



## ISLAND COUNTY PLANNING & COMMUNITY DEVELOPMENT

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### **RE: CPA 155/04 Population and Urban Growth Areas**

#### **Summary:**

CPA 155/04 consists of the review and update of the population projections and urban growth area boundaries as required by the Growth Management Act. The Planning Commission's recommendation includes amendments that extend the 20 year planning horizon from 2020 to 2025 on a countywide basis and for each of the individual cities, as well as corresponding changes to urban growth area boundaries that will accommodate the additional growth.

#### **Findings:**

1. CPA 155/04 was before the Planning Commission as a result of requirements established in Chapter 36.70A RCW which mandate that counties and cities periodically update population projections and urban growth areas.
2. Additionally, ICC 16.26.090 establishes the seven-year procedures for Island County which also mandates that the review and update of the population projections and urban growth areas be placed on the Planning Commission's docket. The item was duly docketed for Planning Commission consideration and the Department's required report forwarded to the Planning Commission within the prescribed time period.
3. CPA 155/04 updates the county and Langley, Coupeville and Oak Harbor twenty year planning horizons from 2020 to 2025 and the capacity of urban growth areas to accommodate the twenty year growth.
4. The Island County Planning Commission held several public hearings on this matter. Hearings were held in 2004 for the purposes of determining an appropriate 2025 countywide population projection and regionalized projections for South Whidbey, Central Whidbey, North Whidbey and Camano Island. Once the Planning Commission deliberated and voted on countywide projections requests were made to the Cities of Oak Harbor and Langley and the Town of Coupeville to determine an appropriate municipal population projection.

5. Oak Harbor, Langley and Coupeville independently considered their own twenty year population projections, development trends, and the ability of the urban growth area to accommodate the 2025 population projection.

### **Countywide**

6. The Washington State Office of Financial Management (OFM) provides counties with twenty year population projections. The OFM provides a range of figures that include a high estimate, medium estimate and low estimate. Chapter 36.70A RCW requires that counties and cities use the OFM population projection estimates in Comprehensive Plans and that UGA's be based on these estimates.
7. The last update to the Comprehensive Plan occurred in 1998. Based on historic development trends the county opted to use the OFM high population projection. This decision was based on the fact that the county had been tracking at the OFM high projection for the prior two decades which is also supported by building permit data.
8. The County has discretion in determining a twenty year population projection that falls within the OFM range of estimates. In determining the appropriate countywide twenty year population projection the Planning Commission considered the OFM estimates, the 2000 U.S. Census, recent development trends, and two different methods for trending out population for each region.
9. The 2000 U.S. Census demonstrated that growth in Island County was not tracking at the high series and that the assumptions used during 1998 to predict the 2020 population projection had changed. The 1998 Comprehensive Plan estimated a 2000 population of 81,500. The 2000 U.S. Census determined that the actual population was 71,558.
10. After the 2000 U.S. Census was completed, OFM provided the County with the following population projections:

2025 High Population Projection:	119,021 (an increase of 47,463)
2025 Medium Population Projection:	101,079 (an increase of 29,521)
2025 Low Population Projection:	83,137 (an increase of 11,579)
11. Prior to the 2000 U.S. Census, OFM had predicted the County's high series population projection for the year 2020 to be 118,800. The new OFM figures reflect the 2000 U.S. Census figures.
12. The Planning Commission evaluated building permit activity for new single family residences (SFR) that had occurred during the years of 1999, 2000, 2001, 2002, 2003 and a portion of 2004.

New single family residences permitted in 1999: 570  
New single family residences permitted in 2000: 576  
New single family residences permitted in 2001: 552  
New single family residences permitted in 2002: 543  
New single family residences permitted in 2003: 592

Average number of new SFR's permitted per year (1999 to 2003): 566

13. Since the Planning Commission conducted its review in 2004, additional data has been collected:

New single family residences permitted in 2004: 580  
New single family residences permitted in 2005: 686

