WHEREAS, Island County has adopted ICC 16.26 to guide the process for annual updates to the Island County Comprehensive Plan and associated plans pursuant to RCW 36.70A.130(2); and

WHEREAS, the County also recognizes that early and continuous public involvement is necessary to ensure updates are suitable for Island County; and

WHEREAS, Island County notified the public that applications for amendments to the Comprehensive Plan are due before August 1, 2017; and

WHEREAS, Planning and Community Development compiled a list of proposed amendments for consideration for the annual review docket, including items that have continued from the prior year; and

WHEREAS, Island County received one application from the public prior to the August 1, 2017, application deadline (Wright's Crossing, CPA 252\17, a proposal for an amendment to the Oak Harbor UGA); and

WHEREAS, the Planning Commission considered the proposed items for placement on the 2018 annual review docket during work sessions at their regularly scheduled meetings on August 14, August 28, and September 11, 2017; and

WHEREAS, the Planning Commission held a public hearing to discuss and make a recommendation to the Board on items for the 2018 annual review docket on September 25, 2017; and

WHEREAS, the Planning Commission voted 5:1 to recommend items for placement on the 2018 annual review docket and to recommend that the Wright's Crossing application (CPA 252\17) be excluded from the docket; and
WHEREAS, the Planning Commission recommended that the items on the 2017 annual review docket that have not been completed be rolled over to the 2018 annual review docket, including:

- Updates to the Housing element,
- Rural Lands regulatory updates,
- Adopting Freeland Development Regulations & related Subarea Plan updates,
- Incorporating the 2017 CWPP updates into the Plan,
- Joint Planning Area revisions for Oak Harbor, and
- Parks element updates; and

WHEREAS, at work sessions on October 4, and October 18, 2017, the Board of Island County Commissioners reviewed the proposed items for the 2018 annual review docket and the recommendations of the Planning Commission; and

WHEREAS, the Board of Island County Commissioners have concurred with the Planning Commission's findings to exclude the Wright's Crossing proposal (CPA 25217) from the 2018 annual review docket; and

WHEREAS, the Board of Island County Commissioners have determined to remove the Parks element updates from the 2018 annual review docket at this time, but move the issue to be included in the Planning Department's 2018 work plan instead, to be reconsidered for placement on a future annual review docket when more fully developed; and

WHEREAS, the Board of Island County Commissioners have determined to remove the Joint Planning Area amendments from the docket at this time, but move the issue to be included in the Planning Department's 2018 work plan instead, to be reconsidered for placement on a future annual review docket when more fully developed; and

WHEREAS, the Board of Island County Commissioners have determined updates to the Comprehensive Plan associated with the 2017 amendments to the Countywide Planning Policies can proceed to adoption in 2017 and thus will not need to be a rollover item to the 2018 annual review docket; and

WHEREAS, the Board of Island County Commissioners held a public meeting on November 7, 2017, to consider approval of the 2018 annual review docket; and

WHEREAS, placing amendment proposals on the docket does not guarantee or imply ultimate approval.
NOW, THEREFORE, BE IT RESOLVED that the 2018 annual review docket, attached as Exhibit A, is hereby approved and adopted.

BE IT FURTHER RESOLVED that the Board of Island County Commissioners excludes the Wright's Crossing application (CPA 252\17) from the 2018 annual review docket and hereby adopts Exhibit B, the Board's Findings of Fact in support of the decision to exclude the application from the docket.

ADOPTED this the 7th day of November, 2017.

BOARD OF COUNTY COMMISSIONERS
ISLAND COUNTY, WASHINGTON

Jill Johnson, Chair

Helen Price Johnson, Member

Richard M. Hannold, Member

ATTEST:

Debbie Thompson
Clerk of the Board
EXHIBIT A

2018 COMPREHENSIVE PLAN ANNUAL UPDATE DOCKET

<table>
<thead>
<tr>
<th>DOCKET ITEM</th>
<th>TARGET COMPLETION</th>
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<tbody>
<tr>
<td>Freeland Regulations / Subarea Plan</td>
<td>1st Quarter 2018</td>
</tr>
<tr>
<td>Housing Element Update</td>
<td>June/July 2018</td>
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<tr>
<td>Rural Lands</td>
<td>TBD</td>
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**NOTE:** All items on the 2018 docket are rollover items from the 2017 Docket. These items are at various stages of completion.
EXHIBIT B

BOARD FINDINGS OF FACT – WRIGHT’S CROSSING (CPA 252\17)

UGA EXPANSION REQUEST – OVERVIEW OF PROCESS & REGULATIONS

UGA expansion processes and regulations can be found in:

