THURSTON COUNTY PLANNING COMMISSION

Minutes October 17, 2007

1. **7:07 PM CALL TO ORDER**
   Chair Roper called the October 17, 2007 regular meeting of the Thurston County Planning Commission to order at 7:07 p.m. Commissioners provided self-introductions.

   **Attendance:** Chair Joyce Roper, Commissioners Craig Ottavelli, Scott Nelson, Tom Cole, Chris Lane, Rhenda Strub, Liz Kohlenberg, Liz Myers, and Kathleen O’Connor
   **Staff:** Aimee Swenson-Farrow, Celinda Adair, and Jeff Fancher, Jessica Tate, Recording Secretary

2. **7:08 PM PUBLIC COMMUNICATIONS** (Not associated with topics for which public hearings have been held.)
   There were no public communications.

3. **7:09 PM APPROVAL OF MINUTES**
   Approval of the October 10, 2007 minutes was deferred to the October 24, 2007 meeting.

4. **7:09 PM CALENDAR (TENTATIVE) AND ATTENDANCE**
   - October 24, 2007:  
     H/W/A: Grand Mound Water System Plan
     B: 2008 Comprehensive Plan Schedule (*proposed*)
     W: Critical Areas
     (Commissioners Cole, Meyers, and Strub are unable to attend. Commissioner O’Connor might not attend.)
   - November 7, 2007:  
     W: Critical Areas (Important Habitats)
     (Commissioners Ottavelli and Cole are unable to attend.)

   Chair Roper requested Commissioners inform staff of additional absences at the October 24, 2007 meeting as soon as possible because of potential quorum issues.

5. **7:14 PM STAFF UPDATES**
   Ms. Swenson-Farrow reported a Comprehensive Plan Schedule briefing was added to the October 24, 2007 meeting agenda.

   Ms. Swenson-Farrow provided Commissioners with an updated 2007 Tentative Thurston County Planning Commission (TCPC) Calendar and an updated 2007 TCPC member list.
DISCUSSION: Ms. Adair reported the July 20, 2005 Western Washington Growth Management Hearings Board’s (WWGMHB) decision found that Thurston County’s urban growth areas (UGAs) fail to comply with the Growth Management Act (GMA) because of their size. The decision found that Thurston County’s UGAs provide excess capacity beyond what is needed to accommodate growth over the 20-year planning period, and that there is no explanation of why the excess capacity is necessary in the County’s comprehensive plan.

Under the GMA, some excess capacity is allowed within UGAs for the “reasonable land market supply factor” (“market factor”). GMA, RCW 36.70A.110(2), allows counties to include a “reasonable land market supply factor” when sizing UGAs. The “market factor” accounts for the portion of the net land supply that is withheld from development or redevelopment because of many factors such as personal use, investment or speculative holding, land banking for future business expansion, and other considerations that serve to hold land from the market. The “market factor” also accounts for unpredicted changes in the real estate market supply recognizing that some land owners will choose not to put their land on the market during the 20-year planning horizon. A “market factor” is identified by analyzing these factors as they apply to local conditions. The allowance for jurisdictions to consider the “market factor” when determining UGA size, is due to the fact that a certain percentage of vacant, under-utilized, and partially used lands will always be held out from development.

Pursuant to RCW 36.70.110(2), an urban growth area determination may include a reasonable land market supply factor and shall permit a range of urban densities and uses. In determining the market factor, cities and counties may consider local circumstances. Cities and counties have discretion in comprehensive plans to make many choices for accommodating growth.

The WWGMHB indicated excess capacity is allowed if counties include a reasonable “market factor” for a UGA. However, language detailing the local conditions justifying the “market factor” must be included in the county’s comprehensive plan.

The WWGMHB’s decision required Thurston County to evaluate its UGAs to determine whether excess capacity exists within the county. This was done by Thurston Regional Planning Council (TRPC) through a buildable lands analysis. TRPC’s analysis found excess capacity in all Thurston County’s UGAs.
**Excess Capacity**  

<table>
<thead>
<tr>
<th>Excess Capacity</th>
<th>Urban Growth Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>24%</td>
<td>Lacey</td>
</tr>
<tr>
<td>22%</td>
<td>Olympia</td>
</tr>
<tr>
<td>27%</td>
<td>Tumwater</td>
</tr>
<tr>
<td>19%</td>
<td>Rainier</td>
</tr>
<tr>
<td>13%</td>
<td>Tenino</td>
</tr>
<tr>
<td>16%</td>
<td>Grand Mound</td>
</tr>
<tr>
<td>*</td>
<td>Bucoda</td>
</tr>
<tr>
<td>35%</td>
<td>Yelm</td>
</tr>
</tbody>
</table>

*All of Bucoda’s UGA is currently within City Limits; therefore, no adjustment to unincorporated UGA is possible.

