



PLANNING & DEVELOPMENT SERVICES

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MEMORANDUM

To: Skagit County Planning Commission
Interested Parties

From: Kirk Johnson, AICP, Senior Planner – Team Supervisor
Mark Personius, AICP, Growth Management Consultant

Date: December 21, 2007

Re: Department Report and Analysis of Town of Hamilton Urban Growth Area Expansion
Proposal and Subarea Plan

Section I Executive Summary and Recommendation

The Town of Hamilton has submitted for County review a proposal to expand and relocate its Urban Growth Area, and a related Comprehensive Subarea Plan. Both submissions seek to ensure a viable and prosperous future for the Town by providing it with an Urban Growth Area outside of the Skagit River floodway. This new UGA area would allow the Town to relocate, over time, its existing population in the floodway and to accommodate modest residential growth and industrial development as authorized by existing Countywide Planning Policies.

The Planning and Development Services Department has reviewed the UGA expansion proposal and the Subarea Plan against relevant criteria found in the Growth Management Act, the Countywide Planning Policies, the Skagit County Comprehensive Plan, Growth Management Act Steering Committee-adopted UGA Modification Criteria, and Skagit County Code. The Department finds that the proposal and the Subarea Plan are generally consistent with the applicable criteria and recommends approval of the UGA expansion proposal and adoption of the Hamilton Comprehensive Subarea Plan under the Skagit County Comprehensive Plan.

Section II Summary of Proposal and General Analysis

1. Summary of Proposal

The Town of Hamilton has submitted for County review a proposal to expand and relocate its Urban Growth Area, and a related Comprehensive Subarea Plan. (These are found in the first two tabs following this report in the binder provided to Planning Commission members). Both submissions seek to ensure a viable and prosperous future for the Town by providing it with an Urban Growth Area outside of the Skagit River floodway. This new UGA area would allow the Town to relocate, over time, its existing population in the floodway and to accommodate modest residential growth as

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authorized by existing Countywide Planning Policies. The proposed UGA expansion will also allow future annexation into the Town of 59 acres of industrial land owned by Janicki Industries. This annexation would not only provide a needed revenue source for the Town and job opportunities for up-river residents; it would also allow Janicki Industries to develop its new industrial facilities to urban standards.

The Comprehensive Subarea Plan which accompanies the UGA expansion proposal promotes the above goals. It also proposes to remove existing structures from the floodway, and to restore these currently-developed floodway areas to open space for flood storage, long-term natural habitat, fish and wildlife conservation, and conservation-minded recreation purposes.

The Hamilton Public Development Authority (PDA) has worked as a partner with the Town of Hamilton to develop the UGA Expansion Proposal and Subarea Plan. The PDA was created by the Town of Hamilton in 2004 to develop and implement a permanent flood mitigation solution that restores the Town of Hamilton as a viable and desirable municipality in and around which to live and work; that reduces repetitive losses from flood-prone areas of Skagit County; and that enhances the Skagit River's riparian natural resources. (Attachment 1, Hamilton Public Development Authority Charter and 2007 Board of Directors). The Town created the PDA specifically to assist in the long-range planning efforts that would be necessary to relocate the Town but that is beyond the scope of the Town's very limited staff.¹

The PDA has been extremely successful, in collaboration with the Town of Hamilton and Skagit County, in obtaining grants to sustain its work. Funding awarded for PDA-chartered activities includes:

- Skagit County Public Facilities Program for water system infrastructure.
- Washington State Department of Ecology Flood Control Assistance Account Program, awarded for 2005-2007 and 2007-2009 for PDA planning activities.
- Washington State Department of Community, Trade, and Economic Development Emerging Issues grant for town subarea plan and floodway open space planning.
- Washington State Community Economic Revitalization Board for water system infrastructure.
- Federal Emergency Management Agency programs for buyouts of properties in the floodway.
- State and federal appropriations for the purchase of the relocation site for the Town.
- Puget Sound Partnership technical assistance with creation of low-impact development regulations for the Town.

The Hamilton PDA is pursuing a broader, longer-term strategy for purchasing properties from the Skagit River floodway between Sedro-Woolley and Concrete, and transferring that population to a revitalized Town of Hamilton. With the help of various partner organizations, the purchased property would then be restored and managed as fish and wildlife habitat and open space. However, the proposal before the Planning Commission at this time is primarily focused on Hamilton's desire to establish a new Urban Growth Area outside of the floodway, so that it can begin to move people and

¹ The town has a part-time clerk and treasurer and a part-time maintenance/water system employee. Town planner Margaret Fleek provides her voluntary services through an interlocal agreement with the City of Burlington.

structures out of the Town's own floodway, as required by Town codes and state law. That proposal will also be the primary focus of this report.

3. Hamilton's Current Conditions

Residential Land

The current Town of Hamilton is 670 acres in size. At this point in time it has no unincorporated UGA.² Of this 670 acres, 310 acres is located within the Skagit River floodway (Attachment 2, Hamilton vicinity map and aerial photograph). This includes 90% of the Town's current residential development. Only 33 acres of the Town's existing residential area is located out of the floodway, and these lands are effectively fully developed.

Under Town of Hamilton Ordinance 188, Section 5.3 Floodways, and Washington State Law, floodways are extremely hazardous areas due to the depth and velocity of floodwater. New construction is generally prohibited, and new residential construction is specifically prohibited. Consistent with state and federal model flood damage prevention ordinances, repairs are prohibited of any existing structures that are "substantially damaged" by future floods.³ The Town's Comprehensive Plan and the Hamilton Subarea Plan both clearly call for the removal of all residential floodway structures and residents over time⁴ Town Planner Margaret Fleek says the Town will move quickly to rezone the floodway area to Open Space, consistent with its current Comprehensive Plan designation, following approval by the County of the new UGA.

There is no other land within the current Town limits available either for the transfer of existing population from the floodway, or for modest new growth consistent with existing Countywide Planning Policies. Establishing an Urban Growth Area outside of the floodway is key to the Town's future survival and in fact is mandated by the Growth Management Act, which states: "...the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period..." (RCW 36.70A.110(2)).

The Town population is 311 according to the 2007 Subarea Plan. It is projected under existing Countywide Planning Policies (CPP) to expand to 450 residents by 2025. Hamilton is required under the GMA provision cited above, and under CPP 1.2, to have a UGA adequately sized to accommodate the allocated population. Given that the Town is directed by state law and its own

²The term Urban Growth Area refers both to the incorporated portion of a city or town – its incorporated UGA or Town limits – and to the unincorporated portion, which is the area available for expansion through annexation over the next 20 years.

