Collaborative Planning: Implementation in Spokane County’s Metro Urban Growth Area

December 2009
This Report and Appendices as well as related reports for collaborative planning are available on the Collaborative Planning Web Page:

www.spokanecounty.org/boundary/collaboration
Table of Contents

COLLABORATIVE PLANNING: IMPLEMENTATION REPORT

A. Overview 1

B. Background of the Collaborative Planning Process 2
   1. Coordinated Development 4
   2. Fiscal and Service Delivery 7
   3. Interlocal Agreements 12

C. Collaborative Planning Results 15

D. Next Steps 15

APPENDICES

Appendix A. Development Regulations
   1. Spokane County Resolution No. 9-0281 (April 7, 2009)
   2. Spokane County Road Standards - Private Roads and Connectivity (January 2010)
   3. Spokane County Subdivision Ordinance - Connectivity (pending)

Appendix B. Fiscal Strategies
   1. Fiscal and Service Delivery Impacts (May 28, 2008)
   2. Implications of Annexation (June 15, 2008)
   3. Spokane County Fiscal Story (October 23, 2008)
   4. Framework for Revenue Solutions (June 15, 2009)
   5. Spokane County Line of Business Study (September 15, 2009)

Appendix C. Interlocal Agreements
   1. North Division Settlement Agreement (December 11, 2007)
   2. Memorandum of Understanding for Joint Planning (March 4, 2008)
   5. Moran Glenrose Agreement - First Amendment (February 24, 2009)
   6. Turtle Creek Agreement (April 28, 2008)
   7. West Plains Annexation Agreement (December 3, 2009)
A collaborative planning team representing each jurisdiction was established to develop work plans, select consultants, review work products, and set the general direction for the collaborative planning process. Participants on the team were Steve Davenport, AICP, Spokane County; Ken Pelton, AICP and Louis Meuler, City of Spokane; Scott Kuhta, AICP, and Mike Basinger, AICP, City of Spokane Valley; Marianne Morris and Chip Pilialoha, City of Airway Heights; Doug Smith, City of Liberty Lake; Tom Richardson, AICP, City of Millwood; and Susan Winchell, AICP, Boundary Review Board, who served as the project manager. In addition, the Finance Directors, City Managers and Spokane County elected and appointed officials contributed to the development of the project.

Consultants for the collaborative planning process provided the technical expertise needed to work through the many issues unique to this region and provide the customized solutions required for implementation. Bill Grimes of Studio Cascade worked with the collaborative planning team to develop the land use and development proposals and code and ordinance revisions; presented various proposals to elected officials and planning commissioners; and refined the proposals for implementation. Brett Sheckler of Berk & Associates worked with County and City staffs to develop the data for the fiscal and service delivery issues; met frequently with elected officials to describe implications of the various policy decisions; and assisted the collaborative planning team in setting the direction for the tasks needed. Mike McCormick was instrumental in negotiating the preliminary interlocal agreements establishing much of the framework for the collaborative planning process.

The Washington Department of Community, Trade, and Economic Development provided the funds needed to accomplish much of the work for the collaborative planning process.

**Acknowledgements**

Any collaborative planning process can only move forward with the commitment and support of the elected officials. Providing policy direction and continuous encouragement for the collaborative planning process are the elected officials for the participating jurisdictions listed below.
Collaborative Planning: Implementation in Spokane County’s Metro Urban Growth Area

This report documents the collaborative planning efforts undertaken by Spokane County and the cities of Spokane, Spokane Valley, Liberty Lake, Airway Heights, and Millwood. This collaborative approach benefits all Spokane County residents and sets up all jurisdictions for long-term success with this goal:

- Cities will have mechanisms to influence issues of land use, permitting, and infrastructure impacts associated with development in the unincorporated urban growth area.
- The County will have a clear service delivery/revenue structure that allows fiscal sustainability.

By pursuing this goal, Spokane County and the Metro cities have recognized that many of the challenges that they face can best be tackled by working together and by taking a big picture, collaborative approach. Moreover, they have recognized that, in order for Spokane County to achieve its best future, all levels of governments in the county must be healthy and strong.

