

3.7 Relationship of the Proposal to Plans, Policies, and Regulations

This section evaluates the relationship of the City Heights conceptual land use alternatives to applicable State, City and County land use policies and regulations in effect on the date of application, including the Growth Management Act, City of Cle Elum Comprehensive Plan and Zoning Code, Kittitas County Countywide Planning Policies, and the Kittitas County Comprehensive Plan and Zoning Code.

The majority of the City Heights site (330 acres of 358 acres, total) is currently within Kittitas County, and designated as part of the City of Cle Elum Urban Growth Area (“UGA”). The applicant has applied for annexation to the City of Cle Elum, and the City is serving as SEPA Lead Agency for preparation of this Environmental Impact Statement. Therefore, the Preferred Alternative (Alternative 1), and a Reduced Residential Density Alternative (Alternative 2) are evaluated first in each of the discussions below. Under Alternative 3A or 3B, the annexation action would not occur. The site would remain in the County, and would be developed under County land use policies and regulations. Applicable land use regulations are not entirely distinct between the City and County, because the UGA designation adds an overlay of State regulations under the Growth Management Act, and under Countywide Planning Policies adopted by reference in the City of Cle Elum Comprehensive Plan. Under Alternative 4 (No Action), there would be no development on the site at this time and the majority of the property would remain in Kittitas County, as part of the City of Cle Elum UGA.¹

3.7.1 The Washington State Growth Management Act and Regulations Thereunder

The Washington State Growth Management Act (GMA) – Revised Code of Washington (RCW) Chapter 36.70A – was enacted to help ensure that growth within the State will be coordinated and planned. Each County and City required to plan or choosing to plan under GMA² must designate Urban Growth Areas (UGAs) within which urban growth “shall be encouraged” (RCW 36.70A.110[1]). The Urban Growth Areas must include areas and densities sufficient to permit the urban growth that is projected by the Washington State Office of Financial Management (OFM) to occur within the County or City for the succeeding 20-year planning period. Each urban growth area “shall permit urban densities” (RCW 36.70A.110). The GMA also notes that cities are the most appropriate units to provide urban governmental services and that, in general, it is not appropriate to extend urban governmental services outside of City limits or outside of an Urban Growth Area.

City Heights conceptual land use Alternative 1 or 2 assumes annexation of the City Heights property to the City of Cle Elum, and development of a Planned Mixed-Use (PMU) community under the City’s jurisdiction. Such development would occur in compliance with the PMU Comprehensive Plan land use designation, and PMU zoning that the City would adopt for City Heights. Site development would be required to comply with all applicable City regulations, or more specific standards identified in a Development Agreement to be negotiated between the City and the project proponent. Development under Alternative 1 or 2 would occur at urban densities (4 to 9 dwelling units per net acre), and would be served with urban governmental services including law and justice, fire protection and emergency

¹ A portion of Tax Parcel 493935 and Tax Parcel 19165 (28 acres of the City Heights site) is already within the City of Cle Elum.

² Counties that have both a population of 50,000 or more and, until May 16, 1995, have had their population increase by more than 10% in the previous 10 years, or – on or after May 16, 1995 – have had their population increase by more than 17% in the previous 10 years, and the cities located with such counties, and any other county regardless of its population that has had its population increase by more than 20% in the previous 10 years, and the cities located within these counties, are required to comply with the requirements of the Washington State Growth Management Act (RCW 36.70A.040[1]).

medical aid services, health and human services, and general government services. Under either of the alternatives that would include annexation to the City of Cle Elum, urban utilities may be constructed on the site with connections to existing off-site City utilities at the expense of the developer: stormwater management, water supply, and sewer service. Under Alternative 1 or 2, the project would create attractive pedestrian-oriented neighborhoods; use architectural design and building materials harmonious with the rural, small town mountain character of the Cle Elum area; incorporate a variety of street standards; provide on-site employment opportunities; provide neighborhood commercial uses that would not compete with downtown core businesses; and preserve open space, all in furtherance of, and consistent with, the City's PMU zone and the Washington State Growth Management Act.

Alternative 3A assumes that annexation would not occur, and therefore that the 330 acres of the City Heights site presently outside the City limits would develop under the Kittitas County Comprehensive Plan and land use regulations. The site may or may not remain within the City's designated Urban Growth Area under this alternative. The Kittitas County Code (KCC) would provide for urban densities if the property were developed through the Performance-Based Cluster Platting code (KCC Chapter 16.09), or the Planned Unit Development (PUD) zone (KCC Chapter 17.36). Under Alternative 3A, County development regulations would allow City Heights to be served with rural services, such as on-site sewage disposal systems (OSDS) and independent Group A community water systems, instead of with the urban-level of services that GMA advocates for development within an Urban Growth Area. Until such time as the City specifies in the Capital Facilities Element of its Comprehensive Plan when and where urban services (such as water and sewer) will be available within the UGA, it cannot be assumed that the City could or would provide urban services to the 330 acres of City Heights as long as this area remains outside the City limits. For this reason, the EIS assumes that Alternative 3A or 3B would be served by OSDS and wells. The *Grading, Drainage and Utilities Technical Engineering Report* also identifies a Membrane Bioreactor (MBR) plant wastewater treatment option to serve Alternative 1, 2, or 3A (Encompass Engineering & Surveying 2010).

Under Alternative 3B, development could occur under the existing County land use and zoning designations: R-3 (one dwelling unit/3 acres), and R-5 (one dwelling unit/5 acres), and Forest and Range (one dwelling unit/20 acres). Alternatively, the owner could choose to rezone the site for a somewhat higher suburban residential density prior to the sale of the 17 parcels that comprise the property (see Figure 2.6-4 in Chapter 2). For the purpose of environmental review, it is assumed that approximately 500 single-family detached homes would be constructed under Alternative 3B, and that 50 percent of the total number of dwelling units would be seasonally occupied. Development of the 17 parcels would occur independently, presumably under distinct ownerships, without coordinated planning for layout, design, roads, utilities, or open space. With only 50 to 60 percent of the residential density of Alternative 1 or Alternative 2 (respectively), and the provision of rural services, Alternative 3B would result in development inconsistent with the intent of the Growth Management Act for Urban Growth Areas.

Alternative 4 – No Action – would reserve the site for future urban development within the City's designated Urban Growth Area. If development were postponed significantly beyond the 6- to 12-year timeframe (2012–2018 or 2024) of the City Heights project, the north UGA would not be used to meet the City's population and housing needs projected for 2025, likely requiring that the City Heights area be removed from the City of Cle Elum UGA, and that other areas be designated to accommodate the future growth projections for the City and County.

The following GMA Planning Goals (RCW 36.70A.020) guide the development of comprehensive plans and development regulations in counties and cities required (or choosing) to plan under the Growth Management Act. The relationship of the City Heights conceptual land use alternatives to each of the GMA Planning Goals is briefly described below following the citation of each goal.

(1) Urban Growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.

Alternative 1 or 2 of the City Heights Planned Mixed-Use development proposal would be consistent with GMA Planning Goal #1 in that the project is proposed on property partially within the City limits (28 acres) and within a designated Urban Growth Area (330 acres), contiguous with the existing municipal boundary of the City of Cle Elum. Public facilities and services can be efficiently extended from their present terminus across these property boundaries. Alternative 3A could be considered inconsistent with Urban Growth Goal 1 if it were necessary to serve this alternative with rural services (such as multiple groundwater wells and on-site sewage disposal systems). Alternative 3B would be inconsistent with the GMA Urban Growth Goal in that the lower residential densities and rural services would not meet the minimum GMA standards for density and services within a UGA.

(2) Reduce Sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.

