

**Comprehensive Plan Amendments: 2020-2021 Docket (CP-19)  
Up Castle Land Use & Rezone Amendment**

**Date:** October 6, 2021  
**Prepared by:** Andrew Boughan, Associate Planner

**Proponent/Applicant:** Ray Schuler, UP Castle  
Ryan & Katheryn Hoover

**Action Requested:** Amend the Land Use Plan and change the land use (Comprehensive Plan Map L-1) from Rural Residential/Resource—One Dwelling Unit Per Five Acres (RRR 1/5) to Rural Resource Industrial District (RRI) and rezone appropriately

**Location:** 5641 & 5505 222<sup>ND</sup> Avenue SW, bordered by 222<sup>nd</sup> Avenue SW to the north and train tracks to the west

**APN:** 13524430400, 13524430500  
**Acres:** 33.11± acres total  
**Current Land Use and Zoning:** Single family structure and accessory structures, RRR 1/5

☒ Comprehensive Plan Changes: ☒ Map Changes ☐ Text Changes ☐ Both  
☒ Development Code Amendments (Titles, Chapters)  
☐ Affected Jurisdictions (\_\_\_\_\_)

**BACKGROUND**

**Application:**

The applicant requests approval of a site-specific Comprehensive Plan amendment and associated rezoning for two (2) contiguous parcels totaling 33.11± acres located at 5505 & 5641 222<sup>nd</sup> Avenue SW and due east to the intersection of 222<sup>nd</sup> Avenue SW and Old Highway 99 SW. Parcel 13524430400 is 4.25± acres and parcel 13524430500 is 28.86± acres. The request would change the land use and associated zoning from Rural Residential/Resource—One Dwelling Unit Per Five Acres (RRR 1/5) to Rural Resource Industrial District (RRI).

The amendment would amend Map L-1 Future Land Use in the Thurston County Comprehensive Plan. The “Official Zoning Map, Thurston County Washington” would also be amended to be consistent with the Comprehensive Plan future land use map.

A proposed code change is also included as part of this amendment, since the Rural Resource Industrial development standards (TCC 20.29.040 - Development standards) would need to be

amended in order to allow for the applicant's desired use, warehousing and manufacturing, at the properties.

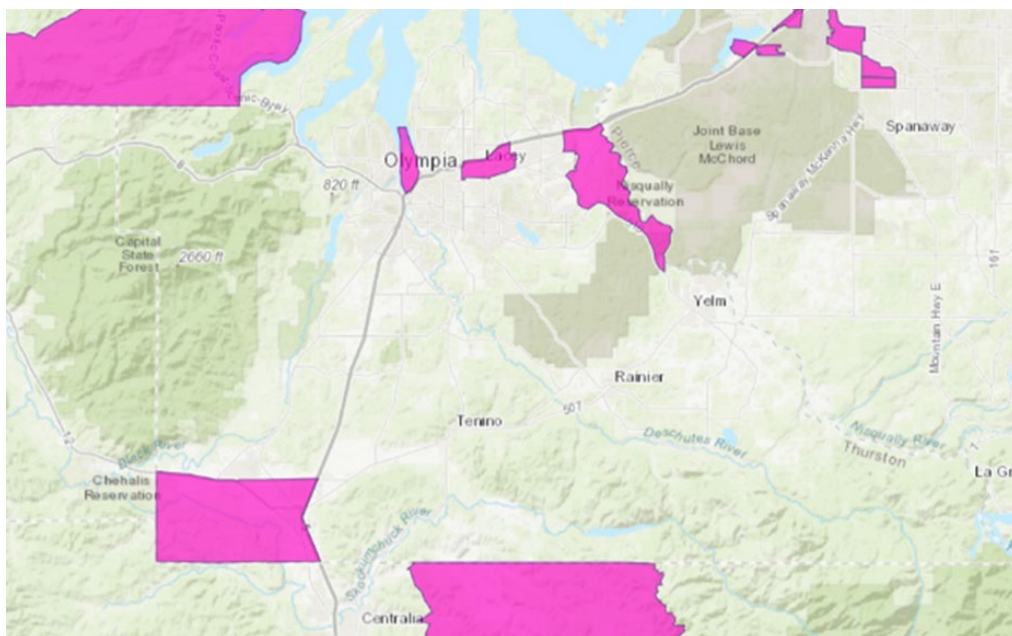
### **Property Details:**

The property addressed as 5505 222<sup>nd</sup> Avenue SW has one single family structure that was constructed in 1927 and is currently vacant. Also located on the property are 3± accessory structures. The site was used as a Christmas tree farm, however it stopped serving that purpose within the last ten years. The property addressed as 5641 222<sup>nd</sup> Avenue SW has one single family structure that was constructed in 1964 and one accessory structure.



