

MASON COUNTY PLANNING ADVISORY COMMISSION

Minutes September 19, 2005

(Note audio tape (#3) dated September 19, 2005
counter (#) for exact details of discussion)

(This document is not intended to be a verbatim transcript)

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1. CALL TO ORDER

The meeting was called to order by Vice-Chair Steve Clayton at 6:00 p.m.

2. ROLL CALL

Members Present: Steve Clayton, Tim Wing, Diane Edgin, Terri Jeffreys, Wendy Ervin, and Jay Hupp. Bill Dewey was excused.

Staff Present: Bob Fink, Steve Goins, Allan Borden, TJ Martin and Susie Ellingson.

3. APPROVAL OF MINUTES

The minutes from the August 29, 2005 and September 6, 2005 meetings were approved as presented with the following requested changes:

August 29, 2005:

On page 3 under (#0645) it should read ... "Perhaps done in more of a SWOT" ...

On page 4 under (#0840) it should read ... 'being done consciously' ...

On page 4 under (#0840) it should read ... 'or really even exercise through that discussion' ...

On page 5 under (#1195) it should read ... 'doesn't grow commensurate' ...

On page 5 under (#1432) it should read ... 'short sightedness' ...

September 6, 2005:

On page 6 under (#1390) it should read ... 'they bear part of the cost' ...

On page 9 under (#2450) it should read ... 'sounds like the neighbor is mowing the lawn' ...

On page 10 under (#2750) it should read .. 'If you whittle it down' ...

4. NEW BUSINESS

(#0210) Steve Clayton: We have a public hearing tonight on several items on the Comp Plan update. We will be taking testimony tonight, but the staff reports have not been completed for three of the items.

(#0222) Allan Borden: Allan Borden with the Department of Community Development. Under Item 3 of the

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agenda there are three changes that staff reports have not been completed yet. Staff is still working on them. Those three topics are changes to the plan and regulations regarding airports, adjustments to the essential public facilities regulations, and adoption of local rules for forest practices. Different staff members are in the process of preparing these staff reports and anticipate we'll have them done very soon and when we do we will schedule by public notice the workshops and public hearings that go with those topics. If there's someone here who would like to speak on any of those topics you may do so.

(#0275) Steve Clayton: Do we have anyone in the audience who has comments on any of those three items?

(#0300) Marv Faughender: My name is Marv Faughender. I'm here representing the Port of Shelton. We would like to talk a little about the airport. The airport has been here since the 40's. It was originally built and developed by the Navy. Later on it was quit claimed over to the port. The port was set up primarily to handle that property. In the quit claim deed it said very clearly that the airport was deeded over to the Port of Shelton. However, it's immediately retractable to the government if needed. There's a lot more that goes on at the port that makes it an essential part of Shelton. We get requests for permission to fly into the airport at night, but what really happens is the ranger battalions come in and they land in the middle of the night and run around in woods on the port and do their practice and then fly out by helicopter early in the morning. The US Forest Service practices its fire fighting there, as well as DNR. The airport is very definitely essential to the State of Washington. There is a law that confuses some people that went on the books in 2005, which has to do with siting of significant facilities. Almost all the airports in the state are deemed essential and we would like to ask for you to consider that. The other part of that airport is that we do need protection. We are consulting with a couple that want to put skydiving into the airport again. It was here a few years ago. They built an airport called Kapowsin and they built the airport and they had 35 home sites around it. That went real well for about 20 years and then the houses started to change hands and the second bunch of residents that came in had a wholly different interest than the first ones that were tied to the airport. As a result, the new residents formed together and got Pierce County to give them an order to close them out of there. Point being that airports need protection and I don't think that we need protection in that we need a big buffer, but I think we ought to have light businesses around an airport that don't conflict like grandma's house. We think its an important thing to project the airport.

(#0522) Terri Jeffreys: We were told by staff that the port was in the process of updating your Master Plan.

(#0526) Marv Faughender: Our Master Plan updates in 2006 and we will be doing that.

(#0530) Terri Jeffreys: Do you see the ability to be able to make sure and coordinate the countys efforts on airport regulations and your Master Plan if these regulations move forward before you ...

(#0540) Marv Faughender: Make them mesh together? Yes. There is one other fly in the ointment and that is we're in the process of being wooed for annexation to the city. If that happens then we would be in the city's Comp Plan and not in the countys. Right now we did bring our Master Plan in relation to the countys Comp Plan at the time we were updated ours.

(#0570) Terri Jeffreys: Are you required by the government to keep your facility up to their standards so they can continue their training? Or is that optional?

(#0575) Marv Faughender: Absolutely. We're under the federal government control of the FAA.

(#0595) Steve Clayton: Any other comments on any of the three items? Then we're on to accessory uses on ag lands.

(#0610) Allan Borden: I'll hand out the current staff report that has the changes that were discussed at the workshop. This is a public hearing on accessory uses on agricultural resource lands. A workshop was held on September 6th and so I'll just briefly go through my staff report. This is an item on the work program. The legislature passed a law in 2005 that addressed agricultural lands and innovative techniques to integrate accessory uses on agricultural resource lands. They gave some provisions that the state would hope would be integrated into local regulations. I reviewed our regulations and primarily ag resource lands were designated in the early review of lands in the county, and the regulations that lay out the designation criteria

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and development standards are actually in the RO. What I did was I took that subsection out of the RO and added some of the provisions that were called for in the state law. I also added development standards that did not exist in the RO so the regulations include setbacks from front yard, side yard, and rear yard, floor area ratio, size of buildings and also that the proposed accessory uses meet the provision of the DR's having to do with permitted uses and home occupation cottage industries. At the workshop the discussion came up about the building sizes. The development standards proposed were very similar to rural residential lands. It called for a 3,000 sf building maximum. In the discussion by the PAC at the workshop, it was suggested that building size be increased to 5,000 sf as a maximum and up to 7,500 sf with a special use permit. So I've added that in the proposed development standards and hope that allows some flexibility and provides some review provisions for county and the public to understand the scope of accessory uses allowed out in the ag resource land areas. Any questions?

(#0810) Wendy Ervin: Under the RCW, (e), could you explain what that means? It says 'sliding scale zoning, which allows the number of lots for single family residential purposes with a minimum lot size of one acre to increase inversely as the size of the total acreage increases'.

(#0830) Allan Borden: First of all, that's a provision that we're not adopting with my proposed regulations. That is one of the innovative techniques that the state has suggested. I could email you with that explanation.

(#0860) Steve Clayton: Do we have any public comment regarding this proposal?

(#0870) Allan Borden: Just as a side bar, through the ag resource regulations and the DR's Mason County provides for the cluster zoning for properties that are ag resource land designation, which would allow for a 1 to 10 density, but with a provision for clustering. Although we haven't set it up, there's even a provision for transfer of development densities to UGA's from the resource lands in order to encourage those credits that a person with 300 acres of ag land could take some of those development density credits and transfer them to a receiving property or properties in the UGA's. That program really needs to be set up so that you have receiving zones.

(#0918) Wendy Ervin: Is that something that we are going to be working on?

(#0920) Allan Borden: It's not in the current plans, but it is a provision that dead ends because there is no program. The county may take that up especially once we settle exactly what the Shelton, Belfair and Allyn UGA's zonings will be.

(#0945) Tim Wing: Why would an ag person want or need credits?

(#0955) Allan Borden: It really does not discourage residential development. What it states is that residential development should occur with a technique of clustering that development.

(#0965) Tim Wing: So if somebody wanted to develop the 300 acres the credit system would encourage leaving the 300 acres in farmland, and giving them some kind of bonus.

(#0972) Allan Borden: Right. Take the 300 acres; if the development density on ag resource lands is 1 to 10, then they basically have 30 development credits and they could take some of those credits and propose them to be used in the receiving zone in a UGA.

(#0990) Tim Wing: What would this receiving zone be? Is it owned by somebody or not owned by somebody or owned by the county?

(#1000) Allan Borden: We're really getting off the topic, but basically it's a program through public review that deems what areas are suitable for increasing development densities in the UGA's.

(#1010) Tim Wing: Isn't density inside the UGA boundaries already established? As like 4 units an acre or 5 units an acre?

(#1015) Allan Borden: That's correct.

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(#1018) Tim Wing: So what would the credits do?

(#1020) Allan Borden: If a person had a 1 ½ acre piece of property and they were in a zone that allowed 6 dwelling units, they could potentially create 9 dwelling units. You might say if I receive 3 additional credits, I can build a two story building that has 6 units on each level, 12 development units being used, without really using that much more land.

(#1040) Terri Jeffreys: If you have the ability to cluster and they choose not to, they could sell those development rights to somebody that wanted to develop at a higher density in the UGA.

(#1050) Allan Borden: Right. The TDR program has many levels to it and you would create a market where each credit is worth a certain amount.

(#1070) Wendy Ervin: But the market place handles the value, right, and the value is set by the market place.

(#1075) Allan Borden: I believe so.

(#1082) Tim Wing: The reason I'm asking the question is that I continue to hear Mr. Diehl and others spout that some of these rural, undeveloped developments ought to be given credit inside the UGA's and so I'm trying to understand what this potential credit could be and so far I haven't heard anybody tell me that the credit inside the UGA is going to be one that anyone wants at all. No one wants to live inside a UGA anyway if they move to Mason County, and if they do, they certainly don't want to live 9 units an acre instead of 6 units an acre.