³ In general terms, "substantial damage" is found when the full cost to repair a building to its before-damage condition is greater than 50 percent of the market value of the structure prior to the damage.

⁴See Comprehensive Plan Introduction, pages 1-2; Housing Element, policy 10, p. 17; Environment Element, Introduction, p. 28; Water policy 9, p. 30; Hamilton Comprehensive Plan Map, which shows the entire floodway area designated as Open Space. Relocation of current structures and residents is fundamental to the Hamilton Subarea Plan; see Chapter 1, Introduction, pages 1-5; Chapter 9, Floodway Mitigation Element. See also DEIS Appendix E – Repetitive Flood Loss Mitigation Strategy.

policies and code to move its current population out of the floodway over time, it must have another area outside of the floodway to transfer existing population and accept its additional allocated population growth under CPP 1.1.

Industrial Land

The Town currently has about 67 acres designated and zoned for heavy commercial and industrial use. An existing industrial site (Unamin) fully utilizes approximately 12 acres in the floodway. This site is subject to flooding, however, the industrial facility does not sustain significant flood damage, due to the nature of the business. The only other useable industrial land in the existing Town limits that is not in the floodway today consists of the old Crown Pacific log yard at approximately 55 acres. Janicki Industries has acquired that land for an industrial site and new construction is expected within the year. A portion of the site is still in remediation from previous hazardous waste contamination, so development will be phased. This property is directly adjacent to the 59 acres that Janicki Industries owns that is proposed for addition to the UGA for industrial development.

The Centennial Annexation

The Centennial Annexation is a 260-acre gravel mine operating under a Town conditional use permit approved in 2005.⁵ The permit applies a Natural Resource Overlay Zone to the property which permits and limits its use to the extraction and processing of mineral resources and subsequent reclamation of the property. The permit includes a site reclamation plan that dedicates a percentage of the reclaimed site to the Town for long-term future community expansion, primarily for residential use, after the expected 40-year life of the mine. This land is not available for residential development and does not factor into the Town's development capacity within the current 20-year planning horizon. The conditional use permit also specifies 2% of gross gravel sales, but not less than five cents per ton be contributed to the Town toward the development of community infrastructure. These funds will contribute toward local match funding for a new wastewater treatment system and water system upgrades that ensure the reclamation site will have urban utilities and services available when developed in the future.

Well Site

In preparation for Town relocation, the Hamilton Town Council annexed a 15-acre parcel in or around 1994 to serve as a new municipal well site. This property, located outside of the 100-year flood plain at an elevation of approximately 275 feet, is not contiguous with the current Town limits. The new Town water system is served from a 200-foot deep, 8-inch diameter drilled well and a 290,000-gallon concrete reservoir and treatment system constructed in 2002. This well is connected to the Town's distribution lines through a 12-inch diameter PVC water transmission pipeline. In 2006 this infrastructure was further upgraded with the addition of a pressure reducing valve and water meters added for each connection to monitor water use and establish a consumption-based billing system.

⁵ Town Council Ordinance Number 245.

4. Flood Conditions

During the past 10 years, the Federal Emergency Management Agency estimates that more than \$10 million in public funds and flood insurance payments has been invested into Hamilton flood response, recovery and reconstruction. There have been significant flood events in 1990, 1995, 2003 and 2006.

For the small community of Hamilton, repetitive flooding and subsequent home removal has significantly eroded the property tax base and is contributing to the community's economic and social decline. The State Auditor's office anticipates the Town will not remain viable for many more years unless a permanent solution to the Town's situation is implemented promptly. In addition to the high direct costs from repetitive flooding noted above, the Hamilton community is marred by social and economic decline. These indirect costs are evidenced by the following indicators⁶:

- Hamilton has the lowest income of any incorporated community in Skagit County, with 59% of households qualifying with the federal Department of Housing and Urban Development as low-to-moderate income. The median household income is \$31,500, as compared to \$48,773 for Skagit County overall, \$45,776 Washington State, and \$41,994 nationwide,
- 21.2% of Hamilton families live below the poverty level as compared to 7.3% for Washington State and 9.2% nationwide,
- 30.9% of Hamilton adult residents qualify as disabled, compared to 17.8% for Washington State and 19.2% nationwide, and
- Less than one third of Hamilton households occupy detached single-family homes of standard construction.

5. Previous UGA Expansion Proposal

Hamilton's 1994 Comprehensive Plan included an expansion of the Town's Urban Growth Area by approximately 120 acres (Attachment 3). The purpose at the time was the same: to allow the Town to move its population out of the floodway and accommodate modest planned growth. Skagit County incorporated this UGA expansion into its Comprehensive Plan and Map adopted in 1997. Friends of Skagit County appealed the Hamilton UGA expansion to the Western Washington Growth Management Hearings Board (Hearings Board), and the case was consolidated into *Abenroth vs. Skagit County*, Case No. 97-2-0060c. In its Final Decision and Order dated January 23, 1998, the Hearings Board found the UGA expansion not compliant with GMA, writing:

“Although we sympathize with the situation in which the Town of Hamilton finds itself, we are unable to find its UGA in compliance with the Act. GMA does not allow the addition of undeveloped land to a municipality's UGA when the:

- Current city limits are grossly oversized for population assigned,
- The Town has no plan in place to move current residents out of the floodplain, and
- The Town cannot show that it will be able to provide urban services to the additional area.”

⁶ Draft Environmental Impact Statement, Appendix K: Hamilton Social and Economic Statistical Data.

The County then rolled back the UGA to the Town's corporate limits, and agreed to take up the UGA expansion proposal once the Town had completed a subarea plan. It is significant to note that the Hearings Board decision came at a time when the 260-acre Centennial Annexation property had not been approved for use as a gravel pit, although the Town was aware of numerous conditions that precluded development of the site for residential purposes at the time. The Hearings Board's rejection of this previous UGA expansion proposal was a prime impetus for the Town's creation of the Public Development Authority to address the various deficiencies found with the previous proposal.

6. The Current Expansion Proposal

The Town's current UGA expansion proposal and Subarea Plan would expand the UGA by a total of almost 262 acres, all of which are located outside of the 100-year floodplain and the floodway. In considering this, it is important to remember that more than 300 acres of the Town is currently in the floodway, not available for further development, and actually planned for de-development over time. This "de-development" includes relocation of existing population, removal of structures, remediation of environmental impacts, re-designation of the property to open space in perpetuity, and restoration of river functions⁷. The proposed expansion area is actually smaller than that portion of the Town currently within the floodway that the Town has committed to de-develop over time.