The proposed mixed-use development at urban residential densities under Alternative 1, 2, or 3A would be consistent with GMA Planning Policy #2. Alternative 3B would be least compatible with this policy, as it would have approximately half the number of residential units (500 single-family detached homes compared to 985 dwelling units in a mix of housing types with Alternative 1, or 875 dwelling units also mixed in character with Alternative 2 or 3A). If the site were developed with 500 single-family homes under Alternative 3B, it is likely that it would be irreversibly committed to this lower density development.

(3) Transportation. Encourage efficient multimodal transportation systems that are based on regional priorities and coordinated with County and City comprehensive plans.

The City Heights proposal includes a multimodal trail system to encourage pedestrian and bicycle circulation throughout the project. With Alternative 1 (the preferred alternative) provisions would be made for a variety of non-motorized forms of travel and recreation: a paved multi-use path extending the full length of the property, hiking trails for persons with higher levels of physical fitness and an interest in more diverse experiences, and single-track bike trails. The degree of improvements to the trail system would differ with lower density conceptual land use alternatives, due to reduced resources for amenities within the development (see Draft EIS Chapter 2, Section 2.9.5).

The population and employment density in the City of Cle Elum and Upper Kittitas County does not presently support a multimodal vehicular transportation system.

(4) Housing. Encourage the availability of affordable housing to all economic segments of the population of this State, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

The City Heights Planned Mixed-Use development under Alternative 1, 2, or 3A would include a variety of residential densities and housing types (see Draft EIS Section 2.6), consistent with the objective of the proposal to develop single-family detached and attached homes for permanent residents, detached and attached homes and fractional-ownership homes³ to serve the recreational housing market. The average sale price in 2009 dollars is assumed to be \$382,000 for single-family detached homes; \$186,000 for

³ “Fractional” ownership homes may be detached or attached units available as second homes that may be sold or rented for use by seasonal visitors.

single-family attached homes; \$115,000 for single-family detached lots; and \$41,000 for attached-unit lots, based on information provided by the project proponent.

Under Alternative 1 or 2, affordable housing will be a component of the proposed City Heights Planned Mixed-Use development. The City of Cle Elum does not presently have an adopted definition of what constitutes “affordable housing,” as this varies based on the median income of an area. It is presumed that housing that is affordable requires expenditure of less than 30 percent of a household’s gross income for the mortgage payment, taxes, insurance, and utilities. A definition of affordable housing and the amount to be provided within City Heights will be a negotiated element of the Development Agreement between the project proponent and the City of Cle Elum. See additional discussion in Section 3.7.3, below. Development in the City’s PMU zone requires an affordable housing component. The likelihood that affordable housing would be provided in Alternative 3A or 3B would be less than with Alternative 1 or 2.

(5) Economic Development. Encourage economic development throughout the State that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the State’s natural resources, public services, and public facilities.

City Heights Alternative 1, 2, or 3A would include a neighborhood commercial component, consistent with the intent and requirements of the City’s Planned Mixed-Use District (Cle Elum Municipal Code Chapter 17.45). The objectives of the proposal include “invigorating the downtown commercial area by increasing the population within the service area,” and “providing for uses that would not compete with downtown core businesses.”

(6) Property Rights. Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.

The property rights GMA Planning Goal is not applicable to the City Heights proposal, as no action has been identified to “take” private property. Some parks and public amenities that may be developed within the project under Alternative 1 or 2 may be dedicated to the City for public use (to be negotiated through the Development Agreement). To the extent that the City accepts public use areas within the development, these areas would also require maintenance by the City.

(7) Permits. Applications for both State and local government permits should be processed in a timely and fair manner to ensure predictability.

At the Environmental Impact Statement stage of the project, the GMA Planning Goal for timely and fair processing of permit applications is not applicable. The City has been actively engaged with the project proponent during the planning and environmental review stage so that when the application is ready to move into the permit processing phase, it is anticipated that timely and fair review will comply with the intent of this GMA Planning Goal, whichever alternative is pursued for project implementation.

(8) Natural Resource Industries. Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forest lands and productive agricultural lands, and discourage incompatible uses.

The City Heights site was logged by a previous owner, with the result that it is no longer densely forested. It is also no longer managed for timber production. Implementation of any of the conceptual land use

alternatives would not adversely affect commercial forest lands, the closest of which is 0.75 to 1 mile north of the site (see Figure 3.8-1).

(9) Open Space and Recreation. Retain open space, enhance recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks and recreation facilities.

The City Heights proposal under Alternative 1, 2 or 3A includes preservation of a significant percentage of the site in permanent open space, buffers, areas for recreation and neighborhood parks: approximately 155 acres (43 percent of the site) under Alternative 1, or 161 acres (45 percent of the site) under Alternative 2 or 3A. The extent to which improvements to parks, trails, and recreation facilities could occur on the site will be a function of the development density and market values, and therefore revenues generated for this use. Alternative 1 would include the most diversity in park and recreation improvements. The proposed trail system would provide access through the site to natural resource lands to the north, and to unique geological features within the development. Under Alternative 3A, the parks, open space and trails to be retained would be unimproved. Under Alternative 3B, no public amenities or trail system would be anticipated, and open space areas would be smaller and likely discontinuous.

Fish and wildlife habitat would be preserved in stream corridors through the site, and in the large amount of open space and perimeter buffers to be retained in Alternative 1, 2, or 3A. See Draft EIS Sections 3.4 and 3.5 for additional information on this subject.

(10) Environment. Protect the environment and enhance the State's high quality of life, including air and water quality, and the availability of water.

Measures to avoid or minimize potential adverse impacts to the environment are described throughout Chapter 3 of this Environmental Impact Statement. No significant unavoidable adverse impacts to air quality, water quality, or the availability of water are predicted in light of proposed mitigation measures and compliance with applicable local, State, and Federal regulations (see Draft EIS Sections 3.2, 3.3, and 3.18).

(11) Citizen Participation and Coordination. Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.

Provisions for citizen involvement and coordination between jurisdictions has occurred through the Washington State Environmental Policy Act (SEPA) Scoping process and Draft EIS comment period conducted for the City Heights project. These and additional opportunities for citizen participation in the development review and approval process following completion of the EIS are described in Draft EIS Section 1.2.

(12) Public Facilities and Services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

The public service requirements of the City Heights Planned Mixed-Use development are described in Draft EIS Sections 2.9, 3.17, and 3.18. The *Grading, Drainage and Utilities Technical Report* prepared for the project (Encompass Engineering & Surveying 2010) describes existing water, sewer, and stormwater management systems within the study area; quantifies the demand for these services as a result of full build-out of City Heights under each of the conceptual land use alternatives evaluated in the EIS; and explores options for providing services to the project. This analysis is summarized in Draft EIS

Sections 2.9 and 3.18. The Growth Management Act clarifies that for any public facilities and services for which an interim shortfall may be identified, a commitment must have been made by service providers (such as through a Capital Facilities Plan) to complete the facilities within six years of the increased demand for service exerted by growth and development (RCW 36.70A.070[6][b] and .108). The applicant's proposal with regard to initial capital costs for water and sewer service is discussed in the last paragraph of Draft EIS sections 2.9.2 and 2.9.3, respectively. The *Fiscal Analysis* of the City Heights project (Property Counselors 2010) as it relates to revenues and expenditures for public services and utilities is summarized in Draft EIS Section 3.19.