*Figure 1. Aerial photo of 5505 & 5641 222<sup>nd</sup> Avenue SW*

Both properties are located within an Opportunity Zone, which is a federal designation enacted in 2017 for distressed communities in need of economic development and job creation. The Opportunity Zone offers a platform where new private investments, under certain conditions, maybe eligible for preferential tax treatment. The opportunity zone located in the southwest corner of Thurston County is one of five opportunity zones currently mapped in Thurston County, according to the U.S. Department of Housing and Urban Development's website.



*Figure 2. Map of Opportunity Zones in Thurston County*

## DEPARTMENT ANALYSIS

The applicant's request for an amendment to the Future Land Use map and associated zoning map change contends that the proposed change will improve the community and provide economic development in this portion of rural Thurston County. Because this is a comprehensive plan amendment (non-project application), no specific site plan is proposed as part of this Land Use Plan amendment request. Any future development will be required to go through the permitting process and is subject to county regulations.

### **Sewer and Water:**

- The property addressed at 5505 222<sup>ND</sup> Avenue SW has no permit records on file for any on-site septic system located on the property. The Assessor's Office notes the main residence was built in 1927. Records on file indicate a milk house was converted into a second dwelling unit on the site. A complaint filed in 2010 identified surfacing sewage on the site. Records indicate the property was vacated shortly after. The Assessor's Office notes the property sold in 2017. There are no records on file indicating a Time of Transfer application was completed. Article IV of the Thurston County Sanitary Code requires a Time of Transfer Evaluation before a property served by an on-site septic system is sold or transferred in order to identify the permit status and functionality of the system.
- The property addressed at 5641 222<sup>ND</sup> Avenue SW septic system was installed in 1987 to serve a 3-bedroom residence and the water supply was identified as a single-family well. Thurston County has an approved permit on file for this system but no record drawing. Systems installed after 1978 without an accepted record drawing on file are considered non-conforming.
- All future development must comply with the Thurston County Sanitary Code. Proposed changes in land use designation do not alter or eliminate any Environmental Health requirements, including approved drinking water supplies, sewage disposal, solid waste and hazardous materials, and food service permits. Any well that is abandoned, not intended for future use, is an environmental, safety or public health hazard, or would be adversely impacted by proposed development is required to be properly decommissioned by a licensed well driller.
- Minimum land area requirements for development served by a septic system are outlined in Article IV of the Thurston County Sanitary Code, and are dependent upon soil type and water supply type. Thurston County Environmental Health permits on-site septic systems treating sewage synonymous with domestic wastewater. Industrial wastewater is regulated by Washington State Department of Ecology under Chapter 173-240 WAC. The proposed industrial use and wastewater generated from the activities would determine the permitting agency.
- A hydrogeological report may be required when an on-site septic system is proposed based on the density or if the system has a design flow of 1000 gallons per day or more. Hydrogeological reports are also required if a project's size or scope represent a potential risk to water resources or if the project will result in the use, handling, storage or disposal of substantial amounts of hazardous materials.

**Environmental Concerns:**

- The first soil designation located on the parcels is mapped with Indianola Loamy Sand, 0 to 3% slopes soils, indicating a more preferred (high priority) habitat for the Mazama Pocket Gopher (MPG).
- The second soil designation located on the parcels is mapped with Nisqually loamy fine sand, indicating a more preferred (high priority) habitat for the Mazama Pocket Gopher (MPG).
- Both glacial outwash soils are known to support rare prairie plants protected in the Thurston County Critical Areas Ordinance (CAO), Tables 24.25-7 and 24.25-8, Appendix 24.25-1 in Chapter 24.25 Thurston County Code. According to the CAO, the presence of at least three of the listed prairie plant species indicates prairie habitat on a property. A site-specific analysis according to the most current prairie review process would be performed after a specific development application is submitted.
- A portion of both parcels contain the Rural Shoreline Environment Designation, as designated under the current Thurston County Shoreline Master Program. Areas within a Rural Shoreline Environment designation will be required at the time of development to comply with use and development regulations.
- No wetlands or floodplain designations are noted on the property.

