

EXHIBIT B

**FREELAND SUBAREA PLAN AMENDMENT
REVISIONS TO CHAPTER ONE, LAND USE ELEMENT**

(A Comprehensive Plan Amendment under ICC 16.26)

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INTRODUCTION

FREELAND

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In an effort to provide local citizens with an opportunity to have more say in their community, Freeland was established as a planning area in 1998, and as a Non-Municipal Urban Growth Area (NMUGA) in 2007, covering 1,200± acres (or 2 square miles) of land. Under the Growth Management Act, Urban Growth Areas must be adequately sized to accommodate urban population and employment growth projected for the next twenty years, and cannot be larger than necessary to accommodate this population. For this reason the Freeland NMUGA boundaries were reduced in 2016 to 423± acres (or roughly two-thirds of a square mile), ~~per Island County Wide Planning Policies 3.3.9 and 4.3.9 (See Chapter 1, Land Use, Section 1.2).~~

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2016 UPDATE SUMMARY

The 2016 FSP is built upon the 2007 and 2010 FSP and preserves their basic components and intentions. The 2016 update reorganizes earlier versions of the FSP to match the 2016 Island County Comprehensive Plan (ICCP) organizational structure and formatting (including Goal and Policy language and numbering standards), and condenses the text by removing repetitive materials and moving some background information to the appendices or replacing with a reference to the ICCP.

2018 REVISIONS

Minor revisions were made in 2018 to ensure that the Subarea Plan and new zoning code are aligned and to provide additional documentation of the foundational theories and intended purpose for the development regulations. The revisions include:

- De-coupling the land use designations and zoning districts to allow for a rezoning to occur as a Type III permit (not requiring an update to the Plan);
- Updating the zoning district information and adding and rezoning processes/criteria;
- Adding provisions related to incremental growth; and
- Minor edits (i.e. updating CWPP numbering, adding clarity, etc.).

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Implementation

The Freeland Subarea Plan (FSP) establishes the policy framework for the Freeland development regulations.

The FSP and development regulations place emphasis on regulating the physical *form* of development in order to achieve a desired look and function over the conventional approach of focusing on regulating the more abstract *use* of land, but both approaches are used (a customized, hybrid form-based code) with specific performance standards, in an effort to achieve the desired results of the Plan.

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1 Land Use

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1.2.3 Revisions to The Urban Growth Boundary

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The County Wide Planning Policies (CWPPs) establish a process ~~for~~ to consider potential revisions to the UGAs (Section 3.3), ~~including the automatic review if needed~~, including if the population growth in the UGA exceeds fifty percent of the population growth allocated to the UGA at the start of the planning period and if the County determines that additional capacity is needed to address the higher than anticipated growth rate. The analysis will also be revised with the next periodic update.

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1.3 Existing Conditions

1.3.1 LAND USE

1.3.1.1 Typical Uses

Freeland ~~is surrounded by lands but it's~~ central location on south Whidbey has gradually enabled it to emerge as a residential and commercial hub of local significance. Commercial land uses include a general variety of commercial retail and professional services as well as light manufacturing and storage facilities.

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1.3.1.2 Future Planning Area

A Future Planning Area (FPA) was established in the area surrounding the NMUGA, similar to a Joint Planning Area surrounding municipal UGAs. The general character and zoning is rural and residential, with

higher clustering of homes along the shores of Mutiny Bay. Development in this area should remain rural until it is brought into Freeland's urban growth area. This will help prevent incompatible development from precluding urban level development if Freeland expands.

~~CWPP 3.2.3 established a process whereby t~~The County may adopt a Future Planning Area around the NMUGA and assign overlay designations, similar to the Joint Planning Areas overlays, to establish locations and process for sequencing future growth of the NMUGA (CWPP 3.2.4). The County will consider this option in the next periodic update cycle or on a future annual docket.

