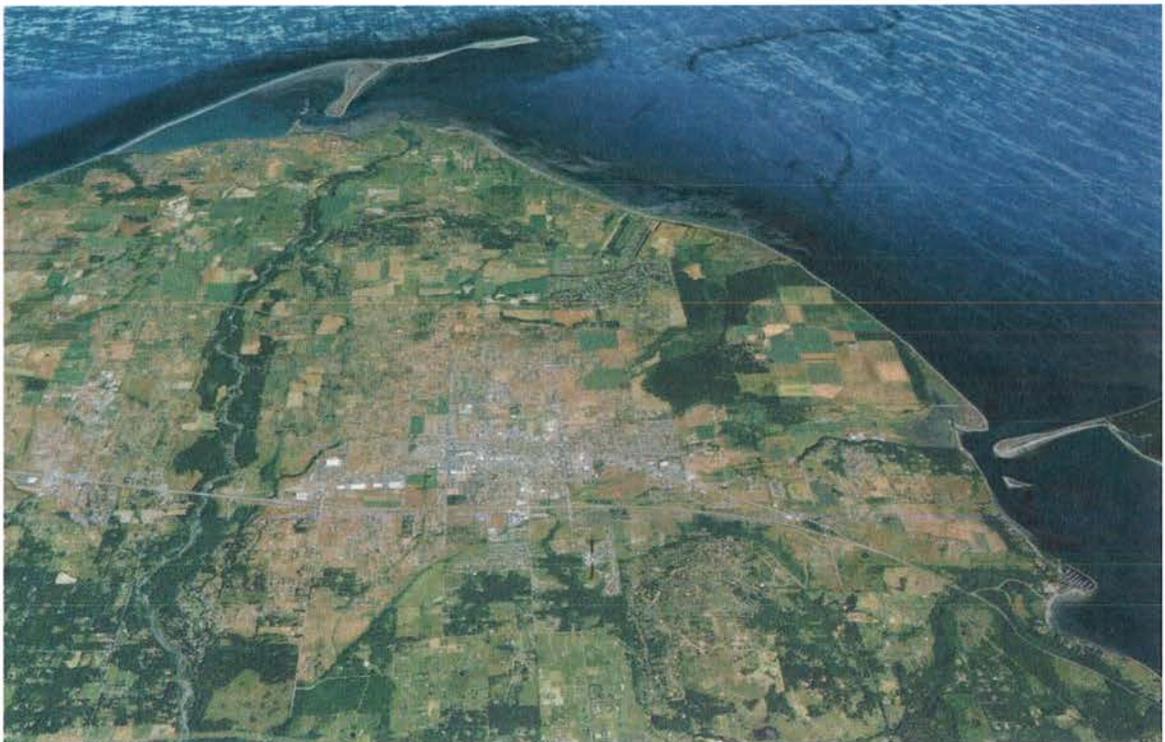


CHAPTER

# 2

# URBAN GROWTH





## 2 URBAN GROWTH

### INTRODUCTION

The reason for designating an urban growth area (UGA) outside the City limits is to provide additional land needed to accommodate planned urban growth. Part of the designation process is confirming the ability to provide the full range of urban governmental services at adopted levels of service through UGA build-out in 20 years. By designating the Sequim UGA, the City commits to plan, finance and provide for availability of services for the entire UGA by the end of the 20 years. However, the City may also implement a strategy to schedule service extensions by geographic “tiers” or phases over time for service efficiency and management of service capacity. As the end of the 20-year planning horizon period nears – or with any update of the Plan before then – the City can reevaluate its ability to meet new service demands and, if needed, reassess the land use element to increase service efficiency or consider resizing the UGA. Still, “availability” of future services equates to “affordability” to extend them – cost-to-serve is a primary determinant of establishing the UGA.

For decades, lands designated for urban growth have been consumed by the division of larger acreages into smaller acreages that are neither rural nor urban in size. This practice diminishes the “yield” of the original parcel for urban growth upon which urban services are planned and financed. Another long-term consequence is the prospect of urban growth needing to “leap-frog” over these “unaffordable-to-service” lands, requiring a more costly extension of urban services to reach true urban subdivisions beyond these non-urban parcels. Lands within the UGA either need to be managed for urban development or removed from the UGA and preserved as true “rural” until needed for urban growth. There are no “in-between” choices for a UGA.

Outside the UGA, orderly and contiguous expansion of urban growth is thwarted by piecemeal division of rural lands into small acreage parcels that are difficult to transition to urban transportation and utility systems. Suburban parcelization is a product of market demand – people wish to enjoy a “non-urban” lifestyle yet access the conveniences of the city – but that lifestyle preference comes at a high price. The City cannot extend urban services to these suburban properties as they are outside the UGA, so the development of each new parcel requires a substantial investment in private road access and on-site water and septic systems. The costs are equivalent if not higher than those associated with similar development within the urban service area. As within the UGA, the ability to create non-rural parcels outside the UGA also frustrates if not fully precludes the expansion of the urban area if additional land for urban growth is ever needed.

