

CITY OF BONNEY LAKE

Potential Annexation Area Study: Final Report and Analysis

Prepared by AHBL

Sub-Consultants: Mayfield-Porter Consulting, LLC and Economic Consulting Services

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Bonney Lake Annexation Study

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INTRODUCTION

Report Overview and Organization

Together with Mayfield-Porter Consulting and Economic Consulting Services, AHBL was retained by the City of Bonney Lake in 2008 to conduct a study of a potential annexation area contained within the Pierce County Urban Growth Area. The 6,963.62 acre study area stretches south from Bonney Lake city limits to the northeastern edge of the City of Orting to encompass the existing Pierce County CUGA. The annexation study also coincides with the City of Bonney Lake's long-range planning effort to gather more information regarding this area to aid in future decision-making processes.

In order to make the potential annexation area more manageable for analysis, it was broken into four, smaller subsections; Sub-Area 1 (292.65 acres), Sub-Area 2 (496.97 acres), Sub-Area 3, (1,071 acres) and Cascadia (5,103 acres), generally located from north to south. Cascadia is primarily undeveloped and the largest of the sub-areas that was studied. There is an Employment Based Community Development Agreement (EBPCDA) in place for a three-phase master plan development that will be implemented over the next 20 years in the majority of this area by the Cascadia Development Corporation in cooperation with Pierce County.

The report is organized into three primary sections;

- Section 1: Inventory and Data Base
- Section 2: Infrastructure Inventory and Analysis
- Section 3: Economic Analysis

Section 1 provides a general characterization of the annexation area and sub-areas, reviewing the environmental, demographic, social, land use and utilities infrastructure of each area and was prepared by Mayfield-Porter Consulting.

Section 2 provides an inventory of the infrastructure within the study area and was prepared by AHBL. Information was collected on roads and transportation systems, storm water systems, parks, sewer and septic, water systems, police services, fire service and other utilities. At the City's request, there was an emphasis on roads and transportation, storm water systems and parks.

In Section 3, there were two main objectives for Economic Consulting Services' evaluation:

- To examine an existing fiscal analysis model that the City of Bonney Lake has for its appropriateness and usefulness to analyze the fiscal issues related to annexations for the City, since large annexations can have a significant impact on City budgets.
- To review and assess new legislation in Washington state which changes how the sales and use tax is collected and the implications of such changes for the potential annexations

The intent of the following study is to provide the necessary background and a general understanding of site characteristics to assist the City with evaluating the potential annexation area.

INTRODUCTION

Limitations of the Study

As outlined in the scope of work, several items were not included in the information gathered for the inventory and data base analysis. Water systems information was not included, as it was not needed by the City and is overseen by three separate utilities. The library system was also not included in the study, as it is separate from the City system. Finally, it is important to note that much of the information collected was intended to provide background information and a more general understanding of the site characteristics. As such, the City of Bonney Lake can use the information collected from the inventory and database as indicators of where further research may be needed in the annexation study process. Assessment of additional critical infrastructure, such as roads, storm water, police and fire resources, and others is outlined in Section 3.

INTRODUCTION

As part of our assessment of the City of Bonney Lake's potential annexation area, we analyzed a number of the area's existing characteristics. This inventory and analysis is one piece of the entire potential annexation area study process, and provides the necessary physical, environmental, socio-demographic, and local planning information for the study area. Findings from the inventory are presented in six sections:

- 1) Site Location and Study Boundaries
- 2) Existing Characteristics
- 3) Population Estimates: Current and Projected
- 4) Assessed Value
- 5) County Comprehensive Plan and County Wide Planning Policies
- 6) Parcel Data inventory

Section 1 establishes the boundaries of the annexation area and discusses how it has been divided into smaller sub-sections for ease of analysis. Sections 2-5 examine the existing characteristics of the annexation area and sub-areas, including the location and condition of utilities infrastructure, as well as relevant planning, environmental, demographic, and social data. Finally, Section 6 looks at individual parcel data within the annexation area. Information was displayed either spatially in map form or in a spreadsheet depending on the type of data collected. All information gathered is based upon the agreed upon Scope of Work for Task 2.

SITE LOCATION AND STUDY BOUNDARIES

The potential annexation area extends roughly from the southern border of Bonney Lake to the north east border of the City of Orting, and is located approximately ten to twenty miles east/southeast of Tacoma. The area is formally bounded by the Pierce County Urban Growth Area (CUGA) (See Figure 1: CUGA Annexation Study Area). For the purposes of our analysis, the annexation area was divided into four study areas: Sub-Areas 1-3 and Cascadia, which are generally designated geographically from north to south respectively. Sub-Areas 1-3 are roughly bounded by South Prairie Road to the north, 214th Street to the east, Cascadia to the west, and the southern edge of the proposed Plateau 465 development. Cascadia is roughly delimited by Canyonfalls Creek to the northwest, the Carbon River to the east, and the City of Orting to the south.

Sub-Areas 1 and 2 are mostly built-out, Sub-area 3 is roughly half developed and half vacant, and Cascadia is primarily undeveloped. Cascadia is the largest of the sub-areas at 5,103 acres¹ (See Figures 2-5), while Sub-Area 1 is the smallest at 293 acres. Sub-Areas 2 and 3 are 497 acres and 1,071 acres, respectively. In addition to total size, Figures 1-5 also provide basic information on each sub-area, including the total number of parcels and plats, and assessed value. For the purposes of this study, Cascadia was designated as its own separate study area, because nearly all of it is included in an approved Employment-Based Master Plan. Cascadia's background is discussed in the next section, and therefore is better analyzed as a distinct unit.

¹ For the purposes of this study, as discussed with the City of Bonney Lake, Cascadia includes all of the area encompassed within the boundary shown in Figure 5 and not just the employment-based master planned area discussed in the section that follows, 'Background on Cascadia'. Nearly all of Cascadia is included in this master plan development, with the exception of three non-contiguous areas in the center of the area (See Figure 8 for plats not included in the Cascadia master plan).

BACKGROUND ON CASCADIA ²

The Cascadia Development Corporation and Pierce County are moving forward with a proposed development based on a Employment-Based Planned Community Development Agreement (EBPCDA), which is a three-phase development proposal consisting of residential, employment, open space, recreational, and community land uses to be developed over a time period of twenty years. The Pierce County Hearing Examiner approved the original EBPCDA on June 18, 1999 [Subsequent Amendments]. The entire project site consists of 4,719 acres. This excludes the three non-contiguous areas in the center of Cascadia that are not included in the master plan. The master planned development is broken down into three development phases as follows:

- Phase I: 1,719 dwelling units, 80 acres of business park uses, an 18-hole golf course, a 250 room conference hotel and golf academy complex, 11 acres of parks, 34 acres of school facilities and 449 acres of other open space.
- Phase II: 3,217 dwelling units, 301 acres of business park uses, 74 acres of parks, 119 acres of school facilities, and 505 acres of other open space.
- Phase III: 1,500 dwelling units and two or three activity centers with uses such as golf club houses, convenience retail and/or community centers.

Cascadia Development Corporation estimates that Phase I of will be built out by 2015 and Phase II will subsequently begin. Phase III is expected to begin in 2020. When the project is finally complete, the Employment-Based Planned Community (EBPC) is estimated to have a population of around 16,000 and 10,000 jobs. Per the original development agreement, the EBPC area is required to undergo review by the County every five years until build out. Each review addresses compliance with the conditions of approval, assess whether the development is well designed, and provides recommended modifications to the project or the development agreement.

