

# **CITY OF SUMAS URBAN GROWTH AREA PROPOSAL**



**Prepared as part of:**

Whatcom County 10-Year Review of Urban Growth Areas

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## **INTRODUCTION**

Over the past several months the City of Sumas has been working in cooperation with Whatcom County and other cities to address issues related to the 10-year review of urban growth areas (UGAs) required under the Growth Management Act. Although the County's compliance schedule provided very limited time for cities to prepare UGA proposals, in developing the Sumas proposal the City has done its best to build upon the work completed thus far in collaboration with the County while incorporating local input.

This proposal document addresses the following components: population growth allocation, employment growth allocation, UGA boundaries and capital facilities. Map 1 shows the location of the current Sumas City limits and existing UGA boundary as previously established by Whatcom County. Additional maps have been included where appropriate to illustrate important aspects of the proposal.

## **POPULATION ALLOCATION**

### Baseline Population

The official 2008 population for the City of Sumas as established by the Washington State Office of Financial Management (OFM) was 1,264. Based on analysis completed by the County's consultant, the 2008 population of the Sumas UGA (including both the area inside City limits and in the unincorporated portion of the UGA) was 1,279.

### County Population Growth Alternatives

As part of the 10-Year UGA review and associated environmental review, Whatcom County established a number of population growth alternatives for the Sumas UGA. These alternatives range from a low of adding 390 people to a high of adding 793 people (Alternative Y).

### City Proposed Population Growth Allocation

Following a public hearing held on March 23, 2009 the Sumas City Council chose a proposed population allocation for the year 2031 of 2,072 (Alternative Y). It is important to note that Alternative Y, which provided the highest available population growth allocation to Sumas, is still below the population projection that would result from simply extending a linear growth pattern based on average annual growth experienced in Sumas between 2000 and 2008. It is the City's perspective that the population allocation afforded to Sumas under Alternative Y is lower than what is most likely, especially when there is a desire to shift growth from Bellingham and rural areas to the small cities as envisioned under Alternative Y. This under-allocation to Sumas relative to other jurisdictions is due to the fact that the County consultant developed the Alternative Y allocations based in part on the 2022 population allocations adopted in the County's 2004 comprehensive plan. In that plan Sumas requested a modest growth target, which has proven to be extremely accurate, whereas some other jurisdictions planned for higher rates of growth than have actually occurred. Based on the City's analysis, an additional allocation of approximately 200 people would be appropriate if the shift in population

envisioned under Alternative Y comes to pass. However, given that population allocations and UGA boundaries will be reviewed as part of the next 10-year review, the City of Sumas can accept the current allocation as provided by Alternative Y.

### Residential Land Capacity Results

The County Land Capacity Analysis (LCA) utilized the City's current zoning within City limits and future zoning designations from the Sumas comprehensive plan within the unincorporated portion of the UGA to determine residential land capacity. Map 2 shows these future zoning designations established in the Sumas comprehensive plan. The results of the County's LCA indicate that the Sumas UGA has an available residential capacity sufficient to accommodate an additional 1,351 people. When compared to the City's proposed population growth allocation (Alternative Y), the County results indicate a net surplus of 37 acres of residential land, which could accommodate an additional 558 people (in addition to those to be accommodated under Alternative Y).

### Residential Land Capacity Modifications

The County LCA results are based on a number of assumptions, some of which are discussed in this and the following section. In its LCA the County made assumptions regarding "assumed" densities for various residential zones. Although the County's LCA methodology clearly states that the starting point for assumed densities should be achieved densities if these values fit within reasonable limits, the County made a unilateral decision to use City minimum lot sizes to calculate average densities. Such an assumption is not mathematically valid since minimum lot sizes are not established as average lot sizes, but rather as lower limits; and, therefore such a calculation will tend to over-estimate residential land capacity. Sumas has three residential zones, two single-family zones and one multifamily zone. Achieved density data for the single-family zones show very limited subdivision activity in the past five years from which to derive useful data. Achieved densities in these zones were below 2 units per acre. Such relatively low achieved densities were the result of nearly all land divisions completed in the past five years having been large-lot, pre-urban developments where future subdivision potential remained. With such a large gap between recently observed achieved densities and the County's unachievable maximum densities of 4 units per acre (Residential, Low-Density) and 6.05 units per acre (Residential, Medium-Density), the City suggests that it would be appropriate to use an achieved density of 4 units per acre for both of these zones.

One other impact of the small number and nature of single-family developments in Sumas was that none of the developments from which data were derived required land for infrastructure such as stormwater ponds or other. As a result, the infrastructure deduction for the Sumas single-family zones used in the LCA is only 13%, while data drawn from other small cities indicate deductions ranging from 19% to approximately 30%. The City suggests that it would be more appropriate to use an infrastructure deduction of at least 19% for these zones.

