



ISLAND COUNTY PLANNING & COMMUNITY DEVELOPMENT

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TRANSMITTAL AND REPORT MEMORANDUM

DATE: June 1st, 2009

TO: Island County Planning Commission

REGARDING: Amendments to Chapter 17.04 ICC – Regulations that govern building and land use within the Ebey's Landing National Historic Reserve

FROM:

Jeff Tate, Planning Consultant

INTRODUCTION TO PROPOSED AMENDMENT

On January 16, 2009 Town Planner, Larry Kwarsick, Reserve Manager, Mark Preiss, and I met in a joint workshop session with the Board of Commissioners, the Town Council and the Mayor. The purpose of the meeting was to discuss the possibility of these Partners joining together in the development of an illustrated Ebey's Reserve Design Manual. The Town had previously initiated the update of its design standards but with the Mayor's initiative the County was invited to join together with Ebey's and the Town to establish a more unified approach at cultural resource protection in the Reserve.

The concept behind a unified design manual was to add illustrations to the words established in the code for preservation of historic structures and sites. Because the Town and the County are both responsible for carrying out the objectives associated with protection in the Reserve, it made sense that the customers we share within the development community would benefit from having to only learn one set of standards. This principle further extended into the permit review process. Currently, the landowners and the development community must learn two different sets of procedures and standards that are implemented and interpreted by two different sets of review bodies – the Town's Design Review Board (DRB) and the County's Historic Review Committee (HRC). Both groups are charged with very similar goals and responsibilities and both groups are faced with similar challenges associated with code implementation and historic preservation.

As a result of the January 16th joint meeting, staff initiated a process that intends to not only merge the development regulations and permit application procedures, but it also merges the legislative process for reviewing changes to the regulations and adoption of an illustrative design manual. To date, that process has included a series of joint staff meetings and joint DRB/HRC meetings where committee members have been asked to provide insight on the direction that staff is advancing these amendments. Likewise,

for the first time the Town Planning Commission and County Planning Commission's will be meeting in joint public meetings and hearings to hear staff presentations, general public comment, and deliberation. We are also conducting a joint SEPA review of the materials. Once the Planning Commission's have made their recommendations there will be a series of joint Town Council and Board of Commissioner meetings/hearings to consider the proposed amendments. Finally, it is anticipated that the Town and County would begin implementation of the regulations and manual on January 1, 2010.

Attached to this staff report is a rewrite of Chapter 17.04 ICC. You won't see the normal strikethrough underline format because everything is new. Highlights of this ordinance include an overhauled permit review process, creation of a single Reserve commission for the Town and the County, and a new demolition ordinance. The highlights are further described below. Additionally, you will find amendments to the Public Benefit Rating System which are intended to provide greater financial incentives for the preservation and maintenance of historic sites and structures.

Review Process

The current regulations require that all building and land use permits be reviewed by the County HRC. The HRC meets twice a month. The proposed amendments establish three different types of review processes that are intended to send only the more complicated or "important" projects to the Reserve Commission.

A number of development activities that follow prescriptive standards would now be handled at the administrative staff level. This will allow the "easier" projects to be reviewed and issued much quicker than that which occurs under the current rules. These projects will also reduce the workload on staff because there will not be a need to make copies of all the materials for each committee member, take minutes for the meetings in which these projects are discussed, or spend time staffing the meetings for these projects.

A second group of projects will be reviewed by a "staff committee" which is comprised of the Town Planner, the Reserve Manager, and the County Planning Director. These projects are a little more complicated or they are located in areas that are less visible.

Projects that are more complex, are located in significant viewsheds, or have an impact on a historic structure or site are to be reviewed by the Reserve Commission.

Reserve Wide Commission

Currently, the Town and the County each staff a committee comprised of 9 members. The proposed amendments consolidate the committee into a single 9 member Reserve Commission. The Town and County can each appoint 4 members, while 1 member must be jointly appointed by both municipalities. With the aid of the Ebey's Landing Trust Board (a unit of the National Park Service) the Town and County will have assistance in staffing the Commission.

From a global perspective, this action will increase overall government efficiency and reduce the overall cost to the public. Efficiencies and cost reductions occur for the following reasons:

- Instead of training 18 citizen volunteers, there will only be a need to train 9 citizens.
- Because the easier projects can be reviewed at one of two administrative levels, overall staffing demands will decrease.

- There will be a time savings to developers who will only have to learn one permit review process.
- The combined costs of advertising HRC and DRB meetings will be reduced in half because only a single notice will be required.

