

Envision Skagit 2060 Citizen Committee Briefing Paper

Rural Villages & Fully Contained Communities (FCCs)

By Mark Personius, AICP, Growth Management Consultant

Rural Villages and Fully Contained Communities are two different planning options/approaches to accommodating new growth outside of existing urban growth areas (UGAs).

Existing Rural Villages

Rural villages are, for the most part, small unincorporated but relatively compact rural communities. Examples in Skagit County include Bow-Edison, Conway, Alger, Clear Lake and Big Lake. Historically, their growth into formal towns and cities was likely thwarted due to their location, changing economics, lack of urban infrastructure such as sewer or water, environmental constraints, and/or by political choice.

About 10 Rural Villages are formally designated in the Skagit County comprehensive plan and map. They typically do not have enough population or commercial/industrial tax base to incorporate and function independently as cities or towns. Therefore, residents are provided general government public services and facilities (police, fire, ambulance, roads, etc.) similar to the level provided by the county to all other rural residents. Their sometimes remote rural locations, in general, contribute to the costs of providing those services.

The Growth Management Act (GMA) places great restrictions on future growth in the unincorporated rural villages.¹ The present law states that future growth in these areas must be “limited and contained”; they can infill at existing densities but may not expand or become more dense than the existing, prevailing pattern. They are, in many ways, communities frozen in place. The GMA restricts their ability to grow as rural communities and their small size and rural low-density nature results in fiscal challenges that discourage urbanization.

Expanded Rural Villages Concept

The central idea behind growing the rural villages in the Envision Skagit *Economic Development* scenario is to disperse some of the future population growth away from the larger cities and towns and into the rural villages (and small town UGAs, and possibly new master planned communities). The goals are to:

- promote the creation of “livable, walkable,” and economically sustainable smaller communities;

¹ Under GMA, Rural Villages are an example of a “limited area of more intensive rural development,” or “LAMIRD.”

Rural Villages & Fully Contained Communities (FCCs)

- avert existing major UGA's from expanding into environmentally sensitive areas, and
- reduce some of the population growth burden on the larger urban areas.

/

This concept faces several significant “real world” challenges. Foremost is the question of whether the rural villages would remain rural – under the authority of Skagit County – or whether they would need to become urban, becoming small towns or possibly unincorporated non-municipal (not city or town) UGAs. To develop at “livable, walkable densities” – typically at a density of 7 to 8 residences per acre or greater – most likely would require some urban services. This could include significant investment in sewer, new roads and sidewalks or paths, other infrastructure, parks and other public services typically associated with higher density areas.

New Towns?

One option is for the expanded rural villages to become “urban” villages probably somewhat akin to the small town municipal UGAs of Lyman, Concrete and Hamilton. The GMA defines all incorporated cities and towns as UGAs. However, not all UGAs must have the same level of urban services. And what constitutes “urban services” may be locally defined so long as it can be shown to adequately serve the projected urban growth. There is some discretion in the GMA afforded to counties based on a UGAs size and allocated growth.

For example, Lyman and Hamilton, both small town UGA's, have no sanitary sewer system but they do have public water systems. The lack of a sanitary sewer system limits their ability to accommodate significant growth. Conversely, Alger, a designated Rural Village and LAMIRD, has access to both public sewer and water—but currently there are significant restrictions on access to the sewer line due to its rural LAMIRD designation.

Non-Municipal UGAs?

It's important to note that the GMA allows, but does not encourage, formation of new non-municipal UGAs. One current example is the Bayview Ridge UGA – which is neither a city nor a town. The reason is urban areas are envisioned to operate most efficiently and responsively as self-functioning units of local government – that is, as cities or towns. Newly designated commercial/industrial lands within the “urban villages” would likely be needed to promote employment and increased tax base to support fiscal viability and provision of urban services.

Finance and Infrastructure

In general, new infrastructure such as sanitary sewer and water systems would have to be largely financed by existing residents and/or property owners. Where new sanitary sewer systems are needed, counties typically may fund the sewer planning process but would need to obtain federal or state grants and loans for system design and construction. Property owners are then assessed a fee and connection charges based on their benefit

and use of the system. This has been a significant deterrent to establishing non-municipal UGAs in some counties.

There are other potential options such as connecting an expanded rural village to an existing larger city sewer system via a transmission line or alternative wastewater treatment systems that are less expensive (but may face other performance issues). New road construction needed to serve private development would be the responsibility of developers whose costs would be passed on to new buyers and new residents for the most part. Public road improvements and other services such as police required by growth in general would typically remain the responsibility of the county augmented by impact fees. Not until a rural village incorporated would it become solely responsible for funding and maintaining its own public services and capital facilities.