(13) *Historic Preservation. Identify and encourage the preservation of lands, sites, and structures that have historical or archaeological significance.*

An *Archaeological Review and Inventory* of the City Heights site was conducted by Reiss-Landreau Research (2009). The findings of this investigation are summarized in Draft EIS Section 3.15. No evidence of Native American use of the site or historic structures were found on the property. Preliminary research conducted at the State of Washington Archaeological archives in Olympia revealed two recorded features within one mile of the project area related to local historic mining activities. Two mining features identified on the City Heights property itself (tailing and slag dumps) are both contributory to much larger sites: the Northwest Mining Improvement Company No. 7 mine and the No. 5 mine. As individual features themselves, they are disturbed and may lack requisite site integrity; however, Reiss-Landreau Research (RLR) recommends that the coal tailings pile in proposed Development Area A, and the mixed red rock/coal waste pile in proposed Development Area D2 be avoided until mitigated (i.e., until formally documented). If this is done, RLR concluded that there would be No Adverse Effect on cultural resources for the purposes of the proposed City Heights development.

3.7.2 City of Cle Elum Comprehensive Plan and Zoning

Land Use Goals and Policies

The City of Cle Elum Comprehensive Plan Land Use goals and policies seek to define the vision for the community of Cle Elum and to designate and manage the general distribution, location, and extent of land for various uses. The Plan recognizes that Upper Kittitas County has experienced unprecedented growth in recent years, and that this trend is projected to continue during the current 20-year planning period (2005–2025). The City's population is projected to grow by 8,259 people by 2025 (19 percent of overall projected growth within Kittitas County). The City's Comprehensive Plan projects that 3,540 additional dwelling units will be needed by 2025 to house this projected population.⁴ The proposed number of housing units within City Heights Alternative 1 or 2 would provide 27.8 to 24.7 percent (respectively) of the total projected demand. Population projections for the City Heights conceptual land use alternatives show that Alternative 1 or 2 (within the City limits), at full build-out and 90 percent permanent occupancy, would account for 24 to 21 percent of total projected population growth within the City during the current 20-year planning period (see Draft EIS Sections 3.10 Population, and 3.11 Housing).

The Comprehensive Plan identifies most of the City's "present development potential" as being associated with the Suncadia-Bullfrog Incorporated Area, but recognizes that "there is no predictable timetable as to when these lands will be available for development."

The Comprehensive Plan recognizes "the need to offer a greater variety of housing options for City residents, promote affordability, and develop a greater sense of local community while maintaining the

⁴ The EIS analysis of population and housing projections for City Heights is based on the City's 2007 Comprehensive Plan context, which may have been affected by the 2008 national and global economic downturn.

existing small town character that drew people to Cle Elum in the first place.” To help achieve these goals, the Comprehensive Plan encourages the development of architectural and landscape design guidelines. Guidelines of this nature will be developed for Alternative 1 or 2 of the City Heights Planned Mixed-Use community. The City will be given the opportunity to review, comment and have input to these guidelines.

The City’s Land Use goals, as set forth in the Comprehensive Plan, are listed below, followed by a brief description of the relationship of the City Heights proposal and conceptual land use Alternative 1 or 2 to each goal.

LU-1: Influence the character of the City of Cle Elum by managing land use and developing facilities and services in a manner that directs and controls land use patterns and intensities.

Site-specific development standards to be prepared for the City Heights project and reviewed by the City will give the City an opportunity to influence the character of the Planned Mixed-Use community under conceptual land use Alternative 1 or 2.

LU-2: Maintain residential quality suitable for a rural town.

A mix of housing types is proposed, including provisions for permanent and seasonal occupancy (as described above under the relationship of the proposal to GMA Planning Goal #4). Design standards to be consistent with the City’s Planned Mixed-Use District code and/or the site-specific development standards will be used to achieve the City’s desired residential quality for the development under conceptual land use Alternative 1 or 2.

LU-3: Preserve Cle Elum’s natural environment while allowing for growth and development.

Proposed within the City’s Urban Growth Area, the City Heights project will result in urban development of the site, consistent with the Washington State Growth Management Act (GMA) Planning Goals. Conceptual land use plans for the project include preserving a significant amount of open space, buffers, and trails, with the intent to preserve 43 to 46 percent of the natural environment on the property under conceptual land use Alternative 1 or 2.

LU-4: Preserve and protect residential neighborhoods.

The conceptual land use plans for Alternative 1 or 2 include retaining buffers of existing natural vegetation between the City Heights development and existing residential neighborhoods adjacent to the south boundary of the site (see Figures 2.6-1 and 2.6-2 in Draft EIS Chapter 2). The conceptual land use plans also show the lowest residential densities and single-family detached homes as transitional development in southern portions of the site. The intent of the development is to be as compatible as practicable with neighboring homes. Road improvements to create access to the development from Summit View, Montgomery Avenue or Sixth Street, and Columbia Avenue would alter traffic volumes through existing residential neighborhoods (see Draft EIS Section 3.16).

LU-5: Create order and energy in commercial areas.

Neighborhood commercial areas proposed within the City Heights development will not be large, and will be intended to provide for uses that would not compete with downtown core businesses. As such, the City’s Land Use Goal #5 may not be applicable to the project. Conceptual land use plans show two areas of neighborhood commercial development in Alternative 1 or 2, at locations most accessible to the largest number of dwelling units within the development. The PMU zoning under which Alternative 1 or 2 would

proceed, combined with a negotiated Development Agreement between the City and the project proponent, would be more likely than an urban density alternative developed within the County (Alternative 3A) to ensure attention and coordination between the existing downtown core and the new development.

LU-6: Encourage the provision of open space.

As previously stated, conceptual land use plans for the project include preserving a significant amount of open space, buffers, and trails: 43 to 46 percent of the site depending on the alternative selected for implementation. The open space proposal exceeds the 35 percent requirement of development standards for the City's Planned Mixed-Use District (CEMC Chapter 17.45). Opportunities for improvements to open space, parks and trails would be greatest with Alternative 1 or 2. Also see Draft EIS Sections 2.9.5 and 3.14.

LU-7: Site industrial development in appropriate areas of the City.

Industrial development is not an element of the City Heights conceptual land use alternatives evaluated in this Environmental Impact Statement, and the site is not identified in the City's Comprehensive Plan as an area targeted for industrial use. Therefore, Land Use Goal #7 is not applicable to the proposal. If site development in response to market demand were to result in an opportunity to provide for clean industrial use(s) within the Planned Mixed-Use development, the City's PMU zone would allow certain light industrial uses subject to a special finding by the City Council (CEMC 17.45.050).

LU-8: Protect and conserve historical and cultural resources.

See the discussion of the relationship of the proposal to GMA Planning Goal #13, and Draft EIS Section 3.15.

LU-9: Encourage orderly growth and development consistent with the City's ability to provide adequate and efficient services and facilities.

Phased development of the City Heights project is proposed in response to market demand. Terms of the Development Agreement and the City's permit approval process can also be used to assure that the pace of development is consistent with the ability of the City and other service providers to expand facilities and operations as needed to serve growth within City Heights.

Transportation Goals and Policies

The City's Transportation goals and policies call for a consistent level of service and prohibit issuing development permits where transportation requirements would exceed the City's ability to meet level of service standards. In addition, they require developers to pay for needed off-site improvements that would result from the impacts of new development. The City of Cle Elum determined in January 2010 that the level of service standard for the incorporated area shall be Level of Service D.⁵ The transportation impact analysis of the proposal is described in Draft EIS Sections 2.9.4 and 3.16, along with off-site

⁵ Level of Service (LOS) serves as an indicator of the quality of traffic flow at an intersection or along a road segment during a specific time period. It ranges from LOS A (little or no delay) to LOS F (long delays, congestion). Each type of intersection (signalized, unsignalized, roundabout) has different criteria to measure Level of Service. LOS C at signalized intersections is defined as more than 20 to 35 seconds of average total delay per vehicle at signalized intersections, or more than 15 to 25 seconds of average total delay per vehicle at unsignalized (stop sign-controlled) intersections.

improvements needed to serve full build-out of City Heights, and recommendations for the project proponent's proportionate-share responsibility for the cost of constructing these improvements. Actual developer responsibilities for off-site transportation system improvements would be negotiated through the Development Agreement if Alternative 1 or 2 is selected for implementation. The most flexibility and opportunity for coordination and voluntary improvements exists under these alternatives. If Alternative 3A or 3B were pursued, the applicant would comply with all applicable regulations and permitting requirements pertaining to road improvements; however, the City would likely will have less control or flexibility with respect to mitigation requirements for off-site transportation system improvements if the project were developed within unincorporated Kittitas County.