(#1120) Allan Borden: It's a very deliberate process and a program that you establish. It actually might present more opportunities than you think. You can get a mixed use development with more residential units provided than you would expect. You would have the ability to use some of these credits you bought in a proposal. That's off the subject. On the other side of the argument is that you have these people out in the rural land sitting on ag land and if they knew that their development potential had a value they might stay in business and use that program credit to sell in the program and stay in business raising livestock or hay.

(#1175) Wendy Ervin: Are we going to be the ones who discuss and develop this credit program?

(#1180) Allan Borden: By all means.

(#1195) Steve Clayton: Okay. Do we have any other questions on accessory uses in ag lands?

(#1200) Jay Hupp: On the development standards, where did these numbers come from? Did we find them someplace else?

(#1205) Allan Borden: It's basically the RR5 standards.

(#1230) Terri Jeffreys: I move that we accept the amended development standards for agricultural land as presented by staff.

(#1240) Wendy Ervin: I'll second that.

(#1244) Steve Clayton: We have a motion and a second. Any further discussion? All in favor? Opposed? Motion passes. Next we'll continue our discussion with the Economic Development Element.

(#1270) Steve Goins: Steve Goins with the Department of Community Development. This is a continuation of the PAC's discussion on the Economic Development Element from last week. I'll summarize what I've summarized for you tonight. The memorandum gives you a bullet point summary. These include the comments that were received from Green Diamond about two weeks ago, as well as comments that were generated by the various commissioners during the past week, which I emailed to you last Thursday. I've also provided a portion of a copy of the compliance order from the GMHB that had some language pertaining

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to development in the rural areas. This revised draft, staff did include revisions that are underlined that attempted to address all the comments that were made by Green Diamond. If you like, staff could elaborate more on the recommendations and discussion on this matter, but we thought it would be appropriate to allow you to continue your discussion.

(#1345) Steve Clayton: I think the PAC needs about 10 minutes to review this new draft before we continue our discussion.

Break in meeting.

(#1400) Steve Clayton: There were emails exchanged and Jay brought out some particulars. This final draft doesn't address some of the materials that were brought up last time around. So I'm kind of in a questioning mode. Do we want to address only things that are in the record for review, or do can we include new items in the discussion now that the public hearing is closed? If we change what's already been discussed, it seems appropriate, that we should open the public hearing back up.

(#1450) Susie Ellingson: The public hearing has been closed. You're here for your discussion only, so you can discuss whatever you want.

(#1455) Jay Hupp: I don't see it as being any different than if we would have stayed here last week until 1:00 am to finish our discussion. I don't see that it changes the nature of the discussion or where we are in the process.

(#1485) Susie Ellingson: It gets another public hearing when it goes before the BOCC.

(#1515) Jay Hupp: There certainly has been a blizzard of information in the proposals that have been laid out here in the last seven days. I'd kind of like to hear from Steve as to how he feels whether or not there's been so much brought to the table in the last week that it would choke the process ... how do you feel about what's developed in the last week?

(#1550) Steve Goins: The work behind this has been rather extensive. There has been a great deal of effort on staff's part going back to even previous efforts by the EDC and the Summit Conference to get public input in getting a document together like this. Part of our objective when we started the workshop participation was to try to get a lot of public consensus and a lot of public discussion on these different topics, and out of that essentially the goals and policies that are part of the document are pretty much what we were able to discern the public saw as things they generally supported and generally felt that they wanted to included in the document. What staff tried to do was add to that some strategies and objectives that really gave those some mandates as far as how to carry these goals out and who would do what and make those more realistic. We are concerned that considering the amount of discussion that has went on that a real substantive change in the document may diminish the public effort that's went forward up to this point. To really take things a different direction at this point, promising there will be an opportunity for public to build this document on the ground up and then asking them to accept something that's really been changed a great deal from what they seemed to indicate they wanted to have from that process. The comments that were brought in are wide ranging. Some of those are pertaining to development in the rural areas. There has been some discussion on that. Some of these also go down to wordsmithing and when it comes down to that I don't have a great deal of preference one way or another. The overall content of the discussion would change the direction the document was going quite a bit.

(#1670) Jay Hupp: I appreciate that. The assumption that the Future Search Conference was a public input is really stepping a long way in that direction. I think it's stepping a long way in the wrong direction. I say that because it was not open to the public. It was by specific and very carefully orchestrated invitation. My concern is if this ever goes before the GMHB and somebody takes the public process on and we have made the assumption that the Future Search was a public process that satisfied the needs of public input, I'm afraid we could wind up with egg on our face. I'm concerned about that. In building the document based on a lot of what came out of the Future Search I think is really high risk.

(#1725) Steve Goins: I'll add to that. For the Future Search Summit, ultimately I believe, 81 participants were invited to attend. I think there was a whittling that went on to determine who those 81 participants should be.

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That is true. Our process was completely open to the public, on the other hand. We sent out hundreds of personal invitations as well as all the noticing that went on. We tried to make it even more accessible by holding it in different locations at different times.

(#1755) Tim Wing: Isn't it the case that anybody could come to those?

(#1760) Steve Goins: That's correct.

(#1762) Tim Wing: So it wasn't based just on the Future Search.

(#1764) Steve Goins: No, not solely on Future Search.

(#1766) Terri Jeffreys: And in some sense the Future Search action statements were tested to the public during your workshops.

(#1772) Steve Goins: That's correct. The categories we used were developed from the categories that were developed out of the Future Search effort. I should point that there was some discussion on the topic of development in the rural areas in the second workshop. Out of that staff included the strategy (J), which is in the back of the element in which we tried to establish a process where that issue could be reexamined in a public forum and we felt that was a good approach to allowing the process to continue without resolving all of the intricacies of what that really means now, but we have the structure, capability and the will to make it happen down the line in more of a public dialog.

(#1825) Terri Jeffreys: Looking at these strategies and so much of it being budgetary priorities for 2006-2007, has staff been in discussion with the BOCC about the willingness to budget towards these strategies?

(#1835) Steve Goins: We have been in some discussions with them. Part of their direction to us was to provide those kinds of strategies and the language regarding the dates allows some flexibility in how their budgets can allocate that and ultimately they can stretch those years out at their prerogative during the next phase of it, but the idea was to try to make most of this happen sooner than later. Some of these are relatively inexpensive efforts, like (A), for example, is probably something, that when it comes right down to it the Public Works Department really wouldn't need to include budget for it. They would just include it in their work effort with what the existing staff is doing.

(#1875) Tim Wing: I have a question for you on page 14., under 3.4. I have a concern with the use of the word 'any'. It shows up in 1, 2, 3, and 4. 'Any detrimental impacts to adjacent properties will not be increased or intensified'. Could the word 'any' be substituted with 'most' or that detrimental impacts need to be minimized. It seem to me that that paragraph sets it up so that anybody that wants to can stop the development. It's almost impossible to do anything on a piece of property that has no impacts on adjacent properties. Just some softening of those points.

(#1950) Wendy Ervin: There's been an awful lot of work that's been stymied by people who have a word processor and an ax to grind.

(#2000) Steve Goins: It would certainly be in your pervue to take the word 'any' out. This was wordsmithed in the workshop process but there may not have been the considerations that you're bringing up now about just how those could be taken depending on what the neighboring use might be. I would imagine that during the process where policies for development in the rural areas are reviewed, the completion of that would include revisiting this language as well.

(#2060) Jay Hupp: Steve, you've indicated that you didn't think we ought to make this major a change as the direction I've suggested with what I've put together. Steve's not real comfortable with making a major change. I'd like to hear how the rest of the PAC feels about making a major change at this point.

(#2100) Tim Wing: What is the direction that you're recommending making a change?

(#2105) Jay Hupp: The essence of what I recommended is that we move in the direction of using the business demographics study that was done by the EDC four years back as the best available science that

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pertains to what the economic character of this rural county is. Almost everything else that's in the Economic Development Element at this point is not based upon any research; it's based upon opinions, attitudes, antidotal information.

(#2140) Tim Wing: If you base it on that, Jay, what would change in the statement?

(#2140) Jay Hupp: From my view, it starts out with the four pages of recommendations that I cranked out in my email. It starts out with the first paragraph and changes that. It reorients the thought process in the first paragraph and goes right through the 23 pages of the document.

(#2165) Tim Wing: What is it that's changed? What does the change do? Does it state we're going to focus more of our business efforts in the rural areas?

(#2180) Jay Hupp: The intent is to move in the direction of recognizing that the economic engine that drives this county is spread across the land of the county. Recognize the true character of the economic engine that drives this county. The assumption prior to this is the economic engine is some place other than spread out across the entire county. The assumption is the economic engine is concentrated in the UGA's and to a much lesser extent the RAC's and other population centers.

(#2220) Tim Wing: If you adopted that assumption, what would change in the economic statement?

(#2230) Jay Hupp: I would start out by saying 'The purpose of this chapter of the Comp Plan is to define the economic aspects of Mason County's rural character and to encourage and support economic development as a key to preserving that characteristic. The county Comp Plan supports this policy, etc..... It starts out with a different orientation towards the economic character of the county.