“Conservation Villages” Concept

The LAMIRD provisions of the GMA do not currently allow significant growth in the rural villages—absent designation as UGAs. One recent proposed GMA amendment, to allow “Conservation Villages,” was developed by the Cascade Land Conservancy (CLC). It would have allowed small, compact (50-200 home) residential developments at urban densities in rural areas by utilizing mandatory TDRs and Low-Impact Development (LID) and other “green” building technologies. However, it was adopted by the Legislature in the most recent session primarily due to criticism that it was just another version of urban sprawl.

Another variation on the concept of expanding the rural villages would be utilizing TDRs from rural or resource lands as a means of redistributing population growth across the rural landscape (as suggested by CLC in the “conservation villages” proposal). Transferring development rights from rural or resource lands into the rural villages or newly incorporated towns could be a source of growth for these areas. Key to this approach could be the rural clustering provision of the County’s CaRD (Conservation and Reserve Development) ordinance. CaRDs allow for a bonus density in the Rural Reserve and Rural Resource-NRL zones if the parcel is large enough and the new units are clustered close together on one-acre lots.

However, there has been criticism of the current practice as leading to small islands of suburban development in rural areas. That criticism is almost always attributed to CaRD developments that occur in open areas clearly visible from public roads. The visual impact of these developments on the local rural character is typically the major public complaint. Interestingly, rural design manuals always show rural clusters nicely hidden in the woods—out of sight. This suggests that the CaRD regulations could be revisited to restrict CaRDs to rural parcels with sufficient tree cover and other site or design characteristics to truly hide them from public view or significantly diminish their visual impact.

Even under this approach, however, the current LAMIRD provisions of the GMA would still have to be amended to allow rural villages to grow—albeit at a scale that ensures

they remain rural. This could avoid many of the fiscal and political challenges of converting the rural villages to non-municipal UGAs envisioned under this scenario.

Master Planned or Fully Contained Community

A Fully Contained Community (FCC) is an urban community newly created outside of existing UGAs as allowed by the GMA. They are intended to be master-planned communities – meaning planned in a comprehensive, coordinated manner – that contain a mix of land uses providing a balance of employment, retail, commercial services, schools, public facilities and a variety of residential choices at urban densities sufficient to support the needs of its residents. They are essentially intended to be new towns capable of someday incorporating as a new city. A FCC is not a large residential subdivision set down in a rural area. FCC's are an option available to counties planning under the GMA.

GMA requires that FCC's include:

- Impact fees to help pay for new infrastructure;
- Transit-oriented site planning and transportation demand management programs;
- Buffers between the community and adjacent lands;
- A mix of uses to offer jobs, housing, and services to the new residents;
- Affordable housing available to a broad range of income levels;
- Environmental protection;
- Regulations to ensure that urban growth will not occur in adjacent non-urban areas; and
- Mitigation of impacts to designated natural resource lands.

An FCC is essentially a new UGA by another name. As such, they require a population allocation to be reserved from the County's twenty-year population projection. The site of the FCC must be sized and planned to accommodate that population. They require local development regulations to guide their review and evaluation. Most FCC's approved in other counties have been implemented through the Development Agreement process which gives local counties greater authority and discretion in review and decision-making.

There are only a few FCC's that have been approved to date in western Washington. All of these are located in heavily urbanized King or Pierce County. Examples include Redmond Ridge, Trilogy and Snoqualmie Ridge (a pre-GMA master planned community) in eastern King County and Cascadia in Pierce County. Several other western Washington counties, including Snohomish, Kitsap and Lewis, either have active FCC proposals or are deliberating their merits.

Substantial additional information about Fully Contained Communities is contained in the binder titled, *Planned Community Tour, Snoqualmie Ridge and Trilogy, March 28, 2011*, provided to field trip participants who visited those sites, and to the other Envision Skagit Citizen Committee members.

FCC's are very controversial. Unsuccessful efforts have been underway to amend the GMA to ban them in western Washington. The chief argument against FCC's is that, few if any of the projects approved in the state are "fully contained." This means they have not achieved the desired and required balance between housing and employment. This has been attributed to the lack of job creation in these new communities or those jobs being filled by non-resident commuters. Critics argue that these FCC's essentially function as bedroom communities to existing UGAs—creating new urban sprawl and significant congestion on rural road networks requiring costly public expenditures - as well as create pressure to convert surrounding rural and resource lands to urban uses.

However, given the very real constraints on future UGA expansions in Skagit from adjacent floodplain and/or agricultural resource lands, as well as some cities' lack of ability or desire to accommodate additional residential growth, FCC's should perhaps remain a "tool in the toolbox" for local planning officials. Properly situated, designed, planned and marketed, they may very well be a viable option for accommodating new urban growth in the future. It may also be possible to link approval of a Fully Contained Community with the purchase and transfer of a significant number of development rights from rural or resource lands where development is less desirable.