The growth strategy within the UGA (including the City) is based on an expectation that the history of most growth spreading across the rural valley and the minority of growth occurring in the City will slowly reverse. A new *Growth Framework* retains the UGA adopted in the 2006 Comprehensive Plan, but the form and character of planned growth within the UGA is substantially different with a much greater focus on single-family neighborhood development. Higher-density, multi-family use – whether rented apartments or owned condominiums – is

mostly directed to the Downtown and Senior Lifestyle districts. Commercial districts are located and defined to serve specific markets: neighborhood, community, regional, and visitors. Land use districts are also designated for economic growth, particularly for primary industry where products are made in contrast to the mostly service industry that has lead Sequim's economy for several decades.

The *Framework* includes a Transportation Layered Network that provides for alternative mobility options and improved connectivity and convenience for residents. Walkability is a high-value component of citizens' quality-of-life expectations, and the Plan's attention to paths and pedestrian-friendly streets is a key feature of the neighborhood-focused *Framework*. The value of more social neighborhood streets that are safe and attractive is also promoted.

## A Sustainable Future

Sustainability requires that society behaves only in ways that affords the same behaviors to future generations, without end – that choices made today are still available tomorrow. Matters of individual and collective choice are most acutely experienced for decisions involving finite, scarce, or essential things. Air, water, and earth (land) – the base components of physical planning – are among these. How society manages the quantity and / or quality of each is at the core of sustainable growth behavior.

For Sequim, sustainability mostly relates to management of water and land resources – there is only so much of each in the S-D Valley – although air quality is also of importance to local public health. The growth patterns within the Valley over the past two generations have already significantly reduced local choices for future generations. In 2015, the Valley's unincorporated population was over three times that of the City's and still increasing at double the City's annual numerical growth. Even at the predominant 5-acre minimum density that prevails in the Valley, vacant vested lots and parcels that can be subdivided have the capacity for at least a thousand additional residences and maybe double that amount. A minor part of the Valley is preserved as *Agricultural Reserve* with 20-acre minimum lots that retain the size of "rural" lands but sit largely within the foothills of the Olympics with little agricultural capacity. To the extent that multiple, adjacent 5-acre parcels on more level land are held under a common ownership, they may retain a rural quality – but with each retaining the potential to become another home site.

At some point in time, the Valley's finite land area will no longer have the capacity to absorb demand for non-urban living, but when that time comes will the Valley already have long lost much of its agriculture, its ecological functions, and its attraction for a rural lifestyle? Each new dwelling outside the UGA erodes this future – the "choices" that are offered are not sustainable ones. The answer to the limits of land supply is to change the market dynamic through plans and zoning which redirects residential demand to the City where there is adequate land supply and service capacity. Although this largely requires the County to act sustainably, the City has a corollary sustainability duty to protect urban growth capacity. Both of these roles are addressed in this Chapter and the Land Use Chapter.

Water is a much more acute topic for the Valley's sustainable growth. The Valley's setting within the Olympics rain shadow offers drier weather than most of the region, but that makes the Valley very dependent on the mountain watersheds for water. These are the same sources that support

fisheries and the riparian habitats for many species. Wells drilled into the Valley aquifer and water diversions from streams and rivers for irrigation and potable water have a consequential effect on stream flows. However the “rights” to access water for private or public use are adjudicated, water supply greatly affects both the distribution and amount of long-term growth – there is only so much water, and the demands of man and nature are in increasing tension as more inhabitants are attracted to the Valley. There are solutions to the limits of water supply – desalination of seawater and a greater range of allowable uses of “recycled” water are two – but they come with high financial costs. If Sequim’s future is to be “affordable,” both in service costs and environmental quality, short-term decisions will need to be more greatly linked to sustainable outcomes.

## City-County Cooperation

Sequim’s future is not entirely its own to determine. With the inertia of decades of sprawling growth steadily consuming the Valley’s rural character with residential development that is neither rural nor urban, shifting growth to the city to preserve the fragile rural that remains is a great challenge – not just to the city but to Clallam County as well. Even with the city’s choice to accept more growth within its UGA to preserve a rural landscape outside it, the County fully controls what actually happens outside the UGA through its planning and zoning decisions. That’s the Achilles Heel of this Plan – in 2015, twenty-five years after the adoption of the Growth Management Act, two-thirds of population growth within the Valley was still occurring outside designated UGAs, and the City had no direct control to change the trend.

The Growth Management Act mandates regional coordination of growth plans under a prescribed structure of *county-wide planning policies* (CWPPs). CWPPs provide *a countywide framework from which county and city comprehensive plans are developed and adopted* and must address the establishment of UGAs; the methods to set a population growth target and direct its distribution within the county; the assurance for contiguous and orderly and the provision of urban services; and other specified topics of regional planning relevance. The inter-jurisdictional collaboration that is promoted by periodically updating CWPPs is the process to address the Valley’s growth future, both urban and rural. *Without such regional consensus, the city can have no hope that the community’s Vision in this Plan is ever realized.*

## VISION

Parts of the Vision guide the city’s URBAN GROWTH:

- Growth will occur mostly within the current urban growth area rather than continuing to push outward;
- Rural lands will be preserved for the agro-tourism, food production, visual qualities and open space they afford city residents;
- Sequim will be a more “complete” community by bringing unincorporated suburban areas that depend on the City’s public services, facilities, amenities, and civic activities within the city boundaries;
- The community’s image and identity will be promoted by active management of both the human-built and natural environments; and

- Sequim’s role as a major steward and purveyor of finite natural resources in the Valley will be reflected in a pattern of growth that promotes efficiency in resource utilization and sustainable resource management.

