



October 4, 2022

Planning Commission
Thurston County
2000 Lakeridge Dr. SW
Olympia, WA 98502

GRAND MOUND – BLACK LAKE QUARRY, LLC. UGA REQUEST

Dear Commissioners:

Our firm represents Black Lake Quarry, LLC., which owns 78.3 acres split by the Grand Mound UGA boundary. They have requested the Planning Commission and Board of Commissioners consider expanding the Grand Mound UGA to include its 66.53 acres that are currently outside the UGA and zoned Rural Residential Resource 1/5 (RRR 1/5) despite the fact the land is used for gravel mining and will never be developed with single family residential uses.

In the works sessions held by the Planning Commission to date, staff and some Commissioners have stated that since there is a surplus of land (according to the TRPC) in Grand Mound, UGA boundaries should not be considered for expansion. We respectfully disagree on the following grounds:

1. **There is a disconnect between the employment forecast for the Grand Mound UGA and the assumed employment land capacity surplus.**

The reason TRPC contends there is such a massive surplus of land capacity in the Grand Mound UGA is because the land capacity is compared against the Employment Forecast Allocation assigned to Grand Mound. Specifically, in Table 8 on page 29 of the Employment Forecast Allocation report, the TRPC is estimating only 810 jobs will be added to the Grand Mound UGA over the period of 2017 to 2045.

For the 810 jobs, the TRPC estimates that 430 of them will be in retail, services, and accommodations as “*Grand Mound’s economic growth will be driven by investments by the Confederated Tribes of the Chehalis.*” An additional 280 jobs are estimated to be created by a future planned expansion of the Maple Lane Correctional Facility, which land is not considered either vacant or redevelopable. In other words, 710 of the 810 (or 88%) of the jobs forecasted for Grand Mound are either public sector or, very likely, tribal employment. Only 100 jobs are expected to be created by other industries in this area despite the area’s purported land capacity, availability of water and sewer services, and proximity to Interstate 5.

Forecasting that only 100 industrial, construction, manufacturing, transportation, and non-service/retail jobs will be created over a period 28 years (24 of which are remaining) in Grand Mound appears to dramatically miss the mark given the current and projected market demands for industrial land needs along the I-5 corridor. Further, an under forecasting of the growth potential in Grand Mound runs the risk of preventing the subarea plan update from fully addressing the either the long-term 20-year vision for Grand Mound or the efficient use of the available infrastructure.

Further, we contend that although the TRPC 2021 Buildable Lands Report indicates 122 acres of vacant industrial land in Grand Mound, a comparison of the TRPC’s “Development Potential” mapping shows there is roughly 52 acres of vacant land in Grand Mound (see attached map). This means there is not a surplus of industrial lands to support industrial growth in Grand Mound.

Ignoring this information and proceeding with a subarea plan update that does not consider new information regarding the growth potential of the area, the actual future land capacity of the UGA, and the available

infrastructure would be fall short of what should be expected of this planning process. As is often said, “Failure to plan is planning to fail.” We urge the Planning Commission to plan for success in Grand Mound.

2. There are flaws in the assumed employment land capacity countywide, including specific areas of concern in the Grand Mound UGA.

We’ve reviewed the 2021 Buildable Lands Report for Thurston County, which *predicts* that there may a surplus of land capacity for employment related lands in Grand Mound. We emphasize the word “predicts” in the instant case because the TRPC’s capacity for employment land (both in Grand Mound and throughout the county) has several flaws:

