

**SKAGIT COUNTY PLANNING COMMISSION RECORDED MOTION RECOMMENDING ADOPTION
OF THE TOWN OF HAMILTON COMPREHENSIVE SUBAREA PLAN AND EXPANSION OF THE
TOWN'S URBAN GROWTH AREA TO FACILITATE THE TOWN'S RELOCATION FROM THE SKAGIT
RIVER FLOODWAY AND TO ENCOURAGE INDUSTRIAL DEVELOPMENT ON THE JANICKI
INDUSTRIES PROPERTY**

Whereas more than 50 percent of the Town of Hamilton is located in the floodway of the Wild and Scenic-designated Skagit River, including 90 percent of the Town's residential area. Floodways are extremely hazardous areas due to the depth and velocity of floodwater and the Town of Hamilton has suffered repeated flooding and flood damage over recent decades. The Federal Emergency Management Agency estimates that over the past 10 years more than \$10 million in public funds and flood insurance payments has been spent on Hamilton flood response, recovery, and repair; and

Whereas to end this costly cycle, the Town of Hamilton has been pursuing a process at least since the early 1990s to designate land out of the floodway for a new town site to relocate its businesses, residences, and public offices and facilities; and

Whereas the Town has also sought to include the entire former Crown Pacific property within its urban growth area (UGA) and Town limits, consistent with its allocation of 60 new acres of industrial land under Countywide Planning Policy 1.1, to encourage economic development; and

Whereas in 2004 the Town of Hamilton created the Hamilton Public Development Authority ("Hamilton PDA") to develop and implement a permanent flood mitigation solution that restores Hamilton as a viable and desirable town in which to live and work, and that enhances the Skagit River's riparian natural resources; and

Whereas the Town of Hamilton, the Hamilton PDA and Skagit County have worked in partnership on the Town's relocation, with the Town and the Hamilton PDA taking the lead on developing a strategy and the detailed mechanisms to ensure the Town's successful relocation, and Skagit County overseeing the review and evaluation of the UGA expansion proposal, as authorized and required under RCW 36.70A.110; and

Whereas on June 26, 2006, the Board of County Commissioners adopted Resolution No. R20060209 authorizing the Hamilton PDA to oversee creation of a community plan for the relocation of a portion of the Town of Hamilton from the Skagit River floodway; and

Whereas on September 12, 2006, the Town of Hamilton passed Resolution No. 3-06 establishing a Citizens Advisory Committee for the community relocation plan; and on January 8, 2007, the Board of County Commissioners passed Resolution No. R20070009 appointing the same members to a Hamilton Community Plan Citizen Advisory Committee (together referred to as the "Hamilton Relocation CAC"); and

Whereas the Hamilton Relocation CAC, with support from the Town of Hamilton and the Hamilton PDA, held a series of community meetings, workshops and planning sessions from the

fall of 2006 through the spring of 2007 to develop the Town of Hamilton Comprehensive Subarea Plan and UGA Expansion Proposal (“Hamilton UGA Expansion Proposal”); and

Whereas on April 18, 2007, the Town of Hamilton and Skagit County, acting as co-lead agencies under the State Environmental Policy Act (SEPA), released a Draft Environmental Impact Statement (DEIS) analyzing the Hamilton UGA Expansion Proposal and several other alternatives; and

Whereas on May 1 and May 21, 2007, public hearings were held at the Hamilton Town Hall, and written comments on the DEIS were accepted through June 1, 2007; and

Whereas on June 6, 2007, the Town of Hamilton and Skagit County issued a Final Environmental Impact Statement (FEIS) consistent with SEPA; and

Whereas on October 22, 2007, the Board of County Commissioners passed Resolution No. R20070513, declaring an emergency regarding the need to expedite consideration of the Hamilton UGA Expansion Proposal. The resolution also separated the proposal from other comprehensive plan amendment proposals docketed as part of the 2007-2008 amendment cycle, as allowed under RCW 36.70A.130(2)(b) and SCC 14.08.020(3); and

Whereas on December 27, 2007, the Skagit County Planning and Development Services Department (“the Department”) made available for agency and public review and comment the Hamilton UGA Expansion Proposal; and

