

Planning Commission

Public Hearing



Community Development • 125 NW Chehalis Avenue, Chehalis, WA 98532 • Phone: (360) 740-1146

STAFF REPORT

PACKWOOD UGA & ZONING

Date: March 31, 2025
Staff: Mindy Brooks, Director
Attachments: A – Questionnaire Results
B – [Open House Posters](#) (online only)

SUMMARY

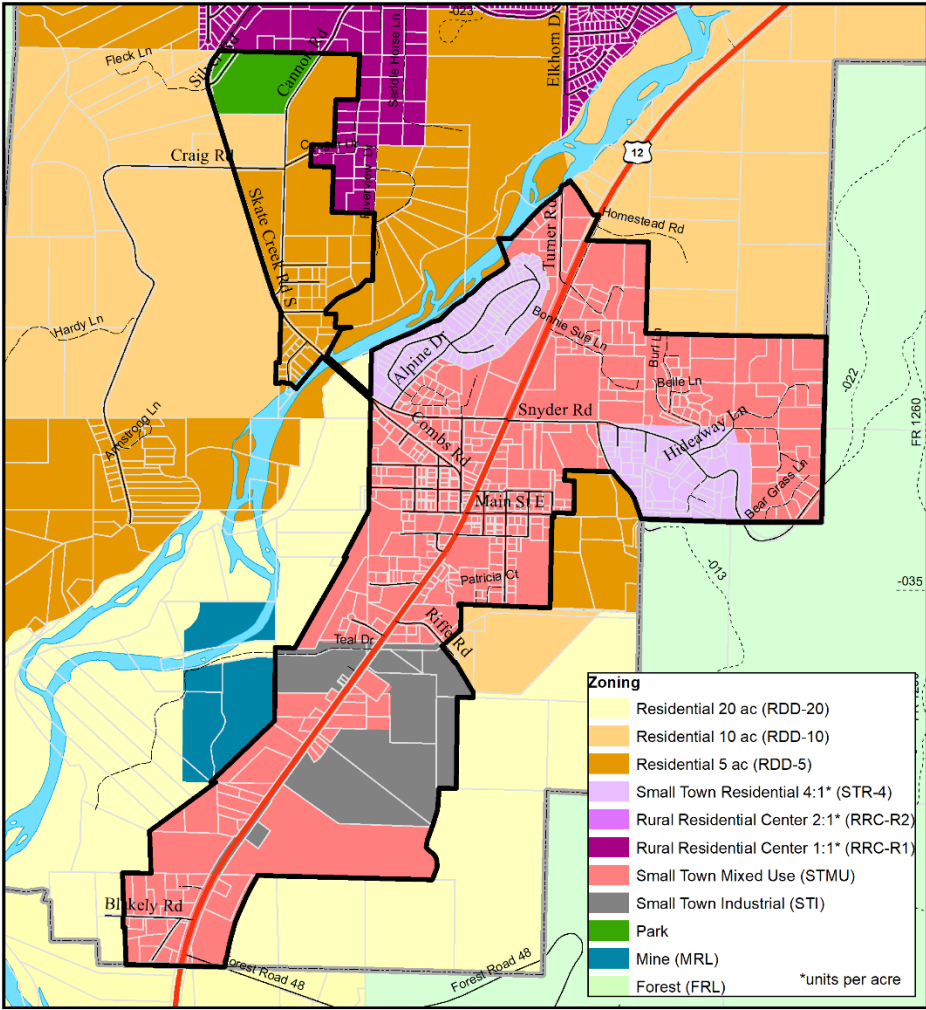
The overarching goal of the [Packwood Subarea Plan](#), adopted in January 24, 2025, is to manage growth and consolidate development near Highway 12, while protecting lower density neighborhoods. The Subarea Plan was created by a 35-member Community Advisory Committee. This step in the Subarea Plan work is implementing the goals and policies adopted in the plan through zoning designations. The next step is further implementing the goals and policies adopted in the plan through development regulations, which will be before the Planning Commission this summer.

