

TOWN OF HAMILTON
WITH SKAGIT COUNTY AS CO-LEAD AGENCY
DRAFT ENVIRONMENTAL IMPACT STATEMENT
TO EVALUATE SUB AREA PLAN FOR
EXPANSION OF THE URBAN GROWTH AREA
TO ACCOMMODATE RELOCATION OF HAMILTON RESIDENTS
OUT OF THE FLOODWAY,
TRANSFER AND PURCHASE OF FLOODWAY DEVELOPMENT RIGHTS IN THE
AREA, RESTORATION OF THE SKAGIT RIVER FLOODWAY
AND
DEVELOPMENT OF VACANT INDUSTRIAL LAND
TOWN OF HAMILTON, WASHINGTON AND SKAGIT COUNTY

Prepared for review by Citizens and Government Agencies in Compliance with the State Environmental Policy Act of 1971 (Chapter 43.21C Revised Code of Washington) as revised; the State Environmental Policy Act Rules, as revised (Chapter 197-11 Washington Administrative Code); and City of Burlington Municipal Code Chapter 15. 12 Environmental Policy; and the National Environmental Policy Act Pub. L 91-19, 42 U.S.C.4321-4347 as amended.

DATE OF ISSUE: APRIL 18, 2007

COMMENTS DUE: MAY 18, 2007

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FACT SHEET

PROJECT TITLE: Evaluate expansion of the Urban Growth Area for long term future growth of the Town of Hamilton, including relocation of existing Hamilton residents out of the floodway, purchase and transfer of floodway development rights from identified surrounding areas, restoration of the Skagit River floodway, and development of vacant industrial land.

Additions are planned to the Town of Hamilton Urban Growth Area to implement the 2007 Town of Hamilton Comprehensive Subarea Plan and the Hamilton-Skagit Flood Hazard Mitigation and Town Relocation Program, so as to provide for future growth and economic development of the town that is consistent with the Growth Management Act and Countywide Planning Policies. This process is intended to provide Skagit County with adequate information to take positive action on the planned Urban Growth Area, and to afford an opportunity for consideration of alternatives. The planned expansion of the Urban Growth Area is included in the adopted 2005 Town of Hamilton Comprehensive Plan. The 2007 Town of Hamilton Comprehensive Subarea Plan provides a more detailed look at this same plan.

A range of land use alternatives is presented in order to maximize flexibility in the decision-making process, and to ensure an adequate analysis of the impacts of each alternative. Alternative designs for public infrastructure to meet long term needs include water, storm and sanitary sewer, streets and other utilities. Alternatives that meet the project objectives and/or mitigate environmental impacts include phased Urban Growth Area adoption, evaluation of other sites, and no action.

Proposed sites for Urban Growth Area expansion include:

- A. 59-acre portion of the former Crown Pacific Log Yard recently purchased by Janicki Industries Incorporated; located south of State Route 20, north of the old Lyman/Hamilton Highway, extending west to Cabin Creek Road, and
- B. 202 acres located north of State Route 20 between Hamilton Cemetery Road and the Centennial Annexation Gravel Mine, and north to the town Well site.

PROPOSED ACTION AND ALTERNATIVES

1. Proposed Action: Expand the Urban Growth Area by 261 acres in a 20-year plan to accommodate residential, commercial and industrial development, including transfer of existing residential development rights from the Skagit River floodway between Sedro-Woolley and Concrete, restoration of floodway properties to natural river functions and buffer conditions, and development of a relocated Town consistent with adopted Comprehensive Plan and Zoning.
2. Alternatives that may accomplish the goals, but are managed to address lack of government funding.
3. Add only the remaining 59 acres of the old Crown Pacific site, the Janicki property, to the Urban Growth Area so that it can be properly zoned for broad industrial use. Provide Town water to the site.

4. Add the remaining 59 acres of the old Crown Pacific site, the Janicki property, to the Urban Growth Area so that it can be properly zoned for broad industrial use and a small Urban Growth Area of about 50 acres to accommodate the existing population of the Town only. This will of necessity be a permanently subsidized community because of the need for a larger land base to be self-sufficient. A sub – alternative would be to place the remaining land in an Urban Reserve designation for future consideration.

5. Add a different site than the planned Urban Growth Area location, such as Punkin Center or land to the north and east of Hamilton Cemetery Road. If annexed, additional opportunities for subdivision would be permitted.

PROPONENT

Hamilton Public Development Authority partner agencies including:
Town of Hamilton, Skagit County, Skagit River System Cooperative, The Nature Conservancy, Whatcom Skagit Housing, and Skagit County Community Action Agency.

TENTATIVE DATE FOR IMPLEMENTATION

2008-2028

CO-LEAD AGENCIES

Town of Hamilton and Skagit County

RESPONSIBLE OFFICIALS AND CONTACT PERSON

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LICENSES, PERMITS AND APPROVALS

Town of Hamilton adoption of Sub Area Plan
Skagit County Board of Commissioners adoption of Sub Area Plan Amendment to Urban Growth Area
Annexation of Urban Growth Area into Town limits; permits to construct infrastructure Addendum or Supplemental Environmental Review to comply with specific funding requirements including National Environmental Policy Act

AUTHORS AND PRINCIPAL CONTRIBUTORS

Margaret Fleek, Town Planner
Brandon Black and Kirk Johnson, Senior Planners for Skagit County
Lauren Freitas, Hamilton Public Development Authority Coordinator
Patrick Hayden, Town Attorney
Curt Miller, Landscape Architect
Aqua-Terr Systems Inc.
Archeological background information prepared for Hamilton Sand & Gravel Mine

DATE OF ISSUE OF DRAFT ENVIRONMENTAL IMPACT STATEMENT

April 18, 2007

PUBLIC HEARING TO RECEIVE COMMENTS

May 1, 2007 at 6:00 p.m., Hamilton Town Hall, 584 Maple Street, Hamilton WA

DEADLINE FOR COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

May 18, 2007, close of business (5:00 pm)
Mail comments to: Margaret Fleek, Town Planner, 901 E. Fairhaven Avenue, Burlington, Washington 98233

DATE FINAL ACTION IS PLANNED

June 12, 2007 by Town Council; submit to Skagit County July 2007

TYPE AND TIMING OF SUBSEQUENT ENVIRONMENTAL REVIEW

Supplemental environmental review may be required to meet Federal funding guidelines or if new development is identified for areas not proposed for development at this time.

