non-retail activities. The City should be prepared to respond to a changing marketplace and the business opportunities perceived by its citizens, when those opportunities require pre- existing infrastructure and well-designed accommodations in order to flourish.	Future redevelopment of the site would result in increased opportunities for Island-based businesses to thrive and increased opportunity to live and work in the community. A change to B / I designation is consistent with primary utility use as a non-retail activity.
Policy EC 15.1: Promote manufacturing and business / industrial employment as an important source of family wage jobs on Bainbridge Island.	Primary utility use is permitted in the B / I district and a conditional use in residential districts which results in a more cumbersome land use process.
Policy EC 15.2: New B / I land use designations will be considered based on the following: • Proximity to existing B / I • Adjacency to non-residential land uses • Reasonable proximity to SR 305 • The total amount of and expected need for B/I-zoned land	The property is adjacent to B / I property to the south, a property to the north which contains non-residential development, and is bound to the east by SR 305. A change to B / I designation would increase the total amount of land within B / I – zoned lands.

• Compliance with all policies in the Land Use Element • Availability of public sewer and water, or whether permitted uses might safely use wells and septic systems or other alternative systems that are approved by the Kitsap Public Health District • Consideration of pollution and aquifer recharge concerns • Minimal impact to residential land uses, neighborhoods and open space/conservancy and agriculture areas.	A change to B / I designation is consistent with land use policies for the B / I district. Use as a primary utility is not reliant on water or sewer / septic services. Electric utility facilities generally are not a use identified as having the potential to contaminate drinking water. All districts include performance standards to protect from non-residential use.
Transportation Element	
Ferry Service Goal TR-3: Coordinate with Washington State Ferries (WSF) and other ferry service providers to ensure that ferries meet local service and commuter needs, are integrated with all travel modes and provide equitable regional service.	Future plans for the City, including electric vehicle charging infrastructure, and plans for electrification of the Washington Ferry System require reliable electrical service and capacity on the Island. There are no direct impacts resulting from a change in the land use designation.
Policy TR 3.1: Advocate for ferry services to and from Bainbridge Island in order to optimize the use of each ferry service, balance peak hour travel times and provide ferry capacity in proximity to users' origin and destination.	Plans for electrification of the Washington Ferry System require reliable electrical service and capacity on the Island. There are no direct impacts resulting from a change in the land use designation.
Transportation Demand Management Goal 5: Encourage greater efficiency of the integrated multimodal transportation system that provides a range of transportation alternatives and increases the through movement of people.	Integrating electric transportation alternatives requires reliable electrical service and capacity. There are no direct impacts resulting from a change in the land use designation.
Policy TR 5.3: Encourage schools, the private sector and the public sector to adopt programs that reduce SOV use including telecommuting, promotion of ridesharing, walking, biking and reliance on buses.	A potential future expansion of the substation would likely result in improved electric and communication reliability on the Island which would support programs to reduce single-occupancy vehicle use, including telecommuting, electric bicycles, buses and ferries. There are no direct impacts resulting from a change in the land use designation.
Utilities Element	
Goal U-1: Ensure that reliable utility services are available to all Bainbridge Island residents.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed.

Goal U-2: Ensure that the utility services are comparable in terms of cost, quality, and technology to services available in similar jurisdictions in the Puget Sound region.	A comparison of utility services in similar jurisdictions was not evaluated as part of the request to change the Comprehensive Plan designation of the property.
Goal U-3: Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed.
Goal U-4: Ensure that the provision of utility services is environmentally responsible and sustainable, and encourage utility services that are carbon neutral and do not contribute to climate change.	PSE aspires to a goal to achieve Beyond Net Zero Carbon by 2045.
Goal U-5: Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment.	Regardless of the Comprehensive Plan designation, standards in the Municipal Code provide for protections to residents and the environment.
Goal U-8: Cooperate with other jurisdictions and utility providers in planning and implementing utility facility additions, improvements, maintenance, and emergency response, so that such activities are coordinated for maximum efficiency and public benefit.	PSE is a utility provider requesting to change the property to B / I in order to facilitate potential facility improvements.
Electrical Element Introduction: The City is currently served by Puget Sound Energy (PSE), which provides electricity generation sources, transmission, distribution and maintenance of electrical facilities throughout the Island. PSE is regulated by the Washington Utilities and Transportation Commission (WUTC.) It is the commission's responsibility to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing them the opportunity to earn a fair profit.	
Electrical Goal U-14: Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed.
Policy U 14.1: Develop a plan together with the electric service provider to undertake energy efficiency improvements and other alterations of electric utility facilities to provide capacity for future growth.	PSE continues to engage with Islanders as part of its Electric Reliability Projects which include Bainbridge Island electric system improvements to address current problems along with future needs.
Policy U 14.2: Encourage the conservation of electrical energy, especially during periods of peak usage, and encourage energy saving building code strategies, local renewable energy,	An evaluation of cost-effective approaches to electrical energy conservation, usage during peak periods, building codes, and renewable energy resources was not conducted as part of the request

and other cost effective approaches to meeting the island's energy needs, including distributed energy systems.	to change the Comprehensive Plan designation of the property.
Policy U 14.3: Encourage the electric service provider to improve reliability, with particular attention to adding transmission redundancy and mitigating impacts on service from storms or other natural events.	The PSE request is based on the premise that, in order to improve reliability and increase transmission redundancy, the change in land use designation is needed.
Policy U 14.4: Encourage undergrounding new and existing electric transmission and distribution power lines, and develop a long-term strategy for future undergrounding, to include maximizing opportunities with new construction, and prioritizing the work that affects the greatest number of households and businesses.	An evaluation of undergrounding utilities was not conducted as part of the request to change the Comprehensive Plan designation of the property.
Policy U 14.5: Encourage the electric service provider and electricity users to use carbon neutral electricity generation, local electricity generation, and innovative technologies such as solar power that are reliable, cost effective, preserve resources, provide minimal environmental impact, and do not contribute to global warming.	PSE aspires to a goal to achieve Beyond Net Zero Carbon by 2045.

Part IV Public Comment

Six public comments were received, all in support of the proposal. Comments are summarized as follows:

Reliability on the Island needs to be improved and Puget Sound Energy (PSE) Beyond Net Zero goals depend on a reliable grid. PSE is not meeting many of its service reliability metrics, and as a city we are not presently poised to meet current or future electric needs.

PSE must periodically upgrade substations to provide reliable and safe power to customers long-term. The electric infrastructure on the Island is decades old, and Islanders currently experience reliability challenges, especially for the south end of the Island, and present special accessibility challenges to the elderly. The substations support the transmission and distribution lines that bring power to homes and businesses, including those who telecommute. Improved reliability and capacity on the Island will improve overall quality of life on the Island.

PSE has been both transparent and thorough in its public engagement for its Electric Reliability Projects (which include Bainbridge Island electric system improvements). PSE has done its due diligence in finding appropriate solutions to our current energy problems while planning to remain flexible in order to address future needs. Reliability and capacity issues include the planned future electrification of ferries and other transportation on the Island.

Granting this application would allow PSE to move forward more quickly with long-overdue electric improvements. A larger setback would be required for a Business / Industrial designation that would afford even greater protections to area residents. Approval of the change from a residential to Business / Industrial property is consistent with the goals and policies of the Comprehensive Plan, specifically Utilities / Electrical and Business / Industrial, and aligns the zoning with the long-term use of the property and zoning of neighboring business properties.

Rezoning this property helps to limit the need to site utilities on new parcels and make the best use of the existing site. Relocating the substation from its current location to larger sites to support the needed infrastructure to supply power to the community and would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. Searching for alternative sites would only create more delays in implementing PSE Beyond Net Zero goals which depend on a reliable grid.

Part V BIMC Title 18 Zoning

A. BIMC 18.09.020 Permitted Uses

Primary utilities are a subset of Utility and Telecommunications use and a permitted use in the Business / Industrial (B/I) district. Primary utilities are a conditional use in the R-0.4 district, provided: Replacement, maintenance or upgrade of existing poles and equipment within a utility corridor or right-of-way is a permitted use.

A conditional use is one that is permitted subject to compliance with a set of conditions or requirements set forth in the Municipal Code.

B. Comparison of District Dimensional and Development Standards Applicable to Primary Utilities (where different)

Municipal Code Section	Standard	R-2 District	B / I District	Evaluation Summary
Tables of Dimensional Standards BIMC 18.12.020	Lot Area	40,000 sq. ft.	20,000 sq. ft.	The lot is conforming to either standard.
	Lot Dimensions	110 ft width & 110 ft depth	N/A	The lot conforms to either standard.
	Lot Coverage	20 % maximum	35 % maximum	Existing development conforms to either standard.
	Setback - Front Lot Line	25 feet	50 feet along public right-of-way	Existing utility structures existing are permitted in setbacks. Existing development conforms to either standard, as provided in BIMC Table 18.12.040.
	Setback - Side Lot Line	5 feet	10 feet; 50 feet when abutting residentially-zoned properties	Existing development conforms to either standard.

	Building Height	30 feet base; Bonus height to 35 feet with Conditional Use Permit (CUP)	35 feet base; Bonus height to 45 feet with CUP	Alternative height limits may apply for nonresidential uses if additional conditional use provisions are met. Existing development is not evaluated for this standard.
	Structure Height			An exemption from the height limits for structures not including buildings in each zone district can be approved through the minor conditional use process if the director determines that: (1) view opportunities are not substantially reduced; (2) no structure is located in any required setback except as otherwise authorized by BIMC Title 18; and (3) each setback requirement shall be increased one-half foot for every foot above the maximum structure height. Existing development is not evaluated for this standard.
	Structures (New) except buildings and distribution poles	30 feet base; Bonus height to 35 feet with CUP	35 feet base; 45 feet with CUP	
	Transmission Pole (New)	30 feet base; Bonus height to 35 feet with CUP	35 feet base; 45 feet with CUP	
Landscaping, Screening, and Tree Retention, Protection and Replacement BIMC 18.15.010	Perimeter Landscape Buffer BIMC 18.15.010-3	25 ft from residential districts 20 ft from non-industrial use	50 ft from non-B/I	Existing development is nonconforming to either standard.
	Roadside Landscape Buffer BIMC 18.15.010-4	50 ft from SR 305 25 ft from other rights-of-way	50 ft from rights-of-way	Existing development is nonconforming to either standard.
	Total Site Tree Unit Requirements BIMC 18.15.010.G	40 tree units per acre or the same number pre- and post-development, at the applicant's option.	N/A	This standard is only evaluated upon development or redevelopment. The existing number of tree units is not known.

Part VI Staff Analysis and Recommendation

The Comprehensive Plan states that residential districts are intended for residential development and a variety of agricultural and forestry uses, and development should be compatible with open space and agricultural activities. The Comprehensive Plan states that the purpose of the B / I designation is to provide opportunities for light industrial and other non-retail activities.

The Municipal Code states that the purpose of the R-2 district is to provide residential neighborhoods in an environment with special Island character consistent with other land consistent with other land uses, such as agriculture and forestry, and the preservation of natural systems and open space, at a somewhat higher density than the R-1 district. The Code states that the purpose of the B / I district is to facilitate development of a diverse economy on the island with business retention, growth, and innovation, and that the district is intended to provide opportunities for knowledge-based businesses and expansion of Island businesses, for diversity of jobs, and for low-impact industrial activity that is compatible with adjoining residential neighborhoods.

