

X. Shelton Urban Growth Area Plan

Introduction

The Shelton Urban Growth Area (UGA) Plan has been prepared as a subarea plan pursuant to the Growth Management Act (GMA). The purpose of this UGA Plan is to establish guiding goals and policies for future development within the Shelton UGA. Goals and policies contained in this UGA Plan address land use, population growth, transportation, annexation, and interjurisdictional coordination.

The Shelton UGA is the area immediately outside of the Shelton City limits located within unincorporated Mason County. Under the Washington State Growth Management Act (GMA), counties, in consultation with cities, may designate areas abutting municipal limits, characterized by urban growth and able to be served, as UGAs. In 1995/1996, the City of Shelton and Mason County first established an UGA around the City in accordance with the principles of the GMA. The boundaries of the UGA were based upon an assessment of the anticipated population growth, existing urbanized character, natural and manmade topographical constraints, infrastructure availability, and the community's vision for growth. The Dayton Airport Road Commercial Industrial Center and Goldsborough Heights areas represent the largest proposed expansions to the Shelton UGA since being established.

Description of UGA

The Shelton UGA is a part of the larger Shelton community, but is distinct in its own right. The Shelton UGA and the Shelton City limits share an interdependent transportation network, school district/utility districts, and a regional economic role. However, the UGA has its own unique characteristics. The UGA is characterized by its residential development pattern, developed at urban densities, but located within partially developed areas. Natural features such as the creeks and the presence of old growth trees also help to define the character of the UGA. The presence of essential public facilities such as Sanderson Field, other Port of Shelton properties, and the presence of traditional forest industries such as finished forest products all contribute to the economic base of the region.

In the past, Mason County's Comprehensive Plan designated Shelton's UGA as an "Urban Area". Previous land use designations did not break down this "Urban" designation further. However, Mason County's Comprehensive Plan has consistently contained general goals and policies for the Shelton UGA.

The Shelton UGA Plan now provides area-specific goals and policies, and a more detailed Future Land Use Map identifying a variety of residential, commercial, and industrial uses reflecting current land uses

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and the future vision for the area. This UGA Plan is incorporated into the City of Shelton Comprehensive Plan.

Relationship to Existing Comprehensive Plan

This UGA Plan augments the other chapters of the City of Shelton Comprehensive Plan and addresses the Shelton UGA in greater detail. Other Comprehensive Plan Elements provide the general goals and policies for land use, transportation, economic development, etc. for the UGA. However, policies in the UGA Plan are intended to address unique characteristics or issues relevant to the UGA.

The UGA Plan was developed to delineate and implement several goals, policies and objectives, including:

- To serve as an informational resource for the City and County staff, elected officials, residents, property owners, and business owners;
- To plan for orderly growth and development;
- To facilitate the cost-effective extension of services;
- To identify UGA specific goals and policies;
- To provide greater predictability to property owners on the future use and enjoyment of their property;
- To provide a framework to guide future annexation decisions and extension of public services.

To implement the goals, policies, and recommended actions of this plan, the City and County have incorporated the UGA plan into their Comprehensive Plans. The County will then revise and implement development regulations for the UGA consistent with the City of Shelton's regulations.

UGA Population Profile

In order to plan for future population growth in the UGA, it is important to understand the current population characteristics. The UGA population was 3,746 persons in 2016.

Population characteristics according to 2013 American Community Survey data, the average age of residents in the UGA is 36 years old, with 58 percent of the population over 65 being female, and 41 percent being male. Approximately 26 percent of the population in the UGA are children (under age 18). Approximately one-eighth of the UGA population is age 65 or older.

Based on the 2013 American Community Survey data, roughly approximated to the UGA boundaries, a majority of the population is white. A minority of the population identify with other races. Results show:

- White—78.8%
- Black or African American—0.5%
- American Indian and Alaska Native—2.9%
- Asian—0.9%
- Native Hawaiian and Other Pacific Islander—1.1%
- Other single race—8.8%
- Two or more races—6.0%

The U.S. Census Bureau considers Hispanic or Latino origin an ethnicity, not a race, and reports statistics on these populations separately. As a result, Hispanics or Latinos may belong to any race or combination of races. Results for the UGA show approximately 19.1 percent of the residents to be of Hispanic or Latino origin.

