

City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Public Services Department Jason Sullivan – Planning & Building Supervisor	Meeting/Workshop Date: February 8, 2022	Agenda Bill Number: AB22-15
Agenda Item Type: Resolution	Ordinance/Resolution Number: 3012	Sponsor:

Agenda Subject: 2044 Growth Targets

Full Title/Motion: A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Adopting 2044 Growth Targets For Housing Units, Population, And Employment To Be Used In The 2024 Comprehensive Plan Periodic Update.

Administrative Recommendation: Approve

Background Summary:

In 2024, the City will need to complete a periodic update of the City’s comprehensive plan as required by RCW 36.70A.130(4)(a). The first critical decision in this process is the establishment of the 2044 growth targets, which must be consistent with the regional growth strategy established as part of *VISION 2050* adopted by the Puget Sound Regional Council. Staff has been working with numerous jurisdictions and Pierce County to establish the 2044 growth targets for population, housing units, and employment. Of these targets the housing unit and population targets are the most critical to identifying future infrastructure and public services needs. The City needs to have an official recommendation on its growth targets by mid-February so that Pierce County can start the process to officially adopt the growth targets for 2044. Resolution 3013 will adopt the City of Bonney Lake’s preferred 2044 population, housing units, and employment growth targets.

Attachments: Resolution 3012 and Growth Target Memo

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review: Date: _____ Forward to: _____	Approvals: Chair/Councilmember _____ Councilmember _____ Councilmember _____	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
Commission/Board Review: Hearing Examiner Review:		Consent Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No	

COUNCIL ACTION	
Workshop Date(s): 2/1/2022	Public Hearing Date(s):
Meeting Date(s): 2/8/2022	Tabled to Date:

APPROVALS		
Director: <i>Ryan Johnstone, P.E.</i>	Mayor: <i>Michael McCullough</i>	Date Reviewed by City Attorney: (if applicable):

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RESOLUTION NO. 3012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, ADOPTING 2044 GROWTH TARGETS FOR HOUSING UNITS, POPULATION, AND EMPLOYMENT TO BE USED IN THE 2024 COMPREHENSIVE PLAN PERIODIC UPDATE.

WHEREAS, in 2024 the City will need to complete the required periodic update of the City’s comprehensive plan as required by RCW 36.70A.130(4)(a); and

WHEREAS, the first critical decision in this process is the establishment of the 2044 growth targets, which must be consistent with the regional growth strategy established as part of Vision 2050 adopted by the Puget Sound Regional Council.

WHEREAS, Pierce County, in consultation with cities and towns, officially adopts the numerical growth targets for each city and town in Pierce County;

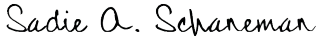
NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Bonney Lake, Washington, does hereby adopt the following 2044 growth targets:

	2020 Base Number	2020 – 2044 Growth	2044 Total
Population	22,487	3,880	26,367
Housing Units	7,605	2,850	10,455
Employment	6,365	1,717	8,082

PASSED by the City Council this 8th day of February 2022.

DocuSigned by:

1B2943E7C04048A
Michael McCullough, Mayor

AUTHENTICATED:
DocuSigned by:

3E60DC45B4BC451
Sadie Schaneman, CMC, City Clerk

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Briefing Memorandum

Date: January 26, 2022
To: City Council and Planning Commission
From: Jason Sullivan – Planning and Building Supervisor
Re: **2044 Population and Housing Growth Targets**

PURPOSE:

The purpose of this memorandum is to facilitate the City Council’s and Planning Commission’s discussion related to population, housing unit, and employment growth targets for the year 2044, which will be used in the City’s next comprehensive plan periodic update required to be completed by June of 2024.

BACKGROUND:

Puget Sound Regional Council¹ adopted VISION 2050 at the General Assembly on October 29, 2020. *VISION 2050* establishes a Regional Growth Strategy (RGS) to guide growth within the Central Puget Sound Region², which places jurisdictions into divided different classifications referred to as “regional geographies.” These regional geographies are used to further the development patterns envisioned in *VISION 2050* and growth targets are assigned to each of these regional geographies within each county. Each county, in coordination with cities and towns in that county, are then responsible for establishing growth targets for housing units, population, and employment for each individual jurisdiction, that when taken together do not exceed the growth target established for that specific regional geography.