Fifty nine acres of the proposed UGA expansion are located south of SR 20 and west of the current town limits (see Attachment 2, proposed UGA map). This land is currently designated Natural Resource Industrial within the County. The property is owned by Janicki Industries, as are the adjoining 55 acres within the Town. Adding this property to the UGA will allow Janicki Industries to consolidate its ownership under one urban jurisdiction. Addition of this land to the UGA is consistent with the Town's allocation of 60 acres of additional industrial land through Countywide Planning Policy 1.1.

The major portion of the proposed UGA expansion consists of approximately 202 acres north of SR 20 and east of the Hamilton Cemetery Road, on lands currently designated Rural Resource-Natural Resource Land. According to conceptual plans developed through the Hamilton Subarea Plan, this area would accommodate a residential area, a small business district comparable to that located in the "Old Town," a school site and other public uses. Approximately 60 acres of the site will be designated as open space, due to the presence of critical areas including wetlands, a stream, steep slopes and wildlife habitat corridors. This proposed expansion area will establish a logical boundary connecting the current major portion of the Town to the Town well site, as well as to the Centennial Annexation that is currently a gravel mine. This sets the community framework for many years to come.

As discussed in greater detail in the analysis portion of this report, this 202-acre area would accommodate the transfer of Hamilton's current population located in the floodway, as well as a

⁷ The plans and strategies for implementing these actions are further described in the Final Environmental Impact Statement, Appendix E – Repetitive Flood Mitigation Strategy, and Appendix L – Community Planning and Citizen Advisory Committee Information.

modest amount of new growth allocated to the Town by Countywide Planning Policy 1.1. Given critical areas limitations on the development of some of the land, the UGA would be sized appropriately relative to Hamilton's population allocation. This will be discussed in greater detail in Section III of this report.

Zoning Within the UGA

Once added to the UGA, the 59-acre industrial property will be zoned Urban Reserve Industrial (see Attachment 4, proposed UGA development regulations). The Department anticipates that the Town and the property owner, Janicki Industries, would move rapidly to annex the property to the Town. Janicki Industries has signed a pre-annexation agreement which indicates the company will file with the Town of Hamilton all documents necessary to complete the annexation of the property as required by Chapter 35.13. RCW, and which stipulates that the execution of the pre-annexation agreement is considered a valid petition for annexation.

The proposed zoning designation for the 202-acres north of SR 20 would be Urban Reserve Residential, with similar regulations in place as now apply to the property under its Rural Resource-NRL designation (see Attachment 4, proposed UGA development regulations). The intent is to allow minimal disruption in the current use of the properties until they are annexed to the Town.

The Public Development Authority's preferred development approach is to purchase the properties, prior to annexation, to ensure that their further development serves the public goals adopted in the Town's Comprehensive Plan, the Hamilton Subarea Plan, and the PDA's adopted Charter. If the PDA cannot obtain sufficient public funds to purchase the properties, it could alternatively form a partnership with one or more private developers who would agree to develop the property under strict guidelines, while also ensuring an appropriate return on investment. One of the key goals of the Hamilton Comprehensive Plan, the Subarea Plan, and the PDA Charter is to provide various levels of affordable housing within the new UGA. Preliminary discussions with at least two development companies have indicated this is a viable approach.

The Subarea Plan envisions that the Town will establish a "credit" program, and/or a Purchase and Transfer of Development Rights program, to ensure that floodway residences are removed in tandem with development of the UGA. This will facilitate the transfer of existing (utilized) development rights from the Town's floodway to the new UGA.⁸ In this way development within the new UGA area would help to pay for the purchase and removal of properties currently within the floodway, and for the relocation of current floodway residents. The PDA's experience to date is that federal flood buyout programs are too cumbersome, underfunded and piecemeal to address the magnitude of Hamilton's floodway problem and to provide adequate and timely assistance to floodway residents looking to relocate. Funds raised by the PDA acting as a development company/corporation – for instance through a flood impact fee levied on new development within the UGA – would supplement federal buyout funds.

⁸ Program approaches are outlined in the Final Environmental Impact Statement, Appendix I, with 1) Transfer and Purchase of Development Rights Concept/Economic Model, and 2) Manual to Implement Hamilton Floodway Relocation and Mitigation Credit Program.

Restoration of the Floodway Area

The Subarea Plan directs that the currently developed land in the floodway be restored for natural river processes, habitat and buffer restoration, fishing, and seasonal public access. All residential units will either be relocated or demolished and the sites restored to native vegetation over the 20-year planning horizon. Seasonal recreation will be accommodated with existing streets and water service. Restoration of vacated floodway properties is a major component of the Hamilton PDA's long-term work program.⁹ The Town of Hamilton will promote floodway restoration by continuing to serve as grant applicant for FEMA and other funds for property acquisition and restoration. The Town is represented on the PDA's Open Space Planning Committee, which is working with the environmental interests to develop a restoration plan for Town floodway areas. This "Hamilton Floodway Restoration and Management Plan," when complete, will be adopted as a Hamilton Comprehensive Plan amendment, and will include among other components buffer restoration, connected open space, public access and parklands.

Consistency with Skagit County Natural Hazards Mitigation Plan

The Hamilton relocation program is included in the Skagit County Multi-Jurisdictional Natural Hazards Plan, approved by the Federal Emergency Management Agency (FEMA) on October 30, 2003. The Town is working with all affected jurisdictions and agencies on a regional flood hazard mitigation program. This work includes pursuing multi-jurisdictional post-disaster response efforts for flooding and other natural hazards (earthquake being the second most common), such as coordinating database information, post-disaster inspections and follow-up, permitting and record keeping, and making substantial damage determinations. The Hamilton Public Development Authority has also emerged as the lead organization coordinating the public purchase and removal of flood-affected properties across Skagit County. Centralization of this work represents a highly cost effective and efficient use of limited human, financial and technical resources available to small towns and to Skagit County.