Demolition Ordinance

The demolition ordinance amendments create significant increases in protection of historic structures and buildings. For some owners of historic structures and buildings, they will consider these provisions to provide a substantial hardship. For this reason, amendments to the Public Benefit Rating System (PBRs) have been proposed, which are intended to provide significant opportunity to help recoup the cost associated with rehabilitating and/or maintaining historic structures and buildings. The PBRs benefit can be quantified in the following scenario:

Assumptions:

- Tax Rate in Island County is approximately \$10/\$1,000 of property valuation
- You have a parcel that is assessed at \$150,000
- On that parcel you have a historic structure assessed at \$100,000

Normal Taxation:

- At \$10/\$1,000 the \$150,000 parcel is assessed at \$1,500/year
- At \$10/\$1,000 the \$100,000 structure is assessed at \$1,000/year
- Total annual tax bill is \$2,500.

Under PBRs Taxation:

- For 10 years, the historic structure valuation is set at \$1,000. This equates to an annual tax payment of \$10 for the structure.
- For 10 years, the land valuation is reduced by at least 70% to \$45,000. This equates to an annual tax payment of \$450 for the land.
- Total annual tax bill for the first 10 years is \$460 instead of \$2,500 – a savings of \$2,040 per year for 10 years, or \$20,400.
- After 10 years, the valuations and tax bills are adjusted. They will continue to benefit from a property tax reduction but at only about 1/3 of the benefit that they received in the first 10 years.
- During the 10 year period the property tax savings received by the owner is shifted to all other properties in the County. Based on the fact that there are about 50,000 parcels in the County, the tax shift experienced by the above example is about 5 cents a year for every property in Island County, or 50 cents over the 10 years. If all of the approximately 400 historic structures were placed in the program it would cause a tax shift of about \$20 per year per parcel.

On June 1, 2009 the Board of Island County Commissioner and the Town Council adopted a Memorandum of Understanding (MOU) which is attached as Exhibit C. The MOU highlights some of the basic principles that are shared by both bodies. The MOU establishes 4 basic agreements and principles:

1. That adopting a unified set of standards and procedures is important and appropriate,

2. That a multi-tiered permit review process that incorporates decision making authority to staff for some projects, decision making authority to a joint staff committee for other decisions, and decision making authority for a Reserve Commission for other decisions are important and appropriate. The MOU does not define how to classify those decisions into those groups.
3. That a Reserve Wide Commission is important and appropriate.

The proposal that is attached for your review abides by the MOU, but it includes a substantial level of detail that is before the respective Planning Commission's which will define how the principles of the MOU are fulfilled.

FINDINGS OF FACT

Does the proposed amendment or revision maintain consistency with other Plan elements or Development Regulations. If not, are amendments or revisions to other Plan elements or regulations necessary to maintain consistency also under annual review by the Planning Commission and the Board;

Staff Response: The proposed revisions are consistent with other Plan element and Development Regulations. The Plan and the Development Regulations repeatedly state that preservation of historic structures and sites within the Reserve is a goal.

Do all applicable elements of the Comprehensive Plan support the proposed amendment or revisions;

Yes. See above response.

Does the proposed amendment or revision more closely meet the goals, objectives and policies of the Comprehensive Plan;

It is the intention of these amendments to improve historic preservation policies, enhance customer service, and improve governmental efficiencies.

Is the proposed amendment supported by adopted Findings of Fact and Legislative Intent;

Adopted findings of fact and legislative intent support the concept of historic preservation. Additional findings of fact and legislative intent will be adopted in association with these amendments.

Does the proposed amendment or revision comply with the requirements of the GMA; and

Yes. Historic preservation is a goal of the GMA.

Are the assumptions underlying the applicable portions of the Comprehensive Plan or Development Regulations no longer valid because new information is available which was not considered at the time the plan or regulation was adopted.

No. The assumptions remain applicable. The proposed amendments are intended to better implement the goals and policies of the Comprehensive Plan and Development Regulations that were adopted based on the same assumptions.

CONCLUSION & RECOMMENDATION

Staff recommends that the Planning Commission adopt Exhibits A and B.

- Exhibit A - Proposed revisions to Chapter 17.04 ICC
- Exhibit B – Proposed revisions to Chapter 3.40 ICC
- Exhibit C – Memorandum of Understanding between Town and County
- Exhibit D – Timeline for completing this project