Housing and Household Characteristics

According to the 2013 American Community Survey, the average household size in the UGA is 2.69 persons per household, while the average family size is 3.45 persons per family. As of 2016, approximately 1,400 households reside in the UGA. Approximately 56 percent of the housing units in the UGA are owner-occupied, while the remaining 44 percent are rentals.

Land Capacity Analysis

A land capacity analysis was prepared for both the City of Shelton and the Shelton UGA to identify the amount of residential, commercial, and industrial land available to accommodate the projected population growth. This exercise was conducted to determine whether the City and UGA are adequately sized to accommodate population projections through 2036. The analysis looked at the vacant and potentially redevelopable areas (land not developed to full potential). (See Figure 2) For residential capacity, the total vacant and underdeveloped acres were discounted for critical areas such as wetlands, streams, and steep slopes, rights-of-way and public purpose lands, and market factors (i.e. not all property owners would want to sell or develop). These acres were then multiplied by a density factor of 4 dwelling units/acre in the unincorporated UGA and 5.2 dwelling units per acre in the City limits. It should be noted that a capacity analysis may make adjustments or discounts to the amount of available land, but does not estimate the time or rate that growth will occur, only the capacity of the land for additional development. The market demand for homes and potential commercial/industrial development interest will in part determine the timing and rate of growth within the 20-year planning period for the UGA.

Residential Growth

The Shelton UGA was originally sized in the 1995 City of Shelton Comprehensive Plan and the 1996 Mason County Comprehensive Plan and updated in 2004/2005. As part of that Comprehensive Plan update a Shelton Urban Growth Area Element was included to address projected UGA growth and the sizing of the UGA boundary as appropriate to meet the projected growth in 2025¹. The addition of the Goldsborough Heights area to the UGA in 2017 allows for the transfer the development potential in portions of unincorporated Mason County into an area where urban services (i.e. municipal water and sewer) can be provided.

Consistent with GMA provisions regarding UGA sizing, the designated UGA is to include densities sufficient to permit the urban growth projected to occur in the community for the 20-year planning period. Population targets are formally designated by Mason County in accordance with the GMA. UGAs may also include greenbelts and open space areas, including lands useful for recreation, wildlife habitat, trails and connection of critical area habitat. Typically, this will include public properties but may include private properties that are unique, recognizing that any such designations need to provide for reasonable use of private property.

Further, GMA describes the phasing of growth. Communities are to promote growth first in areas already characterized by urban growth that have adequate existing public facility and service capacities, second in areas already characterized by urban growth that will be served adequately by a combination of both existing and future public/private facilities and services, and third in the remaining portions of the UGAs.

Western Washington Growth Management Hearings Board (WWGMHB) cases have generally held that UGAs should be sized to match the population allocations projected for a community. The WWGMHB has acknowledged that there may be unique cases in determining UGA boundaries.

Commercial/Industrial Growth

In 2006, a Mason County Industrial Needs Analysis was prepared for the Mason County Economic Development Council that looked at the industrial land needed to sustain economic development in Mason County through 2025. The analysis projected a need for 1,790 gross acres of land designated for industrial use throughout Mason County and identifies a great need for 20 – 40 acre sized parcels—both leased and purchased. Minus already designated industrial land as of the date of the Industrial Needs

¹ A planning level capacity analysis in Appendix A shows a capacity within 2% of the growth target assuming revised UGA boundaries.

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Analysis there is an unmet countywide need for about 804 additional vacant industrial acres.² In 2014, the City, in conjunction with Mason County and other partners, commissioned an updated industrial lands analysis to better understand future need and demand within the region since the great recession of 2008. This analysis indicated that:

- Employment in Mason County declined by more than 1,500 jobs from 2008 to 2012.
- In the last 15 years, over 80 percent of the industrial or warehouse buildings constructed in Mason County were located in the Shelton UGA
- The need for added industrial lands would likely come from activity or sectors that are not currently located or very large in the local market, or from regional public facilities.