The WWGMHB’s decision also required Thurston County to amend its comprehensive plan to account for any excess capacity in its UGAs or to resize them to remove excess capacity. The County’s comprehensive plan currently does not have any language referring to the use of a “market factor” when determining UGA size. Consequently, Thurston County is amending its comprehensive plan to provide information regarding the factors that were considered when its UGA sizes were established.

Ms. Adair reviewed Table 2-1 Population Allocation, Forecast, and Residential Land Demand Data.

Chair Roper said she understood “market factor” does not include potential expansion of commercial uses. Ms. Adair affirmed that the statement is correct.

Ms. Adair reported all public comments received on the analysis will be included in the package sent to the Board of County Commissioners (BoCC) for consideration.

**7:28 PM** Chair Roper opened the public hearing at 7:28 p.m.

**Sam Merrill, Co-Vice President, Black Hills Audubon Society, 3024 43rd Court NW, Olympia**, said the Black Hills Audubon Society believes that rather than revising the policy language in the UGA section of the Thurston County Comprehensive Plan to justify building out in the ever-shrinking rural areas, quality of life can best be preserved by emphasizing development within UGAs.

Section 7 Objective C Accommodating Projected Growth of the Comprehensive Plan states, “Concentrate medium and higher intensity residential, commercial, and industrial development in urban growth areas in ways that ensure livability and preservation of environment quality, open space retention, varied and affordable housing, and high quality urban surfaces at the least cost.” Policy 4 under Objective C states, “Consider the use of innovative development techniques within urban growth areas, such as cluster housing and transfer of development rights.”
The Black Hills Audubon Society suggests expanding the recommendations for the innovative techniques of Policy 4 with emphasis on building up the urban areas by utilizing the Transfer of Development Rights Program (TDR). Such a program has been successfully utilized in King County, which has preserved nearly 150 square miles of land. Such a plan allows and actively encourages the exchange of development rights in rural areas for development rights in urban areas. Officials of the County and cities must be proactive to achieve this goal.

Mr. Merrill submitted his written comments to Chair Roper.

Vince Cottone, 9529 Brooks Lane SE, Olympia, indicated his property sits just outside of the Tumwater UGA. He said he intentionally moved to the property because of the enormous trees and quality of life. He said he believes urban areas should be built at high densities. He does not believe there is a legitimate base for increasing population estimates, as no methodology is identified.

Sandra Romero, 2023 West Lake Drive, Lacey, expressed concern about the significant increase in population projections. The increase is equivalent to two cities the size of Tumwater and two cities the size of Rainier. The Capital Facilities Plan (CFP) must also be updated to accommodate growth. She said she could not decipher what percentage for “market factor” was utilized in the calculations. In today’s environment to recover Puget Sound and other environmental issues, it would be best to lower the projections and plan for lower projections.

Laurie Meeker, 3025 French Road NW, Olympia, said she is opposed to the proposed changes to the comprehensive plan for resizing the UGA. Proposed section C on page 3 entitled “Market Factor” includes language that is overly broad, and could lead to either leaving UGAs at the existing size or increasing them. The language implies that there will always be land that is held back from development. That might be true, but that situation is covered by existing language in UGA policies, which are necessary.

Section VII on Goals, Objectives and Policies Objective C, number 6, refers to a variety of densities and states, “Overall densities should be high enough to support efficient public services and provide affordable housing choices, but there should be a variety of densities based on land capability, environmental sensitivity, and constraints in providing services.” Section 14 in that same section states, “The County should weigh the need to accommodate projected growth in a particular area against the potential impacts of that growth on critical areas. Some areas of the County are not appropriate for urban growth because due to the occurrence and/or sensitivity of critical areas or the possibility of creating a public safety hazard.” These sections cover areas that might necessarily be held back from development, and yet the proposed language regarding “market factor” would create more tension and pressure to develop areas already covered in these sections.
A recent article in the October 2007 Thurston County Democrats Newsletter entitled “When Values Clash – Life Under the Growth Management Act” appoints to this previously mentioned tension. The author, Joe Hyer, Olympia City Council, indicates that the first decade of the GMA was straightforward. He then states, “Now however, as the UGAs become more developed, we see subdivision applications for steeper slopes, sensitive drainage basins, and areas of high groundwater, which are places we never envisioned being developed. Planning, decision making, and compliance to the GMA become more difficult, because we begin to see a conflict between competing values.”