The Comprehensive Plan goals and policies applicable to the B / I designation are more closely aligned to utility use than those of the residential designation. Taking into consideration provisions for existing development which is nonconforming to current standards that apply regardless of the district, the notable differences are:

1) Aquifer Recharge Protection Area (ARPA) designation is required in the currently zoned residential district but not in the B/I district. Specific to this site, ARPA regulations mandate that any activity involving land use disturbance over an area 7,000 square feet in size or greater require that the areas of existing native vegetation, which cover no more than 68,000 square feet or 73 percent of the site, would be designated. Any activity is allowed in the ARPA provided that the activity maintains 100 percent of the annual average pre-construction groundwater recharge volume for the site; this determination requires a hydrological assessment. The soil type on the site is moderately drained above hardpan with a very slow drain rate through the hardpan layer, which typically occurs from 20 to 32 inches below the ground surface, resulting in areas that do not generally support significant recharge capacity without modifications.
2) A substation is an electric utility, more specifically defined as a Primary Utility in the Municipal Code. Primary utilities are a permitted use in the B/I district and a conditional use in all other districts.
3) The front lot line setback from both Sportsman Club Road and SR 305 is 25 feet in the R-2 district and 50 feet in the B / I district.
4) The side setback on the north side of the property is five feet in the R-2 district and 50 feet in the B / I district.
5) The standard perimeter landscape buffer along the north side of the property is 25 feet in the R-2 district and would be 50 feet if the property is zoned B / I.
6) The standard roadside landscape buffer along Sportsman Club Road is 25 feet in the R-2 district and would be 50 feet if the property is zoned B / I.
7) Total Site Tree Unit requirements are applicable to the residential district and not applicable to the B / I district.

The staff recommendation to approve the change from residential to B / I designation is largely based on consistency with the goals and policies of the Comprehensive Plan, wherein utility use is consistent with the Business / Industrial designation and inconsistent with residential designation. Additionally, increased landscape buffer widths, which double from 25 to 50 feet, afford greater vegetation protection than ARPA designation because tree within landscape buffers must be retained and trees within the ARPA are allowed to be removed, provided that 100 percent of the annual average pre-construction groundwater recharge volume is maintained.

Part VII Land Use Review Procedures:

A. Review and Recommendation by Planning Commission

1) Planning Commission Review of Comprehensive Plan Amendments

Subsequent to completion of the analysis and SEPA review prepared by staff, the Planning Commission shall conduct one or more public hearings as defined in BIMC 2.14.020.G. The Planning Commission shall also solicit comments regarding the proposed amendment from the public or from government agencies in any other manner it determines necessary and appropriate to the nature of the proposed amendment and consistent with RCW 36.70A.140. The notice and public hearing for proposed Comprehensive Plan amendments may be combined with any notice or public hearing for proposed amendments to the land use code or for other action of the Planning Commission; provided, that all appropriate noticing is conducted as required by law.

2) Planning Commission Recommendation on Comprehensive Plan Amendments

The Planning Commission shall base its recommendation on whether the application meets the required decision criteria and consider public input, conclusions from any required studies, the staff recommendation, and findings from the SEPA analysis. The Commission may recommend to approve, approve with conditions, or deny the proposal. If the Commission recommends denial of a proposed amendment, the findings shall include that (a) the proposal does not comply with the decision criteria, or (b) a majority of the Planning Commission finds that the proposal would be more appropriately and effectively addressed through another aspect of the City's work program.

B. BIMC 2.16.140.H Site-specific Rezones Decision Criteria

The following criteria shall be considered in any review for a site-specific rezone in order to establish a recommendation to approve, disapprove or approve with conditions:

1) The site-specific rezone will not be materially detrimental to the public welfare or injurious to the property or improvements in the immediate vicinity and zone in which the property is located.

The rezone is not materially detrimental to public welfare or injurious to property or improvements in the vicinity. The property is bound by SR305 to the east and Sportsman Club Road to the west. The property to the north contains a religious facility and park-and-ride lot, and the property to the south is zoned B / I and contains a storage facility and other permitted uses in the district. The vegetation buffers from residentially zoned properties would increase from 25 to 50 feet in width.

2) The site-specific rezone is warranted because of changed circumstances and the proposed designation is appropriate for reasonable development of the subject property, or because of a need for additional property in the proposed zone, and the proposed designation is appropriate for reasonable development of the subject property.

The rezone recognizes the historic use of the property as a utility, which is a permitted use in the B / I district. The rezone is consistent with the development standards for the B / I district, and is appropriate for reasonable development of the property.

3) The subject property is suitable for development in general conformance with zoning standards under the proposed zoning designation.

The property conforms to all B / I district zoning standards.

4) The property will be served by adequate public facilities including roads, water, fire protection, sewage disposal facilities and storm drainage facilities for the intensity to which it is being rezoned.

The property is served by public right-of-way and fire / life / safety protection afforded to properties in the vicinity. Use as a primary utility does not rely on sewage facilities. Storm drainage facilities are evaluated when a specific development is proposed.

5) The site-specific rezone is in accord with the Comprehensive Plan.

The rezone is consistent with the goals and policies of the Comprehensive Plan. Utility use is consistent with the Business / Industrial designation and inconsistent with residential designation. Comprehensive Plan goals include ensuring that utility services are adequate to meet current demands, and that utility providers plan for future demands.

6) The site-specific rezone complies with all other applicable criteria and standards of the City.

The rezone complies with applicable criteria and standards. All future development must comply with applicable Municipal Code regulations.

7) The site-specific rezone would not devalue surrounding or nearby property.

Utility use was established on the property over 40 years ago. The rezone recognizes historical use of the property, and would not devalue surrounding or nearby properties.

8) The site-specific rezone will not result in an adverse environmental consequence.

The rezone results in no adverse environmental impact. All future development must comply with applicable environmental regulations.

C. BIMC 2.16.190.H Legislative Comprehensive Plan Amendments Decision Criteria

The Planning Commission and City Council shall base their respective recommendation or decision on a proposed comprehensive plan amendment on the following criteria:

1) Compliance with Law: Amendments to the Comprehensive Plan shall comply with the Growth Management Act and other state and federal laws.

The amendment in the Comprehensive Plan designation complies with the Growth Management Act and other state and federal laws. In order to be compliant with the Growth Management Act, an amendment to the Comprehensive Plan must be accompanied by a change in the zoning designation.

2) Resources:

a. The City must have the resources, including staff and budget, necessary to implement the proposal.

b. The amendment will not result in development that has significant adverse effects on community resources, including but not limited to: Water resources, utilities, transportation, parks or schools.

c. The amendment must not adversely affect the City's ability to provide the full range of public facilities and services at the planned level of service, or consume public resources otherwise needed to support Comprehensive Plan implementation strategies.

This amendment request for a change to the Land Use Map of the Comprehensive Plan can be updated by staff without undue adverse impact to resources at this time.

3) Internal Consistency: Amendments shall be consistent with the land uses and growth projections that are the basis of the comprehensive plan and with the overall intent of the Comprehensive Plan, including the community vision, overriding principles, and overall goals that guide the plan.

This amendment is consistent with the overall community vision as adopted in the City's Comprehensive Plan because it addresses electric reliability and capacity needs on the Island. Increased capacity and reliability serve residents and neighborhood centers, such as Winslow and Lynwood Center, which have evolved into compact, mixed-use areas. These areas are thriving centers of civic life, cultural amenities, goods, services and a wide range of housing and employment opportunities. Facilitating electrical improvements helps to link Islanders with each other and the region with a reliable, modern network that has the potential to reduce the Island's greenhouse gas emissions.

4) Cumulative Effect: All amendments must be considered concurrently in order to evaluate their cumulative effect on the comprehensive plan text and map, development regulations, capital facilities program, adopted environmental policies and other relevant implementation measures.

This Comprehensive Plan amendment is synchronous with several other comprehensive plan amendment requests including two other PSE sites, and would serve to support, with electric service similar to that provided any other business, any development resulting on properties which are the subject of amendment requests received this year, regardless of whether those requests are granted.

5) Land Use Impacts: Amendments shall not adversely affect public health, safety or welfare. An amendment must be compatible with neighboring land uses and surrounding neighborhoods, if appropriate. In addition, applications should be reviewed for their cumulative land use impacts.

The amendment has no adverse impact on public health, safety or welfare, and would serve to provide positive impacts to same, through increased reliability and redundancy in electrical facilities which also carry communication lines, for example. The property is compatible with neighboring land use and surrounds, as it is bound by SR 305, Sportsman Club Road, and non-residential and industrial businesses.

CITY OF BAINBRIDGE ISLAND

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

STAFF ANALYSIS

Date: October 4, 2022

To: Planning Commission

From: Kelly Tayara, Senior Planner

Project: Puget Sound Energy Site-specific Rezone and Comprehensive Plan Amendment (CPA) for Port Madison Substation (Day Road at State Route 305)

File Number: PLN52101 REZ/CPA

This report is prepared for a Planning Commission study session. Planning Commission review and recommendation will be scheduled during a public hearing.

Summary of Request

Puget Sound Energy (PSE) requests approval to change the site zoning from R-0.4 / Residential to Business / Industrial (B/I), which is a change to the Comprehensive Plan land use map and zoning map.

PSE requests the change from residential to B / I in order to support the long-term needs of the community. According to PSE, residential designation focuses on low-density residential development and conservation, does not reflect the historic long-term utility use of the site, and is inconsistent with its statutory duty to serve the community with essential infrastructure and electrical service, whereas a B / I designation is consistent with utility use.

The substation was established on the site in 1954 when the property was located in unincorporated Kitsap County. PSE acquired the site with the expectation that as the community grew, the substation and associated facilities would be expanded and upgraded to accommodate capacity and reliability needs. PSE has determined that long-term service projections (beyond ten years) indicate the potential need to expand the substation to accommodate future electrical demand from Bainbridge Island customers and ensure station reliability, and that the current Municipal Code requirements for the residential district, particularly those related to Aquifer Recharge Protection Areas, do not provide flexibility to upgrade and expand the substation in the future.

Part I: Land Use Process / Application History

Date:	Action:
November 9, 2021	Preapplication conference held
February 25, 2022	Application submitted
March 25, 2022	Application deemed complete
April 22, 2022	Notice of Application / SEPA Comment Period issued
August 11, 2022	Planning Commission meeting held: CPA overview

Part II: General Information and Site Characteristics

Assessor's Record Information:	
Tax lot numbers	032502-3-013-2001
Site Address	No site address: Northwest corner of Day Road & State Route 305
Owner of record	Puget Sound Energy
Site size	1.23 acres

Use:

Utility (Primary)

The Port Madison substation is one of three electric substations on Bainbridge Island that distribute electricity to homes and businesses within the community. Two transmission lines, the Port Madison Tap and the Foss Corner-Port Madison 115 kV lines, bring power to the Island from the Kitsap Peninsula over Agate Pass to the Port Madison substation. Electricity is then transferred to the other two substations on the Island via two radial transmission lines.