The Dayton Airport Road Industrial-Commercial Center is anticipated to complement and expand upon business generated from the Ridge Motorsports Facility, located directly to the west which opened in 2012. Industrial land use would be proposed to the south of Dayton Airport Road (SR-102), a mix of commercial and industrial uses would be allowed consistent with Shelton’s Commercial Industrial zone to the north, which favors large format retail (“big box”), warehousing, and light and medium industrial uses. The results of the employment capacity analysis are that the industrial and commercial buildable acres could support between 2,000 and 4,000 jobs.

Shelton serves as the major community in south Mason County. The Industrial Land Needs Analysis for Mason County identified a high retail leakage to other areas – only 54% of residents’ retail spending occurs in Mason County. By bringing in more family wage industrial jobs, and reducing out-commuting, more retail dollars may be spent locally than spent in Olympia or elsewhere. Please see Appendix A.

Annexation

For purposes of efficient services, coordinated land planning and development, and unity between economically and socially related areas, citizens, property owners, and the City of Shelton may desire annexation. As noted above, the GMA provides for coordinated UGA planning between counties and cities with the intent that urban and urbanizing areas ultimately be served by municipalities. In the GMA framework, annexations may occur only within a jurisdiction’s designated UGA. By addressing the Shelton City limits and the Shelton UGA in the Shelton Comprehensive Plan, and by addressing the

² The Industrial Land Needs Analysis assumed 872 acres of land 3 acres or greater were designated as Industrial in Shelton. Based on the current land capacity analysis for the December 2007 Future Land Use Map, the number of gross vacant industrial acres equals about 848 rather than 872. That would mean that the new net land demand need Countywide would be about 828 acres rather than 804.

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Shelton UGA in the Mason County Comprehensive Plan, the City and the County are responding to the GMA framework to manage growth, provide efficient services, and plan for the community needs of the broader Shelton community.

The methods of annexation applicable to the Shelton UGA include:

- The Election Method, Initiated by Ten Percent Petition, is initiated by the collection of signatures from qualified electors in the area proposed for annexation equal to ten percent of the number of voters in the last general election in that area. This method would require an election by the residents of the area being considered for annexation. This method could be used to annex portions of or all of the UGA at a time.
- The Election Method, Initiated by Resolution, may be initiated by city commission resolution. This method would require an election by the residents of the area being considered for annexation. This method could be used to annex portions of or all of the UGA at a time.
- In May 2003, legislation became effective which adopted a new “Petition Method of Annexation.” Under the law, the annexation petition must be signed by property owners (owning a majority of the area) and by registered voters (a majority in the area). If there are no registered voters (vacant, commercial, or industrial property, or property that has residents but no registered voters), then only owners of a majority of the area need sign. This method could be used to annex portions of or all of the UGA at a time.
- The Sixty Percent Petition Annexation Method is initiated by the collection of signatures from the owners of property representing not less than ten percent of the assessed value of the property for which annexation is sought. If the legislative body of the city accepts the 10 percent petition, then petitioners must collect petition of the owners of at least 60 percent of the property value in the area, computed according to the assessed valuation of the property for general taxation purposes. A public hearing is held before a decision is made by the city legislative body. This is the most frequently used method of annexing unincorporated territory for code cities.
- Unincorporated Island Annexation. Annexation statutes provide for an abbreviated procedure to annex unincorporated islands or pockets of property within a city. When there is an unincorporated area (1) containing less than 100 acres of which at least 80 percent of the boundaries are contiguous to a city or (2) of any size and having at least 80 percent of the boundaries contiguous to a city if the area existed before June 30, 1994 and the city was planning under the Growth Management Act as of that date, the city commission may initiate annexation proceedings by resolution. However, annexation by this method is potentially subject to a referendum election within the unincorporated territory.
- Annexation for municipal purpose, where a code city may, by majority vote of the city commission, annex territory outside its limits for any municipal purpose, if the territory is owned by the city. This may be done regardless of whether the territory is contiguous or noncontiguous.