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1.4 Future Land Use Plan

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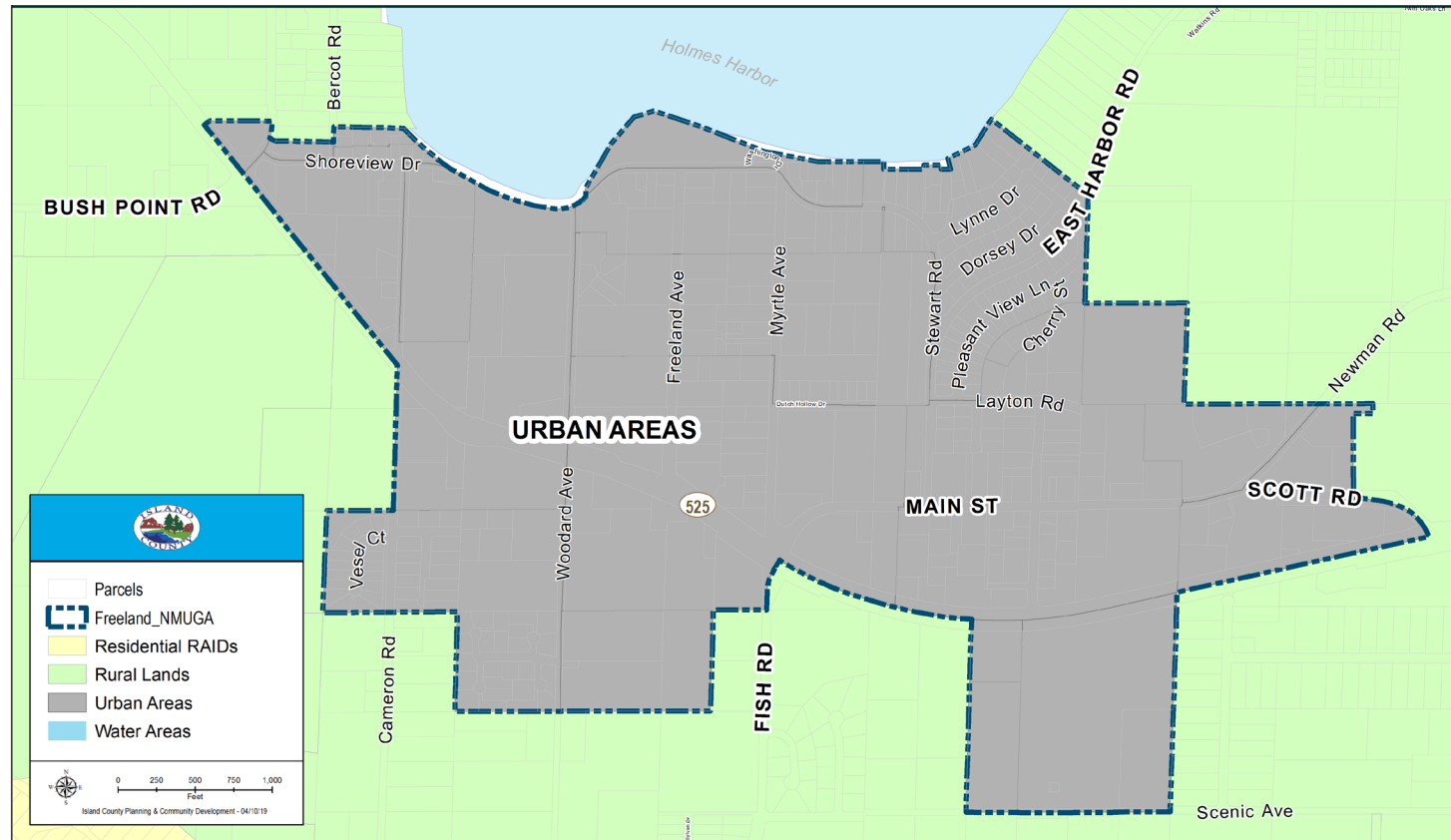
1.4.2 ZONING AND FUTURE LAND USE DESIGNATIONS

~~A mix of land uses should be encouraged in Freeland to ensure residents are within close proximity to commercial services and quality civic spaces helping to reduce auto dependency and facilitate alternate modes of transportation.~~

The Future Land Use Designation for Freeland is "Urban Areas" (see the Island County Comprehensive Plan Chapter 1, Land Use Element and Map D), ~~It is important to note the future land use designations and zoning are not the same. Future land use designations~~ providing a framework for the implementing zoning and development regulations. Zoning names, boundaries, and colors ~~may be~~ are different from land-use designations. ~~At present, however, Freeland's zoning and future land use designations have matching names, boundaries, and colors, and thus both are represented on the same map. The zoning districts and development regulations implement the vision of the Plan (see the Introduction, Implementation section), providing for a mix of land-uses to ensure residents are within close proximity to commercial services and quality civic spaces, help reduce auto dependency, and facilitate alternate modes of transportation.~~

