

GMA Planning Informed by Market Realities

PRESENTATION

Kapena Pflum, AICP
APA WA Planning Conference
October 2, 2013

What is this Session All About?

Interface between Market Reality and Planning

- How can data-driven trend analysis inform planning and strategy?
- How do you deal with slower or faster than expected growth?
- How do you adjust plans to reflect changing market position and market demands?



PLANNING INFORMED BY MARKET REALITIES

Economic cycles bring inevitable highs and lows. How do you plan for the future given the recent economic downturn and now a slow recovery? How can data-driven analysis inform planning and strategy?

RECENT PROJECTS

Kitsap County Urban Growth Area Sizing

Kitsap County was facing difficult decisions to reduce the size of UGAs. In the last ten years, the County housing market saw a period of rapid growth followed by a marked slow down. BERK helped the County make sense of these competing market trends to inform future plans and UGA sizing discussions.

- *How do you know if your UGAs are too big or too small?*
- *What do you do when the easy land is being used up first?*

Year	Developable Land (Acres)		Average Lot Size (Acres)
	Vacant	Infill	
2006	3,400	2,300	2.1
2010	2,700	2,300	1.7
Acres Used	700	0	

Covington Northern Gateway

Covington is a rapidly growing community already exceeding GMA growth targets. Its new competitive position was assessed to help the City align plans with market demand.

- *What happens when your market position completely changes?*
- *How do you deal with rapid unexpected growth?*



BERK STAFF NEWS:



Welcome Kevin Gifford, AICP!
Kevin joins BERK and brings over seven years of experience in land use, environmental, and community planning.



Lisa Grueter, AICP and Morgan Shook at the PAW Conference!

Lisa will be leading "Planning for the Other Side of the Urban Line" joined by Clark and Whatcom Counties. Morgan will be co-presenting "Comprehensive Planning in the New Normal." April 11 and 12 in Lake Chelan.

CONTACT LISA GRUETER, AICP:
lisa@berkconsulting.com

GIVE US A CALL: 206.324.8760

ON THE WEB: www.berkconsulting.com

Different Perspectives

Whatcom County

- Northwest county with Canadian border market influences
- Agricultural and natural resources market-based programs

City of Covington

- Emerging activity center with recent growth exceeding long-range targets
- Guiding and balancing growth to create sense of place

Kitsap County

- Assessing UGAs in context of recession – land capacity and infrastructure considerations
- Impacts of annexation and incorporation

Session Overview

- **Introductions – 5 mins**
- **Speaker Presentations - 50 mins**
 - 10 minutes each, brief Q&A
 - Overview of issues facing community, tools/actions
- **Open Q&A – 35 mins**

Questions?



Contact Info

Kapena Pflum, AICP

BERK Consulting

kapena@berkconsulting.com

206-493-2378

KITSAP COUNTY
Land Capacity, Infrastructure and Market Factors
 OR
 How I Learned to Stop Worrying and Love Working with Engineers



Kitsap County Special Projects
 October 2, 2013

LAND CAPACITY

How to ensure adequate land supply for urban growth?

“Real” Capacity

Beyond colors on a map

KITSAP COUNTY COMP PLAN

Analysis of Vacant and Underutilized Land

Spreadsheet exercise

Area assessments to “truth” calculations

Impediments to urban development

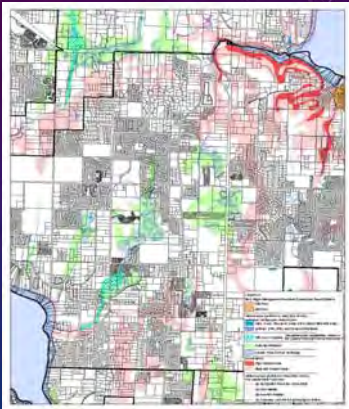
AREA CHARACTERISTICS

Infrastructure is paramount
 (particularly wastewater) and it costs \$\$\$

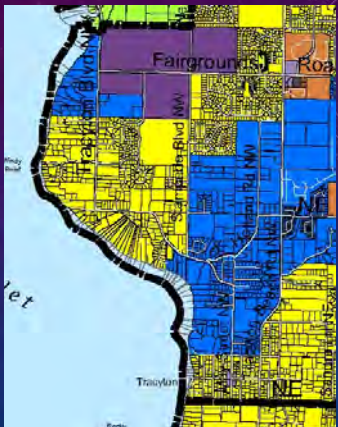
Designated urban area should be evaluated for:

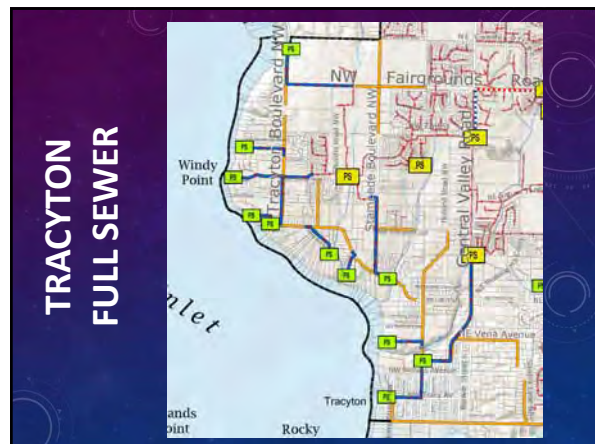
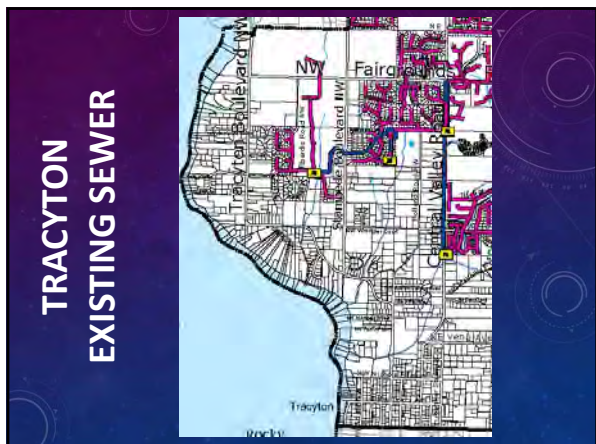
- Future wastewater infrastructure (how will it get there?)
- Topographic challenges (more pump stations?)
- Critical area systems
- Historic low-density development patterns
- Existing nearby infrastructure (size and capacity?)

AREA CHARACTERISTICS



EXAMPLE: TRACYTON

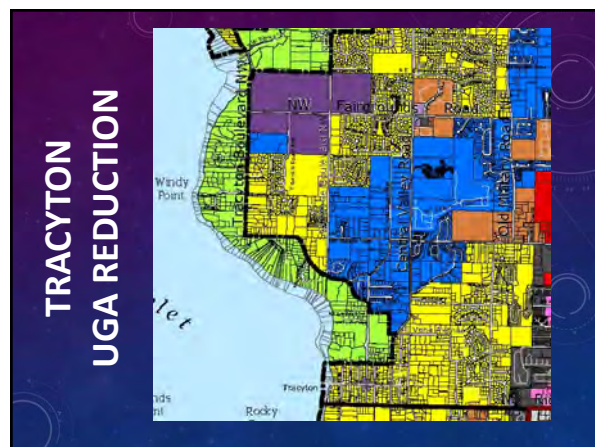




WHAT TO DO?

This analysis can lead to **multiple outcomes**:

- Revisions to UGA boundaries
- Allow increased densities in complicated areas
- Adjust unavailable lands deductions (market factor)
- Focus collaborative infrastructure policies in specific areas



COLLABORATIVE INFRASTRUCTURE POLICIES?

- Streamlined ULID process.
- Extension of late-comer payback time frames and potential value increases over time
- Developer coordination with pipe and pump station placement (condemnation, if necessary)
- Co-financing of infrastructure that fits the regional wastewater plan = \$\$\$\$?!!

WHY WOULD GOVERNMENT FUND GROWTH?

Takes the long view of cost

- Infill development is cheaper for service provision (pipes and people)
- Developers historically pay for construction, BUT...
- Government pays for long-term maintenance and replacement. Multiple uncoordinated facilities serving the same area = \$\$\$\$

POPULATION AND EMPLOYMENT PROJECTIONS

Counties generally responsible for regional analyses

Impacts of Annexations and Incorporations

Change of jurisdiction can equal change of zoning/regulations

What does that do to the regional analyses and reporting? If a problem, who fixes?

EXAMPLE: POPULATION

McCormick UGA

UGA sized in 2003
4 du/acre

Achieved densities through 2010
6 - 7.6 du/acre

Annexed by Port Orchard in 2009

How to adjust an area potentially oversized?