See page two for the existing and proposed zoning maps. The proposed zoning matches the adopted Subarea Plan Future Land Uses map. The existing zoning of Small Town Mixed Use (STMU) allows a wide range of uses – residential, hotels, motels, grocery store, restaurants, event centers, etc. – and there is no minimum lot size applied to land divisions in the STMU zone. STMU also allows multifamily when and where sewer is available. The Subarea Plan set goals to reduce development from what is allowed by STMU. To achieve this:

1. The proposed zoning does not allow commercial development everywhere and focuses new commercial development along Highway 12, shown in red Mixed Use and at the historic mill property, shown in yellow Commercial Business District.
2. The proposed zoning does not allow multifamily housing anywhere that sewer will serve and focusses multifamily housing near the commercial center.
3. In the outlying areas, which do not have a minimum lot size under STMU, the proposed zoning sets a minimum lot size of ¼ acre depending on site conditions, including water availability, soil conditions for septic and critical areas such as wetlands, streams and steep slopes. (Note – The communities of High Valley, Goat Rocks and Timberline are not part of the Subarea Plan and are addressed under a separate staff report).

There are two elements of the proposal to implement the goals and policies of the Subarea Plan that require removal of the Limited Area of More Intense Development (LAMIRD) designation and applying an Urban Growth Area (UGA) designation. Using the UGA as a tool to achieve some of the goals is a choice to be made and the Planning Commission will make a recommendation regarding the UGA to the Board of County Commissioners.

Packwood – Proposed Urban Growth Area & Zoning Designations
Updated March 3, 2025



Packwood Subarea Plan

Existing
Zoning

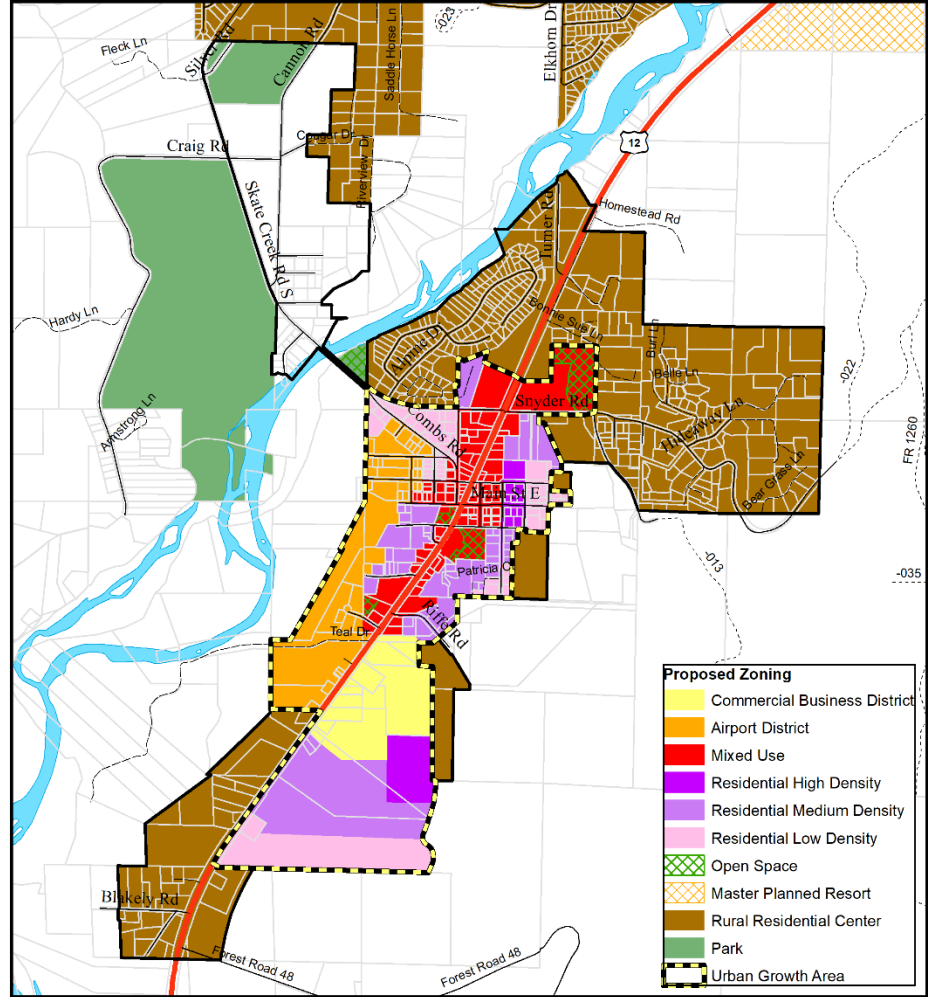
- Study Area
- Subarea Boundary
- Highway 12
- Roads
- Parcels
- River Channel

