



**Staff Report and Planning Commission Recommendation
To Amend Municipal Code Chapter 14.04 Environmental Policy**

Meeting Date: November 16, 2022

Proponent: City of North Bend

Staff Recommendation: A Motion to recommend City Council approval of the proposed Ordinance amending NBMC Chapter 14.04 Environmental Policy as it relates to exempting certain small projects “minor new construction” from SEPA review.

I. Purpose of Proposed Municipal Code Amendments:

The City of North Bend is proposing amendments to North Bend Municipal Code Chapter 14.04.050 Categorical exemptions by repealing that section and adopting by reference the state standards listed in WAC 197-11-800. The State Environmental Policy Act (SEPA) requires state and local governments to consider the environmental impacts of their decisions, such as issuing project permits and adopting development regulations.

In 2012, the Washington State Department of Ecology (DOE) updated the SEPA rules to account for the many local, state, and federal environmental regulations that have been adopted over the last several decades. The update included amendments to WAC 197-11-800(1) to create new flexible exemption thresholds for minor new construction. The City has not adopted amendments to this section of code since 1984.

II. Proposed Amendments

- 1. Repeal existing NBMC 14.04.050 and replace with a reference to WAC 197-11-800.**
The WAC includes a list of categorical exemptions that exempt certain small projects (“minor new construction”) from SEPA review. If changes are made by the state, the City code will then not be out of date like it is now.
- 2. Adopt a Table for Standard and Flexible SEPA Categorical Exemption Thresholds.**
The update is proposed to include amendments to WAC 197-11-800(1) to create new flexible exemption thresholds for minor new construction. As shown in Table 1 below, local jurisdictions can maintain the standard exemption thresholds in Subsection (b) or raises exemption levels up to the maximums identified in Subsection (d). Given the increased environmental protection from the adoption of local, state and federal regulations over the years, city staff believes it is appropriate to increase exemption levels to simplify and streamline the SEPA regulatory process.

EXHIBIT A

Table 1 – Standard and Flexible SEPA Categorical Exemption Thresholds

	Standard (Current City) Threshold	Maximum (Flexible) Threshold	Proposed Thresholds
Single-Family Residential	4 units	30 units	12 units
Multi-Family Residential	4 units	60 units	12 units
Agricultural Structures	10,000 sf	40,000 sf	20,000sf
Office/School/Commercial	4,000 sf	30,000 sf	20,000sf
Parking Facilities	20 spaces	90 spaces	25 spaces
Fill/Excavation	500 cubic yards	1,000 cubic yards	500 cubic yards

Staff detailed the procedural requirements for jurisdictions to raise their thresholds (Exhibit A). The city must document the potential impacts to all elements of the environment are adequately addressed by other regulations. Staff prepared a table identifying the current regulations in place that address the 16 SEPA elements (Exhibit B) to meet the requirements of Subsection C.

City staff also researched the exemption thresholds adopted by nearby jurisdictions. Table 2 shows that all have adopted at least some of the flexible thresholds.

Table 2 – Flexible Thresholds in Nearby Jurisdictions

	Snoqualmie	Duvall	King County
Single-Family Residential	12 units	4 units	20 units
Multi-Family Residential	12 units	4 units	60 units
Agricultural Structures	20,000 sf	10,000 sf	15,000 sf
Office/School/Commercial	10,000 sf	12,000 sf	12,000 sf
Parking Facilities	20 spaces	20 spaces	40 spaces
Fill/Excavation	100 cubic yards	500 cubic yards	500 cubic yards

See attached Exhibit C for the proposed Amendments to NBMC.

IV. Impacts of Proposed Amendment

NBMC 20.08.070 and .080 requires that applications for municipal code amendments be evaluated for their environmental, economic, and cultural impacts, as well as impacts to surrounding properties. These impacts are evaluated below.

- 1) **Environmental Impacts.** No environmental impacts are anticipated from amending NBMC cited above. Regulations protecting critical areas, managing stormwater runoff, and controlling floodplain impacts are governed by the Critical Area Regulations in NBMC Title 14, and apply regardless of what type of development occurs on a site.
- 2) **Economic Impacts.** Unknown. The proposed changes remove a level of review for some projects which could result in cost savings for applicants and save staff time.

- 3) **Cultural Impacts.** No significant cultural impacts are anticipated from the amendments. All proposed projects must plan for protecting cultural resources.
- 4) **Impacts to Surrounding Properties.** The proposed changes protect the integrity of surrounding uses by incorporating requirements equally.

V. Compatibility of Proposed Amendment with North Bend Comprehensive Plan (NBCP)

In accordance with NBMC 20.08.070 and .080, applications for municipal code amendments must be evaluated for compliance with the Comprehensive Plan. The proposed amendments are in compliance with the Comprehensive Plan.

VI. Compatibility of Proposed Amendment with the North Bend Municipal Code (NBMC)

In accordance with NBMC 20.08.070 and .080, applications for municipal code amendments must be evaluated for compliance with the North Bend Municipal Code. The proposed amendment is compatible with the North Bend Municipal Code.

VII. Planning Commission Findings and Analysis

Pursuant to NBMC 20.08.100, the Planning Commission shall consider the proposed amendment against the criteria in NBMC 20.08.100 (B). A staff analysis is provided in *italics* under each criterion below.

1. Is the issue already adequately addressed in the Comprehensive Plan?
The Comprehensive Plan does not address the proposed amendment.
2. If the issue is not addressed in the Comprehensive Plan, is there a need for the proposed change?
Yes. The proposed change to the codes ensures project meets city standards and architectural standards.
3. Is the proposed change the best means for meeting the identified public need?
Unknown. The proposed amendments clarify project requirements.
4. Will the proposed change result in a net benefit to the community?
Yes. The proposed codes amendments ensure project meets city standards and architectural standards.

VIII. Summary Findings:

1. The Planning Commission considered the proposed amendments and held a public hearing on the draft regulations at their November 16, 2022 meeting.
2. Following consideration of public comment received at the Public Hearing, the Planning Commission voted to approve/deny the draft amendments.
3. Pursuant to RCW 36.70A.106, the draft regulations were forwarded to Commerce - Growth Management Services on November 1, 2022.
4. A SEPA DNS was issued for the proposed amendments on November 4, 2022 along with the Public Hearing notice. SEPA comment deadline ends November 21, 2022. Any comments received after Planning Commission recommendation will be forwarded to Council Committee for review.

EXHIBIT A

5. The proposed amendments are consistent with the procedures established in NBMC 20.08, *Comprehensive Plan and Development Regulations Amendment Procedures*. The Planning Commission finds that the proposed amendments are consistent with the criteria in NBMC 20.08.100(B) and would result in a net benefit to the community.

Staff Recommendation:

Based on the findings above and pending consideration of public input to be provided for and at the Public Hearing, staff recommends approval of the draft regulations as provided herein, attached Exhibit C.

Planning Commission Recommendation

DRAFT: Following consideration of the Comprehensive Plan and Development Regulation Amendment process in NBMC 20.08.070 through 20.08.110 and public comment received at the public hearing, the Planning Commission recommends approval of the draft regulations as provided herein, attached Exhibit C. **PC approved this recommendation 5:0 at their meeting on November 16, 2022.**

Attachments:

Exhibit A – Procedural Requirements

Exhibit B – SEPA Elements

Exhibit C - Proposed Amendments

Exhibit D – Public Comment (Master Builders Association letter November 16, 2022)