- The Island County Comprehensive Plan
  - Chapter 1, Land Use
  - Appendix B, Population Growth Analysis & Accommodations
- The Countywide Planning Policies
- ICC 16.26
- RCW 36.70A.130(3)
- WAC 365-196-310(4)

A UGA amendment shall only be considered by the Board following review pursuant to RCW 36.70A.130(3), WAC 365-196-310(4), and must be consistent with the provisions of the Countywide Planning Policies for Island County (both expansion criteria and Buildable Lands Analysis methodology). In addition, per the CWPPs and the County Comprehensive Plan, the JPA boundaries and overlays designate areas where a future UGA expansion may occur if an expansion is needed, and the sequence of those expansions. UGA expansions may not occur outside of the JPA boundary.

UGA expansions require a countywide Buildable Lands Analysis (BLA). For this type of amendment proposed outside of a Growth Management Act (GMA) mandated periodic update cycle, the applicant must demonstrate that a reevaluation of the UGA is necessary due to a capacity concern (CWPP 3.3.3); however, even if the minimum threshold criteria for review has been met, if it is apparent even without revising the BLA that there would be no change to the UGA(s) warranted, then the proposal will not be docketed.

BACKGROUND

1. Island County conducts planning activities in accordance with Chapter 36.70 RCW (the Planning Enabling Act); and

2. The Washington State Legislature passed the GMA in 1990 to guide the development and adoption of comprehensive plans and development regulations of those counties required to plan under RCW 36.70A.040.
3. State law requires periodic updates of GMA comprehensive plans.

4. The GMA requires that counties subject to the GMA adopt Countywide Planning Policies (CWPP) establishing a countywide framework from which county and city comprehensive plans are developed and adopted, and further requires that these policies be developed with the cooperation of the municipalities within the county as per RCW 36.70A.210(2).

5. On April 1, 2013, Island County Planning & Community Development staff reached out to staff from Oak Harbor, Coupeville and Langley to form an Intergovernmental Working Group (IWG) to better coordinate with the jurisdictions on the 2016 Comprehensive Plan update process, including updating the CWPP and population projections.

6. Island County Planning & Community Development worked with the Intergovernmental Working Group (IWG), which consisted of staff from Oak Harbor, Coupeville and Langley, and held 20 meetings to discuss updates to the CWPPs, population projections, JPA designations and UGA boundaries for the 2016 Comprehensive Plan update.

7. On November 3, 2015, the Board of Island County Commissioners approved Ordinance C-100-15 revising the CWPPs. The updated CWPPs created a methodology to guide future population projections and allocations to ensure consistency in addressing future growth needs.

8. RCW 36.70A.130(3)(b) requires UGAs to be revised to accommodate the urban growth projected in the twenty-year planning period.
   - Per WAC 365-196-310, and after consideration of the Office of Financial Management (OFM) population range and local demographics and market conditions, the Island County 20-year growth projection (for 2036) was set at 9,411, as formally adopted in Resolution C-76-13.

9. Island County Planning & Community Development conducted a Buildable Lands Analysis in accordance with state law and in coordination with the City of Oak Harbor, Town of Coupeville, and City of Langley. The Buildable Lands Analysis concluded that Oak Harbor's UGA had adequate land to accommodate the 20 years of allocated growth and employment.

10. On June 14, 2016, in preparation for the 2016 Comprehensive Plan update, the Board of Island County Commissioners approved Resolution C-74-16 identifying proposed Joint Planning Area overlay maps and Urban Growth Area boundaries in accordance with the outcomes of the Buildable Lands Analysis, the identified and allocated growth, and identified needs.
11. Island County Planning & Community Development held 47 community and advisory meetings in Oak Harbor, Coupeville, Freeland, Langley and Camano Island to discuss the 2016 Comprehensive Plan update.

12. The Board of Island County Commissioners held approximately 94 meetings, the Planning Commission held approximately 33 meetings, and the Board and Planning Commission held approximately 8 joint meetings related to the 2016 Comprehensive Plan update.

13. Island County reviewed over 500 public comments received in 2016, evaluated those comments for impacts that would require a change and/or addition, and made revisions where appropriate.

14. Island County reviewed requests received from the public, from the City of Oak Harbor, from the City of Langley and the Town Coupeville related to map revisions, evaluated the impacts of the requested changes and made revisions where appropriate.

15. On November 17, 2016, the Planning Commission reviewed the proposed update to the Island County Comprehensive Plan and recommended that the Board of Island County Commissioners adopt the updated Island County Comprehensive Plan.