Ms. Meeker indicated the competing values have to do with developing areas within the UGAs that are environmentally sensitive and are not developed. She urged not imposing the proposed “market factor” language on existing policies.

It appears that the proposed language sidesteps the WWGMHB decision. It would reduce excess capacity. It’s important to comply with the ruling to downsize the UGAs and emphasize developing in areas such as downtown Olympia and urban infill in ways that are more responsible.

Ms. Meeker said if the UGAs are not downsized then the people of the French Road area will make a formal request to have the area removed from the UGA.

Ms. Meeker submitted her written comments to Chair Roper.

Mike Leigh, 2331 Kaiser Road NW, Olympia, commended staff for the readability of the proposed amendments document. However, both sides of each page could have been printed to conserve resources. He said he intellectually understands the need for a buffer, when establishing UGA boundaries. He expressed concerns that there is no clear definition for boundaries and is suspicious of where reasonable market factors will lead. He said he would be very upset to learn the County used reasonable market factor to claim that the existing UGAs meet the requirements of the GMA.

Mr. Leigh asked Commissioners to consider the idea that to create sustainable cities; alternatives to continually increasing the size of urban areas must be discovered. This means growing up instead of out and creating zoning and development regulations that encourage local cities to become dense while making livable areas that people want to live in.

Gretchen Matzen, 1816 27th Avenue NW, Olympia, said that for years she has witnessed signs of the Earth separating near her waterfront property. As more impervious surface is added there is more species displacement and landslides, and flooding will occur causing water contamination. She agreed with the previous comments. She said she hopes her property will be removed from the UGA or a substantial density decrease is implemented.

Jerry Unmuth, 1620 legion Way SE, Olympia, spoke in favor of the proposed
amendments to achieve GMA compliance. It makes sense to reference the updated population forecast especially in light of the County’s recent rural rezone, and to utilize “market factor.” It appears as though downzoning rural areas will cause people to develop in urban areas. Condensing the population around services is necessary. Any future changes should include expanding the size of at least the Lacey UGA to the north to continue growth in that direction, as there are many services in that area and the area appears to be poised for expansion.

8:02 PM Chair Roper closed the public hearing at 8:02 p.m.

Commissioner O’Connor expressed concerns that the methodology for “market factor” is not clear. Mr. Fancher indicated reasonable market factor is based on GMA language not language developed by the County. Information received from the cities will support a reasonable market factor. Most GMA cases determine 25% as a reasonable market factor. Challenges are usually not made for a reasonable market factor of 25% or less.

Commissioner Cole asked whether each UGA will have a reasonable market factor. Mr. Fancher indicated each UGA will have a UGA percentage. However, Tumwater, Olympia, and Lacey will be combined and will use one percentage.

Commissioner Strub asked if the reasonable market factor approach will cause a loss of County control if a city is growing too rapidly. Mr. Fancher stated the County decides on the size of the UGAs. If the County decides a reasonable market factor is too large the county can shrink the UGA to a reasonable market factor.

Chair Roper referred to the first sentence, of paragraph two, on page 3 and requested the language, “land banking for future business expansion” be stricken, as commercial properties are not included in the reasonable market factor. Commissioners agreed with the suggestion. Ms. Adair acknowledged the request.

Chair Roper asked whether TRPC’s buildable lands analysis includes only buildable lands and not critical areas. Veena Tabbutt, Senior Planner, TRPC, reported the mapped GIS coverage for critical areas was utilized, and critical areas are excluded from the Buildable Lands. A very extensive study was completed to determine exact capacity, which excluded other areas such as potential schools, open space, and rights-of-way.

8:30 PM Discussion followed regarding the term “vagaries.” Staff is currently working with the cities to determine concrete evidence of local conditions for each jurisdiction.

Commissioner O’Connor asked what occurs when a jurisdiction exceeds 25% excess capacity. Ms. Adair replied that jurisdictions must provide a thorough explanation for excess capacity, which must be approved. Commissioner O’Connor expressed concerns about potential solutions to the City of Yelm’s excess capacity of 35%.
Commissioner Strub expressed concerns on language describing “market factor” on page 3. She referred to the third paragraph and said she was expecting language pertaining to unique market factor circumstances rather than “unique local circumstances.” The page also seems to contain excess language about growth that does not justify the need for using a “market factor.” She asked for a reason why “market factor” is warranted. Ms. Adair replied that utilization of a “market factor” is warranted because all potential buildable lands will not be available within the 20-year period.

Ms. Tabbutt reported Snohomish County completed a phone survey to determine its “market factors.” The county found that 21% of landowners were very unlikely or unlikely to sell their property within 20 years. The County can revise a UGA if the “market factor” is too large.

