POLICY brief

Washington Research Council

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Rural Development

BRIEFLY

State law requires each county planning under the Growth Management Act to include a chapter in its Comprehensive Plan on rural lands.

"Rural" in the context of growth management represents different things to different people. For urban dwellers rural areas and open space represent opportunities to get away from the hustle and bustle of the city. For folks who have recently moved to "the country," it represents a desired way of life — a place to raise children, possibly a place to retire. And, for those who have long lived in the country — for generations in many cases — it represents a life's work — for some, the investment that will fund retirement, for others, the legacy to be passed on to the next generation.

The Growth Management Act (GMA) of 1990 requires each county planning under the Act to include a chapter in its comprehensive plan on rural lands,[1] encouraging them to set aside areas for rural uses, resource conservation, and environmental protection. Of Washington's 39 counties, 18 are mandated to plan under GMA, 11 have elected to plan, and 10 are as yet exempt from the Act's full planning requirements.[2]

The GMA says that "The rural element [of a community's comprehensive plan] is to address lands that are not designated for urban growth, agriculture, forest or mineral resources" and that it "shall permit land uses that are compatible with the rural character of such lands and provide for a variety of densities." The language is purposefully flexible. Probably due to its flexibility, however, there has not been universal agreement on its meaning – neither on what the language allows or requires, nor on how counties may best identify "land uses that are compatible with…rural character."

In addition to the GMA's requirement that counties designate certain lands as rural, the state, for certain grant purposes, classifies any county with fewer than 100 people per square mile as a "rural county." By this standard 31 of the state's 39 counties are rural. The category is so broad as to mask distinctions that are important to understanding the challenges faced by rural areas. The state department of Employment Security lists as "economically distressed" counties that have persistently high unemployment rates. By the most recent listing, 24 of the state's counties are distressed. Each of these is rural.

The accompanying table shows how each county fares with each of these classifications. What is clear is that rural areas defy common characterization. In this paper we will discuss rural development issues in three broad categories that don't conform to any of the state's definitions. Rather, we will acknowledge that the line between urban and rural communities is a blurry one and that there are several counties in Washington with the elements, challenges, and opportunities of both city and country.

Rural Areas in Urban Counties.

First, there are the rural areas that are part of otherwise urban counties, like King, Pierce and Snohomish, or are near enough to urban counties to be experiencing some of the overflow pressure for growth (possibly in contiguous counties like Kitsap or Thurston or Clark, with pressure from Portland, OR)[3].

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Rural Counties, Economic Distress and the GMA

	Economically Distressed[1] 3-Year Average Unemployment Rates Jan 98-Dec 00 > 5.9	Rural Counties[2] Population Density <100 People/Sq. Mile 36617.00	Counties Planning Under GMA[3] As Of April 1, 2000	Population Growth[4] 1990 - 2000 Percent Change
Washington State	4.9	88.50	NA	21.1
Adams	10.5	8.50	PP	20.8
Asotin	4.0	32.30	PP	16.7
Benton	6.2	83.70	FP	26.6
Chelan	8.7	22.80	FP	27.5
Clallam	7.7	37.00	FP	14.8
Clark	4.2	549.80	FP	45.0
Columbia	11.6	4.70	FP	1.0
Cowlitz	7.5	81.60	PP	13.2
Douglas	7.0	17.90	FP	24.4
Ferry	12.0	3.30	FP	15.3
Franklin	9.7	39.70	FP	31.7
Garfield	4.0	3.40	FP	6.6
Grant	9.5	27.90	FP	36.3
Grays Harbor	9.4	35.00	PP	4.7
Island	3.8	343.00	FP	18.9
Jefferson	6.0	14.30	FP	27.2
King	3.3	817.00	FP	15.2
Kitsap	5.3	585.80	FP	22.3
Kittitas	5.8	14.50	FP	24.8
Klickitat	10.2	10.20	PP	15.3
Lewis	8.8	28.50	FP	15.6
Lincoln	5.1	4.40	PP	14.9
Mason	6.7	51.40	FP	28.9
Okanogan	10.4	7.50	PP	18.6
Pacific	9.0	21.50	FP	11.1
Pend Oreille	10.6	8.40	FP	31.6
Pierce	4.8	418.30	FP	19.6
San Juan	3.9	80.50	FP	40.3
Skagit	6.7	59.30	FP	29.5
Skamania	9.1	6.00	PP	19.1
Snohomish	3.7	289.90	FP	30.2
Spokane	5.2	237.00	FP	15.7
Stevens	9.0	16.20	FP	29.5
Thurston	4.8	285.20	FP	28.6
Wahkiakum	6.5	14.50	PP	14.9
Walla Walla	6.6	43.40	FP	13.9
Whatcom	5.5	78.70	FP	30.5
Whitman	1.9	18.90	PP	5.1
Yakima	10.3	51.80	FP	17.9