5. Criteria for Review

There are several sets of criteria for reviewing the UGA expansion proposal, as will be discussed further in Section III of this report. These are:

- a. The de-designation of land from Rural Resource-NRL (RRc-NRL) to UGA must be evaluated under Skagit County Code 14.08.020(5)(d), which governs changes to Natural Resource Land designations, and under the RRc-NRL designation policies in the Skagit County Comprehensive Plan.
- b. Additions to an Urban Growth Area must be evaluated and found consistent with the UGA designation criteria, which are Comprehensive Plan policies 2A-1.1 through 2A-1.5; criteria

⁹ The plans and strategies for implementing these actions are further described in the Final Environmental Impact Statement, Appendix E – Repetitive Flood Mitigation Strategy, and Appendix L – Community Planning and Citizen Advisory Committee Information.

regarding the sizing of UGAs relative to their allocated population and employment through the Countywide Planning Policies found in SCC 14.08.020(5)(b); and the UGA Modification Criteria as approved by the Growth Management Act Steering Committee, June 27, 2007 (Attachment 5).

- c. Criteria regarding adequate capital facilities planning to ensure the provision of urban services, also found in the UGA Modification Criteria.

The proposal is analyzed for consistency with these criteria in the analysis section.

6. Public and Environmental Review

The UGA expansion proposal and Subarea Plan have been developed by the Town of Hamilton, working with the Hamilton PDA, through an extensive process dating back several years. This process is discussed in greater detail in the Hamilton Subarea Plan section on Citizen Participation, p. 5; and in Appendix L of the DEIS. This public participation process has included work with a Citizen Advisory Committee appointed by the Hamilton Town Council and the Board of County Commissioners by Town Resolution #3-06, and County Resolution # R20070009, respectively (Attachment 6).

On April 18, 2007, the Town of Hamilton and Skagit County, acting as co-lead agencies under the State Environmental Policy Act, released a Draft Environmental Impact Statement analyzing the UGA expansion proposal and several other alternatives. These other alternatives included: 1) adding only the 59-acre Janicki property for industrial use; 2) adding the 59-acre Janicki property and an additional 50 acres north of SR 20 for town center/residential purposes; and 3) adding a different “residential” site than the proposed UGA, such as Punkin Center or land to the north and east of Hamilton Cemetery Road.

Written comments on the DEIS were accepted through June 1, 2007. Copies of those written comments are included in the DEIS binders provided to the Planning Commission and made available to the public at various locations. Public hearings were held on May 1st and May 21st, 2007, at the Hamilton Town Hall. The Town and the County issued a Final Environmental Impact Statement (FEIS) on June 6, 2007. The Town’s UGA expansion proposal that is now under consideration by the County was the preferred alternative identified through the DEIS/FEIS.

In processing the UGA expansion proposal, Skagit County has adopted these existing environmental documents under the State Environmental Policy Act (WAC 197-11-600). It has provided notification of this action in compliance with WAC 197-11-630.

This report accompanies the release of the proposal on December 27, 2007 for public and agency review and comment period. The Planning Commission is scheduled to hold a hearing on the proposal March 4, 2008 (see Attachment 7, Notice of Availability and Public Hearing). After consideration of public comment, the Planning Commission will deliberate and forward a recommendation to the Skagit County Board of County Commissioners for consideration and final action. That action is anticipated by June, 2007.

Section III – Detailed Analysis of Hamilton UGA Subarea Plan Expansion Proposal

1. GMA Requirements for UGA Expansion

RCW 36.70A.110 identifies the requirements for designation of UGAs. Of particular importance to the proposed Hamilton UGA expansion are two sections. First, RCW 36.70A.110(1) states, in part:

An urban growth area may include territory that is located outside of a city only if such territory already is characterized by urban growth...or is adjacent to territory already characterized by urban growth...

In this case, the proposed Hamilton UGA expansion includes an area that is not already characterized by urban growth but is immediately adjacent to the existing incorporated Hamilton UGA and therefore meets the requirements of RCW 36.70A110(1).

Second, RCW 36.70A.110(3) states, in part:

Urban growth should be located first in areas already characterized by urban growth that have adequate existing public facility and service capacities to serve such development, second in areas already characterized by urban growth that will be served adequately by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided by either public or private sources, and third in the remaining portions of the urban growth areas...

In this case, the proposed Hamilton UGA expansion includes an area that can be served by a combination of existing and new public facilities and services. For example, some public services such as public safety and schools are not affected by the Town relocation proposal because those services are provided by agencies other than the Town of Hamilton. However, the relocation will require provision of new water lines (the Town's well site is already located adjacent to the proposed UGA expansion area), sanitary sewer system, streets, etc. A more detailed discussion of capital facility plans for the Hamilton UGA expansion is contained later in this report. The need to provide some new urban services is not in conflict with the provisions of RCW 36.70A110(3) given that further development within the floodway portion of the existing UGA is prohibited by State and Town flood management regulations and therefore additional infill within this area is not feasible or desirable.

2. Skagit County Comprehensive Plan Requirements for UGA Expansion

The following table indicates the urban growth area designation policies identified in the Skagit County Comprehensive Plan Policies 2A-1.1 through 2A-1.5. The table includes a brief evaluation of whether the proposed Hamilton UGA expansion meets the criteria.

