

Lewis County Planning Commission

Public Meeting

In-Person & Virtual Meeting via Zoom

February 14, 2023 - Meeting Notes

Planning Commissioners Present: Lorie Spogen, District 1; Jason Alves, District 1; Gretchen Fritsch, District 3;; Bob Russell, District 2; Frank Corbin, District 3; Kathy Chastain, District 2;

Planning Commissioners Absent: Corbin Foster, AL

Staff Present: Lee Napier, Community Development Director; Mindy Brooks, Senior Long Range Planner; Megan Sathre, Office Assistant Senior; Barbara Russell, Prosecuting Attorney; Eric Eisenberg, Housing & Infrastructure Specialist

Materials Used:

- Agenda
- Draft Meeting Notes – January 24, 2023
- Staff Report: Packwood Subarea Plan
- Staff Presentation: Comprehensive Plan Periodic Update

1. Zoom Guidelines

The clerk dispensed with the Zoom Guidelines.

2. Call to Order

A. Determination of a Quorum

6 Commissioners were present; there was a quorum.

3. Approval of Agenda

The Chair entertained a motion to approve the agenda. Commissioner Chastain made the motion to approve the agenda; second by Commissioner Corbin. The motion carried unanimously.

4. Approval of Meeting Notes

The Chair entertained a motion to approve the meeting notes from January 24, 2023 with a slight change to a sentence on page three, paragraph two. Commissioner Corbin made a motion to approve the notes as amended; second by Commissioner Chastain. The motion carried unanimously.

5. Public Comment

There were no members of the public who wished to testify.

6. Workshop

A. Comprehensive Plan Periodic Update – Population and Housing

Mindy Brooks, Senior Long Range Planner for Lewis County gave a presentation on the Comprehensive Plan Periodic Update regarding Population and Housing. *See presentation for details.* The following questions were asked through the presentation.

Population Allocation

Russell asked about the data on population allocations and clarified that Centralia, for example, grew 20% over 20 years. It did not grow 20% every year for 20 years. Mindy confirmed his understanding.

Corbin asked if there comparisons to previous 20-year estimates so there is a historical estimated growth and inquired how far back the records go. Mindy responded that data is available as far back as the census goes and that can be shared. Corbin added that the data could be useful in providing more information to help with deciding on projections.

Spogen noted how OFM uses census data rather than predicting based on the number of houses times four people per house, for example. Mindy responded that OFM has a standardized process to provide the estimates. For census years, that data is used.

Chastain asked if staff thinks that with the housing trend and the sales in 2019 and 2020 that growth is going to pick up again. She also noted that the numbers seemed low for certain areas. Mindy responded that the numbers are going to change by the next time they are shown again as the Planned Growth Committee and the cities works through these numbers. More information about how the cities arrive at their numbers will be shared with the Planning Commission as more information becomes available.

Fritsch asked if the county allocates population proportionately across all the unincorporated Lewis County areas evenly. Mindy responded that the County has to assign a population to the Onalaska Urban Growth Area and if the choice is made to implement the Packwood Subarea Plan with an Urban Growth Area, the County will need to assign a population there as well. Those two population allocations would come out of the unincorporated area numbers.

Russell, looking at slide 11 of the presentation, asked if the 10% assigned to the 42,629 total population was over a 20-year period. Mindy responded that Russell is correct. Russell asked for clarification of how that works when staff said earlier that the county is growing 10% every year. Mindy explained that the county could not calculate the numbers that way because it is not realistic. What the county has tracked year over year is unincorporated Lewis County, which includes the UGA boundaries. When OFM gives the estimate for unincorporated areas, it includes the entirety of the unincorporated areas. That number, which includes the UGA of Centralia, has been growing at about 10% or 11% year over year. We do not have a way to easily calculate backwards what a reasonable growth rate is going to be for the unincorporated Lewis County that does not include urban growth areas. Therefore, we have applied a 10% growth rate to the county.

Mindy discussed how the county has had Interlocal Agreements with the cities that allow them to keep developing within the UGAs and this create a disincentive to annex the UGAs into the city limits. Corbin asked if that was a decision that the County Commissioners made. Eric responded that the theory was that the UGA was the area where the city was going to expand so by allowing development it would match the city and be easier for them to annex it. However, this did not create enough incentive for cities to annex. Mindy added that this has been a long standing practice in Lewis County and the impact of this choice will be hard to reverse at this point.