[1] Department of Employment Security; 24 of 39 counties qualify.
[2] Office of Financial Management and U.S. Census; 31 of 39 counties qualify.
[3] Office of Community Development, 29 of 39 counties fully planning (FP) under GMA. Partial planning (PP) includes planning for critical areas and natural resource lands.
[4] Office of Financial Management and U.S. Census; 9 rural, economically distressed counties with population growth rates below 20 percent are fully planning under GMA.
Note: Highlighted counties are rural, economically distressed with population growth less than 20%, 1999-2000, but nevertheless are fully planning under GMA.

These areas are characterized most frequently as needing to be protected from "suburban sprawl." According to Glenn Crellin, Director of the Washington Center for Real Estate Research at Washington State University, "As much as we vilify suburban development, the fact is that most population growth [in the last decade] is concentrating in those fringe communities."[4]

In 1990 Gary Pivo, then chair of the Department of Urban Design and Planning at the University of Washington, warned, "A new rural sprawl is consuming large amounts of land, splitting wide open spaces into fragments that are useless for agriculture, wildlife habitat, or other rural open space purposes. When rural subdivisions move into agricultural districts, rising land values and nuisance complaints often discourage the continuation of farming or forestry."[5] And indeed, since 1990 nearly 20 million more people are residing in our nation's cities and suburbs, says Crellin.[6] In the Greater Seattle-Tacoma-Bremerton CMSA* 71 percent of the population lives outside the six central cities, up from nearly 69 percent in 1990. Whereas in the Spokane area, only 55 percent of the population live beyond the city limits, up from 51 percent in 1990.

Typically located near or just outside a major metropolitan center, these rural areas are dwindling rapidly and are the subject of much controversy. Some, like Richard Morrill, Professor Emeritus of Geography at the University of Washington, argue that all or most of counties like King, Pierce and Snohomish should have been included inside the 20-year growth boundaries to begin with. Back in 1990 he predicted that urban growth boundaries would be drawn too tightly in the central Puget Sound counties, as planners attempted to preserve rural character and open space. And indeed, the urban boundaries were drawn tightly, spurring both predictable land use conflicts and heated debate about what seem to some to be arbitrary zoning restrictions.

Some in Fall City, one of only three unincorporated communities governed by King County, are smarting from the County Council's decision to shrink the rural town's growth boundaries. About 10 minutes east of Bellevue, the council reduced the town from 700 acres to 300 acres. For Darrell Thompson, whose home is on a nine-acre tract originally zoned "urban reserve" (meaning it could possibly be zoned for residential development some time in the future), this meant he could not build another house on his property. "I don't understand the justification of the action," he is quoted in the Seattle Times. "One five-acre tract is approved for four homes per acre in the town and I sit here a couple blocks from a middle and elementary school with no opportunity to develop my land."[7]