<p align="center">Urban Growth Areas: Comprehensive Plan Criteria for Designation</p>	<p align="center">UGA Criteria Evaluation Yes = generally meets criterion No = generally does not meet criterion</p>
<p>2A-1.1 Areas that are of sufficient size to adequately accommodate the allocated countywide urban growth area 20-year population projection.</p>	<p>Yes. The existing Hamilton UGA cannot accommodate its 20-year allocated population growth due to state and local restrictions which prohibit new development in the floodway. Approximately one-half of the existing Town UGA and 90% of the existing developed residential area in the Town are within the floodway of the Skagit River. Therefore expansion of the UGA outside the floodway is required. The proposed UGA expansion area is sized to accommodate the 20-year allocated growth (including existing residents and forecast new population growth).</p>
<p>a. Areas where compact urban development patterns can be accomplished through infill or expansion which minimize the fiscal and environmental impacts of growth while assuring opportunities for housing, jobs, and commerce.</p>	<p>Yes. The proposed UGA expansion area would be required to accommodate development at a minimum of four dwelling units per acre. Higher densities may be allowed through the purchase of additional floodway credits (by relocating existing floodway development from within or outside the existing Town limits). In addition, the UGA expansion will promote job creation by allowing further development of the Janicki Industries operations. There is also a small retail commercial center proposed as part of the Town relocation site to serve as the new Downtown Hamilton.</p>
<p>b. Areas where a range of urban governmental services such as sewer, water, storm drainage, transportation improvements, fire and law enforcement protection, and parks and recreation presently exist or can be economically and efficiently provided.</p>	<p>Yes. Sewer, water, stormwater and roadway facilities can be efficiently provided within the compact UGA expansion area. The Town's well is already located in that area and preliminary sewer and water planning needs have been identified.</p>
<p>c. Areas that are clearly defined, logical, have a physical identity or social connection to an existing urban environment.</p>	<p>Yes. The proposed UGA expansion is immediately north of and adjacent to the existing Town UGA boundaries. It is also bounded on the east by the Centennial Annexation and on the northwest corner by the Town's existing well site. All of which are within existing Town boundaries.</p>
<p>d. Areas where natural features and land characteristics are capable of supporting urban development without significant environmental degradation.</p>	<p>Yes. The proposed UGA expansion area is located entirely outside the floodway of the Skagit River. It is characterized by approximately 58 acres of critical areas and buffers (mostly isolated wetlands); but the majority of the area is characterized by relatively level or gently sloping land well suited to development.</p>
<p>e. Areas that do not have a long-term, commercially significant value for agriculture, forestry, or mineral production and are able to accommodate additional development without having a detrimental impact on nearby natural resource lands.</p>	<p>Partial. The proposed UGA expansion area is presently designated as Rural Resource-NRL. Presently the land is largely vacant. There are two small farm residences in the area. The lower portion of the area is in meadow and the upper portion of the area is cut-over forest. Very small scale farming (hay) and animal husbandry occurs presently. The 260 acre area immediately east of the proposed UGA expansion is known as the Centennial Annexation. It is already within the UGA and Town limits but is in forest and has a conditional use permit for gravel mining that effectively renders it unavailable for urban use for the next 40 years.</p>
<p>2A-1.2 UGA expansion proposals should include land capacity analysis, demonstrate ability to provide urban services and compliance with CPPs; identify impacts on critical areas, natural resource lands and hazard areas</p> <p>Demonstrate that expansion is necessary within the 20-year planning period, that public facilities and services can be provided concurrent with development and that reasonable efforts have been made to encourage infill and redevelopment within existing UGA boundaries.</p>	<p>Yes. The land capacity analysis for the proposed UGA expansion indicates the site can accommodate approximately 200 units or an equivalent population of approximately 480 persons while the CPP allocated 20-year population forecast for the Town is 450 persons. (See further discussion of UGA sizing on pages 17 -18). The Subarea Plan includes preliminary analysis of urban facilities and services needed to accommodate the forecast population. The UGA expansion area is also located entirely outside the Skagit River floodway and is sized large enough to accommodate the entire existing Town population as well as forecast new growth (including room for potential relocation of unincorporated floodway residences from outside the Town).</p>

<p>2A-1.3 Areas that include consideration of lands useful for recreation, critical areas, greenbelts, view sheds and avoidance of natural hazard areas prone to flooding or other risks to public safety.</p>	<p>Yes. The land capacity analysis indicates that approximately 58 acres of the proposed UGA expansion area is constrained by wetlands and required buffers that would not be available for development. It also indicates that 51 acres of the proposed area are likely to be needed for public purposes such as roads, utilities, and other public uses.</p>
<p>2A-1.4 Officially Designated UGAs</p>	<p>Yes. The Hamilton UGA is an existing officially designated UGA.</p>
<p>2A-1.5 Achieve a net density of 4 dwelling units per acre, when urban services are provided.</p>	<p>Yes. The Subarea Plan indicates that upon provision of sanitary sewer and water service to the area, residential areas within the proposed UGA expansion area would be designated at a minimum of four units per acre.</p>

3. Skagit County UGA Modification Criteria

The UGA modification criteria adopted by the Skagit County Growth Management Act Steering Committee (Attachment 5) are based on two main themes: 1) timing of UGA modification proposals; and 2) minimum requirements for UGA expansion proposals.

Timing of UGA Modifications

The new criteria establish a minimum 7-year period between UGA boundary modifications (i.e., expansions) for all communities with several exceptions. Exceptions that allow UGA boundary modifications more frequently than once every seven years include such circumstances as:

- a. Emergencies.
- b. Growth Management Hearings Board orders.
- c. When necessitated by changes to state or federal laws and regulations.
- d. Minor technical boundary changes.
- e. Accommodating new schools.
- f. When the boundary adjustment will preserve significant natural or cultural features as open space, provided that the boundary adjustment will not result in significant increase to population or employment capacity.
- g. There is less than 50% remaining of the vacant and buildable land base designated within the UGA or there is a deficiency in sufficiently sized parcels likely to develop within the forecast planning period necessary to accommodate the forecast population growth.

Requirements for UGA Modification Proposals

All UGA boundary adjustments must also meet certain minimum requirements, most notably including:

- a. Sufficient land area to accommodate the adopted 20-year population and employment forecast allocated by the Countywide Planning Policies (CPPs).
- b. UGA land capacity analysis sufficient to demonstrate the UGA's capacity to accommodate the allocated population forecast.
- c. A comparative evaluation of potential areas for UGA expansion.
- d. Early and continuous public involvement; and
- e. Excluding designated natural resource lands unless such lands are subject to a transfer of development rights program that allows for the continuation of natural resource activities

or the resource lands have been de-designated consistent with the applicable provisions of the Skagit County Comprehensive Plan and the GMA.

4. Department Analysis

The Hamilton UGA expansion proposal comes a year after the County adopted its GMA-required 7-year update to its comprehensive plan and development regulations. Therefore, the proposal falls within the once-per-seven-year cycle established by the UGA expansion criteria. Although it is not therefore necessary to look to the exceptions, the proposal meets several of the exceptions allowed to the once-every-7-year cycle nonetheless. These include 1) its designation as an emergency amendment necessary to alleviate repetitive flood losses, as well as 2) its preservation of significant open space (the current Town site located within the Skagit River floodway), and 3) the fact that without expansion of the UGA outside the floodway the Town will be unable to meet its obligation to accommodate its forecast population growth.

The UGA expansion/Town relocation proposal also appears to have met the minimum requirements for all UGA modification proposals as discussed above.

- Without UGA expansion/Town relocation, the Town will be unable to meet its GMA obligation to accommodate its allocated 20-year forecast population growth.
- The *Hamilton UGA Subarea Plan and UGA Expansion Report* includes a land capacity analysis that demonstrates sufficient capacity to accommodate both the existing Town population and the forecast 20-year population growth within the proposed UGA expansion area within the sizing limits typically imposed by the GMA.
- The Draft and Final EIS prepared for the Hamilton UGA expansion include an analysis of alternative UGA expansion areas, including the no action alternative.
- The UGA expansion planning process has included early and continuous public involvement of local affected residents and property owners.
- Sufficient rationale appears to exist to satisfy the de-designation of current Rural Resource-NRL parcels that are subject to UGA designation as part of the proposal.