- The TRPC 2021 Buildable Lands Report Table 4-4 indicates there are 122 acres of vacant industrial land in the Grand Mound UGA, but their 2017 Commercial Development Potential Map compared to current parcel information shows *only ±52 acres of vacant industrial zoned lands* (e.g., lands zoned light industrial or planned industrial development). Using a market reduction factor of 25% to account for lands not likely to be available for sale in the 20-year period and lands that won’t be developed because of constraints (e.g., parcel size, constraints, etc.), leaving approximate 40 acres of vacant land available for industrial development. This is still probably an overstatement of the actual land available for industrial development because the Planned Industrial Development zone is not exclusively developable by industrial uses.
- The 2021 Buildable Lands Report results are influenced by the TRPC’s Population and Employment Land Supply Assumptions Report from 2019, which report outlines methodology used for the buildable lands study. Per the 2019 Assumptions Report (pages 13), it appears to count as buildable 100% of the undevelopable portion of partially-used parcels, does not apply a like deduction for critical areas or right-of-way from buildable area (page 68), and does not appear to apply a market reduction factor to account for land that won’t be sold. Because of this we contend that the supply of industrial land available in Grand Mound is inflated.
- The TRPC estimated (in the lead up to the 2021 Buildable Lands report) that ±15 million square feet of buildings would be required to house the jobs forecasted, TRPC did not make any assumptions or predictions to account for how local zoning restrictions such as building size, height, floor-area ratio, etc. influence whether the true land supply available is consistent with the land supply needed to accommodate the forecasted growth. For example, while Tumwater has many industrial zoned properties, almost all of them have a 200,000 square foot building restriction for warehousing and distribution type uses. This would not work for a large warehouse and distribution operation that requires 500,000 square feet. Moreover, the report does not account for end user preference for buildings that are not on leased property (many of Tumwater’s industrial lands require a port lease). Overall, these limitations greatly reducing the capacity for the County to accommodate economic development projects and meet the forecasted employment growth. Additionally, developable acres assume “developability” based on today’s regulatory standards, but we know from history that regulations (from tree retention standards to open space set asides and from increased critical areas buffers to increased sizing in stormwater facilities) continue to change and have an impact on the footprint of new development.
- The Buildable Lands Report acknowledges in Table 4-3, ‘Estimate of Land Needed to Accommodate Employment Growth . . .,’ that *“this is the minimum need for available commercial/industrial land supply to accommodate future growth and does not take into account the need for special uses that may arise such as a new airport or major distribution center.”* In looking at Grand Mound, very few private sector non-retail jobs were apportioned to its UGA. This misses the opportunity the land and infrastructure available in the existing UGA and its adjacent impacted sites like Black Lake Quarry to attract economic development opportunities to Grand Mound (and away from rural lands). The Employment Forecast Allocation and Buildable Lands Report do not address the current and future needs of industrial projects seeking locations in Thurston County and the Planning Commission has an opportunity to prevent future demand for development of rural lands elsewhere.

- The Buildable Lands Report in Appendix I on page 107 notes that building permit data was collected for the period of 2017 to 2019 to estimate the amount of new building area developed, which was then subtracted from the total land supply. We contend that this process can over-estimate the amount of land capacity available by undercounting capacity that is in the transition between vacancy and entitlement, but which projects may not have a building permit. We assert that once a property has been contracted for or purchased and entitlements are in process, that site and its capacity is no longer available even though it may be several years before the building is complete and the jobs created. This phenomenon impacts the basis for the future employment forecast allocations and land supply. Even though buildable lands reports and forecasts are updated in regular intervals, the revisions never true up the actual capacity.

In sum, the result of the flaws above is, at least partially, a driving factor in why the County continues to receive so many requests related to industrial rezones. This emphasizes the need to evaluate available employment lands countywide (like the request the Planning Commission made last fall).

We emphatically request that Planning Commission consider the role of Grand Mound over the next 20 years, which consideration requires the Commission look at the Grand Mound Subarea Plan update as the opportunity to recommend adjustments to its employment target and consider how the Grand Mound UGA can serve the greater economic development vision for the County (especially creating jobs in South County), and leverage existing urban infrastructure that can be logically extended.

3. This proposal is consistent with the Countywide Planning Policies, including providing an overriding public benefit.

Thurston County's Countywide Planning Policies (CPPs) establish criteria for considering a UGA expansion. The following is a responsive narrative that outlines how our client's proposed UGA expansion satisfies the criteria for an expansion (each CPP is in blue text and our response in *italics*):

2.4 Expansion of the Urban Growth Boundary must demonstrate consistency with:

a. All of the following criteria:

- For South County jurisdictions: the expansion area can and will be served by municipal water and transportation in the succeeding 20 years. South County jurisdictions must demonstrate that the expansion can be served by sewage disposal measures that provide for the effective treatment of wastewater in the succeeding 20 years.**

The proposed expansion is 66.53 acres in total. Of that, 18.49 acres are already within the Sewer ULID and 57.27 acres are already within the water service area. Thus, it is more than reasonable, especially given the capacity of the water and sewer systems in Grand Mound, that the expansion area can obtain sewer service within the succeeding 20 years.

- For North County jurisdictions: the expansion area can and will be served by municipal sewer, water, and transportation in the succeeding 20 years.**

This criterion does not apply.

- Urbanization of the expansion area is compatible with the use of designated resource lands and with critical areas.**

Gravel mines have a limited life cycle and balancing the redevelopment of the site for employment generating uses would not be incompatible with the mining because it would provide for a natural transition between the existing high intensity use and a future industrial use. Further, the parcels in question have been studied for critical areas and do not have any.

iv. The expansion area is contiguous to an existing urban growth boundary.