As indicated in the methods above, annexation is largely a citizen/property owner driven process. The City of Shelton intends to promote a smooth transition from Mason County to City of Shelton administration, upon approval of annexation petitions.

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Key issues for the City of Shelton will be the feasibility of providing services to areas that request annexation, and the coordination with the County as areas transition to the City. UGA policies (UGA5a-5f) address annexation and coordination between the City of Shelton and Mason County.

Coordinated Development Review

One of the key implementation goals for the UGA Plan is to develop a coordinated development review process between the City and County for the UGA. The 2003 Memorandum of Understanding that County staff, upon adoption of the UGA Plan, will apply the City's land use designations when reviewing land use and development proposals in the UGA. This approach will help to minimize future land use conflicts for permitted projects in the UGA. Goals and policies provide direction on this coordinated development review process with the ultimate objectives being:

- Provide a predictability and timeliness and use process for property owners
- Facilitate land use compatibility
- Implement the Memorandum of Understanding between the City and County

UGA Boundaries and Land Use Designation

Nonconforming Uses in the UGA

Cottage Industries (Home Occupations)

Mason County allows for more intense home occupations by special use permit (e.g. home occupations requiring parking – called cottage industries), whereas this process is not available in the City of Shelton. Although residential properties with a cottage industry/special use permit would be allowed as a pre-existing non-conforming use if annexed to the City, there could be potential future land use conflicts associated with incompatible land uses over time as infill and increased urban densities occur within residential areas. UGA policies (UGA2c & 2d) address County/City procedures, grandfathering (i.e. allowance of legal nonconforming uses), and buffering next to less intense uses.

Pre-existing, Non-conforming Uses

A comparison of existing land uses (current use) to future land use designations identified in the City of Shelton's 1995 plan indicate that there would be a limited number of non-conforming uses once under the City's jurisdiction (Jones & Stokes, August 2004). Based on the 1995 land use plan, there would be limited cases of residential uses in industrially designated areas and commercial/industrial uses in residentially designated areas. For the most part the future land use designations for the UGA resolves the nonconformities applying land classes that match groupings of nonconforming uses. In some cases there are isolated residential or commercial uses in land use classes that promote the opposite uses. UGA policies (UGA2c & 2d) address grandfathering (i.e. allowance of legal nonconforming uses) of these uses.

Gateways

The Future Land Use Map (Figure 1) identifies three gateway locations that provide an important first impression for visitors to the community. The gateway corridors are located along Highway 101 and on SR-3 at the north and south entrances to City limits. These three gateway locations either extend into the UGA or represent the approach into the City limits and provide the opportunity to create the feeling of entering a distinct, unique place. UGA policy (UGA 2a) addresses the landscaping and buffers associated with these gateway locations in the UGA.

Urban Growth Area Goals & Policies

The following UGA goals and policies are in addition to the goals and policies contained in other chapters of the Comprehensive Plan, and are specific to the unique circumstances of the UGA. As appropriate, the UGA Plan goals and policies shall be applied together with other Comprehensive Plan goals and policies.

Urban Growth Area Land Use

UGA Goal 1: Provide for orderly growth in Shelton’s UGA.

Policy UGA1a. Land use policies and regulations shall accommodate a residential growth target of approximately 9,417 additional persons within the City and UGA boundary by 2036, as established in the Countywide Planning Policies.

Policy UGA1b. The UGA shall include land sufficient to accommodate commercial uses serving local and regional populations, including retail, service, financial, and institutional uses of small, medium, and large sizes.

Policy UGA1c. The UGA shall designate land suitable for industrial purposes, sufficient in acres and parcel sizes to accommodate small to large industrial uses. Such uses shall be sited and designed to be compatible with adjacent non-industrial uses while meeting employer needs.

Policy UGA1d. The UGA designations shown on the official Land Use Map (Figure 1) includes enough land to provide the capacity to accommodate growth expected over the 20-year planning period. These lands should include only those lands that meet the following criteria.