Morrill called urban growth boundaries "an inherently risky way to preserve open space." He said, "Purchasing land as greenbelt or open space is the only secure way to preserve it," suggesting preferred methods used in Europe and parts of the Northeast, where urban growth is displaced to satellite settlements with the intervening territory preserved in greenbelts.[8]

GMA allows something similar. In its "new, fully-contained community" option outlined in RCW 36.70A.350, a county can permit development to locate outside its initially designated urban growth area. A new, fully-contained community is characterized by urban densities. Developers must provide urban services and meet specific criteria, including new infrastructure and impact fees, transit-oriented site planning and traffic demand management, buffers, affordable housing for a broad range of income levels, environmental protection, and impact mitigation provisions for agricultural, forest, and mineral resource lands.

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* Consolidated Metropolitan Statistical Area, defined by the U.S. Bureau of the Census to include King, Snohomish, Pierce, Kitsap, and Thurston Counties.

Redmond Ridge, after 20 years of planning process, is considered to be a successful fully-contained community. Located north and east of Bellevue, the 1,046-acre site will eventually include a full range of residential densities, employment, retail and business services, parks and public utilities. Possibly the most important lesson from Redmond Ridge, notes Bryan Wahl of the Washington Association of Realtors, is that only the largest developers can afford to embark on this type of project. Although "great in concept," says Wahl, "the incredible time, expense and investment risk make projects like this unfeasible for most developers. We need to remove barriers and identify ways to make this type of development economically viable."

Rural Counties with Healthy Economies.

Next, there are counties with fairly healthy economies, which have urban concentrations in a central city, but which are otherwise largely rural in character. Whatcom, Spokane, and Clark Counties, as well as the Tri-Cities area (Benton and Franklin Counties[9]), might fall into this category. In these counties the various public and private systems generally have some excess capacity and additional growth is encouraged by various public and private community organizations.

Although generally healthy, these areas have not experienced the same economic prosperity as the central Puget Sound area. GMA suggests that economic development should be encouraged. But integrating this objective with objectives of reducing sprawl and maintaining rural character has proven to be expensive and many believe has had a dampening effect on development.

Cluster development, where houses may be grouped together onto a portion of a site, retaining green belts and common areas, is an option suggested by planning officials as a way to preserve open space, natural settings, and rural character. The option has met with mixed reviews, however. The Summer Hills development tested Clark County's first cluster ordinance in the early 1990s. "A suburban-style development of 126 lots," according to The Columbian, the hilltop development drew criticism from neighbors concerned about the density of the development, fire officials concerned about poor water pressure, and biologists concerned about crowding wildlife. The project, which was first approved by the hearing examiner, then later rejected by the county commissioners, who were eventually overruled in Superior Court[10], took nearly six years (from initial application in January of 1990 to final engineering approval in September of 1995), to begin construction. Seventy houses have been built to date, with the construction to be completed in four phases.[11] Clark Public Utilities director, Richard Cyr was quoted as saying, "It is because of that development that we don't have a cluster ordinance anymore." In a suggestion similar to Richard Morrill's for purchasing greenbelts, Alison Mielke of the Friends of Clark County said that "One solution…is for land trusts and governments to pursue purchase of conservation easements or transfer of development rights to keep more of the county's forested uplands in an undeveloped state."

"Economically Distressed" Rural Counties.

Finally, there are some rural counties whose economies have stalled. These counties have been called "economically distressed," although the term has lost much of its precise meaning. For purposes of this paper the definition for "economically distressed" used by the Department of Employment Security – a three-year average unemployment rate greater than or equal to 5.9 percent – will be applied (see table). Using this definition, 24 of the state's 39 counties qualify, including Grays Harbor, Pacific, Ferry, Pend Orielle, and Franklin. In some cases, the market for the area's primary product has gone sour. Many areas, however, have fallen victim to changes in government policies and regulations. The log export ban and spotted owl listing as an endangered species dealt a double blow to timber-dependent communities in the 1980s, for example. And, the recent salmon listings, energy crisis and federal policies governing hydropower pricing create serious uncertainty for communities whose local economies depend on irrigated agriculture or aluminum refining. Since it is not uncommon for a rural community to grow up around a single activity (whether it be logging or low-priced, electricity-dependent aluminum refining or farming), changes in markets or in government policies affecting the critical resource can harm people. Plants shut down, workers lose their jobs, tax base is eroded, and families and communities suffer.