(#2255) Wendy Ervin: Steve, do you see that orientation as being widely diversion from what the public input has been?

(#2270) Steve Goins: There was a significant amount of discussion about where we would like to focus our efforts and there was a lot of support for encouraging development in the urban areas, particularly the infrastructure to support that. The GMA and the GMHB decision also emphasize that our policies need to be supporting development in the urban areas. That was an important part of what the GMHB came back and mandated Mason County to do. There's been a lot of discussion over the years about that, but the GMHB has been looking for Mason County to adopt policies that further encourage development in urban areas. The other aspect that came out of the public hearing side is there was .. If you started to have a discussion about a specific area, whether it was Shelton or the airport or Belfair, the thinking seemed to come around that the Economic Development Element needed to have a more global approach to the county and in that respect we tried to provide something that didn't speak about UGA's as just being Belfair or Allyn when it came to infrastructure improvements, or Shelton when it came to expanding water facilities, but more general in how that approach would occur. I think part of that was there was a desire to see commercial development, particularly in Belfair and Allyn, occur.

(#2400) Diane Edgin: When I read Jay's statement, I don't see anything that negates putting things in the urban area. It just states there are economic opportunities throughout the county.

(#2415) Wendy Ervin: When I first came on board with the PAC I was reading some regulation and the wording was so hostile to development of any kind in the rural area that it left a bad taste in my mouth and frankly I still taste it. This wording was hostile to anybody that had any interest in having an economic activity in the rural area. 'By golly, we're going to get them under our thumb, squash them, and push them into that urban area whether they like or not'. That's a real crushing and destructive direction for planning in this county to go.

(#2460) Steve Clayton: Staff addressed previously that the plan that Jay brought forward was developed prior to us establishing LAMIRD's. We have 130 LAMIRD's where rural industries go. We've got these that were not defined in the plan that Jay brought us. The original plan didn't include Allyn, didn't include RAC's and Hamlets, and the second phase did. If we went to a third phase, it would have to include all these rural

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areas where business is flourishing. My impression in the last couple of years is that rezones for business activities we haven't generally turned down. We've generally been very liberal on rezoning property and since the time that the report that Jay's mentioning was established we were not in compliance. We talked about the Bronze Works and what happened to that because we weren't in compliance. Since that we time we have come into compliance and we do have regulations that I've seen help businesses along.

(#2560) Wendy Ervin: I was just floored by that attitude.

(#2580) Jay Hupp: And that attitude still exists. To address the question of whether the problem has been solved with LAMIRD's. It hasn't been solved; it has moved in the right direction. The main point of trying to bring this forth is to recognize that the economic character of this community is disproportionally spread into the rural area as opposed to the urban areas, or that which has been defined as urban areas. That last figure I remember is 3,200 businesses in this county. There's 62% outside the UGA's, and according to phase 2, outside the UGA's in the RAC's and the Hamlets. I would like to see a shift in the direction that we recognize and appreciate and foster the opportunity for businesses to grow and develop in the rural areas. That doesn't take anything away from business development in the urban areas; that's a given.

(#2700) Tim Wing: Isn't it the case, though, that people can start home based businesses now?

(#2720) Steve Clayton: Anywhere in the zones provided you meet the criteria.

(#2740) Jay Hupp: The criteria is rather onerous. If you say you're going to start a business up out in the Arcadia area, you can't have more than five employees and meet all the criteria. We've given so much deference to residential, that we're killing the business world.

(#2755) Tim Wing: My point is I think there are a lot of people in the county that don't want sizeable businesses next to them. I mean more than five employees in cars, more than a truck or two a week coming into the driveway next door to the house. I think we need a balance. The other thing that I think strongly is that the county has not created the UGA's that are needed in order for businesses to easily set up and function inside those UGA boundaries. We need a balance, and not to say let's have all those businesses out in the rural areas.

(#2800) Jay Hupp: The point is, what is the character of this county? The character of this county is that 62% of the businesses that exist in this county are outside the UGA's. If we argue that there are a lot of people in this county that don't want businesses next to them, that ignores the fact of what exists today. If you want to change the character, that's one thing. But the ACT demands that you protect and maintain the character as you've defined it in this county.

(#2850) Tim Wing: We're not as far apart as you might think here. I don't want to change the character, but I'm a person who doesn't want any sizeable business near where I'm living so I'm concerned about this. I don't want the businesses that are out there to become so large that they start interfering with the peace and tranquility of the community. I just don't think people in this county want to see businesses all over the place. I'm just representing that point of view at this table.

(#2900) Jay Hupp: And I think there are a lot of people that do.

(#2910) Wendy Ervin: But there's a difference between a neighborhood where you've got an acre and a quarter and you've got you house and your garage behind it and there's a business there, and a cluster development where in an acre and a half you've got 5 houses and there's a bunch of open space and now that person with their house and the garage behind now they are annoying 4 other households. If they're sitting on a piece of property by themselves, they can grow and develop and do what they want.

(#2965) Steve Clayton: My personal experience is having a daycare open up at the end of my road. She's since closed it, but with ten kids that was an extra 20, 30 or 40 cars a day down a dirt road that's maintained privately. It changed the whole rural character for me. Is that rural? Is that fair? Another one was a church there by Belfair State Park. First they opened up as a church then they developed a minimum number of kids in a daycare center and then they got bumped to 65 kids in a daycare center with a 10 foot setback from the

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fence with a senior citizen living next to them.

(#3010) Jay Hupp: I think we can go back and forth with these horror stories forever and never come to any kind of a conclusion. I can tell horror stories on the other side about the hundreds and hundreds of businesses out there that don't cause anybody any problem. The point is, the fact that the demographic and economic character of this county is not identified in this Economic Development Element, as it currently stands ... I would like to see the true economic character county reflected in this document. I think if you don't reflect it in this document when you originally create it, it will never be there. That is a blueprint towards continuing down the road to a bedroom community where next year we've got 45% and then 48% and all of a sudden you're going to be over 50% on the road every morning. Then it is going to become a true bedroom community. We will not have preserved the rural character of this community as the ACT demands.

(#3080) Wendy Ervin: In a bedroom community you're going to have a lot of jobs that are part time jobs. Like service jobs. They're not going to pay a career wage for somebody to mow their lawn. So you have taken the native Mason County resident and you've reduced them to a servant class the people who either come here because they've already got their retirement, or they go outside of the county for their higher wages. According to the material we've been given, we're already about a point below, and have steadily remained a point below, in unemployment below the state average, and now it's up to \$14,000 in annual income below, and this is something that can't be sustained. We need jobs that provide a wage that will allow a single breadwinner in a stable family ... put in jobs where daddy goes to work and mommie stays home and takes care of the kids. You want a stable community, that's what you need. You need jobs where you have a single breadwinner, like it was in the 50's, so the family unit can straighten out some of the problems of the community.

(#3200) Steve Clayton: On the report that you gave us, Jay, if I read it right, it says phase one study had 1,240 businesses of businesses that have employees. To that in phase two, you added 2,000 and some odd businesses that were based on the Department of Revenue. Those could have been businesses with Sarah's quilting that does it once at the fair, or it could be ...

(#3225) Jay Hupp: Let me explain where those numbers came from. We initially went to the Department of Revenue and we asked them for all the businesses in Mason County, those that had business licenses in Mason County that generated revenue back to the Department of Revenue in the year 1998. We took those figures ... at that time we didn't have any kind of an ability to plot those in any way except manually. As I recall, that initial number was just short of 4,000. So we went through it and physically plotted on a map everyone of those businesses. That was phase one. We also had to make a determination as to whether each of those businesses was a legitimate business or not. We then went through it and got it down to a figure of about 3,200 businesses. By the time we were finished with that, we had an opportunity to go to the Department of Employment Security because they had just brought their GIS system up and operating. We asked them how many businesses in Mason County have employees? What's the relative size of those businesses? Where are they located? They gave us the maps. That's what's reflected on the map in phase 2.

(#3340) Steve Clayton: They gave us 1,240 businesses with employees.

(#3345) Jay Hupp: Correct.

(#3348) Steve Clayton: And the rest of them we assume don't have employees.

(#3350) Jay Hupp: Correct.

(#3355) Steve Clayton: So the rest of those businesses without employees could be located anywhere in the county under current regulations. With no employees and be self owned, you can be in a residential area or a business area anywhere. Right?

(#3360) Jay Hupp: If you report your employees, which a lot of people don't. If you make that as an assumption, yes, but what we found with the comparing of the GIS information with the manually plotted information that we got from the Department of Revenue, we found a very close correlation in the distribution

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of where those businesses with employees were located in comparison to where those businesses were located that didn't have employees or report them. We were trying to get at the percentage of businesses that are located in the rural area, and what we found was the report from Employment Security correlated very closely with the one from Revenue that again came up with about 62% of the businesses in Mason County are located in the rural area, or outside the UGA's. At the same time the county was wrestling with the same subject. They were being even driven even harder than we were to come up with the same kinds of figures. Bob, I don't remember whether you ever really got information from the Department of Employment Security or not. Did you ever get maps from them?