UGA Site Selection

The Draft EIS for the 2007 Hamilton Subarea Plan analyzed five land use alternatives for UGA expansion, including a no action alternative. These are briefly discussed below.

Alternative 1—Proposed Action. Expand the UGA by 261 acres to accommodate the 20-year population forecast for Hamilton, including moving the existing population located in the floodway. Provide for transfer of development rights from floodway properties both within Hamilton and in the unincorporated area between Sedro-Woolley and Concrete, including restoration of the floodway parcels to a natural condition.

Alternative 2—Add only the remaining 59 acres of the old Crown Pacific site (the Janicki property) to the UGA so that it can be properly zoned for industrial use. To quote the DEIS: *“This results in a Town with no ability to construct a single new home.”*

Alternative 3—Add only the remaining 59 acres of the old Crown Pacific site (the Janicki property) to the UGA so that it can be properly zoned for industrial use and a small UGA of about 50 acres to accommodate the existing Town population only. This does not result in a sufficiently large enough area to accommodate the Town’s forecast 20-year growth nor would it be large enough to accommodate needed urban commercial activities and other ancillary land uses for the Town to become self-sufficient. Nor would it allow sufficient capacity to accommodate any additional “unincorporated” floodway residents between Sedro-Woolley and Concrete who may desire to move out of the floodway but remain in the upriver area.

Alternative 4—Add a different area such as Punkin Center or land to the north and east of Hamilton Cemetery Road. Punkin Center is an area currently zoned Rural Intermediate (RI) located west and north of the existing Town. However, the land is zoned and largely developed at a relatively high rural density (one unit/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. This proposal would also require redevelopment of many existing (rural) parcels and require more expensive capital facilities improvements for sewer and water than the proposed action. This alternative would also not be contiguous with the existing Town limits, the Centennial Annexation and the Town well site.

Alternative 5—No Action. Under this alternative, the UGA is not expanded. Repetitive flood losses will continue to occur. The Town will have no capacity to accommodate its forecast future growth. The Town will likely lose its ability to sustain itself and disincorporation is a likely result.

De-Designation of Rural Resource-Natural Resource Lands

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 uses. However, they are generally smaller in scale and are not managed for industrial scale farming or forestry but nevertheless contribute to the natural resource land base. Where the Mineral Resource Overlay (MRO) designation is also applied, industrial scale mining may occur.

The Hamilton UGA Sub Area Plan indicates that the proposed UGA expansion would take in approximately 202 acres presently designated as Rural Resource-NRL and 59 acres of Natural Resource Industrial (NRI) land (the portion of the old Crown Pacific Log Yard located outside the present Town limits). The Skagit County Comprehensive Plan designates approximately 25,950 acres countywide as Rural Resource (RRc-NRL). The proposal, if enacted, would account for the loss of 202 acres of that supply or about eight-tenths of one percent (0.8%) of the total countywide RRc-NRL acreage. The RRc-NRL parcels in question are in the ownership of two families. The Lawson family owns two parcels cumulatively amounting to 45 acres. These lands are currently utilized for passive agricultural uses including haying and limited animal grazing. The Hughes family owns

seven parcels totaling 157 acres. The vast majority of these lands are comprised of cut-over forest land.

The 59 acre Natural Resource Industrial (NRI) site is proposed for Urban Reserve Industrial designation under the proposed Hamilton UGA Subarea Plan and therefore, the County would not experience any net loss of industrial land supply under the proposal. In addition, there are several remaining vacant or underutilized NRI designated sites in the up-river portion of the county that could serve as sites for future natural resource industries. NRI lands are a type of rural industrial land under the Skagit County Comprehensive Plan, not a type of natural resource land of long-term commercial significance.

Under the GMA, the process to de-designate natural resource lands (i.e., agricultural, forest and mineral lands of long-term commercial significance) must satisfy the same criteria used to initially designate them. In this case, the designation criteria for Rural Resource-Natural Resource Lands are included in the Skagit County Comprehensive Plan—most notably in Policy 4C-1.1, shown below.

Policy 4C-1.1 Rural Resource-NRL Designation Criteria

All lands in rural unincorporated Skagit County not designated as Agriculture, Industrial Forest or Secondary Forest are subject to Rural Resource lands designation according to the following criteria:

- (a) All parcels approximately 40 acres or greater that contain one or both of “Prime upland farm soils” as determined by the USDA Soil Conservation Service, or Washington State Department of Revenue—private forest land grades (PFLG) 1-3.*
- (b) Lands meeting (a) above that comprise contiguous areas of approximately 160 acres and larger; provided that any parcels 40 acres or larger that is located contiguous to any land designated Agriculture, Industrial Forest or Secondary Forest generally may be designated Rural Resource regardless of whether it is contained within such a large area.*
- (c) Parcels meeting both (a) and (b) above shall be further evaluated for inclusion or exclusion in Rural Resource Lands based upon the following additional factors:*
 - (i) Participation in a current-use tax assessment program. Such current-use tax assessment status is not, by itself, a determining factor for inclusion or exclusion, but is only part of relevant characteristics to be considered;*
 - (ii) Whether the area is currently in small-scale agriculture or forestry use or has been in agricultural or forestry use within the preceding ten years, and minimal improvements or financial expenditures have*

been made to non-resource related uses in the area as a whole. Construction of a single-family residence on any parcel of land shall not be deemed a sufficient non-resource related expenditure for purposes of this subsection; and

- (iii) Whether the area has limited availability of public services and facilities (although the area may be located within a public water district).*

- (d) Parcels that do not meet any of the criteria described above in (a), (b), or (c) may be designated as Rural Resource to provide logical boundaries to the Rural Resource lands designation and to avoid small “islands” or “peninsulas” of conflicting non-resource land uses in the midst of resource lands. Similarly, parcels that meet some or all of the criteria described above in (a), (b), or (c) may be excluded to provide logical boundaries to the Rural Resource lands designation and to avoid conflict with existing land uses.*