The proposed expansion is contiguous to the existing UGA boundary and the expansion would ameliorate the property being split by the present UGA boundary.

v. The expansion is consistent with these County-Wide Planning Policies

The expansion is consistent with the Countywide Planning Policies, including but not limited to:

- 1.7 *Monitor progress and shift course when necessary. Use meaningful, easy-to-understand methods to measure progress on key objectives. Respond and adapt to future social, economic, and environmental challenges.*
- 1.13 *Protect the natural environment while acknowledging the interdependence of a healthy environment and a healthy economy.*
- 7.1 *Encourage an economy that is diverse, can adapt to changing conditions, and takes advantage of new opportunities.*
- 7.2 *Support the recruitment, retention, and expansion of environmentally sound and economically viable commercial, public sector, and industrial development and resource uses, including the provision of assistance in obtaining funding and/or technical assistance.*
- 7.3 *Provide in comprehensive plans for an adequate amount of appropriately located land, utilities, and transportation systems to support desirable economic development. Create and maintain regulatory certainty, consistency, and efficiency.*

b. One of the two following criteria:

- i. There is insufficient land within the Urban Growth Boundary to permit the urban growth that is forecast to occur in the succeeding 20 years; **OR**

The forecast employment for Grand Mound is too small and does not consider a wide range of opportunities for economic growth consistent with either the land use pattern or the available capacity. Additionally, the land capacity within the Grand Mound UGA and other UGAs throughout the county is not consistent with the types of land (size, shape, location, etc.) as what is needed to accommodate future economic growth. The Grand Mound subarea plan process is the ideal mechanism for evaluating these conditions and recommending changes.

- ii. An overriding public interest demonstrating a public benefit beyond the area proposed for inclusion would be served by moving the Urban Growth Boundary related to protecting public health, safety and welfare; enabling more cost effective, efficient provision of sewer or water; and enabling the locally adopted Comprehensive Plans to more effectively meet the goals of the State Growth Management Act.

There are many overriding public interests supporting this requested expansion, including:

- ***Protection of the Water Table.*** *The existing gravel mine operation is fully permitted to mine to a depth of 255 feet below ground level, which is 100 feet below the high-water table at 155 feet. Black Lake Quarry would prefer to transition the site for future development prior to mining through the water table. For that to occur, a decision to expand the UGA and rezone the property will need to be made as part of this process. This is directly related to the public's health, safety, and welfare.*

- **Public Benefit to Future Use of the Property.** Utilizing this mine to its full extent will involve implementation of the associated mine reclamation permit, which process involves allowing the mined area to fill with water, planting some trees and shrubs, and securing the property from public access. Mining the site and completing the reclamation plan would provide no substantive environmental, social, or economic benefit to the public. Applicant's proposal would increase the taxable value of the property, create new development opportunities, contribute utility connection fees and charges that pay back funds advanced under a ULID, contribute jobs to the local economy, and ensure there is a sufficient tax base in Grand Mound to pay for the on-going services the County is required to provide.
- **Jobs to Housing Balance.** Grand Mound's UGA is important because it is the economic engine for South County. It ensures residents are near goods and services. Additionally, it provides opportunities for local job creation that better equalizes a jobs-to-housing balance in South County, taking pressure of the transportation network associated with people living in South County but commuting north or south for employment (especially family wage jobs).
- **Does Not Promote Sprawl.** As specifically defined in GMA, "sprawl" is the "inappropriate conversion of undeveloped land into sprawling, low-density development." The subject parcels proposed for expansion are neither undeveloped (they are 100% disturbed by mining activity) nor would their inclusion in the UGA result in a perpetuation of low-density development, as these parcels can be served by adjacent water and sewer systems.
- **This Grand Mound Subarea Plan Should Look at All Assumptions and the Full Vision for the Area.** The Grand Mound Subarea has not been substantively reviewed for a very long time and the findings within the TRPC Buildable Lands Report reflect what was envisioned a long time ago, as opposed to what may be expected now. It is important to recognize that buildable lands reports are backward looking, and employment forecasts allocations are a combination of (i) historical trends, (ii) predictions and (iii) politics.

About the Subarea Plan Process

During the establishment of the final docket, it was our understanding that the Board of Commissioners wanted the Grand Mound Subarea plan to be updated and that the update would consider the various land use proposals submitted over many years but never processed. It was not our impression that the Commissioners wanted the Planning Commission to determine whether any of the citizen proposals should be studied further or not. We encourage the Planning Commission to fully study all the proposals in depth and consider fully the future potential for the Grand Mound Subarea Plan to be an economic engine for Thurston County.

Conclusion

In conclusion, we believe that there is ample justification for the Planning Commission to consider and recommend approval of the Black Lake Quarry expansion of Grand Mound's UGA.

Should you have any questions, please do not hesitate to contact me at david@toyerstrategic.com or 425-344-1523.