(#3460) Bob Fink: We only got the maps that were prepared with your study.

(#3465) Jay Hupp: I didn't intend to throw enough on the table to choke the horse, and I certainly don't want to derail a process that you folk have been working at diligently for a long time. I would hate to see the opportunity to slide by to establish this Economic Development Element in its birth as correctly as we can possibly make it. That's all I'm saying. I think we've still got time to hash over the details of this to some considerable extent.

(#3540) Wendy Ervin: You had said that there was quite a feeling from the public a wish to drive all enterprise into the UGA's. I'm curious as to whether those people did reflect ... it's really hard to get people together to a meeting and all of that, but the people who come frequently don't reflect, I think, the broad spectrum of the county. They reflect their own narrow concerns. I'm specifically speaking of Mr. Diehl who writes and writes and he hopes to have a greater ...

(#3600) Steve Clayton: I don't think he participated in this process.

(#0005) Steve Goins: The people who attend a lot of these meetings and have a lot of interest are also the ones that tend to dominate the conversation. In our particular workshops, we tried to minimize that by trying to include a dialog at a table where even people who were a little reserved had a chance to speak and hopefully have a dialog where they could discuss their different viewpoints. We did invite Mr. Diehl to attend and he didn't take us up on it. I've been listening to you for while and I thought I might add that I don't necessarily disagree with anything you've been saying, and I think when you step back, and maybe staff has the ability of doing that, and just trying to figure out how all of what you're saying could be put into something that the county could forward. I think part of that attempt was made along the way and unfortunately what happens is as you get a wider audience for a document like this, it gets more and more difficult to achieve consensus. I'll revert back to the last strategy. What staff attempted to do was move a document forward that included a process where this question of what is rural character in Mason County, what are appropriate businesses in that area, and revisit our policies that may be hindering the types of businesses that we'd like to see. In the workshops, a lot of the discussion was exactly what you're saying, but I think the approaches might have been a little different. We do need good paying jobs in Mason County. I think a lot of people felt like those jobs aren't going to come to Mason County through working out of somebody's garage, but if we can get infrastructure in some of these urban areas and attract big business, attract manufacturing jobs, that's an opportunity we need to be trying to make a priority.

(#0075) Tim Wing: On page 4, under the third paragraph, is the only place I find much of a statement about the rural businesses. It says 'The county includes a number of rural based businesses. Most of these are small businesses with four employees or less, but collectively they account for roughly 35-40% of the total payroll countywide'. Can you insert something at that point that says something like this, 'The proper definition of Mason County's rural character must include that the rural county areas have in the past and continue to provide vital business sites for small businesses to spawn and grow. The county must maintain a focus on maintaining a rural environment which can foster and sustain these small business opportunities'. Could you put something like that in there to somewhat address the issues that we've been kicking around to show that this statement recognizes that better?

(#0105) Steve Goins: I can put in there whatever you want to put in there.

(#0110) Wendy Ervin: Jay, wasn't it in one of your emails a very good definition of the Mason County rural character?

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(#0115) Terri Jeffreys: That's the question before us now. Do we attempt that or do we put that on the work plan for the future?

(#0122) Diane Edgin: I'd like to see it go in now because I truly feel that this has been ignored for over ten years.

(#0132) Wendy Ervin: I agree with Jay that if we don't put it in at the beginning it may never get there.

(#0150) Tim Wing: I don't want to see us get into starting to rewrite this whole thing. That's why I'm suggesting that we add some sort of fairly clear forceful statement. The paragraph I'm talking about has the first sentence talking about rural businesses and that's it. The rest of the paragraph is about tourism and recreation. I'd like to see that separated. I'd like to see the first part about rural businesses expanded.

(#0195) Terri Jeffreys: I agree with the philosophy that we need to create our own definition of rural character, but I'm really concerned that the purpose of this definition be in the record and legally defensible for any further action that could go before the GMHB, that we could then turn to our definition and say this is how we defend ourselves. Because I feel the importance of this is so incredible, that I'm reluctant to do this right here and now. I want a legal opinion on it. I would like to get a more comprehensive scientific evaluation of what the community thinks to uphold and not a self selected public workshop and that sort of thing. Talk to folks about what's on the ground now because people antidotally think of Boeing right next door to them when you're talking about business expansion in the rural areas. Be more deliberate about how the question is asked, who are we asking, instead of a random sampling of people.

(#0240) Jay Hupp: My concern with waiting to define the rural character is that we've been waiting for fourteen years already and it is such a difficult subject that nobody is willing to approach it. So my suggestion is that you define rural character as we can best define it out of this group, throw it on the table, and let the entire community pick it apart as they want to. Then as that body of three people sitting up there makes a final decision of what the rural character is, then finally it's going to be articulated out of this county as the GMA be demanded it be done back in 1991. When you don't do it, you're completely at the mercy of anybody else out there that wants to define your rural character and dictate rules upon you because you haven't done it yourself. That's, I think, the essence of what we've been suffering with with the way we've been hammered by the GMHB year after year after year is that we've not stood up and done what the ACT told us to do in the first place, which was define our rural character and defend it.

(#0300) Steve Clayton: Terri brought up some good points about it being legally defensible on one part and also public input. If we direct staff, and we do have the authority to direct staff, to put it on the 06 calendar ...

(#0315) Jay Hupp: Not according to your bylaws. You work for them.

(#0325) Diane Edgin: If we could put a little column in the paper ...

(#0333) Terri Jeffreys: I told the BOCC at our workshop when we were all together that a legal notice is not getting the public here. Those legal notices ought to go out with a press release and Charlie ought to be printing an article out of it.

(#0350) Jay Hupp: I make a motion that we create the definition of Mason County's rural character and put it in this Economic Development Element.

(#0355) Wendy Ervin: I second that motion.

(#0360) Steve Clayton: We have a motion and a second. Any further discussion? It's going to be a rather lengthy process if it's to be done anywhere close to right.

(#0366) Terri Jeffreys: I don't want to do it tonight. I would prefer to do some research first ...

(#0375) Diane Edgin: I would pass Jay's motion with a stipulation of trying to bring a time table into this thing. We probably want to all sit down and write something ourselves and come back and discuss it.

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(#0390) Terri Jeffreys: The timeframe on this is hard, but there is a land use attorney who I would like to bring in as a workshop to talk about how this could be done. Unless T.J. feels like he's up to it.

(#0400) T.J. Martin: Who is it?

(#0402) Terri Jeffreys: Sandie Mackie.

(#0405) Steve Goins: Something that might help in helping us move this forward maybe recommending that the document include this definition that needs to be determined. Not necessarily with the idea that you have a definition but recommending that it be included and these stipulations, whatever they may be, be part of how you develop that.

(#0415) Jay Hupp: Can I read to you what I suggested as the definition of Mason County's rural character? 'The rural character of Mason County is that historical condition of living and demographics in which our population and business community is widely disbursed. We are a collection of small communities where we live and work in support of common local interests and where neighbors look after neighbors. Although our driving economic forces are resource based industries, the jobs pay well as a result of being production and manufacturing in nature. Our secondary economic force is in government employment, both local and state. Our local decision makers are highly accessible through community involvement. We are close to the land and take great pride in protecting and preserving the county's natural beauty. We are independent, entrepreneurial, and friendly. Like most rural areas, we have a great sense of community and family'. I don't think there's a whole lot in there to argue with.

(#0500) Terri Jeffreys: I just don't know that it would do the job.

(#0505) Tim Wing: I think that's a fair description of the community but I don't think it addresses the issue that we've talked about mostly here and that is what is the county going to do to protect those jobs in the rural areas?

(#0512) Jay Hupp: What does that have to do with character? What we're doing is defining the character. What we said here when we started out where we talked about we're a population of businesses and a community that's widely disbursed.

(#0525) Tim Wing: I heard that and that touches on it, but I guess I have some resistance to starting to rewrite this whole thing at this late date.

(#0528) Diane Edgin: That's not rewriting it; that's just inserting a paragraph.

(#0530) Tim Wing: I don't have any problem with what it says, but if we want to say something about the businesses and making sure that in the Economic Development Element that there's a specific provision in there that talks about rural businesses and insists there needs to be focus on them, I think we need to do that in addition.

(#0545) Jay Hupp: But I think that's a separate subject than defining the rural character.

(#0548) Tim Wing: I don't have any problem with defining the rural character, but I don't want to start rewriting this entire thing because I don't think we have time to do that.

(#0555) Steve Clayton: It's a pretty important issue to be done on the spur of the moment.

(#0560) Tim Wing: It's also a pretty important issue not to have done right, so we've got both competing issues.

(#0564) Wendy Ervin: The one thing that I think has not entered into this is we have resource based industry, which to my ear sounds like the woods, I think we need to also say something about the shore and shellfish.

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(#0582) Jay Hupp: But that's included in the general definition of resource based.

(#0590) Diane Edgin: I also like Tim's paragraph.

(#0592) Tim Wing: It focuses more on the businesses.

(#0594) Jay Hupp: I've got a motion on the table.

(#0600) Diane Edgin: I don't personally have a problem with Jay's definition. I don't see where it's indefensible.

