



Community Development

125 NW Chehalis Avenue
Chehalis WA 98532

Date: December 6, 2024
To: Lewis County Board of County Commissioners
Cc: Emil Pierson, Director of Community Development, City of Centralia
Stacey Denham, City Manager, City of Chehalis
From: Mindy Brooks, Director of Community Development
Josh Metcalf, Director of Public Works
RE: UGA Co-Management ILAs

Community Development and Public Works requested a meeting on December 9, at 10:30am, to discuss the Interlocal Agreements (ILAs) with cities to co-manage the Urban Growth Areas (UGAs). This read ahead explains why we are proposing changes, the types of changes and next steps. There will be a follow-up meeting on December 10 to discuss Impact Fees, which are directly tied to UGA co-management (see also separate read ahead).

OVERVIEW OF OPTIONS

- A. **Status Quo:** Currently Lewis County allows cities to apply their zoning designations and development regulations to land in the unincorporated UGA. The cities and County jointly manage permitting, with the County permitting public rights-of-way and impacts to Shoreline and floodplain because legally the County cannot abdicate those responsibilities. Public Works maintains the public rights-of-way. This option cannot continue because of SB5290 and increased costs to Public Works.
- B. **County Manages all Permitting:** Under both options discussed below the County would manage all permitting, which means County zoning designations and development regulations would be applied to the unincorporated UGA. This is necessary to meet SB5290 timeline requirements.

1. **Urban Development:** Apply urban zoning and development regulations, which means high density residential development of at least 4 dwelling units per acre and County urban road standards.
2. **Rural Development:** Apply rural zoning and development regulations, which means allowing industrial and commercial development similar to what is allowed under city zoning but only allow residential development at 1 dwelling unit per 5 acres.

STATUS QUO

Lewis County is unique in Washington regarding UGAs. Lewis County has a long history of granting the cities authority to administer zoning designations and development regulations. However, the unincorporated UGA remains the County's jurisdiction, and the County is responsible for ensuring all applicable state laws and regulations are being met, including the new timelines under SB5290. Counties are not required to co-manage the UGA with cities. If a county chooses to co-manage the UGA with a city, then there must be an ILA in place. There are currently ILAs in place with Centralia and Chehalis.

Currently, when a subdivision occurs anywhere in the County's jurisdiction including the unincorporated UGAs, Lewis County Public Works is required to approve the preliminary plat to ensure County Road standards, including roach approaches, are applied. This has not occurred consistently in the past, resulting in problems and delays when the final plat comes in for BOCC approval (please refer to the current Kennicott Subdivision as an example). In addition, Lewis County Community Development must review any subdivisions that include land with Shoreline or floodplain prior to preliminary plat approval. The final plat must be decided by the County.

Under the current ILA, the subdivision permit begins with the City because their standards, except for public ROW, Shoreline and floodplain, are what is applied. There standards include densities, setbacks and required improvements. The City forwards the subdivision to the County for review of ROW, Shoreline and floodplain. The City and County coordinate with the applicant to meet the respective standards, this causes delays for the applicant. Once the standards are met, the City and County must both approve the preliminary plat, this also causes delays. In addition, the process has not been followed in the past so many preliminary plats approved by the City previously are coming back for final plat but not meeting the County ROW standards. This is causing even more delays. With SB5290, we cannot continue to use this process.

The second issue is Lewis County Public Works is not set up to plan for urban transportation infrastructure, nor to maintain urban infrastructure long term. Urban density of development requires sidewalks, curb and gutter, traffic signals, streetscaping, and engineered stormwater management, which doesn't typically occur in rural areas. Without impact fees to address these areas, as well as other infrastructure improvements needed in the County, Public Works is not sufficiently staffed or funded to own and maintain the transportation system.

Staff recommended ending the ILAs as they are currently written and choosing option B.1 or B.2 below.