EXAMPLE: EMPLOYMENT

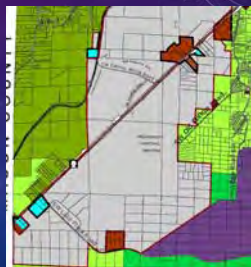
South Kitsap Industrial Area UGA

UGA sized in 2003 = 3,500 acres
+/-10,000 industrial jobs

Annexed in 2009 by Bremerton

Recent Sub-Area Plan reduced to
6,500 mixed employment jobs

Where do the 3,500 jobs go to?
Where did the mixed employment
jobs come from? How to address
it in the future?



CONCLUSIONS

Land capacity hurts my head

Invest in conceptual wastewater planning for UGA designations

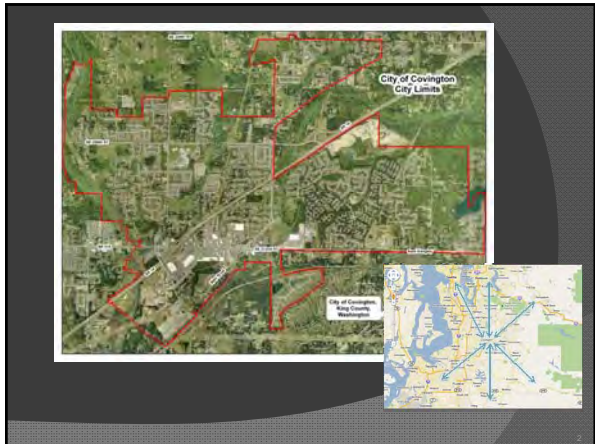
Adjust land capacity assumptions based on area specific analysis

Promote public/private solutions to difficult infill areas

Jurisdictions must work together to ensure regional targets

Least Expected Growth.

GROWING UP COVINGTON



- ## Covington Statistics
- Founded in 1880s; incorporated in 1997
 - 18,143 people (2013 state estimate)
 - One-third under 18 years of age
 - 5,817 households (2010 census)
 - Median Age 34
 - 6.5 square miles
 - Total employment (2006): 3,610
 - Average wage for jobs in Covington (2004): \$26,700
 - Median household income (2010): \$90,285

Growth Spurt

- Covington Targets 2006-2031
 - 1,470 New Housing Units
 - 1,320 New Jobs
- Covington Targets 2012
 - 712 New Housing Units
 - 2,773 New Jobs
 - 50% of Housing
 - 200% of Jobs

MORE TO COME BY 2031

No New/Adjusted Allocations

Growth Spurt : REGIONAL IDENTITY

- Large Format Retail
- Medical
- Education

Wonder Years

- First decade → focus on building tax base
- Second decade → focus on building a sense of place

Setting Boundaries

- Downtown Plan is core economic development effort – 81 AC
 - Pedestrian-oriented town center
 - Civic Center
- Hawk Property Subarea- 210 AC
 - Auto-oriented Urban Village
 - Regional Uses



>300 AC to provide Commercial/Mixed Use/Housing

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Growth Targets

- Exceeding Allocated Targets
 - 3,000 Housing Units
 - 1.6m SF Commercial Capacity
 - 3,500 Jobs

If you are clever, you make sustainability the first factor for your growth. This gives you years of advantage over other economies - Philippe Joubert, Chair of the EU Corporate Leaders Group (2013)

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Struggles

Growth in SE King County Not Realized

- Transit- King County Metro Transit
- Not Designated as a "Center"
- Demand on Infrastructure
 - Streets, Parks, Services



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Guiding Growth:

How does a city find balance?

- Use your Comprehensive Plan as a TOOL
- LOBBY
 - Local, Regional, County, State
- LEADERSHIP in both directions
 - Moratoriums
 - Studies: Downtown/Hawk Property
 - Budget Priorities Advisory Committee
 - Destination Covington
 - Commission Leadership
 - Branding Efforts "Growing toward Greatness"



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Thank You



Questions:
Salina Lyons, AICP
Principal Planner
City of Covington
slyons@covingtonwa.gov