**Access:**

- Sole access to properties is provided by 222<sup>nd</sup> Avenue SW. The western parcel is ±365 feet from the intersection of 222<sup>nd</sup> Avenue SW and Old Highway 99 SW.
- 222<sup>nd</sup> Avenue SW is classified as a Local road with 402 average daily trips as of 2010. Minimum access spacing is 130 feet.
- Old Highway 99 SW is classified as a Minor Arterial road, with 10,137 average daily trips as of 2010. Minimum access spacing is 500 feet. The parcels are not contiguous to Old Highway 99 SW and therefore access to the parcels directly from Old Highway 99 SW is not possible.

**Surrounding Land Use and Zoning:**

- **East:** The property to the east is Tacoma Rail railroad right-of-way and Interstate 5 right-of-way.

Land Use Designation and Zoning: (RRR 1/5) Rural Residential/Resource—One Dwelling Unit Per Five Acres (Title 20 Thurston County Zoning Ordinance)

- **West:** The adjacent property to the west is the Puget Sound & Pacific Railroad right-of-way.

Land Use Designation and Zoning: Residential LAMRID—One Dwelling Unit Per Acre RL 1/1 (Title 20 Thurston County Zoning Ordinance)

- **North:** There are five (5) parcels with approximately three (3) residential structures on varying sized lots.

Land Use Designation and Zoning: Rural Residential/Resource—One Dwelling Unit Per Five Acres RRR 1/5 (Title 20 Thurston County Zoning Ordinance)

- **South:** To the south is a retail distribution center on a parcel of approximately 22 acres.

Land Use Designation and Zoning: Port Master Plan District PMP (Title 20 Lewis County Zoning Ordinance)



Figure 3. Aerial of the current zoning of the parcel and surrounding areas

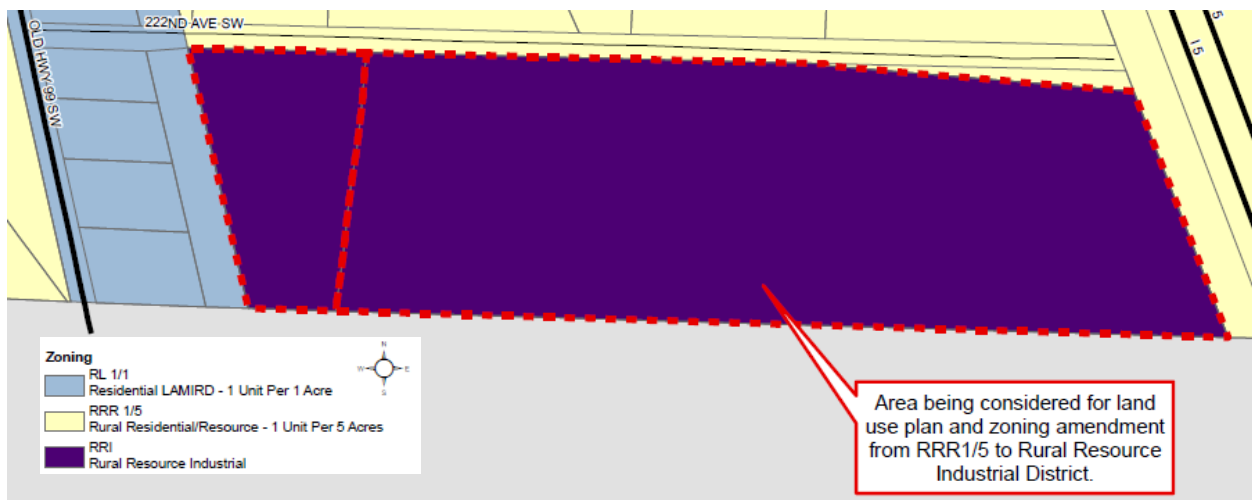


Figure 4. Map of the proposed zoning of the parcel and surrounding areas

### **Proposed Amendments to Zoning Regulations (TCC 20.29) for Rural Resource Industrial District:**

This proposal includes proposed amendments to development standards for Rural Resource Industrial (TCC 20.29) to expand locational criteria for certain industrial uses and to allow more flexibility of vehicular access from certain road classifications.