B.1. URBAN DEVELOPMENT

There has been a long expectation by the community that the unincorporated UGA can be developed at urban density standards, meaning a minimum of 4 dwelling units per acre. Some people and entities have purchased large areas of land with the expectation they will be able to subdivide and develop high density in the near future. In addition, Lewis County, like all of Washington, is in a housing crisis and needs to support increasing the housing supply.

Lewis County Community Development is currently drafting urban zoning and development regulations for both the Packwood and Onalaska communities. These new zones and regulations could be applied to the unincorporated UGAs of Centralia and Chehalis as well, which would allow urban density of residential development to proceed. In this option, Community Development would take over all permitting activities, supported by Lewis County Public Works. Each city would still be responsible for supplying the necessary public water and sewer services, along with other utilities.

A new ILA would be necessary to clarify maintenance responsibilities. The County would maintain roadways and stormwater, which would require impact fees. The City would maintain traffic signals, water, sewer and other utilities. Sidewalks, landscaping and streetlights would be the responsibility of the adjoined property owner (this is how many cities handle maintenance of these improvements.)

This option would result in many more permits being processed by the County. Fees, when set appropriately, should recover the cost associated with permit processing; however, additional staff would need to be hired before this option is implemented to handle the increase in permit activities. Community Development would require at least one additional Senior Planner, one additional Planner and one additional Building Inspector, all dedicated to UGA development; while the existing staff would continue to focus on rural development.

Public Works would need to revise their Road Standards. In addition, Lewis County would need to develop a long-term plan for major transportation infrastructure that serves the urban areas. Public Works would have to develop a maintenance plan for urban areas and set up a maintenance crew with the appropriate equipment to implement the urban area maintenance plan. Public Works would also have to acquire additional equipment (i.e.. smaller trucks, smaller plows, sweepers, etc.) that is more appropriate for urban area maintenance activities, as the current fleet is managed for primarily rural maintenance activities.

The final consideration for this option – it is unlikely cities would annex the UGA if the County continues to allow urban density of development. There is no monetary incentive, and the cost of additional ROW maintenance is very high. Therefore, choosing this option means accepting that the unincorporated UGA will likely remain in the County's jurisdiction, and therefore accepting the financial maintenance responsibility long term.

B.2. RURAL DEVELOPMENT

The second option also includes applying County zoning and development regulations to the unincorporated UGA; however, the County would not apply urban density residential zones. Residential zoning would remain at rural density, which is 1 dwelling unit per 5 acres. This would eliminate the need to increase planning and staffing for the unincorporated UGA. Areas that are already developed at urban density would continue to be maintained under a new ILA; however, no new urban subdivisions would be allowed before annexation.

The County would apply industrial and commercial zoning and development regulations, consistent with city zoning. Industrial and commercial development does not require urban transportation infrastructure and could be accommodated by the current County Road Standards and staffing levels. Industrial and commercial development provides long-term economic benefit to the County and the community.

Similar to option B.1, Community Development would take over all permit processing, along with support from Public Works. However, the number of permits would not be expected to increase dramatically and could be handled under current staffing levels.

Option B.2 could have an impact on the availability of housing over the next 20 years. Some large areas, currently planned for high density residential development, would not be developable at urban densities unless annexed by the cities. This option does increase the likelihood of annexation because there would be pressure by developers for the cities to annex. Once a city annexes, all planning, permitting and maintenance becomes the City's responsibility because it is no longer the County's jurisdiction.

NEXT STEPS

SB5290 goes into effect on January 1. Staff recommend terminating the current UGA co-management ILAs with Centralia and Chehalis effective immediately upon communication with each jurisdiction. This would create a temporary moratorium on new development applications in the unincorporated UGAs. There are some permits already in the process that would continue and the County would need to create a new MOU with each city to address these situations.

Through the Comprehensive Plan Periodic Update, Community Development would apply zoning and development regulations based on BOCC's recommendation of either option B.1 or B.2. The Periodic Update will be adopted in September 2025. During the 9-month moratorium, Community Development and Public Works would complete the necessary planning and regulation amendments, as well as hiring, if option B.1 is chosen.

The County currently has maintenance ILAs with the cities, which would need to be updated depending on the option chosen.