LOCATION OF BACKGROUND MATERIAL

Background material and supporting documents may be found at the offices of the Hamilton Planning Department located at 901 E. Fairhaven Avenue, Burlington, WA.

COST OF DRAFT ENVIRONMENTAL IMPACT STATEMENT

No cost.

INTRODUCTORY NOTE

This is the Environmental Review of proposed additions to the Town of Hamilton Urban Growth Area to implement the Town of Hamilton Comprehensive Subarea Plan and the Hamilton-Skagit Flood Hazard Mitigation and Town Relocation Program, and provide for future growth and economic development consistent with the Growth Management Act and the Countywide Planning Policies. This process is intended to provide Skagit County with adequate information to take positive action on the planned Urban Growth Area, and to afford an opportunity for consideration of alternatives. The planned expansion of the Urban Growth Area is included in the adopted 2005 Town of Hamilton Comprehensive Plan. The 2007 Town of Hamilton Comprehensive Subarea Plan provides a more detailed look at this same plan.

A range of land use alternatives is presented in order to maximize flexibility in the decision-making process, and to ensure adequate analysis of the impacts of each alternative. Proposed sites for Urban Growth Area Expansion include the 59-acre portion of the old Crown Pacific Log Yard recently purchased by Janicki Industries Incorporated; located south of State Route 20, north of the old Lyman/Hamilton Highway, extending west to Cabin Creek Road, and 202 acres located north of State Route 20 between Hamilton Cemetery Road and the Centennial Gravel Mine, and north to the town Well site.

The Town of Hamilton is working with private property owners, Skagit County, State and Federal agencies involved with Flood Hazard Mitigation, and a broad range of concerned natural resource interests to realize the mitigation and restoration of flood-affected areas of the Wild and Scenic Skagit River corridor located between Sedro-Woolley and Concrete. Stakeholders have identified the best and most cost effective option for accomplishing goals of flood hazard mitigation, protection of public health, safety, and welfare by developing a new Urban Growth Area that will serve as a receiving zone for the relocation of Town of Hamilton residential units currently located in the Skagit River floodway and the relocation of residential development rights from additional at-risk properties located in surrounding floodway areas. This is a phased development plan with a comprehensive approach to both short-term and long-term infrastructure, commercial development, and the provision of a mix of residential housing types.

This will also accomplish the adopted goals of the 2005 Hamilton Comprehensive Plan to expand the Urban Growth Area to add the portion of the old Crown Pacific log yard that is not in Hamilton. This site is under single ownership, and is necessary to provide for economic development opportunities within the Town. Purchase of floodway development rights, transfer of population, and floodway restoration to natural river functions and processes is a very significant contribution to the future wellbeing of the Wild and Scenic Skagit River.

Alternatives are sought to provide for low-impact infrastructure that maintains and enhances water quality while remaining compatible with the desire of existing rural residents to retain the rural character of the area.

A series of Community Planning Workshops and Citizen Advisory Committee meetings have been undertaken during 2006-2007 to gather public comment and to guide the design of the proposed Urban Growth Area.

SUMMARY

OBJECTIVES OF THE PROPOSAL

The objectives of the proposal are as follows:

- Provide land outside of the floodway for construction of housing opportunities, businesses and commercial and industrial uses, school site and public services, open space, parks, infrastructure and utilities.
- Establish an overlay zone for the existing floodway area in the Town limits to plan and implement restoration of stream and wetland buffers, habitat conservation areas, removal of structures and site cleanup, public access and open space.
- Design and implement a floodway hazard mitigation strategy that includes creating sending zones for the transfer of development rights from the existing floodway portion of the Town and the river reach between Sedro-Woolley and Concrete, and a receiving zone at the new Urban Growth Area located outside the floodplain.
- Site design shall include low-impact, sustainable and green development features integrated into the plans and codes.
- Preservation of the rural character of the area and minimizing the impact of new development on the existing homes in the area.

MAJOR CONCLUSIONS AND SIGNIFICANT AREAS OF CONTROVERSY AND UNCERTAINTY

Compliance with State Growth Management Act restrictions forms the central issues of controversy and uncertainty. Key questions and concerns that have arisen include the following.

1. Not allowing an increase in the development density of surrounding Rural Areas, and not allowing for general industrial development on the portion of the former Crown Pacific site located outside of Town limits, and currently zoned Natural Resource Industrial.

The question of people living in unincorporated Skagit County being able to subdivide land into relatively small lots (one acre or less) has been debated at length in the years following implementation of the Washington State Growth Management Act program. Rural Lands and Resource Lands are treated very carefully in the Skagit County Code. The highest density zoning north of Highway 20 in the Punkin Center area is RI, Rural Intermediate, with a minimum lot size of 2.5 acres unless it is part of a CaRd, which is a cluster subdivision provision that provides for smaller lots (such as one acre) in exchange for a large open space reserve area. The rationale for lower density in rural areas is to preserve the rural character of the area, and ensure that all public health is protected. There is a clear requirement in the State Growth Management Act that high residential densities and general industrial uses are ONLY allowed in Urban Growth Areas, incorporated or unincorporated.

Working within this Growth Management Act framework, the Town of Hamilton is asking for additional land, located outside of the 100-year floodplain, to be added as Urban Growth Area in order to accommodate the need to relocate current Town population out of floodway critical areas, and also respond to 2025 Town population projections. This expansion would enable higher density residential development in the range of at least four units per acre.