Currently, permitted industrial uses like assembly and fabrication of sheet metal products, assembly and manufacturing of articles from previously prepared materials like electronic components or boat building, storage buildings, warehouses, wholesaling, distribution facilities,

and storage for building materials are only permitted in RRI when on sites that meet all locational criteria under 20.29.020 TCC(5)(a), which currently include:

- Located within one-half mile of an I-5 interchange;
- Vehicular access is from a county arterial or collector road or state highway;
- Proposed use will not require urban services or facilities; and
- Rail access is available to the site.

Under the proposed amendments, a parcel zoned RRI could be permitted to do additional industrial uses as listed above (wholesaling, warehouses, etc.), if it is adjacent to an existing industrial development as of the final date of the adopted amendments, and if it is within 500 feet of a collector or arterial roadway, as well as meeting the other criteria of not requiring urban services or facilities, and having rail access to the site.

To investigate the impact of this code change, staff evaluated how much current industrially zoned lands (specifically, RRI) exist in unincorporated Thurston County. Light Industrial and Planned Industrial District were not included in this estimate since they occur only within Urban Growth Areas, where additional types of industrial zoning are already permitted that may allow more intensive uses. This is not an all-inclusive estimation of impact, since there may be industrial developments in the rural county that occur on non-industrial zoned lands (for example, mineral extraction may be permitted on Rural Residential Resource, 1 unit per 5 acres and several other non-industrial zoning districts).

There is approximately 300-700 acres of parcels adjacent to existing RRI zoned parcels, which range in zoning from RRR 1/5, RL 1/1, R 1/20, and RCC. These areas could potentially utilize these standards that allow for more intensive industrial uses under the amended code, only after being rezoned to RRI. Only contiguous parcels to existing industrial zoning were included in the estimation. Under the proposed amendments, a new industrial development could begin contiguous to an existing industrial development and span out away from it – leading to an unquantifiable additional acreage that could be impacted where these more intensive uses could be permitted.

The following maps shows the Rural Resource Industrial District (RRI) clusters throughout rural Thurston County. The parcels shown in purple are zoned RRI, while the parcels outlined in orange are parcels contiguous to existing RRI.