## GROWTH FRAMEWORK

UG GOAL 2.1 COMMUNITY FORM AND CHARACTER: Grow as an urban community that retains the qualities of small-town friendliness and develops on the themes of walkability, connectedness, affordability, rural preservation, economic opportunity and stewardship.

### POLICIES

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#### UG 2.1.1 DIRECTIVE FRAMEWORK FOR GROWTH

*Follow the direction of the Growth Framework concept plan and its related goals and policies to guide future iterations of the Plan, including the periodic updates mandated by the Growth Management Act, while allowing it adequate time for its directions to take hold and produce results*

**Discussion:** Plans are a reflection of the moment, but their value is timeless. Direction and durability are two characteristics that differentiate effective plans from those that “just sit on the shelf” year-after-year. Adopting a highly-directive growth framework that illustrates the highest-level ambitions for community development and then staying true to it through changes in community leadership is more important than any other plan attribute.

The directive function of a “growth framework” is neutered if it doesn’t stay mostly intact while its effect on the community’s development is monitored over time. The GMA provides for periodic update of the Comprehensive Plan, and that is the opportunity to reevaluate the framework to confirm that change is occurring as planned and with the desired effects. In the interim between updates, the framework provides a good basis to test changes to specific plan policies. A growth framework is a big idea, and a big idea needs time to germinate and then take hold. A respected framework is consulted often and tweaked seldom.

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#### UG 2.1.2 GROWING WITH PURPOSE

*Maintain the integrity of the Growth Framework as a holistic model of a compact, highly-efficient, connected community with a range of lifestyles and mobility options and a commitment to preserving a rural Valley.*

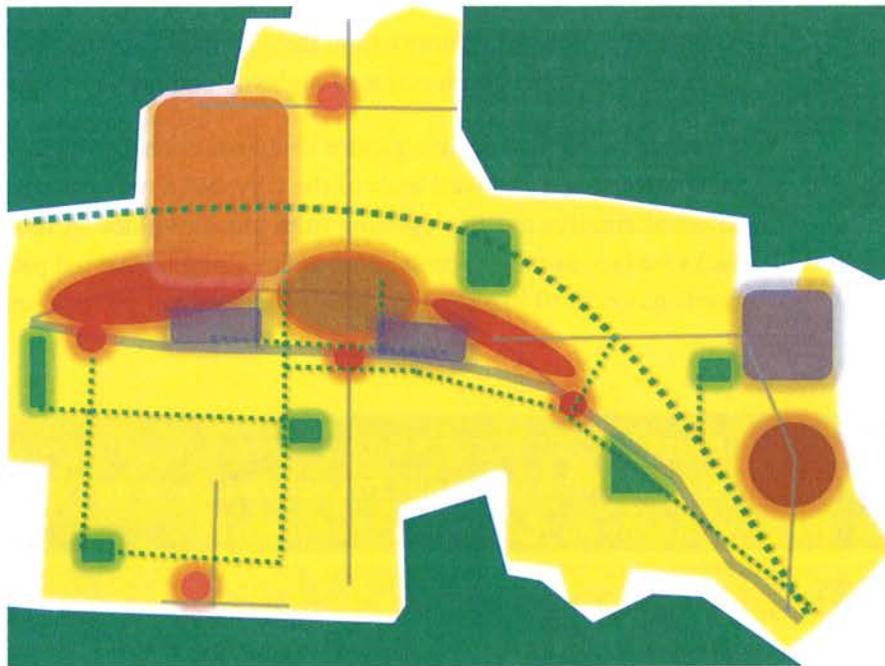


Fig. 2.1.2.1 Growth Framework Map

**Discussion:** The *Growth Framework* is easy to summarize in a few sentences, but its multi-layered design relies on all nine topical Plan chapters to fully describe. The holistic nature of its crafting and presentation suggests that each policy direction is dependent on – or at least linked to – others in the Plan. To embrace this interconnectedness is to accept that “everything is connected to everything – if you change one thing, you change everything.” This also means that every policy in the Plan is there for a *purpose* that affects Sequim’s growth future.

The highest-level directions of the framework are evident in the illustrative map (Fig. 2.1.2.1):

The yellow background covers the UGA (including the City) to its limits with Low-Density Residential neighborhoods that provide a range of opportunities to fill in with mostly detached, single-family houses (see UG GOAL 2.2). Higher-density, attached housing is focused on two districts – Downtown and Lifestyle – that offer amenities, convenience, and mobility options that are more feasible when serving more residents. Rural lands surrounding the city and throughout the Valley are preserved by directing urban growth to the City and precluding non-rural growth outside the UGA. Retail and service uses are retained along the Washington Street corridor where they are accessible for community and regional shopping. Mixed-use neighborhood centers are a long-term possibility where neighborhoods generate enough market demand with build-out. Large parcels of undeveloped land between Washington and Highway 101 are designated for regional retail, large-scale institutional or high-value light manufacturing use but a mix of housing, retail and employment is also possible.