The most recent five-year review report was completed on August 25th, 2006 and a public hearing was held on October 4, 2006 based on the report findings. Findings from the report and public hearing indicate that Cascadia Development Corporation is in compliance with the conditions of approval, yet there are some issues needing further clarification and or modification. These issues are being resolved on an on-going basis as the project progresses.

2. Sources of information for this section include: 1) "First Periodic Five Year Review of the Cascadia Employment-Based Planned Community Planned Unit Development", Office of the County Hearing Examiner, August 14, 2007. 2) "First Periodic Five Year Review of the Cascadia Employment-Based Planned Community (EBPC) Planned Unit Development (PUD)", Pierce County Planning and Land Use Services, August 25, 2006, 3) "Final Environmental Impact Statement", Pierce County Department of Planning and Land Services, 1998, 4) Memo from Cascadia Development Corp. to Shannon Mayfield-Porter, RE: Cascadia, Date: September 17, 2008.

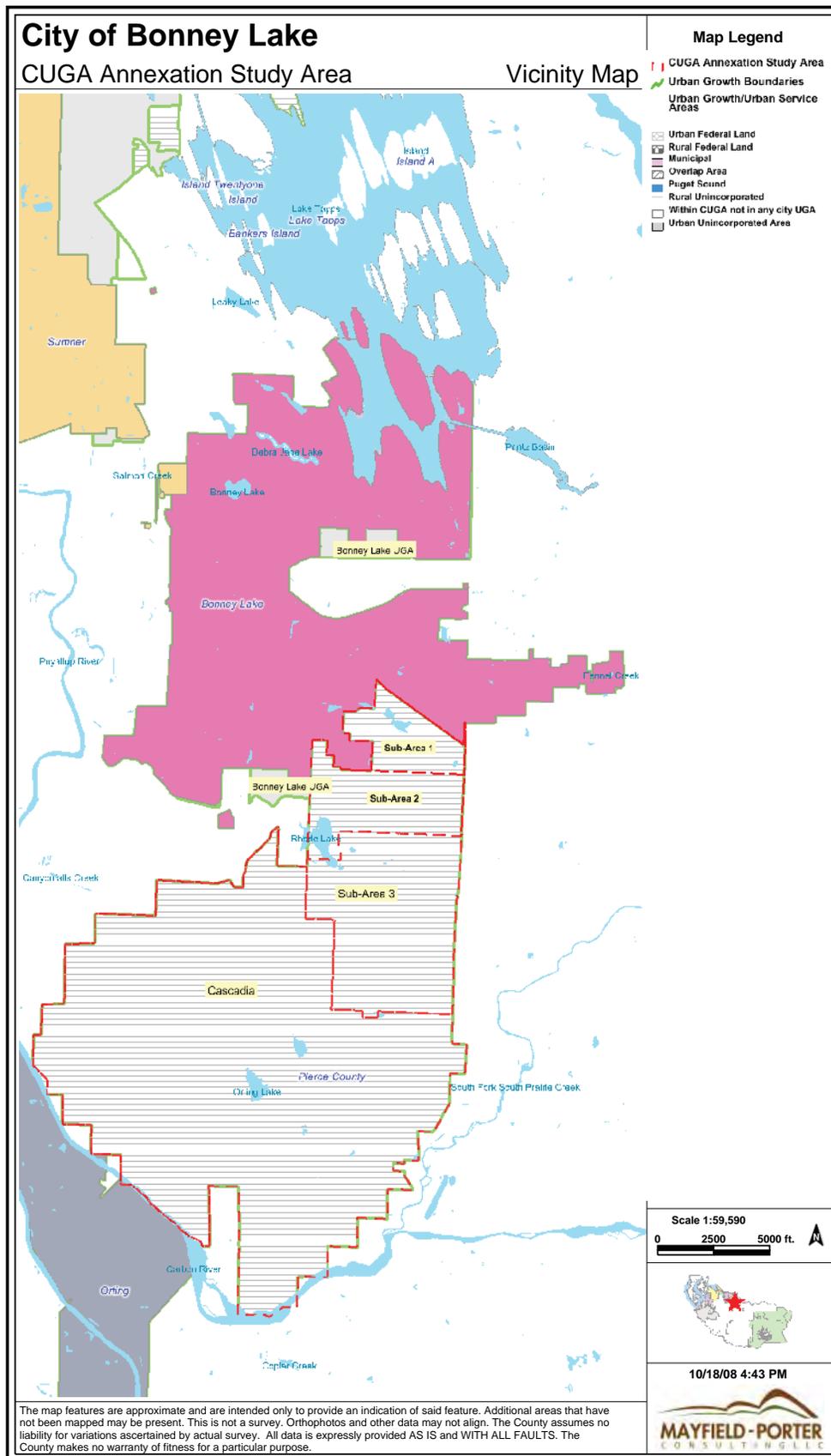


Figure 1: CUGA Annexation Study Area

INVENTORY AND DATA BASE

Site Location and Boundaries

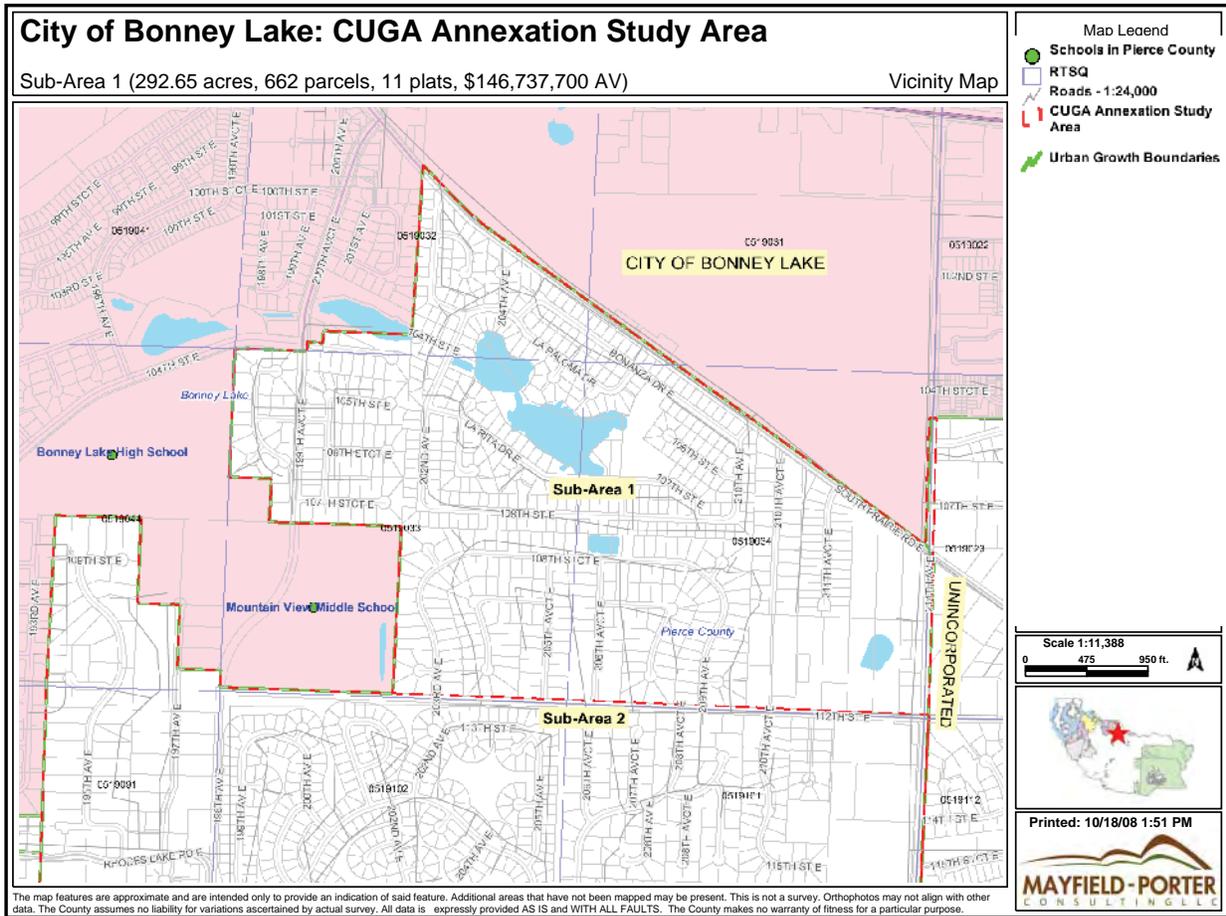


Figure 2: Sub-Area 1

INVENTORY AND DATA BASE

Site Location and Boundaries



Figure 4: Sub-Area 3

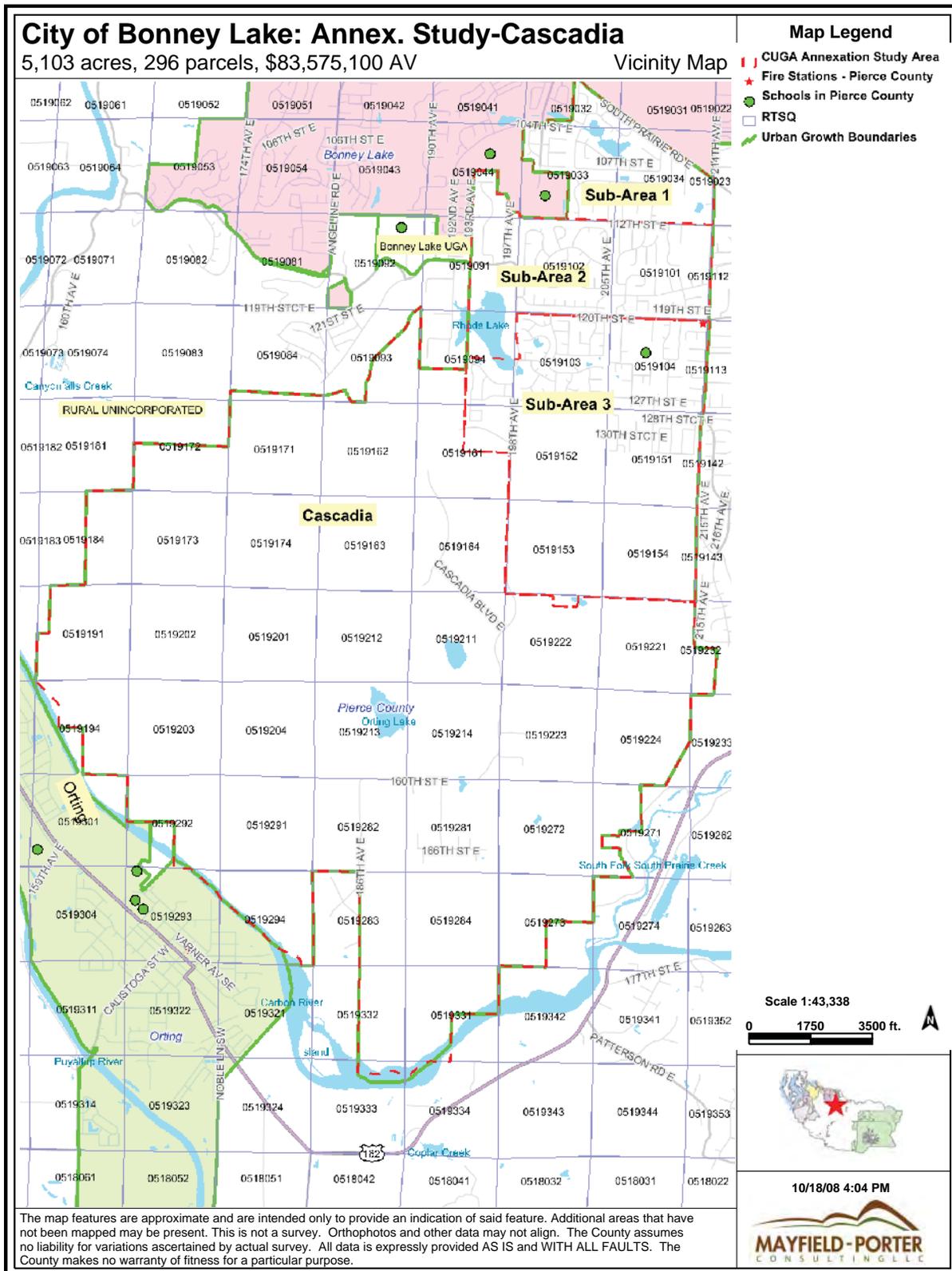


Figure 5: Sub-Areas 1-3 and Cascadia

EXISTING CHARACTERISTICS

School Districts Map

The majority of the study area lies within the Sumner School District, with small portions in the north included in the White River School District and approximately half of Cascadia included in the Orting School Districts (See Figure 6). Liberty Ridge Elementary is the only existing school in the annexation area, and is located in Sub-Area 3. There are seven schools at the northern and southern boundaries