Whereas on December 28, 2007, the Department sent the Hamilton UGA Expansion Proposal to the Department of Community, Trade and Economic Development for 60-day state agency review and comment pursuant to RCW 36.70A.106; and

Whereas on February 5, 2008, the Planning Commission held a study session as part of its review of the Critical Areas Ordinance that focused on floodways, floodplains and other flood-related issues; and

Whereas on February 6, 2008, the Department coordinated a field trip for Planning Commission members who toured the current Town of Hamilton as well as the proposed UGA expansion area and met with town officials and residents; and

Whereas on March 4, 2008, the Skagit County Planning Commission held a public hearing on the Hamilton UGA Expansion Proposal; and

Whereas at that hearing, there was public comment and Planning Commission discussion about reducing the size of the proposed UGA, while identifying an area adjacent to the UGA as “urban reserve” for future UGA expansion; and

Whereas in consultation with the Planning Commission and Town of Hamilton and Hamilton PDA representatives, the Department determined that Skagit County should consider a smaller

UGA expansion and that a revised proposal should be released for additional public review and comment prior to Planning Commission action; and

Whereas on May 22, 2008, the Department released for public and agency review and comment a revised and downsized UGA proposal (“Revised UGA Proposal”) including an adjacent Urban Reserve area and corresponding revisions to certain development regulations; and

Whereas the Department also released at that time its detailed summary and responses to written and spoken comments from the previous public comment period and the March 4 public hearing; and

Whereas the Town of Hamilton meanwhile undertook revisions to the proposed subarea plan to be consistent with the Revised UGA Proposal. These revisions were adopted by the Town Council on June 9 and submitted to the Planning Commission at its June 10 public hearing; and

Whereas on June 10, 2008, the Planning Commission held its second public hearing on the Revised UGA Proposal and subarea plan revisions (together referred to as the “Revised Proposal”) submitted by the Town of Hamilton; and

Whereas Planning Commission members also took time that evening to review the four written comment letters submitted on the Revised UGA Proposal up through the date of the hearing; and

Whereas after duly considering all written and spoken comment and considering the entire record before it, the Planning Commission deliberated and voted to approve the Revised Proposal, based on the following findings:

SECTION A – GENERAL FINDINGS

A-1. The Federal Emergency Management Agency (FEMA) reports that 100 flood-affected properties in the Town of Hamilton have cost public programs and the National Flood Insurance Program (NFIP) approximately \$10 million in the last 10 years. Purchase and removal of floodway residences in Hamilton is conservatively estimated by the Hamilton PDA to result in an average net gain of almost \$1 million annually over the next decade.

A-2. Hamilton has experienced repeated flood losses in the past decade. Significant flooding of the Skagit River resulting in damage and losses to homes and structures in the Town of Hamilton occurred in 1990, 1995, 2003 and most recently in 2006.

A-3. Approximately 90% of the residential area of the Town of Hamilton is located within the regulatory floodway of the Skagit River. New development in the floodway and/or repair of substantially damaged structures are prohibited under FEMA regulations and Washington State Code (WAC 173-158) as implemented through the Town’s Flood Damage Prevention Ordinance No. 188.

A-4. Repetitive flooding and subsequent removal of structures has significantly eroded the property tax base and is contributing to the community’s economic and social decline. The Town of Hamilton has the lowest average household income of any incorporated community in Skagit County with almost two-thirds of households defined as low-to-moderate income and almost one-quarter of all households living below the poverty line according to the U.S. Department of Housing and Urban Development.

A-5. There is no other land within the current town limits available either for the transfer of existing population from the floodway or to accommodate modest new growth consistent with existing Countywide Planning Policies.

SECTION B —SUBAREA PLAN FINDINGS

B-1. The Town of Hamilton Comprehensive Subarea Plan (“Subarea Plan”) seeks to ensure a viable and prosperous future for the Town of Hamilton by providing it with a UGA for residential, town center (public and commercial) and industrial uses outside of the Skagit River floodway.

