

URBAN GROWTH AREA SIZING AND TARGETS

Port Orchard Urban Growth Area

SUMMARY:

This paper explains the Growth Management Act (GMA) requirements for establishing Urban Growth Area (UGA) boundaries, and the Port Orchard UGA in particular. Under GMA, counties are primarily responsible for allocating projected population and setting UGA boundaries into and adjacent to cities. While the City is responsible for land use planning within its jurisdictional boundaries (i.e., city limits), Kitsap County has an obligation under GMA (and is legally accountable for) ensuring that UGA boundaries are sized correctly. A UGA is considered correctly sized if it does not exceed the amount of land necessary to accommodate projected population and employment growth. Both the Port Orchard city limits and its associated UGA have been determined to have excess capacity, and thus the UGA is oversized. This is partially the result of large annexations of UGA territory that had not been assigned to the City. Between 2007 and 2011, the City of Port Orchard significantly increased its city limits through annexations that resulted in an 89% increase of its incorporated area. Because of this excess capacity, the County is required to evaluate a reduction of the Port Orchard UGA boundary in the comprehensive plan update process.

1. What are County and City roles and requirements under the Growth Management Act?

Cities are solely responsible for land use planning within their jurisdictional city limits. Counties are responsible for allocating population growth to the cities and establishing urban growth area boundaries in consultation with cities. RCW 36.70A.110; .210. If it is determined that the city limits cannot accommodate the projected population, then excess area must be designated as urban growth areas (UGA) to provide capacity for future growth. In Kitsap County, the population allocations, and now employment allocations, have been developed through the Kitsap Regional Coordinating Council (KRCC) and adopted by the Kitsap County Board of Commissioners. The allocations are adopted as part of the Countywide Planning Policies, which are developed in cooperation with the cities and formally adopted by the County. Both Kitsap County and the City of Port Orchard are members of the KRCC. Additionally, the County and City have jointly planned for the South Kitsap area through a subarea plan in 2006. The comprehensive plans of the county and the cities must be coordinated and consistent. RCW 36.70A.100.

2. How are urban growth areas sized?

An Urban Growth Area (UGA) is an “area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature.” RCW 36.70A.110(1). The jurisdictional limits of an incorporated city are automatically designated as UGAs. Under GMA, counties must designate Urban Growth Areas (UGAs) to accommodate for future urban growth that cannot be accommodated within the city limits. Designation of a UGA boundary must first include areas already characterized by urban development with urban services, second in areas characterized by urban growth that can be served with urban services, and third in other areas of the UGA, adjacent to areas characterized by urban development. RCW 36.70A.110(3). These UGAs should include “areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period.”

RCW 36.70A.110(2). Designated UGAs must also have services available or planned to support future urban growth in these areas.

In addition to showing that UGAs can accommodate growth, the County must meet GMA goals of focusing growth in urban areas and avoiding sprawl. RCW 36.70A.020. The Washington Supreme Court has held “a county's UGA designation cannot exceed the amount of land necessary to accommodate the urban growth projected by OFM, plus a reasonable land market supply factor.”¹

Growth Management Hearings Board (GMHB) cases applicable to Kitsap County indicate that UGAs should be sized based on actual density trends (e.g. achieved densities) and not be based on the minimum density allowed. Based on a September 2011 decision² by the CPSGMHB, Kitsap County re-examined eight of ten UGAs expanded during the 2006 Comprehensive Plan update process. This decision followed a five-year legal challenge that the Court of Appeals ultimately remanded back to the GMHB for decision. The GMHB then remanded Kitsap County's 2006 Comprehensive Plan to the County for further revisions and reductions to the UGAs. As a result of the case, Kitsap County reduced UGA boundaries in 2012 including the Port Orchard UGA among others.

Kitsap County has established an acceptable margin of error of 5% for UGA sizing. Therefore, UGA land capacity results within +/-5% of the growth allocation are considered in balance. Based on the city's 2014 adopted Comprehensive Plan and the recent Buildable Lands Report, capacity within the Port Orchard city limits is 16% above its population target, and capacity within the Port Orchard UGA is 3% above its target. In terms of employment, capacity within the Port Orchard city limits is 67% above the target and capacity within the UGA is 219% above its target. See the 2016 Comprehensive Plan Update Draft SEIS or the 2014 Buildable Lands Report for more information.

The overage in capacity in the Port Orchard city and UGA was previously discussed with city staff during the Remand process and a policy was included into the Kitsap County Comprehensive Plan (LU-15) stating, “Resolve the oversizing of the ULID/McCormick UGA before allocating any new population to the South Kitsap area through the KRCC” (Kitsap County Comprehensive Plan, page 2-14)³. Therefore, addressing the excess population and employment capacity within the Port Orchard UGA has been an issue that has needed to be addressed, but was deferred until this update.