of the annexation area, including an elementary school, middle school, and high school in the southern corner of Bonney Lake city limits, and a primary school, intermediate school, middle school, and high school in Orting that border the southern edge of Cascadia (See Figure 6).

Zoning

Sub-Areas 1-3 are primarily zoned by Pierce County as moderate density single-family (MSF), with the exception of Plateau 465 in Sub-Area 3 which is a Master Planned Community (see Figure 7). With the exception of three tracts in the center of Cascadia zoned MSF, nearly all of Cascadia is zoned Employment Based Planned Community (EBPC), as discussed in the history of Cascadia above.

A formal plat map for the three sub-areas and Cascadia is shown in Figure 8. Shaded areas designate formal plats; whereas aerial photos indicate that the area has not been formally platted. The three tracts that are not included in the Cascadia master plan are visible in the center of Cascadia.

Land Use Map

Figure 9A shows the current land uses for the annexation area. The land use designations in Sub-Area 1 primarily consist of single family housing and mobile homes, with approximately a dozen vacant lots. Sub-Area 2 land use shows a majority of mobile homes in the western half of the Sub-Area while the eastern half of the Sub-Area is predominantly single-family housing. The NE corner of Sub-Area 2 has several large vacant parcels, while the eastern half has a handful of vacant and multi-family parcels scattered throughout. Sub-Area 3 is comprised of mostly single-family residential in the western half, a mixture of mobile homes and single family in the eastern half, and a large expanse of vacant land in the southern portion, including Plateau 465. Cascadia is comprised primarily of resource land, with a handful of mobile homes and single family residential located in the center of the area.