Utilities produce, transmit, carry, store, distribute, or process power or information. Primary utilities include utility lines, electrical power generating or transfer facilities, radio cellular telephone and microwave towers, and utility poles. Transmission utility poles support lines which transport electrical power (55kV or higher) from generation sources to substations. Distribution utility poles support lines which transport electrical power (less than 55kV) through distribution transformers from substations to homes and businesses. Utility poles may also support communication lines.

Primary utilities are a permitted use in the B/I district and a conditional use in the R-0.4 district. A conditional use is one that is permitted subject to compliance with a set of conditions or requirements set forth in the Municipal Code.

Zoning Designation:

R-0.4 (Business / Industrial requested)

Comprehensive Plan Designation:

Residential R-0.4 (Business / Industrial requested)

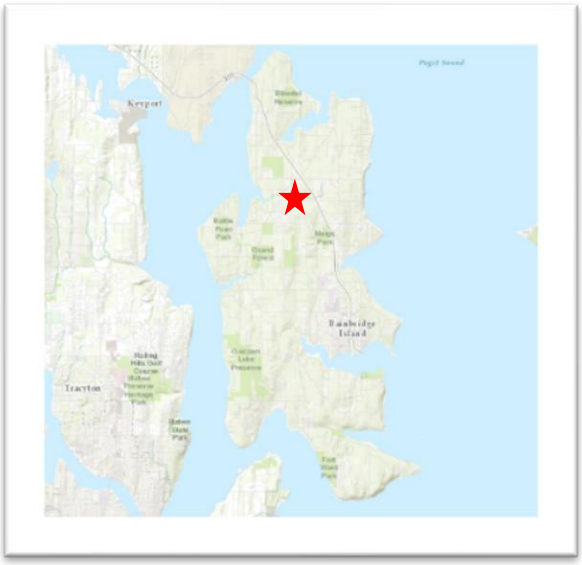
Soils:

Kapowsin gravelly loam

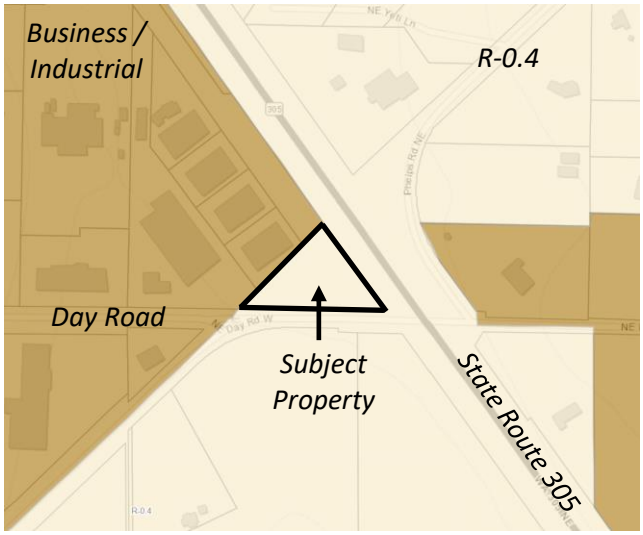
Surrounding Properties - Use, Zoning, and Comprehensive Plan Designation:

	Use (clockwise from north)	**Zoning District**	**Comprehensive Plan Designation**
East	Phelps / Day Road Park & Ride (right-of-way) and a lot with commercial / storage buildings	R-0.4	Residential-0.4
South	An undeveloped lot and a single-family residential lot	R-0.4	Residential-0.4
West	Two light manufacturing businesses that are part of the larger Day Road Industrial Park.	Business / Industrial	Business / Industrial

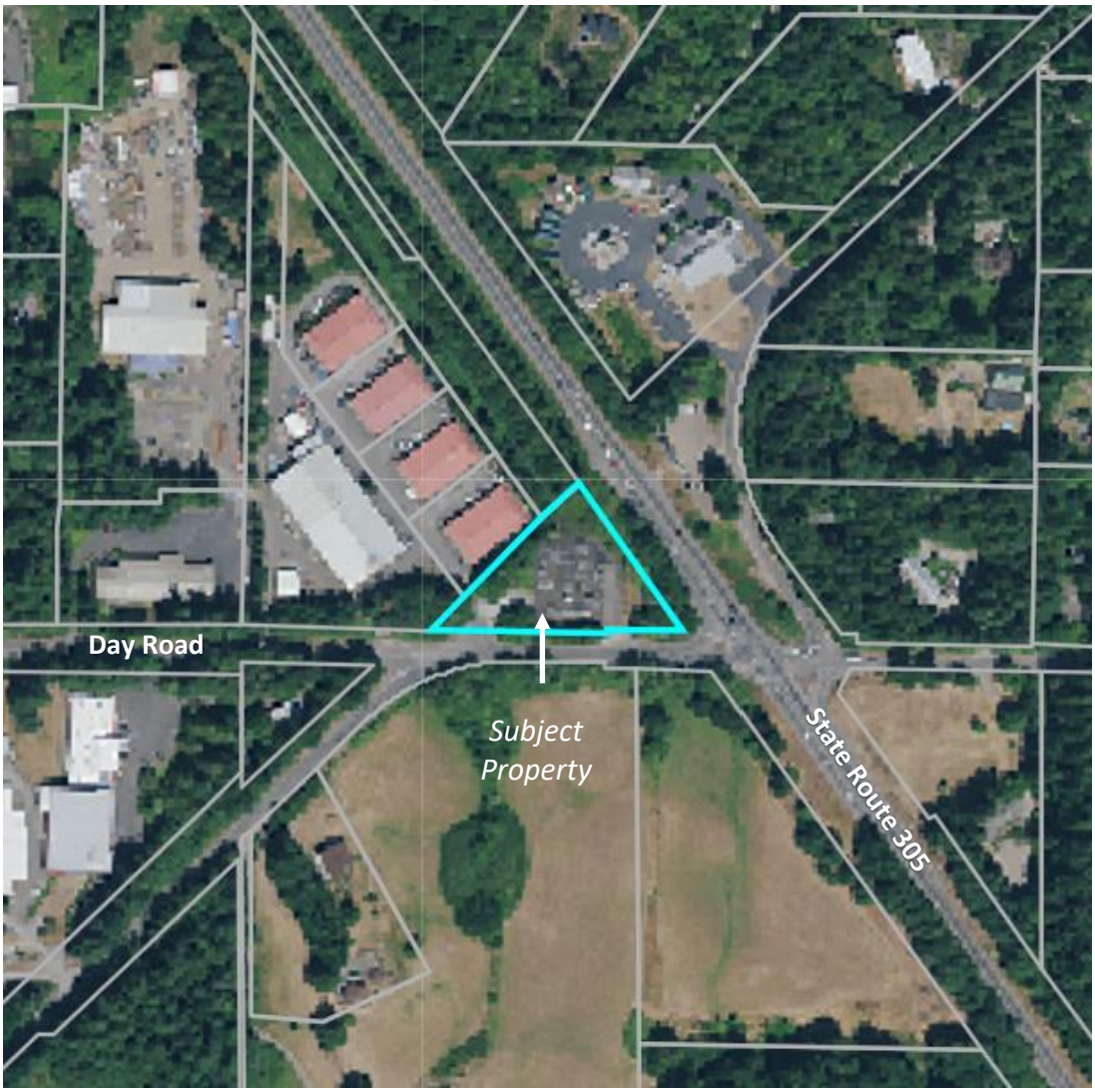
Vicinty Map



Zoning Map



Site and Surrounding Development / Aerial Image (2018)



Part III: Comprehensive Plan Guiding Principles, Goals and Policies

The Comprehensive Plan designation for the site is Residential R-0.4, and the applicant requests Business / Industrial designation. Comprehensive Plan goals and policies which are applicable to both districts are listed below, along with those applicable to electric utilities on the Island.

Comprehensive Plan Goals and Policies	Staff Annotation
Land Use Element	
Business / Industrial (B / I) Goal LU-10: Provide appropriate B / I zoned land to create opportunities for new businesses and expansion of existing Island businesses for diversity of jobs and for low-impact industrial activity that contributes to well-paying and new employment opportunities, where traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized.	While future redevelopment of the site may result in employment opportunities and business expansion, there are no employment opportunities directly resulting from a change in the land use designation.
Policy LU 10.1: The B / I District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island.	Primary utility use is a permitted use in the B / I district and conditional use in all other districts.
Policy LU 10.6: Performance standards for the B / I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential neighborhoods.	All districts include performance standards to protect adjacent residential-zone properties from non-residential use.
Policy LU 10.7: B / I uses must be visually screened year-round from adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer.	Both setbacks and vegetation buffers from Day Road and SR 305 double in width from 25 to 50 feet if the property is designated B / I.
Policy LU 10.8: Discourage the inappropriate designation of isolated B / I Districts.	The property is adjacent to other properties which are within the B / I district.
Residential District Goal LU-14: Develop context-sensitive regulations for residential development in areas designated R-2, R-1 or R-0.4, in order to limit clearing, soil disturbance, promote low impact development and reconcile development and conservation.	Residential districts are intended for residential development, agricultural and forestry use. However, with few exceptions, residential and B / I districts are similarly regulated. Notable differences are: • Setbacks and vegetation buffers from roads are 25 feet in width in the residential district and 50 feet in width in the B / I district.

	• Aquifer Recharge Protection Area (ARPA) designation is required in the residential district but not in the B/I district for any activity involving land use disturbance over an area 7,000 square feet in size or greater. Any activity, including clearing, is allowed in the ARPA provided that the activity maintains the pre-construction groundwater recharge volume. Landscape buffer regulations, in which trees must be retained, afford more stringent vegetation retention requirements. • Total Site Tree Unit requirements are applicable to the residential district and not applicable to the B / I district, but trees must be retained in roadside buffers within either district.
Policy LU 14.1: The Residential District area is designated for less intensive residential development and a variety of agricultural and forestry uses.	A change to B / I designation results in less intensive residential development.
Policy LU 14.2: Encourage residential development that is compatible with the preservation of open space, forestry, agricultural activities, and natural systems. Accessory farm buildings and uses are allowable.	A change to B / I designation results in larger landscape buffer requirements. Primary utility use is otherwise incompatible with this residential policy.
Policy LU 14.3: Maintain the natural and scenic qualities of the Island by limiting residential density.	A change to B / I designation limits residential density.
Economic Element	
Diversified Economy Goal EC-1 (excerpt): By providing enterprises that both serve and employ local residents, the Island will be better able to withstand fluctuations in the larger regional economy. In addition, people who live and work in their community are available to invest time and money in their families, organizations, and community life.	PSE serves and employs local residents. While future redevelopment of the site may result in employment opportunities and business expansion, there are no employment opportunities directly resulting from a change in the land use designation.
Infrastructure Goal EC-2: Provide sufficient and resilient infrastructure that is supportive of a healthy economy and environment, particularly telecommunications and electrical reliability.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed because the current requirements for the residential district, particularly those related to Aquifer Recharge Protection Areas, do not provide flexibility to potentially upgrade and expand the substation in the future.