The service needs of visitors to and through the community are met at the city's three main entrances with nodes of highway commercial uses.

The framework also depicts greater vehicular connectivity among neighborhoods and between east and west ends of the City, but a network of connected pathways offers alternative means of getting from place-to-place. A few neighborhood parks surface as major recreational nodes along connected pathways. [Map needs more detail in a revised version, before final publication.]

**UG GOAL 2.2 INFILL TO PRESERVE RURAL:** Accommodate growth within the urban growth area by filling in lands for urban development while preserving Rural lands for the multiple benefits they provide.

## POLICIES

### UG 2.2.1 INFILL VERSUS EXPANSION

*Fill in the fabric of city neighborhoods and non-residential districts to meet growth demand rather than primarily within the urban fringe and beyond.*

**Discussion:** At the start of 2015, there were over 700 vested platted lots in the city ready for residential development and another 800+ preliminary-platted lots with a potential to be finalized. These vacant current lots and potential additional lots have the capacity to accommodate the City's projected growth to 2035. To the extent that urban land accommodates growth without compromises to community values, the rural area is preserved for the multiple benefits it provides city residents. This takes market pressure off potential adjustments to the UGA, and it uses the capacity of city services to the financial benefit of existing and new customers.

### UG 2.2.2 REGULATE FOR RURAL

*Reverse the long-standing trend outside the UGA of the great majority of residential growth consuming rural lands for non-rural uses.*

**Discussion:** The initial Countywide Planning Policies (CWPPs) adopted in 1992 existed without amendment for twenty years. Over that period, there were amendments to the GMA and numerous hearings board and court cases that clarified for local governments what it means to be "Urban" and "Rural." The original CWPPs, however, reflected a different philosophy about controlling growth patterns and limiting development in the rural area to truly rural, rather than "suburban," uses.

As recent as 2015 the County zoning code included 15 distinct "Rural" zone classifications, more classifications than all the zone districts in the Sequim code that cover every land use setting from low density residential to mixed use and high tech industrial. Thirteen of the County's fifteen Rural zone classifications allowed a minimum

lot size of 2.4-acres or smaller; eleven offered an opportunity either outright or through special conditions to create 1-acre lots; and four allowed lots as small as ½-acre.

The density permitted in 13 of the 15 Rural classifications contributes to the issue of non-rural development consuming the rural landscape. All 13 allow densities less than one unit per five acres, ten allow one unit per 2.4 acres, and three allow one housing unit per acre.

These standards for rural development undermine the hope of Sequim residents to continue to enjoy the Rural landscape in which they were raised or that attracted them as new residents. One-acre lots – in fact, *anything* under five-acre lots – diminishes its value for food production, agro-tourism, ecological balance, wildlife habit and outdoor recreation. Even with a change of zoning to 5-acre minimum parcels sizes, hundreds of existing parcels under five acres are vested for residential use. Protecting what is left from similar parcelization not only preserves some of the rural character so important to Sequim, it protects the existing non-urban population from continued degradation of that which attracted them to “the country.”

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#### UG 2.2.3 SUSTAINABLE GROWTH

*Ensure the community’s ability for multi-generational growth by making only those decisions about growth and development that preserve the same choices for future citizens.*

**Discussion:** The Sequim that citizens’ value for its small-town, friendly character and its heritage as the heart of a rural valley is at risk as the city’s attraction as a place to live brings thousands of new residents to the city and surrounding Valley in coming decades. Even at an optimistic, yet still moderate, planned 2% annual growth rate, the city will grow to be a half-again more populace in one generation and well over twice as large in two generations. If those future generations are to have any hope of a Sequim-Dungeness Valley that retains the functions and qualities of a rural landscape and a city that is desirable for its quality of life including being surrounded by a natural landscape, the range of lifestyle choices cannot mirror those of past decades.

Each new resident who is attracted to the S-D Valley for its rural character and subsequently chooses to build a home on a small acreage or large lot outside the city contributes, inadvertently, to the steady demise of that which brought them to Sequim. In 2014, there were already more people living outside the UGA on parcels and lots that are sub-rural in size (Fig. ) than there were living within the City. Many new residents attracted to the valley by the rural setting then might later have found parts of it to feel more suburban than rural, a pattern set to continue in plans and zoning long in affect and lots in finalized plats vested forever.