B-2. The Subarea Plan provides a blueprint for the Town of Hamilton to relocate, over time, its existing population from the floodway and to accommodate modest residential growth and industrial development as authorized by existing Countywide Planning Policies. The Hamilton relocation program is included in and consistent with the Skagit County Natural Hazards Mitigation Plan, and the town is working with all affected jurisdictions and agencies on a regional flood hazard mitigation program. The Subarea Plan and UGA Proposal are also consistent with Countywide Planning Policies regarding protection of the Wild and Scenic Skagit River and regulation of development within the floodway and floodplain, specifically including CPPs 9.7, 10.7, 10.14 and 10.15.

B-3. The Town of Hamilton Comprehensive Plan and Subarea Plan designate the floodway area within the town limits as Open Space. Upon adoption of the Revised Proposal, the Town of Hamilton will rezone the floodway area to Open Space as well, rendering all structures and uses not allowed within that zone (including commercial and residential) pre-existing non-conforming.

B-4. The Subarea Plan also calls for the removal over time of existing structures from the floodway, and the restoration of this area to open space for flood storage, long-term natural habitat, fish and wildlife conservation, and conservation-minded recreation purposes. Additional details about these floodway restoration efforts will be developed through future planning processes involving opportunities for additional public involvement.

B-5. The Subarea Plan was revised by the Hamilton Town Council on June 9, 2008, in order to be consistent with the Revised UGA Proposal as hereby recommended for approval by the Skagit County Planning Commission.

B-6. An important goal of the Subarea Plan and relocation proposal is to provide affordable housing opportunities within the new Town of Hamilton for former floodway residents. The Subarea Plan advances the affordable housing goals in the Countywide Planning Policies (CPPs), specifically including CPP 4.1, 4.2, 4.6 and 4.7. The urban densities of four units per acre or greater allowed within the Town provide much greater opportunities for affordable housing than the adjacent zoning in the rural areas which has minimum lots sizes of 2.5 acres, 10 acres, or even larger depending on the land use designation.

SECTION C - URBAN GROWTH AREA EXPANSION FINDINGS

C-1. The Hamilton UGA Expansion proposal and Subarea Plan were prepared by the Town of Hamilton with significant public involvement and opportunity for public comment. The DEIS/FEIS prepared by the Town of Hamilton and Skagit County identified and analyzed several alternative sites for the Town of Hamilton relocation and included analysis of probable environmental impacts of the proposed Town relocation as well as mitigation measures incorporated into the Subarea Plan and UGA Expansion Proposal.

C-2. The Revised Proposal includes a two-phased, 20-year UGA expansion and relocation plan. Phase I includes the 59 acre Janicki property south of SR 20, intended for industrial and manufacturing employment; the approximately 45 acre Lawson property north of SR 20, intended for residential development and a new town commercial business district; and an additional approximately three acres adjacent to the intersection of Hamilton Cemetery Road and Walders Road. This totals approximately 107 acres all of which is out of the floodway.

C-3. Inclusion in the UGA of the 59 acre Janicki Industries property will place this property, together with another 55 acres of Janicki property in the current town limits, under one regulatory jurisdiction. This will facilitate urban economic redevelopment and manufacturing employment growth for the Town of Hamilton and surrounding Upper Skagit River Valley. Annexation proceedings for the Janicki property shall proceed immediately upon County approval of the UGA per existing agreement between the Town and Janicki Industries. Inclusion of the Janicki property within the UGA is consistent with the industrial land allocation for the Town of Hamilton in the adopted Countywide Planning Policies. Together with the Centennial Resource mine, it will also contribute to the town's tax base.

C-6. Phase I of the Revised Proposal does not include the approximately 157 acre Hughes property north of SR 20, as originally proposed. This property will instead be designated on the Skagit County Comprehensive Plan Land Use/Zoning Map as Hamilton Urban Reserve (H-UR).

C-7. Under Skagit County Code 14.08.020, the Hughes property may be removed from its Rural Resource-Natural Resource Land (RRc-NRL) designation because it does not meet the RRc-NRL designation criteria for parcel size found in Comprehensive Plan policy 4C-1.1, as described in the Department report dated December 21, 2007.