Policy EC 2.1: Identify long-term infrastructure needs that support economic sustainability and are designed to withstand future conditions.	PSE continues to engage with the community and has participated in multiple public meetings to identify long-term infrastructure needs in the past. Increased population growth upon which the Comprehensive Plan is based results in increased telecommunications and electrical infrastructure needs.
Policy EC 2.2: Support infrastructure enhancement to accommodate new information technology and changing conditions.	The rapidity of technological developments outpaces the City's ability to accommodate timely changes to the Comprehensive Plan, for which amendment requests are only accepted every three years.
Sustainability Policy EC 3.6: Policy EC 3.6 Create opportunities to foster green technology and industries, such as energy, waste and information technology, which have the potential to create local, family wage jobs in our community at the same time we are protecting our natural beauty, environmental and economic health.	The PSE Electric Reliability Projects include Bainbridge Island electric system improvements to address current energy solutions and future potential need. For example, the Planning Commission recently recommended requirements and incentives for electric vehicle charging infrastructure.
Public/Private Partnerships Policy EC-7.1: Leverage technology assets, such as existing fiber connections, to support technology- based businesses and potentially to pursue new revenue streams.	Potentially, future expansion of the substation would likely result in improved electric and communication reliability for home-based businesses. There are no direct impacts resulting from a change in the land use designation.
Services Sector Policy EC 9.3: Promote an emerging professional services sector that recognizes the Island's linkage to the Seattle job market for managerial jobs and information-based industries.	Potentially, future expansion of the substation would result in improved electric and communication reliability on the Island which would support an emerging professional services sector, including those who telecommute. There are no direct impacts resulting from a change in the land use designation.
Building Design and Construction Sector Goal EC-10 (excerpt): The professions and trades involved in design, construction, furnishing, renovation and marketing of commercial and residential real estate constitute a large and very important sector of the Island's economy. Productivity and profits within that sector are crucial factors in the stability and well-being of the entire community.	Site redevelopment such as a potential future expansion of the substation that would result in improved electric and communication reliability would support design, construction, furnishing, renovation and real estate professions and trades. There are no direct impacts resulting from a change in the land use designation.
Home-based Businesses Goal EC-13: Foster home-based businesses as a key to a present and future vital economy. Nearly half of all businesses licensed on Bainbridge Island are reported as homebased. Bainbridge Island allows home-based businesses in all	Site redevelopment such as a potential future expansion of the substation that would result in improved electric and communication reliability would support home-based businesses. There are no direct impacts resulting from a change in the

zones, and 16.3% of the Island workforce works from home.	land use designation.
Business / Industrial Goal EC-15: The B / I land use designation should provide space for job creating enterprises. Island based businesses provide the possibility of living and working in the community. It is the purpose of the B / I land use designations to provide opportunities for light industrial and other non-retail activities. The City should be prepared to respond to a changing marketplace and the business opportunities perceived by its citizens, when those opportunities require pre- existing infrastructure and well-designed accommodations in order to flourish.	Future redevelopment of the site would result in increased opportunities for Island-based businesses to thrive and increased opportunity to live and work in the community. A change to B / I designation is consistent with primary utility use as a non-retail activity.
Policy EC 15.1: Promote manufacturing and business / industrial employment as an important source of family wage jobs on Bainbridge Island.	Primary utility use is permitted in the B / I district and a conditional use in the residential districts which results in a more cumbersome land use process.
Policy EC 15.2: New B / I land use designations will be considered based on the following: • Proximity to existing B / I • Adjacency to non-residential land uses • Reasonable proximity to SR 305 • The total amount of and expected need for B/I-zoned land • Compliance with all policies in the Land Use Element • Availability of public sewer and water, or whether permitted uses might safely use wells and septic systems or other alternative systems that are approved by the Kitsap Public Health District • Consideration of pollution and aquifer recharge concerns • Minimal impact to residential land uses, neighborhoods and open space/conservancy and agriculture areas.	The property is adjacent to existing B / I properties which contain non-residential development and is bound to the east by SR 305. A change to B / I designation would increase the total amount of land within B / I – zoned lands. A change to B / I designation is consistent with land use policies for the B / I district. Use as a primary utility is not reliant on water or sewer / septic services. Electric utility facilities generally are not a use identified as having the potential to contaminate drinking water. All districts include performance standards to protect from non-residential use.
Transportation Element	
Ferry Service Goal TR-3: Coordinate with Washington State Ferries (WSF) and other ferry service providers to ensure that ferries meet local service and commuter needs, are integrated with all travel modes and provide equitable regional service.	Future plans for the City, including electric vehicle charging infrastructure, and plans for electrification of the Washington Ferry System require reliable electrical service and capacity on the Island. There are no direct impacts resulting from a change in the land use designation.

Policy TR 3.1: Advocate for ferry services to and from Bainbridge Island in order to optimize the use of each ferry service, balance peak hour travel times and provide ferry capacity in proximity to users' origin and destination.	Plans for electrification of the Washington Ferry System require reliable electrical service and capacity on the Island. There are no direct impacts resulting from a change in the land use designation.
Transportation Demand Management Goal 5: Encourage greater efficiency of the integrated multimodal transportation system that provides a range of transportation alternatives and increases the through movement of people.	Integrating electric transportation alternatives requires reliable electrical service and capacity. There are no direct impacts resulting from a change in the land use designation.
Policy TR 5.3: Encourage schools, the private sector and the public sector to adopt programs that reduce SOV use including telecommuting, promotion of ridesharing, walking, biking and reliance on buses.	A potential future expansion of the substation would result in improved electric and communication reliability and support programs to reduce single-occupancy vehicle use, including telecommuting and electric bicycles, buses and ferries. There are no direct impacts resulting from a change in the land use designation.
Utilities Element	
Goal U-1: Ensure that reliable utility services are available to all Bainbridge Island residents.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed.
Goal U-2: Ensure that the utility services are comparable in terms of cost, quality, and technology to services available in similar jurisdictions in the Puget Sound region.	A comparison of utility services in similar jurisdictions was not evaluated as part of the request to change the Comprehensive Plan designation of the property.
Goal U-3: Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands.	The PSE request is based on the premise that to serve future electrical demand and ensure reliability, the change in designation is needed.
Goal U-4: Ensure that the provision of utility services is environmentally responsible and sustainable, and encourage utility services that are carbon neutral and do not contribute to climate change.	PSE aspires to a goal to achieve Beyond Net Zero Carbon by 2045.
Goal U-5: Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment.	Regardless of the Comprehensive Plan designation, standards in the Municipal Code provide for protections to residents and the environment.
Goal U-8: Cooperate with other jurisdictions and utility providers in planning and implementing utility facility additions, improvements, maintenance, and emergency response, so that such activities are coordinated for maximum efficiency and public benefit.	PSE is a utility provider requesting to change the property to B / I in order to facilitate potential facility improvements.

Electrical Element Introduction: The City is currently served by Puget Sound Energy (PSE), which provides electricity generation sources, transmission, distribution and maintenance of electrical facilities throughout the Island. PSE is regulated by the Washington Utilities and Transportation Commission (WUTC.) It is the commission's responsibility to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing them the opportunity to earn a fair profit.	
Electrical Goal U-14: Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed.
Policy U 14.1: Develop a plan together with the electric service provider to undertake energy efficiency improvements and other alterations of electric utility facilities to provide capacity for future growth.	PSE continues to engage with Islanders as part of its Electric Reliability Projects which include Bainbridge Island electric system improvements to address current problems along with future needs.
Policy U 14.2: Encourage the conservation of electrical energy, especially during periods of peak usage, and encourage energy saving building code strategies, local renewable energy, and other cost effective approaches to meeting the island's energy needs, including distributed energy systems.	An evaluation of cost-effective approaches to electrical energy conservation, usage during peak periods, building codes, and renewable energy resources was not conducted as part of the request to change the Comprehensive Plan designation of the property.
Policy U 14.3: Encourage the electric service provider to improve reliability, with particular attention to adding transmission redundancy and mitigating impacts on service from storms or other natural events.	The PSE request is based on the premise that, in order to improve reliability and increase transmission redundancy, the change in land use designation is needed.
Policy U 14.4: Encourage undergrounding new and existing electric transmission and distribution power lines, and develop a long-term strategy for future undergrounding, to include maximizing opportunities with new construction, and prioritizing the work that affects the greatest number of households and businesses.	An evaluation of undergrounding utilities was not conducted as part of the request to change the Comprehensive Plan designation of the property.
Policy U 14.5: Encourage the electric service provider and electricity users to use carbon neutral electricity generation, local electricity generation, and innovative technologies such as solar power that are reliable, cost effective, preserve resources, provide minimal environmental impact, and do not contribute to global warming.	PSE aspires to a goal to achieve Beyond Net Zero Carbon by 2045.

Part IV. BIMC Title 18 Zoning

A. BIMC 18.09.020 Permitted Uses

Primary utilities are a subset of Utility and Telecommunications use and a permitted use in the Business / Industrial (B/I) district. Primary utilities are a conditional use in the R-0.4 district, provided: Replacement, maintenance or upgrade of existing poles and equipment within a utility corridor or right-of-way is a permitted use.

A conditional use is one that is permitted subject to compliance with a set of conditions or requirements set forth in the Municipal Code.

B. Comparison of District Dimensional and Development Standards Applicable to Primary Utilities (where different)

Municipal Code Section	Standard	R-0.4 District	B / I District	Evaluation Summary
Tables of Dimensional Standards BIMC 18.12.020	Lot Area	100,000 sq. ft.	20,000 sq. ft.	The lot is nonconforming to the R-0.4 district standard and would conform to B/I district standard.
	Lot Dimensions	110 ft width & 110 ft depth	N/A	The lot conforms to either standard.
	Lot Coverage	10 % maximum	35 % maximum	Existing development conforms to either standard.
	Setback - Front Lot Line	25 feet	50 feet along public right-of-way	Existing utility structures existing are permitted in setbacks. Existing development conforms to either standard, as provided in BIMC Table 18.12.040.
	Setback - Side Lot Line	15 feet	10 feet; 50 feet when abutting residentially-zoned properties	Existing development conforms to either standard.
	Building Height	30 feet base; Bonus height to 35 feet with Conditional Use Permit (CUP)	35 feet base; Bonus height to 45 feet with CUP	Alternative height limits may apply for nonresidential uses if additional conditional use provisions are met. Existing development is not evaluated for this standard.

	Structure Height			An exemption from the height limits for structures not including buildings in each zone district can be approved through the minor conditional use process if the director determines that: (1) view opportunities are not substantially reduced; (2) no structure is located in any required setback except as otherwise authorized by BIMC Title 18; and (3) each setback requirement shall be increased one-half foot for every foot above the maximum structure height. Existing development is not evaluated for this standard.
	Structures (New) except buildings and distribution poles	30 feet base; Bonus height to 35 feet with CUP	35 feet base; 45 feet with CUP	
	Transmission Pole (New)	30 feet base; Bonus height to 35 feet with CUP	35 feet base; 45 feet with CUP	
Landscaping, Screening, and Tree Retention, Protection and Replacement BIMC 18.15.010	Perimeter Landscape Buffer BIMC 18.15.010-3	25 ft from residential districts 20 ft from non-industrial use	50 ft from non-B/I	Existing development is nonconforming to either standard.
	Roadside Landscape Buffer BIMC 18.15.010-4	50 ft from SR 305 25 ft from other rights-of-way	50 ft from rights-of-way	Existing development is nonconforming to either standard.
	Total Site Tree Unit Requirements BIMC 18.15.010.G	40 tree units per acre or the same number pre- and post-development, at the applicant's option.	N/A	This standard is only evaluated upon development or redevelopment. The existing number of tree units is not known.