16. On December 13, 2016, the Board of Island County Commissioners passed Ordinance C-139-16, adopting amendments to the Island County Comprehensive Plan.

17. The Countywide Planning Policies were updated in 2017 to add clarity and flexibility to some of the language in the CWPPs and to make such language more consistent with the policy and regulatory requirements provided in state law.

a) The 2017 amendments reflect lessons learned during the 2016 periodic update and allow for local conditions to be more accurately reflected in the Buildable Lands Analysis, including:

i) To align language, JPA expansion criteria, JPA designations, and the protection of resource lands of long term commercial significance more closely with RCW and WACs with particular attention to:

   • WAC 365-196-310 Urban Growth Areas (which provides guidance about designating urban growth areas (UGA) and the sequencing of land into the UGA),
   • WAC 365-196-815 (1)(a) Conservation of Natural Resource Lands, and
   • RCW 36.70A.210 Countywide Planning Policies.

ii) Provide a process and standards for consideration of amendments to Joint Planning Areas (where no formal process existed prior to the update); and
iii) Revise the JPA overlay standards to provide additional flexibility to take into account logical expansion of the UGA and balance that logical extension with the protection of critical areas and resource lands of long term commercial significance by adding content and clarity; and

iv) To allow for certain conditions on the ground to be more accurately reflected at the local level in population projection and Buildable Lands Analysis methodology, including:

(1) The use of a local persons-per-household calculation instead of a countywide average;

(2) A vacancy rate calculation;

(3) A calculation for vacation rentals (units not available for local residential housing needs);

(4) Language shifting rural capacity deficiencies into adjacent UGAs; and

(5) Language to adjust vacant land development potential.

b) Island County reconciled and incorporated comments and concerns provided by the legislative authorities of Coupeville, Langley, and Oak Harbor prior to adopting the proposed amendments to the CWPPS.

c) On July 10, 2017, the Island County Planning Commission voted to recommend that the Board adopt the amended CWPPS.

d) On July 11, 2017, the Board of Island County Commissioners adopted Ordinance C-73-17 revising the Countywide Planning Policies.

e) The revised CWPPs were reviewed by the planning commissions and legislative bodies of Coupeville, Langley, and Oak Harbor and all jurisdictions passed resolutions ratifying the changes made by the Board of Island County Commissioners.

**WRIGHT'S CROSSING APPLICATION (CPA 252\17)**

The Wright's Crossing application (CPA 252\17) is a request for a review of the Buildable Lands Analysis and an expansion of the Oak Harbor UGA, based on NAS Whidbey and Oak Harbor UGA employment growth. The Wright's Crossing parcels consist of approximately 250 acres, but the application also includes approximately 50 additional acres of land that are between the primary parcels and the existing UGA.
PLANNING COMMISSION REVIEW

After a public hearing on September 25, 2017, the Planning Commission voted to recommend exclusion from the docket of the Wright's Crossing application (CPA 252\17), a request for an expansion of the Oak Harbor Urban Growth Area (UGA). Per Island County Code (ICC) 16.26.060(E), in making its docket recommendation, the Planning Commission (PC) considered the following:

1. Has the application been deemed complete?
   • The application was deemed complete for processing on September 6, 2017.

2. Can the application, in light of all proposed amendments being considered for inclusion in the year’s annual docket, be reasonably reviewed within the staffing resources and operational budget allocated to the Department by the Board?
   • The staff resources and time needed to re-run the Buildable Land Analysis (BLA) and evaluate this application would limit the County’s ability to respond to the other items on the 2018 work plan and docket, without additional resources.
   • At this time, a review of the BLA is an extensive effort that may not be warranted.

3. Does the proposed amendment require additional amendments to the Comprehensive Plan or development regulations not otherwise addressed in the application? Is it consistent with other goals, objectives, and policies of the Comprehensive Plan?
   • The proposed amendment would require additional amendments, specifically the Joint Planning Area (JPA) amendments and the need to redo the BLA and UGA.
   • This is consistent with the additional housing concerns, but is inconsistent with others (protection of agriculture, rural character, sprawl, transportation and infrastructure concurrency).

4. Does the proposed Plan amendment raises policy, land use, or scheduling issues, or that the proposal is comprehensive enough in nature that it would more appropriately be addressed as part of a periodic review cycle?
   • It raises policy, land use, and scheduling issues.
   • While not warranted at this time, a review of the BLA may be appropriate before the next periodic update, given resources are available to do so.