Average number of SFR's permitted per year (1999 to 2005): 586

14. Using the 2000 U.S. Census countywide population figure of 71,588, the average number of new SFR's being constructed per year trended out to 2025 (using the 1999 to 2003 average of 566 new SFR's constructed per year), and applying the countywide average household size (2.52 persons per household), the Planning Commission determined that the 2025 population would be approximately 107,123.
15. The Planning Commission finds that the 2025 OFM medium/high estimate is a conservative estimate. Incorporating the additional two years of data would increase the average number of residences constructed per year and the average household size is likely to increase due to an expected increase of family size that is occurring on Camano Island.
16. The Planning Commission finds that it is appropriate to adopt and plan for a 2025 population projection that is between the OFM medium projection of 101,079 and the OFM high projection of 119,021.
17. The Planning Commission finds that it is appropriate to adopt a 2025 population projection of 110,050. This figure is referred to as the OFM medium/high projection and represents the midpoint between the OFM medium and high projections. This figure most closely reflects the anticipated population of 107,123 that was derived using the 2000 U.S. Census data, the countywide average household size, and the building permit data that has been collected.
18. The OFM medium/high projection is not established for the purpose of encouraging growth. It is established for the purpose of planning for growth that is likely to occur. As is required by state statute the County will revisit population projections and urban growth boundaries every seven years in order to continually calibrate projections and land use policies.

## Regional Projections

19. While not required under GMA the Planning Commission finds that it is appropriate to recognize the regional differences within Island County. Development activity occurs at different rates within the County and there are different average household sizes. This extra level of detail will facilitate better planning for anticipated growth.
20. Four regions have been established and include North Whidbey, Central Whidbey, South Whidbey and Camano Island.
21. Two methods were used to estimate growth regionally; “Proportionate Share” and “Growth Rate.” Both methods assume that all four regions add up to the 2025 countywide population projection.
22. The first method that was used was the Proportionate Share method. This method assumes that each region will continue to maintain the same proportionate share of the countywide population in 2025 as it does presently; e.g. if Camano Island holds 20% of the county population today it will hold 20% of the population in 2025.
23. The second method that was used was the Growth Rate method. This method evaluated historic development trends within the region and trended growth out based on a continued rate of development.
24. These two projection methods were used to develop a likely range for a 2025 population projection within each region. Those figures are as follows:

North Whidbey:	49,523 (Proportionate) to 51,795 (Growth Rate)
Central Whidbey:	12,106 (Proportionate) to 12,823 (Growth Rate)
South Whidbey:	23,113 (Growth Rate) to 25,312 (Proportionate)
Camano Island:	22,319 (Growth Rate) to 23,111 (Proportionate)
25. Regional projections are important because they allow for more targeted growth management policies and regulations. It is not necessary to manage and plan for anticipated growth in Central Whidbey (slow growing) in the same manner as Camano Island (fast growing).

## Coupeville

26. Coupeville has conducted a review of development trends and population projections and has forwarded this review and a recommendation to Island County.

27. The 1998 Comprehensive Plan predicted a 2020 population projection of 2,068. Based on the U.S. Census data and historic development trends, Coupeville has predicted a 2025 population projection of 2,165.
28. Pursuant to RCW 36.70A.110(1) urban growth areas contained within a national historic reserve are not required to establish areas sufficient to permit the urban growth that is anticipated for the next 20 years. Coupeville has not proposed, nor are they required to, expand the urban growth area beyond the municipal boundary.

### **Langley**

29. Langley has conducted a review of development trends and population projections and has forwarded this review and a recommendation to Island County
30. The 1998 Comprehensive Plan predicted a 2020 population projection of 2,200. Based on the U.S. Census data and historic development trends, Langley has predicted a 2025 population projection of 2,200. Because the U.S. Census data showed population figures that were less than had been anticipated Langley opted to extend their 2020 projection to 2025. This decision was based on a review that showed that the 2025 projection was very close to the 2020 figure.
31. Because Langley opted to keep the same 20 year planning projection a determination was made that their urban growth area did not need to be amended. Langley determined that their urban growth area still had adequate capacity to accommodate the anticipated 20 year growth.