Land use distribution by sub-area is shown in Figure 9B. Sub-Area 1 primarily consists of single-family housing (79%) and some mobile or manufactured housing (13%). Single-family residential is also the dominant land use in Sub-Area 2 at 55%. Manufactured housing and vacant residential each make up 19% of the current land use designations, and vacant commercial comprises 5% of the total land use designations. By contrast, the majority of Sub-Area 3 is undeveloped with 59% of the current land use comprised of vacant residential. Single family residential accounts for 25% of current

INVENTORY AND DATA BASE

Existing Characteristics

land use, and manufactured or mobile homes account for 12%. Sub-Area 3 also has a very small percentage of land designated as duplex (1%), and other (4%). Cascadia's current dominant land use is designated forest land at 90%, with only 2% comprised of single family housing, 1% comprised of manufactured or mobile homes, 7% designated as vacant residential, and 1% designated as other.

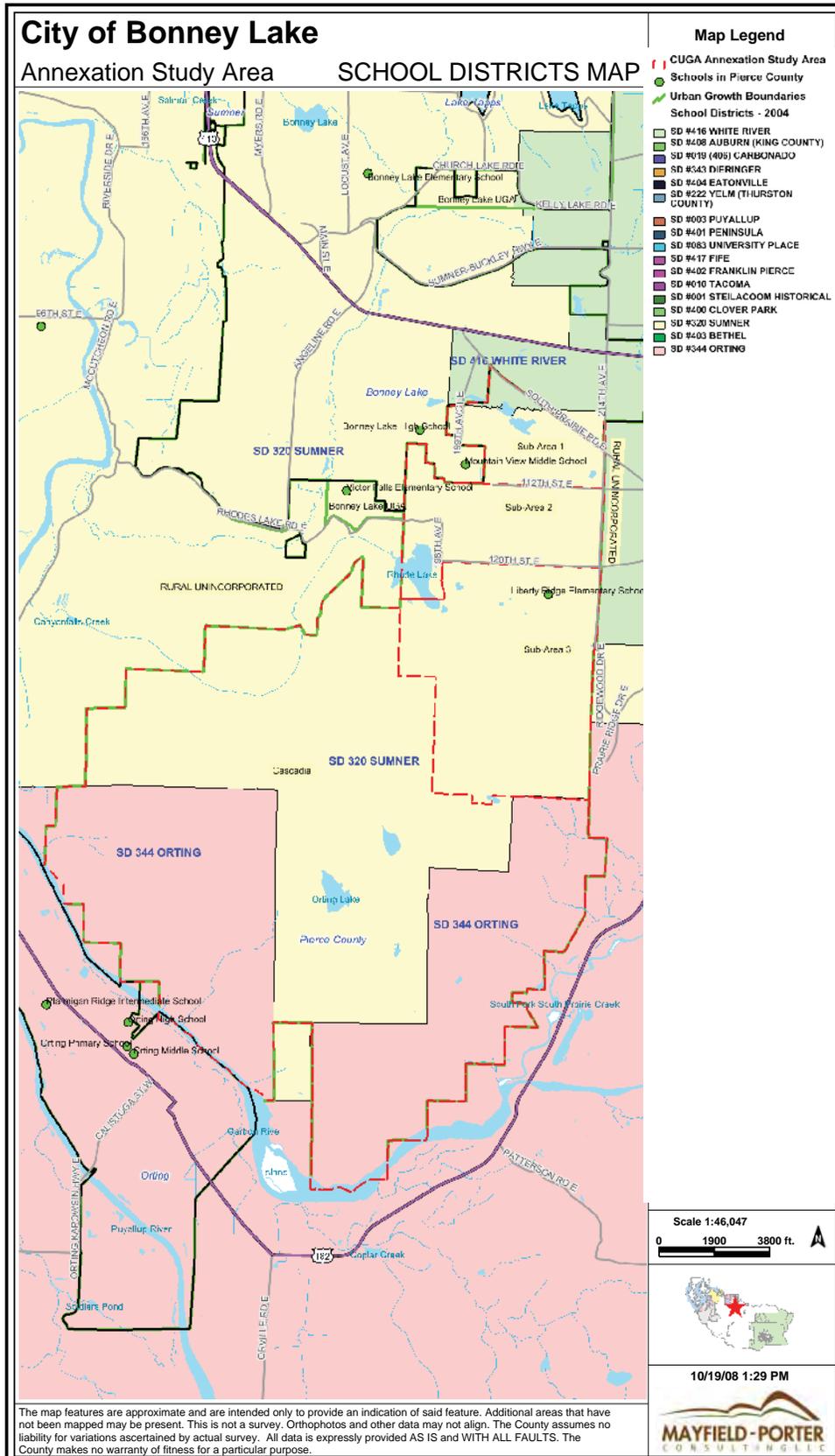


Figure 6: Existing School Districts and Schools

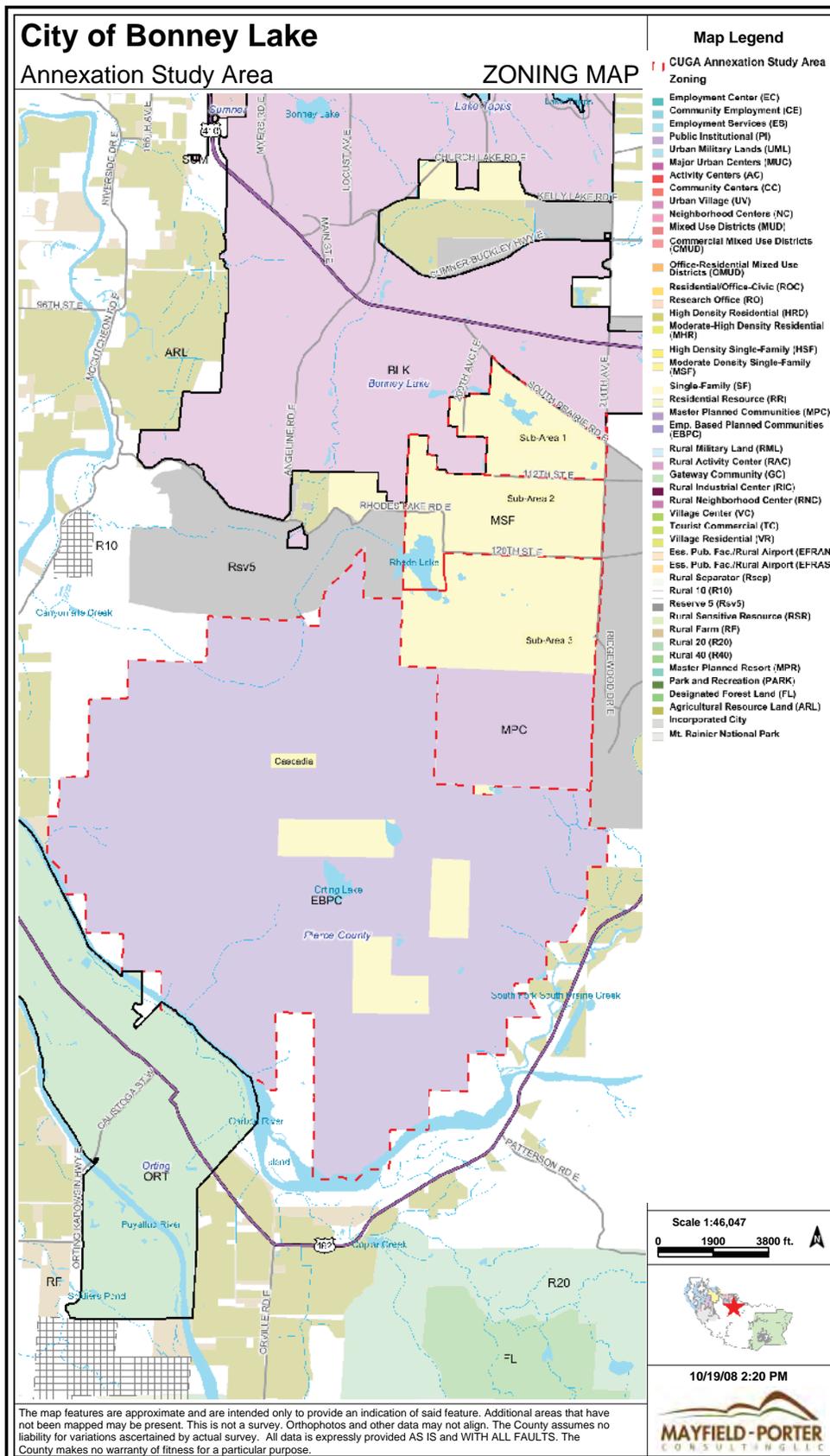


Figure 7: Zoning

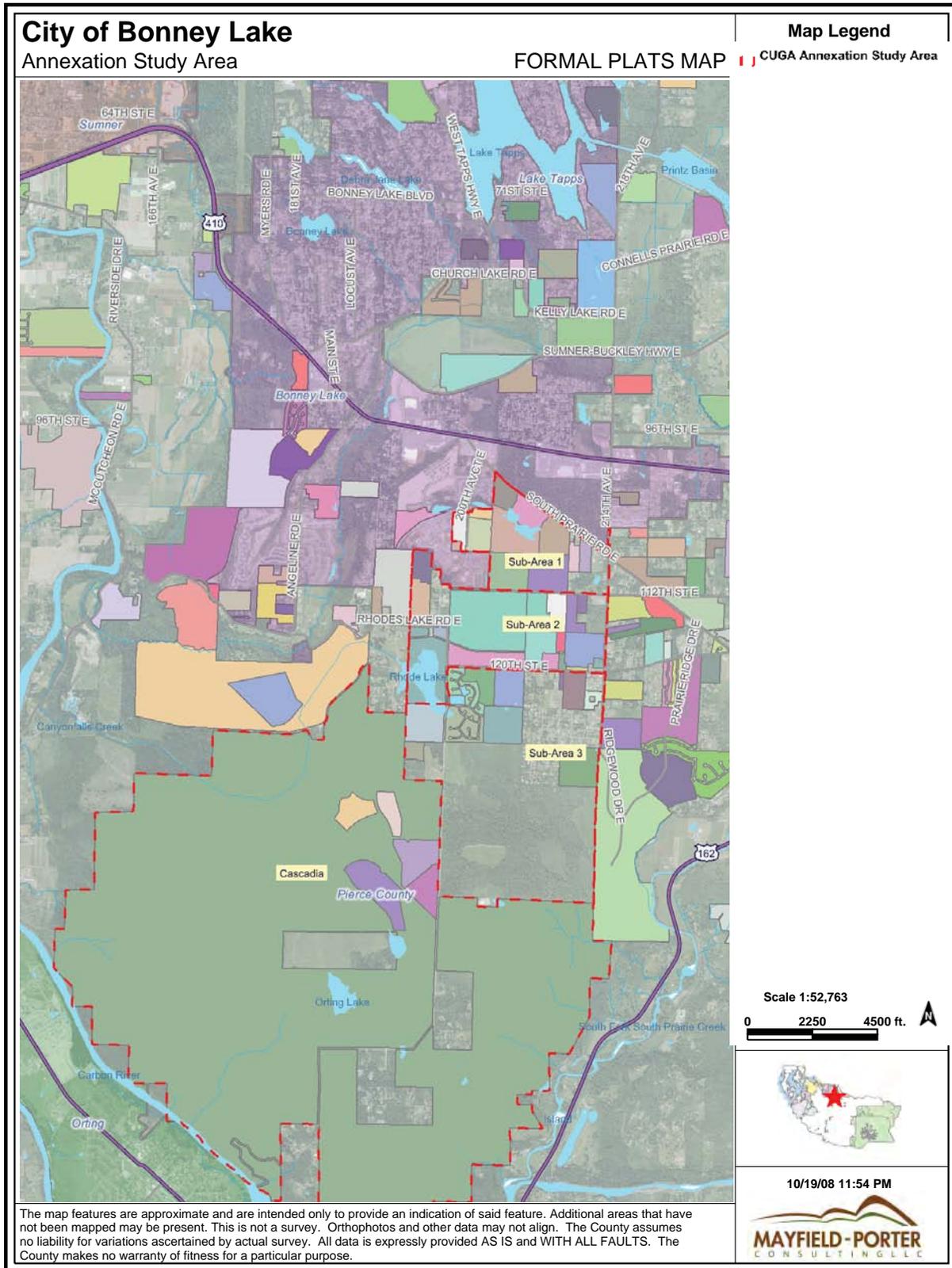


Figure 8: Formal Plat Map

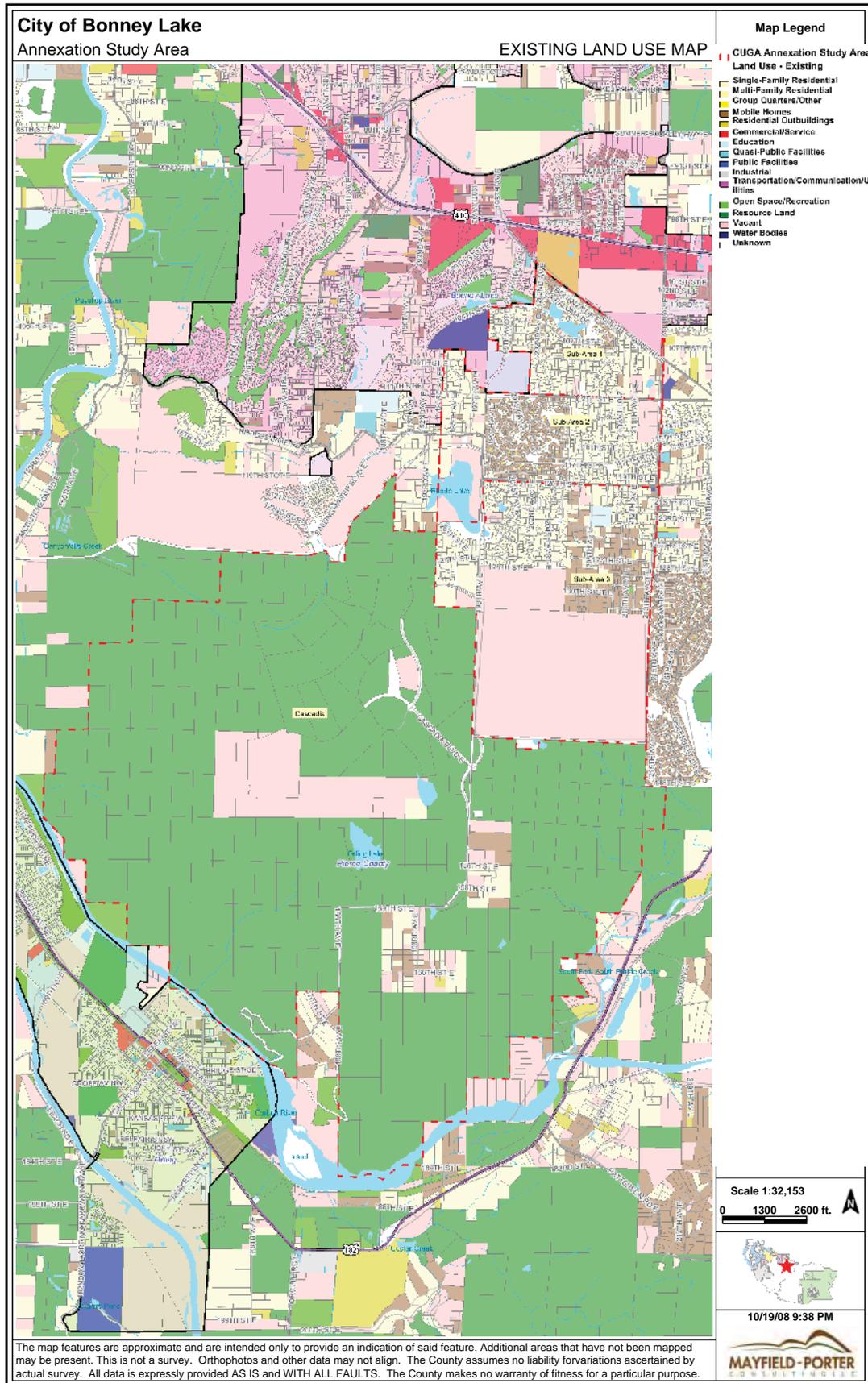


Figure 9A: Existing Land Use Map

INVENTORY AND DATA BASE

Annexation Options

SUB-AREA 1:										
	SF	MH	DUPLEX	RES. VACANT	COMMERCIAL VACANT	"OTHER"	ELEMENTARY SCHOOL	FIRE STATION	DESIGN. FOREST LAND	TOTAL
# OF PARCELS	511	115	0	12	0	24	0	0	0	662
TOTAL ACRES	173.9	29.42	0	12.8	0	5.2	0	0	0	221.29
% OF TOTAL (Acres)	79%	13%	0%	6%	0%	2%	0%	0%	0%	100%

SUB-AREA 2:										
	SF	MH	DUPLEX	RES. VACANT	COMMERCIAL VACANT	"OTHER"	ELEMENTARY SCHOOL	FIRE STATION	DESIGN. FOREST LAND	TOTAL
# OF PARCELS	533	325	2	25	4	26	0	0	0	915
TOTAL ACRES	205.1	71.27	0.91	69.6	19.38	4.8	0	0	0	371.06