5. Does the application propose a regulatory or process change for which no amendment to the comprehensive plan is required and should be reviewed for potential consideration as a part of the work plan?
   • This proposal would need to be docketed.
6. Does the application lack sufficient information or adequate detail to review and assess whether or not the proposal meets the applicable approval criteria. A determination that the proposal contains sufficient information and adequate detail for the purpose of docketing does not preclude the Department from requesting additional information at a later time.

- The Planning Commission can make a recommendation based on the information that is currently available, recognizing that some information is conflicting and additional information may be required.
- Additional information from the Navy EIS and housing study, the state's BLA methodology study, the Housing Element update, and additional analysis will also be important to have.

BOARD FINDINGS OF FACT

The Board of Island County Commissioners approves the Planning Commission Findings of Fact and adds the following additional Findings.

Wright's Crossing Application (CPA 252\17) - Considerations for Revisions to Buildable Lands Analysis & Urban Growth Areas

1) The Growth Management Act requires that an Urban Growth Area be sized to meet the projected growth for the 20-year planning period, and cannot be oversized. RCW 36.70A.110 and WAC 365-196-310 provide guidance for the designation, sizing, and location of UGAs.

   a) WAC 365-196-310(2)(e) states that “The urban growth area may not exceed the areas necessary to accommodate the growth management planning projections, plus a reasonable land market supply factor, or market factor,” and
   b) RCW 36.70A.110(2) states that the UGA determination “may include a reasonable land market supply factor” beyond the area that is sufficient to accommodate projected growth for the 20-year planning period; and
   c) A market factor was included in the methodology of the BLA for the 2016 periodic update; and
   d) The Wright's Crossing proposal (CPA 252\17) is a request for an excess of land to be added to the UGA, and would not be compliant with state law.¹

¹ The Western Washington Growth Management Hearings Board held that sizing the UGA in excess of the acreage required to accommodate the urban growth projection based upon any other factor (such as affordability) other than market factor is not authorized by the GMA. In North Clover Creek v. Pierce County (CP5GMHB Case No. 10-3-0003c, FDO (8/2/2010)), the Central Puget Sound Growth Management Hearings Board discussed decisions about whether land that has “better characteristics for a desired economic purpose” can be added to a UGA that is already oversized and noted that in each of the past cases that addressed this issue, the anti-sprawl/UGA sizing requirements of the GMA trump the economic development goals of the local jurisdiction.
2) The Oak Harbor UGA was allocated a job growth of 167 for the 20 year planning period, but there is evidence that the UGA has added 163 jobs since the adoption of the 2016 Periodic update (in December 2016). The Oak Harbor UGA has additional employment capacity despite faster than anticipated growth in year one, and thus an expansion is not needed at this time.

While the projection allocation may have been too low, the existing capacity is significantly larger than the allocation. The UGA has an employment reserve of 2,690 (1,611% of the allocation), and the employment growth does not create a capacity concern at this time.

3) The latest final public documentation published by the Navy was incorporated into the 2016 periodic update, which indicates that there is not a need for additional housing or capacity based on Navy growth. No changes to Navy's projections have been finalized, and additional capacity related to NAS Whidbey growth is not needed at this time.

4) The proposed Wright's Crossing (CPA 252\17) Urban Growth Area expansion area is not in compliance with the adopted Countywide Planning Policies or the Joint Planning Area overlay map adopted into the 2016 Comprehensive Plan.

a) The proposed location for the UGA expansion is outside of the Oak Harbor Joint Planning Area (CWPPs 1.3.6, 2.4, & 3.1.5 and the 2016 Comprehensive Plan Chapter 1, Land Use, Section 1.5, Future Land Use Designations and Overlays).

b) The proposed UGA expansion is not in compliance with the adopted Joint Planning Area Overlays governing the UGA expansion criteria adopted in the Countywide Planning Policies (CWPP 3.2.2, & 3.3.7 and 2016 Comprehensive Plan Chapter 1, Land Use, Section 1.5, Future Land Use Designations and Overlays).

i) The CWPPs requires that land considered for inclusion in the UGA be within the JPA. The Wright’s Crossing proposed UGA expansion is outside of the Oak Harbor JPA.

ii) The adopted and ratified CWPPs specify an order for inclusion in the UGA through the use of overlay designations.

(1) UGAs may not be extended outside of the JPA.

(2) CWPP 3.2 & CWPP 3.3.7 provide for the designation of Priority Growth Areas (PGA) and Auxiliary Growth Areas (AGA) within the JPA to guide and control future development and UGA expansions. UGA expansions must first include PGA lands, then undesignated lands second, and AGA lands considered last.