There is a total of nine (9) parcels proposed for UGA expansion currently designated as RRc-NRL. These parcels range in size from 6 to 40 acres. Cumulatively they comprise approximately 202 acres. Only two of the nine parcels individually reach the minimum 40 acre threshold required under Policy 4C-1.1 above. The majority of the 202 acres in total are underlain by either prime upland farm soils (concentrated on the lower cleared fields portion of the area) or PFLG 1-3 (see Attachment 8, soils map). Prime farm soils and PFLG 1-3 soils underlay **all** of the surrounding area as well, including the Hamilton UGA and adjacent rural areas not designated as resource lands. It appears that seven of the nine RRc-NRL parcels (those less than 40 acres) comprising a total of 123 acres clearly do not meet the minimum designation criteria identified in Policy 4C-1.1 (a), (b), or (c), above. It appears that the majority of the RRc-NRL designated parcels in question were designated under the provisions of Policy 4C-1.1 (d). Paragraph (d) is a discretionary criterion that **may** allow RRc-NRL designation even when subject parcels cannot meet any of the previous criteria in (a), (b), or (c). The provisions of paragraph (d) also explicitly allow parcels that meet all of the previous criteria in (a), (b), or (c) to be excluded from RRc-NRL designation owing to logical boundaries and to avoid conflict with existing uses. The indistinct nature of Rural Resource lands themselves—that they do not meet the designation criteria for agricultural, forest or mineral resource lands of long-term commercial significance established under the GMA – generally places them more in the realm of discretionary land use than other NRL designations.

The Skagit County Comprehensive Plan generally discourages removing lands from natural resource land designation once they have been so designated, on the basis that these lands are intended to be long-term. However, there are situations where such de-designation is permitted. Skagit County Code (SCC) 14.08.020 establishes the basis for changing natural resource land designations. The code requires at least one of the following criteria to be met in order to re-designate natural resource lands:

- (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 re-designation from Rural Resource-NRL to Urban Growth Area in the Hamilton case qualifies under conditions (i) and (ii) above. The change of circumstances pertaining to the Comprehensive Plan or public policy required by condition (i) above 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 from including the subject property in the Hamilton UGA represent the change of circumstances beyond the control of the landowner of the subject properties indicated in condition (ii) above. It should be noted that the proposed re-designation of these parcels from RRC-NRL to UGA is not being proposed by the current owners for the purpose of enhancing their development potential; rather it represents the best Town relocation site from the perspective of the Town and the Hamilton Public Development Authority.

Under the GMA, counties have the responsibility both to protect natural resource lands of long term commercial significance and to plan for the accommodation of forecast population growth in urban growth areas. The GMA also recognizes that counties have discretion in how they accommodate growth and that they must balance the goals of the GMA even when those goals are in conflict. In this case, given the more discretionary nature of the RRC-NRL designation criteria, the need to protect the public from loss of life and repetitive flood loss to structures, the Town's obligation to plan for the accommodation of its forecast growth, and the logical contiguous UGA proposed expansion site for the Town relocation, the Department finds that the expansion of the Hamilton UGA into RRC-NRLs is warranted.

UGA Sizing

The Town of Hamilton has an existing population of 311 and a 20-year forecast population of 450. Of the existing 311 population, approximately 239 persons are located in 100 residences that are entirely within the floodway and the remaining 72 persons are located in 23 residences outside the floodway. The Town UGA expansion is intended to provide room to accommodate relocation of all 100 residences in the floodway portion of the existing UGA as well as new housing units needed to accommodate the 20-year forecast total Town population of 450. Those additional units could also accommodate households who wish to relocate from unincorporated portions of the floodway between Sedro-Woolley and Concrete.

The total Town limits presently comprise 670 acres – almost one-half of which (310 acres) is located entirely within the floodway of the Skagit River. Under Hamilton Ordinance No. 188, Section 5.3 Floodways, new residential construction is specifically prohibited. There is 260 acres of the Town called the Centennial Annexation located outside of the floodway that is subject to a conditional use

permit authorizing gravel mining over the next 40 years – an area that will not be available to accommodate urban growth during the current 20 year planning period. The only other useable land in the existing UGA (outside of the floodway) is the old Crown Pacific Log Yard (55 acres) and that land has been acquired by Janicki Industries for future industrial development. The remaining land within the UGA but outside the floodway is occupied by Unamin for industrial use and a small area of residential development just north of SR 20.

The entire area of the proposed UGA expansion (261 acres) is less than the area of the existing Town located within the floodway (310 acres).

UGA sizing is an important exercise to determine that a UGA is appropriately configured to accommodate its forecast population. It involves something of the Goldilocks parable —the UGA shouldn't be too big, or too small, but sized just right. The Hamilton UGA Subarea Plan includes a land capacity analysis (including analysis of critical areas and lands needed for public purposes that are otherwise not available for urban development) that indicates a net carrying capacity of approximately 200 dwelling units or about 480 persons at build-out. The 20-year forecast population for the Town is 450 persons. The land capacity analysis indicates a proposed UGA capacity that only slightly exceeds the 20-year forecast need but it appears to have utilized reasonable assumptions consistent with the criteria for land capacity analysis identified in the UGA Modification criteria. Given the existing UGA population of 311 – 239 of whom are presumed to relocate within the expanded UGA and the remaining 72 to stay put in the current UGA but outside the floodway – that leaves a “net growth” of 139 new persons (or about 58 new units at 2.4 PPH) over the next 20 years over and above the existing and relocated Town population and units. Some or all of those 58 new units could come from “unincorporated floodway” relocations between Sedro-Woolley and Concrete.

The UGA expansion proposal also includes 59 acres of industrial property to consolidate the existing 55 acre vacant site inside the current Town limits (the old Crown Pacific Log Yard) under single ownership (Janicki) that is proposed for improvement. The Town and Crown Pacific partnered on the Town's new water system so that fire flow would be available to the site for redevelopment purposes. The Countywide Planning Policies allocated an additional 60 acres of commercial/industrial land to the Town for employment growth during the next 20 year planning period. The 59 acre UGA expansion proposal to consolidate the Janicki property is consistent with that allocation.

Provision of Capital Facilities

Capital facilities include all public facilities including roads, water systems, sanitary sewer systems, storm-water facilities, schools, parks and recreation and police and fire protection facilities. With the planning process underway to develop a new town site north of SR 20, substantial new capital facilities will be required. A detailed capital improvement program will be prepared by the Town with available grant funds when the new Town site has been acquired by the PDA. However, the *Hamilton UGA Expansion Subarea Plan* includes identification of needed capital facilities and urban services and preliminary cost estimates and funding sources.