This report includes descriptions of the work and findings in the following areas:
1. Coordinated Development in Urban Growth Areas
2. Fiscal and Service Delivery in Urban Growth Areas
3. Interlocal Agreements on Collaborative Planning

SPOKANE COUNTY’S METRO URBAN GROWTH AREA
The impetus for a collaborative planning process began in 2006 as a result of frustration with the lack of interlocal agreement for planning in urban growth areas. The Steering Committee of Elected Officials had spent years developing unused templates; there were stacks of unsigned interlocals; annexations were looming; and many lawsuits were pending. In the Spring of 2006, many elected officials and staff familiar with the situation were contacted to find out why progress had not been made and to determine if there was interest in tackling this in a more deliberate manner. Officials weighing in on the issue included the County Commissioners, City Mayors and Council Members, Planning Directors, CTED staff and statewide city and county organizations.

Many reasons were cited for the lack of progress – the land use regulations and development standards were too different, there was a dependency on revenues generated in urban growth areas, joint planning was undefined, and the role of the County as a regional service provider was unclear. However, there was an overall willingness by all of the jurisdictions to try a different approach to resolving some of these perceived conflicts. CTED then stepped in with a pilot grant program for collaborative planning to help in getting the collaborative planning process off the ground.

A collaborative planning team was formed with a representative of each of the jurisdictions in the Metro Urban Growth Area: Spokane County, City of Spokane, City of Spokane Valley, City of Liberty Lake, and the City of Airway Heights. The team proposed beginning the process by determining how all of the development regulations for the cities and the county were different and how they were similar. Each jurisdiction’s planner presented the proposal to the elected body to determine support; each city and the county heartily endorsed the proposal to apply for the pilot collaborative grant that would survey development regulations and see where there were consistency problems.

To get a perspective on how other Washington cities and counties were approaching some of the intergovernmental issues surrounding coordinated planning and development in urban growth areas, the planning directors of Douglas County and East Wenatchee were invited to describe the interlocal agreements that they had adopted and how it was working for them. In addition, representatives from CTED, Association of Washington Cities, and Washington State Association of Counties presented more examples from around the state. This took place at the first Public Officials Luncheon held in June 2006. Elected and appointed officials from the metro jurisdictions all attended and learned how interlocal agreements for planning urban growth areas were set up and how other cities and counties were proceeding.

The collaborative planning team met throughout the summer to develop the work plan for the proposal and to keep the metro jurisdiction elected officials informed.

In November 2006, the metro jurisdictions received a CTED collaborative planning pilot grant for $68,000 to survey local development regulations. Studio Cascade was selected as the consultant for the project. This comparison of development regulations showed that each jurisdictions’ development regulations were very similar to one another. However, some areas of concern did surface such as connectivity, land use, streets, landscaping, design, density, setbacks and the overall process of involving adjacent cities in County land use actions.

In May of 2007, the preliminary results were presented to the Metro Area elected officials at the second Public Officials Luncheon. During the summer of 2007, the consultant and collaborative planning team met with each city council and the County Commissioners to present the findings of the report and solicit input. The results were compiled in the report entitled "Collaborative Planning: Spokane County’s Metro Urban Growth Area".
The report was well received and the question that was consistently asked was: What next? The collaborative planning team identified the next steps for this deliberate process of developing successful planning for urban growth areas:

- Develop coordinated development regulations and review process for urban growth areas.
- Determine fiscal issues associated with urban growth areas for County revenues and service delivery.
- With this basis in place, assist the County and cities to negotiate interlocal agreements for collaborative planning in urban growth areas.

Again, each jurisdiction’s planner presented this collaborative idea to each elected body to determine support; each city and the county again heartily endorsed the proposal to apply for a second phase of the collaborative grant.

In December 2007, the collaborating jurisdictions were awarded $150,000 by CTED to build on the first phase of the collaborative planning work and address the tasks identified above. This work took three tracks: 1) coordinated development in urban growth areas; 2) fiscal and service delivery issues for Spokane County surrounding city annexations, and 3) interlocal agreement. Studio Cascade was selected to assist with the work on the development regulations and Berk & Associates was selected to provide the fiscal and service delivery expertise. The services of Mike McCormick, a governmental consultant, were used to successfully complete interlocal agreements already underway.

With the initial work of the collaborative planning coming to a close for Spokane County and the Metro cities, the collaborative planning process is now being expanded to include every city in Spokane County in the further development of a collaborative planning process.

In August 2009, the Spokane County Board of County Commissioners adopted the following Collaborative Planning Principles to guide the development of interlocal agreements for joint planning.