Utility Goals and Policies

The City's Utility goals and policies encourage the joint use of utility corridors, call for utilities that complement regional demands and resources, and require that new development bear the costs of expanding utilities necessitated by the new development. Several options for providing water and sewer service to the project are described in the *Grading, Drainage, and Utilities Technical Report* (Encompass Engineering & Surveying 2010). These are summarized in Draft EIS Section 3.18, along with preliminary identification of the project proponent's responsibilities. The extension of these and other utilities (e.g., electrical power, natural gas, and telecommunications) would comply with the City's Utility goals and policies for joint use of corridors. Details of the cost responsibilities for extending utility systems to serve the City Heights development will be negotiated in the Development Agreement between the project proponent and the City, and between the project proponent and the providers of non-municipal utilities.

The City also requires new developments proposed for annexation to the City to be responsible for providing sufficient water rights to serve the project. Alternatively, the developer could purchase water from the City's excess supply at the rate of \$3,500 per equivalent residential unit (ERU). Northland Resources could procure and transfer new water rights to the City sufficient to meet the expected annual demand for up to 875 Equivalent Residential Units (ERUs) within the area to be annexed (330 acres), and is in the process of seeking approvals from the Department of Ecology for such a transfer as described in the Water: Groundwater Resources section (Draft EIS Section 3.3). Water required to serve up to 110 additional ERUs under Alternative 1 (for a total of 985) would be provided from the City's existing water rights related to the property already within the City limits (28 acres). Any shortfall in the amount of water rights that Northland Resources can transfer would need to be purchased by Northland from the City. Northland Resources anticipates that it may need to purchase water from the City to serve up to 250 ERUs. Final amounts, to be determined after negotiations conclude with the Department of Ecology, will be included in the terms of a Development Agreement to be negotiated between the project proponent and the City.

That portion of City Heights already within the City limits (approximately 28 acres) is designated under the City's Comprehensive Plan as Single-Family Residential. Single-family detached homes on minimum 5,000 square-foot lots are the outright permitted use. Development is encouraged to occur congruent with traditional patterns, and to provide connectivity with other neighborhoods. Proposed Development Areas D2, F3, and the southern tip of F4 are presently within the City limits. The proposal under any of the conceptual land use alternatives for these areas is single-family detached homes on 5,000 square foot lots, along with substantial areas of open space, forested buffers for screening, and one or more trails that would provide connections from existing neighborhoods to the south into the City Heights neighborhood (see Figures 2.6-1 and 2.6-2 in Draft EIS Chapter 2).

City Zoning Code

The City Heights proponent submitted an application for Rezone and Development Agreement to the City of Cle Elum in June 2009 requesting that the portion of the property (28 acres) already within the City limits be designated for Planned Mixed-Use (“PMU”) development. Action on this request will occur concurrent with the City’s decision regarding the request for annexation and Development Agreement approval. In December 2009, the City of Cle Elum initiated the process to adopt a Comprehensive Plan land use designation and zoning for the remaining 330 acres of the site, subject to annexation of these 330 acres. The two required hearings were held in January and March 2010. On March 9, 2010, the Cle Elum City Council approved by a 5-2 vote a land use and zoning designation of Planned Mixed-Use (PMU) development for the 330 acres (subject to annexation).

The PMU District (land use designation and zoning) was created by the City of Cle Elum to apply to large parcels of land with significant development potential, to achieve the purposes listed below (CEMC 17.45.010A). Alternative 1 or 2 would be evaluated in relation to the purpose and objectives of the PMU District if the 300 acres of City Heights property is annexed to Cle Elum. Absent annexation or an interlocal agreement with the County, the City would not have as much ability to control or regulate the City Heights development under Alternative 3A or 3B. Under Alternative 3B, significant uncertainty exists about when and how development of the City Heights site would occur within the County, and the extent to which such development would be consistent with the City’s land use planning goals and objectives. As with Alternative 3A, the City would have limited to no influence over development standards for property within the County under Alternative 3B. If the No Action Alternative (Alternative 4) were selected, the site may be reserved for future urban development within the designated Urban Growth Area, as discussed above in the relationship of the proposal to the Growth Management Act.

(1) To assure that large new development creates a complete and interdependent Cle Elum community that contains a broad and balanced mix of land uses that provides for most of the daily needs of its residents and visitors.

The City Heights proposal includes a broad and balanced mix of single-family detached and attached homes for year-around and seasonal occupancy, and 20,000 to 40,000 square feet of neighborhood commercial use (depending on the alternative selected for implementation). Some professional office, restaurant, and neighborhood convenience retail uses are anticipated within the development; however, the resident population of 875 to 985 dwelling units would not be sufficient to support commercial development and on-site employment opportunities that would “provide for most of the daily needs of residents and visitors.” Further, it is an objective of the proposal to provide commercial uses that would not compete with downtown core businesses, and to provide connections to existing developed areas within the City to facilitate access to the services provided in the commercial core. These objectives may be interpreted by City decision makers to achieve the purpose of an interdependent Cle Elum community with the addition of City Heights.

(2) To obtain development within the City with imaginative site planning in a compatible mixture of land uses that will encourage pedestrian rather than automotive access to employment opportunities and goods and services.

See previous discussions of the relationship of the City Heights proposal to GMA Planning Goal #3, and to City of Cle Elum Comprehensive Plan Land Use Goal LU-1.

(3) To encourage building design that is in keeping with the climate and the traditional rural, small town, mountain character of Cle Elum.

See previous discussion of the relationship of the City Heights proposal to City of Cle Elum Comprehensive Plan Land Use Goal LU-2.

(4) To ensure sensitivity in land use and design to adjacent land uses within the PMU district, and to avoid creating incompatible land uses.

See previous discussion of the relationship of the City Heights proposal to City of Cle Elum Comprehensive Plan Land Use Goal LU-4.

(5) To ensure that all development gives adequate consideration to and provides mitigation for the impacts it creates with respect to transportation, public utilities, open space, recreation and public facilities, and that circulation, solid waste disposal and recycling, water, sewer and stormwater systems are design to the extent feasible to be adequate to serve future adjacent development that can reasonably be expected.

See previous discussion of the relationship of the City Heights proposal to GMA Planning Goal 12, and to City of Cle Elum Comprehensive Plan Land Use Goal LU-9. Through the negotiated terms of a Development Agreement with Alternative 1 or 2, the developer will pay for infrastructure and off-site improvements directly related to and necessitated by the proposed development of City Heights. Under Alternative 1 or 2, infrastructure and public service demands will be evaluated comprehensively and collectively for the entire area, as anticipated at full build-out. Infrastructure and public service needs and system design can be undertaken in a coordinated, comprehensive manner instead of in a piece-meal fashion. Design considerations for compatibility with possible future adjacent development will be addressed during the design and permitting phase of the project.