- a. Are characterized by urban development, which can be efficiently and cost effectively served by urban governmental services within the next 20 years;

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- b. Greenbelts and open space in the UGA including lands useful for recreation, wildlife habitat, trails, and connection of critical areas, consistent with GMA requirements and in a manner recognizing reasonable use of private property;
- c. Are not unincorporated agricultural or forestry lands of long-term commercial significance designated through Mason County Comprehensive Plan or the Countywide Planning Policies process.

Policy UGA1e. Areas with significant environmental hazards, unique or fragile ecosystems of high rank, order, and function, or long-term infrastructure limitations, may be further protected beyond the application of development regulations through low-density zoning.

Policy UGA1f. Parcels which are split by the UGA boundary line should be redesignated to either all urban or all rural unless the parcel is split to recognize unique physical and environmental features, or the requirements of interlocal agreements, or other County or City plans.

Land Use Compatibility

UGA Goal 2: Protect and enhance the character, quality and function of development in the UGA while accommodating future growth.

Policy UGA2a. The City, in consultation with Mason County, the Port and WSDOT, shall establish landscape standards and buffers for designated Gateway areas that emphasize the importance of retaining existing trees as key elements of Shelton’s character.

Policy UGA2b. The City and County should ensure plans and regulations address, where appropriate, compatibility issues including height hazards, safety and noise that can affect the long-term viability of Sanderson Field. Through the airport overlay zone adopted by the City and the County, allow compatible uses, buildings, or activities in the vicinity that do not present safety problems to normal airport operations, or that would not be sensitive to noise from the Airport operations.

Policy UGA2c. The City should work with the County to develop standards for unincorporated land within the UGA that will require buffering of cottage uses next to less intense properties, such as landscaping, fencing, setbacks, or a combination of approaches. The City should recognize cottage industries permitted in the UGA as grandfathered uses when annexed. The County should consider applying the City’s home occupation standards to land within the Shelton UGA.

Policy UGA2d. The City shall recognize legally established residences in commercial/industrial zones, and legally established commercial/industrial uses in residential zones as grandfathered (nonconforming) uses when annexed.

Urban Growth Area Transportation

UGA Goal 3: Establish a safe, coordinated, and linked multimodal transportation system to service local and area-wide travel needs.

Policy UGA3a. As appropriate, subsequent transportation modeling should jointly be conducted by the County and the City, to identify current traffic levels, identify recommended improvements, and address future levels of service.

Policy UGA3b. To address traffic concerns and mitigation, the City and County should jointly determine an appropriate LOS standard as part of an interlocal agreement. The City and County may revisit standards upon the completion of additional traffic analyses.

Policy UGA3c. To the greatest extent possible, given topographic and environmental constraints, future functionally classified roadways should attempt to provide a grid system to facilitate an interconnected system of streets in the UGA.

Urban Growth Area Services Provision

The following goals and policies for future annexations and the provision of services in the UGA provide direction regarding utility extension and the circumstances in which it will occur. This will help to facilitate a seamless transition of services in the UGA if and when properties become annexed to the City.

UGA Goal 4: Provide effective, efficient, and quality capital facilities and public services at the level necessary to meet community needs and support allowed growth.

Policy UGA4a. The County and City should coordinate with service and utility providers to ensure UGA services support planned growth, meet desired customer service needs, and result in a comparable community system in the greater Shelton area.

Policy UGA4b. The City and County should coordinate with local Fire Districts, to ensure adequate fire and emergency response in the UGA.

Policy UGA4c. The City's level of service standards for sewer and water service should be applied to the UGA once services are extended into the UGA. Sewer and water improvements and services should be consistent with the Regional Water and Sewer Plans identified in the City of Shelton Comprehensive Plan Utilities Element as amended over time.

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Policy UGA4d. In consultation with the Mason County Sheriff’s Department, the City should ensure adequate police services are provided within the UGA.