¹ The Puget Sound Regional Council is made up of all the counties, cities, and towns governments in King, Kitsap, Pierce, and Snohomish Counties. Representatives to PSRC are selected from the elected bodies of these jurisdictions to serve executive board and committees. At the General Assembly all jurisdictions can vote. In the past, Bonney Lake City Councilmembers have been on the Growth Management Coordinating Committee at PSRC and a City staff have served as either a primary and alternate member on the regional staff committee as one of the three at-large members allocated to Pierce County for over a decade.

² King, Kitsap, Pierce, and Snohomish Counties

VISION 2050 changed the regional geographies established in VISION 2040 with the goal of concentrating growth into communities with access to high-capacity transit³. This change resulted in the creation of a High-Capacity Transit Community and Cities and Towns geographies and the removal of the Large City and the Small City geographies. The reason for the City being placed in Cities and Towns group is based upon the fact that there are no high-capacity transit facilities as defined in *VISION 2050* within the City.

Population and Housing Targets

Under the newly adopted RSG and corresponding growth targets, all of the jurisdictions in the Cities and Towns classification are expected to take no more than seven percent (7%) of the growth forecasted for Pierce County over the next twenty (20) years. The jurisdictions in each category in Pierce County and the population growth target for each group are provided below.

VISION 2050 Regional Geography Category	Jurisdiction/Area	2020 – 2044 Population Growth	2020 – 2044 Growth Percentage
Metropolitan Cities	Tacoma	100,618	38%
Core Cities	Auburn, Lakewood, Puyallup, University Place	60,900	23%
High-Capacity Transit Communities	DuPont, Fife, Fircrest, Parkland-Spanaway-Midland Potential Annexation Area, Mid-County (part), South Hill Planned Incorporation Area, and Sumner	55,605	21%
Cities and Towns	<i>Bonney Lake, Buckley, Carbondado, Eatonville, Edgewood, Gig Harbor, Milton, Orting, Pacific, Roy, Ruston, South Prairie, Steilacoom, and Wilkeson</i>	18,535	7%
Urban Unincorporated Areas	Unincorporated Pierce County ⁴	21,183	8%
Rural	Pierce County Rural	7,944	3%

³ *VISION 2050* defines High-Capacity Transit as existing or planned light rail, commuter rail, ferry, streetcar, and bus rapid transit facilities. This definition is different than a Major Transit stop as defined in RCW 43.21C.440 as it relates to the proposed SEPA Threshold Planned Action for Downtown. It is also different than the definition that is being discussed in legislation currently under consideration in Olympia.

⁴ Excluding portions of unincorporated Pierce County identified as High-Capacity Transit Communities, this category would not include Tehaleh.

Currently, the City’s comprehensive plan, updated in 2015, is based on a two percent (2%) annual growth rate between 2015 and 2035 resulting in a 2035 population of 28,654. The City’s 2020 population is 21,390, which is the base year for growth projections. If the City were to choose to maintain a two percent (2%) annual growth, the City’s 2044 population would be 34,404: an increase of 13,014 people. Given that the maximum population growth for the entire Cities and Towns geography is 18,535, it was unrealistic to expect or desirable to maintain this growth rate. Therefore, the City needed to establish a lower growth target that was consistent with the RGS, reflects the desires of the City, accounts for development in the pipeline, and accounts for the City’s financial capacity to serve future growth.

In November of 2020, staff presented draft population targets to the City Council that would be used by City staff during discussion to distribute population growth among jurisdictions in the Cities and Towns regional geography. At that time, staff proposed to set the City’s 2044 population at 29,000: adding 2,615 housing units increasing the current population by 7,610 people for an average growth rate of approximately 1.28%. This growth projection does not include growth associated with annexing existing residential areas if that were to occur over the next two decades. Below is the table that was presented at that time with different population growth rates.

Growth Rate	2044 Total Population	Population Growth	Housing Units ¹	Percentage of Regional Geography
0.25%	22,711	1,321	452	7%
0.50%	24,110	2,720	932	15%
0.75%	25,591	4,201	1,439	23%
1%	27,160	5,770	1,976	31%
1.25%	28,820	7,430	2,545	40%
1.28%	29,025	7,635	2,615	41%
1.5%	30,577	9,187	3,146	50%
1.75%	32,437	11,047	3,783	60%
2%	34,404	13,014	4,457	70%
Notes				
1. Assumed that a 2.92 persons per household, which was the City’s average person per household in 2020.				

Between November of 2020 and May of 2021, the Cities and Towns regional geography meet four times to discuss how to divide up the population growth based on the RGS adopted as part of *Vision 2050*. The total allotted population for the group was 18,535. During the discussions

it became clear that developing two creative solutions was necessary to meet the targets established in *Vision 2050*.