### **Oak Harbor**

32. Oak Harbor has conducted a review of development trends, population projections and conducted a land capacity analysis and has forwarded this review and a recommendation to Island County.
33. The 1998 Comprehensive Plan predicted a 2020 population projection of 31,000. Based on the U.S. Census data and historic development trends, Oak Harbor has predicted a 2025 population projection of 30,419.
34. Oak Harbor tasked a local citizen based Comprehensive Plan Task Force to evaluate a 2025 population projection and to consider whether or not amendments were needed to the urban growth area.
35. During the end of 2004 and all of 2005 the Comprehensive Plan Task Force held numerous public meetings regarding options for urban growth area policies. The Task Force evaluated a land capacity analysis prepared by city staff. The analysis was conducted for lands within the municipal boundary of Oak Harbor and for lands within the unincorporated portion of the urban growth area. The land

capacity analysis determined that the existing urban growth area (within both the city and the unincorporated areas) was capable of accommodating 106% of the 2025 population projection.

36. The Task Force notified owners of land adjacent to the existing urban growth area that the City would be considering expansion of the urban growth area. Eight landowners responded to the Task Force indicating that they would like to be considered if the City were to make a recommendation to the County that the urban growth area should be expanded.
37. The Task Force debated the merits of maintaining the existing urban growth area, expanding the urban growth area so that it could accommodate 115% of the 2025 population projection, and expanding the urban growth area so that it could accommodate 126% of the 2025 population projection. The Task Force voted to expand the urban growth area by 180 acres in eight different areas which would accommodate 126% of the 2025 population projection. This debate is reflected in the Task Force minutes of June 15, 2005 and June 29, 2005.
38. In a letter dated November 14, 2006 the City of Oak Harbor provides six reasons that support their decision to choose a 126% capacity over other options. Those reasons are:
  - a. Providing a larger cushion will help maintain affordable housing.
  - b. It is prudent to have a supply of residential land that can respond to unforeseen conditions (e.g. changes as NASWI).
  - c. The larger cushion will promote more housing choices (a diversity of housing).
  - d. It will encourage development of certain properties to occur under urban standards rather than rural ones.
  - e. Expansion of the UGA in a specific area (the Fakkema Farm) helps meet other Comprehensive Plan and GMA goals of open space planning, historic preservation and recreational trail development.
  - f. The public is best served by more choices rather than fewer choices.
39. The Task Force, Planning Commission and City Council opted to include 105 acres of the Fakkema Farm property (88 acres of which would be developable at 4 dwelling units per acre) in the UGA expansion for a variety of reasons. Those reasons include:
  - a. The historic farm building complex which lies on 7 acres would be permanently maintained in a protective state and be subject to specific design requirements.
  - b. An additional 10 acres will be set aside for passive public open space or active public recreational facilities.
  - c. A public trail easement will be established through the drainage buffer from Swantown Lake to Fairway Lane. This easement will be approximately 1

mile in length that connects the publicly owned Swantown Lake located adjacent to the western shores of Whidbey Island to the eastern edge of the existing Oak Harbor city limits).

- d. Recommendations will be made regarding transferring the development rights off of the remaining portions of the agricultural land to the upland areas on the southern edge of the Fakkema property.
40. The 105 acres of Fakkema Farm property that have been proposed for inclusion in the UGA are zoned Rural and Rural Agriculture. 20 acres are zoned Rural (1 dwelling unit per 5 acres). 85 acres area zoned Rural Agriculture (1 dwelling unit per 10 acres).
  41. The Rural Agriculture (RA) zone is not a designated resource land as defined in the Growth Management Act. RA lands are agricultural lands of local significance. RA lands do not contain a predominance of prime agricultural soils. If prime agricultural soils are present on RA lands they cover less than 25% of the parcel.
  42. The Planning Commission has considered whether or not inclusion of the 105 acres of the Fakkema Farm in the UGA is a threat to agriculture in Island County. The Planning Commission finds that inclusion of these 105 acres in the UGA does not pose a countywide threat to agriculture for the following reasons:
    - a. The Fakkema Farm is no longer an operating commercial farm.
    - b. It is adjacent to an existing urban area (the largest and most intense urban area in Island County).
    - c. The land area does not contain prime agricultural soils and is therefore not considered agricultural lands of long term commercial significance.
    - d. Inclusion of these lands in the UGA are unlikely to have an adverse countywide affect on the agricultural industry because this decision is limited in its geographic scope.
  43. The Oak Harbor Planning Commission held a public hearing on the matter and voted to accept the Task Force's recommendation. The Oak Harbor City Council held a public hearing on the matter and voted to adopt the recommendation.
  44. The Island County Planning Commission has evaluated the record provided by Oak Harbor and has determined the following:
    - a. The City conducted a land capacity analysis that is consistent with the guidance provided by the Washington State Department of Community, Trade and Economic Development.
    - b. The City followed a deliberative and comprehensive public process that included multiple public hearings that were properly advertised. Public hearings were held by the citizen based Comprehensive Plan Task Force, the Oak Harbor Planning Commission and the Oak Harbor City Council.