Housing Allocation

Corbin asked how an area is earmarked at the 50%, 80%, 100% level when zoning is determined. Mindy provided an example that if an area is zoned high-density multifamily housing only and no single family residential or duplexes are allowed, then it is zoned for housing that is likely to be affordable at <80%. The land is zoned for the type housing that is likely to be affordable at each income level. Corbin asked what would preclude a developer from putting in condos since it was zoned for that density. He noted how that would price people out of the same space. Mindy responded that these are guidance numbers and what actually happens is going to be different. It will take more than just zoning to provide affordable housing options, but zoning is the main way to meet the requirements of HB 1220.

Fritsch asked if density and square footage are the only way you can satisfy the housing allocation requirement. Mindy responded that Commerce's primary recommendation is for cities to zone for the housing types and densities; the other way is to remove regulatory barriers for low income housing. Fritsch followed up by asking if Commerce is requiring the county to subsidize or explore any other creative ways of making land or building affordable. Eric responded that there is vague language around this right now, but it will get more defined and look at things like what areas in the city allow multifamily housing, as many jurisdictions zone out multifamily in large areas. They sometimes have minimum lot sizes. Reduced multifamily housing and minimum lot sizes can make things more expensive. There is a general philosophy that many cities have taken steps to making housing more expensive.

Russell noted that the ratio of city to county looks to be about 50/50. Mindy responded that Russell is absolutely right. We already have probably over 40% of our population living outside of UGAs to begin with, so any growth is a big deal. Russell asked what kind of percentage other counties have living in the cities. Mindy responded that it would be very specific to the county.

Spogen asked what the ramifications are of not meeting these goals. Mindy responded that this is something we are concerned about. Even though you don't have to hit these numbers, you do need to zone for these numbers. We are trying to be creative and see what we can do. However, the ramifications are that if we are not meeting these numbers, which are adopted into our Countywide Planning Policies, we can end up in court for invalidity of the Growth Management Act. Staff has brought this concern to Commerce and will continue to voice it. Eric added that these numbers are likely going to get better as we go through the process. Talking with Centralia, the largest urban jurisdiction, they believe that the housing numbers about their growth are grossly low. They believe they are going to easily meet and exceed the projections and are prepared to take on more growth. Barbara added that it will also help as cities realize the need to annex their UGAs into the city limits. Mindy noted there are some bills in the legislature right now that are intended to incentivize annexation. Corbin asked what types of incentives the bill is referring to. Mindy responded that there's sales tax and some different options out there. Eric added that this is not a new sales tax that would impact citizens – the state would basically give back the city a portion of the sales tax for a period of time after annexation.

Schedule

Spogen asked if this is tied to our State Allocation for housing and does staff predict it will stimulate housing. Mindy responded that yes, the intention of the State is to stimulate more affordable housing.

Russell mentioned seeing a new apartment complex in Napavine. Mindy added that the cities are aware that they need more housing that is affordable for the people who live there. We are coordinating through the Planned Growth Committee with the Mayors and their staff.

B. Packwood Subarea Plan

Mindy Brooks, Senior Long Range Planner and Preston Pinkston, Planner for Lewis County gave a presentation on the Packwood Subarea Plan. *See presentation for details.* The following questions/discussion occurred throughout the presentation.

Land Use

Russell asked if a lot of the growth happening in Packwood up North would be affected by the Small Town Mixed Use (STMU) zoning. Mindy responded that there is a lot of development in the High Valley Area that are being developed. There is development occurring all over Packwood. Russell added that although the STMU zoning is changing, it's not going to slow

growth since other areas are going to continue to develop. Mindy responded that the Subarea Plan will not slow down growth. The existing zoning allows for a lot of growth. The plan is trying to manage and direct growth. Russell added that growth is going to happen anyways when sewer is put in, which will make that land really expensive. Growth will happen where the sewer is placed even if no zoning changes occur. Mindy confirmed that is correct – the growth will occur, but the plan is to direct and control how the growth occurs.

Spogen asked for clarification on what would be in the Mixed Use (MU) section versus the Commercial Business District (CBD). Mindy responded the main difference is scale. The MU will allow for new businesses in that fit the scale of the current development. The largest building in downtown Packwood is Blanton's and it's roughly 11,000 sq ft. The CBD area would allow for larger, development such as a larger grocery store or pharmacy. Spogen asked if the sewer will be extended to the CBD. Mindy responded that it may.

Barbara asked if there is a proposed limit on footprint for new development. Mindy responded that that would be part of Phase 2 implementation. The goal of the Plan is that the structures would not be larger than what is already existing in the downtown core.

Russell asked where the sewer will be placed. Mindy responded that it will likely be in the Mixed Use area, but nothing is certain yet.

Spogen asked what happens if the plan moved forward and then during Phase Two someone doesn't want the plan. Mindy responded that the way the Comprehensive Plans works is that once you've decided on the policies, goals, and concepts you are required implement them. There can be debate on how we implement it, but we do have to implement it. This plan is what the community of Packwood is recommending for later implementation.