1. **Front Loading of Future Growth:** One solution was to “front load” some population growth that would occur between 2044 and 2050 and apply it to the 2044 growth targets. This was possible because *Vision 2050* establishes a population target in the year 2050, but comprehensive plans are only required to plan for a twenty-year period from 2024 to 2044. The difference in the planning horizons mean that there was 6 years of additional growth not included in the initial 2044 population targets. This increased the maximum population to 22,917 for the Cities and Towns regional geography. However, there was agreement in the group not to front load all the population growth between 2044 and 2050.

2. **Adjusted Persons-Per-Household (PPHH) Assumptions.** The second solution was an adjustment to the assumed PPHH in 2044. The Cities and Towns regional geography group identified that as a group household size would decrease over the planning horizon. This was affirmed by PSRC in *VISION 2050*, which projects that household sizes in Pierce County will decline from 2.50 persons per household (PPHH) in 2017, to 2.38 PPHH in 2044. This lower PPHH was applied to existing and future units. As part of this solution, the City of Bonney Lake reduced its PPHH assumption to 2.5 from 2.92. This approach put the City’s 2044 population at 26,382 but allowed for the addition of 3,000 housing units by 2044 as illustrated below:

Housing Unit Growth Target to Population Growth Target Calculation	
2020 Population (OFM)	21,390
2020 Housing Units (OFM)	7,581
2020 Average Persons Per Household (OFM)	2.94
2044 Average Persons Per Household (Provided by City)	2.50
2044 Existing Housing Unit Population	$7,581 \times 2.50 = 18,953$
Difference between 2020 Population and 2044 Existing Housing Unit Population	-2,438
2020-2044 Additional Housing Units, i.e. Housing Unit Growth Target (Provided by City)	3,000
2020-2044 Additional Housing Unit Population	$3,000 \times 2.50 = 7,500$
2044 Total Population (Existing Housing Unit Population + Additional Housing Unit Population)	$18,953 + 7,500 = 26,453$
2020-2044 Population Growth (2044 Total Population – 2020 Population)	$26,453 - 21,390 = 5,063$
2044 Population Growth Target	5,063

As the above approach result in the total number of new housing units most consist with direction provided in 2020 by the City Council, staff agreed to a population target of 5,063 and a housing unit target of 3,000 with the caveat that the City would need to have the City Council adopt the updated numbers once the [*Pierce County Buildable Lands Report*](#)⁵ (Buildable Lands Report) was completed.

In September of 2021, the Building Lands Report was finalized and set the City's 2044 residential capacity at 2,920 housing units. This housing unit number includes all housing types. As a result of this analysis, the City will need to either provide additional capacity (i.e., increasing allowed densities in the R-1 and R-2 and/or up zoning properties to higher densities) or lower the 2044 growth target for housing units below 2,920.

Employment

Employment growth targets were calculated using PSRC's total employment estimate for each of the four counties in the region for the year 2020 and comparing this to the PSRC Regional Macroeconomic Forecast (RMF) for 2044, estimating total employment for the region. The total employment growth for the four-county region is then distributed using the VISION 2050 growth share allocation percentages. The RMF total employment forecast for the four-county region for 2044 is 3,180,060. Subtracting out the base year employment for each county, the targeted growth in employment is 867,654. VISION 2050 allocates Pierce County 17% of this growth (147,500) which is further disaggregated using the VISION 2050 growth share percentages for each of the regional geographies. The employment growth target for each regional geography in Pierce County is provided below.

⁵ The Buildable Lands Report is a reported prepared by Pierce County based on development data that is provided to the County by the City. The County is required to prepare the report under RCW 36.70A.215 to estimated the capacity for new residential units by 2044. The report does include market and development factors that reduce the amount of land that can be used for new residential units. The analysis does not assume that all vacant and underdeveloped (underutilized) properties within the City will be redeveloped over that time period. The report subtracts out 15% of the vacant land and 35% of the underutilized land based on the aggregate of acres within each classification. In addition, land is subtracted platting improvements such as roads and stormwater.

VISION 2050 Regional Geography Category	2020 – 2044 Employee Growth	2020 – 2044 Employment Growth Percentage
Metropolitan Cities	70,800	48%
Core Cities	33,925	23%
High Capacity Transit Communities	22,125	15%
Cities & Towns	8,850	6%
Urban Unincorporated Areas	8,850	6%
Rural	2,950	2%
Total	147,500	100%

Following discussions with the Cities and Towns Group, the City’s employment target was set at 1,717 jobs. This allocation represented roughly 20% of the overall employment growth assigned to the Cities and Towns regional geography.