In the Residential, High-Density zone the County used an assumed density of 7.25 units per acre. Data from recent developments indicate an achieved density of over 10 units per

acre over the past five years. These results include one condominium development that significantly skewed the results and one plat where the developer has since indicated that he will be pursuing a re-platting that will reduce the total number of units. In this zone the City suggests that the assumed density should be increased from the 7.25 units per acre used thus far by the County to 8 units per acre, which is an achievable density overall in this zone.

Substituting all of the above-described adjustments into the County LCA reduces the available residential capacity to approximately 1,020. The surplus residential acreage would similarly be reduced to approximately 18 acres.

#### LCA Methodology Issues

Although the City does not want to raise the following issues as being of major importance at this time, it is the City's perspective that the County's LCA methodology has a number of important shortcomings that tend to over-estimate residential land capacity. The issue that is of the greatest concern is that the LCA methodology did not analyze development potential on a parcel-by-parcel basis, but rather aggregated parcels that could be subdivided and then divided this total by the minimum lot size. In effect, this approach adds together all of the leftover fractions of potential dwelling units and counts them toward residential capacity. So, for example, in a zone requiring a minimum lot size of 10,000 square feet, and considering three parcels with net developable areas of 35,000, 37,000 and 38,000 square feet (totaling 110,000 square feet), the County LCA would calculate a land capacity of 11 units. However, a parcel-by-parcel analysis based on the minimum lot size would recognize that each of the three parcels could only be divided into a maximum of three for a total of nine lots. Concerns regarding this aspect of the methodology were raised by City planners while the methodology was being developed; however, the County made the decision to use the aggregation approach rather than the parcel-by-parcel approach over city objections. The magnitude of this potential over-estimation has not been analyzed.

The same aggregation problem also applies to vacant residential lots that are not large enough to be subdivided. All non-dividable, vacant residential lots with lot areas larger than the minimum lot size would be counted as adding that portion of their lot areas larger than the minimum lot size to the available land capacity, where such capacity would not actually exist. Some of this over-estimation of capacity would be offset by the infrastructure deductions incorporated into the methodology; however, the net result of these opposing effects and the magnitude of the potential over-estimation has not been analyzed.

Finally, the City is concerned that the County LCA methodology does not factor in deductions for wetland buffers. And wetland mitigation ratios While it is true that in some cases small portions of wetland buffers may be counted toward meeting minimum lot size requirements, more frequently this is not the case. The impact of not including wetland buffers and wetland mitigation ratios is even more pronounced in industrial areas where the presence of wetlands and wetland buffers will tend to drive down the floor area ratios and where, if wetlands are filled, wetland mitigation ratios between 2 and 6 can

dramatically reduce the available land supply. County and city planners also agreed that it was likely that current wetland inventories tend to under-estimate the quantity of wetlands actually present. Although the County did suggest including an additional deduction in the LCA to provide an approximate correction related to this last issue, planners were unable to arrive at a solution that they thought would be defensible.

#### Residential Land Capacity Conclusion

Based on a comparison of the County LCA results with the quantity of land needed to accommodate the City's proposed population growth allocation and in consideration of the population allocation and LCA methodology issues raised above, it is the City's conclusion that the existing Sumas UGA contains sufficient land to accommodate anticipated residential growth through 2031. Given that the size of the surplus residential capacity is relatively small, the City requests that no change be made to the residential portion of the Sumas UGA at this time.

### **EMPLOYMENT ALLOCATION**

#### Baseline Employment Numbers

According to data compiled by the County's consultant, in 2008 a total of 254 commercial/industrial jobs were identified in the Sumas UGA. This included 27 commercial jobs, 5 retail jobs and 223 industrial jobs. When viewed in relation to the 2008 population estimate for the Sumas UGA, this level of employment equated to a jobs-to-population ratio of 19.9%. As many in the County are aware, the City of Sumas has made substantial investments in infrastructure to develop their Industrial District, which accounts for the relatively high percentage of jobs identified in that sector. The City is very concerned that the employment figures for the Sumas UGA generated by the County's consultant significantly under-represent employment in Sumas. The City has not yet investigated how such a result was derived. This issue is discussed in more detail below.

#### County Commercial/Industrial Employment Growth Alternatives

As part of the 10-Year Review and associated environmental review, the County established a number of alternatives for employment growth in the Sumas UGA. These alternatives range from a low of adding 118 additional jobs to a high of adding 182 additional jobs (Alternative Y).

