



# MEMORANDUM

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*City of Yelm*  
*Community Development Department*

To: Michael Welter, Development Services Director  
From: Grant Beck, Community Development Director  
Date: October 17, 2007  
Subj: Urban Growth Sizing Analysis

This memorandum is in response to your letter dated September 11, 2007, regarding Thurston County's compliance status with the Growth Management Act.

In that letter, you indicate that the Yelm Urban Growth Area (UGA) contains excess capacity beyond what previous Growth Management Hearings Board decisions have indicated is acceptable without a more detailed justification.

At the time of your letter, the work completed by the Thurston Regional Planning Council (TRPC), based on adopted population projections and the adopted buildable lands report, indicated that the excess capacity in Yelm's UGA was 51% and that the excess capacity in all UGA's within Thurston County was 29%. This calculation did not include the August 17 action by the Board of Commission adopting updated rural zoning designations. As you predicted, when TRPC re-calculated the Yelm UGA sizing analysis considering the rural rezoning, the excess capacity within Yelm's UGA dropped significantly to 35%. Further, the excess capacity in all Thurston County UGA's dropped to 25%.

While the City understands that Thurston County is under an order from the Growth Management Hearings Board to review the size of the Urban Growth Areas within Thurston County, the City also believes that this review is pre-mature before all of the other areas in which the County was found to be non-compliant have been addressed and found to be compliant with the Growth Management Act. As the Western Washington Growth Management Board has noted "planning, as in life, everything is related to each everything else". The City believes that the UGA sizing analysis can not be completed and be found in compliance with the GMA until the issues of the appropriate designation of Resource Lands, the identification of Limited Areas of More Intensive Rural Developments, Rural Densities, and Critical Areas have been completed, as each of these areas have direct, and in some cases stunning, impact on the population projections for Yelm's Urban Growth Area. The rural rezoning strategy that the Board undertook, for example, lowered the amount of excess capacity in Yelm's

UGA by 26%. Although the Board of Commissioners have addressed the areas of Resource Lands, Rural Lands, and LAMIRD's, the County's actions have not yet been deemed compliant by the Growth Management Hearings Board and it is possible that additional work must be completed that would shift additional population to Yelm's UGA. The County has not yet updated its Critical Areas Code, which also has the potential to shift population from rural lands to Yelm's UGA.

The shift of a mere 650 dwelling units from rural lands to the Yelm Urban Growth Area would result in excess capacity of less than 25%.

Despite the City's conviction that it is premature to examine the size of its UGA, the City of Yelm strongly believes that the Yelm Urban Growth Area is sized appropriately under today's conditions and that a market factor of 35% is both logical and easily justifiable.

First, the County in its analysis to date has focused solely on a market factor for residential development and did not consider that Yelm's commercial lands do not currently have a market factor and that additional commercial lands will be required to be designated at some point within the next 20 years. The *Yelm Retail & Commercial Development Opportunities* prepared by E.D. Hovee & Company in October of 2005 (Attachment A) indicates that Yelm currently has 324 acres of commercial land that is vacant or able to be redeveloped. The report further notes that the Yelm's primary and secondary market areas would support and require that same amount of land over the next 20 years. At some point within the next 20 year planning horizon, and additional 81 acres would need to be re-designated to commercial to have a comfortable commercial market factor of 25%.

As options for redesignating areas within the existing City limits are limited to existing development patterns, it is likely that areas within the existing UGA would be logical areas for new commercial zoning districts. The majority of these areas are pre-zoned moderate density residential, which would decrease the residential building supply by 486 units, resulting in a residential market factor of 28%.

The uncertainty surrounding the construction of the SR 510 Yelm Loop also supports a larger market factor for several reasons. First, the Washington State Department of Transportation has been tending to acquire entire parcels of land rather than the minimum required right-of-way, which effectively removes a significant amount of land from development potential. As WSDOT has completed the acquisition of approximately 40% of the parcels required to construct the Loop, this is a huge uncertainty factor that should be considered in the UGA sizing analysis. Additionally, WSDOT has, to date, removed approximately 40 vacant residential lots in residential subdivisions that were 'pipeline' lots in the buildable lands report. Finally, the construction of the SR 510 Yelm Loop has the potential to impact the growth rate in the Yelm area as the regional traffic is removed from the local transportation system, making Yelm an even more attractive community in which to live.

The City of Yelm believes that a larger market factor is appropriate in small, fast growing communities because of the volatile nature of growth within these types of communities. When Thurston Regional Planning Council staff updated the population projections in October to reflect the rural rezoning decisions made by the Board of Commissioners, they noted this phenomenon (see Attachment B). The proximity of Yelm to Fort Lewis certainly contributes to the uncertainty predicting population in Yelm, as the staffing plans at Fort Lewis have a direct impact on population growth in Yelm.

The City of Yelm views itself as an integral part of the overall urban growth area within Thurston County and believes that is, viewing the size of all the urban growth areas as a whole, is consistent with the provisions of the Growth Management Act. Yelm is part of the regional housing market that includes the north Thurston County communities as well as Pierce County. Housing prices in Yelm are attractive when compared to both these alternatives (see Attachment C), which will continue to be one of the many factors that makes Yelm such a great place to live. Evidence of the regional nature of Yelm's housing market can be found simply by driving through Lacey and Olympia and observing the many real estate signs advertising developments in Yelm (see Attachment D).

In conclusion, there are numerous factors, a few of which are outlined herein, that support a market factor greater than 25% in the Yelm Urban Growth Area, if the County chooses to address the issue of UGA sizing prior to finality of the other issues which will affect the population projections for Yelm.



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Grant Beck, Director  
Community Development Department