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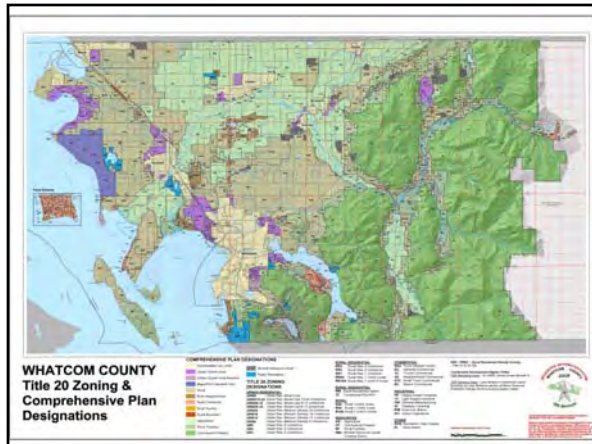
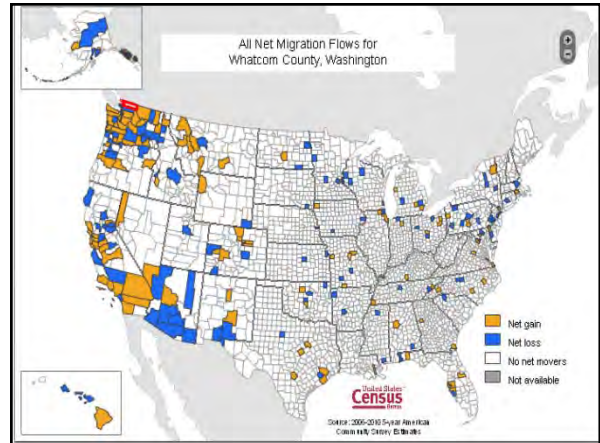
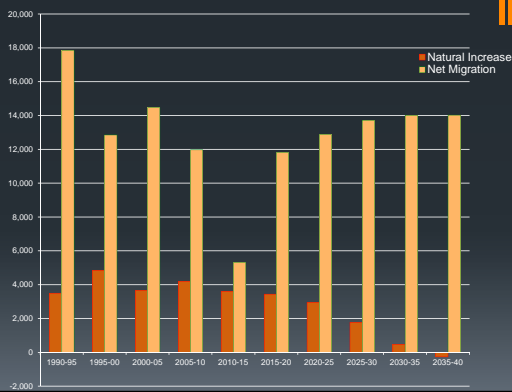
Whatcom County Perspectives

Mark Personius
 Long Range Planning Manager
 Whatcom County PDS

Whatcom County GMA Planning Issues at a Glance

- Healthy 20-Year Annual Growth Rates (1990-2010)
 - ✓ UGAs = 2.5%
 - ✓ Rural Lands= 1.8%
- Seven Cities, three Non-municipal UGAs, two Tribes
- 76% urban/24% rural population growth (2000-2010)
- Multiple Appeals and Hearings Board Orders on Measures to Protect Rural Character
- Rural Population Growth Monitoring Policy
 - Requires monitoring of non-UGA growth for consistency with adopted allocations

Whatcom County Population Growth



International Border Influences on Local Markets

- Exchange rate historically favors the Canadian dollar
- High Canadian taxes and US recession has kept retail prices competitive and big box retail discounts make shopping in the U.S. economical for Canadians
- Surveys suggest that as much as 50% of big-box retail sales in Bellingham are by Canadians
- Expensive Canadian real estate prices makes Whatcom County urban and rural real estate attractive for both vacation and investment purposes
- Close proximity leading to increased cross-border commuting

UGA Population & Employment

- 20-Year P/E Allocations
 - Phase I: Technical projections based on past share
 - Phase II: Adjustments based on local circumstances
- UGA Sizing (Local Circumstances that Affect Supply & Demand)
 - Blaine/Birch Bay/Lynden/Sumas (Canadian influences)
 - Ferndale (Issued more SFR permits than B'ham in recent years)
 - Bellingham (Focus on mixed use urban villages and SFR Infill; not on UGA expansion)
- Tribal Economic Development Interests and the Lack of GMA Guidance