Under the Growth Management Act, industrial uses in rural areas are strictly limited to Natural Resource Industrial uses. This restriction requires that the portion of the former Crown Pacific site that is currently located outside of Town limits be located in an Urban Growth Area or Town limits, in order to facilitate economic development through the productive use of this site. As such, the Town of Hamilton is asking to expand the Urban Growth Area to include this area, consolidating the zoning of this existing single-owner industrial site. This expansion is essential in order for new site owners, Janicki Industries Incorporated, to proceed with site development.

The overall scope of the proposal for the total site both in the existing City Limits and the proposed addition to the Urban Growth is to construct up to one million square feet of industrial space in 1-4 buildings, phased over time, with associated parking and fenced storage. There is the potential for additional permitted uses. There will be a substantial amount of fill and grade required over the site, precise amounts to be determined. Transportation improvements shall be identified based on a traffic study prepared in consultation with the Washington State Department of Transportation prior to issuance of construction permits.

2. An additional area of concern is whether people will be forced to relocate, and whether adequate compensation will be paid.

State Floodplain Management Code (WAC Chapter 173-158) does not permit repair or reconstruction of structures identified by local building officials as substantially damaged. The criteria for determining substantial damage is the ratio of the full cost to repair a building to its before-damage condition, to the building market value of the structure prior to the damage (not including outside improvements or land value). The formula requires use of the full cost to repair the structure, not the cost of repairs, and is determined regardless of the actual cost estimated by the owner (even if the owner elects to do less). FEMA has developed a software program to help local officials make substantial damage determinations, and is available from the local FEMA Regional Office. Additional information on substantial damage and substantial improvement is available in FEMA publication 480, *Floodplain Management Requirements: A Study Guide and Desk Reference for Local Officials*, and FEMA publication 213, *Answers to Questions About Substantially Damaged Buildings*. **Appendix E - Repetitive Loss Mitigation Strategy** includes WAC Chapter 173-158 and the above referenced FEMA publications.

Local building officials are responsible for making substantial damage determinations, and should estimate the full cost to repair using an objective third-party or un-debatable source, such as:

- A licensed general contractor,
- A professional construction estimator,
- National Flood Insurance Program adjustment papers (excluding contents damage),
- Damage assessment field surveys conducted by FEMA, building inspectors, emergency management, or
- Tax assessment agency estimates after a disaster.

Building market values that FEMA supports include:

- Assessed building value,
- Building replacement cost, depreciated to estimate the building actual cash value,

- Building actual cash value reported with National Flood Insurance Program adjustment papers (excluding contents damage), or
- Comparable sale for like buildings, located in the same flood zone, as determined by a State-licensed or State-certified real estate appraiser.

In order for Skagit County and the Cities and Towns in the Skagit River corridor to effectively enforce State Floodplain Management Code requires a long-term approach to mitigating repetitive flood damages through consistent local regulation, and resource sharing. In many cases, local jurisdictions lack the human and financial resources to actively pursue making substantial damage determinations. Also, political will to enforce floodway regulations is hindered because of insufficient affordable housing stocks to offer residents who would not qualify for repair, and the lack of secure funding for timely purchase of flood-damaged residences (there is no guarantee that buyout funds will be available, and it takes many months to find out either way).

Ideally, owners of structures that suffer repetitive flood damage or have substantial damage will be required to relocate, and these buildings will be permanently removed. The advantage of having the receiving zone at the new Urban Growth Area located outside the floodplain is to make sure that they have a relocation opportunity that meets their needs and leaves them in decent financial shape.

It will be a matter of moving people out of harm's way over a period of many years either to the relocated Town site, or to provide the people with enough relocation assistance that they can move elsewhere.

The following areas have been identified for discussion in the EIS:

1. Impact of land use change to existing rural area.
2. Environmental mitigation through low impact infrastructure design, sustainable development concepts and green building techniques.
3. Alternative designs for public infrastructure to meet long term needs including water rights, storm and sanitary sewer, streets and other utilities.
4. Alternatives that meet the project objectives and/or mitigate environmental impacts, including phased Urban Growth Area adoption, evaluation of other sites, no action.
5. Meeting needs for low income and affordable housing to serve relocated population that has significant human and social service needs.
6. Economic development opportunities and providing a jobs/housing balance.
7. Critical area protection including wetlands and steep slopes.
8. Historic preservation and archeological sites.
9. Wild and Scenic Rivers Act, Endangered Species Act, Clear Air Act, Farmland protection.
10. Re-designation of the County designated Rural Resource-Natural Resource Land zoned portion of the property for inclusion into the proposed Hamilton Urban Growth Area.

SIGNIFICANT IMPACTS, MITIGATION MEASURES, AND SIGNIFICANT UNAVOIDABLE ADVERSE IMPACTS

There will be a permanent change in the character of the Town of Hamilton with redevelopment of the old log yard as a modern industrial area, with reconstruction of the Town north of State Route 20 over the next twenty years including relocating some significant buildings such as the Slipper House that is the Town Hall. This will be combined with the restoration of the existing Town area located in the Skagit River Floodway to natural river functions with buffer restoration and appropriate public access.

There will be an unavoidable adverse impact on traffic on State Route 20 at the point of intersection with local streets.

There will be an unavoidable adverse impact on the total land area available in Natural Resource Industrial zoning with a loss of 59 acres and a further loss of 202 acres of Rural Resource-Natural Resource Land. However, Natural Resource Industries are also able to locate in Urban Growth Areas, with an example being the recently constructed Sierra Pacific lumber mill at the Bayview Ridge Urban Growth Area. Also, there are several vacant or underutilized parcels designated Natural Resource Industrial in the up-river portion of Skagit County that could serve as sites for future natural resource industries. Additional Natural Resource Industrial sites may be designated as needed in the future through amendments to the County's Comprehensive Plan/Zoning Map, so there is not a finite supply.

Rural Resource lands are, generally, areas that have the combined land and land-use characteristics of long-term agricultural, forest or mineral lands, and have the potential for multiple use or smaller scale resource management. Rural Resource lands generally are not managed for industrial-scale farming or forestry but nevertheless contribute to the natural resource land base. Where the Mineral Resource Overlay designation is also applied, industrial-scale mining can occur. There are approximately 25,950 acres of Rural Resource lands in Skagit County.