The current inventory of capital facilities includes a new fire station (located outside the floodway) and transferred water rights to the new well site (outside the floodway). The Town water system is

operated by one part-time employee. The Town has a water system plan most recently updated in 2007 to allow provision of water service to the portion of the Janicki property currently located outside of the Town limits. Sanitary sewer service is provided by individual on-site septic systems. Students are served by the Sedro-Woolley School District and police services are provided by the Skagit County Sheriff's Office.

Existing fire protection facilities are anticipated to meet the needs of the UGA expansion for at least the next 15 years. Additional school, recreation, and police facilities are not projected for development during the next 20 year planning period, although the Sedro-Woolley School District has indicated a potential long-term need for a new school site within the new UGA.

Costs projections are identified for the major new capital facilities to serve the new UGA, including an expanded public water system, sanitary sewer system and new roads and pedestrian facilities. Additional water rights will also have to be acquired to serve full build-out of the new UGA. The PDA has also identified potential funding sources for these capital facilities as well as funds to assist in the acquisition of affordable housing for local Hamilton residents as part of the relocation process. The capital facility cost estimates were prepared based on low impact urban development standards and are summarized below. A more detailed list of specific programs and their type of targeted facility cost assistance prepared by the PDA are attached to this report (see Attachment 9).

Hamilton UGA Expansion Capital Facilities Cost Estimates

Capital Facilities	Cost Estimate (2006 \$)	Funding Sources
Water Lines (15,000 Linear Feet)	\$ 1,050,000	Department of Ecology, Community Development Block Grants (CDBG), Department of Community, Trade and Economic Development (CTED), United States Department of Agriculture (USDA)
Water Storage & Improvements	\$ 400,000	Department of Ecology, CDBG, CTED, USDA
Wastewater Collection	\$ 2,100,000	Department of Ecology, CDBG, CTED, US Economic Development Administration (EDA), USDA
Wastewater Piping	\$ 510,000	Department of Ecology, CDBG, CTED, US EDA, USDA
Wastewater Treatment Plant	\$ 1,700,000	Department of Ecology, CDBG, CTED, US EDA, USDA
Roads, Sidewalks, Street Lighting	\$ 5,540,000	WA Department of Transportation (DOT), US DOT, CTED
Total	\$11,300,000	

Source: Hamilton UGA Expansion Subarea Plan

The Town's existing public water system is available to serve the 59 acre Urban Industrial site expansion proposal using a 12 inch line. Requisite fire flow will be provided using an on-site water storage tank, provided by site owners.

Policies and Development Regulations Guiding Development in the UGA

Implementing regulations will be phased in the Hamilton UGA to facilitate relocation of Town residents. Upon adoption of the new UGA an Urban Reserve Residential zoning designation will be instituted for the 202 acre (present RRC-NRL) portion of the UGA expansion while an Urban Reserve Industrial designation will be applied to the 59 acre expansion to accommodate the remaining portion of the old Crown Pacific Log Yard now outside the Town limits. The Urban Reserve Residential designation is an interim designation intended to allow many of the currently allowed uses under the existing RRC-NRL zoning for the area so that property owners in those areas can continue their current uses and activities until such time as the PDA obtains funding to acquire the properties, annex them and provide adequate urban services so that they may be converted to full urban uses. See the following section for more detailed description of the PDA's plan for acquisition and development of the new Town site.

Once the new UGA property has been acquired and annexed and capital facility implementation is complete, the transfer of development from the existing floodway Town site to the new UGA can commence. That process is envisioned to utilize several means to achieve its goals. The PDA envisions using a floodway relocation and mitigation credit program to require developers to purchase "floodway credits" (i.e., payments for relocation of existing homes in the floodway) in order to develop at urban densities in the new non-floodway UGA. One mechanism under consideration is to require a "contract rezone" in order for private developers to construct new development at urban densities (minimum four units per acre) in the new UGA. In essence, the Urban Reserve Residential zoning (at a current density of one unit per 40 acres) would remain in place until such time as a developer is prepared to pay for the needed floodway credits to convert that density to a minimum of four units per acre (or higher). The contract rezone is one mechanism to allow for that transaction. The PDA will be considering other options as well, including a more traditional transfer of development rights program and use of alternative development schemes such as community land trusts to facilitate community development. An important consideration in this process is to ensure that a sizable proportion of the new housing built in the UGA is affordable to current lower-income or fixed-income residents of the Town.

Following designation of the new non-floodway UGA, the Town and PDA will also initiate rezoning of the portions of the existing Town UGA located in the floodway. The goal is to rezone those parcels to an Open Space designation at the appropriate time to begin the natural restoration planning process for the floodway.

Plan for Acquisition and Development of the New Town Site

There are many steps yet to be taken and issues to be resolved in order to fulfill the goal of Town relocation outside of the floodway. In general, once UGA expansion is approved by Skagit County,

the Town can move forward with land acquisition, annexation and completion of more detailed capital facility and land use planning for the new non-floodway UGA. That process will include implementation of the floodway relocation program which will establish the regulatory mechanisms by which future urban development could occur within the new non-floodway UGA and allow for the transfer of existing development from the floodway to the non-floodway portion of the UGA. The Town in early 2008 expects to adopt Transfer of Development Rights (TDR) ordinance (Attachment 10) to facilitate implementation of the relocation program. However, further feasibility studies are needed to determine more precise floodway credit values and to refine the mechanisms for triggering relocation and subsequent development at urban densities and standards in the new UGA. Those next steps will follow establishment of the new UGA by Skagit County. Following completion of those steps, the Town will initiate floodway restoration planning with the ultimate goal being to restore the original Town site to a natural condition.

The Hamilton PDA has prepared a generalized program implementation plan identifying the future steps to be taken in the project. This is found in Attachment 11.

List of Attachments

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| Attachment 1 | Hamilton Public Development Authority Charter and 2007 Board of Directors. |
| Attachment 2 | Hamilton vicinity map and aerial photograph with proposed UGA expansion. |
| Attachment 3 | Map from previous UGA expansion proposal. |
| Attachment 4 | Proposed UGA development regulations (Urban Reserve Industrial and Urban Reserve Residential). |
| Attachment 5 | UGA Modification Criteria. |
| Attachment 6 | Town and County resolutions establishing CAC. |
| Attachment 7 | Notice of Availability and Public Hearing; Adoption of Existing Environmental Documents. |
| Attachment 8 | Soils map and aerial photo for Hamilton and vicinity. |
| Attachment 9 | Capital facilities cost information. |
| Attachment 10 | Proposed Hamilton TDR/PDR ordinance. |
| Attachment 11 | Key relocation implementation steps. |