Part V Public Comment

Six public comments were received, all in support of the proposal. Comments are summarized as follows:

Reliability on the Island needs to be improved and Puget Sound Energy (PSE) Beyond Net Zero goals depend on a reliable grid. PSE is not meeting many of its service reliability metrics, and as a city we are not presently poised to meet current or future electric needs.

PSE must periodically upgrade substations to provide reliable and safe power to customers long-term. The electric infrastructure on the Island is decades old, and Islanders currently experience reliability challenges, especially for the south end of the Island, and present special accessibility challenges to the elderly. The substations support the transmission and distribution lines that bring power to homes and businesses, including those who telecommute. Improved reliability and capacity on the Island will improve overall quality of life on the Island.

PSE has been both transparent and thorough in its public engagement for its Electric Reliability Projects (which include Bainbridge Island electric system improvements). PSE has done its due diligence in finding appropriate solutions to our current energy problems while planning to remain flexible in order to address future needs. Reliability and capacity issues include the planned future electrification of ferries and other transportation on the Island.

Granting this application would allow PSE to move forward more quickly with long-overdue electric improvements. A larger setback would be required for a Business / Industrial designation that would afford even greater protections to area residents. Approval of the change from a residential to Business / Industrial property is consistent with the goals and policies of the Comprehensive Plan, specifically Utilities / Electrical and Business / Industrial, and aligns the zoning with the long-term use of the property and zoning of neighboring business properties.

Rezoning this property helps to limit the need to site utilities on new parcels and make the best use of the existing site. Relocating the substation from its current location to larger sites to support the needed infrastructure to supply power to the community would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. Searching for alternative sites would only create more delays in implementing PSE Beyond Net Zero goals which depend on a reliable grid.

Part VI Staff Analysis and Recommendation

The Comprehensive Plan states that residential districts are intended for residential development and a variety of agricultural and forestry uses, and development should be compatible with open space and agricultural activities. The Comprehensive Plan states that the purpose of the B / I designation is to provide opportunities for light industrial and other non-retail activities.

The Municipal Code states that the purpose of the R-0.4 district is to provide low-density housing in an environment with special Island character consistent with other land uses, such as agriculture and forestry, and the preservation of natural systems and open space. The Code states that the purpose of the B / I district is to facilitate development of a diverse economy on the island with business retention, growth, and innovation, and that the district is intended to provide opportunities for knowledge-based businesses and expansion of Island businesses, for diversity of jobs, and for low-impact industrial activity that is compatible with adjoining residential neighborhoods.

The Comprehensive Plan goals and policies applicable to the B / I designation are more closely aligned to utility use than those of the residential designation. Taking into consideration provisions for existing development which is nonconforming to current standards that apply regardless of the district, the notable differences are:

1) Aquifer Recharge Protection Area (ARPA) designation is required in the currently zoned residential district but not in the B/I district. Specific to this site, ARPA regulations mandate that any activity involving land use disturbance over an area 7,000 square feet in size or greater require that the areas of existing native vegetation, which cover no more than 20,000 square feet or 37 percent of the site, would be designated. Any activity is allowed in the ARPA provided that the activity maintains 100 percent of the annual average pre-construction groundwater recharge volume for the site; this determination requires a hydrological assessment. The soil type on the site is moderately drained above hardpan with a very slow drain rate through the hardpan layer, which typically occurs from 20 to 32 inches below the ground surface, resulting in areas that do not generally support significant recharge capacity without modifications.
2) A substation is an electric utility, more specifically defined as a Primary Utility in the Municipal Code. Primary utilities are a permitted use in the B/I district and a conditional use in all other districts.
3) Lot area is nonconforming to the residential standard of 100,000 square feet per lot and would be conforming to the B / I standard of 20,000 square feet per lot.
4) The front lot line setback from both Day Road and SR 305 is 25 feet in the R-0.4 district and 50 feet in the B / I district.
5) The standard roadside landscape buffer along Day Road is 25 feet in the R-0.4 district and would be 50 feet if the property is zoned B / I.
6) Total Site Tree Unit requirements are applicable to the residential district and not applicable to the B / I district.

The staff recommendation to approve the change from residential to B / I designation is largely based on consistency with the goals and policies of the Comprehensive Plan, wherein utility use is consistent with the Business / Industrial designation and inconsistent with residential designation.

Part VII Land Use Review Procedures

A. Review and Recommendation by Planning Commission

1) Planning Commission Review of Comprehensive Plan Amendments

Subsequent to completion of the analysis and SEPA review prepared by staff, the Planning Commission shall conduct one or more public hearings as defined in BIMC 2.14.020.G. The Planning Commission shall also solicit comments regarding the proposed amendment from the public or from government agencies in any other manner it determines necessary and appropriate to the nature of the proposed amendment and consistent with RCW 36.70A.140. The notice and public hearing for proposed Comprehensive Plan amendments may be combined with any notice or public hearing for proposed amendments to the land use code or for other action of the Planning Commission; provided, that all appropriate noticing is conducted as required by law.

2) Planning Commission Recommendation on Comprehensive Plan Amendments

The Planning Commission shall base its recommendation on whether the application meets the required decision criteria and consider public input, conclusions from any required studies, the staff recommendation, and findings from the SEPA analysis. The Commission may recommend to approve, approve with conditions, or deny the proposal. If the Commission recommends denial of a proposed amendment, the findings shall include that (a) the proposal does not comply with the decision criteria, or (b) a majority of the Planning Commission finds that the proposal would be more appropriately and effectively addressed through another aspect of the City's work program.

B. BIMC 2.16.140.H Site-specific Rezones Decision Criteria

The following criteria shall be considered in any review for a site-specific rezone in order to establish a recommendation to approve, disapprove or approve with conditions:

1) The site-specific rezone will not be materially detrimental to the public welfare or injurious to the property or improvements in the immediate vicinity and zone in which the property is located.

   The rezone is not materially detrimental to public welfare or injurious to property or improvements in the vicinity. The property to the northwest is zoned B / I and permitted uses in the district are conducted on that property. The property is bound by SR305 to the northeast and Day Road to the south.

2) The site-specific rezone is warranted because of changed circumstances and the proposed designation is appropriate for reasonable development of the subject property, or because of a need for additional property in the proposed zone, and the proposed designation is appropriate for reasonable development of the subject property.

   The rezone recognizes the historic use of the property as a utility, which is a permitted use in the B / I district. The rezone is consistent with the development standards for the B / I district, and is appropriate for reasonable development of the property.

3) The subject property is suitable for development in general conformance with zoning standards under the proposed zoning designation.

   The property conforms to all B / I district zoning standards.

4) The property will be served by adequate public facilities including roads, water, fire protection, sewage disposal facilities and storm drainage facilities for the intensity to which it is being rezoned.

   The property is served by public right-of-way and fire / life / safety protection afforded to properties in the vicinity. Use as a primary utility does not rely on sewage facilities. Storm drainage facilities are evaluated when a specific development is proposed.

5) The site-specific rezone is in accord with the Comprehensive Plan.

   The rezone is consistent with the goals and policies of the Comprehensive Plan. Utility use is consistent with the Business / Industrial designation and inconsistent with residential designation. Comprehensive Plan goals include ensuring that utility services are adequate to meet current demands, and that utility providers plan for future demands.

6) The site-specific rezone complies with all other applicable criteria and standards of the City.

   The rezone complies with applicable criteria and standards. All future development must comply with applicable Municipal Code regulations.

7) The site-specific rezone would not devalue surrounding or nearby property.

   Utility use was established on the property over 60 years ago. The rezone recognizes historical use of the property, and would not devalue surrounding or nearby properties.

8) The site-specific rezone will not result in an adverse environmental consequence.

   The rezone results in no adverse environmental impact. All future development must comply with applicable environmental regulations.

C. BIMC 2.16.190.H Legislative Comprehensive Plan Amendments Decision Criteria

The Planning Commission and City Council shall base their respective recommendation or decision on a proposed comprehensive plan amendment on the following criteria:

1) Compliance with Law: Amendments to the Comprehensive Plan shall comply with the Growth Management Act and other state and federal laws.

The amendment in the Comprehensive Plan designation complies with the Growth Management Act and other state and federal laws. In order to be compliant with the Growth Management Act, an amendment to the Comprehensive Plan must be accompanied by a change in the zoning designation.

2) Resources:

a. The City must have the resources, including staff and budget, necessary to implement the proposal.

b. The amendment will not result in development that has significant adverse effects on community resources, including but not limited to: Water resources, utilities, transportation, parks or schools.

c. The amendment must not adversely affect the City's ability to provide the full range of public facilities and services at the planned level of service, or consume public resources otherwise needed to support Comprehensive Plan implementation strategies.

This amendment request for a change to the Land Use Map of the Comprehensive Plan can be updated by staff without undue adverse impact to resources at this time.

3) Internal Consistency: Amendments shall be consistent with the land uses and growth projections that are the basis of the comprehensive plan and with the overall intent of the Comprehensive Plan, including the community vision, overriding principles, and overall goals that guide the plan.

This amendment is consistent with the overall community vision as adopted in the City's Comprehensive Plan because it addresses electric reliability and capacity needs on the Island. Increased capacity and reliability serve residents and neighborhood centers, such as Winslow and Lynwood Center, which have evolved into compact, mixed-use areas. These areas are thriving centers of civic life, cultural amenities, goods, services and a wide range of housing and employment opportunities. Facilitating electrical improvements helps to link Islanders with each other and the region with a reliable, modern network which has the potential to reduce the Island's greenhouse gas emissions.

4) Cumulative Effect: All amendments must be considered concurrently in order to evaluate their cumulative effect on the comprehensive plan text and map, development regulations, capital facilities program, adopted environmental policies and other relevant implementation measures.

This Comprehensive Plan amendment is synchronous with several other comprehensive plan amendment requests including two other PSE sites, and would serve to support, with electric service similar to that provided any other business, any development resulting on properties which are the subject of amendment requests received this year, regardless of whether those requests are granted.

5) Land Use Impacts: Amendments shall not adversely affect public health, safety or welfare. An amendment must be compatible with neighboring land uses and surrounding neighborhoods, if appropriate. In addition, applications should be reviewed for their cumulative land use impacts.

The amendment has no adverse impact on public health, safety or welfare, and would serve to provide positive impacts to same, through increased reliability and redundancy in electrical facilities which also carry communication lines, for example. The property is compatible with neighboring land use and surrounds, as it is bound by SR 305, Day Road, and industrial businesses.

CITY OF BAINBRIDGE ISLAND

DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

STAFF ANALYSIS

Date: October 5, 2022

To: Planning Commission

From: Kelly Tayara, Senior Planner

Project: Puget Sound Energy Site-specific Rezone and Comprehensive Plan Amendment (CPA) for Winslow Substation (Bucklin Hill Road)

File Number: PLN52149 REZ/CPA

This report is prepared for a Planning Commission study session. Planning Commission review and recommendation will be scheduled during a public hearing.