Regarding the proposed conversion of 202 acres of Rural Resource land to Urban Growth Area, the Growth Management Act and the County Comprehensive Plan generally discourage removing lands from natural resource land designation once they are so designated, on the basis that these designations are intended to be long-term. However, there are situations where such de-designation is permitted. Skagit County Code 14.08.040 establishes the following bases for changing natural resource land designations:

- (i) A change in circumstances pertaining to the Comprehensive Plan or public policy.
- (ii) A change in circumstances beyond the control of the landowner pertaining to the subject property.
- (iii) An error in initial designation.
- (iv) New information on natural resource land or critical area status.

The redesignation from Rural Resource-NRL to Urban Growth Area qualifies under conditions (i) and (ii) above. The change of circumstances pertaining to the Comprehensive Plan or public policy is the overriding importance of relocating the residential portion of the Town of Hamilton

out of the Skagit River floodway to prevent loss of life and property and the continued expenditure of millions of dollars of public and private funds to repair flood damage. The public benefits to be obtained for including the subject property in the Hamilton UGA represent the change in circumstances beyond the control of the landowner pertaining to the subject property as required by condition (ii) above. The proposed re-designation of this land from Rural Resource-NRL to UGA is not being proposed by the current owners for the purpose of enhancing their development potential; rather it represents the best relocation town site from the perspective of the Hamilton Public Development Authority.

The creation of a new town site out of the floodway to allow for the relocation of the Town and other floodway properties in the County, will also facilitate restoration of natural functions within the Skagit River floodway, as addressed in much greater detail elsewhere in this document. The 202 acres of Rural Resource-NRL land is the preferred, and likely the only viable, town residential relocation site for a variety of reasons, as discussed in the analysis of alternatives beginning on page 6. An area of adjacent land to the west designated as Rural Intermediate on the County Comprehensive Plan/Zoning Map might at first appear more desirable in part because it is not resource land. However, the land is zoned and largely developed at a relatively high rural density (one unit per 2.5 acres) making logical and orderly annexation and future development at urban densities of 4 to 6 units/acre difficult if not impossible to achieve. Additionally, the land is already owned by numerous individual property owners, meaning it cannot be purchased as a whole by the Public Development Authority to be developed in a manner that best advances Town relocation goals.

Although 202 acres of Rural Resource-Natural Resource Land may appear to be a sizable amount, it represents just eight tenths of one percent (.8 %) of the total Rural Resource land base in Skagit County, or just four one-hundredths of one percent (.04 %) of all the County's designated natural resource lands including Rural Resource-NRL, Forest-NRL, and Agriculture-NRL.

The additional mitigation measure is the fact that the population will be relocated from the existing Town limits. The long-term increase in population forecast in Hamilton with a new Town site is consistent with the population increases in other incorporated towns in Skagit County.

The key mitigation measure is the restoration of Skagit River floodway to Wild and Scenic River processes and functions, including permanent removal of obstructions and pollutants from the floodway and removing people from harm's way. There are also significant adverse effects on the health and welfare of people from living in repetitively flooded homes.

ALTERNATIVES INCLUDING THE PROPOSED ACTION

The Exhibit Numbers correspond to the number of each Alternative.

The purpose of including a discussion of alternatives is to inform decision-makers and the public of reasonable alternatives, including mitigation measures that would avoid or minimize adverse impacts or enhance environmental quality.

Introduction:

1. Proposed Action –

Description: Urban Growth Area is expanded by 261 acres to accomplish the following objectives:

- a. To accommodate the twenty year population forecast for Hamilton, including moving the existing population that is located in the Floodway and adding population according to the 20-year forecast adopted in the Countywide Planning Policies.
- b. To provide for transfer of development rights from floodway properties in the floodway portion of Hamilton and the floodway area between Sedro-Woolley and Concrete, including restoration of the sending site to a natural condition.
- c. To design and implement restoration plan for existing town site in the floodway.
- d. To consolidate existing industrial site into one jurisdiction and develop the site including utilities and improvements to the Town water system for fire flow (new water tank), and phased industrial development with supporting uses as appropriate.
- e. To do the work in an environmentally sound manner, use good urban design principles, low impact and sustainable development techniques.
- f. Acquire funding so that the relocation site north of State Route 20 may be purchased by the Hamilton Public Development Authority, and any revenue generated by the project will be reinvested in regional and local flood hazard mitigation, including floodway buyouts, relocation financing assistance, and site cleanup.
- g. Coordinate flood damage assessment and standards for building repair and elevation countywide to ensure fair, equitable and consistent treatment of every floodway property.
- h. Provide housing opportunities to meet needs of Hamilton residents ranging from very low income, moderate, affordable, transitional housing types to market rate housing.

Discussion: *The established criteria in the area for expansion of the Urban Growth Area are met by the plans of the Town of Hamilton. The critical path to the future of the area rests with expansion of the Urban Growth Area, which means that the 59-acre portion of the old Crown Pacific Log Yard must be re-designated from Natural Resource Industrial zoning to general Industrial in the Urban Growth Area. It also means that the proposed 202-acre addition to the Urban Growth Area located north of State Route 20 must be re-designated from Rural Resource to Residential, Open Space, and Business.*

2. Alternatives that may accomplish the goals, but are managed to address lack of government funding.

Description:

- a. Complete UGA and long range Town plan and submit to Skagit County for review and UGA adoption.
- b. Skagit County adopts UGA and adopts Hamilton Urban Reserve Zoning to prevent subdivision prior to annexation. Town and County work together if action is appealed to state Growth Management Hearings Board to defend the decision.
- c. Town phases annexation of land into Town limits as funding for land acquisition and development becomes available.
- d. Town and Hamilton Public Development Authority seek funding partnerships with other entities.
- e. Codes and design standards are in place to manage development consistent with vision for future, but development is based on the market conditions and opportunities for subsidized housing and infrastructure as they may arise.