PRINCIPLES OF COLLABORATIVE PLANNING

1. A collaborative planning process between the City and the County will benefit both jurisdictions as well as citizens and property owners of the entire region.

2. Consistency between comprehensive plans and regulations together with a coordinated review process for proposed development within the unincorporated Urban Growth Area will encourage development within the Urban Growth Area and facilitate the creation of a vibrant, attractive and economically healthy urban area.

3. Joint planning for growth and development within the unincorporated Urban Growth Area will provide predictability to the City, the County, other service providers, and the citizens in these areas.

4. Efficient and cost-effective provision of urban services within the Urban Growth Area will encourage orderly development.

5. A mutually agreed timeline and sequence for city annexations will offer predictability to cities, the County, service providers, and citizens in the unincorporated Urban Growth Area.

6. Identification of an urban growth area with the adjacent city enables cities, the County, service providers, and citizens to better plan for future development.

7. A mutually agreed upon process between the County and cities for designating and amending urban growth areas adjacent to cities encourages consistent development, efficient delivery of services, and an orderly annexation process.

8. A joint planning process that recognizes the County’s responsibility and authority regarding unincorporated areas, and that is coordinated and consistent with the comprehensive plans and development regulations of the City will promote predictability within the Urban Growth Area that is compatible with future annexation by the City.

9. Commercial, industrial and residential development at urban densities within the existing Urban Growth Area boundary is beneficial to both the cities and the County by allowing more efficient provision of services.
The collaborative planning team considered the various approaches described in the first phase report, "Collaborative Planning: Spokane County’s Metro Urban Growth Area". The team deliberated on the specific strategies that could be pursued to enhance collaboration and provided overall direction for this effort.

The original concept for coordinating planning in urban growth areas involved applying an overlay zone to the Metro Urban Growth Area and establishing specific and common development regulations to the entire area. In addition, a process for notification and involvement of adjacent jurisdictions was developed.

During the month of July 2008, City Councils and Planning Commissions of each participating city as well as the Board of County Commissioners and County Planning Commission were presented with this proposal for compatible development regulations and a coordinated review process. In addition, in the fall, presentations were made to the Spokane Homebuilders’ Association, the Spokane Board of Realtors and the Spokane County Development Task Force. As a result of these meetings, several revisions and refinements were made to the original concept.

Four issues were identified that presented the most threat to compatible land development and planning in urban growth areas:

- private roads;
- street connectivity between and within developments;
- urban design standards; and
- communication and coordination with partner jurisdictions in the development review process.
Private Roads

Private roads are just that, roads owned and maintained by private parties, often homeowner- ers’ associations. In the past, the motivation for using private roads in urban areas has been because they require less land area which allowed more lots, are less expensive to build, have less intensive construction standards, have flexibility in climbing steeper hills, and the ability to be gated for restricted access.

Private roads can work well in rural areas and also in special use applications, like mobile home parks, resorts or other situations where restricted access and an interior circulation system is clearly separate from the public road network and where other controls are in place to ensure public safety.

However, private roads present some problems with urban densities and where urban services are to be provided. They can be narrower and steeper than public roads, they may not be constructed to the strength or width necessary to accommodate public safety vehicles, and often are not maintained as well making it difficult for emergency responders and often, the residents themselves. In addition, private roads restrict the ability of service providers to place utilities in the road.

Since the adoption of Spokane County’s updated development regulations in 2004, private roads are being used less frequently. This is partially due to the increased densities now allowed under the new code, the increased appreciation for public safety access, and also, the realization that roads intended to be maintained by homeowners’ associations often end up as a continuing burden for the original land developer.

The recommendation for private roads in urban areas is to require that private roads meet public road standards, and allow their use only in extenuating circumstances where topography or previously developed conditions indicate that a public road would not be practical. To implement this recommendation, the County’s Roads and Bridges Ordinance are being amended to specify that all roads in the urban area meet the County’s public road standards for curbed roads.

Street Connectivity

Connectivity is a system of streets with multiple routes and connections serving the same origins and destinations. Simply put, it allows traffic many ways to get where it needs to go.

Street connectivity is important for many reasons: it reduces travel time by allowing people to avoid out-of-direction trips, it allows people the option of walking or bicycling because routes to schools, parks and businesses are shorter, it allows emergency vehicles like police and fire to respond faster and use alternative routes if one is blocked, it spreads traffic out and reduces vehicle speed, and it reduces overall vehicle miles traveled.