(6) To ensure that development protects and preserves the natural environment to the maximum extent possible, including but not limited to protecting the water quality of the Cle Elum and Yakima Rivers, contributing to the long-term solution of flooding problems, protecting wetlands and sensitive areas, protecting views, and providing a wooded background and ridge adjacent to the community.

See previous discussion of the relationship of the City Heights proposal to City of Cle Elum Comprehensive Plan Land Use Goal LU-3. Technical studies prepared for the project address solutions for flooding problems (*Grading, Drainage and Utilities Technical Report*, Encompass Engineering & Surveying 2010); protecting wetlands, streams, and wildlife habitat (*Wetlands and Wildlife Habitat Report*, Sewall Wetlands Consulting 2009); and protecting views (*View Analysis*, GCH Planning & Landscape Architecture 2009). The results of these studies are summarized in Draft EIS Sections 3.18, 3.4, 3.5, and 3.13, respectively. Buffers 20 to 80 feet wide in their existing condition are proposed along most of the southern boundary of the site to substantially screen the project from existing neighborhoods at the base of the slope (see Figures 2.6-1 and 2.6-2 in Chapter 2). Illustrations in Draft EIS Section 3.13 show conceptual “built views” of the City Heights development from various view points in and around the City.

Each proposal for development within the PMU District shall conform to the Cle Elum Comprehensive Plan, any applicable subarea plan, and applicable annexation and/or development agreements, and will advance the achievement of the foregoing purposes of the PMU District as well as the following objectives (CEMC 17.45.010B):

(1) To preserve or create open space for the enjoyment of the residents of the City, employees of businesses located within the City, and the general public.

See previous discussion of the relationship of the City Heights proposal to City of Cle Elum Comprehensive Plan Land Use Goal LU-6.

(2) To create attractive, pedestrian-oriented neighborhoods with a range of housing types, densities, costs and ownership patterns.

See previous discussion of the relationship of the City Heights proposal to GMA Planning Goal #4.

(3) To provide access to employment opportunities and goods and services in close proximity to residential uses.

See previous discussion of the relationship of the City Heights proposal to City of Cle Elum PMU District purpose statement #1.

(4) To provide a balanced mix and range of land uses within and adjacent to the development that minimize the necessity for the use of automobiles on a daily basis.

See previous discussion of the relationship of the City Heights proposal to GMA Planning Goal #3, and PMU District purpose statement #1.

(5) To use the highest quality architectural design and a harmonious use of building materials.

See previous discussion of the relationship of the City Heights proposal to City of Cle Elum Comprehensive Plan Land Use Goal LU-2.

(6) To provide a variety of street sizes and designs, including narrow streets designed principally for the convenience of pedestrians as well as streets of greater width designed primarily for vehicular traffic.

See the description and illustration of proposed Road Standards in Draft EIS Chapter 2, Section 2.9.4.3. Actual street standards to be constructed within the project will be confirmed in the Development Agreement to be negotiated between the project proponent and the City.

(7) To provide commons, greens, parks or civic buildings or spaces as places for social activity and assembly for the neighborhood and community.

See the Parks, Recreation and Open Space proposal in Draft EIS Chapter 2, Section 2.9.5.

(8) To provide clustered development to preserve open space within the corporate limits of the City while still achieving an appropriate overall density for the City.

The Alternative 1 and Alternative 2 conceptual land use plans (Figures 2.6-1 and 2.6-2 in Chapter 2) illustrate the applicant's proposal to achieve clustered development and preserve open space. Residential densities range from 4 to 9 dwelling units per acre in proposed Development Areas surrounded by open space to be retained.

(9) To maintain Old Town as the principal retail center for the City of Cle Elum.

The following statement from the purpose and objectives of the City Heights proposal is consistent with this PMU District objective: "Develop up to approximately 5 percent of the developable area of the site with commercial space for neighborhood services. Provide for uses that would not compete with downtown core businesses." Either the Alternative 1 or 2 conceptual land use plan would achieve this

objective while increasing the population base that could stimulate economic development in the Old Town rather than compete with it.

3.7.3 Kittitas County Countywide Planning Policies (Resolution 94-153)

As an element of its GMA planning, Kittitas County has adopted Countywide Planning Policies to establish a framework from which the comprehensive plans of the County and cities within the County are developed and adopted to ensure consistency and coordination (pursuant to the Revised Code of Washington, Chapter 36.70A). The obligation of Kittitas County and the City of Cle Elum to coordinate under the Countywide Planning Policies does not restrict or alter their independent powers with respect to land use permitting and processing for property within their respective jurisdictions.

Each of the City Heights conceptual land use alternatives is evaluated below for consistency with the Countywide Planning Policies. Because the Countywide Planning Policies are adopted by reference in the City of Cle Elum Comprehensive Plan, conceptual land use alternatives that would be developed within the City (Alternative 1 or 2) as well as alternatives that would be developed within the County (Alternative 3A or 3B) are discussed below.

Urban Growth Area Policies

In 2004, the City of Cle Elum proposed designation of the City Heights property not already within the City of Cle Elum, as part of the City's Urban Growth Area (UGA). In that same year, the Kittitas County Board of County Commissioners ("BoCC") determined that the criteria for designating the City Heights property as part of the City of Cle Elum UGA had been fulfilled, and accordingly the BoCC designated by ordinance all of the City Heights property not already within the City limits (330 acres) as part of the City of Cle Elum Urban Growth Area. The City similarly, by Ordinance No. 1222, adopted November 23, 2004, amended its Comprehensive Plan and zoning map to reflect City Heights as being within the City's UGA. These decisions were subject to appeal and review by the Eastern Washington Growth Management Hearings Board. The City Heights property UGA designation was not challenged; therefore, the subject property has been part of the City of Cle Elum UGA since 2004.

The County, in cooperation with the City, has already determined that City Heights is appropriate for designation as a UGA and for development at an urban density. Designation of the UGA was based on a demonstration by the City of Cle Elum that municipal utilities and public services either already exist, or are planned for and can be effectively and economically provided to the site by either public or private sources.

Pursuant to the City's authority under RCW 36.70B and local code, the City and the applicant (Northland Resources, LLC) have the authority to enter into an Annexation Agreement and a Development Agreement that establish the standards by which development will occur once City Heights is within the City limits. This is the process that would be utilized to implement Alternative 1 or Alternative 2. Development under Alternative 3A or 3B, insofar as the project would be within the City's Urban Growth Area but not within the City limits, would be subject to joint review by the County and the City, consistent with the Countywide Planning Policies and County Code.⁶ Development would occur under the applicable County land use designation and zoning (which could result in non-urban residential densities in light of the County's current Comprehensive Plan and zoning designations for the 330 acres of the City Heights site not presently within the City limits). See discussion in Section 3.7.4 that follows.

⁶ See Countywide Planning Policy re: Contiguous and Orderly Development, Policy 1.B (page 13): "Development and subdivision in the UGA will be subject to joint review with the Cities..."; and KCC 17.11.020: "Proposed projects occurring with the Urban Growth Area shall be jointly reviewed with the associated city."

Consistent with the process for annexation outlined in RCW 35.13, the Ridge Entities⁷ filed a petition for annexation of City Heights, and the City Council, at a duly noticed public hearing on January 8, 2008, accepted the proposed annexation of this Urban Growth Area, subject to compliance with statutory procedures for annexation. Consistent with RCW 36.93, a notice of intention was filed with the Boundary Review Board on January 24, 2008, and no person, jurisdiction, or member of the Boundary Review Board timely requested that the Boundary Review Board assert its jurisdiction over the annexation request. Pursuant to RCW 36.93.100, the annexation of City Heights may therefore proceed under the City's annexation process.