Discussion: With the unpredictable nature of requesting funding for flood hazard mitigation and town relocation through the state and federal legislative process, other approaches are needed and there are several excellent models that demonstrate creative approaches to project financing and management. Reaction at the time of a major flood event does not lead to funding necessary to meet the needs of affected residents or effectively implement flood mitigation strategies.

3. Add only the remaining 59 acres of the old Crown Pacific site, the Janicki property, to the Urban Growth Area so that it can be properly zoned for broad industrial use. Provide Town water to the site.

Discussion: This results in a Town with no ability to construct a single new home. Industry without housing is not a good fit for the area; there should be housing opportunities to achieve a reasonable jobs/housing balance. The problems of repetitive flood loss properties continue to be exacerbated with each flood event. The two choices are to 1). continue to accept many residents living in substandard, repetitively flooded homes and recreational vehicles, or 2). strictly enforce State prohibition on the repair or rebuilding of substantially damaged home, which would effectively eliminate the town.

4. Add the remaining 59 acres of the old Crown Pacific site, the Janicki property, to the Urban Growth Area so that it can be properly zoned for broad industrial use and a small Urban Growth Area of about 50 acres to accommodate the existing population of the Town only. A sub – alternative would be to place the remaining land in an Urban Reserve designation for future consideration.

Discussion: As a first phase for the future, this would be a good step. However, this is NOT a twenty-year plan for the expansion of the Urban Growth Area and should not be viewed as the long-term solution for the Town. This course will of necessity result in a permanently subsidized community because a larger land base is required in order for the Town to be self-sufficient. The

sub-alternative of placing the remaining land in an Urban Reserve designation provides long term flexibility for future consideration.

5. Add a different site than the planned Urban Growth Area location, such as Punkin Center or land to the north and east of Hamilton Cemetery Road.

Discussion: If annexed, additional opportunities for subdivision would be permitted. The difficulty with annexing partially developed rural land is that this leads to piecemeal development and problems with expanding infrastructure to provide adequate essential public services. The related consideration is that the long-term Town limits should be contiguous, with the goal of connecting with the existing Centennial Annexation Gravel Mine site and the Town Well site.

6. No Action –

Description: Urban Growth Area is not expanded.

The Town continues to slowly decline until disincorporation becomes inevitable and repetitive flooding continues.

It has also been proposed that floodway development rights be transferred to other cities rather than relocate the Town out of the floodway. This would require the creation of specific Floodway Transfer of Development Rights ordinances for cities interested in becoming receiving zones, and a program developed to address the housing need, which includes a sizable very low-income component.

Discussion: The opportunity is LOST to support public health and welfare, upriver economic development, and restoration projects along the Wild and Scenic Skagit River. Key implications of non-action include:

- *Repetitive loss homes will continue to be inadequately repaired after flood events, and resold or rented,*
- *Recreational vehicles and elevated trailers will remain a predominant permanent housing norm, and some residences will be elevated rather than being permanently removed,*
- *Local, state, and federal agencies, and the National Flood Insurance Program will continue to incur millions of dollars annually in otherwise avoidable costs for flood response, recovery, and reconstruction,*
- *Janicki Industries will not able to develop on the Natural Resource Industrial site, and their property that is located within Town can not be developed at present until reclamation from petroleum contaminants takes place,*
- *The riparian corridor and buffers will not be restored, and each flood will contribute non-point pollution from the flushing of hundreds of septic tanks, and tons of hazardous debris into this Wild and Scenic River system, and*
- *Skagit County and Cities and Towns in the floodway corridor will likely persist in taking no decisive or coordinated action or responsibility for addressing the direct and indirect social, environmental, and economic impacts of repetitive flooding.*

Comparison Summary of Alternatives:

Comparative Impacts of Alternatives	Alternative #1 – Expand UGA by 261 Acres	Alternative #2 – Meet goals without gov’t funds to buy land	Alternative #3 – Add 59 acre site for Industrial use only to UGA	Alternative #4- Add 59 acre site + small area for existing pop. –sub option for urban reserve	Alternative #5- Add a different site for housing	Alternative #6 –No Action
Does it meet applicant’s objectives?	Yes	Potentially – if adequate regulations are possible	No – new residences cannot be constructed	Yes Short Term - No Long Term – Sub option +	No	No
Mitigate flood hazard	Yes	Yes	No	Town only; not river corridor; sub option is positive	No	No
Viable Future Community	Yes	Yes	No	No without sub option	No	No
Enhance Wild and Scenic River	Yes	Yes	No	Town area only until sub option on line in future	No	No

AFFECTED ENVIRONMENT, SIGNIFICANT IMPACTS AND MITIGATION MEASURES

See comparative chart in Alternatives section to compare the impacts of the options.

1. How would the proposal be likely to increase discharge to water; emissions to air; production, storage or release of toxic or hazardous substances; or production of noise?

New development will occur once land is added to the Urban Growth Area and annexed into the Town limits. Part of the proposed action is to do the work in an environmentally sound manner, use good urban design principles, low impact and sustainable development techniques.

Proposed measures to avoid or reduce such increases are:

All new development shall comply with all federal state and local regulations including Critical Areas Ordinance, federal and state air and water quality standards, state noise standards and other applicable laws and regulations. Green development principles, state of the art surface water management, low impact infrastructure design, sustainable development techniques are proposed for use in design and construction.

2. How would the proposal be likely to affect plants, animals, fish or marine life?

While new development is planned as part of the future growth of the Town, in addition to using environmentally sound practices, a major component of the project is restoration of the Wild and Scenic River corridor in the floodway portion of the Town of Hamilton and in the Skagit River corridor between Sedro-Woolley and Concrete.

Proposed measures to protect or conserve energy and natural resources are:

The Skagit River is home to several threatened and/or endangered species of fish and wildlife, including but not limited to Coho Salmon, Chinook Salmon, Bull Trout, as well as the Bald Eagle. There are many species of local concern in Skagit County and Washington State as well, including birds, fish and mammals. The overall program of floodway habitat and buffer restoration and removal of structures and infrastructure from the Wild and Scenic River corridor is a unique mitigation opportunity.