¹ *Thurston County. v. Western Washington Growth Mgmt. Hearings Bd.*, 164 Wn.2d 329, 352, 190 P.3d 38 (2008).

² *Suquamish Tribe et al. v. Kitsap County*; CPSGMHB No. 07-3-0019c. Final Decision & Order on Remand (8/31/2011) (Order on Remand).

³ Also see discussion of ULID/McCormick overage on page 2-15 of the current Kitsap County Comprehensive Plan.

3. What are growth targets? How do they influence urban growth area boundaries?

Growth targets identify the population and employment expected over the next 20 years, the planning period of a comprehensive plan. For both Kitsap County and the incorporated cities in the county, the planning period for the 2016 Comprehensive Plan Updates is 2016-2036. RCW 36.70A.130. Growth targets are used in conjunction with buildable land capacity and service availability information as a basis to size the UGAs. RCW 36.70A.110.

GMA requires that the majority of growth be encouraged in urban areas. RCW 36.70A.020; .110. In Kitsap County, the future growth allocations for population are based on a “target” of accommodating 76 percent of new population growth within Urban Growth Areas (UGAs) and 24 percent of new growth in rural areas. The Kitsap County Countywide Planning Policies (CPPs) establish a population target of 331,571 people by 2036. Based upon an adjusted base year of 2012, this represents a net growth of 77,071 people from the estimated 2012 population of 254,500. These population allocations are further allocated by city and other UGAs.

As shown in the table below, Port Orchard has been allocated the second highest net population growth target for the city limits and UGA combined.

Population Targets 2012-2036

| City or UGA | 2010 Population | CPPs 2010-2036 Growth Target | 2036 Population | 2012: Buildable Lands Report | 2010-2012 Growth | Growth Target 2012-2036 |
|----------------------------------|-----------------|------------------------------|-----------------|------------------------------|------------------|-------------------------|
| City of Bremerton | 37,729 | 14,288 | 52,017 | 39,650 | 1,921 | 12,367 |
| Bremerton UGA | 9,082 | 4,013 | 13,095 | 9,123 | 41 | 3,972 |
| Total Bremerton | 46,811 | 18,301 | 65,112 | 48,773 | 1,962 | 16,339 |
| City of Bainbridge Island | 23,025 | 5,635 | 28,660 | 23,090 | 65 | 5,570 |
| City of Port Orchard | 12,323 | 8,235 | 20,558 | 11,780 | (543) | 8,778 |
| Port Orchard UGA | 15,044 | 6,235 | 21,279 | 15,169 | 125 | 6,110 |
| Total Port Orchard | 27,367 | 14,470 | 41,837 | 26,949 | (418) | 14,888 |
| City of Poulsbo | 9,222 | 1,330 | 10,552 | 9,360 | 138 | 1,192 |
| Poulsbo UGA | 478 | 3,778 | 4,256 | 470 | (8) | 3,786 |
| Total Poulsbo | 9,700 | 5,108 | 14,808 | 9,830 | 130 | 4,978 |
| Central Kitsap UGA | 22,712 | 6,764 | 29,476 | 22,634 | (78) | 6,842 |
| Silverdale UGA* | 17,556 | 8,779 | 26,335 | 17,612 | 56 | 8,723 |
| Kingston UGA | 2,074 | 2,932 | 5,006 | 2,080 | 6 | 2,926 |
| Total City | 82,299 | 29,488 | 111,787 | 83,880 | 1,581 | 27,907 |
| Unincorporated UGA | 66,946 | 32,501 | 99,447 | 67,088 | 142 | 32,359 |
| Total City and UGA | 149,245 | 61,989 | 211,234 | 150,968 | 1,723 | 60,266 |
| Rural Non-UGA* | 101,888 | 18,449 | 120,337 | 103,532 | 1,644 | 16,805 |
| Total | 251,133 | 80,438 | 331,571 | 254,500 | 3,367 | 77,071 |

Legend: CPPs = Countywide Planning Policies

* = Compared to the CPPs, the Silverdale and Rural 2010 estimates are adjusted per Appendix A of this Draft SEIS. The growth between 2010 and 2036 is unchanged. Because of the base estimate correction, the 2036 amounts differ from the Countywide Planning Policies.

Source: (Kitsap Regional Coordinating Council, 2014); (Kitsap County, 2014); BERK Consulting 2015

The Kitsap Countywide Planning Policies also establish a net employment growth target of 46,158 new jobs in Kitsap County between 2010 and 2036. Approximately 90% of this growth is expected to occur within cities or UGAs. Based upon an adjusted base year of 2012, employment would need to grow by 46,647 jobs by 2036 to meet the adopted target and make up for a net job loss experienced between 2010 and 2012. The highest employment targets are assigned to cities/UGAs with regional growth centers (see question 4), including Bremerton and Silverdale.