Mindy emphasized that this is not Lewis County staff's plan; it is the Community Advisory Committee's plan. They created the plan and the vision, goals and policies. Staff facilitated the conversation. Spogen asked if the Advisory Committee included other people outside of the committee that have further expertise who do this for a living. Mindy replied that there was a Technical Advisory Group as well that reviewed materials. Staff provided guidance to ensure compliance with the Growth Management Act.

Chastain asked if community members have concerns about water quality. Mindy responded that yes, there is a lot of concern about the aquifer. The reason the County received a state appropriation for sewer is to protect that aquifer. Everything in the plan boundary on the East of the river is in the Lewis County Water District 3 area, but not everyone is hooked up. There are 230 additional hookups still available if people would like to. Long term, the best thing is going to get people on to water. Spogen added that she spoke with someone from Packwood who is knowledgeable in the septic business and he explained that the sewers are necessarily failing, it's that the soil is so porous that it allows everything to go down to the water.

Spogen asked the Community Advisory Committee considered allowing co-ops in the future. Mindy responded that across the board, the feedback was that the further out a person lives, the less they want anything commercial and the more they want to stay rural. So we only really looked at homebased businesses in the lower density residential areas.

Corbin asked for clarification of where Open Space would be applied on the future zoning map. Mindy responded that anywhere with the green hatching would remain in Open Space. That included existing parks, the area behind the Museum and the critical areas on the back of Packwood Station.

Spogen asked if the state would allow for expansion into the Residential Very Low Density Area. Mindy responded that there are definitely ways it could be done, but it is a future conversation. Think of that area as a "reserve" for the future.

Housing

In regards to the idea that supply and demand plays a factor in how to create affordable housing, Eric added that it's not just about the number of units being added, but the type of units that get added. Lower cost units can help prices come down and will right-size people's needs. If we build enough housing now, in the future, the older units will be comparatively less expensive than the newer units being built. The older less desirable units, but still perfectly adequate for living in, should be cheaper. This can help encourage a diverse array of housing options.

Fritsch shared that since tourism has increased so much and the economy is a service industry economy, most people that are working in Packwood are in the minimum wage range. People used to be able to work and live in Packwood. If we continue to encourage more tourists to come, we are going to need more low-income jobs and low income housing.

Fritsch shared that the Subarea Plan housing goal is to provide affordable housing. This is a lofty, broad, general goal. Single-family housing is the type of development happening right now. The concern is that lots of houses are being built in Packwood with the idea of being short term rentals (STR). I think it would be important for Packwood to find the balance between housing for full-time residents and tourist housing like STRs. Corbin asked if STRs can be considered a business and therefore, be regulated. Mindy replied that it is possible to have regulations on STRs. Dennis Riebe (Community Advisory Committee representative) shared that the Advisory Committee had many discussions, concerns, and frustrations about STRs, but Dennis feels the solution comes down to zoning regulations and density. Alves asked if there was anything preventing them from classifying an STR as a hotel. Staff responded that it can be classified as a transient accommodation, which can be confined to specific zones; however the focus at this phase of the plan should remain on goals and policies. Barb added that transient accommodations rent units to guests for periods of less than 30 days. Corbin suggested that the Commissioners continue to think about a way they can appropriate reduce STRs as a goal and the implementation can be worked out later. Mindy encouraged the Planning Commission to

continue to discuss this topic of STRs at future meetings and advised them that they will hear testimony on the topic as well. Staff can help draft a goal and policies around STRs if that is what the commissioners would like to do.

Economic Development

Fritsch asked what the barriers are that are preventing larger businesses from coming in right now. She also asked if sewer would increase to prices of the empty lots and potentially discourage businesses to come. Preston responded that infrastructure capacity – sewer - is probably the biggest one. The businesses of skilled labors – electricians, plumbers, carpenters – could be anywhere in the plan. They would likely be homebased businesses. Right now, the economic base isn't large enough to support the work but as the amount of work they need to do you increases, the likeliness that they would be in Packwood full time. Mindy added that the empty lots in downtown Packwood don't have a lot of incentive to sell. When sewer comes in, the property value goes up and the incentive to sell and develop those properties goes up. The Plan says that when those lots are developed they should be developed with mixed use and commercial development and scaled to fit the downtown area.

Spogen asked if the Community Advisory Committee talked about industries other than tourism. Mindy replied that they did, but the biggest problem Packwood is going to have in attracting industry is how far Packwood is from I-5. There is property available near I-5 for industrial development. The best chance Packwood could have is a type of industry that is very specialized, such as specialty furniture. It would need to be something that the business could make enough income to account for the cost of transporting goods to and from I-5.