3. How would the proposal be likely to deplete energy or natural resources?

All new development uses energy and natural resources. Part of this proposed action is floodway restoration, which is a major turnaround opportunity to restore critical habitat and natural resources.

While the removal of the land from resource designation is significant, the mitigation plan over the 20-year planning horizon is compensation for the loss, particularly the critical habitat for endangered species, as well as the positive side of moving people out of harms way in the floodway.

Proposed measures to protect or conserve energy and natural resources are:

The project has a specific goal of energy and natural resource conservation, including using the most current design practices for optimizing energy conservation, using green building techniques and materials and low impact design for all infrastructure. The planned new town site faces south and has excellent solar exposure.

4. How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for government protection; such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?

The proposal is a Flood Hazard Mitigation project to completely extinguish development rights and remove all development including associated infrastructure from the Wild and Scenic Skagit River Floodway and transfer those development rights to the planned relocation area for the Town of Hamilton that is located outside the floodplain. While the top priorities for acquisition and relocation are Repetitive Flood Loss properties that have likely been Substantially Damaged in the past, the majority of the Town of Hamilton will be relocated to the new town site. In addition, over 400 homes in the Skagit River Floodway between Sedro-Woolley and Concrete can participate in the program.

By this means, through a cooperative effort representing the interests of fish and wildlife habitat, wetlands, floodplains, and threatened or endangered species habitat, and wild and scenic rivers, opportunities for improvements in sensitive areas will be optimized for future generations.

With respect to the new Town of Hamilton area that can be developed, wetlands and buffers are identified and protected along with steep slopes through the design and zoning for the area, as show in **Appendix B - Maps**.

A detailed assessment of historic and cultural sites shall be completed prior to any development activity on the new Town site, and reviewed and approved by the current Cultural Resources experts in this area as well as the State Office of Archeology and Historic Preservation. Appropriate action shall be taken based on these recommendations.

The Hamilton Comprehensive Plan and the Skagit County Comprehensive Plan and development regulations of each jurisdiction are designed to provide local government with the tools needed to protect the area. Examples include: Hamilton has a solid Critical Areas Ordinance and adopts the latest Department of Ecology storm water manual, the use of dedicated Hamilton Water Rights for mitigation of potential impacts on fish in times of low water.

Prime farmlands in Skagit County are not identified in the affected area; there is some agricultural land in the Town limits of Hamilton and it is presently zoned Open Space.

A detailed restoration and reuse plan for the incorporated Hamilton Floodway area will be adopted at the time the relocation site is acquired. Concepts and alternatives will be evaluated and prioritized based on the project objectives. The overall concept that is being adopted as part of this Sub Area Plan is buffer and habitat restoration for fisheries and wildlife habitat, with appropriate public access.

Proposed measures to protect such resources or to avoid or reduce impacts are require the adoption of effective codes to regulate development over the years; monitor the ecosystems in

the area and manage restoration planning and implementation in a cooperative venture among interested parties with future generations in mind.

5. How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?

This will have a positive impact, by putting a restoration, monitoring and management plan in place.

Proposed measures to avoid or reduce shoreline and land use impacts:

This plan should accomplish the goal of reducing impacts.

6. How would the proposal be likely to increase demands on transportation or public service and utilities?

There will be a minor increase in population and business activity.

Proposed measures to reduce or respond to such demand(s) are:

The plan and code addresses this issue by establishing a Level of Service and concurrency requirements.

7. Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.

The plan is consistent with requirements for protection of the environment.

8. Earth

Industrial Site: Flat with considerable fill; existing creek runs through the site without buffers. The portion of the site proposed for addition to the Urban Growth Area is generally flat and the soil is not contaminated, compared with the portion of the site currently in the Town limits where up to two additional years of remediation are needed because of contamination with petroleum products in the past.

Relocation Site: Part of the site is relatively flat and includes a broad wetland area with seasonal fish habitat. There are also two isolated wetlands on the easterly portion of the site and some steep slopes. The eastern area abuts the gravel mine site and has gravel deposits. Steep slopes and wetlands and buffers are planned to be reserved in Open Space and Parks Zoning (O-S).

There are no surface indications or history of unstable soils in the immediate vicinity. All new construction of buildings, roads and utilities will minimize fill and utilize best management practices.

9. Air

Industrial Site: All emissions will meet state and federal emission standards. There will be increased emissions from automobiles and trucks.

Relocation Site: The latest technology in environmentally clean building materials will be strongly encouraged for all new construction to minimize indoor air pollution.

10. Water

This project is in the Skagit River corridor and there are streams, wetlands, and sloughs throughout the area. All work within 200 feet of the Skagit River will require a Shoreline Substantial Development permit, and this will primarily consist of restoration projects. The majority of the existing Town in the vicinity of Alder Slough to the river is in the 100-year floodplain and floodway. The location of the floodway is identified in **Appendix B - Maps**.

The relocation of the Town has been underway for more than 15 years. A critical project advance was acquisition of the new Town Well site and transfer of existing Water Rights to that site. It is estimated that 0.43 gallons per minute (gpm) in water rights are required for each household. To complete development of the industrial site and the relocation of the Town, requires an additional water tank and the acquisition of some additional water rights. At the 0.43 gpm water right estimate, it is recommended that the Town have 268 gpm in water rights, which is sufficient capacity to meet the following needs:

- 43 gpm (100 Equivalent Residential Units) to replenish fire flow within 72 hours after its use (per State Department of Ecology),
- 200 - 225 gpm (465 - 523 Equivalent Residential Units) to serve Janicki Industries' normal use of about 3 Equivalent Residential Units, plus 463 - 520 additional Equivalent Residential Units for residential and commercial uses, public facilities, and the minimum of 70 Equivalent Residential Units (30 gpm water rights) needed for salmon mitigation added seasonally to Little Carey's Creek.