As shown below, Port Orchard has been allocated the third highest net employment growth target for the city limits and UGA combined.

Employment Targets 2012-2036

| City or UGA | 2010-2036 Target | 2010-2012 Growth | 2012-2036 Target with job loss/gain | 2012 Base Employment (Est.) | 2036 Employment (Est.) |
|----------------------------------|------------------|------------------|-------------------------------------|-----------------------------|------------------------|
| City of Bremerton | 18,003 | (273) | 18,276 | 28,165 | 46,441 |
| Bremerton UGA | 1,385 | (58) | 1,443 | 1,094 | 2,537 |
| Total Bremerton | 19,388 | (331) | 19,719 | 29,259 | 48,978 |
| City of Bainbridge Island | 2,808 | 88 | 2,720 | 6,377 | 9,097 |
| City of Port Orchard | 3,132 | 58 | 3,074 | 6,457 | 9,531 |
| Port Orchard UGA | 1,846 | 706 | 1,140 | 2,395 | 3,535 |
| Total Port Orchard | 4,978 | 764 | 4,214 | 8,852 | 13,066 |
| City of Poulsbo | 4,155 | 17 | 4,138 | 5,727 | 9,865 |
| Poulsbo UGA | 46 | 32 | 14 | 64 | 78 |
| Total Poulsbo | 4,201 | 49 | 4,152 | 5,791 | 9,943 |
| Central Kitsap UGA | 1,200 | (685) | 1,885 | 3,454 | 5,339 |
| Silverdale UGA | 9,106 | 178 | 8,928 | 10,946 | 19,874 |
| Kingston UGA | 600 | 3 | 597 | 626 | 1,223 |
| Total City | 28,098 | (110) | 28,208 | 46,726 | 74,934 |
| Non-City UGA | 14,183 | 176 | 14,007 | 18,579 | 32,586 |
| Total City and UGA | 42,281 | 66 | 42,215 | 65,305 | 107,520 |
| Rural Non-UGA | 3,877 | (555) | 4,432 | 14,273 | 18,705 |
| Total | 46,158 | (489) | 46,647 | 79,578 | 126,225 |

Source: Employment Security Department and Puget Sound Regional Council 2012; (Kitsap Regional Coordinating Council, 2014); BERK Consulting 2015

4. What is VISION 2040? What are Regional Centers? How does this Regional Growth Strategy affect targets and UGAs?

VISION 2040, developed by the Puget Sound Regional Council (PSRC) and its member governments, including King, Kitsap, Pierce, and Snohomish Counties and their cities, is a Regional Growth Strategy. VISION 2040 is based on a ‘centers concept’, encouraging growth to take place within Regional Centers of growth, and focusing economic development and transportation infrastructure investments there.

Under VISION 2040, the PSRC has made the following designations for the urban areas/municipalities of Kitsap County.

- Downtown Bremerton as a “Regional Growth Center.”
- Silverdale as a “Regional Growth Center.”
- South Kitsap Industrial Area – now known as the Puget Sound Industrial Center-Bremerton – as a “Regional Manufacturing/Industrial Center.”

In addition to the Centers concept, VISION 2040 classifies different communities according to the roles they play in the region and allocates population accordingly.

- The majority of the region’s employment and housing growth is allocated to Metropolitan Cities and Core Cities, which include the centers, and thus include Bremerton and Silverdale.
- Large Cities also play an important role over time as places that accommodate growth; in Kitsap County, only Bainbridge Island is considered a Large City.
- Small Cities provide jobs and housing that support vital and active communities at a less intensive scale; both Port Orchard and Poulsbo are considered Small Cities.

VISION 2040 sets up growth percentages to each category of city/UGA.

VISION 2040 is implemented through PSRC’s policy and plan review of each county and city comprehensive plan and their amendments. PSRC also certifies comprehensive plan transportation elements, as well as the regional transportation improvement program, and evaluates performance measures. Given that PSRC certifies transportation plans and reviews Comprehensive Plans for consistency, it is important that growth targets “bend the trend” towards VISION 2040. Only those jurisdictions with certified plans are eligible for grants.

County population allocations reflect local policy choices about growth since 2004. Because State population forecasts for Washington counties showed some slower rates than earlier predicted, Kitsap County and its cities formally decided to carry forward the 2025 growth targets to 2036, which ultimately projects growing somewhere between the State’s most likely (mid-range) and high projection.