(#0615) Wendy Ervin: It does describe Mason County in it's character. Who is Mason County? It is the communities that we are and it really does describe the character. Tim is talking about business and economics and his point is also valid. I think dealing with the economic preservation is a separate thing from defining the character.

(#0640) Terri Jeffreys: A definition of rural character should sit in the countywide planning policies and many other places that this definition needs to reside and not be buried in the Economic Development Element. So whatever we do here we will have to do elsewhere.

(#0655) Tim Wing: I don't have any problem with what you said. The problem I have is where does this go? If it's defined really effectively, what does it have to do with economics? I just don't think that gets the job done.

(#0692) Wendy Ervin: I think what it has to do with economics is it provides us a foundation when somebody attacks something, we say the GMA demands that we define the rural character in Mason County ...

(#0720) Terri Jeffreys: We have to acknowledge that a definition of rural character does currently exist in the Comp Plan.

(#0725) Bob Fink: Right. I brought copies of the current description of rural character. I brought not only the current one but also the 1996 one from the original plan. If you look at them you'll find that specifically added to the definition of rural character is 'where small areas of more intensive development, such as small scale commercial and industrial development, tourist related businesses, and small groups of businesses on small lots'. Also specifically added were 'resource based industries, such as quarries, timber and wood processing facilities'. The original community visioning process, which was done in the early 90's and went on for years prior to adoption of the plan, the description of the vision for the rural area really hasn't changed. It says 'Natural resources will continue to provide the foundation of the county's economy. Forestry, agriculture, aquaculture including shellfish and other fisheries industries, Christmas tree farming and mining will provide employment for county residents. The county's abundance of natural amenities including mountains, lakes, rivers, and wildlife will continue to support the county's land use regulations will protect natural resource lands and industries against encroachment from incompatible competing uses'. That's not been changed. I also made a copy of nonresidential rural policies, which is what you're talking about. I made copies from the 1996 plan and the current plan. You can see there were significant changes and a lot of thought went into structuring the rural economic environment over the ten years since the plan was first adopted and appealed and revised about every two years during that time to try to address these issues and achieve some balance between the desires of the citizens of Mason County and the mandates of the GMA as interpreted by the GMHB.

So it's not that these issues haven't been tackled in the past. The report that Jay refers to that he produced was part of the information that was provided prior to the order that was attached to the package that Steve prepared for you to look at. There are a lot of concerns with development in the rural areas, but that doesn't mean that there can't be and shouldn't be development in the rural areas, it just means that that development has to be limited in some ways. On the other hand, there needs to be an emphasis on development in the urban areas. If you look at the order by the GMHB it's a very clear line that they emphasize policies and capital planning to support that growth in the urban areas. The GMA doesn't say that there can't be economic activity, particularly small scale or resource based activity. The language that Tim proposed by noting the

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significance for the rural areas is certainly important in the existing economy in Mason County, but I think the direction for the future is to try to encourage that kind of development in the urban areas by supporting and investing enormous sums of money into the infrastructure that will allow businesses to grow and thrive in the urban areas. Whether that's good or bad, I think that's very much the direction that the GMA has given for the future. Small scale and low impact development are possible in the rural area. Natural resource activities that need to locate there should locate there. But the thrust of economic development should be trying to focus on what's needed to support economic development generally in the county.

(#0895) Jay Hupp: I would argue that that, in fact, changes rural character.

(#0900) Bob Fink: What I'm suggesting is that the GMA and the GMHB's interpretations of it have defined things that you can and cannot do in the rural area. The character of the existing activities in the rural area of Mason County were developed without any kind of a land use control at all. There was no urban area for businesses to locate in. One of the fundamental principles, if you look at the first order of the GMHB, it's saying that the status quo cannot continue. In other words, what was allowed and the shape that things were heading was not the shape that they could have into the future. It was the intent of the GMA to change the direction things were growing. Mason County was and is a very rural county compared to many counties in the state. It's not heavily developed. But as you get more and more people moving in, and as you get more and more businesses you turn from a place like a small crossroads country store, to Taylor Towne and then to Hoodsport. The GMA doesn't say that you can't grow, but that you have to grow in an urban form. The exception to that is for the more intensive areas that predate the GMA. Places like Union don't need to be made urban to be able to develop and continue to exist, but if you wanted to create a new Union or a new Hoodsport or a new Allyn or a new Belfair, they needed to be urban in form rather than rural. This is my understanding that the direction of the GMA dictates. If you look at the orders, you can see the direction that the county has been nudged over this period of time.

That doesn't mean that development in the rural area isn't an important issue for the county to address. We should make sure that the nature of the limitations the county has imposed are effective for the purpose. There are things we can do to support the activity that should be taking place and can take place. We should be sure that we aren't interfering in ways that we did not intend when we adopted these limitations to come into compliance with the ACT. This is pretty much what I said a couple of meetings ago when we talked about this before. It's certainly an issue worth looking at, but it's an issue that needs to be looked at in great detail if we're going to change it in a way that's sustainable if challenged under the GMA. The rural character is defined in the Land Use Element. The Economic Development Element certainly can be supportive of that and should be; but if you want to look at rural character and redefining that, you should look at the Land Use Element. You need to go and revisit these issues and the history of decisions that lead us to the point we're in. What is the real effect on the ground now for businesses wanting to start up? How do we make things easier or better for them, particularly if they're businesses and activities that we could support?

(#1070) Terri Jeffreys: The two things that just scream out at me are in the decision order from the GMHB, the clear intent of the LAMIRD's is that any businesses in there serves that rural community. That precludes the mail order nursery so we have that to contend with, which a definition of rural character might be able to help us get over this. The other thing is in our nonresidential policies we simply do not want development that will require urban levels of government service and as Jay has so eloquently pointed out so many times, these guys wouldn't go out there if they needed that. So again, we have another red herring thrown up there that if we let these guys expand they're going to demand services that can't be afforded or given to them. The point is, they're not asking for that.

(#1112) Bob Fink: What the ACT requires is that you have these businesses isolated from one another. If they remain isolated then they're not likely to need urban services. But our experience with the Hood Canal, is there's a concern about LAMIRD's on shoreline development. They do need urban services.

(#1132) Wendy Ervin: In the case of Hood Canal, you've got an attraction which is the water so you're development is clustered in that area. What I'm talking about rural businesses is out there in that massive grain on the map; 3/4 of the county is not next to the water and this is where you have your mills and whatever that operate without needing urban services. They're not necessarily going to attract three other businesses next door to cluster with them because they don't have the attraction of the water that brings

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businesses into Hoodsport.

(#1180) Bob Fink: In planning theory there's location, both in economics and theory, about where businesses locate. Businesses tend to locate in clusters and the nature of businesses is largely driven by the size of the market. Certain businesses can survive in certain types of market and some can't. The GMA, in a sense, intervened in the organic process of a community growing from a crossroads to a city. Theory says that the natural progression as the population densifies, is that you get a greater variety of businesses. Businesses tend to locate in the same place, like a crossroads, because that location reaches more people within a set radius that's going to come to those businesses. What GMA has done is say that if you're not a city, if you're not an urban area, and you don't have urban services then the scale and the nature of the growth that's going to be allowed is going to be very limited.

(#1250) Wendy Ervin: But it's self limiting.

(#1255) Bob Fink: But not over time.

(#1260) Wendy Ervin: Right. But as we discussed two weeks ago, once that industry or business grows to a point where it needs more services, it's going to move to where it can be accommodated.

(#1280) Bob Fink: You don't have to accommodate it in the rural area.

(#1285) Wendy Ervin: No, because it's not going to be there once it grows to a certain point it will move and go to an urban area more compatible.

(#1290) Bob Fink: You need to realize that the existing regulations allow new businesses in the rural area. It not only allows home occupations and cottage industries, but it allows new businesses of a variety of types. You've gone through rezone processes to allow some of those businesses. We can allow new businesses, but they have to fall into certain thresholds. They have to be small scale. The two ways that allowing these new businesses is limited is the requirement they be isolated. That's the half mile down the road isolation. That was the number that came up and went through review and was approved by the state. The other limitation is that the businesses are established through rezones. You've done through that process. That review provides the county an opportunity to review whether that location is suitable for that kind of intensity of development. That's what the rezone process does. If that kind of activity is not going to bother the neighbors, that is, that it's compatible, and is consistent with other policies, then it can be permitted there. The restrictions on home based businesses are very narrow. They don't require any review to be established. With a special use permit, if the location is suitable, you can break out of any of those limitations, except for the number of employees.

(#1445) Terri Jeffreys: It's not just the location that needs to be correct; business itself has to be correct. You have this list of permitted uses ... that's a huge criteria for somebody just starting out as a cottage industry that isn't a tourist based industry or something that we define as being okay out in the rural lands, to be able to expand any further, a commercial or industrial rezone is not available to them.

(#1465) Bob Fink: There's a fairly broad range of activities that are allowed with home based businesses, but it's not limitless. The matrix of uses was first adopted because the county had no zoning and wasn't really comfortable with the concept of zoning. They realized there had to be some control over the types of activities and the matrix was created to address that need. We still have that fairly long list of activities and there are certain uses in there that are identified as not suitable for home based businesses. It doesn't allow for everything, but it does allow a variety of things. Everything essentially is allowed in the urban area. That's what the urban areas are for. That's why Allyn, which started life under GMA as a RAC, was changed to an urban area. The community realized they could never have the variety of activities and variety of businesses as an RAC that they had envisioned. Allyn doesn't envision itself as Seattle. Allyn envisions itself as a nice little community with some business activity with maybe a job center or industrial opportunities. Even though they're thinking in very large terms now it really doesn't change the essential nature of the area. They're not trying to be Seattle.