Summary of Request

Puget Sound Energy (PSE) requests approval to change the site zoning from R-0.4 / Residential to Business / Industrial (B/I), which is a change to the Comprehensive Plan land use map and zoning map.

PSE requests the change from residential to B / I in order to support the long-term needs of the community. According to PSE, residential designation focuses on low-density residential development and conservation, does not reflect the historic long-term utility use of the site, and is inconsistent with its statutory duty to serve the community with essential infrastructure and electrical service, whereas a B / I designation is consistent with utility use.

The substation was established on the site in the early 1960s when the property was located in unincorporated Kitsap County. PSE acquired the site with the expectation that as the community grew, the substation and associated facilities would be expanded and upgraded to accommodate capacity and reliability needs. PSE has determined that long-term service projections (beyond ten years) indicate the potential need to expand the substation to accommodate future electrical demand from Bainbridge Island customers and ensure station reliability, and that the current Municipal Code requirements for the residential district, particularly those related to Aquifer Recharge Protection Areas, do not provide flexibility to upgrade and expand the substation in the future.

Part I: Land Use Process / Application History

Date:	Action:
November 9, 2021	Preapplication conference held
February 25, 2022	Application submitted
March 25, 2022	Application deemed complete
April 22, 2022	Notice of Application / SEPA Comment Period issued
August 11, 2022	Planning Commission meeting held: CPA overview

Part II: General Information and Site Characteristics

Assessor's Record Information:	
Tax lot numbers	4178-000-028-0204
Site Address	No site address: North side of Bucklin Hill Road 200 feet east of Fletcher Bay Road
Owner of record	Puget Sound Energy
Site size	2.01 acres

Use:

Utility (Primary)

The Winslow substation is one of three electric substations on Bainbridge Island that distribute electricity to homes and businesses within the community. Two transmission lines, the Port Madison Tap and the Foss Corner-Port Madison 115 kV lines, bring power to the Island from the Kitsap Peninsula over Agate Pass to the Port Madison substation. Electricity is then transferred to the other two substations on the Island via two radial transmission lines.

Utilities produce, transmit, carry, store, distribute, or process power or information. Primary utilities include utility lines, electrical power generating or transfer facilities, radio cellular telephone and microwave towers, and utility poles. Transmission utility poles support lines which transport electrical power (55kV or higher) from generation sources to substations. Distribution utility poles support lines which transport electrical power (less than 55kV) through distribution transformers from substations to homes and businesses. Utility poles may also support communication lines.

Primary utilities are a permitted use in the B/I district and a conditional use in the R-0.4 district. A conditional use is one that is permitted subject to compliance with a set of conditions or requirements set forth in the Municipal Code.

Zoning Designation:

R-0.4 (Business / Industrial requested)

Comprehensive Plan Designation:

Residential R-0.4 (Business / Industrial requested)

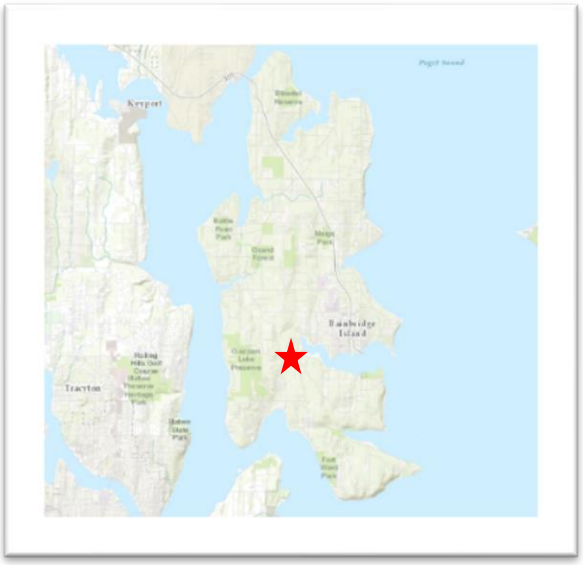
Soils:

Ragnar fine sandy loam

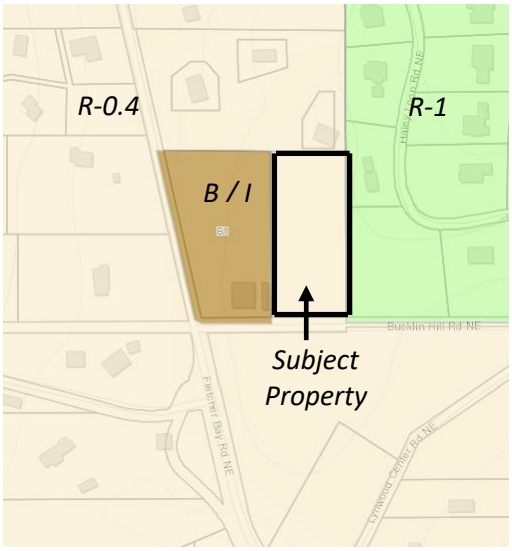
Surrounding Properties - Use, Zoning, and Comprehensive Plan Designation:

	Use (clockwise from north)	**Zoning District**	**Comprehensive Plan Designation**
North	Open space surrounding three single-family homes	R-0.4	Residential-0.4
East	Single-family home and the Stetson Ridge subdivision stormwater retention facility	R-1	Residential-1
South	Sand and gravel mining facility	R-0.4	Residential-0.4
West	Storage and warehouse / commercial shop facility with a residence	Business / Industrial	Business / Industrial

Vicinity Map



Zoning Map



Site and Surrounding Development / Aerial Image (2018)



Part III: Comprehensive Plan Guiding Principles, Goals and Policies

The Comprehensive Plan designation for the site is Residential R-0.4, and the applicant requests Business / Industrial designation. Comprehensive Plan goals and policies which are applicable to both districts are listed below, along with those applicable to electric utilities on the Island.

Comprehensive Plan Goals and Policies	Staff Annotation
Land Use Element	
Business / Industrial (B / I) Goal LU-10: Provide appropriate B / I zoned land to create opportunities for new businesses and expansion of existing Island businesses for diversity of jobs and for low-impact industrial activity that contributes to well-paying and new employment opportunities, where traffic congestion, visual, and other impacts on the surrounding neighborhood can be minimized.	While future redevelopment of the site may result in employment opportunities and business expansion, there are no employment opportunities directly resulting from a change in the land use designation.
Policy LU 10.1: The B / I District is for light manufacturing development as well as other uses that add to the diversity of economic activity on the Island.	Primary utility use is a permitted use in the B / I district and conditional use in all other districts.
Policy LU 10.6: Performance standards for the B / I district address odor, lighting, noise, vibration, signage, traffic volumes, ingress and egress, parking, delivery and loading areas, and pedestrian and vehicle circulation, to create safe, efficient, compatible conditions among a variety of on-site uses and to protect adjacent residential neighborhoods.	All districts include performance standards to protect adjacent residential-zone properties from non-residential use.
Policy LU 10.7: B / I uses must be visually screened year-round from adjacent non-industrial properties and roadways, especially scenic highway SR 305. The visual screening could be achieved through a combination of vegetation and building setback that would add depth to the buffer.	Both setbacks and vegetation buffers from Bucklin Hill Road and adjacent residentially-zoned properties double in width from 25 to 50 feet, if the property is designated B / I.
Policy LU 10.8: Discourage the inappropriate designation of isolated B / I Districts.	The property is adjacent to another property which is within the B / I district.
Residential District Goal LU-14: Develop context-sensitive regulations for residential development in areas designated R-2, R-1 or R-0.4, in order to limit clearing, soil disturbance, promote low impact development and reconcile development and conservation.	Residential districts are intended for residential development, agricultural and forestry use. However, with few exceptions, residential and B / I districts are similarly regulated. Notable differences are: • The setbacks from the road and residential properties to the north and east are 25 feet in width in the residential district and 50 feet in width in the B / I district.

	• The standard roadside landscape buffer width is 25 feet in the residential district and 50 feet in the B / I district. • The standard perimeter landscape buffer width from residential properties to the north and east is 25 feet in the R-0.4 district and 50 feet in the B / I district. • Total Site Tree Unit requirements are applicable to the residential district and not applicable to the B / I district, but trees must be retained in perimeter and roadside buffers within either district. • Aquifer Recharge Protection Area (ARPA) designation is required in the residential district but not in the B/I district for any activity involving land use disturbance over an area 7,000 square feet in size or greater. Any activity, including clearing, is allowed in the ARPA provided that the activity maintains the pre-construction groundwater recharge volume. Landscape buffer regulations, in which trees must be retained, afford more stringent vegetation retention requirements.
Policy LU 14.1: The Residential District area is designated for less intensive residential development and a variety of agricultural and forestry uses.	A change to B / I designation results in less intensive residential development.
Policy LU 14.2: Encourage residential development that is compatible with the preservation of open space, forestry, agricultural activities, and natural systems. Accessory farm buildings and uses are allowable.	A change to B / I designation results in larger landscape buffer requirements. Primary utility use is otherwise incompatible with this residential policy.
Policy LU 14.3: Maintain the natural and scenic qualities of the Island by limiting residential density.	A change to B / I designation limits residential density.
Economic Element	
Diversified Economy Goal EC-1 (excerpt): By providing enterprises that both serve and employ local residents, the Island will be better able to withstand fluctuations in the larger regional economy. In addition, people who live and work in their community are available to invest time and money in their families, organizations, and community life.	PSE serves and employs local residents. While future redevelopment of the site may result in employment opportunities and business expansion, there are no employment opportunities directly resulting from a change in the land use designation.

Infrastructure Goal EC-2: Provide sufficient and resilient infrastructure that is supportive of a healthy economy and environment, particularly telecommunications and electrical reliability.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed because the current requirements for the residential district, particularly those related to Aquifer Recharge Protection Areas, do not provide flexibility to potentially upgrade and expand the substation in the future.
Policy EC 2.1: Identify long-term infrastructure needs that support economic sustainability and are designed to withstand future conditions.	PSE continues to engage with the community and has participated in multiple public meetings to identify long-term infrastructure needs in the past. Increased population growth upon which the Comprehensive Plan is based results in increased telecommunications and electrical infrastructure needs.
Policy EC 2.2: Support infrastructure enhancement to accommodate new information technology and changing conditions.	The rapidity of technological developments outpaces the City's ability to accommodate timely changes to the Comprehensive Plan, for which amendment requests are only accepted every three years.
Sustainability Policy EC 3.6: Policy EC 3.6 Create opportunities to foster green technology and industries, such as energy, waste and information technology, which have the potential to create local, family wage jobs in our community at the same time we are protecting our natural beauty, environmental and economic health.	The PSE Electric Reliability Projects include Bainbridge Island electric system improvements to address current energy solutions and future potential need. For example, the Planning Commission recently recommended requirements and incentives for electric vehicle charging infrastructure.
Public/Private Partnerships Policy EC-7.1: Leverage technology assets, such as existing fiber connections, to support technology- based businesses and potentially to pursue new revenue streams.	Potentially, future expansion of the substation would likely result in improved electric and communication reliability for home-based businesses. There are no direct impacts resulting from a change in the land use designation.
Services Sector Policy EC 9.3: Promote an emerging professional services sector that recognizes the Island's linkage to the Seattle job market for managerial jobs and information-based industries.	Potentially, future expansion of the substation would result in improved electric and communication reliability on the Island which would support an emerging professional services sector, including those who telecommute. There are no direct impacts resulting from a change in the land use designation.