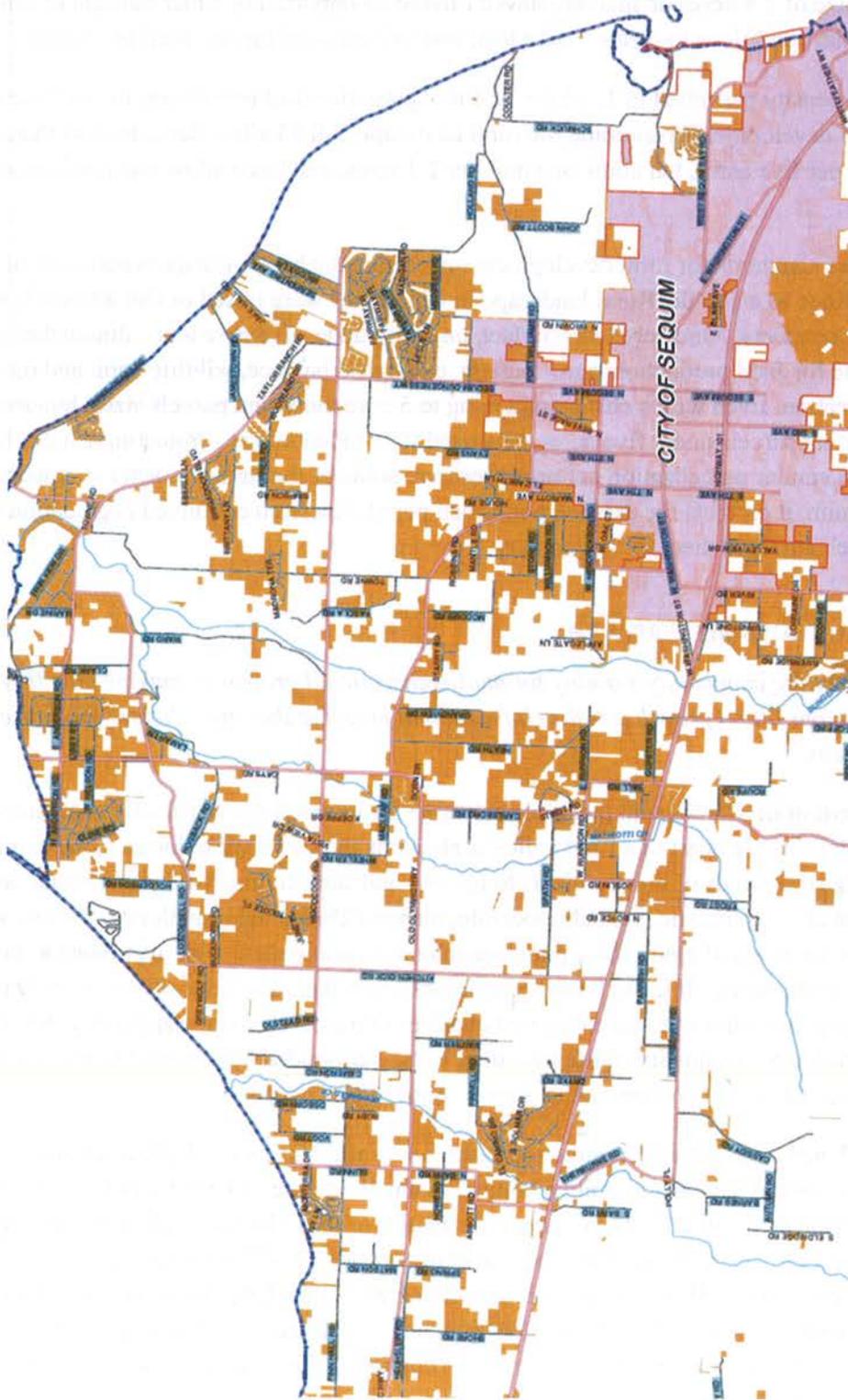


Fig. XX Lots between 0.5 and 2.0 acres outside the City.

Similarly, those who prefer to live in a city for its conveniences and social connectivity but desire a less urban home setting might prefer to live on an acre or more within the City if given the option. However, there is a limited amount of designated urban land (as well as land of all designations in the valley), and each one-acre lot within the urban area consumes land at many times the rate of traditional urban residential patterns. For each acre occupied by one house, three to six perspective homeowners have to look elsewhere, maybe even for small acreage sites outside the UGA. This is simply the direct relationship between personal “choice” and the scarcity of land that intersect with decisions of public growth policy. This is at the core of Sequim’s future . . . at some time, the Valley may face a “tipping point” for losing its rural character, and it will reach that limit much sooner if the city doesn’t absorb the great majority of Valley growth to the extent of its service capacity and planned densities. Even then, the Growth Framework relies on both the County performing its duty to preserve rural lands and the City to remain willing to limit lifestyle choices within the City to urban ones. This is the only way that new residents to the Valley will be assured of a lifestyle choice between rural and city living, not just for the next 20 years, but forever.

[The Plan recognizes equitable ways to live in a home on acreage within the City. See LU 3.2.3]

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#### UG 2.2.4 GROWTH WITH CLIMATE CHANGE

*Manage the City’s development patterns and water resources to support continued urban growth within the City’s UGA while maintaining the capacity of rural lands for agriculture and ecological functions.*

**Discussion:** With projected severe climate change impacts on the Dungeness watershed by 2040, the efficient use of land and the water resources needed to service it are high-level responsibilities of local government. A change as predicted by State DOE intensifies current water needs of people, fish, and farms in at least 45 percent of the state as shown in red in Figure 2.2.4.1. Preserving water for urban domestic consumption, agricultural production, and natural systems is helped by creating smaller urban residential lots to reduce the need for irrigation, stopping the creation of residential-scaled parcels with consequent well-drilling in the rural area, and expanding the capacity and distribution of water reclaimed from city users.