Updated 03/05/2025

Planning Division, Community Development



This map was created by Lewis County Geographic Information System. The accuracy of the map has not been verified and should be used for informational purposes only. Any possible discrepancies should be brought to the attention of Lewis County GIS. State Plane Washington South FIPS 4602 North American Datum 1983 North American Vertical Datum 1988 (Topography)



Packwood Subarea Plan

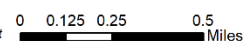
Proposed
Zoning

- Subarea
- Highway 12
- Roads
- Parcels

The areas in white on this map have no proposed changes to the existing zoning designations.

Updated 03/05/2025

Planning Division, Community Development



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UGA questions that need to be decided:

Should there be designated places, shown in dark purple on the map (RH zone), where new residential development is **required** to be multifamily, meaning 3 or more dwelling units per lot?

If yes, then the LAMIRD designation must be removed because we cannot require multifamily in a LAMIRD. The reason is that in a LAMIRD, we can allow up to 4 dwelling units per acre when sewer is available, but we cannot require some lots to be developed with multifamily.

If not, then the LAMIRD designation can remain. The consequence is that while up to 4 dwelling units per lot could be allowed when sewer is available, multifamily would not be required. The private market may continue to provide only single-family houses.

Should there be designated places, shown in yellow on the map (CBZ zone), where new commercial uses should be allowed to be larger than 10,000 square feet?

If yes, then the LAMIRD designation must be removed because commercial uses larger than 10,000 square feet are prohibited in LAMIRDs.

If not, then the LAMIRD designation can remain. New commercial and retail businesses will be capped at 10,000 square feet. Note, Blanton's is 11,000 square feet and a typical Safeway is 46,000 square feet.

If the answer is no to both, then the UGA is not needed. Most of the rest of the Subarea Plan can still be implemented without the UGA but we will need make some changes to the Subarea Plan goals and policies around multifamily housing and commercial size.

RESPONSE TO PUBLIC QUESTIONS AND CONCERNS

1. What are the requirements that come with the UGA?

The following things are required with an UGA designation:

- a. Assign a population allocation, which was done in 2017 for Packwood.
- b. Require at least 4 dwelling units per acre density. The existing STMU already allows 4 dwelling units per acre and much of Downtown Packwood is more dense.
- c. Allow up to 2 ADUs per lot in single family zones. Currently, the County only allows 1 ADU per lot, so this would be a chance. It would be dependent on sewer.
- d. Water and sewer service is required over the 20-year planning period. Packwood is already served by water and sewer is at 60% design with the treatment locations approved by Department of Health. Sewer is planned regardless of and is not dependent on the UGA designation.
- e. When WSDOT improves Highway 12 in Packwood, they will have to use the "complete streets" criteria, which includes evaluation of intersections for traffic controls and enhanced pedestrian safety.

In addition, the following are allowed with a UGA and not allowed with the LAMIRD designation:

- a. In a LAMIRD, when sewer is available, no more than 4 dwelling units per acre may be allowed and multifamily cannot be required. The UGA allows more than 4 dwelling units per acre and the local jurisdiction decides the maximum density. The UGA also allows the local jurisdiction to require multifamily in some locations. Allowing multifamily and requiring it in some locations implements the housing goals and policies of the adopted Packwood Subarea Plan.
- b. In a LAMIRD, new commercial and retail businesses are capped at 10,000 square feet. The UGA allows larger size commercial and retail business; the local jurisdiction can set the maximum size. The adopted Packwood Subarea Plan goals and policies called for retail larger than 10,000 square feet.

2. Does the UGA increase development?

No. The existing STMU zone already allows development densities that would be allowed by the proposed zones; in fact, the proposed zones will limit new development by preserving some areas for single family housing only and not allow most commercial and retail uses. The primary factor that will increase development is sewer. Without sewer, multifamily housing is not possible; with sewer, multifamily housing is possible. Providing more affordable housing options, including multifamily, was a top priority of the adopted Subarea Plan.