#### City Employment Growth Allocation

Following its public hearing on March 16, 2009 the Sumas City Council chose the highest available employment growth number from the alternatives provided by the County. Alternative Y would allocate 182 additional jobs to the Sumas UGA. When considered in relation to the Alternative Y population allocation, 182 new jobs would increase the jobs-to-population ratio to 21.0%. The Growth Management Coordinating Council (GMCC) recently considered allocating an additional 109 jobs to the Sumas UGA for a total employment growth allocation of 291 jobs. Such an additional allocation would increase the Sumas jobs-to-population ratio to 26.3%. The City of Nooksack has

also indicated a willingness to shift 100 of the additionally allocated jobs recently considered by the GMCC to the Sumas UGA for a total new allocation of 391 new jobs. Such an increase in employment allocation would increase the jobs-to-population ratio to 31.1% and would be supported by the Sumas City Council.

#### Commercial/Industrial Land Capacity Results

The results of the County LCA with respect to employment capacity indicate that the Sumas UGA contains sufficient land to accommodate the City's proposed employment growth allocation. As compared to the Alternative Y allocation, the LCA indicates a surplus of approximately 84 acres of commercial/industrial land. Including the additional allocation considered by the GMCC would decrease the surplus commercial/industrial acreage to approximately 44 acres. The shifting of an additional 100 jobs to Sumas from Nooksack would decrease the surplus acreage to approximately 7 acres.

#### Commercial/Industrial Land Capacity Issues

In calculating commercial/retail employment capacity the County LCA utilized an employment density (square feet of building floor area per employee) of less than 650 square feet per employee. The figures used were based on densities observed in Bellingham. The Bellingham figures were used because the City of Sumas did not have sufficient data on which to base local employment densities, and the County LCA methodology currently states that data from Bellingham can be used in such cases. One might reasonably assume that employment densities in smaller towns would be less dense than in Bellingham. In fact, the results of local investigations in Everson, Nooksack and Blaine bear this out. In these smaller jurisdictions the commercial/retail employment densities were typically closer to 900 square feet per employee. The City of Sumas suggests that substituting this higher number into the LCA based on the best available information is appropriate. Making this adjustment in the LCA would decrease the net surplus of commercial/industrial land in the Sumas UGA under Alternative Y by approximately 4 acres. As discussed above, any additional allocation of employment to Sumas would further decrease this surplus.

The City of Sumas has serious doubts about the accuracy of the employment figures generated by the County's consultant for the year 2008. These figures state that there were only 5 retail jobs; however, Bromley's market alone employs over 5 people. Similarly, the consultant's figures identify only 27 commercial jobs, while the City itself provides 20 jobs and the Sumas Elementary School provides over 30 jobs. Other retail and commercial businesses appear not to be accounted for, not to mention all of the government and private sector jobs associated with the border crossing. Finally, the consultant's figures identify only 223 industrial jobs, whereas based on employment figures generated by the City, the Industrial District appears to provide over 400 jobs. See Map 3, Sumas Industrial District. These potential inaccuracies are particularly troubling when one considers that some of the alternatives developed by the County's consultant were based on the City's share of total employment. In addition, nearly all of the jobs shown on Map 3 have been developed over the course of the past 23 years. The City is very concerned that, through whatever means they were derived, the initial employment allocation alternatives developed by the County's consultant are all extremely low when

compared to job growth in Sumas over the past 23 years. Compare 182 new jobs (Alternative Y) to over 350 jobs created in the past 23 years. Similarly, the County LCA indicates that Sumas would only need 48 net developable commercial/industrial acres to accommodate growth over the next 23 years under Alternative Y, whereas the City's Industrial District has seen development occupying over 100 acres in the past 23 years.

One other factor that has not been incorporated into the Land Capacity Analysis is the potential impact of future expansions of the Sumas border crossing. It is well understood by local officials and business owners that the border crossing facilities will continue to expand over the course of the next 20+ years. A modest expansion to the south would displace the local grocery store, which would be forced to relocate, thereby using up capacity needed for new retail and commercial enterprises. This issue is of particular concern if it is determined that the employment figures and allocations generated by the County's consultant did not include jobs provided by the federal government.

#### Commercial/Industrial Land Capacity Conclusion

The Sumas comprehensive plan and the Sumas Mayor and City Council fully support the continued success of the Sumas Industrial area. As noted earlier, this area has seen substantial growth over the past 23 years, and the City has made major investments in terms of roads and utilities to accommodate new businesses (including Canadian firms) and U.S. government expansions in and around the border area. It is the City's perspective that at some point in the future (if not now) it will be necessary to expand the Industrial land base in Sumas. The City has identified two properties just to the west of the existing District boundary that would be the most appropriate locations for such an expansion. Any such expansion would likely trigger discussions regarding impacts on the agricultural land base. The City is prepared to enter into these discussions at the appropriate time.

Based on the above analysis and discussion, the City of Sumas has concluded that, if the results of the County LCA are correct, the Sumas UGA as it is currently designated is sized appropriately to accommodate the amount of commercial and industrial growth anticipated over the next 20+ years. If modifications to the LCA methodology are made or if new information is incorporated into the LCA that meaningfully reduce the available employment capacity in the Sumas UGA or if additional employment is allocated to Sumas, the City would like to re-visit the question of UGA sizing at that time, especially as it relates to land capacity for Industrial development.