Fritsch asked if all of the Packwood Subarea Plan is hinging on sewer or if there is still economic development plans and changes that would also work towards encouraging development in Packwood. Mindy responded that even if sewer doesn't come, the consolidation of high intensity, commercial uses towards the center of Packwood will be helpful. There are also policies that speak to working with partners like Economic Alliance and others to work on economic plans and bring more businesses to East County. This is not just about the zoning piece. The zoning is probably the most tangible piece that we can talk about, but the policies include a lot more than that. There's some education pieces too about providing additional education around skilled labor.

Spogen noted that some of the small towns she goes to she really enjoys the old part of the town as a tourist. A new part of the town, for the people who actually work and live there, is where residents go when tourists have flooded in for the weekend. How can residents get to the commercial businesses areas without having to go through the historic downtown area on busy weekends? Mindy responded that the transportation plan will speak to additional improvements that are needed. Right now Highway 12 is not planned for what is going on today in town. There is a transportation concept plan to address some of the transportation needs.

What will you hear?

Mindy summarized that the primary concerns heard so far are the desire to stop development all together, wanting to slow down tourism, some people wanting to be excluded from the plan, some people wanting a different future designation, concerns about STRs and concerns about what changes might occur on Highway 12.

Fritsch added that in terms of tourism, there is an imbalance in what Packwood is offering tourists. Future growth needs to happen in a balanced way. For example, people need to get gas and to park their cars. Also it doesn't make sense to create more bed spaces (e.g., hotels and STRs) if there are not enough restaurants to serve the tourist. Mindy responded that Fritsch is right and writing these things into the Plan is important. However, the plan alone will not solve all the problems. The plan will try to direct how growth occurs and what improvements are needed, like parking.

Eric added to the topic of specific future land use designations by stating that the Commissioners will likely hear testimony about the Packwood Mill site since it takes up a significant portion of the Plan's commercial area. Mindy added that staff has already seen the preliminary request from the Mill and shared it with the Planning Commission and the Community Advisory Committee.

Additional Questions about Subarea Plan

Russell asked if the expectation is that sewer will be not only in the Mixed Use but also in the Residential Low Density (RLD) areas because that area has many sewer problems. Mindy responded that she would be surprised if sewer served all the RLD area because of the hilliness of that space. Over time as money and development occurs, it is more likely that sewer would be expanded to serve more of the core around Highway 12 – the red, purple and gray areas on the map. In the future there could be increased density and housing near the Mixed Use zoning. Russell asked if that would occur only if sewer is expanded to those areas. Mindy responded that the increased density and housing can increase without sewer – it is not dependent on it. Russell added that there seems to be a high correlation between sewer and density and asked why the county is worried about implementing the Plan if development will continue without it. Preston responded that no matter how much of the plan area has sewer, the plan says what the community would like in terms of organizing new development. Mindy added that controlling the commercial development would reduce the impacts to the neighborhoods by keeping high intensity development in the center of town.

Spogen pointed out that this Plan would make Packwood look more like a town rather than a drive through town.

Chastain asked if the County asks for impact fees for developers. Mindy responded that the county has no impact fees. Since Packwood is not incorporated, they cannot ask for their own

impact fees. Corbin asked if the decision to not have impact fees was made long ago. Mindy responded that it comes up every once in a while.

Mindy asked if the Commissioners are ready to move to a public hearing or hold another workshop. The commissioners decided they are ready to move to public hearing. The notice of hearing will be published on February 24th and the hearing will be on March 14th.

7. Good of the Order:

A. Staff

Mindy announced that staff are preparing binders for all of the commissioners. It will include a cheat sheet to provide you with common process and phrases to use during your meetings, an overview of Planning Commission authority and blank pages for taking notes. The binders will be ready at the next meeting. For those Commissioners who will not be able to attend the next meeting in person, the binders can be picked up from the Community Development office in Chehalis. The meeting will start by walking through what is in the binder and giving Commissioners an opportunity to ask questions.

Community Development has created our own YouTube channel that will host the recorded Planning Commission meetings as well as additional content. That link will be provided in email before the next meeting.

Also, a final reminder that Commissioners may carpool to the March 15 hearing in Packwood, but each car cannot have more than three commissioners or else you form a quorum. Mindy reminded the commissioners that because the Packwood Subarea Plan is a legislative action, they are free to arrive early, drive around town, have dinner and talk to residents.

B. Planning Commissioners

There were no items from the Planning Commissioner.

8. Calendar

The next meeting of the Planning Commission will occur on February 28, 2023 and the agenda item is a workshop on the Comprehensive Plan population and housing forecasts.

9. Adjourn

Commissioner Corbin made a motion to adjourn. The meeting adjourned at 9:06 p.m.