Spokane County’s comprehensive plan supports street connectivity within and between neighborhoods, but the implementing regulations in place are now very limited.
Design Standards
Design standards address various aspects of project design, each intended to ensure high levels of function, a human-scale environment and respect for adjoining development. Some examples of features that might be included are sidewalk design, lighting, screening, and treatment of blank walls.

The County has adopted design guidelines that now only apply to development in the County’s Mixed Use zoning district. Many cities also have design guidelines, however they apply to a broad range of zoning categories. Design guidelines often include both advisory and regulatory elements.

The recommendation for design standards is to apply design guidelines to commercial, light industrial, and multi-family development in the urban growth areas to enable these areas to look and function in ways that are compatible with projects in the cities. These design guidelines would be administratively applied by County staff and the Hearing Examiner, enabling the County to implement design modifications as part of project review. The Spokane County Zoning Ordinance will need to be amended to include the recommendations for design guidelines.

Communication
A fundamental component of collaboration is communication. The proposed process invites the Metro area cities to participate actively in the review of County land use actions as well as legislative changes. The cities will have to reconsider their approach to commenting on land use permits, offering the type of constructive, material comments and recommendations the County will need to ensure timely inclusion in the review process. This may be especially important after County codes are amended to address the above issues and may involve more staff time for the cities.

The proposed process adds no more time to project review, but it does provide for city involvement at important stages. Cities will be invited to participate in pre-application meetings, project review, SEPA review and public hearings, with their input included at each point.

The recommendation is to incorporate city comments and recommendations in the planning and development process for the metro urban growth areas. Portions of this process have already been implemented via interlocal agreements and additional conditions are currently being worked out and will be added as amendments. The agreed upon process will be incorporated into the Spokane County Application Review Procedures.
In May 2008, these issues and the proposed implementation strategies were presented to elected and appointed officials at the fourth Public Officials Luncheon. There was much discussion and an agreement by all that these issues would be the focus for the coordinated development regulations in the Metro Urban Growth Area.

In April 2009, the Spokane County Board of County Commissioners adopted Resolution No. 09-0281 directing its staff to take the necessary actions to implement the above recommendations for collaborative planning in the urban growth areas. In addition, the Planning Technical Advisory Committee has included support for the on-going work in its 2009-2010 work program.

The Steering Committee of Elected Officials will oversee the coordination of any policy issues and make recommendations to the Board of County Commissioners as needed.

2. Fiscal and Service Delivery in Urban Growth Areas

Work on the fiscal and service delivery implications of annexations began in March 2008. Specifically, the analysis sought to answer three questions:

- If the metro-area urban growth areas (UGAs) were to become incorporated, what revenue streams would the County no longer receive?
- If the metro-area UGAs were to become incorporated, what service obligations (and associated costs) would go away?
- Comparing the decrease in costs and revenues with annexation, what would be the net fiscal effect if all of the metro-area UGAs were annexed?

The consultants identified revenues generated and projected revenues in urban growth areas, however, in determining how services would be affected, it became apparent that they were not geographically-based. Because so many costs are fixed, the cost of providing services to the unincorporated urban growth area would not necessarily be the amount saved if an area annexed.

This situation was presented to the metro elected officials at the fifth Public Officials Luncheon in October 2008 and the need for defining a regional role for the County was discussed. Again, the message from the elected officials was, "we fully support this work and want to know what we do next". Immediately following the presentation, the collaborative planning team discussed how to proceed. The team agreed to have the consultant develop a "road map" to successful interlocal agreements and to speak with various elected officials to get concurrence on this "road map".
In June of 2008, the collaborating jurisdictions developed a road map to achieve the collaborative planning goals. This road map called for completion of four foundational elements:

1. **City influence on land-use decisions**: Develop a workable solution to facilitate coordination between cities and Spokane County regarding land use decisions and managing infrastructure impacts.

2. **Articulate Spokane County’s fiscal story**: In a clear and succinct format, articulate the nature of Spokane County’s long-term fiscal challenge. Describe why counties are different from cities and other local service providers, and describe why the County faces a structural fiscal problem.