Notices of the application for Rezone and a Development Agreement have been published in the Northern Kittitas County Tribune (June 18 and June 25, 2009). The County has not objected to the City serving as Lead Agency under the Washington State Environmental Policy Act (SEPA) to oversee preparation of the Environmental Impact Statement for the City Heights proposed action.

Pursuant to Kittitas County Code (KCC) 17.11.050, the minimum density for Urban Growth Areas, such as City Heights, is 4 dwelling units per net acre. Hence, whether developed under County regulations in the City's UGA, or within the Cle Elum City limits after annexation, a minimum density of 4 dwelling units per acre is required by the UGA designation.

Alternative 1 or 2 would be consistent with the Countywide Urban Growth Area Policies pertaining to development standards and densities insofar as either of these conceptual land use alternatives would result in development at urban densities with adequate improvements and services (including public road access, right-of-way, street improvements, water service, sanitary sewer, stormwater management improvements, electrical power, telecommunications, park and recreation facilities, and schools).

Alternative 3A would be compliant with the density and development standard policies provided it could be developed at 4 dwelling units per net acre (minimum) with rural utilities and services. Until such time as the City specifies in the Capital Facilities Element of its Comprehensive Plan when and where urban services (such as water and sewer) will be available within the UGA, it cannot be assumed that the City could or would provide urban services to the 330 acres of City Heights as long as this area remains outside the City limits. For this reason, the EIS assumes that Alternative 3A or 3B would be served by on-site sewage disposal systems and wells.

Alternative 3B – to be developed under multiple, uncoordinated ownerships at approximately half the residential density of the other conceptual land use alternatives – would not be compliant with any of the Countywide Planning Policies for development within an Urban Growth Area.

Alternative 4 – No Action – would not fulfill the Countywide Planning Policies for Urban Growth Areas in that no development would occur on the City Heights site at this time. The specific purpose for designating UGAs is to provide for development at urban densities adjacent to existing urban areas, thereby preventing sprawl. As described above, the County and City have already determined that the City Heights area is necessary for development at urban densities in order to accommodate Washington State Office of Financial Management (OFM) population projections for Kittitas County and the City of Cle Elum for the current 20-year planning period (2005–2025).

⁷ The three Washington Limited Liability Companies that own different portions of the City Heights site: Green Canyon, LLC; Cooper Pass, LLC; and Highmark Resources, LLC, constitute the Ridge Entities identified in the Pre-annexation Agreement. Northland Resources, LLC, identified throughout this Environmental Impact Statement as the City Heights applicant, is the manager of these three LLCs.

Economic Development and Employment

According to the Countywide Planning Policies, “[E]conomic vitality and job development will be encouraged in all the jurisdictions consistent with all community growth policies developed in accordance with the Growth Management Act... Planning and financing for public facilities to serve potential business and industries except natural resource based should be limited to urban growth areas or urban growth nodes... Economic development activities will be implemented in a manner which supports our quality of life and growth management strategy.”⁸

Alternative 1 or Alternative 2, by providing for a mix of uses consistent with the City’s Planned Mixed-Use District, or Alternative 3A under a Kittitas County Planned Unit Development concept, would have the potential to increase economic vitality in a manner that Alternative 3B would not. Under Alternative 1 or 2, some professional and neighborhood-scale retail uses would be provided, thereby creating on-site employment opportunities. Any of the build alternatives would provide temporary employment opportunities in the form of construction jobs for an estimated period of 6 to 12 years, and would increase the resident and seasonal population base of the community. Homes and neighborhoods in their completed condition would require services to be performed for maintenance and enhancements, thereby stimulating the growth of service companies. The City Heights development would provide housing within walking distance of the City’s downtown core, which would be likely to improve the economic vitality of downtown businesses. Alternative 1 or 2 would provide improved public open space and trails – amenities also available to those who reside in or visit the City’s downtown core and adjacent neighborhoods.

Alternative 3B would not provide or support the same type or level of economic and employment opportunities that would exist under the other three conceptual land use alternatives. Development in the County under multiple ownerships likely would result in an uncoordinated land use pattern, uncoordinated infrastructure, entirely residential, about half the density of the other alternatives, and without any certainty in terms of mix of housing types or rate of build-out.

Alternative 4 – No Action – would not enhance economic development or employment within the City or the County. At most, harvesting the remaining timber on the property could occur under this alternative with requisite permits.

Environment

“Kittitas County recognizes that a healthy economy which provides employment opportunities for diverse segments of the community is important to the quality of life in the area. The quality of life shall be protected by balancing environmental concerns with economic development. All jurisdictions shall protect critical areas through comprehensive plans and policies and develop regulations that are consistent with the adopted Critical Areas Ordinance... Groundwater should be identified and protected, including appropriate protection of aquifer recharge areas. Supplies of potable domestic water, irrigation water, and firefighting water should be ensured in the rural, suburban, and urban areas... Water rights are those rights defined in state law, including RCW 90.03.010 and 90.44.035, as well as those rights subject to adjudication and determined pursuant to the water basin adjudication generally described as *State of Washington v. Acquavella*...”⁹

⁸ Kittitas County Countywide Planning Policies, Economic Development and Employment, Policies 2.A, 3.A, and 4.A.

⁹ Kittitas County Countywide Planning Policies, Environment, Policies 1.A, 1.B, and 1.C.

See the discussion above regarding the relationship of the proposal and alternatives to City of Cle Elum Comprehensive Plan Land Use Goal #3, and Utility Goals and Policies. Site-specific technical studies were performed to locate and describe critical areas (such as steep slopes, wetlands, and stream corridors); to evaluate the potential impacts of the conceptual land use alternatives on these areas; and to identify proposed, required, and other possible mitigation measures for potential impacts in critical areas. These studies are summarized in Draft EIS Chapter 3, Sections 3.1 and 3.4. Aquifer recharge areas are discussed in Draft EIS Section 3.3.

Affordable Housing

Under the Countywide Planning Policies for Affordable Housing, “[a] wide range of housing development types and densities within the county will be encouraged and promoted. This will include multiple-family and special needs housing to provide affordable housing choices for all... Multi-family housing that meets the needs of all income levels should be encouraged by all jurisdictions... Jurisdictions are encouraged to consider innovative economic techniques and strategies for providing affordable housing.”¹⁰

Alternative 1 or 2 would make provisions for affordable housing¹¹ at the initial stage of the project, pursuant to the City’s Planned Mixed-Use District provisions and the contemplated Development Agreement. Under Alternative 1 or 2, a mix of housing types, including single-family detached, single-family attached, and “fractional” or condominium ownership opportunities may be provided. Under Alternative 1 or 2, City Heights would be constructed at a residential density of 4 to 9 dwelling units per acre, consistent with City and County codes and policies for Urban Growth Areas.¹²

Alternative 3A – development within the County under single ownership – would be less likely to support the affordable housing goals of the Countywide Planning Policies given that the County’s PUD zoning (KCC 17.36) does not mandate an affordable housing component. The extent to which Alternative 3B would result in the construction of affordable housing is even less likely, as the governing jurisdiction would have minimal to no ability to require that multiple developers of up to 17 individual parcels construct affordable housing.

Essential Public Facilities

“Essential public facilities” include: airports, State education facilities, State or regional transportation facilities, State or local correctional facilities, solid waste handling facilities, and in-patient facilities (such as mental health facilities, substance abuse facilities, and/or group homes). The City Heights property has not been identified in County or City planning documents as a desired location for any of these types of facilities; therefore, the Essential Public Facilities provisions of the Countywide Planning Policies are not applicable to this site.

¹⁰ Kittitas County Countywide Planning Policies, Affordable Housing, Policies 1.A, 3.B, and 4.B.