Currently, Hamilton has 134 gpm (312 Equivalent Residential Units), 104 for human consumption and 30 gpm for salmon mitigation. As a result, the Town will be applying for a maximum of 134 gpm in additional water rights. An application for additional water rights is expected to be filed in late 2007, based on current regulations. This will allow ample time before the water rights are needed to undergo the several-year Department of Ecology allocation process. The Department of Ecology has set aside a sizeable amount of water for future water rights allocation to eastern Skagit County communities, thus, the Hamilton request is not anticipated to create significant resistance from Ecology, as long as local Tribal governments do not object to the request. The Hamilton Public Development Authority is working closely with the Skagit River System Cooperative to ensure that the needs of this essential stakeholder are appropriately met.

Design and construction of sanitary sewer and storm water treatment systems will be required to meet current standards and any discharge to surface or ground waters will meet or exceed state and federal standards. Low-impact designs will be required by ordinance in order to minimize storm water problems and downstream effects. Storm water will be treated to current Department of Ecology standards prior to release to streams or wetlands. Development strategies recommended include those espoused by the Puget Sound Action Team with the *Low-Impact Technical Guidance Manual for Puget Sound* (January 2005).

Sanitary sewer is expected to be designed for local on site treatment initially, and expended and/or centralized as future development densities require and funding becomes available. The proposed system will result in the production of Class A Reclaimed Water as the effluent, at all

stages of development. Industrial uses proposed for the industrial site will not discharge process or wastewater, other than domestic sewage for employees.

11. Plants

Industrial Site: weeds, dirt and gravel

Relocation Site: Pasture, forest, wetland vegetation.

There are no threatened or endangered plants in the area. A major component of the project is buffer restoration in the floodway area that comprises most of the existing developed Town with native plants and other project features recommended by experts in the field.

12. Animals

The Skagit River is home to several threatened and/or endangered species of fish and wildlife, including but not limited to Coho Salmon, Chinook Salmon, Bull Trout, as well as the Bald Eagle. There are many species of local concern in Skagit County and Washington State as well, including birds, fish and mammals. The relocation site has elk and deer on it, or at least passing through the area. **Appendix F - Critical Areas Assessment** provides additional detail.

Buffer restoration and enhancement and upgrading the environmental qualities of the Wild and Scenic River corridor are key program components.

13. Energy and Natural Resources

Industrial development may include energy generation from waste products, to be determined.

Relocation Site development will promote the use of energy efficient design and construction standards and practices, such as those applied by the U.S. Green Building Council in their Leadership in Energy and Environmental Design (LEED) for Homes Program green building rating system (January 2007). **Attachment J** provides a copy of this program's guidelines.

14. Environmental Health

There are no environmental health hazards that could occur as a result of this proposal. Adequate Emergency Medical Response equipment and volunteers are necessary to provide service to the Industrial Site.

State Route 20 provides a background noise component that varies with time of day and season. Other than increased traffic over time and noise during construction activities, no significant adverse impact on noise is expected.

15. Land and Shoreline Use

The Industrial site is vacant and zoned Natural Resource Industrial (NRI). The Relocation site has two houses and some land in pasture use and it is zoned Rural Reserve Natural Resource RR-NRL. The County Comprehensive Plan designation is the same.

Areas proposed for addition to the Urban Growth Area are not located in Shoreline areas. Major Critical Areas at the Relocation Site are identified in **Appendix B - Maps**.

The following Table summarizes the status of property in the Town limits of Hamilton:

Floodway Lots	Parcels	FEMA Repetitive Loss	Flood Damaged	Pre-FIRM
Residence	75	14	18	45
Manufactured Home	25	4	8	8
Other Structure	15	1	2	0
Vacant	65	0	4	0
Other	183	3	9	0
Total	183	22	41	53

Of the 100 floodway residential structures, more than half (53) are identified as Pre-FIRM (constructed before the imminent threat of repetitive flooding was documented for the region by FEMA Flood Insurance Rate Maps, or FIRMs). For Hamilton, structures built before December, 1981 are considered to be Pre-FIRM, are not assumed to be in compliance with National Flood Insurance Program (NFIP) standards for flood mitigation, and thus are a high priority for mitigation. In addition, nearly one quarter (18) of the Hamilton floodway residential structures have been identified by FEMA as Repetitive Loss. FEMA identifies Repetitive Loss properties as properties which:

- NFIP has paid two or more flood claims of \$1,000 or more in any given 10-year period since 1978, or
- Experienced flood damage on two or more occasions over a 10-year period ending on the date when a second claim is made, in which the cost to repair the flood damage, on average, equals or exceeds 25% of the market-value of the structure at the time of each flood loss event.

Repetitive loss structures are a mitigation priority for the NFIP, since structures that flood frequently put a strain on the flood insurance fund. It is also important to the community because residents' lives are disrupted and may be threatened by the continual flooding. The local Repetitive Loss figure is conservative because FEMA only tracks properties insured under the National Flood Insurance Program. None of the Repetitive Loss or Flood Damaged figures are duplications.

There are 477 residential units located in the Skagit River floodway between Sedro-Woolley and Concrete that could be relocated to the new Hamilton town site. This is the largest-case scenario in terms of future build-out over twenty or more years, and is strictly contingent on purchase of floodway development rights and transfer of population to the new Town site. The initial phases of development will focus on relocating the 100 floodway residential structures from the Town limits, and other highest risk residences. Refer to **Appendix A - Hamilton Sub Area Plan** for the Urban Growth Area Analysis and probable activities.

Project completion has two components: 1). the relocation of the floodway residents and 2). development of the Industrial site, which is projected to employ up to 500 people and generate significant local economic development activity, such as support for commercial uses like

restaurant and grocery store. Conservatively assuming a wage base of \$35,000 for each new private sector job; 500 new jobs might represent a total wage base of \$17.5 million per year (500 x \$35,000). A conservative economic multiplier (i.e. “ripple effect”) of this job creation suggests that the wages of each full-time, year-round job tends to cycle at least 0.5 times through the local economy in the form of goods and services spent through local businesses and taxes to local government, before the money goes elsewhere.¹ Applying this economic multiplier realizes an additional local impact of \$8.75 million per year.