3. **Articulate Spokane County’s approach to service delivery**: What does it mean when one says that Spokane County is a *local service provider* to unincorporated areas of the county, a *regional service provider* to the entire county, and a *provider of contract services* to local jurisdictions? Given a broad goal of efficiently using tax dollars, how does this vision dovetail with the service delivery needs of other jurisdictions?

4. **Identify potential revenue solutions**: In light of the service delivery vision, and in light of the County’s fiscal story, what revenue solutions might make sense? Is there a case that Spokane County’s collaborating jurisdictions can make for legislative solutions?

The road map was presented to county and city elected officials and there was agreement that this was the way forward. Work on the first foundational element was well underway with the coordinated development process for the urban growth areas described above.

To better understand how counties are different from cities and why the County faces a structural fiscal problem, a four-page folio outlining Spokane County’s fiscal story and highlighting the challenges the County currently faces was prepared. The basic message of the folio is that counties have fewer taxing authorities than cities and that the County is heavily reliant on property taxes with its one percent lid.

The folio was distributed to the metro jurisdictions, affiliated agencies, and the public. The information provided a starting point for understanding and a basis for both service delivery and revenue solutions.

### Fewer Taxing Authorities


![Spokane County Tax-Related General Fund Revenues (2005)](source: Washington State Auditors Office and Berk & Associates)
In considering the County’s approach to service delivery and the identification of potential revenues, it was clear that this was outside of what was anticipated in the original scope of work. In September 2008, the collaborating jurisdictions obtained further funding of $20,000 through a CTED Emerging Issues Grant to identify potential efficiencies and/or revenue solutions that would enhance the County’s fiscal sustainability and identify what regional and local services it will provide to unincorporated areas.

As the collaborating partners examined potential solutions to the County’s fiscal challenges, it became clear that Spokane County is really facing two intertwined challenges:

**First:** Spokane County is heavily reliant on an eroding revenue stream - the property tax, with its 1% cap, provides over 60% of the County’s regional revenues. With costs increasing at 5% each year, this very simply means that revenues do not keep up with costs.

**Second:** The County is trying to manage local service delivery in a difficult environment. This environment is characterized by:

- **Diseconomies of Scale** - With every annexation and incorporation, economies of scale are working against the County. Because economies of scale are driven by fixed costs, these costs are shared by fewer constituents; therefore, per-constituent costs go up.

- **Unprecedented Shift** - Spokane County has experienced an unprecedented shift in both its unincorporated population and its tax base. In 2000, Spokane County had 200,000 unincorporated residents and many large sources of local sales tax. With the completion of the West Plains annexation, Spokane County will have 130,000 unincorporated residents and virtually no large sources of sales tax.

- **Local Revenues** - Annexation and incorporations have taken important sources of local revenues and the County has almost no statutory authority to levy additional local taxes.

---

Note: Assumes 1% growth limit, 2% growth in countywide property values from new construction, and annual cost-of-service (inflation) increases of 5%. This 5% cost-inflation reflects the combination of core inflation (equal to, perhaps, 4%) and increased demand for county services resulting from increased population (1%).

---

One Percent Lid on Property Taxes
Spokane County’s Regional Property Tax Revenues in Inflation-Adjusted Dollars
Taken on their own, both of the above challenges are substantial. When they are intertwined, they become much more difficult to solve. To illustrate why this is true, consider an example:

*If I am a councilmember for Metro-area city (or if I am a city resident), even if I fully appreciate the importance of finding a sustainable solution for the County’s regional services (services I rely on), and even if I want to support the County in getting there, how can I have confidence that revenues I help secure will be used to re-enforce regional services, and not used to avoid making hard decisions about local services?*

Recognizing its position, Spokane County, with the concurrence of the Metro cities, decided that the best way to tackle its dual challenges was to untangle them from one another. The first step in this process was to clearly delineate Spokane County’s three so-called “lines of business.”

Spokane County provides three different types of service to its constituents and collects three types of revenue:

1. **Regional** - The County collects regional taxes and fees from taxpayers across the entire county, and as an agent of the State, it provides specified regional services to all constituents of the county. If a service obligation (or a revenue stream) is not affected by changes in municipal boundaries, then it was defined as a *regional* service or revenue;

2. **Local** - The County collects local tax and fee revenues from unincorporated areas of the county, and it provides local services to those areas. If an obligation or revenue stream is affected by changes in municipal boundaries, then it was defined as *local*; and

3. **Contract** - The County provides services for (or to) local jurisdictions in exchange for payments. If the County receives payments from local jurisdictions for a provided service, then it was defined a *contract* service.