Building Design and Construction Sector Goal EC-10 (excerpt): The professions and trades involved in design, construction, furnishing, renovation and marketing of commercial and residential real estate constitute a large and very important sector of the Island's economy. Productivity and profits within that sector are crucial factors in the stability and well-being of the entire community.	Site redevelopment such as a potential future expansion of the substation that would result in improved electric and communication reliability would support design, construction, furnishing, renovation and real estate professions and trades. There are no direct impacts resulting from a change in the land use designation.
Home-based Businesses Goal EC-13: Foster home-based businesses as a key to a present and future vital economy. Nearly half of all businesses licensed on Bainbridge Island are reported as homebased. Bainbridge Island allows home-based businesses in all zones, and 16.3% of the Island workforce works from home.	Site redevelopment such as a potential future expansion of the substation that would result in improved electric and communication reliability would support home-based businesses. There are no direct impacts resulting from a change in the land use designation.
Business / Industrial Goal EC-15: The B / I land use designation should provide space for job creating enterprises. Island based businesses provide the possibility of living and working in the community. It is the purpose of the B / I land use designations to provide opportunities for light industrial and other non-retail activities. The City should be prepared to respond to a changing marketplace and the business opportunities perceived by its citizens, when those opportunities require pre- existing infrastructure and well-designed accommodations in order to flourish.	Future redevelopment of the site would result in increased opportunities for Island-based businesses to thrive and increased opportunity to live and work in the community. A change to B / I designation is consistent with primary utility use as a non-retail activity.
Policy EC 15.1: Promote manufacturing and business / industrial employment as an important source of family wage jobs on Bainbridge Island.	Primary utility use is permitted in the B / I district and a conditional use in the residential districts which results in a more cumbersome land use process.
Policy EC 15.2: New B / I land use designations will be considered based on the following: • Proximity to existing B / I • Adjacency to non-residential land uses • Reasonable proximity to SR 305 • The total amount of and expected need for B/I-zoned land • Compliance with all policies in the Land Use Element • Availability of public sewer and water, or whether permitted uses might safely use wells and septic systems or other alternative systems that are approved by the Kitsap Public Health District	The property is adjacent to an existing B / I property to the west and a property to the south which contains non-residential development. The property is approximately 2.5 miles from SR 305 (via roadway). A change to B / I designation would increase the total amount of land within B / I – zoned lands. A change to B / I designation is consistent with land use policies for the B / I district. Use as a primary utility is not reliant on water or sewer / septic services.

• Consideration of pollution and aquifer recharge concerns • Minimal impact to residential land uses, neighborhoods and open space/conservancy and agriculture areas.	Electric utility facilities generally are not a use identified as having the potential to contaminate drinking water. All districts include performance standards to protect from non-residential use.
Transportation Element	
Ferry Service Goal TR-3: Coordinate with Washington State Ferries (WSF) and other ferry service providers to ensure that ferries meet local service and commuter needs, are integrated with all travel modes and provide equitable regional service.	Future plans for the City, including electric vehicle charging infrastructure, and plans for electrification of the Washington Ferry System require reliable electrical service and capacity on the Island. There are no direct impacts resulting from a change in the land use designation.
Policy TR 3.1: Advocate for ferry services to and from Bainbridge Island in order to optimize the use of each ferry service, balance peak hour travel times and provide ferry capacity in proximity to users' origin and destination.	Plans for electrification of the Washington Ferry System require reliable electrical service and capacity on the Island. There are no direct impacts resulting from a change in the land use designation.
Transportation Demand Management Goal 5: Encourage greater efficiency of the integrated multimodal transportation system that provides a range of transportation alternatives and increases the through movement of people.	Integrating electric transportation alternatives requires reliable electrical service and capacity. There are no direct impacts resulting from a change in the land use designation.
Policy TR 5.3: Encourage schools, the private sector and the public sector to adopt programs that reduce SOV use including telecommuting, promotion of ridesharing, walking, biking and reliance on buses.	A potential future expansion of the substation would likely result in improved electric and communication reliability on the Island which would support programs to reduce single-occupancy vehicle use, including telecommuting, electric bicycles, and electric or hybrid buses and ferries. There are no direct impacts resulting from a change in the land use designation.
Utilities Element	
Goal U-1: Ensure that reliable utility services are available to all Bainbridge Island residents.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed.
Goal U-2: Ensure that the utility services are comparable in terms of cost, quality, and technology to services available in similar jurisdictions in the Puget Sound region.	A comparison of utility services in similar jurisdictions was not evaluated as part of the request to change the Comprehensive Plan designation of the property.

Goal U-3: Ensure that utility services are adequate to meet current demands, and that utility providers plan for future demands.	The PSE request is based on the premise that, in order to serve the future electrical demand and ensure station reliability, the change in land use designation is needed.
Goal U-4: Ensure that the provision of utility services is environmentally responsible and sustainable, and encourage utility services that are carbon neutral and do not contribute to climate change.	PSE aspires to a goal to achieve Beyond Net Zero Carbon by 2045.
Goal U-5: Ensure that new or major renovations to existing utility facilities are designed to minimize adverse impacts on residents and the environment.	Regardless of the Comprehensive Plan designation, standards in the Municipal Code provide for protections to residents and the environment.
Goal U-8: Cooperate with other jurisdictions and utility providers in planning and implementing utility facility additions, improvements, maintenance, and emergency response, so that such activities are coordinated for maximum efficiency and public benefit.	PSE is a utility provider requesting to change the property to B / I in order to facilitate potential facility improvements.
Electrical Element Introduction: The City is currently served by Puget Sound Energy (PSE), which provides electricity generation sources, transmission, distribution and maintenance of electrical facilities throughout the Island. PSE is regulated by the Washington Utilities and Transportation Commission (WUTC.) It is the commission's responsibility to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing them the opportunity to earn a fair profit.	
Electrical Goal U-14: Ensure adequate, cost effective, reliable, and environmentally responsible electric service to the citizens of Bainbridge Island.	The PSE request is based on the premise that to serve future demand and ensure reliability, the change in land use designation is needed.
Policy U 14.1: Develop a plan together with the electric service provider to undertake energy efficiency improvements and other alterations of electric utility facilities to provide capacity for future growth.	PSE continues to engage with Islanders as part of its Electric Reliability Projects which include Bainbridge Island electric system improvements to address current problems along with future needs.
Policy U 14.2: Encourage the conservation of electrical energy, especially during periods of peak usage, and encourage energy saving building code strategies, local renewable energy, and other cost effective approaches to meeting the island's energy needs, including distributed energy systems.	An evaluation of cost-effective approaches to electrical energy conservation, usage during peak periods, building codes, and renewable energy resources was not conducted as part of the request to change the Comprehensive Plan designation of the property.
Policy U 14.3: Encourage the electric service provider to improve reliability, with particular attention to adding transmission redundancy and mitigating impacts on service from storms or other natural events.	The PSE request is based on the premise that, in order to improve reliability and increase transmission redundancy, the change in land use designation is needed.

Policy U 14.4: Encourage undergrounding new and existing electric transmission and distribution power lines, and develop a long-term strategy for future undergrounding, to include maximizing opportunities with new construction, and prioritizing the work that affects the greatest number of households and businesses.	An evaluation of undergrounding utilities was not conducted as part of the request to change the Comprehensive Plan designation of the property.
Policy U 14.5: Encourage the electric service provider and electricity users to use carbon neutral electricity generation, local electricity generation, and innovative technologies such as solar power that are reliable, cost effective, preserve resources, provide minimal environmental impact, and do not contribute to global warming.	PSE aspires to a goal to achieve Beyond Net Zero Carbon by 2045.

Part IV Public Comment

Nine public comments were received, six in support of the proposal and three opposed; one comment in opposition to the proposal is on behalf of a homeowners' association.

Those opposed to the proposal are concerned that the proposal received inadequate scrutiny, does not meet the Comprehensive Plan, State Environmental Policy Act (SEPA), or Municipal Code, and that approval of the request could serve as a precedent to change the designation of other area properties (specifically the property across Bucklin Hill Road that has been used for sand and gravel mining). Commenters are concerned that the primary motivation for the request is to evade Aquifer Recharge Protection Area requirements, and that review of specific planned improvements should be conducted.

Comments in support of the proposal are summarized as follows:

Reliability on the Island needs to be improved and Puget Sound Energy (PSE) Beyond Net Zero goals depend on a reliable grid. PSE is not meeting many of its service reliability metrics, and as a city we are not presently poised to meet current or future electric needs.

PSE must periodically upgrade substations to provide reliable and safe power to customers long-term. The electric infrastructure on the Island is decades old, and Islanders currently experience reliability challenges, especially for the south end of the Island, and present special accessibility challenges to the elderly. The substations support the transmission and distribution lines that bring power to homes and businesses, including those who telecommute. Improved reliability and capacity on the Island will improve overall quality of life on the Island.

PSE has been both transparent and thorough in its public engagement for its Electric Reliability Projects (which include Bainbridge Island electric system improvements). PSE has done its due diligence in finding appropriate solutions to our current energy problems while planning to remain flexible in order to address future needs. Reliability and capacity issues include the planned future electrification of ferries and other transportation on the Island.

Granting this application would allow PSE to move forward more quickly with long-overdue electric improvements. A larger setback would be required for a Business / Industrial designation that would afford even greater protections to area residents. Approval of the change from a residential to Business / Industrial property is consistent with the goals and policies of the Comprehensive Plan, specifically Utilities / Electrical and Business / Industrial, and aligns the zoning with the long-term use of the property and zoning of neighboring business properties.

Rezoning this property helps to limit the need to site utilities on new parcels and make the best use of the existing site. Relocating the substation from its current location to larger sites to support the needed infrastructure to supply power to the community would also result in the need to relocate the infrastructure supported by the existing substations, including distribution and transmission lines. Searching for alternative sites would only create more delays in implementing PSE Beyond Net Zero goals which depend on a reliable grid.

Part V. BIMC Title 18 Zoning

A. BIMC 18.09.020 Permitted Uses

Primary utilities are a subset of Utility and Telecommunications use and a permitted use in the Business / Industrial (B/I) district. Primary utilities are a conditional use in the R-0.4 district, provided: Replacement, maintenance or upgrade of existing poles and equipment within a utility corridor or right-of-way is a permitted use.

A conditional use is one that is permitted subject to compliance with a set of conditions or requirements set forth in the Municipal Code.