Emphasizing Urban Growth

	Share of Population			Share of Population Growth		Total 1990-2010
	1990	2000	2010	1990-2000	2000-2010	
Urban Growth Areas						
Bellingham	47.5%	46.1%	45.4%	41.6%	41.6%	41.6%
Birch Bay	1.7%	2.5%	3.7%	5.2%	9.4%	7.2%
Blaine	2.4%	2.2%	2.5%	1.7%	4.0%	2.8%
Cherry Point	0.0%	0.0%	0.02%	0.0%	0.1%	0.1%
Columbia Valley	0.4%	1.4%	1.5%	4.9%	2.0%	3.6%
Everson	1.4%	1.3%	1.3%	1.3%	1.0%	1.1%
Ferndale	5.2%	5.5%	5.9%	6.4%	7.9%	7.1%
Lynden	5.0%	5.8%	6.0%	8.1%	7.4%	7.8%
Nooksack	0.5%	0.5%	0.7%	0.7%	1.4%	1.0%
Sumas	0.6%	0.6%	0.7%	0.5%	0.9%	0.7%
All Urban Growth Areas	64.7%	66.0%	67.7%	70.5%	75.8%	72.9%
Other Areas Outside UGAs	35.3%	34.0%	32.3%	29.5%	24.2%	27.1%
Total Whatcom County	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Residential Market Issues

- How to provide for lifestyle choice for next 20 years growth in changing markets?
- Concern that insufficient supply of urban land for SFR pushes that demand into rural areas
- Demographic trends
- Market-Related Land Capacity Analysis Issues
 - Occupancy Rates; SF/MF Demand
 - Validation of assumed densities for future development
 - Market factors on master planned projects
- Matching Infrastructure and Land Supply

Market Impacts in the Farmland



Market Cycles and their Effect on the Efficiency of Farmland PDR Programs

- Weak Housing Market Demand
 - Good for Farmland (less non-farmstead residential demand)
 - Bad for Farmland PDR Program (lower average residential DR value often means less participation from farmers in the program)
- Strong Housing Market Demand
 - Bad for Farmland (more non-farm residential demand and more conversion to non-farm uses)
 - Good for Farmland PDR Program (higher average residential DR value often means more interest from farmers in the program)

Market Impact on Farmland PDR Program

- Traditional PDR Valuation—Fair Market Value Appraisal
 - Focus on Difference in Ag/Residential Value
 - Expensive, Time-Consuming
 - Not Sensitive to Conservation Values
- Uncertainties of Related Agency Regulations/Programs and Issues on Farmers
- New Tools
 - Natural Resources Marketplace
 - PDR Reverse Auction Strategy

Natural Resources Marketplace

People who do more than the minimum required to enhance watersheds and/or protect agricultural land should be able to trade the benefits generated from their actions in exchange for incentives, payments in kind or regulatory relief with those who seek to mitigate unavoidable impacts.



Whatcom County Ag-Watershed Project

How can a marketplace approach strengthen agriculture while enhancing larger-scale watershed functions?

- Project partners (Whatcom County, WA Dept. of Fish & Wildlife, Ecology, Whatcom Conservation District and Farm Friends)
- Identify feasible opportunities on agricultural land to improve both watershed health and agricultural viability;
- Develop incentives and tools to compensate actions that go above and beyond what is required; and
- Implement two demonstration pilot projects on ag land

Natural Resources Marketplace Needs

- An accounting system to establish & track values of each credit and debit to ensure that sellers & buyers live up to their commitments;
- A mechanism for verification of baseline conditions, enhancement actions and oversight;
- Clear agreement on ownership of credits; and
- Monitoring system to measure progress toward agreed watershed & agricultural outcomes.

Credits or Debits within a Natural Resource Marketplace

- **Shade** through planting of buffers along streams to reduce water temperatures and protect fish habitat.
- **Water quality** improvements to protect fish, shellfish and domestic water supplies downstream.
- **Drainage** of agricultural land for continued crop production.
- **Water rights** or water contracts, where these are available, to secure access to water for irrigation, livestock and/or agricultural processing.
- **Development density** aligned with Whatcom County PDR Program
- **Flood management** including protection from flooding and reduction in peak flows by holding flood water back on some farm fields.
- **Environmental mitigation options**, such as wetland credits, for unavoidable impacts of land use/ infrastructure development.

PDR Reverse Auction Strategy

- Target small non-conforming lots in Ag zone with greatest potential for residential conversion
- Determine legal lot-of-record status to define eligible pool of participants
- Mass appraisal approach to valuation of DRs
- Determine maximum acceptable bid(s)
- Define auction mechanism to incentivize bids
- Intensive stakeholder outreach

Lessons Learned

- Need Better Data on Behavioral Land Use Economics
- Move Toward Data-Driven Policy
- Research and Define Local Circumstances Affecting Land Markets (Supply & Demand)
- Partner on Joint Initiatives
- There is No End of Planning!