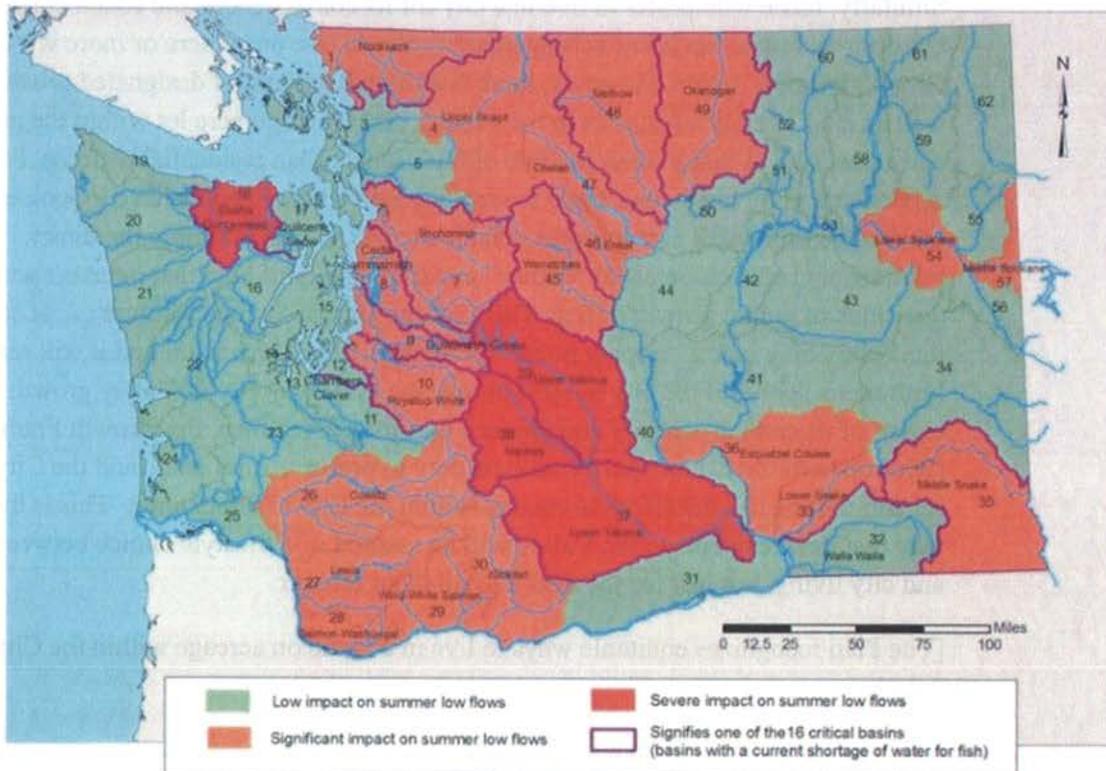


Fig. 2.2.4.1 2040 Projected climate change impact on summer flows by watershed.

Source: Washington Department of Ecology

**UG GOAL 2.3 REGIONAL COOPERATION:** Insure a sustainable future for the entire Sequim-Dungeness Valley through active regional planning collaboration.

**POLICIES**

**UG 2.3.1 COUNTY-WIDE PLANNING AGREEMENTS**

*Actively pursue shared, formalized regional understandings on growth, development and service responsibilities – such as maintaining currency of County-wide Planning Policies and inter-local service agreements – to sustain the Valley’s high quality of life for both urban and rural living for future generations.*

**Discussion:** People who are attracted to the Valley’s setting and lifestyle may choose to live in the City primarily for the conveniences and society of an urban center and for the recreation and amenities of a surrounding pastoral landscape. This attraction is only sustained if both city and county plans tell the same story about the Valley’s future. The state requirement for the county to enact county-wide planning policies is the mechanism established to address this need, and, like all planning activities, both the collaborative regional process and the policy document it produces need to be ongoing elements of regional cooperation. State requirements to periodically update comprehensive plans and

UGAs suggest a corollary duty to revisit the county-wide planning policies and update for legal currency and local relevance.

Similarly, inter-local agreements on planning, regulating, and servicing the unincorporated UGA and extending city services outside the UGA on a limited basis are also important instruments that reflect regional cooperation on matters that affect the entire Valley. These, too, exist in the dynamic settings of growth, markets, and community expectations and need to be maintained to reflect changing conditions and updated plans.

## URBAN GROWTH AREA

**UG GOAL 2.4 POPULATION GROWTH:** Prepare for a modest yet optimistic growth future using growth rates and a population target that reflects redirection of Valley growth trends while staying within the bounds of community values and capacity to provide urban services.

### POLICIES

#### UG 2.4.1 GROWTH RATE AND POPULATION TARGET

*Based on community values, service capacities and population trends, plan for 3,400 new residents at a 2% average annual growth rate over the 20-year period, 2015-2035.*

**Discussion:** The Comprehensive Plan is a response to a population “target” that is largely determined by four factors: 1) anticipated countywide population growth as determined by the State Office of Financial Management (OFM) as a range of possibility, 2) community values about the amount and character of growth, 3) the capacity of City services to maintain service levels as growth occurs, and 4) a final distribution of growth population by inter-local agreement (*Countywide Planning Policies*) among the County and its Cities that sits within the OFM range. The OFM range is so wide that it provides great latitude in the consideration of community values and the final distribution of population in the Countywide Planning Policies.