16. Housing

The initial goal is to provide up to 100 housing units that will provide housing opportunities for all income levels, from extremely low-income to market rate. Maximum build-out represents the removal of all floodway dwelling units in the river area between Sedro-Woolley and Concrete.

For every dwelling unit constructed at the relocation site, a dwelling unit and/or a residential development right shall be removed from the floodway, and the site restored to a natural condition.

Because of the large proportion of low-income residents in Hamilton (58% per U.S. Department of Housing and Urban Development), there will be a strong focus on housing opportunities tailored to the varied needs of the community. The project is intended to mitigate housing impacts by providing for a mix of housing types and costs, as needed, including subsidized rental and self-help ownership housing, permanently and initially affordable housing such as with a Land Trust, and market rate housing. **Appendix H - Applying the Community Land Trust Model in the Town of Hamilton** details the Land Trust model and includes findings from a low-income housing needs assessment conducted in Hamilton.

17. Aesthetics

The design and development of the relocation site will include design standards intended to preserve the character of the community. Some significant historical structures will be relocated to the site, and new construction will be in keeping with the historical and rural character of the area.

18. Light and Glare

Residents new to the area after collapse of the timber industry are used to having no lights visible from the industrial site. Redevelopment of this site means that there will be lighting, and likely at night. Code requirements to shield lighting from residents will mitigate impacts to some extent. The relocation site will have residential and business area street lighting.

¹ Multipliers translate a known (or assumed) *direct effect* into an estimated *total impact* equal to the direct effect plus an *indirect effect*. For example, 100 jobs in a new manufacturing plant (the direct effect) might lead indirectly to 60 more jobs in the local service sector (the indirect effect). In this case, the total impact would be 160 jobs, and the employment multiplier would be 1.6. Burress, David. *Economic Impact Multipliers for Kansas*. "Kansas Business Review" Vol 12, No. 3, Spring 1989. On the web at: <http://www.ku.edu/pri/publicat/multipliers/multipliers.htm>. This employment multiplier may be translated into an economic multiplier of between 0.50 – 0.8.

19. Recreation

Access to the Skagit River for fishing, hunting, and bird and other wildlife viewing, will be enhanced as restoration projects proceed over the years ahead. Connected open space in restored floodway areas will be accessed using paths and sidewalks, as appropriate. The Floodway Open Space Planning Committee, established by the Hamilton Public Development Authority, is coordinating habitat restoration and open space planning within the Town of Hamilton and unincorporated areas of Skagit County in the vicinity of Hamilton (Sedro-Woolley to Concrete). Committee participants include Hamilton Public Development Authority, Skagit County Public Works, Skagit Land Trust, Skagit River System Cooperative, The Nature Conservancy, and the U.S. Forest Service.

Local parks and open spaces at the relocation site will be designed in response to site natural features, critical areas, and community needs and preferences. Residents have expressed an interest in having parks and open spaces within close proximity to residential areas, and to include highly organized and well-maintained formal garden areas, green space and lawn for play and walking and picnic areas, and a mix of tree and shrub size and variety.

20. Historic and Cultural Preservation

The historic Fred Slipper House serves as the Town Hall and Historical Museum. While this building has been elevated to prevent flooding, it is proposed that it be moved to the new Town site as an important component of town history.

The Gravel Mine site has been studied for historical and archeological components as part of the State permitting process. An archeological site was discovered near the entrance to the property in the road area. Permitting to excavate the site is in process. There are likely to be other cultural sites in the vicinity, and a detailed review of that site, in consultation and coordination with local and state cultural experts, will be required prior to any development.

21. Transportation

State Route 20 is the major access to the Town of Hamilton. Public transit serves the area, although service is not adequate for workplace commuting purposes. The need for mitigation measures will be determined at the time of permitting for the industrial site. A street network will be designed to provide maximum circulation while creating a minimum impact at the relocation site.

22. Public Services

There will be an increased need for public services including fire protection, police protection, health care and schools over the twenty year planning horizon. The Volunteer Fire Department has recently purchased a new fire truck to meet increased service demands, and additional recruiting of volunteers will be an on-going program. Providing adequate water supply for fire flow is a critical issue that will be addressed with the infrastructure-engineering phase of site development. Contracting with the County Sheriff is an option that may be explored for police protection.

23. Utilities

See **Appendix A - Hamilton Sub Area Plan** for a summary of the capital facilities needed to develop the relocation site for the Town. Utilities currently available at the site are electricity, water, and telephone. Skagit Public Utility District #1 is pursuing the establishment of an advanced broadband telecommunications backbone up State Route 20 to Hamilton. Private service providers service will be able to access this infrastructure in order to provide high-speed Internet service to area business and residents. Services are projected to become available to the Hamilton area within five years.

Appendix A

Hamilton Sub Area Plan and Urban Growth Area Expansion Report

Appendix B - Maps

Exhibit 1 – Vicinity Map

Exhibit 2 – Urban Growth Area Map

Exhibit 3 – Comprehensive Plan Map

Exhibit 4 – Town Design Concept

**Exhibit 5 – Floodway property between
Sedro-Woolley and Concrete**

Appendix C

Distribution List

Appendix D

Skagit County Natural Hazard Mitigation Plan Excerpts

Appendix E

Repetitive Flood Loss Mitigation Strategy

Appendix F

Critical Areas Assessment

Appendix G

Overview of Benefit Cost Analysis for Hamilton-Skagit Flood Mitigation & Town Relocation Program

Appendix H

Applying the Community Land Trust Model in the Town of Hamilton

Appendix I

Transfer and Purchase of Development Rights Concept/Economic Model

Appendix J

LEED for Homes Program

Appendix K

Hamilton Social and Economic Statistical Data

Appendix L

Community Planning and Citizen Advisory Committee Information

Appendix M

Comment Letters Received To Date