I just wanted to make sure you have this background because these issues have come up before; they have

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been discussed and argued. If you wanted to know what the sentiment of the county was, it was very clear in my perception that these things are more restrictive than they would like to see. Regardless of the sentiment of the county, the state law sets certain standards that, in the eyes of the state as a whole, are an appropriate level of development and an appropriate nature of use for the county.

If you want to revisit those rural area criteria, even beyond the scope of what I was saying. Let's make sure that our regulations are achieving the purpose that they should be achieving. That we're not putting road blocks up unintentionally to businesses being able to start that are appropriate. The question of revisiting the issue of the battle with the state, if you want to do that, if the sentiment is that you want to do that, you need to proceed very carefully, because if you don't lay the groundwork, you're not going to get any further than we did before. You're going to expend a huge amount of effort in trying to fine tune some of these things but still leaves you vulnerable to attack under the ACT because you haven't really met the intent or the interpretation of the ACT that's been established in the past.

I hate to respond to you like that because I think it's great that you're trying to get at these ideas, and I recognize your frustration and it's a frustration I've heard for years. But when you approach this you have to realize the context. I know you've all heard about a lot of it and some people like Jay have been intimately involved with it for years. I just want to reiterate that this is where you're going and these are the issues that you're going to run into. It's not that things can't be changed, but as you change them you have to be very careful that you stay within the ACT and that you document what you're doing and why you're doing it. It's not anything that we can do well in a month or two, particularly when we're trying to do so many other things.

(#1712) Steve Clayton: So on the last page, page 23, it outlines a lot of what you've just said about being on the 06 and 07 work plan. Rural character; recommending that commercial and industrial be appropriate within the rural areas, establishing a framework. That's what was added last time around based on the comments.

(#1725) Bob Fink: Right. And I think that those are all really great things. I don't think that the issues are dead. You have to realize what the down side is of going off into this other direction without enough time to really address it well.

(#1745) Jay Hupp: I withdraw my motion on articulating the rural character of Mason County.

(#1755) Wendy Ervin: If we're not going to do that tonight, I think we need to do that, so do you want to remake a motion?

(#1764) Steve Clayton: It's identified here on the last page.

(#1766) Wendy Ervin: It says 'crafting a definition' so when is that going to be scheduled?

(#1770) Steve Clayton: It says 'budget funding from fiscal year 2006 or 2007'. As Mr. Fink said, it's an extensive process.

(#1775) Wendy Ervin: Okay.

(#1780) Tim Wing: I think if you want to craft a definition of rural character, you need to do it very carefully with a lot of input and be careful to do it in such a way that it will hold up under the scrutiny of the GMHB. I think we ought to do that but I don't know that we have the time to get into that.

(#1795) Steve Clayton: So Jay withdrew his motion.

(#1800) Wendy Ervin: I will withdraw my second.

(#1805) Tim Wing: I still like the idea of emphasizing the need to protect the rural business environment. If we decide that we don't need to say any more than what's in here, that's fine with me, but I had proposed some language that I think does deal with most of the issues we were talking about earlier without getting too much into the philosophy. I was proposing splitting that paragraph on page 4 and after the first sentence I was proposing we have something like 'A proper definition of Mason County's rural character must include

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that the county's rural areas, have in the past and continue today, to provide vital business sites for small businesses to spawn and grow. The county must maintain policies which foster and sustain these small business opportunities'. It seems to me that captures the essence of the discussion we had earlier about recognizing that small businesses exist and that they're important to the county.

(#1870) Terri Jeffreys: I'd also like to see that translated into a goal.

(#1874) Tim Wing: As far as I'm concerned it would be fine with me to let Steve do that.

(#1876) Terri Jeffreys: Okay.

(#1880) Wendy Ervin: So you're proposing that to go somewhere in there? Would you make a motion to that?

(#1886) Tim Wing: I move that we propose to Steve that language of this type of some version of this be incorporated somewhere in the Economic Development Element.

(#1900) Wendy Ervin: I'll second that.

(#1905) Steve Clayton: We have a motion and a second. Any further discussion?

(#1910) Terri Jeffreys: I'd like to make a friendly amendment for it to also include direction to staff to incorporate goals and strategies that would address that statement.

(#1935) Steve Clayton: If we use develop, though, then we aren't going to be able to finish this tonight. If we use Tim's verbiage in either the Community Setting section, or as one of the bullets in a goal, would that be along the lines of what you're talking about?

(#1950) Tim Wing: Is our assignment tonight to actually adopt this as it is, or will we have another crack at it? If I give you this verbiage and ask that it be reworked somewhere in there, is that something that can happen?

(#1960) Steve Goins: What I'm hoping that we can achieve is a recommendation, and your recommendation could be to include specific language, or it could include more vague language where you want staff to address a certain topic in more detail.

(#1975) Bob Fink: It's really a question of whether you necessarily want to see it again. You can direct us to include language that you suggest in the appropriate place, and with that change send it forward to the BOCC. Or you could say you want to see it again. We can do it either way.

(#2000) Terri Jeffreys: There are other recommendations that were done in the emails that we need to go point by point down them and decide if we want to incorporate those suggestions.

(#2015) Tim Wing: I saw an awful lot of those as just wordsmithing and I don't have much interest in going through this word by word.

(#2022) Steve Clayton: The wordsmithing doesn't change the context; it's do we want to change the context that's the question.

(#2032) Jay Hupp: I've got one suggestion that I would like to see made. In the definition of sustainable, on page 2 ...

(#2044) Tim Wing: We actually have a motion on the floor. Let's deal with that first.

(#2046) Steve Clayton: We have a motion and a second to recommend that staff insert Tim's language or some version of it. Further discussion? All in favor? Opposed? Motion passes.

(#2070) Terri Jeffreys: I make a motion that we direct staff to craft goals that would compliment the added language.

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(#2078) Diane Edgin: I second that.

(#2080) Steve Clayton: We have a motion and a second to direct staff to craft goals that would compliment the added language. Any further discussion? All in favor? Opposed? Motion passes.

Break in meeting.

(#2110) Steve Clayton: So what direction would we like to take? What do you want to do?

(#2112) Jay Hupp: As long as we're making specific changes, I'd like to suggest another specific change. On page 2 under definitions. Sustainable; the definition of a sustainable business without mentioning that business being profitable is pure nonsense. I would like it to read 'In the context of business; operating businesses in a profitable manner, and that promotes a balance' ...

(#2175) Steve Clayton: Would the group be opposed to go through this page by page and we'll do some quick wordsmithing and try to stay off the contentious issues?

(#2200) PAC: Alright.

(#2220) Steve Clayton: So let's start on page 1, Under the third paragraph, change the word 'analysis' to 'discussion'. Also change 'public involvement' to 'citizen involvement'.

(#2250) Wendy Ervin: There is some language in this that is feel good babble stuff that is not necessarily dealing with the economics.

(#2264) Steve Goins: A lot of the language in here was arrived through a public consensus process. It's not easy to write goals that don't sound rather vague and doesn't really say anything when creating it in that manner.

(#2278) Terri Jeffreys: Why don't you just get to the specific change, please.

(#2280) Wendy Ervin: The specific change is in the first paragraph it says 'Comprehensive Plan that promotes economic opportunity for all citizens of the county, especially for unemployed or disadvantaged persons' ... I'm sorry, but who else are you going to be creating the economic opportunity for? I just think that should be struck out.

(#2295) Steve Goins: The reason that's included is it's quoting our existing policy.

(#2300) Wendy Ervin: Okay, but I still think it should be struck out. It says 'all citizens of the county'. All is all.

(#2312) Jay Hupp: I agree. I think it detracts from the credibility of the document to emphasize what is emphasized in that paragraph.

(#2322) Tim Wing: Let's get rid of it and move on.

(#2330) Steve Clayton: On page 2, we've added the language to the definition of sustainable. On page 3, under Community Setting, it should read 'Mason County is located between the metro areas of Bremerton and Olympia', rather than 'Seattle and Tacoma'. All the wording is on the email that I sent you, Steve. Jay had a correction on the Major Employers Chart. Mason County Forest Products is now up to 160, as opposed to 120. On page 4, under the second paragraph, Jay made a comment that stating 'small businesses with four employees or less' was not an appropriate statement based on the economic survey. He changed some language on that. I also used Jay's language in my email to read 'The county includes a number of rural based industries and businesses. Collectively they account for roughly 38% of the total countywide payroll, and 62% of those businesses are located in rural areas'. I asked Jay and I think he agreed instead of '38% of total countywide payroll' to insert the word 'private enterprise people'. It doesn't include the big employers.