¹¹ Neither the City of Cle Elum nor Kittitas County presently has an adopted definition of what constitutes “affordable housing.” This varies based on the median income of an area, and agreement has not been reached regarding median/mean income levels within the County. It is presumed that housing that is affordable requires expenditure of less than 30 percent of the household’s gross income for the mortgage payment, taxes, insurance, and utilities. A definition of affordable housing and the amount to be provided within City Heights will be a negotiated element of the Development Agreement between the project proponent and the City of Cle Elum.

¹² CEMC 17.45.010(b)(8), and KCC 17.11.050.

Transportation

The Countywide Planning Policies require consistency with comprehensive plans and compatibility with the applicable components of other local and regional transportation plans. The Countywide Planning Policies require the County and cities within the County to cooperate in the analysis of and response to any proposed major regional industrial, retail/commercial, recreation, or residential development proposals that may impact the transportation system within Kittitas County. Active consultation with the public is required during development of Transportation Plans and prioritization of transportation improvements projects. GMA and the Countywide Planning Policies also require that transportation improvements necessary to maintain identified level of service standards shall be implemented concurrent with new development.

The Transportation study area for the City Heights proposal did not identify any existing County roads that would experience a significant impact as a result of the developed-condition of the project. The relationship of the conceptual land use alternatives to the City of Cle Elum draft Transportation Plan (May 2009), and recommended transportation system mitigation measures are described in Draft EIS Section 3.16.

Contiguous and Orderly Development

The Countywide Planning Policies provide that “development within Urban Growth Areas shall be orderly and coordinated between County and City governments and utility service purveyors,” and that “[m]unicipal services should be extended by Cities within unincorporated UGAs.”¹³ The Countywide Planning Policies also provide: “PUDs which include commercial and/or industrial uses in addition to residential uses shall be located in UGAs or UGNs [Urban Growth Nodes]. The location of all PUDs shall be established to foster the efficient expansion and management of infrastructure and utilities and demonstrate compatibility with resource land uses[.]”¹⁴

The City of Cle Elum has adopted development regulations dealing with major and secondary street locations, rights-of-way, sidewalks, stormwater management systems, the provision of sewer and water, infrastructure and public services, and requires all such improvements to be adequately addressed prior to authorizing new development within the City. Development under Alternative 1 or 2 would maximize the City’s ability to control and ensure orderly development on the City Heights property contiguous to the City’s existing boundaries. Under either of these alternatives, the development would be required to comply with the City’s standards for infrastructure and development. The applicant’s proposal with regard to infrastructure is described in Draft EIS Chapter 2, Section 2.9.

If Alternative 3A or 3B were developed under the County’s PUD regulations, Countywide Planning Policies would support having the City extend municipal services to development within the Urban Growth Area, even though it would be outside the City limits; however, the County could not require the City to do so. Until such time as the City specifies in the Capital Facilities Element of its Comprehensive Plan when and where urban services (such as water and sewer) will be available within the UGA, it cannot be assumed that the City could or would provide urban services to the 330 acres of City Heights as long as this area remains outside the City limits. Because County development regulations would allow City Heights to be served with rural services such as on-site sewage disposal systems and community wells, the EIS assumes that this would be the case for Alternative 3A or 3B. Additional options are explored in the *Grading, Drainage and Utilities Technical Engineering Report* (Encompass Engineering & Surveying, November 2009).

¹³ Countywide Planning Policies, Contiguous and Orderly Development, Policies, Policies 1.A and 3.B.

¹⁴ Countywide Planning Policies, Contiguous and Orderly Development, Policies 4.A-4.B.

Fiscal Policy

Implementation of the Countywide Planning Policies is intended to “promote more efficient growth patterns which may result in reduced cost of public services and facilities in the long term due to more logical distribution of governmental services.”¹⁵ In that respect, “financing methods for infrastructure (such as, but not limited to, roads, schools, sewers, and parks) shall be used which minimize the taxpayer’s overall burden and provide equity between existing and new development.”¹⁶

Under Alternative 1 or 2, the project proponent and the City of Cle Elum would enter into a Development Agreement that would address elements of fiscal policy for the provision of utilities and public services to the City Heights development. Northland Resources could procure and transfer new water rights to the City sufficient to meet the expected annual demand for up to 875 Equivalent Residential Units (ERUs) within the area to be annexed (330 acres), and is in the process of seeking approvals from the Department of Ecology for such a transfer as described in the Water: Groundwater Resources section (Draft EIS Section 3.3). Water required to serve up to 110 additional ERUs under Alternative 1 (for a total of 985) would be provided from the City’s existing water rights related to the property already within the City limits (28 acres) although the actual number of ERUs served from existing City supplies will be determined once a site plan for that area is submitted for development approval. Any shortfall in the amount of water rights that Northland Resources can transfer would need to be purchased by Northland from the City at a rate of \$3,500 per equivalent residential unit (ERU). The project proponent will also be responsible for the cost of extending the utility and transportation infrastructure to serve City Heights. Conditions of approval set forth in the Development Agreement that would address site development under Alternative 1 or 2 will be contingent upon the applicant fully mitigating and offsetting actual impacts to the transportation system, public services and utilities that could result from phased development and occupancy the Planned Mixed-Use community.

Greater uncertainty would exist with respect to achieving the County’s Fiscal Policy standards for the provision of public services and infrastructure to the City Heights site if Alternative 3A or 3B were selected for implementation. No interlocal agreements exist between the City and County with respect to coordinating standards for development within the City’s UGA, for an area not annexed to the City. To date, the coordinated planning contemplated in the Countywide Planning Policies for purposes of dealing with development within UGAs, outside of the City, have yet to be adopted or implemented.

3.7.4 Kittitas County Comprehensive Plan and Zoning Code

Until annexation of the City Heights site by the City of Cle Elum actually occurs, and until the City adopts land use and zoning classifications for the Urban Growth Area (UGA) that include this property, the County’s Comprehensive Plan and Zoning Code govern development of that portion of the property that is not presently within the City of Cle Elum City limits (approximately 330 acres of 358 acres total).¹⁷ The County and City had not, at the time of this writing, adopted coordinated or consistent development regulations or development standards for this UGA.

Kittitas County Comprehensive Plan

The Kittitas County Comprehensive Plan, as updated and adopted in November 2008, designates the City Heights area as “Rural.” Within the Rural land use designation, a variety of densities and lot sizes are

¹⁵ Countywide Planning Policies, Analysis of Fiscal Impacts, Policy 1.A.

¹⁶ Countywide Planning Policies, Analysis of Fiscal Impacts, Policy 2.A.

¹⁷ Countywide Planning Policies, Urban Growth Areas, Policy 2.C.

authorized, including lot sizes as small as a few thousand square feet through the Planned Unit Development zone or Performance-Based Cluster Platting code, and densities as great as 200 percent of that allowable in the underlying zoning density.¹⁸

The County and the City designated City Heights as an Urban Growth Area by duly adopted ordinances in 2004, thereby determining that the area is appropriate and necessary for development at urban densities and subject to the land use plans and policies for Urban Growth Areas, as set forth in the County's Comprehensive Land Use Plan.

According to the Land Use Element of the Kittitas County Comprehensive Plan, "[t]he inclusion of land within an urban growth area indicates that the land will be developed at an urban density within the next 20 years" (Volume 1, Section 2.3A, page 26). The Land Use Element goes on to explain that existing non-urban land use designations of property within UGAs will need to transition to designations that serve the 20-year forecasted population. The transition of land uses "within the urban growth area will require land uses and densities which allow this change to occur in as efficient a manner as possible" (Volume 1, Section 2.3A, page 26).