In response the state and federal governments have a multitude of assistance programs for distressed counties and the people who live there. Tax exemptions and business location incentives, job training and retraining programs, and community infrastructure grants and loans are all directed toward sustaining these communities and encouraging new economic activity.

Politicians, economic development advocates, and community planners often promote these programs, calling them "essential" or "valuable" to the future of these communities. But do they work? Physical (roads and utilities) and social (job training) infrastructure investments have some potential benefit. Unfortunately, according to Paul Sommers of the Northwest Policy Institute, there is little evidence that tax incentives fulfill the business location purpose they were intended to achieve. "Fundamental business reasons for locating [land, labor, natural resources, for example] must be present," he says.

Nonetheless, suggestions that are outlined in various self-help planning documents produced by state agencies display optimism regarding about the development potential (and, therefore, the need for and benefit of planning) of rural areas. They suggest destination-oriented tourist events or attractions, like cross-country ski lodges in the Okanogan or the sand castle festivals on the Long Beach Peninsula; agricultural crop diversification to take advantage of high-return, organically grown produce, where a growing demand for nutrition and freshness trumps foreign competitors; internet-dependent businesses seeking a rural setting, as well as home-based local craft industries; and, as the baby boom generation moves into retirement, demographers suggest that a portion of the newly retired will seek a slower paced, more rural lifestyle, bringing their social security and 401K income with them.

On balance, however, job-producing businesses will base location decisions on the same criteria they have always used – available labor skills, facilities, financing, and transportation systems (which arguably includes the internet and other information transport systems by now). And, according to a survey conducted in the Fall of 2000 by the Washington Association of Realtors, quality of life issues, like transportation choices, good schools, and safe neighborhoods, are increasingly important to people and businesses looking for a place to locate. Only as part of a lower tier of attributes do tax breaks and government incentive programs make a difference, and then only to be used as tie breakers for communities that already have the other qualities businesses want.

In addition to rural development options like "new fully-contained communities" and cluster development, state "how-to" books offer a couple of other suggestions for rural communities: As long as developers can demonstrate that suitable land is unavailable within the urban area, GMA provides ways for major industrial developments to locate outside urban growth boundaries. These are being tested in qualifying counties along the I-5 and I-90 corridors. And master planned resorts – self-contained developments with short-term visitor accommodations associated with outdoor recreation facilities – are allowed and have helped areas like Winthrop with its Sun Mountain Resort facility.

Just as the needs and circumstances of these three types of communities are different, so too will they approach their planning challenges differently. Although there is some allusion by the GMA to these differences and the need for tailored planning approaches, there is evidence to suggest that problems exist. Two unsuccessful legislative proposals attempted in recent years underscore the problems:

A number of the counties that were not mandated by the GMA to plan, but which opted to do so, have found the costs of planning outweigh the benefits. There is, however, no provision in the legislation that allows them to quit the process once having received state planning funds. In 1998 House Bill 2542 proposed to allow such counties to opt out of the planning process. Stevens County, for example, after receiving its first grant monies in 1996, has still not finalized an approved plan. Although the legislature adopted the bill, Governor Locke vetoed it, saying that the bill would go too far. He argued in his veto message that "with the exception of two counties, all of the counties that opted in would have been required to plan under the GMA anyway, as a result of their 10-year population growth factors being higher than 20%." As shown in the table, seven of the rural, economically distressed counties with 10-year population growth rates below 20 percent are planning fully under GMA.