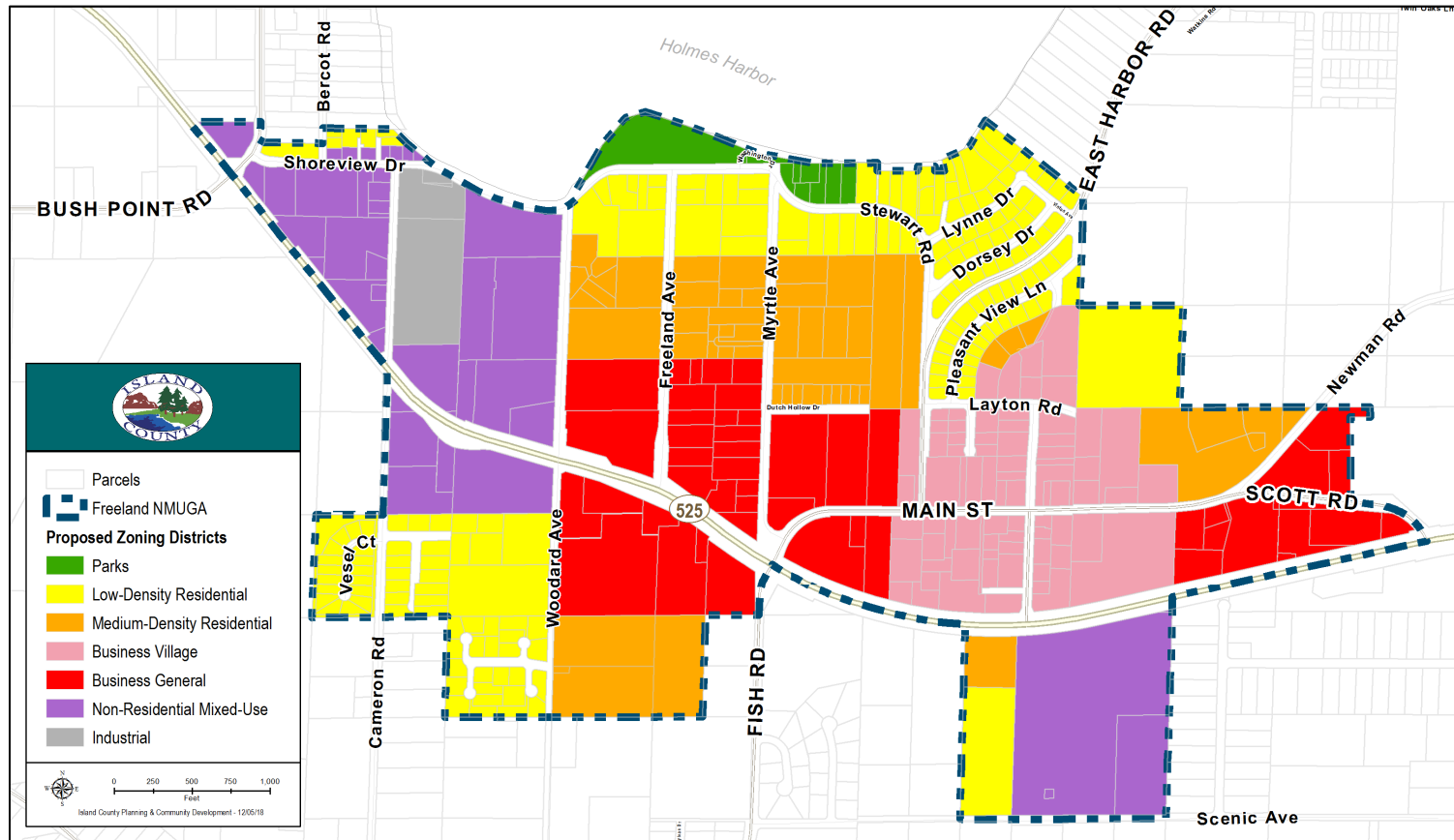
The Freeland zoning districts have been established in Chapter 17.06 ICC, and are briefly described below and shown in Map E. Please note that the densities shown are the maximum potential densities. The regulations allow for limited, incremental growth under septic capacities unless sewer is available (see section 1.4.3.1). Not all properties will have septic capacity that would allow for growth that is increasing their density from the RAID standards prior to the installation of sewers, and the majority will not be able to reach the maximum allowed density. A sewer system is necessary to fully implement the Subarea Plan potential densities.