Sequim’s growth history is fairly typical of cities of all sizes across the country, averaging 1.75% the past three decades and around 1.5% over the 100 years since incorporation. The 2% growth rate – 1/3<sup>rd</sup> higher than the 100-year rate – is selected to reflect the higher rate of the most recent 30 years as Sequim’s reputation as a place has risen to the national level, to recognize the growing percentage of retirement-age population in demographic forecasts, and to respond to the projected above-average in-migration of seniors from other regions.

The annual growth rate is anticipated to be closer to 1% for the first several years of the planning period as the national and global economies continue to fluctuate and financing of home construction struggles to return to long-term levels. By 2025 the nation will be at the crest of the baby boomer wave of seniors and the Sequim growth rate is likely to hit 2%. Nearer the end of the twenty years and depending on the expansion of the local

economy, growth may grow to 3% or more, compensating for the lower-than-normal growth rate at the beginning of the period. [Note that in 2015, the City had already rebounded to a 1.75% growth rate, suggesting a much faster rise to a 2% rate than predicted at the start of 2015.]

While 2% is both realistic and optimistic, it is subject to a host of variables and unknowns – e.g., in 2015 the WA State Department of Ecology’s “Water Rule” for the Valley was still being contested, and its effects on Valley growth were uncertain. For over 30 years, Valley growth outside the City outnumbered that within the City by two to one. The long-term impacts of resource conservation and other environmental protections on these market trends is hard to predict, but to the extent that development restrictions outside the UGA redirect growth into the UGA, the City will more fully utilize its service capacities and benefit by increased service fee and tax revenues, partially off-setting inflationary factors. At a 2% growth rate, the City will grow to over 10,000 in twenty years. An unintended but possible rate of just over 3% will put the City population close to 13,000 in that same interval.

**UG GOAL 2.5 GROWTH CAPACITY OF UGA: Protect the City’s planned growth capacity by managing lands within the City urban growth area for urban character development and services.**

#### **POLICIES**

##### **UG 2.5.1 COST-EFFICIENT UGA DEVELOPMENT**

*Protect the capacity of land within the UGA for urban development that is cost-effective to provide urban services.*

**Discussion:** The cost of extending urban services is mostly determined by the pattern and density of land subdivisions. The City’s ability to serve its UGA is based on the UGA developing to urban density and urban infrastructure standards. With all but one of seventeen UGA sub-areas planned for Low Density Residential use, most of the capacity for service delivery is based on the *minimum* planned housing density, 3 dwelling units per gross acre.

Parcels kept within the UGA may not be serviceable with urban utilities, streets, and services until near the end of the 20-year planning horizon. One technique to allow interim land development is to subdivide the land to urban lot sizes and provide a mix of short-term and long-term infrastructure improvements that allows partial occupancy of the plat initially and the necessary service connections from all lots when utilities are eventually extended. In the interim, for example, a four-acre parcel is allowed to be subdivided into 16 quarter-acre lots with the caveat that any lot purchased for a new house must include four additional lots to accommodate an interim septic system (1¼-acre minimum lot area). When public water and sewer are extended to the subdivision, the owner retains the option to live on a “non-urban” 1¼-acre lot but pays the costs for extending infrastructure to all five lots and the costs of maintaining the system across all five lots – the four unoccupied lots can then be sold individually for development at any time. This technique retains equity among system users by prohibiting parcelization that

produces non-urban lots that are then subsidized by other system rate-payers to extend and maintain services.

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#### UG 2.5.2: GROWTH CAPACITY OF UGA

*Provide regulatory options to ensure lands contiguous to the City needed for urban growth are preserved to develop at urban densities and urban infrastructure standards*

**Discussion:** There are two options for securing a future of at least 3 dwelling units per gross acre within the City UGA. The first is to apply City zoning classifications and development standards to these lands. Under this option, no subdivision of land is allowed unless it creates urban lots meeting the 3 dwelling units per acre minimum density. Since these are unincorporated lands, this entails *the County merging the City low density residential designation and standards into County development codes*. The second option is to remove portions of the UGA from this designation and return the lands to a “Rural” zoning classification that limits new parcels to at least five acres in size. This allows a future reinstatement of these areas to a UGA designation when there is both a City need for additional land for urban growth and adequate market demand to make this attractive for property owners. This option is only viable if the sub-area is not needed for urban growth in the near term and / or not now easily transitioned to urban development. It also entails *the County’s concurrent action to remove the UGA designation and apply 5-acre minimum lot size zoning*. Either of the above, or a mix of them, solves the problem that has existed within the UGA since originally designated.