B. Comparison of District Dimensional and Development Standards Applicable to Primary Utilities (where different)

Municipal Code Section	Standard	R-0.4 District	B / I District	Evaluation Summary
Tables of Dimensional Standards BIMC 18.12.020	Lot Area	100,000 sq. ft.	20,000 sq. ft.	The lot is conforming to either standard.
	Lot Dimensions	110 ft width & 110 ft depth	N/A	The lot conforms to either standard.
	Lot Coverage	10 % maximum	35 % maximum	Existing development conforms to either standard.
	Setback - Front Lot Line	25 feet	50 feet along public right-of-way	Existing utility structures existing are permitted in setbacks. Existing development conforms to either standard, as provided in BIMC Table 18.12.040.
	Setback - Side Lot Line	15 feet	10 feet; 50 feet when abutting residentially-zoned properties	Existing development conforms to either standard.
	Building Height	30 feet base; Bonus height to 35 feet with Conditional Use Permit (CUP)	35 feet base; Bonus height to 45 feet with CUP	Alternative height limits may apply for nonresidential uses if additional conditional use provisions are met. Existing development is not evaluated for this standard.

	Structure Height			An exemption from the height limits for structures not including buildings in each zone district can be approved through the minor conditional use process if the director determines that: (1) view opportunities are not substantially reduced; (2) no structure is located in any required setback except as otherwise authorized by BIMC Title 18; and (3) each setback requirement shall be increased one-half foot for every foot above the maximum structure height. Existing development is not evaluated for this standard.
	Structures (New) except buildings and distribution poles	30 feet base; Bonus height to 35 feet with CUP	35 feet base; 45 feet with CUP	
	Transmission Pole (New)	30 feet base; Bonus height to 35 feet with CUP	35 feet base; 45 feet with CUP	
Landscaping, Screening, and Tree Retention, Protection and Replacement BIMC 18.15.010	Perimeter Landscape Buffer BIMC 18.15.010-3	25 ft from residential districts 20 ft from non-industrial use	50 ft from non-B/I	Existing development is nonconforming to either standard.
	Roadside Landscape Buffer BIMC 18.15.010-4	50 ft from SR 305 25 ft from other rights-of-way	50 ft from rights-of-way	Existing development is nonconforming to either standard.
	Total Site Tree Unit Requirements BIMC 18.15.010.G	40 tree units per acre or the same number pre- and post-development, at the applicant's option.	N/A	This standard is only evaluated upon development or redevelopment. The existing number of tree units is not known.

Part VI Staff Analysis and Recommendation

The Comprehensive Plan states that residential districts are intended for residential development and a variety of agricultural and forestry uses, and development should be compatible with open space and agricultural activities. The Comprehensive Plan states that the purpose of the B / I designation is to provide opportunities for light industrial and other non-retail activities.

The Municipal Code states that the purpose of the R-0.4 district is to provide low-density housing in an environment with special Island character consistent with other land uses, such as agriculture and forestry, and the preservation of natural systems and open space. The Code states that the purpose of the B / I district is to facilitate development of a diverse economy on the island with business retention, growth, and innovation, and that the district is intended to provide opportunities for knowledge-based businesses and expansion of Island businesses, for diversity of jobs, and for low-impact industrial activity that is compatible with adjoining residential neighborhoods.

The Comprehensive Plan goals and policies applicable to the B / I designation are more closely aligned to utility use than those of the residential designation. Taking into consideration provisions for existing development which is nonconforming to current standards that apply regardless of the district, the notable differences are:

1) Aquifer Recharge Protection Area (ARPA) designation is required in the currently-zoned residential district but not in the B/I district. Specific to this site, ARPA regulations mandate that any activity involving land use disturbance over an area 7,000 square feet in size or greater require that the areas of existing native vegetation, which cover no more than 69,000 square feet or 79 percent of the site, would be designated. Any activity is allowed in the ARPA provided that the activity maintains 100 percent of the annual average pre-construction groundwater recharge volume for the site; this determination requires a hydrological assessment. The permeability of the soil type on the site is moderately rapid and the available water capacity is moderate.
2) A substation is an electric utility, more specifically defined as a Primary Utility in the Municipal Code. Primary utilities are a permitted use in the B/I district and a conditional use in all other districts.
3) The front lot line setback from Bucklin Hill Road is 25 feet in the R-0.4 district and 50 feet in the B / I district.
4) The rear lot line setback (along the north side of the property) is 25 feet in the R-0.4 district and 50 feet in the B / I district.
5) The side lot line setback (along the east side of the property) is 15 feet in the R-0.4 district and 50 feet in the B / I district.
6) The standard roadside landscape buffer is 25 feet in the R-0.4 district and 50 feet in the B / I district.
7) The standard perimeter landscape buffer along the north and east property boundaries is 25 feet in the R-0.4 district and 50 feet in the B / I district.
8) Total Site Tree Unit requirements are applicable to the residential district and not applicable to the B / I district.

The staff recommendation to approve the change from residential to B / I designation is largely based on consistency with the goals and policies of the Comprehensive Plan, wherein utility use is consistent with the Business / Industrial designation and inconsistent with residential designation. Additionally, increased landscape buffer widths, which double from 25 to 50 feet, afford greater vegetation protection than ARPA designation because tree within landscape buffers must be retained and trees within the ARPA are allowed to be removed, provided that 100 percent of the annual average pre-construction groundwater recharge volume is maintained.

Part VII Land Use Preview Procedures

A. Review and Recommendation by Planning Commission

1) Planning Commission Review of Comprehensive Plan Amendments

Subsequent to completion of the analysis and SEPA review prepared by staff, the Planning Commission shall conduct one or more public hearings as defined in BIMC 2.14.020.G. The Planning Commission shall also solicit comments regarding the proposed amendment from the public or from government agencies in any other manner it determines necessary and appropriate to the nature of the proposed amendment and consistent with RCW 36.70A.140. The notice and public hearing for proposed Comprehensive Plan amendments may be combined with any notice or public hearing for proposed amendments to the land use code or for other action of the Planning Commission; provided, that all appropriate noticing is conducted as required by law.

2) Planning Commission Recommendation on Comprehensive Plan Amendments

The Planning Commission shall base its recommendation on whether the application meets the required decision criteria and consider public input, conclusions from any required studies, the staff recommendation, and findings from the SEPA analysis. The Commission may recommend to approve, approve with conditions, or deny the proposal. If the Commission recommends denial of a proposed amendment, the findings shall include that (a) the proposal does not comply with the decision criteria, or (b) a majority of the Planning Commission finds that the proposal would be more appropriately and effectively addressed through another aspect of the City's work program.

B. BIMC 2.16.140.H Site-specific Rezones Decision Criteria

The following criteria shall be considered in any review for a site-specific rezone in order to establish a recommendation to approve, disapprove or approve with conditions:

1) The site-specific rezone will not be materially detrimental to the public welfare or injurious to the property or improvements in the immediate vicinity and zone in which the property is located.

The rezone is not materially detrimental to public welfare or injurious to property or improvements in the vicinity. The property to the west is zoned B / I and permitted uses in the district are conducted on that property. The property to the south is zoned residential and is used for mining.

The vegetation buffers from residentially zoned properties would increase from 25 to 50 feet in width. On the property to the north, vegetated open space surrounds three homes. Development east of the property includes a stormwater retention facility.

2) The site-specific rezone is warranted because of changed circumstances and the proposed designation is appropriate for reasonable development of the subject property, or because of a need for additional property in the proposed zone, and the proposed designation is appropriate for reasonable development of the subject property.

The rezone recognizes the historic use of the property as a utility, which is a permitted use in the B / I district. The rezone is consistent with the development standards for the B / I district, and is appropriate for reasonable development of the property.

3) The subject property is suitable for development in general conformance with zoning standards under the proposed zoning designation.

The property conforms to all B / I district zoning standards.

4) The property will be served by adequate public facilities including roads, water, fire protection, sewage disposal facilities and storm drainage facilities for the intensity to which it is being rezoned.

The property is served by public right-of-way and fire / life / safety protection afforded to properties in the vicinity. Use as a primary utility does not rely on sewage facilities. Storm drainage facilities are evaluated when a specific development is proposed.

5) The site-specific rezone is in accord with the Comprehensive Plan.

The rezone is consistent with the goals and policies of the Comprehensive Plan. Utility use is consistent with the Business / Industrial designation and inconsistent with residential designation. Comprehensive Plan goals include ensuring that utility services are adequate to meet current demands, and that utility providers plan for future demands.

6) The site-specific rezone complies with all other applicable criteria and standards of the City.

The rezone complies with applicable criteria and standards. All future development must comply with applicable Municipal Code regulations.

7) The site-specific rezone would not devalue surrounding or nearby property.

Utility use was established on the property over 50 years ago. The rezone recognizes historical use of the property, and would not devalue surrounding or nearby properties.

8) The site-specific rezone will not result in an adverse environmental consequence.

The rezone results in no adverse environmental impact. All future development must comply with applicable environmental regulations.

C. BIMC 2.16.190.H Legislative Comprehensive Plan Amendments Decision Criteria

The Planning Commission and City Council shall base their respective recommendation or decision on a proposed comprehensive plan amendment on the following criteria:

1) Compliance with Law: Amendments to the Comprehensive Plan shall comply with the Growth Management Act and other state and federal laws.

The amendment in the Comprehensive Plan designation complies with the Growth Management Act and other state and federal laws. In order to be compliant with the Growth Management Act, an amendment to the Comprehensive Plan must be accompanied by a change in the zoning designation.

2) Resources:

a. The City must have the resources, including staff and budget, necessary to implement the proposal.

b. The amendment will not result in development that has significant adverse effects on community resources, including but not limited to: Water resources, utilities, transportation, parks or schools.

c. The amendment must not adversely affect the City's ability to provide the full range of public facilities and services at the planned level of service, or consume public resources otherwise needed to support Comprehensive Plan implementation strategies.

This amendment request for a change to the Land Use Map of the Comprehensive Plan can be updated by staff without undue adverse impact to resources at this time.

3) Internal Consistency: Amendments shall be consistent with the land uses and growth projections that are the basis of the comprehensive plan and with the overall intent of the Comprehensive Plan, including the community vision, overriding principles, and overall goals that guide the plan.

   This amendment is consistent with the overall community vision as adopted in the City's Comprehensive Plan because it addresses electric reliability and capacity needs on the Island. Increased capacity and reliability serve residents and neighborhood centers, such as Winslow and Lynwood Center, which have evolved into compact, mixed-use areas. These areas are thriving centers of civic life, cultural amenities, goods, services and a wide range of housing and employment opportunities. Facilitating electrical improvements helps to link Islanders with each other and the region with a reliable, modern network which has the potential to reduce the Island's greenhouse gas emissions.

4) Cumulative Effect: All amendments must be considered concurrently in order to evaluate their cumulative effect on the comprehensive plan text and map, development regulations, capital facilities program, adopted environmental policies and other relevant implementation measures.

   This Comprehensive Plan amendment is synchronous with several other comprehensive plan amendment requests including two other PSE sites, and would serve to support, with electric service similar to that provided any other business, any development resulting on properties which are the subject of amendment requests received this year, regardless of whether those requests are granted.

5) Land Use Impacts: Amendments shall not adversely affect public health, safety or welfare. An amendment must be compatible with neighboring land uses and surrounding neighborhoods, if appropriate. In addition, applications should be reviewed for their cumulative land use impacts.

   The amendment has no adverse impact on public health, safety or welfare, and would serve to provide positive impacts to same, through increased reliability and redundancy in electrical facilities which also carry communication lines, for example. The property is compatible with neighboring land uses which contain industrial businesses.