MAP D. Future Land Use Designation Map



This map is intended to be used as a GUIDE. Island County is providing this information as a general geographic representation that should not be used for precise measurements or calculations. Some of the features on this map are not accurately depicted. Any user of this map assumes all responsibility for use and agrees to hold Island County harmless for liability, damages, or loss incurred by use of this information. Specific questions should be directed to Island County's Department of Planning and Community Development.

MAP E. Zoning Districts Map



LD

1.4.2.1 Low Density Residential

Land Use Character & Intent

- 100% residential neighborhoods including both detached and attached single family housing types, with ~~typically~~ 2 - 4 dwelling units/acre.
- Transitional zone between rural and more urban zones.
- Building setbacks are typically large and variable.

Primary Land Uses:

- Single family detached homes on relatively large lots

Secondary Land Uses:

- Single family attached homes, guest cottages
- Group quarters, civic & institutional uses, parks & open space

MD

1.4.2.2 Medium Density Residential

Land Use Character & Intent

- 100% residential neighborhoods with a diversity of housing unit types ranging from small lot single-family detached units to urban residential structures, with ~~typically~~ 5 - 12 dwelling units/acre.
- A mix of residential housing types, including “Missing Middle” housing types (i.e. cottage housing, courtyard apartments, and bungalow courts), that supports abutting commercial areas and provides housing choices for people of various incomes and ages within walking distance of the goods and services required for daily living.
- Transitional zone between low density residential and areas of more intense development, ~~within walking distance of the goods and services required for daily living.~~
- ~~Build-to~~ Minimum and maximum setback lines are used to maintain a pedestrian scale while allowing for more flexibility in appropriate districts, except where setbacks are appropriate to maintain view corridors ~~(see 2.3.2.2).~~

Primary Land Uses:

- Single family and multi-family dwellings, group quarters

Secondary Land Uses:

- Civic & institutional uses, ~~group quarters~~, parks & open space

BG

1.4.2.3 Business General

Land Use Character & Intent

- Employment and shopping destinations with a mix of office, retail, and restaurants. Developments will encourage active living with a network of walkable streets.
- Single or multi-tenant buildings, with setbacks that are zero to moderate, except where appropriate to maintain view corridors ~~(see 2.3.2.2)~~

Primary Land Uses:

- A diverse mix of commercial buildings, mixed-use or flex buildings, civic & institutional uses

Secondary Land Uses:

- Restaurants, hotels, live/work units, ~~multi-family dwellings~~, parks & open space, parking structures

BV

1.4.2.4 Business Village

Land Use Character & Intent

- The center of Freeland’s economic, entertainment and community activity. Shopping, cultural, and entertainment destinations surrounded by mixed-use neighborhoods, providing a civic component where community can “come together”.
- The Business Village is a pedestrian-oriented environment, where walkability is emphasized, with a traditional village atmosphere.
- Build-to lines are used to maintain a pedestrian scale, except where setbacks are appropriate to maintain view corridors ~~(see 2.3.2.2)~~

Primary Land Uses:

- A diverse mix of commercial buildings, restaurants, mixed-use or flex buildings, civic & institutional uses

Secondary Land Uses:

- Hotels, live/work units, multi-family dwellings, parks & open space, parking structures

NM

1.4.2.5 Non-Residential Mixed-Use

Land Use Character & Intent

- Includes a diverse mix of commercial land uses including light manufacturing as a transitional zone between residential and industrial area. Building heights are lower to lessen the impact on adjacent residential areas.
- Building setbacks are moderate to deep, but designed to support the pedestrian experience.

Primary Land Uses:

- Light manufacturing, office, flex buildings, mixed-use

Secondary Land Uses:

- Retail, ~~multi-family~~, civic & institutional uses, essential public facilities

INDL

1.4.2.6 Light Industrial

Land Use Character & Intent

- Light industrial land uses, screened from the right-of-way by vegetation and fencing.
- Building setbacks are moderate.