% OF TOTAL (Acres)	55%	19%	0%	19%	5%	1%	0%	0%	0%	100%

SUB-AREA 3:										
	SF	MH	DUPLEX	RES. VACANT	COMMERCIAL VACANT	"OTHER"	ELEMENTARY SCHOOL	FIRE STATION	DESIGN. FOREST LAND	TOTAL
# OF PARCELS	680	210	15	13	0	20	1	1	0	940
TOTAL ACRES	251.9	115.2	5.34	575.42	0	33.94	10.25	0.43	0	992.52
% OF TOTAL (Acres)	25%	12%	1%	59%	0%	4%	0%	0%	0%	100%

** Includes Plateau 465*

SUB AREAS 1-3 (COMBINED):										
	SF	MH	DUPLEX	RES. VACANT	COMMERCIAL VACANT	"OTHER"	ELEMENTARY SCHOOL	FIRE STATION	DESIGN. FOREST LAND	TOTAL
# OF PARCELS	1724	650	17	50	4	70	1	1	0	2517
TOTAL ACRES	630.9	215.9	6.25	657.82	19.38	43.94	10.25	0.43	0	1584.87
% OF TOTAL (Acres)	40%	14%	0%	42%	1%	3%	1%	0%	0%	100%

CASCADIA:										
	SF	MH	DUPLEX	RES. VACANT	COMMERCIAL VACANT	"OTHER"	ELEMENTARY SCHOOL	FIRE STATION	DESIGN. FOREST LAND	TOTAL
# OF PARCELS	32	18	0	29	0	5	0	0	212	296
TOTAL ACRES	96.8	48.8	0	345.93	0	34.33	0	0	4533	5058.86
% OF TOTAL (Acres)	2%	1%	0%	7%	0%	1%	0%	0%	90%	100%

Key:
 Land use determined by Pierce Co. Assesor-Treasurer 4-digit land-use code and corresponding description-current as of 9/10/08.
 SF=Single Family (Code 1101)
 MH=Mobile or Manufactured Home (no distinction between MH's in/outside parks)
 (Codes 1152, 1154, 1155).

Figure 9B: Land Use Distribution Between Sub-Areas

Critical Areas Map: Wetlands and Flood Zones

The wetlands and flood zones map, Figure 10A, shows that the annexation area generally does not lie within the 500-year flood zone, with the exception of some very small areas along the southern boundary of Cascadia bordering the Carbon River, and along Canyon Falls Creek as it enters the northwestern portion of Cascadia. There are a few areas that are within the 100-year flood zone, however the majority of these areas are linked to water bodies such as Rhodes Lake, Orting Lake, smaller bodies of water, and