Sincerely,



David Toyer, President

CC: Ramiro Chavez, County Manager
Board of Commissioners
Christina Chaput, CPED
Kaitlyn Nelson, CPED
Amelia Schwartz, CPED
Joshua Cummings, CPED

Grand Mound Urban Growth Area 2017 Commercial Development Potential

- Other Features**
- City Limits
 - Urban Growth Area
 - Tribal Reservation
 - Schools
 - Transit Points
 - Park and Ride
 - Hospitals
 - Railroads
 - Environmental Constraints

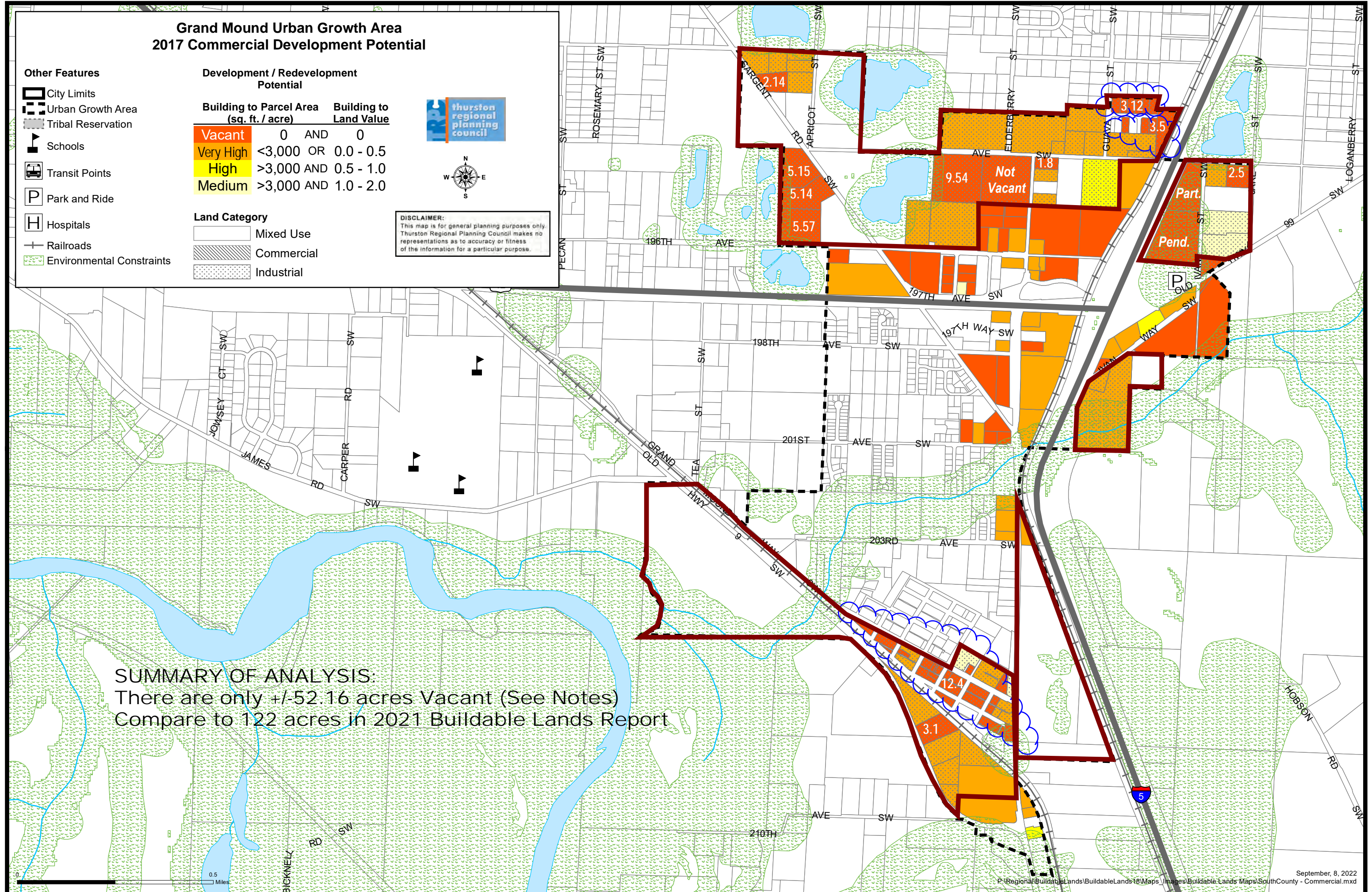
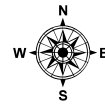
Development / Redevelopment Potential

	Building to Parcel Area (sq. ft. / acre)	Building to Land Value
Vacant	0 AND 0	0
Very High	<3,000 OR	0.0 - 0.5
High	>3,000 AND	0.5 - 1.0
Medium	>3,000 AND	1.0 - 2.0

Land Category

	Mixed Use
	Commercial
	Industrial

DISCLAIMER:
This map is for general planning purposes only. Thurston Regional Planning Council makes no representations as to accuracy or fitness of the information for a particular purpose.



SUMMARY OF ANALYSIS:
There are only +/- 52.16 acres Vacant (See Notes)
Compare to 122 acres in 2021 Buildable Lands Report

0.5 Miles