Commissioner Kohlenberg suggested striking the last two paragraphs on page 3 because they are irrelevant and provide inadequate examples. She also suggested referencing the Snohomish County report mentioned by Ms. Tabbutt.

Commissioner Strub agreed the last two paragraphs on page 3 should be stricken. She said she does not agree with referencing the Snohomish County report. It would be best to strictly define “market factor” and explain how it’s measured.

Commissioner Kohlenberg suggested determining special conditions warranting a “market factor exceeding 25%.

Ms. Adair indicated the Board can reject a request without a reason if it is determined unreasonable.

Chair Roper expressed concerns with the potential for municipalities exceeding infrastructure capacity because of an increase in “market factor” without an increase in city revenue.

Commissioner Strub suggested including language clarifying “market factor” is not a substitute for the population forecast. Commissioners agreed with the suggestion.

Mr. Fancher clarified that the County does not establish each market factor but determines whether each jurisdiction’s UGA is too large based on the existing market factor.

Ms. Tabbutt reported UGAs must be reviewed every 10 years. She described the process for jurisdictions proposing an expansion of the UGA.

Chair Roper expressed concerns regarding vagaries in terms of potential legal challenges. She requested information regarding what has been determined to be adequate evidence to exceed 25% and what has failed. Ms. Adair acknowledged the request.
Ms. Adair suggested removing the three paragraphs following the RCW on page 3, and adding a sentence stating, “The County will require cities to bring forward evidence to justify that this market factor is to account for land that is not likely to be available during the 20-year time period.” Commissioners concurred with the suggestion.

**9:06 PM MOTION:** Commissioner Kohlenberg moved to approve the revisions as previously indicated with consensus. Commissioner Strub seconded. Motion carried.

Ms. Adair asked for consensus to strike the column labeled “Market Factor” in Table 2-1 on page 6. Commissioners agreed to revise “Market Factor” to “Excess Capacity.” Chair Roper asked if the excess capacity percentages included in the table on the second page of the staff report will be exported to Table 2-1. Ms. Adair affirmed the data will be transferred. Mr. Fancher suggested including a clarifying footnote.

Chair Roper requested clarifying to the BoCC that the Commission is not comfortable with Tumwater’s excess capacity of 27% and Yelm’s excess capacity of 35%. Ms. Tabbutt noted that it’s not within the County’s authority to shrink a UGA that is not unincorporated.

**9:13 PM** Ms. Adair asked for consensus to recommend any jurisdiction with an excess capacity of over 25% must provide justification. Commissioners agreed with the suggestion.

Commissioner Kohlenberg suggested including a footnote clarifying that the Commission would like the issue with Yelm’s excess capacity addressed as soon as possible. Commissioners concurred with the suggestion.

Commissioner Ottavelli expressed concerns about interchanging the terms “market factor” and “excess capacity.” Chair Roper replied that the issue will be clarified during a future meeting because of schedule time constraints.

Commissioner Kohlenberg requested the addition of a footnote to the Excess Capacity column of Table 2-1 stating, “Excess Capacity of up to 25% can be justified by Market Factor.” As the use of “excess capacity” figures for “market factor” are intended only for this application of “market factor”, in the future “market factor” will be more properly calculated using the standard of land not likely to be available during the 20-year-period. Chair Roper clarified that the Commission acknowledged the terms are interchangeable at this point, but in the future jurisdictions will be held to a standard for land.

Commissioner Cole asked staff to point out to the BoCC that the cities of Olympia, Tumwater, and Lacey should be the only combined jurisdictions with a market factor of 25%.
Discussion followed regarding whether to combine Olympia, Tumwater, and Lacey.

9:24 PM MOTION: Commissioner Cole moved to recommend combining the cities of Olympia, Tumwater, and Lacey at an average Excess Capacity of 25%. Commissioner Kohlenberg seconded. Motion carried. Chair Roper and Commissioners O’Connor and Meyers abstained.

Ms. Adair reviewed item eight on page 8.

Commissioner Strub suggested striking “the following” and “is met” from item 8 to read, “Expansion of an urban growth area boundary should be considered when there is sufficient criterion.”

Commissioner Kohlenberg referred to item 8a and suggested adding “buildable” following “insufficient.”

Commissioners agreed with both suggestions.

7. 9:37 PM ADJOURNMENT
There being no further business, Chair Roper adjourned the meeting at 9:37 p.m.

Joyce Roper, Chair

Prepared by Jessica Tate, Recording Secretary
Puget Sound Meeting Services