(#2560) Jay Hupp: I also had a suggestion that this be the third full paragraph down on page 4. There's

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implication there that the primary reason why we've got 42% commuting outside of Mason County is because of the low housing costs in Mason County. That's partially true, but the real reason that we have got 43% commuting out of the county is because the business growth has not kept up with the population growth. The jobs aren't here and that's why they're commuting outside the community. There's some truth to the fact that it's cheaper to live over here and if you've already got a job over in one of the other more urban areas, then it's less expensive to live over here and commute. But the real reason is we haven't kept up with the job growth in Mason County.

(#2625) *Miscellaneous discussion.*

(#2800) Steve Clayton: Since we don't have a consensus on this, let's mark this one and we'll come back to it.

(#2825) Jay Hupp: Steve, my comment on basing all of these charts on 1970; looking at population based on 1970 and when we get over to age distribution we start with 2000 and we get down to unemployment and it starts with 1994. If we can start with the year 1970 or 1980 and at least be consistent with all of the charts then you begin to get a picture of what's happened in the community over that 20 or 30 year period. There was a horrendous impact on the demographics of the community between 1970 and 2000. The spotted owl decision came in here and the economic impact of that was horrendous.

(#2895) Steve Goins: I'm sure that I have access to data to take chart 2 down to 1970. I'm not as certain on the unemployment.

(#2945) Terri Jeffreys: On page 7, under Relationship to Other Elements. Jay has suggested, and I concur, under the second paragraph, 'A fundamental goal of this Economic Development Element is to diversify' and add the words 'and grow' 'Mason County's economic base'.

(#2990) Wendy Ervin: Under Assessment and Analysis it should read 'experienced profound changes over the last 15-20 years (e.g. timber products)' ...

(#3000) Jay Hupp: On page 8 under the third paragraph where it says 'Existing cottage industries make a significant contribution to the local economy' ... that takes us back to where we emphasize cottage industry in the rural area. I'm not sure that we want to continue to emphasize that, because if we're really talking about supporting what's out there, it's not cottage industry that is out there. There's a whole lot of business out there that doesn't fit the category of cottage industry. It should say 'rural businesses'.

(#3085) Terri Jeffreys: On page 9, Jay, you had suggested something in your email. Under the last paragraph.

(#3090) Jay Hupp: It's upbeat in encouraging continuing development of resource based industries, but then the last sentence takes us back to acceptance of lower wage jobs. We don't want to go there so why talk about it? I would just eliminate ...

(#3120) Steve Goins: That paragraph has been shifted around. What he's talking about now is the last sentence in the second paragraph on page 10.

(#3128) Jay Hupp: Thank you.

(#3132) Steve Goins: The reason I'm adding that is it's sort of a reality check. As our population increases, the number of service jobs we create are going to increase whether we like it or not. So why hide that? Let's just acknowledge that's going to exist. Let's just acknowledge that this is part of our reality.

(#3160) Jay Hupp: From my prospective, I wouldn't go there. I would say that our intent, as a community, is to work in the other direction where we work towards good paying jobs and that's what this Economic Development is all about.

(#3200) Steve Clayton: Steve made a good point. It is our reality.

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(#3250) *Miscellaneous discussion.*

(#3350) Jay Hupp: I don't necessarily accept the premise that new jobs are going to be low wage jobs. The growth is in government and manufacturing, both of which pay well.

(#3365) Steve Clayton: Maybe what Steve is saying is that we bring on the more mill jobs and then it requires more service jobs to feed the mill workers and the ratio isn't 1:1. You add more service jobs to support those higher wage people.

(#3385) Tim Wing: Can you add 'including boosts in family wage jobs, as well as lower wage service sector jobs'?

(#2290) Wendy Ervin: Service sector includes things like dental and that sort of thing so they're not necessarily lower wage.

(#3420) Tim Wing: I'm wanting to get past these kinds of things because there are bigger questions that require more discussion from this board.

(#3430) Steve Goins: The acknowledgment here was to just point out that as what has happened over the last 25 years, and will continue to happen, our economy has transitioned from a resource based economy to a more diversified economy. That economy includes a spectrum of jobs, some of which aren't good of paying jobs, but it's a diversification process and the process is going to continue.

(#3460) Terri Jeffreys: It was acknowledged at the Economic Development Summit that that's not necessarily a bad thing, because it lets teenagers have jobs.

(#3475) Steve Clayton: The first word on page 10 should be 'enhance'. Also, it should be 'aerospace'.

(#3500) Wendy Ervin: What happened to the paragraph that was the second paragraph on page 9 regarding Health Care and Human Services Sector? I had brought up previously the idea that the county could save a great deal if we had medical savings accounts.

(#3550) Steve Goins: We are creating separate policies that will speak to our Health and Human Services Sector as a separate element.

(#3580) Wendy Ervin: Okay.

(#3630) Jay Hupp: On page 11, in the last paragraph it says, 'Creating innovative methods to provide start up and expanding firms with incentives and access to resources would help offset this condition'. The other thing that would help in business development is some wording in there that would eliminate or reduce the regulatory environment under which they have to operate.

(#3685) Steve Goins: Is that different than streamlining the permit process?

(#3690) Jay Hupp: Yes, very different. If you go into the matrix of permitted used, all the things that when a person wants to put in a business, and they run into all the 'why nots' that cause them to throw their hands in the air and you never see them ... you work towards reducing the regulatory environment under which businesses have to operate and you'll see them begin to blossom. It's the comparison between Mason County and Grays Harbor County, who is not under the GMA.

(#3740) Steve Clayton: But on the flip side, if we reduce the regulatory environment that means we need to draw the overall regulations tighter, because now we can no longer permit exceptions.

(#3760) Jay Hupp: This is a general statement of what would encourage business development, and what I'm saying is there's another condition in this county that frustrates business development and that's the very intense regulatory environment under which they have to come into being.

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(#3800) Tim Wing: I don't have a problem with what he's saying.

(#3812) Wendy Ervin: On page 12, under (3), it says, 'The county must strive toward economic diversity, and promote business opportunities that result in a broadened economic base'. Then the only thing that is listed is business expansion that strives to capitalize on the anticipated increase in the proportion of individuals 65 years of age and older. In other words, let grab that service sector, low pay nursing home care job. I just object to that being the only example of diversity.

(#0098) Terri Jeffreys: Would you recommend we take it out?

(#0100) Wendy Ervin: I would like to see taking it out entirely.

(#0105) Jay Hupp: I recommended that you change that paragraph to eliminate the last sentence and start with 'Business expansion should strive to capitalize on anticipated continuing growth in the natural resources industries, with an eye toward manufacturing and export opportunities'.

(#0150) Steve Goins: The idea with discussing this was to hit a market of the health care sector that we're already missing a bit and all the demographics indicate that there's going to be an increased number of people living in Mason County that need health services that we could potentially be providing and keeping those dollars in the community.

(#0166) Tim Wing: And those aren't necessarily low wage jobs. I'd like to reiterate my suggestion that after the first sentence it says 'two examples are', and put Jay's in there and put this in there and let's move on.

(#0180) Jay Hupp: That's fine.

(#0200) Steve Clayton: On page 14, we took the word 'any' out of each of those.

(#0250) Jay Hupp: On page 14, under 4.2. I think it should read 'Promote a positive regulatory culture with a bias toward fostering business development'.

(#0270) Steve Clayton: Steve, do you agree with that change?

(#0275) Steve Goins: I think the difference lies in how much of this the county can do. The idea toward making decisions is if development or if an application is in the process, that it doesn't need to get bogged down. How the county promotes business development is rather ambiguous. How does the county do that? How does that statement really get traction?

(#0300) Steve Clayton: So this is a little more specific in that you feel we are following through and actually making decisions.

(#0306) Steve Goins: Right.

(#0310) Jay Hupp: But your decisions don't necessarily have to support business. They could be anti business decisions.

(#0310) Bob Fink: They are not anti business, but they may have an impact on someone's business plan.

(#0315) Tim Wing: It says 'positive regulatory culture'. I don't see how you could turn it around and say that we're going to make decisions that impact businesses negatively.

(#0350) Bob Fink: The point there is that you come to a conclusion rather than delay the process.

(#0365) Jay Hupp: Just leave it the way it is.

(#0375) Wendy Ervin: On page 15, under Action Statement. I think it should say 'Provide proactive and committed support to our county's learning communities enabling the delivery of a variety of quality educational opportunities'.

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(#0388) Jay Hupp: Let me suggest an alternative there. One of the things that's really lacking in the business development area in this community and other communities across the country is positive work force development action. It would strengthen this document to make a statement that this community intends to solve that problem. I suggest 'Provide proactive and committed support to our learning communities as their efforts pertain to work force development and to delivering a variety of quality education opportunities for youth and adults in effectively preparing our citizens for the future in support of our employers'.

(#0420) Steve Clayton: Sounds good to me.

(#0450) Jay Hupp: On page 16, under 9.3, take out 'provided the proposed land uses served are compatible with the proposed uses indicated in the Airport Master Plan' and replace with 'and work to ensure that surrounding land uses are compatible with the Airport Master Plan'.

(#0470) Wendy Ervin: At the bottom of page 15, under Action Statement, I'd like to change 'functioning' to 'functions'. On page 17, under 10.3, it says 'Support and coordinate infrastructure development serving recreation in rural areas that improves the quality of present recreational facilities and facilitates the creation of new facilities in the county while reducing their environmental impacts'. That is just pure babble. It's silly.