Primary Land Uses:

- Light manufacturing, marine manufacturing

Secondary Land Uses:

- Commercial, retail, ~~multi-family~~, civic & institutional uses, essential public facilities

PUB

~~1.4.2.7 PUBLIC~~

~~Land Use Character & Intent~~

- ~~• Public and capital facilities, including civic buildings, schools, libraries, police and fire stations, postal facilities, parks, and essential public facilities such as water and sewer treatment.~~

~~Primary Land Uses:~~

- ~~• Civic & Institutional uses, parks & open space~~

~~Secondary Land Uses:~~

- ~~• Essential public facilities~~

1.4.3 ZONING AMENDMENTS

1.4.3.1 Review Process

Zoning amendments that are within the Freeland NMUGA shall be a Type III decision and processed pursuant to ICC 16.19.170. Any expansion of the Freeland NMUGA will require a rezoning to a Freeland zoning district, processed in conjunction with the Comprehensive Plan Amendment application, which shall be a Type IV decision and processed pursuant to Chapter 16.26 ICC.

1.4.3.2 Rezoning Criteria

Rezoning criteria have been established in ICC 17.06.140 to:

- Protect the character of the community while encouraging urban growth within the designated urban growth area;
- Provide logical and orderly growth patterns that will help to provide predictability and stability to the community even during times of growth and change; and
- Ensure that changes support the vision of the Subarea Plan, including goals and policies Goal 1, LU 1.1, LU 1.2, LU 1.3, LU 1.4, LU 2.3.2, Goal 4, LU 5.8, ED 1.1.1, and ED 2.1.

1.4.4 INCREMENTAL GROWTH PROVISIONS (SCENARIO PLANNING & PHASING)

Freeland has been designated as an Urban Growth Area under the GMA, per RCW 36.70A.110 & RCW 36.70A.115, inside of which growth shall be encouraged. The Growth Management Act (GMA) requires that the County shall ensure that there is a sufficient capacity of land suitable for development to accommodate the projected allocated housing and employment growth (RCW 36.70A.115).

Pursuant to the Washington State Growth Management Act, the obligation to provide sewer service is not limited to new Urban Growth Areas. Sewer must be provided to all urban areas, including areas, such as Freeland, that are already developed but which do not currently have sewer service (WAC 365-196-320). In addition, capital facility plans, which describe how services and infrastructure will be provided, must be consistent with adopted land use plans (RCW 36.70A.070 & WAC 365-196-320(1)(d)). Washington State law and Island County Planning policies require that comprehensive plans cover a twenty year period, so sewer planning must show how sewer will be implemented during the planning period.

Until sewer is provided (see discussion of Freeland Water & Sewer District Comprehensive Sewer Plan in Chapter 4), a phased approach to development shall occur in Freeland. This section outlines the phasing plan for Freeland under WAC 365-196-320 and WAC 365-196-330, allowing for slower growth with septic systems and providing mechanism for allowing for faster growth in the future if sewer is available to ensure that the UGA can accommodate the allocated growth.

Per WAC 365-196-320(1)(f), the use of on-site sewer systems within urban growth areas may be appropriate in limited circumstances where 1) there is no negative effect on basic public health, safety, and the environment and 2) the use of on-site sewer systems does not preclude development at urban densities. Such circumstances may include on-site sewer systems as a transitional strategy where there is a development phasing plan in place.

- In Island County, all systems must be installed and maintained pursuant to Island County Public Health codes (Title 8 ICC).
- Future densities are protected in Freeland by requiring a Future Development Plan (see 1.4.4.1 below).

Please note: the incremental growth provisions only apply to the densities; all other standards (i.e. setbacks, height restrictions, and design standards for blocks, sites, and buildings) will be effective upon adoption.

1.4.4.1 Implementation of Urban Densities

Phasing of Densities. Densities in Freeland are limited to (capped at) septic capacity until sewer is available, with capacity as determined by the health official. The development in Freeland

may occur, but is capped at septic capacity as a transitional strategy / phasing plan for growth in the Freeland NMUGA (WAC 365-196-320(1)(f)(i) & 365-196-330).

This phasing provision will limit growth to areas with existing urban development (the NMUGA) and where there is existing service capacity (through appropriately designed septic systems), and thereafter will allow growth that will be phased to coincide with the Freeland Water & Sewer phasing plan as the sewer infrastructure is installed.