wetlands. Figure 10B shows the flood zones for Sub-Areas 1-3 in more detail, however even these areas have a 0-0.2% annual flood probability. As such, Figures 10A and 10B indicate that flooding poses minimal risk to the potential annexation area in its current state. However, it is important to note that development can alter the local hydrology and other natural characteristics that often help to offset flood potential. As such, these considerations should be taken into account when assessing flood risk in a built-out annexation area, as well as appropriate critical area buffers.

The majority of wetlands in Figure 10A show that the annexation area holds a significant amount of known and potential wetlands, particularly in the undeveloped portions of Sub-Area 3 and Cascadia. However, the wetland overlay map reflects preliminary data, and ultimately the influence of wetlands on potential development in the annexation area will depend on the wetland category designation and associated buffer.

Critical Areas Map: Steep Slopes and Priority Habitat

Figure 11 shows that roughly half of the northwestern portion of Cascadia contains priority wildlife and species habitat. A narrow strip of wildlife and species habitat area extends south along the Cascadia border. Cascadia's southern border is flanked with steep slopes ranging between 40-100%. Nearly all of Cascadia contains a smattering of slopes between 20-40%, and the northwestern portion of the area contains steep slopes that shadow Canyon Falls Creek ranging from 40-100%.

The southern portion of Sub-Area 3, namely Plateau 465, contains priority wildlife and species habitat that stretches northwest into Sub-Area 2 around Rhodes Lake. Sub-Area 3 also has slopes between 20-40% stretching across the southern end, while Sub-Areas 1 and 2 have small areas with slopes in the same range.