DISCUSSION:

The establishment of a realistic and acceptable growth target for the City is critical to the upcoming required comprehensive plan periodic update. This was a lesson learned during the 2015 periodic update process when PSRC’s Executive Board conditionally certify the City’s comprehensive plan for assuming more growth than was assigned during the 2008 growth target setting process. It took the City an additional eighteen months to work with PSRC and Pierce County to address this issue and receive full certification.

In addition, the growth targets for housing units, are also used to identify infrastructure capacity (e.g., road, parks, utilities, etc.) needed for future growth. This additional infrastructure capacity essentially becomes an additional financial burden for the City. Therefore, the growth targets should be set to reflect the growth desired and expected in the City, while staying within the expected financial capacity of the City to provide infrastructure to serve that growth. The targets for population, housing, and employment are further discussed below:

Population and Housing

Staff would recommend setting the number of housing units at 2,850, which is consistent with the number of housing units initially discussed with the City Council and still provides some additional capacity if the projections are overly conservative. Based on the 2.5 PPH, it would set the City’s 2044 population for growth targets purposes at 26,078. If the actual PPHH is higher in 2044 and conversely so is the overall population, the City’s total population would exceed the growth target the City establishes today, but there is not a certification issue or penalty for

exceeding the number in the future. Additionally, these targets and numbers will be updated again in 2032 when the planning horizon is pushed out to 2052.

The City uses both population and housing units to determine future capacity needs depending on the City's service or infrastructure as provided below:

- **Transportation:**

Future transportation demands associated with additional residential development and planning to address that demand is based on the number of projected housing units multiplied by the peak PM hour trips. The Peak PM trip is established by the Institute of Transportation Engineer (ITE) manuals and not the City's population. These manuals are based on nationwide studies.

- **Water:**

Future water demands associated with additional residential development and planning to address that demand is based on the number of projected housing units multiplied by the estimated daily water demand. The estimated water demand is calculated by dividing the total number of residential meters by the historical usage data to determine a daily demand per residential unit not the PPH number.

- **Sewer:**

Future sewer demands associated with additional residential development and planning to address that demand is based on the number of projected housing units multiplied by the estimated daily estimated flow. The estimate sewer demand is calculated by dividing the total number of residential units by estimated daily flow as determined by the Department of Ecology Manuals.

- **Parks:**

Currently, the City's comprehensive plan establishes level of service standards or future park needs based on population measurements. For example, the acres of community parks should be 2.5 acres per 1,000 people. This same measure can be expressed as 2.5 acres per 341 households based on the 2021 PPHH of 2.93. If the City takes the recommended approach to housing targets, the City will need to revise the level of service standards to be based on housing units or some other measure. The amount of acreage per person can be increased to better respond to changes in the PPHH. For example, 2.93 acres per 400 housing units would result in the same number of acres of park as 2.5 acres per 1,000 people. There is not a specific industry wide standard adopted for park levels of service.

- **Police:**

Currently, the City’s comprehensive plan establishes a level of service of 1.5 commission officers per 1,000 population. This same measure can be expressed as 1.5 commission officers per 341 households based on the 2021 PPHH of 2.93. However, the existing comprehensive plan recognizes that this is not the best way of determining levels of service for the police and recommends using calls for service. Additionally, the current metric does not account for the large commercial areas within the City. As part of the 2024 comprehensive plan periodic update, staff recommends that a new level of service standard be developed that is not directly tied to population. Establishment of this new level of service standard would be done in conjunction with the City Council and the Bonney Lake Police Department.

- **Governmental Buildings:**

Currently, the City’s comprehensive plan establishes level of service standards or future governmental buildings based on population measurements. If the City takes the recommend approach to housing targets, the City will need to revise the level of service standards to be based on housing units or some other measure. Another option is to remove this level of service standard from the comprehensive plan as it is not a required level of service standard under the Growth Management Act.

The approach of focusing on the number of housing units and not the PPHH/overall population is not a risk-free option but would provide the best option to adequately plan for City facilitates and infrastructure, while still meeting the requirements of PSRC.

Employment

While the City is required to establish a 2044 Employment Housing Target, the number of future employees is not utilized to plan for infrastructure or public services as the City does not use the employee numbers to forecast future demands as business can have widely different number of employees. Additionally, there is not a penalty for exceeding the employee target in the future. Therefore, the staff recommends that the City Council adopts the number initially provided as it is not a principle driver in forecasting demand and there is no penalty for exceeding the adopted target.