(#0525) Terri Jeffreys: What's your recommendation?

(#0540) Wendy Ervin: Actually, I was just so annoyed by it I just wrote 'pure babble' by it and didn't make a suggestion.

(#0552) Tim Wing: I don't have any problem with the way it's written.

(#0564) Jay Hupp: In the Action Statement under Buildable Land Supply, replace the word 'employment' with 'business development'. On page 18, under Goal 14, change 'home based businesses' to 'business development'.

(#0600) Steve Goins: The idea there is to try to support telecommuting and other forms of business activity.

(#0650) Tim Wing: I think it should be broader. I agree it should say something about home based businesses, but it probably should also talk about businesses in general.

(#0690) Steve Goins: It would be very easy to expand that goal to be more inclusive.

(#0700) Jay Hupp: That will work.

(#0725) Steve Clayton: So staff will work on broadening that a little bit. On page 20, I just want to change an 'or' to an 'and' under (A.1). On page 21, under (a), Bill had recommended adopting within DOE's 2005 Stormwater Manual. I'd like to see it changed to 'the most recent'.

(#0780) Jay Hupp: On page 22, under (F.3) it says 'establish and maintain an inventory of all residential parcels outside the UGA's'. I don't think that focus on residential parcels has a place in the Economic Development Element.

(#0790) Terri Jeffreys: I think it needs to go in the Land Use Element.

(#0800) Bob Fink: It's actually promoting housing construction, which is a key part of our economy.

(#0815) Steve Goins: The local Master Builders representatives at the workshops worked very hard on this one and that's why it's in there.

(#0820) Jay Hupp: Okay. I withdraw my comment.

(#0900) Steve Clayton: On page 22, under (F.2), add 'some' after 'where'. We're back to page 4. The

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paragraph that starts with housing prices in Mason County. Any comments?

(#0975) Tim Wing: Can we give that to Steve to wrestle with?

(#1000) Jay Hupp: I'm comfortable with giving it to him to wrestle with. Do you understand the concerns that the real driving force that creates the 43% commuting outside Mason County is not the price of housing in Mason County. It's the lack of jobs in Mason County.

(#1020) Tim Wing: You don't have jobs here so the housing prices are down. So they attract people here who commute. They'd just as soon get a job locally, but there's no jobs.

(#1040) Steve Goins: It sounds like you're saying you'd like to see both points brought out there.

(#1045) Jay Hupp: Yes. If we could balance that out that would be okay.

(#1048) Steve Clayton: All finished with the comments? Okay, we'll need a motion for all those changes.

(#1050) Wendy Ervin: I make a motion for staff to incorporate all our suggestion into the Economic Development Element that will be recommended to the BOCC.

(#1065) Tim Wing: I second that motion.

(#1070) Steve Clayton: We have a motion and a second. Any further discussion? All in favor? Opposed? Motion passes. We've got some site specific rezone requests to review. T.J. had something for us.

(#1085) T.J. Martin: I did have some concerns about discussing this without it being with the full realization that what's going on here is merely a discussion about the rezones without any action being taken or determination being made at this time without the opportunity for a full public hearing in which members from the outside community could come in and state whether they're for or against such rezones. My concern would be that it would be difficult to read over this material and engage in a conversation and not be swayed in one direction or another. In addition to that, to further muddy the water, there is concerns in regard to anyone member of the commission here who might have already had communications with or had influence on the rezones themselves being a party to the discussion here. My basis for that is that the case law is sound in regard to wanting individuals who have any type of monetary interest or bias or predetermined idea about a rezone application to not only recuse themselves from the decision but also recuse themselves from the discussion process as a whole. The first step in this would be to go around and inquire whether or not there is anybody here on the commission who has had any communication with regard to the rezone applications or any predetermined bias towards a particular rezone application or has already made a determination as to which direction they would go with the application.

(#1150) Wendy Ervin: We've all discussed Ken and Peggy VanBuskirk because that was on the agenda a year ago. That's been discussed and aired quite a bit and then it was tabled.

(#1160) Terri Jeffreys: I have personal involvement in developing the applications for rezones #2 and #3. I'll be recusing myself from those discussions and decisions.

(#1170) T.J. Martin: That was one of the concerns I wanted to address first of all. Second, would be just to send out the notice that this is only a discussion and that there's won't be any action taken. I would also make the strong legal recommendation that no one privy to this discussion had their minds made up before listening to public input, which is set to occur next week. I know that's kind of a tall order to ask, but I need you to keep that in mind.

(#1190) Jay Hupp: At some time in the future I'd like to pursue this discussion at length. I'd like to have some time set aside to do that, because it's a really difficult line.

(#1195) T.J. Martin: Absolutely.

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(#1200) Jay Hupp: I had a discussion with Bill Knannlien about three months ago. He asked me what he ought to do about getting his property rezoned and we discussed where it was and what the issue was and I told him to put in an application to get it rezoned. So does that preclude me from taking part in the discussion here?

(#1210) T.J. Martin: Have you already made up your mind on how you're going to rule on it?

(#1212) Jay Hupp: Probably.

(#1214) T.J. Martin: Then that's problematic.

(#1216) Jay Hupp: Okay.

(#1218) T.J. Martin: So I would ask anybody who is going to recuse themselves from being involved in the recommendation process to also physically recuse themselves from the discussion in regard to not being physically present in the room where the discussion is going on. The reason for that is the case law that I'm referring to was an unfortunate incident that happened recently up in Port Townsend where individual had said they would recuse themselves and then went and sat out in the audience. During the public meeting, they had to get in their own two cents, so in a sense they still had their own input in the decision and so the court didn't look too fondly on someone recusing themselves and then having input into what was going on in regard to the decision making process.

(#1244) Jay Hupp: The question here is whether or not we're actually making a decision. All we're doing is forwarding a recommendation to the BOCC. They make the decision. So I have difficulty in being put in a position where I can't talk to anybody out on the street or I destroy my ability to sit in this body and bring additional information into the discussion. Otherwise, if you can't bring anything into the discussion that comes in from off the street, then I don't really think that's being fair to the public or to the BOCC.

(#1266) Allan Borden: You have to put yourself in the position when somebody asks you a question and it may result in your review of that request, you need to maintain a neutral position, like in the case of whoever this person is, when they asked you about their property and getting it rezoned, you simply say, the correct way to do it is go to the county and make that request.

(#1285) Jay Hupp: That's exactly what I did, but he asked me if I had my mind made up and I said that I did.

(#1292) Wendy Ervin: If you found something in listening to the discussion that you found to be alarming about that rezone request, would you then change your mind?

(#1298) Jay Hupp: Absolutely. My answer to you was based upon what I know now, not what I might know at the end of the discussion.

(#1300) Tim Wing: My question is, at 10:00 pm are we going to listen to nine presentations at this point?

(#1310) Bob Fink: There is the question of whether you want to have a briefing now or whether you want to just defer it for the hearing. I don't believe that we have any other issues on the agenda next week, so we can discuss them then.

(#1325) T.J. Martin: I just want to make it clear that I'm not trying to come and represent being the bad guy. I'm just trying to approach it from the legal standpoint of what's fair and what is fair is taking that rezone and confining your influences to the four corners of that document and what you hear from the public when they come and voice their opinion about recommendations you should give. That's what's fair. That's what I'm trying to strongly instill in each of you is to seek fairness.

(#1355) Tim Wing: We know a lot about this county and we know a lot about these communities and we know a lot about the plan that's in place in those communities. Are you telling us we can't consider any of that knowledge base?

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(#1360) T.J. Martin: I'm not saying you can't consider it. Nobody is going to come in here with an absolute clean slate. It's impossible, but you can't let your outside influences and bias affect your decision making ability in looking at each individual rezone.

(#1272) Bob Fink: You should consider your knowledge of the community, your knowledge of what's in the Comp Plan, the goals and purposes and intent behind it; those are the very things that you should consider. The concern is when you're dealing with an individual site specific rezone request, there is a due process and a fairness that has to go into the process that's different than a legislative action. When you're considering what should the policy be, a policy that's of general applicability that's going to affect a number of people, those kinds of legislative issues are not governed by the quasi-judicial processes because you're not dealing with a specific property and a specific property owners rights and his neighbors rights. It's different talking about these general policies and the economic policies than talking about a site specific rezone.

(#1420) Jay Hupp: I appreciate your position. My concern is this is not a decision making body. This is an advisory body.

(#1430) Bob Fink: But the law is that even though you're not a final decision maker, your advice is given some deference when the decision is made and the law binds you just as it binds the BOCC.

(#1444) Jay Hupp: Okay.

(#1446) Wendy Ervin: Are we going to get more information on these rezone requests before the hearing next week?

(#1450) Allan Borden: I have the first five staff reports to hand out to you now and I'll send the other four out to you this week.

(#1465) T.J. Martin: If there's anybody who would like further information about setting in on a quasi-judicial capacity, I'm more than happy to sit down with each and everyone of you to help you understand it. Feel free to call me or email me and I will answer any questions you may have.

(#1500) Steve Clayton: I will be recusing myself from the VanBuskirk rezone application discussion and vote.

Meeting adjourned.