Protection of Future Urban Densities. A future development plan will be required for each land use and building application developed with a septic system, as per ICC 17.06.110. The County will review the proposal and any applicable Future Development Plan to ensure that any development that occurs with septic will not hinder future development at urban densities, per WAC 365-196-330(2)(c). Review will include, but is not limited to, the following:

- a. Placement of buildings or lots are not in conflict with plans for future infrastructure (including roads, trails, and utilities) as approved in an adopted Comprehensive Plan, Capital Improvement Plan, Transportation Improvement Plan, Non-Motorized Trails Plan, or similar Plan adopted by the Board of Island County Commissioners; and
- b. The project is not developed in a manner that precludes future urban densities.

The Freeland Zoning Code has been written in such a way as to provide provisions that allow limited development to occur in such a way that does not preclude more intense development when sewer is made available. The goal is to provide standards for development in Freeland for properties with and without sewer in a manner that the ultimate implementation of the urban densities is protected (per WAC 365-196-320(1) and limited code changes are needed when sewer is installed (per WAC 365-196-330(2)(d)).

1.4.4.2 Non-Conforming Structures & Lots

Incremental growth provisions for non-conforming structures and lots are allowed per ICC 17.06.250.D.2, with the primary intent to ensure an addition and/or new building added to the lot does not increase the non-conformity in relation to the setbacks and that new buildings add to the pedestrian character of the district. Existing business are encouraged to come into compliance with the new zoning code, but these provisions allow for each property owner to make an individual decision on the timing and extent of changes that work best for their business while ensuring that large changes are compliant due to their larger impact on the community.

1.4.4.3 Transitional Uses

The Freeland community expressed a desire to have distinct zoning districts, but with smooth transitions between districts. In traditional neighborhood development patterns used in early town settlements in the US, corner lots have often been used as transition zones between residential and non-residential uses or for neighborhood nodes that can provide small

commercial and/or live/work units that offer an opportunity for small local businesses that serve the community (small restaurant, doctor's office, etc.).

This concept can be utilized in Freeland, allowing additional (limited) uses at certain intersections where zoning district boundaries meet (where a district across the street allows for more uses than your district, for example). Transitional uses may be utilized in lieu of zoning amendments to increase flexibility in the community while still protecting the integrity of the character of the existing neighborhoods. Limitations on transitional uses are an important part of that protection, and shall include but are not limited to the following conditions.

- a. Transitional uses are only allowed where zoning district boundaries meet, where property is adjacent to a district that allows additional uses at the front or side yard (rear yard adjacency is not applicable).
- b. Transitional uses are limited to specific locations as identified in ICC 17.06.205; no mid-block, non-contiguous transitions will be allowed.
- c. Transitional uses are limited to those specifically identified in the use tables (ICC 17.06.210 & ICC 17.06.220).
- d. Transitional uses do not change the underlying zoning district requirements related to lot sizes, building setback, and building heights. The Planning Director may apply additional conditions to protect the neighboring uses, based on site constraints and existing uses on neighboring properties.

1.4.4.4 Density Shifts (High/FAST Growth Scenario)

Planners across the country are trying to find ways to integrate incremental, organic growth directly into their codes - coding a community so that neighborhoods are on a growth continuum instead of static standards, allowing for orderly growth in a way that can accommodate different growth scenarios. This is especially important in communities like Freeland that are planning for the transition from septic to sewer (as required for UGAs by the Growth Management Act). Incorporating this provision directly into the code has the following benefits:

- a. Allows for incremental growth through density shifts in a way that is predictable and requires minimal code updates to implement;
- b. Is responsive to the housing needs of the community as it grows and market conditions change; and
- c. Provides an effective tool for in-fill and redevelopment, benefiting local residents and small scale developers that choose to invest in their community (can also be attractive to larger builders and developers that have the ability to invest in long-term projects).

We incorporate this concept in part by requiring a Future Development Plan to ensure that projects are not developed in a manner that precludes future urban densities (see Section

1.4.4.1). In addition, if growth in Freeland is higher than anticipated and sewer is available, density shifts may be approved subject to ICC 17.06.110.

By careful management of the triggers and criteria, the community can tailor this approach to meet its housing needs while maintaining the community character and smooth transitions between zoning districts.

NOTE: A density shift shall be considered a “reasonable measure” in lieu of consideration of an expansion to the NMUGA.

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