(3) Even if the JPA were expanded to include all of the property in the Wright's Crossing application, most of the Wright's Crossing proposal includes property that meets the criteria for the AGA overlay — to be considered last for potential UGA expansions.
(4) All of the PGA areas and undesignated areas would have to be included in the Oak Harbor UGA before the AGA-qualifying parcels in the Wright’s Crossing application could be considered for incorporation into the UGA.

5) The review of a UGA for possible expansion is a significant undertaking, that typically alters the residential or employment capacity of a UGA (by increasing the UGA area), and will require a countywide Buildable Lands Analysis (BLA) review that includes a County population projection that does not exceed the Office of Financial Management (OFM) published ranges, and include an evaluation of the allocation of growth to each Planning Area and UGA.

Due to the extensive review process required, generally UGAs should only be enlarged or modified during the periodic update process, per WAC 365-196-310. UGAs may, however, be modified outside of the periodic update process if necessary to accommodate major and unanticipated fluctuations in population, or if necessary to accommodate a large employer or institution. There is no evidence of a need for a UGA expansion at this time for either population or employment needs.

6) There are several current studies and initiatives in progress that will provide additional information and guidance on housing needs in Island County, as well as guidance for potential future methodology revisions for the Buildable Lands Analysis. Any review of the BLA process should not be taken until after these efforts are completed to ensure compliance with state law and to maximize use of limited resources. These studies and initiatives include the following:

a) The Washington State Legislature adopted SB 5254 in 2017, with instructions to the Department of Commerce to develop guidance materials on revisions to the Buildable Lands program. By December 1, 2018, the Department, in cooperation with local governments and stakeholders, must develop guidance materials on the Buildable Lands process. The Department must also develop guidance for the appropriate market factor analysis.

There are two main aspects of SB 5254 that may impact the County’s methodology for Buildable Lands Analysis:

i. **Reasonable measures** - Reasonable measures are actions necessary to reduce differences between growth and development assumptions and actual development patterns. Reasonable measures include reviewing and revising regulations and conditions which may impact development or prevent achievement of planned densities.

ii. **Market factors** - A BLA must use a reasonable land market supply factor identifying reductions in suitable land for residential development and employment activities.
Prior to the next periodic update, the County will need to review the Department of Commerce guidance materials for potential revisions to the BLA methodology as adopted in the CWPPs.

b) The Navy is currently preparing an Environmental Impact Statement (EIS) related to growth at the NAS Whidbey installation. The EIS has been delayed in order to evaluate the impact newer technologies will have on service members assigned to NAS Whidbey. Any revisions have the potential to revise the population projections.

c) The Navy has been in contact with the County and is currently completing a Housing Requirements and Market Analysis (housing study) which may impact the percentage of housing provided on base, which would decrease the need in the community, in addition to a number of other changes that may impact the BLA.

d) Island County is in the process of updating the Housing Element of the Island County Comprehensive Plan, which includes significant outreach to the community and data analysis focused on determining the specific housing needs of the community. The outcomes of the Housing Element may result in changes that could impact and/or inform revisions to the County’s BLA process.

7) Based on the work that has already been done to date on the BLA, and fact that the initiatives in progress that may impact the BLA process, the Board finds:

a) An adopted Buildable Lands Analysis, conducted per WAC 365-196-315 and RCW 36.70A.217 through the 2016 periodic review and update process and adopted with the 2016 Comprehensive Plan, determined there is existing capacity for the projected growth under current conditions (zoning, etc.), and no UGA expansion is warranted at this time;

b) Running a new BLA is a significant undertaking, and is not a reasonable use of limited staffing resources and operational budget one year into the 20-year planning period;

c) The next BLA process should not occur until after all current initiatives, including the state’s revision to the Buildable Lands process, are completed and incorporated into the County’s process;

d) A UGA amendment requires at minimum an update of the Land Use Element. In addition, a review and potential update of the transportation, capital facilities, utilities, and housing elements may be required to maintain consistency and show how any new areas added to the urban growth area will be provided with adequate public facilities. Because of the significant amount of resources this entails, this is not a reasonable use of limited resources one year into the 20-year planning period; and

e) Consideration of the Wright’s Crossing application (CPA 252\17) is premature.
8) The Board has determined to **exclude** the Wright's Crossing application (CPA 252\17) from the 2018 annual review docket due to the following:

   a) It is not compliant with state law regarding the sizing of UGAs;
   
   b) It is not compliant with the adopted Comprehensive Plan;
   
   c) It is not compliant with the adopted Oak Harbor Joint Planning Area;
   
   d) It is not compliant with the adopted Countywide Planning Policies; and
   
   e) There is no evidence that a UGA expansion is needed at this time.