

Urban Growth Areas Policy Discussion – The Return of Long-term Growth Areas?

Introduction

In 1988 the Cities of Lacey, Olympia and Tumwater and Thurston County adopted a “Memorandum of Understanding: An Urban Growth Management Agreement.” That agreement established ‘two-tiered’ urban growth areas. The “short-term” urban growth area was an area within which urban growth would occur over the next ten years, and “long-term” urban growth areas provided for growth to occur over an 11 to 25-year time horizon. The County-wide Planning Policies adopted in 1993 in response to the Washington Growth Management Act largely superseded this agreement and although affirming the concept of a two-tiered approach presented it as an option that ultimately was not included in the Joint Olympia-Thurston Comprehensive Plan. This policy discussion focuses on whether Olympia should pursue reestablishing a two-tier growth area approach.

Source of Topic

Policy-makers, planners, and utility managers, as well as members of the public during Imagine Olympia scoping, have often questioned whether the approach selected in 1994 inappropriately allows sprawl by permitting development at the urban growth area edges where urban services and facilities are lacking.

Regulatory Framework

The Growth Management Act requires that Thurston County designate urban growth areas where urban growth is encouraged and that collectively include areas and densities sufficient to permit urban growth projected to occur in the succeeding twenty-year period, OMC 36.70A.110. The two-tiered approach with short- and long-term growth areas is an option, but not required.

Existing Conditions and/or Implementation

The Thurston County County-wide Planning Policies provide that, “The establishment of short term urban growth boundaries is optional. Any existing short term boundaries and their

methods of expansion as established under urban growth management agreements will remain in place until such agreements are re-examined.” (Policy 1.3) “In order to accommodate ... growth ... each city will: Concentrate development in growth areas by: ... e. Where urban services & utilities are not yet available, requiring development to be configured so urban growth areas may eventually infill and become urban.” (Policy 2.1e)

As noted, Olympia and Thurston County elected not to utilize two-tiered growth areas, i.e., to not include long-term growth areas where urban development would not be permitted until urban services were present. Instead, zoning consistent with the Future Land Use Map and urban densities was adopted for the entire urban growth area. That zoning provides that where City water or sewer service is lacking, i.e., for developments that utilize on-site systems, development shall be clustered and a “reserve tract” created which cannot be developed until municipal services are available.

The cluster and reservation are to be designed and include a “future development plan” so that the minimum density of the zone can someday be attained, OMC 18.04.080(E). On-site sewage systems for more than one lot are only allowed if the cost is substantially less than connecting to the City system. Where any such on-site sewage-treatment systems serve more than one lot, Olympia’s regulations require that the system be dedicated to and maintained by the City. Private water systems may be established if the cost of connecting to the City’s system is unreasonable.

Only a couple developments, both on the westside, have selected this approach. Although conversion of these to City service is expected in the near future, to date no ‘reserve areas’ have been utilized for development. Although constrained by budgets, the City is now actively seeking to extend utility services into unserved parts of the urban growth area. Because S.T.E.P systems are no longer permitted, pressure to accept on-site sewage treatment systems may increase.

Options & Analysis

In general, this policy question presents two broad options. One, retain the current practice with a single urban growth area, and apply utility regulations and practices as a means of assuring urban densities in fringe areas. Or, two, reestablish long-term growth areas with low density zoning where development is limited until urban services are available. The attached

[Utility Service Areas Map](#) depicts five areas where utility services are lacking and long-term growth areas might be created.

Although Lacey, Olympia and Tumwater opted to abandon the two-tiered growth area approach, the smaller cities in Thurston County such as Yelm have continued the practice. Two-tiered growth areas with short- and long-term concepts are also utilized by other counties such as Spokane, Snohomish, Island, and Whatcom.

	OPTION 1: NO ACTION	OPTION 2: CREATE LONG-TERM GROWTH AREAS
Zoning	Urban density zoning would continue to be in place throughout the urban growth area.	Areas between a new 'short-term' growth boundary and the long-term urban growth boundary would be rezoned to a lower density reservation category, such as one unit per five acres.
Utilities	The City would continue to pursue extension of water and sewer lines to the entirety of the growth area as soon as possible. On-site sewage systems would be City managed.	Utility extension would be focused on areas within the short-term growth boundary. New private on-site systems would be deterred.
Other Urban Services	Other services such as fire and police protection would be focused on the short-term growth area.	Rural level services would generally be provided in the long-term growth area.
Growth Reserves	Areas designated for future growth could immediately be developed if redevelopment plans are provided.	Long-term growth areas would have minimal development and be available for urban development only when urban services became available.
Buildable Lands Reporting	Thurston County's buildable lands report is based largely on zoning, with some consideration of phasing prospects.	Lower density zoning in long-term growth areas would require an increased focus on Comprehensive Plans and growth phasing policies to determine land capacity.
Property Taxes	Assessments of property value are based in general on zoning, leading to overvaluation and	Property taxes in the long-term growth areas would decrease, with a resulting shift to other properties.

	higher taxes than maybe appropriate where urban utilities are not readily available.	
Property Owner Expectations	Zoning based on an assumption of utility services sometimes leads property owners to believe more development is possible than is practical.	Down-zoning to implement long-term growth areas would reduce expectations, but would also be controversial to enact.

Link to Vision and Values (2011)

The draft Values and Visions Statements do not directly address this topic, but two statements are relevant. “The City of Olympia is responsible for creating strong development regulations to support our plan, for providing the infrastructure to support growth, and for monitoring our success in achieving the goals of the Comprehensive Plan.” And, “Our city actively seeks partnerships with other local governments, tribes, and the state, so that we can identify strategies to solve problems that transcend our boundaries.”

Preferred Option

To implement a two-tiered growth area would require the cooperation and support of Thurston County. The possibility of pursuing this option has been discussed with County staff and with TRPC staff now engaged in preparation of a regional sustainability plan. Given that a return to long-term growth areas would require substantial changes in zoning and other regulations, City staff believes that the goal of avoiding development at less than planned densities can best be achieved by first reevaluating the utility extension practices and non-utility development standards applicable to areas that lack utilities and other urban services. In other words, any enactment of two-tiered growth areas should await County-wide policy discussions expected to conclude the regional sustainability plan proceedings.

List of Resources

- Memorandum of Understanding: An Urban Growth Management Agreement, June, 1988 (Appendix 4A of Urban Growth Management and Annexation chapter of Comprehensive Plan).
- Thurston County County-wide Planning Policies, August, 1993 (Appendix 4B of Urban Growth Management and Annexation chapter of Comprehensive Plan).