Policy UGA4e. To avoid City assumption of nonconforming infrastructure, a coordinated Capital Improvement Program and maintenance plan should be prepared between the City and County. Such a program should be developed prior to annexation required to meet levels of service are implemented concurrent with new development. When considering annexation proposals that have significant existing nonconforming infrastructure, the City should consider service delivery and revenue enhancement options.

Policy UGA4f. The City will consider extension of water and sewer services outside City limits based on criteria including, but not limited to the following:

- The lands to be served must be, either:
 - Inside the City’s UGA, or
 - Intended to service essential public facilities, or
 - In rural areas only in limited circumstances when shown necessary to protect basic public health and safety and the environment and when such services are financially supportable at rural densities and do not permit urban development, consistent with State law.
- Extension of services to Regional Plan Partners is to be accomplished in accordance with Regional Water and Sewer Plans and agreements.
- Land owners requesting water and/or sewer service outside the City limits are to sign a utility extension agreement that addresses the following:
 - Costs of design, engineering, construction, and inspection of extension as paid by the owner;
 - Easements and permits to be secured and obtained by the owner;
 - Dedication of capital facilities to the City;
 - Connection charges paid by the owner;
 - Agreement by the owner not to protest annexation;
 - Connection to both sewer and water services;
 - Waiver of right to protest local improvement district;
 - Development of property to conform to City code when developing or redeveloping the property subject to the agreement; and
 - Remedies that may be required due to noncompliance with the terms of the agreement.

Annexation

UGA Goal 5: Provide a framework for processing annexation requests.

Policy UGA5a. The City should use, but is not limited to, the following factors in determining the specific location of an annexation proposal boundary:

- a. The annexation boundary, where appropriate, should adjust any impractical or irregular boundaries created in the past.
- b. The annexation boundary should, where appropriate, provide a contiguous and regular boundary with current City limits.
- c. The annexation boundary, where appropriate, should be drawn along property lines and/or existing or future right-of-way boundaries. Annexation boundaries, where possible, should not be drawn along right-of-way centerlines.
- d. UGA roadways contiguous to a proposed annexation area should not be included within the proposed annexation boundary, unless the roadways are contiguous to current City limits.
- e. When a proposed annexation includes portions of a natural lake, the annexation boundary should be modified to include or exclude the entire lake area from the proposed annexation. If more than 50 percent of lakefront property is included in an annexation proposal, then the annexation boundary should include the entire lake; if less than 50 percent of the lakefront property is part of the annexation proposal, then the lake should be excluded.

Policy UGA5b. The City should process annexation requests in accordance with review criteria. Review criteria should include, but are not limited to:

- Areas to be annexed are included in the Shelton UGA.
- The annexation proposal should create and/or preserve logical service areas. Annexations generally should not have or create abnormally irregular boundaries that are difficult to serve.
- The annexation proposal should use physical boundaries, including but not limited to bodies of water, highways, and land contours as noted in Policy UGA5a.

Policy UGA5c. The City should give priority consideration to annexation proposals that are financially self-sufficient or those where the fiscal impact can be improved. The City should develop a variety of service delivery or revenue enhancement options to increase the feasibility of annexation.

Policy UGA5d. The City may request a fiscal analysis of the annexation proposal by annexation proponents.

Policy UGA5e. Upon annexation, the City shall require properties to assume zoning consistent with the UGA Plan Land Use Map, as adopted or as amended where appropriate.

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Policy UGA5f. Where appropriate, the City and/or County should allow development agreements in the UGA that are consistent with the approved UGA Plan.

Interjurisdictional Coordination

UGA Goal 6: Coordinate UGA planning efforts with Mason County and other neighboring jurisdictions and agencies.

Policy UGA6a. Following the approval and adoption of this plan, the City of Shelton and Mason County shall enter into an agreement that details the process and expectations for coordinated development review in the UGA. Topics may include but are not limited to: land use and development regulations, public service delivery responsibilities, infrastructure standards, procedures and fees, and other relevant topics.

Policy UGA6b. The City of Shelton and Mason County should conduct a regulatory consistency analysis with County and City regulations. The City and County should jointly determine which regulations apply to lands and development in the UGA, and apply regulations consistently.