C-8. The H-UR designation specifically recognizes the probable need to include the Hughes property within the UGA during the 20-year planning period. The 20-year phased UGA expansion plan can accommodate the 20-year forecast future population growth allocated to the Town of Hamilton in the Countywide Planning Policies.

C-9. The 20-year Phased UGA expansion plan is also consistent with the Growth Management Act's UGA requirements and the Urban Growth Area Modification Criteria as adopted by the Skagit County Growth Management Act Steering Committee. Under those UGA modification criteria, when the level of new development in the Phase I UGA reaches at least 50% of its original development capacity, the Town can request an expansion into the Hamilton-Urban Reserve. This step will require approval of a UGA amendment by Skagit County.

C-10. In the meantime, the H-UR designation allows many of the same activities now allowed under the current RRc-NRL designation, with the exception of those uses the Planning Commission finds to be inconsistent or incompatible with the long-term use of the land for urban residential development.

C-11. The Planning Commission recommends not including as H-UR a 40-acre parcel owned by the Washington Department of Natural Resources (DNR) adjacent to the Hughes property, as requested by DNR in letters submitted during the first and second public comment periods. Inclusion of that parcel is not supported by the capacity analysis submitted by the Town of Hamilton and would result in an excess of residential capacity in H-UR. Additionally, the H-UR designation on the Hughes property will limit uses of the property to those allowed under its current RRc-NRL designation, resulting in no likely increase in conflicts with natural resource management activities on the DNR's 40-acre parcel for the foreseeable future.

MOTION:

Based on the above findings, Jason Easton moved and Jerry Jewett seconded that the Skagit County Planning Commission recommends to the Board of County Commissioners:

- a) adoption of the Town of Hamilton Comprehensive Subarea Plan as revised by the Town of Hamilton on June 9, 2008, included as Attachment A;
- b) expansion of the Town of Hamilton UGA boundary, and designation of an area outside of the UGA as Hamilton Urban Reserve (H-UR), as proposed in the Revised UGA Proposal released for public review on May 23, 2008, and as shown in the Comprehensive Plan Land Use and Zoning Map included as Attachment B;
- c) adoption of new text and a new policy, 3C-1.6, in the Skagit County Comprehensive Plan, Chapter 3, the Rural Element, creating a Hamilton Urban Reserve designation, as shown in Attachment C;
- d) rezoning the 59-acre Janicki Industries property within the UGA to Hamilton Industrial (H-I), as shown in the Hamilton UGA Zoning Map included as Attachment D;

- e) rezoning the approximately 48 acre property within the UGA labeled “UGA Expansion Area [Lawson]” (including the miscellaneous 3-acres) to Hamilton Residential (H-R), as shown in Attachment D;
- e) adoption of three new zoning districts in Skagit County Code, Title IV, Zoning: 14.16.175, Hamilton Industrial (H-I); 14.16.380 Hamilton Residential (HR); 14.16.385 Hamilton Urban Reserve (H-UR), as shown in Attachment E; and
- f) adoption of other related revisions to Skagit County Code sections 14.16.830 Landscaping requirements; 14:18.300 Conservation and Reserve Developments (CaRDs); 14.18.310 General approval provisions – CaRD; 14.18.330 Approval provisions – CaRDs with 5 or more lots (long CaRDs); as shown in Attachment F.

VOTE:

	<u>Support</u>	<u>Oppose</u>	<u>Absent</u>	<u>Abstain</u>
William Stiles III, Chair	X			
Bill Schmidt, Vice Chair	X			
Jason Easton	X			
Carol Ehlers	X			
Jan Ellingson	X			
Herb Goldston	X			
Dave Hughes		X		
Jerry Jewett	X			
Kristen Ohlson-Kiehn	X			
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NOW, THEREFORE, on June 10, 2008, the Skagit County Planning Commission voted, as recorded above, to forward to the Board of County Commissioners the foregoing recommendations to approve the Town of Hamilton Comprehensive Subarea Plan and Revised UGA Proposal, and related changes to the Skagit County Comprehensive Plan Land Use and Zoning Map, Comprehensive Plan, and Development Regulations.

William Stiles III, Chair

Date

Kirk Johnson, Secretary

Date