By clearly distinguishing its “lines of business,” Spokane County would put itself in a better position to discretely manage both its regional-service and local-service responsibilities. Ultimately, the County and its collaborating partners viewed this process as a necessary step towards putting the County in a better position to manage and address the needs of their constituents.
In March 2009, the County funded a study of $33,200 with Berk and Associates to distinguish regional, local, and contract revenue streams and regional, local, and contract service expenditures.

The first step was to assign all of Spokane County’s core revenues and services to one of the County’s three service categories. The purpose of this exercise was for the County to be able to align each set of revenues with its appropriate expenditures. In effect, this would mean creating three separate “funds” within the County’s existing General Fund.

The alignment of Spokane County’s revenues and services showed that for the 2009 adopted budget, regional revenues generated a little more than the cost of regional services and local services cost quite a bit more to provide than the limited local revenues that were generated.

Spokane County and the collaborating Metro Cities are now faced with some policy decisions:

- What should the region’s stance be regarding the County’s local line of business? Should the goal be to have local revenues cover local service costs? If so, are there ways to share the burden so unincorporated constituents do not shoulder all the fiscal impacts of annexation?
- What can the County and cities do to mitigate against economy-of-scale-impacts from annexation?
- Are there opportunities to regionalize lumpy service components? If so, some of the County’s fixed costs could become variable costs, decreasing impact of annexations.
- How will collaborating partners meet the challenge of unsustainable regional revenues? Regional revenues may be sufficient today, but without action, the County’s regional line of business will soon be in the red. What is the plan?

In June 2009, the findings of the County’s line of business study as well as potential service delivery and revenue proposals were presented to local elected and appointed officials at the sixth Public Officials Luncheon. Discussion focused on addressing the policy issues and further commitment to the collaborative planning process.
Interlocal agreements and the general frustration of not making any progress is what started this more strategic path to collaborative planning. One of the tenets of the Spokane County Growth Management Plan adopted in November 2001 was the establishment of a joint planning process for urban growth areas to be implemented through interlocal agreements. There were many starts and stops along the way with interlocal agreements prepared to the point of adoption and then some hold up or another. A template for interlocal agreements was discussed by the Steering Committee of Elected Officials for over two years without implementation. By this time, lawsuits were being filed to prompt compliance with the Growth Management Act.

In February 2008, the City of Vancouver Manager and Annexation Coordinator and the Clark County Manager and Planning Director were invited to the third Public Officials Luncheon to address the elected and appointed officials from the metro jurisdictions and discuss their annexation plans and agreements. This proved timely in that Spokane County and the City of Spokane were in the midst of working out their own annexation agreements.

A brief description of interlocal agreements leading up to an interlocal agreement for collaborative planning in the urban growth areas follows:

**North Division Settlement Agreement (December 11, 2007)**
In 2007, the City of Spokane initiated an annexation of 135 acres along North Division Street in the urban growth area north of the city limits. The proposed annexation area included a Costco store, other commercial properties and a planned unit development with 39 homes. The Boundary Review Board held a public hearing and based upon the testimony received, approved the annexation but excluded the residential property. Spokane County appealed the Boundary Review Board’s decision.

Prior to the court hearing on the BRB appeal, Spokane County and the City of Spokane signed a Settlement Agreement. This Settlement Agreement specified that the annexation would become effective on April 1, 2008; revenue would be shared for three years; the appeal would be dismissed; and both parties would designate staff and negotiate an interlocal agreement for joint planning for urban growth areas. In addition, both parties agreed to sign a letter prior to January 15, 2008, assigning key staff and developing a timeline for the development and approval of these joint planning agreements.

**Memorandum of Understanding for Joint Planning (March 4, 2008)**
A Memorandum of Understanding was signed by both parties designating key staff and a timeline for completing tasks necessary based upon the work program identified in the CTED Collaborative Planning Grant. The MOU also set a deadline of two years to complete the interlocal agreement for the urban growth areas. Mike McCormick, the consultant under contract for the CTED Collaborative Planning Grant, assisted the City of Spokane and Spokane County in defining mutually acceptable terms for the MOU.