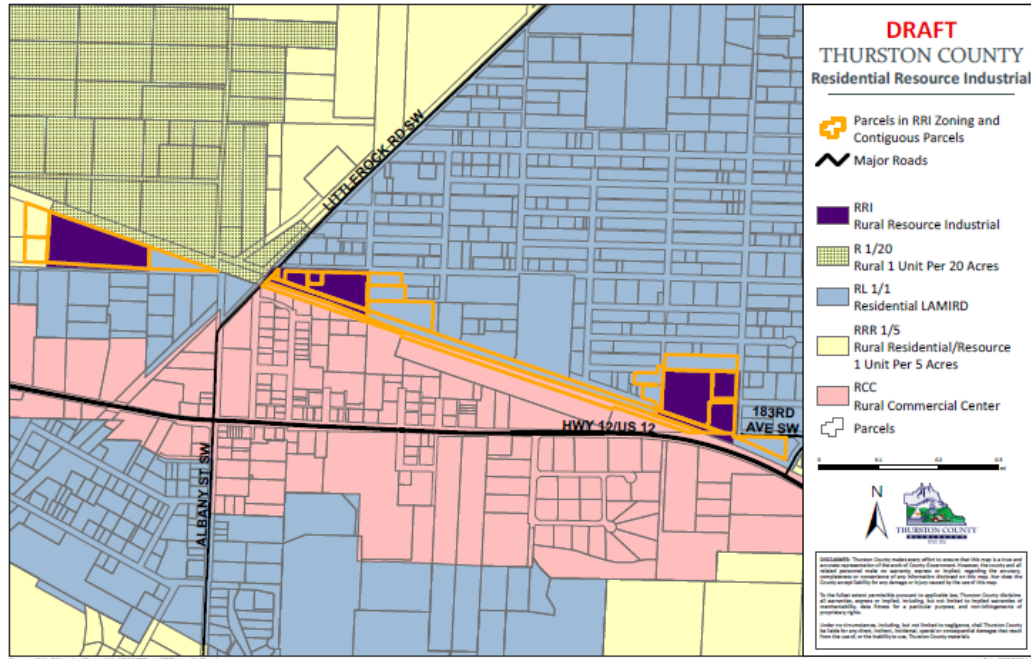


Figure 5. Rural Resource Industrial District cluster adjacent to Highway 12

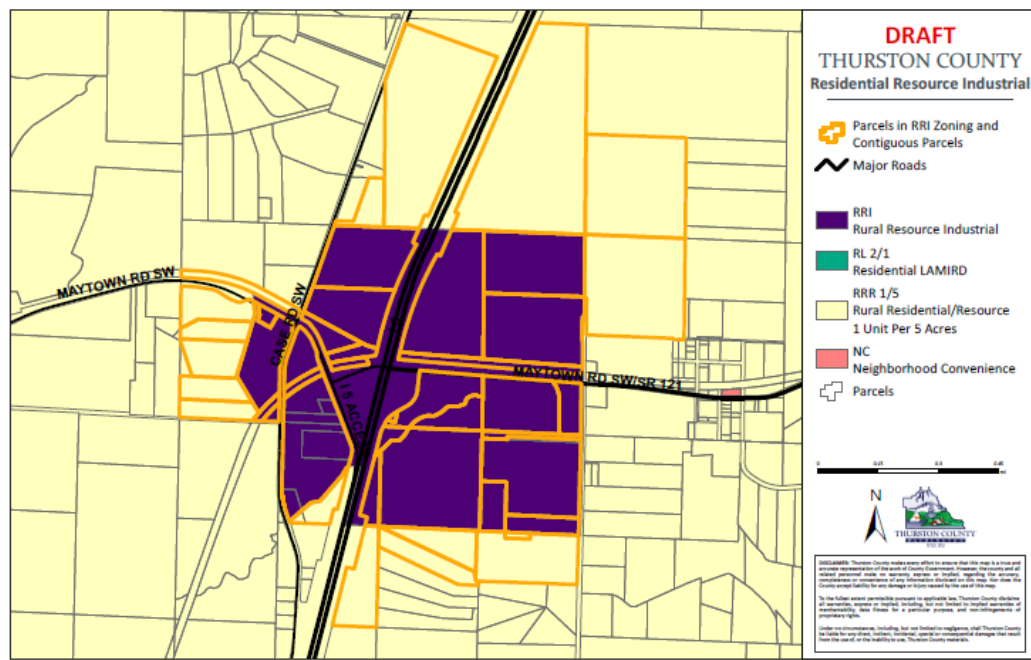


Figure 6. Rural Resource Industrial District cluster adjacent to the intersection of Maytown Road SW and Interstate 5

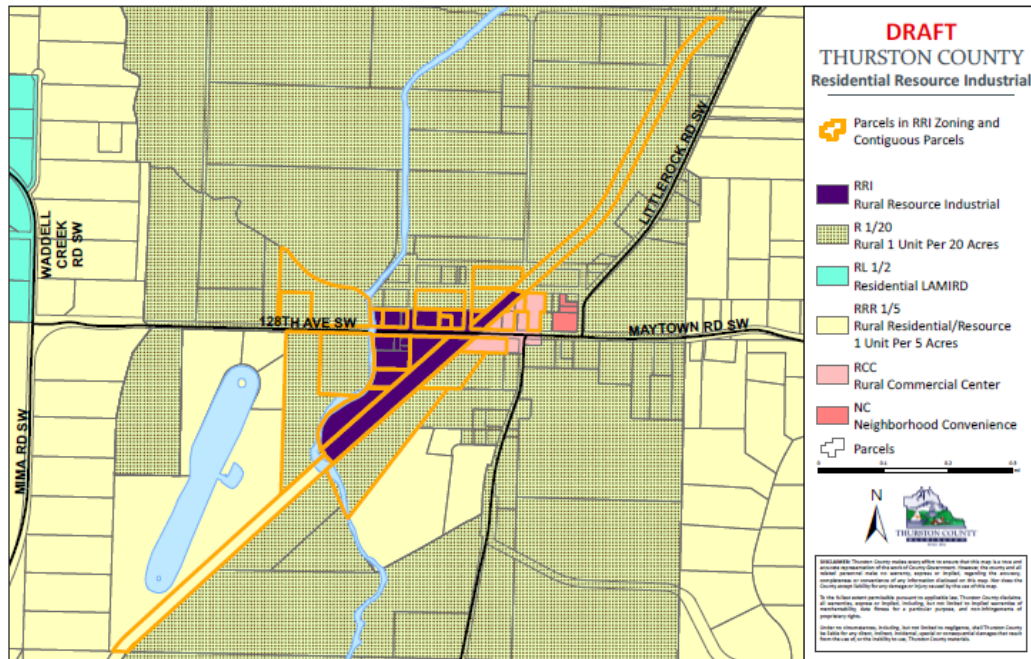


Figure 7. Rural Resource Industrial District cluster adjacent to the intersection of 128<sup>th</sup> Avenue SW and Little Rock Rd SW