The County Comprehensive Plan Land Use Element that addresses UGAs contemplates the execution of interlocal agreements, at the discretion of both the County and the local municipality (in this case, the City of Cle Elum), to address land use, infrastructure, and other issues. To date, no interlocal agreements between the County and City have been adopted to deal with the City Heights UGA. The individual cities within the County "are responsible for developing a final urban growth area boundary, future land use plans for the unincorporated portion of their respective urban growth areas, and facility or service needs to accommodate the 20-year population growth."¹⁹ With respect to the UGA within which City Heights is located, the City engaged in such action through the County's Comprehensive Planning process in 2004, and through the City's corresponding amendment of its Comprehensive Plan and zoning map.²⁰

The Goals, Policies and Objectives (GPOs) of the County's Comprehensive Plan pertinent to UGAs provide that "within UGAs, in the absence of urban utilities, a system of subdivision and development should be encouraged which would produce a pattern capable of re-division to a higher density at such time when utilities are available" (GPO 2.95). Lands within UGAs shall be characterized by urban growth or adjacent to such areas, provide for efficient provision of public services, promote a variety of residential densities, and contain sufficient urban land to accommodate population and employment projections" (Volume 1, GPO 2.97, page 28).

The majority of the City Heights property (330 acres) is outside the City limits (but within the City's UGA) at the present time, and therefore presently governed by the County Comprehensive Plan and zoning regulations described above. That portion of the City Heights property not currently within the City limits is within a mix of zoning districts within the County: R-3 (Rural residential, 3-acre minimum lot size), R-5 (Rural residential, 5-acre minimum lot size), and Forest and Range (20-acre minimum lot size). All of the property within the UGA, under the County's existing Zoning Code, is eligible for development under the Performance-Based Cluster Platting or Planned Unit Development provisions in KCC 16.09 and KCC 17.36. The County's Zoning Code provisions for Urban Growth Areas require a minimum development density of 4 units per acre (KCC 17.11.050), based on available land area after removal of lands protected under critical area ordinances or land to be utilized for roads. The Alternative

¹⁸ See KCC 16.09.060 (minimum lot size is that required to meet the minimum Washington Department of Health Requirements, and no such minimum lot sizes exist where the lot is served by public sewer and water); KCC 16.09.090 (public benefit rating system for bonus density); and KCC 17.36 (planned unit developments).

¹⁹ Kittitas County Comprehensive Plan, Land Use, Urban Growth Areas (November 6, 2008).

²⁰ Kittitas County Ord. 2004-44 (December 21, 2004); City of Cle Elum Ordinance 1222 (November 23, 2004).

3A conceptual land use plan could be characteristic of development of the City Heights site under these provisions, provided that rural utilities could be approved to serve development at this density. Until such time as the City specifies in the Capital Facilities Element of its Comprehensive Plan when and where urban services (such as water and sewer) will be available within the UGA, it cannot be assumed that the City could or would provide urban services to the 330 acres of City Heights as long as this area remains outside the City limits.

Development under Alternative 3B would be less consistent with the Kittitas County Land Use Plan and zoning for the City Heights site insofar as development would likely occur in an uncoordinated manner, served by rural services and infrastructure, with no designated open space or public amenities. The only way this alternative could be implemented in a manner that would be consistent with County GPO 2.95 would be if the individual owners of up to 17 parcels that comprise the site could be persuaded to develop these parcels in a manner that would preserve the opportunity for later subdivision and development at a higher density when urban utilities and services became available.

Alternative 4 – No Action – would be inconsistent with the Kittitas County Comprehensive Plan designation and zoning of the City Heights as property if urban development does not occur within the current 20-year planning period (2005–2025).

Planned Unit Development Zone

The purpose and intent of the Kittitas County Planned Unit Development zone (KCC 17.36) is to provide for and encourage a harmonious mixture of land uses with greater flexibility in land use controls than is generally permitted by other sections of the Zoning Code. This includes:

- (a) To allow greater flexibility and to encourage more innovative design for the development of residential areas than is generally possible under conventional zoning and subdivision regulations.*
- (b) To encourage more economical and efficient use of land, streets, and public services.*
- (c) To preserve and create useable open space and other amenities superior to conventional developments.*

The Alternative 3A site plan is consistent with PUD objectives (a), (b) and (c) in that development would be clustered in “pods” on the site with a large percentage (45 percent) of the site to be retained in open space. Under Alternative 3B, the PUD provisions would have to be applied to much smaller parcels, which could have a different result.

- (d) To preserve important natural features of the land, including topography, natural vegetation, and views.*

Natural features like the Red Rock area, Slick Rock area, riparian corridors and wetlands would be retained with the Alternative 3A conceptual land use plan, as well as areas with the most topographical relief and existing natural vegetation, including a 20 to 80-foot wide buffer along most of the southern boundary of the site (see Figure 2.6-3 in Draft EIS Chapter 2). With up to 17 parcels developed under separate ownership in Alternative 3B, it is less likely that large areas with these features could be preserved on the site (see Figure 2.6-4).

- (e) To encourage development of a variety of housing types and densities.*

The Alternative 3A conceptual land use plan includes a variety of housing types and densities. See Figure 2.6-3 in Draft EIS Chapter 2, and the narrative description of this alternative in Section 2.6. With Alternative 3B, it is anticipated that all dwelling units would be developed as single-family detached homes.

(f) To encourage energy conservation, including the use of passive solar energy in project design and development to the extent possible.

The conceptual land use alternatives are not developed to a level of detail at the time of this writing to address the use of passive solar energy. This could be done if Alternative 3A or 3B is selected for implementation under the County's PUD zone.

(g) To encourage infill development of areas or sites characterized by special features of geography, topography, size, shape, or historical legal nonconformity.

Development of the City Heights site under any of the conceptual land use alternatives would not constitute what is typically thought of as "infill" development. It would, however, be a logical extension of urban development that presently exists within the City of Cle Elum, as the site is adjacent to the City's northern boundary and within the City's designated Urban Growth Area.

(h) To permit flexibility of design that will create desirable public and private open space; to vary the type, design and layout of buildings, and to utilize the potentials of individual sites and alternative energy services to the extent possible.

Of the two conceptual land use alternatives being evaluated for development within the County, Alternative 3A would be most consistent with PUD objective (h) for reasons explained above. Use of alternative energy services has not yet been fully explored by the applicant.

Performance-Based Cluster Platting

The purpose and intent of the Kittitas County Performance-Based Cluster Platting code (KCC 16.09) is to recognize the need for innovative planning tools to achieve the goals of retaining rural densities in rural lands; protecting critical areas, water resources and resource lands; and encouraging urban densities on urban-designated lands. Consistent with the Growth Management Act (GMA), Kittitas County may provide for clustering, planned unit developments, density transfer, design guidelines, conservation easements and other innovative techniques that will accommodate appropriate rural and urban densities and uses at levels that are consistent with the preservation of rural character and that provide a public benefit.

These are relatively subjective land use criteria for which Kittitas County decision makers would need to determine the extent to which City Heights conceptual land use Alternative 3A or 3B would be consistent with the intent of the Performance-Based Cluster Platting code. Alternative 3A would achieve the objective of clustered development to a greater degree than Alternative 3B (see Figures 2.6-3 and 2.6-4 in Draft EIS Chapter 2), and would achieve an urban level of development on urban-designated land, in that the site is within the City of Cle Elum designated Urban Growth Area. However, the County does not provide urban services such as sewer or water, and the City does not presently have adopted policies that address providing urban services outside the City limits. It is likely that if Alternative 3A or 3B were pursued under the provisions of the County's Performance-Based Cluster Platting code, a more detailed level of site planning would be required to demonstrate that the project would achieve the objectives of this code.