In 2001, in another attempt to ease the planning process requirements for rural areas, Senator Tim Sheldon sponsored Senate Bill 5107. This bill proposed that counties with population densities of less than 100 people per square mile could establish "alternative methods" for complying with planning requirements. Planners and environmental advocates opposed the bill, saying that there is sufficient flexibility built into the GMA. The bill has yet to be addressed in the House.

So, problems with planning and developing in rural areas persist. What seems basic is that managing growth to preserve rural character near fast-growing urban areas, where public services and infrastructure capacity are strained, is different than the planning challenges faced by rural areas with generally healthy economies, where the community is generally receptive to growth. And both of these types of challenges are different from those faced by counties that are struggling just to survive. Making appropriate adjustments to legislative and regulatory rules and requirements that acknowledge these circumstances would seem a reasonable place to start.

Because people's values regarding rural areas are different, there will continue to be conflict regarding whether, how, where, and how much rural areas can develop. Conflict is expensive and time-consuming, it creates uncertainty, and it retards business investment. Indeed, for many areas in

Washington, the challenge of attracting economically viable business is so great that many believe the added uncertainty of an environmental challenge preempts proposals from ever being offered.

The "Quick Site" concept has been discussed for years as a possible solution and the legislature has provided some limited funding for evaluation of its potential. Under this concept community planners would coordinate all the zoning, environmental review, and permit approval prospectively for a particular site in a sort of 'turn-key'-type process. The community would then seek to recruit appropriate activities for the site. Along with local and state permit assistance centers, planned environmental impact statements (EIS), and streamlined transportation permitting (part of the recent transportation solution offered in SB 6188), the Quick Site concept, however, may be more indicative of the problem than it is a potential solution. All suggest we are approaching the point where government has so legislated and regulated land use review and decision-making that only government planners and negotiators can figure out how to make a development happen.

Encouraging private or semi-private land trusts and the purchase of title or development rights to key properties for preservation is showing promise. Rather than simply regulating land use in ways that precludes realizing a property's economic value, such methods recognize the GMA-explicit goal that, "Private property shall not be taken for public use without just compensation having been made."[12] As land trusts gain acceptance and funding from both private and public sources, they offer some hope for mitigating the contentiousness, expense, and uncertainty associated with many development projects.

(Endnotes)

1 RCW 36.70A.170

2 Phone conversation, Washington State Office of Community Development, August, 2001.

3 The reader will note that in keeping with the imprecise nature of rural development, Clark and the several other counties fall into more than one of our three categories. Although the greater Vancouver area continues to experience urban growth pressures that result primarily from proximity to Portland, large portions of Clark County have a strong rural culture with many characteristics and concerns that are more typically rural.

4 *Measuring Sprawl*, Glenn E. Crellin, Washington State University, August 2000.

5 Land Use Law and Zoning Digest, Gary Pivo, Department of Commerce, Trade, and Economic Development, September, 1990.

6 *Measuring Sprawl*, Glenn E. Crellin, Washington State University, August 2000.

7 *Fall City rezone angers residents,* Seattle Time Eastside Bureau**,** June 15, 2000

8 Myths and Facts About Growth Management, Richard Morrill and David D. Hodge, Department of Geography, University of Washington, 1991.

9 Again, both Benton and Franklin Counties are technically classified as "economically distressed" and strong arguments can be made on behalf of the economic dislocations the area has experienced associated with the Hanford nuclear reservation. However, the area (also due to the long-term presence of those

federal facilities) has urban development and economic capacities that are not typical of the state's most economically distressed communities.

[10] *The Costs of Growth: Houses on the Hilltops*, Kathie Durbin, The Columbian, July 29, 2001.

[11] Phone conversation with Ed McMillan, project engineer, Clark County, August, 2001.

[12] Revised Code of Washington, RCW 36.70A.020, Growth Management Act, Planning goals, 1990.

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