### **UGA BOUNDARIES AND PRIORITIES**

The City of Sumas is not proposing any modifications to the Sumas UGA at this time. As noted above, the City does have several concerns related to the baseline employment figures and range of employment allocations generated by the County's consultant and with a number of issues regarding the Land Capacity Analysis methodology that tend to over-estimate the current capacity of the Sumas UGA. The City is particularly concerned about ensuring that the Sumas Industrial District has sufficient capacity to accommodate

anticipated growth in both the private and government sectors. If the County determines that there is a need for additional Industrial land, either now or at some time in the future, the City would propose an expansion to the west of the current Industrial District totaling approximately 60 acres. Near the beginning of the 10-Year UGA Review process the City identified this potential expansion area, and it was included in the Suitability Analysis developed as part of the County's SEPA review.

The unincorporated portion of the Sumas UGA as currently designated contains primarily land identified for future residential development, plus one property identified for future commercial development. This commercial property is located immediately adjacent to the relocated portion of State Route 9. The unincorporated UGA does not contain any land designated for future Industrial development. The Sumas City Council has indicated that the highest priority properties for retention within the UGA are located in this western portion of the UGA adjacent to SR9. This includes the one large future commercial site identified above, which has been discussed as a possible location for a major truck stop on the state highway. [Note: The area just to the north of the future commercial site was very recently annexed into the City; however, for consistency with the Land Capacity Analysis this area is still shown as being outside of City limits.] The lowest priority properties for retention in the UGA are located in the eastern portion of the UGA just to the east of Hovel Road.

## **CAPITAL FACILITIES**

The City's current capital facilities plans do not address the provision of services through the year 2031. This is not unusual given that utility comprehensive plans typically address the succeeding 20-year period and the County's 10-year UGA review is considering a time horizon from 2008 through 2031, a period of 23 years. Based on limited City analysis due to the limited timeframe provided by the County for such review, the City has determined that although additional capital facilities planning will be required and although some additional extension of capital facilities will be required (provided primarily by developers), the City will be able to provide all required urban services through the planning period. In addition, the City recognizes that additional capital facilities planning to address infrastructure needs and financial capacity will be required in conjunction with the 2011 update of the City's comprehensive plan.

### Water Service

The City's water comprehensive plan identifies most but not all of the locations of needed infrastructure improvements throughout the Sumas UGA. The next required update of the water comprehensive plan is currently being prepared. The locations of all primary water mains necessary to serve the unincorporated portion off the UGA are identified in the Sumas comprehensive plan that was adopted in 2004. City water rights and water storage facilities provide sufficient capacity to accommodate all anticipated growth within the Sumas UGA through 2031. The City also provides wholesale water to the Sumas Rural Water Association, the Nooksack Valley Water Association and the City of Nooksack. Other than for wholesale distribution by other agencies, the City off Sumas

does not extend water service outside City limits (except for if and when it is necessary to protect public health).

#### Sewer Service

The City of Sumas does not have a sewer comprehensive plan. The capital facilities chapter of the Sumas comprehensive plan identifies the locations of most but not all of the primary sewer facilities necessary to serve the entire Sumas UGA as currently configured. Sumas collects sanitary sewage within City limits and transmits it to a discharge point into the City of Abbotsford collection system. Treatment of sanitary waste is provided under a contract with Abbotsford. The term of this contract is through 2028. Based on City review of recent system discharges, it appears that the existing contract will provide sufficient capacity to meet the City's needs through the planning period.

#### Other Capital Facilities and Services

No limitations based on other capital facilities or services needs have been identified at this time.

### **CONCLUSION**

The City of Sumas is not proposing any change to the Sumas UGA at this time. The City supports the allocation of additional jobs to the Sumas UGA as considered by the Growth Management Coordinating Council as well as the shifting of 100 additional jobs from Nooksack to Sumas as offered by the City off Nooksack to offset an apparent under-allocation to Sumas. The highest priority properties for retention are located within the western portion of the unincorporated UGA adjacent to State Route 9, and the lowest priority properties are located in the eastern portion of the UGA to the east of Hovel Road. The City has identified a number of suggested adjustments that could affect the results off the County's Land Capacity Analysis (LCA). Although the results of the LCA currently indicate that the Sumas UGA contains sufficient capacity to accommodate anticipated growth through 2031, it is the City's position that at some time in the future the City will need to expand its UGA to accommodate future industrial growth. The City has identified an area to the west of the current Industrial District that includes approximately 60 acres that would be the City's highest priority for expansion should it be determined that such expansion is warranted. At that time the City will be prepared to enter into all necessary discussions regarding the most appropriate mechanisms for addressing potential impacts to the agricultural land base.