During the creation of the Subarea Plan, staff told the Community Advisory Committee (CAC) that they should assume that sewer is going to be constructed and will serve at least the Downtown core. Repeatedly, staff reminded the CAC members that the goals and policies they were creating for a diversity of housing types and some of the commercial uses would require sewer. During this phase, implementation of the Subarea Plan goals and policies through zoning, we continue to assume sewer will serve the area shown in the proposed UGA.

3. Does the UGA change the federal classifications of Packwood?

No. The federal government does not use state definitions such as UGA. The US Census Bureau defines an "urban area" as having a population of 50,000 or more. Lewis County has no urban areas that meet this definition. For the purposes of federal education funding, the National Center for Education Statistics assesses how remote school districts are from urban centers. For this purpose, the NCES defines "urban center" as having a population of 100,000 or more. In all cases, the federal government is using population, rather than any state terms, to define urban and all of Lewis County, including Centralia, is not considered urban by the federal government.

"UGA" is a Washington State designation under the Growth Management Act for the purposes of local land use planning. Applying a UGA designation to Packwood does not change how remote Packwood is, nor will the UGA designation change federal funding because the federal grant programs use population, not local terms and definitions.

4. Does the UGA increase property taxes?

No. Property taxes are determined by assessing the value of site improvements (e.g., the house) based on similar development. The existing STMU zone already allows development of new uses and densities that would be allowed by the proposed zones. Therefore, there is no impact of the zoning changes on property taxes.

What has been influencing the increase in property taxes in Packwood is the rise in vacation homes and short-term rentals, which has increased property values significantly. Part of the proposal for Packwood is to regulate short term rentals and prohibit multifamily housing from being used as short-term rental in an effort to support a diversity of long-term rentals and owner-occupied housing options.

NEXT STEPS

The Planning Commission has a continued hearing on April 8, 2025 to receive testimony on the Comprehensive Plan Periodic Update, with a focus on Packwood. Attendees may provide testimony on any portion of the proposal, not just Packwood. The hearing will be at the Packwood Community Hall at 6:00pm. The public is invited to come an hour early to ask questions of staff. The Planning Commission will not deliberate and vote on April 8; the hearing will be continued to April 22, 2025 to receive additional testimony on the Periodic Update.

Packwood Subarea Plan Phase 2
March Open House
Results of Questionnaire

There were 34 attendees who signed in at the Open House. Of those, 12 completed the questionnaire. Below are the results.

Question 1: Which approaches to housing supply and affordability do you support?

1. Prohibit multifamily housing from being used as STRs. (7)
2. Regulate how much single-family housing can be used as STRs. (6)
3. Allow up to 4 dwelling units per lot (e.g., triplex, quadplex, townhouses) on any lot in Packwood. (Note, sewer is required to allow 4 units per lot.) (5)
4. Provide government subsidies to create affordable housing options, such as low rent single family housing. (5)
5. Protect outlying areas for single-family housing and ADUs only, no multifamily allowed. (4)
6. Allow, but do not require multifamily housing to be built. (Note, sewer is required to allow multifamily housing.) (4)
7. Require multifamily housing in specific areas. (Note, sewer is required to allow multifamily housing.) (3)
8. Let the private market determine what housing is built and how much. (2)
9. Create market incentives to encourage multifamily housing, such as a density bonus. (Note, sewer is required to allow multifamily housing.) (2)

Question 2: Do you support allowing new commercial or retail up to 20,000 square feet at the historic mill property?

Yes – 6

No – 5

Question 3: Do you support using the UGA designation as a tool to require multifamily housing and allow commercial/retail up to 20,000 square feet in size?

No – 6*

Yes – 5

Note – One of the attendees who voted yes on allowing 20,000 square feet, which requires a UGA, and voted no on UGA included a notation that UGA should be applied by the local community, not mandated by the County.

Question 4: Do you support allowing lots in the RRC zones to divide to ¼ acres, if site conditions are met?

Yes – 5

No – 5

Question 5: Do you support allowing additional uses on the properties to develop a Master Planned resort?

No – 9

Yes – 3