The state does not project employment at a County level for the 20 year planning periods. However, employment projections were established in VISION 2040. Through KRCC, the County and cities considered both independent estimates and the Regional Growth Strategy as the employment allocations were prepared. Results of that effort show that rural allocations are less than current shares to move towards the strategy. Communities with centers are edging up their shares to “bend the trend” towards the VISION 2040 projection. The share of jobs for Port Orchard is higher than the Regional Growth Strategy. A portion of the information available in the Buildable Lands Report 2014 Chapter 5 is presented below.

Employment Share Comparisons

Share Comparison: **Total 2036**

| UGA | Allocation Share | 2010 Share | PSRC Regional Growth Strategy |
|-------------------|------------------|------------|-------------------------------|
| Bainbridge Island | 7.2% | 7.8% | 7.6% |
| Bremerton | 35.6% | 33.6% | 38.5% |
| Bremerton UGA | 2.6% | 3.0% | 2.2% |
| Central Kitsap | 4.3% | 5.3% | 3.8% |
| Kingston | 0.8% | 0.8% | 0.6% |
| Port Orchard | 5.4% | 4.6% | 5.3% |
| Port Orchard UGA | 5.2% | 5.8% | 4.2% |
| Poulsbo | 7.4% | 6.4% | 7.3% |
| Poulsbo UGA | 0.4% | 0.6% | 0.4% |
| Silverdale | 15.7% | 13.5% | 17.3% |
| Rural | 15.5% | 18.5% | 12.8% |

Share Comparison: **Net 2036**

| UGA | Allocation Share | 2010 Share | PSRC Regional Growth Strategy |
|-------------------|------------------|------------|-------------------------------|
| Bainbridge Island | 6.1% | 7.8% | 7.2% |
| Bremerton | 38.9% | 33.6% | 46.8% |
| Bremerton UGA | 1.9% | 3.0% | 0.7% |
| Central Kitsap | 2.7% | 5.3% | 1.3% |
| Kingston | 0.7% | 0.8% | 0.2% |
| Port Orchard | 6.8% | 4.6% | 6.5% |
| Port Orchard UGA | 4.0% | 5.8% | 1.4% |
| Poulsbo | 9.0% | 6.4% | 9.0% |
| Poulsbo UGA | 0.1% | 0.6% | 0.1% |
| Silverdale | 19.6% | 13.5% | 23.9% |
| Rural | 10.3% | 18.5% | 2.9% |

Source: BERK Consulting 2014

5. How have UGA boundaries changed in the last 10 years? How has the City of Port Orchard grown and annexed land?

Between 2007 and 2011, the City of Port Orchard annexed approximately 3,500 acres (including the entire unassociated ULID/McCormick UGA and Bethel Corridor), about the same amount of land area that was annexed by the City of Bremerton (Bremerton annexed the SKIA UGA during this time period). However, as a percentage of its city limits, Port Orchard increased its land mass by area and its corresponding capacity by 89% (as comparison, Bremerton increased by 26%).

6. How are cities and their assigned unincorporated UGAs analyzed

The growth allocations are placed within city limits and UGAs independently and together as seen in the charts above. Further, when designating UGA boundaries, counties are required to evaluate them in a county-wide analysis and not look any single UGA in isolation.⁴ Because cities are ultimately the service providers in the UGAs, and UGAs must represent logical extensions of city limits and service delivery, it is important to consider the land currently in the city limits and the land in the UGA together for the sizing of the UGA.

This is particularly important for the Port Orchard UGA. The Port Orchard UGA is the largest of the city-associated UGAs; consisting of both areas with existing urban density and areas more rural in terms of density that are pending conversion to urban uses (greenfield development potential). The City of Port Orchard also currently has a relatively high capacity for population and jobs within the city limits, notwithstanding the capacity in the associated UGA. Thus, as required, growth allocations and boundaries for the City and associated UGA are being considered together in this Update to ensure accuracy and compliance with GMA UGA sizing requirements.

⁴ *City of Snoqualmie v. King County*, CPSGMHB 13-3-0002, (“Snoqualmie II”), FDO (October 29, 2014)

In comparison, Bremerton's remaining associated unincorporated UGA lands are more uniformly urbanized in character and represent a series of smaller islands of unincorporated territory. Similarly Poulsbo has only small pockets of UGA land left. That means that planning in these areas tends to have smaller implications for Kitsap County's rural character than in the Port Orchard UGA vicinity.

7. How does the county plan for different areas of the county?

Every area in the county must be considered under the GMA policies and laws, Countywide Planning Policies, and VISION 2040 as well as agency and public input. The County must balance all of these in making determinations on UGA boundaries. In addition, the County's comprehensive plan, development regulations and CPPs must be internally and externally consistent. While the County can address local circumstances in policies and development regulations for different areas of the County, the sizing of UGA boundaries must be considered on a countywide basis, and be sized to only accommodate the projected population and employment growth.