Development within the UGA that is not constructed to the city’s minimum design standards for transportation and utility infrastructure eventually poses a significant liability when these projects are annexed and become a city responsibility. The city’s duty is to include the entire UGA in the Comprehensive Plan, including land use designations that are affordable to serve and with confirmed service capacity for all urban services. These planning elements are interdependent – the land use pattern affects the cost of service delivery, and the service costs affect the capacities that can be afforded to keep up with growth. If the County allows development of any kind in the city’s UGA that is not consistent with the city’s plans and standards, the city loses control of that which most determines the ability to provide and maintain services – cost. The viability of external UGAs ever being assimilated to the city through annexation starts with the County recognizing that implementing city infrastructure standards is as essential as applying city zoning to these areas.

UG GOAL 2.6 PRESERVE ADJACENT RURAL FOR UGA EXPANSION: Preserve lands outside the UGA as “Rural” with minimum acreage size that allows cost-effective conversion to urban lands.

## POLICIES

### UG 2.6.1 RURAL LAND BEYOND UGA

*Ensure that rural lands surrounding the Sequim UGA are preserved with minimum parcel sizes that facilitate expansion of the UGA beyond the 20-year planning horizon if needed for urban growth.*

**Discussion:** If rural lands are not preserved as “rural,” there are corollary impacts to the cost of urban services to support growth beyond 20 years. When one 5-acre rural parcel is divided into two to four parcels, each developed with homes, the future of those properties is set for the next 50-100 years. If the City needs to expand the UGA, new development will have to “leap-frog” over these developed lands to access parcels that can be subdivided to an urban form. This greater distance to extend services to support long-term urban growth not only makes services more expensive to customers but also adds to the operational costs of the whole system that are shared by everyone.

To maintain the potential for conversion of rural parcels to urban development in the long term, the minimum rural parcel size is five acres. Any division of rural property to parcels smaller than five acres so greatly reduces the practicality and affordability of extending urban utilities and street networks that affordable urban development will never happen. For the next generation of Sequim’s growth, this is not an issue – for generations beyond that, it could be.

Five acres is the minimum parcel size to facilitate eventual conversion to an UGA designation, but ten, twenty and larger acreage sizes preserve even greater opportunity for the City to grow efficiently beyond 2035. Although Clallam County, not the City, plans and regulates all land in the Valley outside the UGA, it is in the City’s long-term interest to engage the County in joint stewardship of the Valley including revising zoning not only to protect the capacity for eventual urban growth but also to preserve rural use in the interim.

## SEMI-URBAN RESIDENTIAL NEAR UGA

UG GOAL 2.7 MAKE THE CITY OF SEQUIM “WHOLE”: Attract built-out suburban neighborhoods to merge with the City when there is neighborhood desire / opportunity as well as City capacity to serve cost-effectively.

### POLICIES

#### UG 2.7.1 URBAN AND SUBURBAN COMMUNITIES OUTSIDE THE UGA

*Welcome urban / semi-urban residential sub-areas to the UGA that are in great proximity to the City for future annexation to make Sequim a more complete urban community.*

**Discussion:** Three subdivisions have grown up close to or adjacent to the City that are more urban than rural in character and have social connections and some functional dependency on the City. Highland Hills (Bell Hill), Sun Meadows, and Sunland are a part of Sequim’s identity and life, but none is formally a part of the City or even within the City’s UGA. The total number of households in these subdivisions is 40% of the total number of City households in 2014. Residents of these developments invariably enter or pass through the City to do most anything outside their immediate neighborhood.

Whether or not these subdivisions are joined to the City through changes to the UGA and eventual annexation is not important to the City financially. The City receives the minor part of property taxes even if properties are annexed, and the more revenue-beneficial sales tax produced by consumer spending within the City occurs regardless of place of residence – these 1,300 non-City households patronize Sequim businesses just as City households do. Taxes on residential uses seldom cover the public costs for serving homes with police, parks, streets, and general City services anyway. It is the sales taxes generated by businesses and industries where residents of the entire Valley shop, eat and work that make the biggest difference to maintain general City services.

Sequim is both a city and a *place*. The community that associates with Sequim as a place – all the residents who respond “Sequim” when asked where they live – encompasses the entire Valley. Those residents who reside in the three large urban/ suburban subdivisions close to the City are strongly engaged in Sequim’s daily life. They may have children attending school in the city, they may have businesses or work within the city, they likely use parks and other public facilities in the city, they may be members of social or service organizations focused on the city, and they may even serve on city advisory boards and committees as volunteers. Even though their lives are greatly tied to the economic, social and civic realms of the city, there is one thing they cannot be, a citizen of the city. This is a distinction that makes the Sequim, as a city, less complete – much of the broad community that *is* Sequim is not formally a part of Sequim.

With no compelling financial reason to pursue annexation of adjacent and near-by residential subdivisions, the City’s posture is one of “neutrality.” If there comes a time and circumstance that any of these subdivisions wish to consider formally joining

Sequim, the City remains open to evaluate the costs for extending services versus the added civic capital gained with annexation. In the interim, there is no threat of unilateral annexation by the City – State annexation laws ensure that – and even if there is desire by residents to annex to the City, these non-UGA areas must first be designated in the City and County Comprehensive Plans as a UGA. None of this can happen fast or “silently,” and any change requires support of *both* County and City elected officials through open public hearing processes.