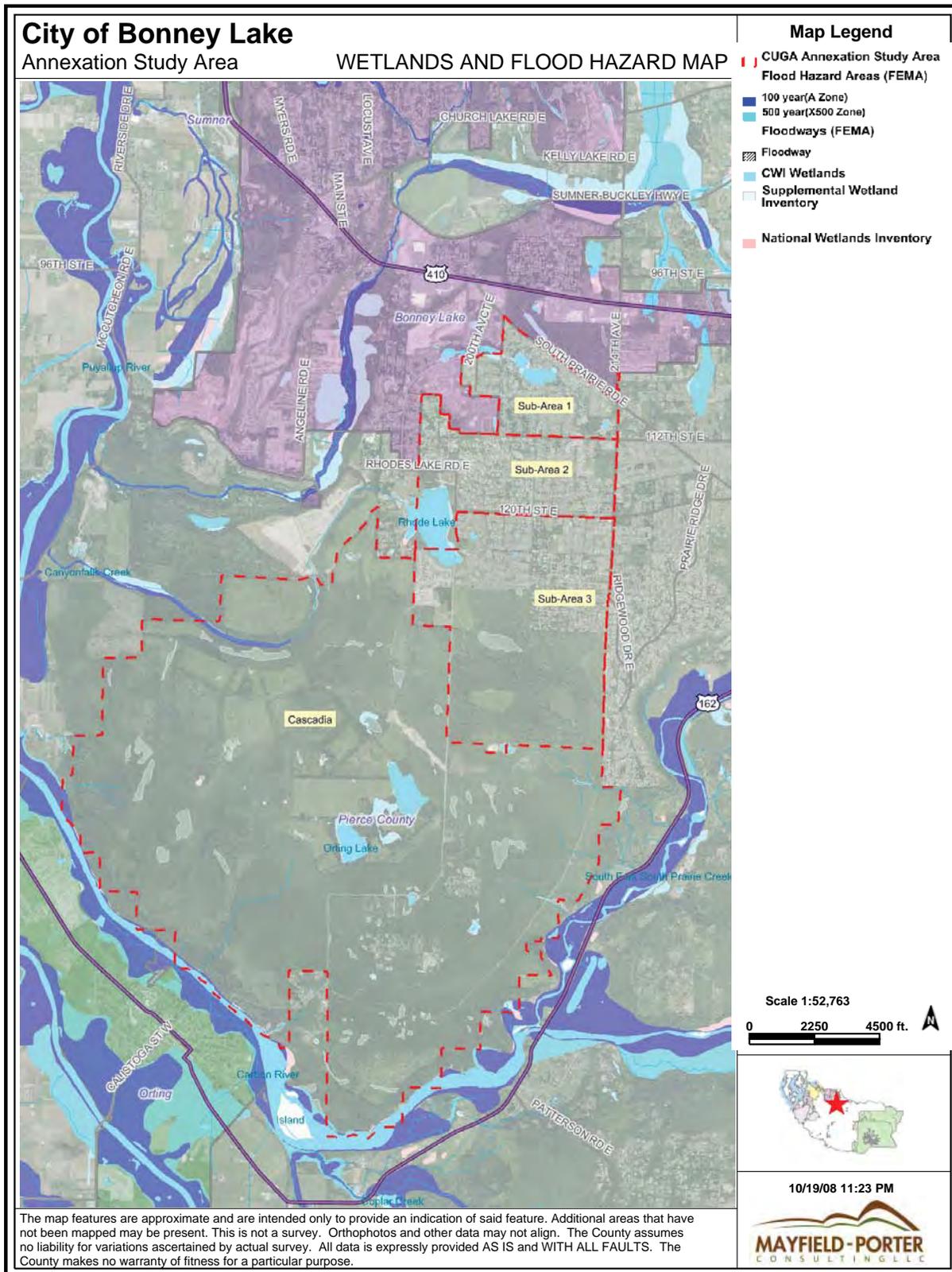
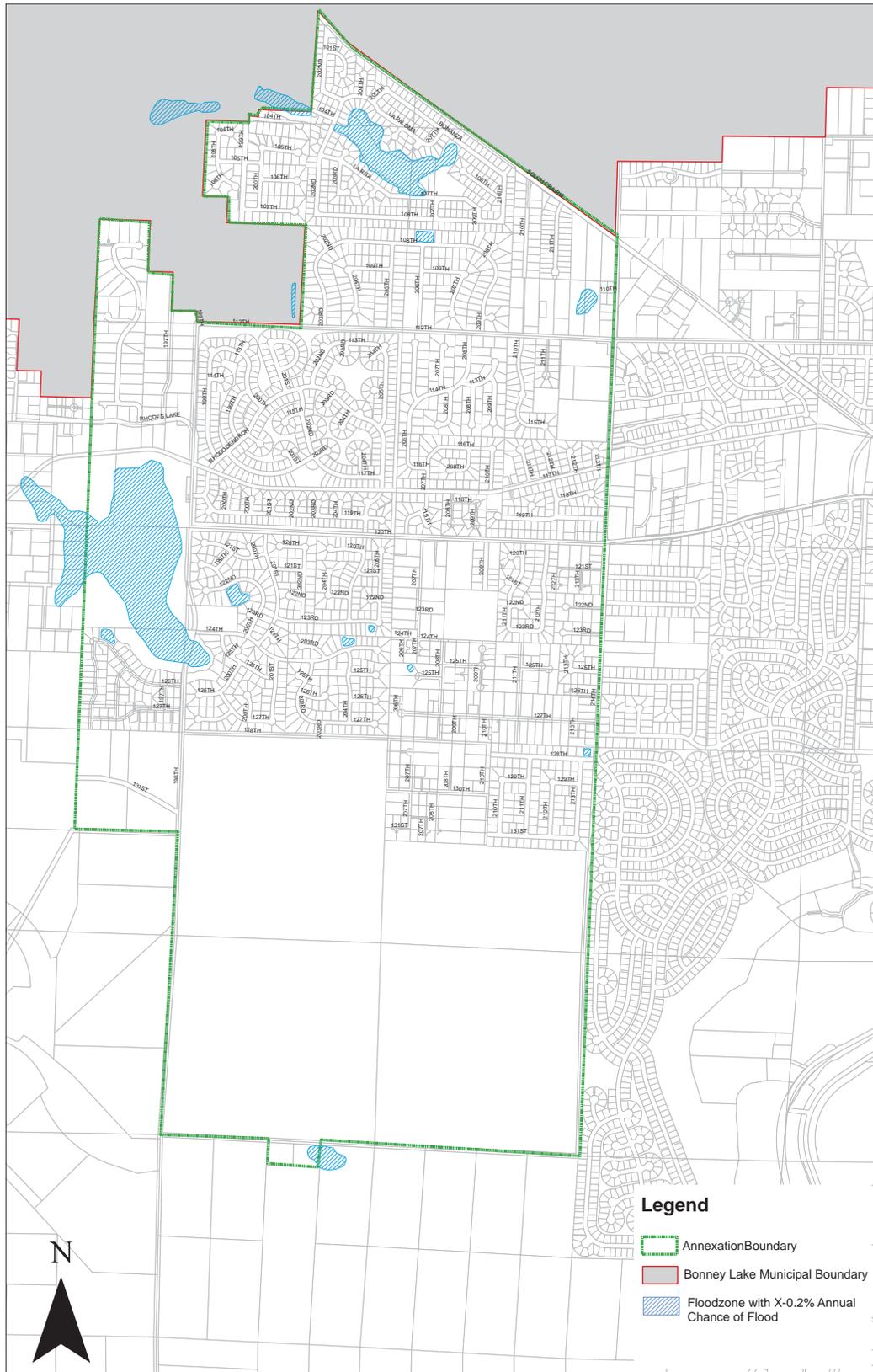


Figure 10A: Wetlands and Flood Hazard Map



*GIS data from Pierce County, CountyView GIS.