## Relevant Comprehensive Plan Policies

An amendment to the land use could potentially impact the surrounding residential uses and rural character (traffic increases, noise, sound, lights). However, there is already an existing industrial use (warehouse) on the properties to the south of the subject property, located in Lewis' County Urban Growth Area. Expansion of industrial uses adjacent to existing industrial uses could provide for a diversification of these uses in southern Thurston County.

### Chapter 2—Land Use

- **Goal 1, Objective A, Policy 8:** New industrial uses in rural areas (other than small scale home-based industries) should generally be those appropriate to the lower densities and land uses of rural areas, such as:
  - b. Industries that are functionally and visually compatible with the character of the rural area and dependent upon a rural setting
- **Goal 1, Objective B, Policy 10:** Rezoning of any parcel with a rural designation to a different designation should only occur when:
  - a. Circumstances have substantially changed since the current land use designation/zoning was adopted and the definition, characteristics or locational guidelines for the current district no longer apply;
  - b. The rezone would promote the general welfare of the affected community;



- c. The rezone would maintain or enhance environmental quality; or
- d. Thurston County pursues a legislative rezone.

### **Chapter 8—Economic Development**

- **Goal 1, Objective A, Policy 11:** The county should support efforts to diversify Thurston County's economy through the encouragement of more manufacturing-based industries and enhancement of other target industry clusters including: information-technology, healthcare, tourism, food production, manufacturing and wood products-forestry.
- **Goal 1, Objective D, Policy 3:** The county should designate industrial areas in sufficient quantity and quality to meet current and future needs.

### **Additional Information Considered**

The Planning Commission has considered additional information prior to this public hearing that is included as an attachment to this staff report, including Open Space Tax Program Exemption status of the parcels, Nationally Significant Farmland, Prime Farmland Soils and relation to a currently docketed item (CPA-16, Community Driven Review of Agriculture), existing No Net Loss Policy within the Comprehensive Plan, and Growth Management Standards and sewer and water and the extension of urban governmental services to rural areas. This information is all included within the packet as Attachment D: Staff Response Memo (08182021).

### **PLANNING COMMISSION REVIEW:**

The Planning Commission has held multiple work sessions August through September to discuss the Up Castle Land Use & Rezone Amendment. The following work sessions have been held:

- August 4, 2021 – Introduction to the project, public hearing set for October 6, 2021.
- August 18, 2021 – Follow up presentation to answer unresolved questions on the Assessor's Open Space tax exemption status, Growth Management Standards on sewer & water, and several farmland related aspects including Nationally Significant farmlands, prime farmland soils, and existing No Net Loss policy in the Comprehensive Plan. The Planning Commission requested further clarification on the projects impacts to the Habitat Conservation Plan (HCP).
- September 15, 2021 – Clarification provided on potential impacts to the HCP. The Planning Commission requested additional research on the potential impact of the code change to RRI.

Attachments and other supporting materials for these meetings can be viewed at: <https://www.thurstoncountywa.gov/planning/Pages/pc-meetings.aspx>

## OPTIONS FOR CONSIDERATION

### Option 1:

No change: maintain the current future land use and zoning. Maintain the existing code language and do not amend locational criteria.

#### Considerations:

- Maintains the RRR 1/5 zone on the two properties.
- Limits the introduction of new industrial uses in the southern portion of Thurston County.
- Limits industrial uses on the property to those that are currently allowed under RRR 1/5 or by special use permit in that zoning district.
- Limits more intensive industrial uses within the RRI zone to the existing locational criteria within the code.
- Does not meet the applicant's request.

### Option 2:

Amend the Comprehensive Plan Future Land Use Map to change the designation and associated zoning of two parcels to create a 33± acre of RRI zone, as requested by the applicant. Also amend the Thurston County Code, Chapter 20.29, to amend locational criteria for industrial uses.

#### Considerations:

- Location is surrounded by primarily residential land uses, except for to the south in Lewis County's Urban Growth Area which has industrial uses.
- May impact rural character through introduction of new industrial uses that could cause additional light, noise, and traffic in the area.
- Provides for economic development in this portion of Thurston County.
- Creates additional future taxable business and revenue for the County.
- Residential will no longer be permitted on the parcel.
- Potential impact to identified critical areas and habitat, which would be reviewed at the time of a development application.