- c. The City evaluated decisions rendered by the Growth Management Hearings Board regarding the sizing of urban growth areas. The Growth Management Hearings Board have determined that the GMA allows for additional land supply to be incorporated into urban growth areas to account for market conditions. Specifically, the Growth Boards have established a brightline for urban growth areas that allows for a 125% capacity.
  - d. The City conducted an environmental review process under SEPA. A SEPA threshold determination of non-significance was issued for the City's Comprehensive Plan amendments which included expansion of the urban growth area by 180 acres. The proposal was noticed in the local newspapers and included a public comment period and an appeal period. No comments or appeals were submitted regarding expansion of the urban growth area.
  - e. The City of Oak Harbor forwarded the urban growth area analysis and amendments to state agencies for the mandatory 60 day state agency review.
  - f. The Washington State Department of Community, Trade and Economic Development provided feedback to the City of Oak Harbor complimenting their public process and the land capacity analysis specifically.
45. The Planning Commission finds that the Oak Harbor analysis is a reasoned approach that meets the requirements of the Growth Management Act. The City's recommendation is based on a factual and technically sound analysis. The City's recommendation includes a policy decision to allow for a market factor supply of 126% which is only slightly above the brightline of 125%. The Planning Commission finds that it is appropriate to accept the City's goals and policies for accommodating the 2025 population projection given the technically sound analysis that supports the recommendation.
46. Substantial public interest was generated as a result of the UGA amendments submitted by the City of Oak Harbor. The Planning Commission conducted a public hearing and two public meetings in which these amendments were discussed and public comment provided. While a number of objections were raised regarding the merits of expanding the Oak Harbor UGA the Planning Commission finds that the City of Oak Harbor conducted a technically valid and sound land use capacity analysis. The analysis that was provided includes a thorough explanation of the methodology that the City used; a detailed summary of the population potential within the existing UGA and the proposed expansion areas; and a reasonable explanation of how capacity was determined given that some parcels are undeveloped, some are underdeveloped, and some are developable but are unlikely to be developed due to landowner preference.
47. The Planning Commission evaluated the rationale for why Oak Harbor has proposed a UGA with a capacity of 126% the population projection. The Planning Commission finds that this is a discretionary policy determination. Nonetheless, this type of policy determination still needs to be compliant with the Growth Management Act. The Planning Commission has reviewed the land capacity analysis submitted by the City; the minutes of the many public meetings and hearings held by the Task Force, City

Planning Commission and City Council; and the public record submitted by the City. The Planning Commission finds that the City's discretionary policy decision is consistent with Chapter 36.70A RCW, is consistent with precedence established through the Growth Boards and courts, and is based on a sound technical analysis that supports the policy decisions. Therefore, the Planning Commission fails to find relevant facts that demonstrate that the Oak Harbor recommendation is inconsistent with state law.

**Conclusions:**

The Island County Planning Commission has reviewed CPA 155/04 and hereby recommends that the Board of Island County Commissioners adopt the proposed amendments and findings of fact. This action satisfies the Counties update obligations for population projection and urban growth areas pursuant to Chapter 36.70A RCW.

Respectfully submitted through the Island County Planning Department to the Board of Island County Commissioners, pursuant to RCW 36.70.040 and ICC 16.26, this \_\_\_\_\_ day of January 2007 by,

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*Scott Yonkman*  
*Island County Planning Commission, Chairperson*