Figure 10B: Flood Zones for Sub-Areas 1-3

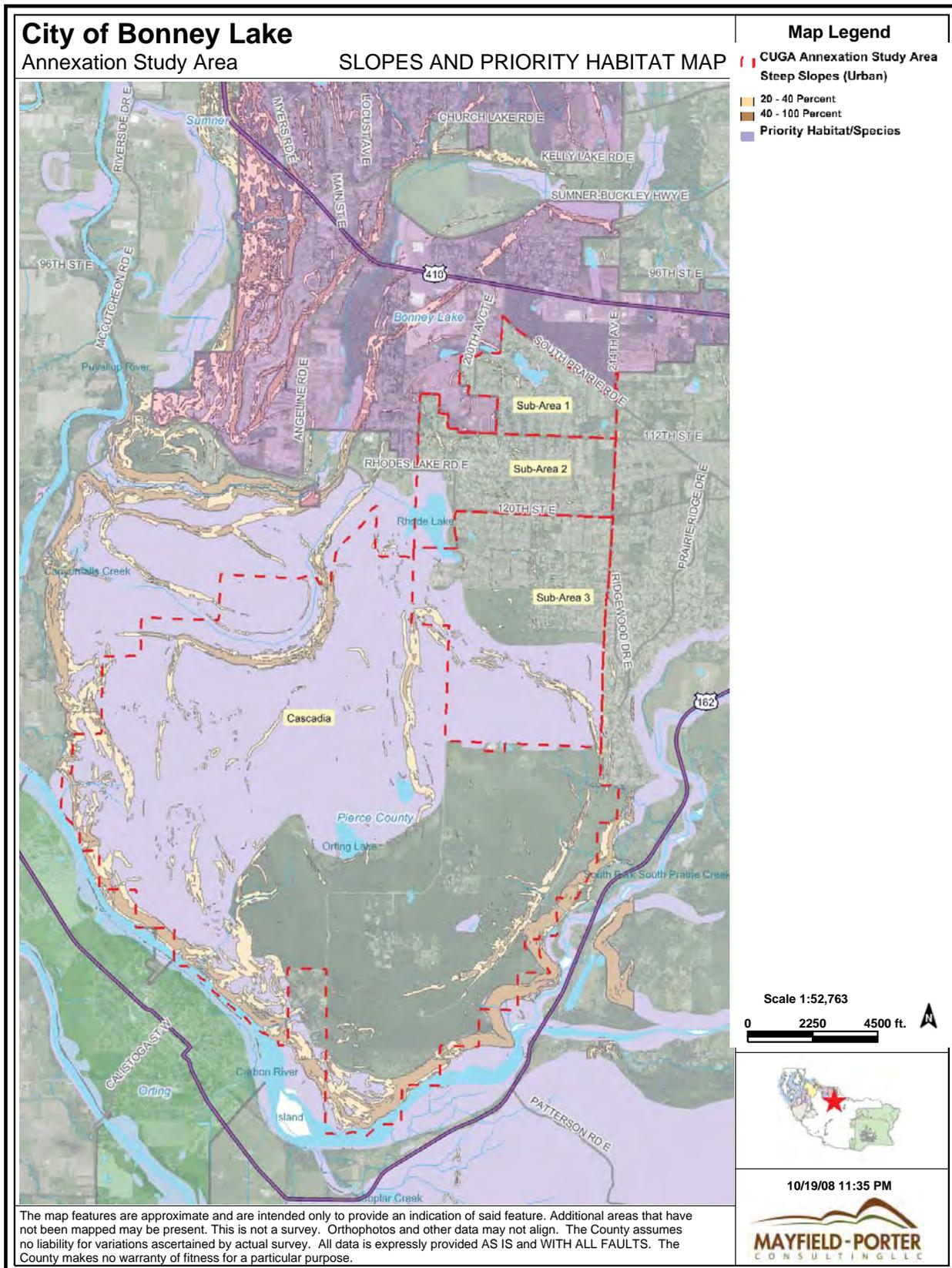


Figure 11: Slopes and Priority Habitat Map

INVENTORY AND DATA BASE

Population Estimates

POPULATION ESTIMATES: CURRENT AND PROJECTED

Current and projected population estimates are provided and discussed in the sub sections that follow. It is important to note that the current and projected estimates provided below are independent of the Cascadia Employment-Based Planned Community (discussed above in the background on Cascadia).

Current Estimates

Table 1A details the data used to prepare the population estimates for each sub-area, which are listed in Table 1B. The data is from a report produced by the Puget Sound Regional Council (PSRC) entitled "Census Tract Estimates of Housing Units, Households, and Population: 2007", as well as data from Pierce County/CountyView GIS. Table 1B provides three current population estimates:

1. 2007 PSRC Estimate. Current population estimates were calculated for this annexation study using the following formula: Total number of dwelling units * Persons Per Household (PPH) * Occupancy Rate.
2. 2007 OFM SAEP Estimate. Prepared by the Office of Financial Management (OFM) using their Small Area Estimates Program (SAEP) (See Footnote **).
3. 2008 OFM SAEP Estimate. OFM's 2008 population estimate is provided for comparison with the Projected Population Estimates, discussed in the next section and outlined in Table 2.

Table 1A. Current (2007) Population Projections

	Census Tract	PPH*	VACANCY RATE ¹	OCC RATE ¹	SF	Duplex (2-unit)	MH	TOTAL UNITS
Sub-Area 1	703.10	3.19	3.72%	96.28%	509	0	114	623
Sub-Area 2- partial	703.10	3.19	3.72%	96.28%	140	0	294	434
Sub-Area 2- partial	703.11	2.99	7.16%	92.84%	392	2	30	424
Sub-Area 3	702.03	2.80	2.91%	97.09%	679	15	209	903
Sub-Total Areas 1+3	-	-	-	-	1720	17	647	2384
Cascadia	702.03	2.80	2.91%	97.09%	31	0	18	49
Sub-Areas 1-3+ Cascadia	-	-	-	-	1751	17	665	2433

Table 1B. Current Population Estimates Comparison with the Office of Financial Management

POPULATION ESTIMATES BY SUB-AREA:			
	2007 PSRC Estimate ²	2007 OFM SAEP Estimate ³	2008 OFM SAEP Estimate ³
Sub-Area 1	1,913	1,949	2,003
Sub-Area 2	2,510	2,569	2,671
Sub-Area 3	2,455	2,537	2,589
Cascadia	133	294	315
TOTAL	7,011	7,349	7,578

FOOTNOTES FOR TABLES 1A AND 1B:

1. Data taken from "Census Tract Estimates of Housing Units, Households, and Population: 2007" prepared by Puget Sound Regional Council. Methodology: DWELLING UNITS * PERSONS PER HOUSEHOLD * OCCUPANCY RATE. Estimated Average Household size (2007) (PPH and Occupancy Rate) differ by census tract and are detailed in "Census Tract Estimates of Housing Units, Households, and Population: 2007" prepared by Puget Sound Regional Council.