## FINANCIAL IMPACT

County work on this project is funded by the application fee collected for the comprehensive plan amendment application. No quantifiable impacts of the proposal have been identified at this time.

## SEPA

An environmental determination for the proposed code amendment in unincorporated Thurston

County is required pursuant to WAC 197-11-704; and, will be completed following the Planning Commission recommendation on the proposed amendments and prior to a public hearing on the amendments before the Board of County Commissioners. The applicant-submitted environmental checklist is included as Attachment G to this staff report.

## **NOTIFICATION & ADDITIONAL PUBLIC OUTREACH**

Notification for this public hearing was posted online and published in the Olympian on September 1, 2021 and a webmail was sent to subscribers on September 1, 2021. Property owners within 500 feet of the proposal were notified by mail prior to the public hearing, consistent with requirements under TCC 2.05.030(E).

In addition to the notification requirements for a public hearing, staff routed the environmental checklist to external partners for early agency comment and presented to the Thurston County Agriculture Committee and South Thurston Economic Development Initiative (STEDI) on the proposed project and invited them to submit comment to the Planning Commission.

## **AFFECTED AGENCY, JURISDICTION AND DEPARTMENT COMMENTS**

The application and SEPA environmental checklist were sent to the agencies and jurisdictions shown Attachment E. Staff received comment from the following:

<b>Agency, Jurisdiction or Department</b>	<b>Summary of Comments</b>
<b>Christina Chaput</b> <b>Senior Planner, Thurston County</b> <b>Habitat Conservation Plan</b>	<p>Thank you for the opportunity to review the proposed subject rezoning application. After reviewing the SEPA Checklist and completing a cursory review of the subject parcels via GIS, the proposed rezoning of 13524430400 and 13524430500 do contain more preferred soils for the federally listed Mazama pocket gopher.</p> <p>The County is currently requesting an Incidental Take Permits (ITP) from U.S. Fish and Wildlife to streamline permitting. As part of the application the County has developed a habitat-based County wide Habitat Conservation Plan (HCP) to cover most private development and county capital projects. The HCP identifies the amount of Take, as well as mitigation to offset the take proposed. The rezoning of the property may affect the County's take authorization.</p> <p>Currently, the County has modeled take for the Mazama pocket gopher based on several factors, including 70% build-out of the current zoning. As this area is currently zoned for RRR(1/5), the Take model used information for the single-family build-out of rural lots for this area, which only accounted for an acre of taking per lot. However, where the consultant modeled commercial development, the total parcel acreage was accounted for as taking. In this case, the proposed rezoning could propose</p>

	<p>significantly more take required to offset than initially modeled. As a result, reduce the total take allowed for the Yelm pocket gopher quicker than anticipated.</p> <p>Faster reduction of the total allowed take for the Yelm pocket gopher could require the County to limit the amount of taking for any one project, cease issuing permits sooner, or revise to the Habitat Conservation Plan well in advance of the current 30-year permit term.</p>
<b>Pat Anderson</b> <b>Lewis County</b>	<ul style="list-style-type: none"><li>• Access - No Comment</li><li>• Water Program - The proposed change in the SEPA appears to be a change that would require infrastructure such as an approved public water supply. The SEPA indicates water is available, however the current Centralia Water service area, adjacent to the property, does not include the proposed rezone property. If the well that is noted on the site diagram is the source of water to which the SEPA application refers, the source and system would need to be approved as a Group A Public Water Supply by WSDOH.</li><li>• Survey - No Comment</li><li>• Traffic - Additional impacts to traffic that would have to be addressed for any improvements could include capacity improvements at the Harrison/I5 interchange. It is reaching capacity and will have to be improved before any major development could occur.</li></ul>

## **PUBLIC COMMENT**

Public comment has been collected and compiled and also summarized in Attachment C: Public Comment Matrix.

## **ATTACHMENTS**

Attachment A: Map of Proposed Land Use and Zoning Amendment

Attachment B: Proposed Code Amendments to Chapter 20.29

Attachment C: Public Comment Matrix

Attachment D: Staff Response Memo (08182021)

Attachment E: Agency Comment on SEPA Environmental Checklist

Attachment F: Application Materials

Attachment G: Environmental Checklist