**Moran Glenrose Agreement (March 4, 2008)**
During this same time period, Spokane County purchased property outside of the urban growth area with the intention of building an aquatics center. The aquatic center could not be built without sewer service from the City of Spokane. The City of Spokane provided sewer service to adjacent property within the urban growth area, but had policies in place to not extend sewer service outside of the urban growth area. After much negotiation and discussion of alternatives, the City of Spokane agreed to provide sewer service to the County facility with the condition that the County enter into an agreement for limited joint planning in the Moran Glenrose urban growth area based upon the template recommended by the Steering Committee of Elected Officials.
A Moran Glenrose Agreement was crafted that focused upon transportation impacts of development in the urban growth area and reiterated the commitment of both parties to designate staff to develop more coordinated land use controls and review process in the urban growth area. The County will need to codify the process in the County’s Application Review Procedures (Title 13 of the Spokane County Code).

Turtle Creek Agreement (April 28, 2008)
The City of Spokane Valley was also feeling the affects of development outside of its corporate limits and negotiated an agreement with Spokane County similar to the Moran Glenrose Agreement with the City of Spokane. The Turtle Creek Agreement also focused on the transportation impacts of development in adjacent urban growth areas. This also will need to be codified in the County’s Application Review Procedures (Title 13 of the Spokane County Code).

Amendments (December 16, 2008 and February 24, 2009)
As the work plan for the CTED Collaborative Planning Grant progressed, it became apparent that the timelines proposed in the original Memorandum of Understanding were unrealistic. City officials were anxious to move forward with the preparation of a coordinated development process and regulations. In June 2008, the Mayor set a meeting with the Chair of the Board of County Commissioners to get the process on track. At the meeting, it was generally agreed that the work tasks originally envisioned for the CTED Grant were more complex than originally planned and more time would be needed.

However, in the meantime, the City was being threatened by impacts of development in other adjacent urban growth areas. On the County’s side, it did not have the data it needed to be in a position to negotiate the revenue and service delivery aspects of the interlocal agreements. As an interim measure, the County and City agreed to extend the timeline of the MOU to be more in line with getting the County the data it needed and to extend the Moran Glenrose Agreement to all urban growth areas adjacent to the City of Spokane to alleviate the impacts of adjacent development on the city.

The agreed upon amendments to the MOU and the Moran Glenrose Agreement were adopted on December 16, 2008 and February 24, 2009 respectively. Spokane County is prepared to extend the City of Spokane Valley’s Turtle Creek Agreement to other urban growth areas adjacent to that city when the need arises.

Interlocal Agreement for Collaborative Planning
As specified in the MOU, the Spokane and Spokane County staff designated to represent each jurisdiction is working to accomplish the tasks identified in the time frame specified. At the onset, there was the consensus that the outcome of the negotiated interlocal agreement between the City of Spokane and Spokane County would become the basis for interlocal agreements with each of the other cities and towns in Spokane County. For this reason, the results of each task is to be reviewed and generally agreed to by the other jurisdictions.

Principles of Collaborative Planning: The first step in getting consensus for collaborative planning in urban growth areas was to agree to a set of principles. The principles were proposed by the collaborative planning team, presented to the County and other cities in June 2009. The Board of Spokane County Commissioners adopted them by resolution in August 2009.

Urban Growth Area Amendments: The staff designated by Spokane and Spokane County proposed priorities for resolving planning issues for the urban growth areas. With concurrence of the elected officials, the top priority was to establish a mutually agreed upon process for amending and designating urban growth areas. At the same time, the County and its cities are in the process of its ten-year update of the urban growth area. The work is being coordinated by the Planning Technical Advisory Committee of the Growth Management Steering Committee of Elected Officials. There is staff overlap to ensure connection between the two efforts.
Other Substantive Areas: Other topics that will be considered in the interlocal agreement discussions include:

- **Planning Implementation:** comprehensive plan consistency, zoning and development standards, common development code, building and land use permits, and coordinated SEPA review and mitigation.
- **Infrastructure and Levels of Service:** roads, water, sewer, and stormwater.
- **Coordinated Transportation:** capital facilities plans, project implementation, and impact fees.
- **Annexation:** procedures, development review within pending annexation areas, building permits, code enforcement, early transfer of authority, financial considerations, records transfer, revenue sharing and capital facility and infrastructure cost reimbursement.

**West Plains Annexation Application**

In mid-January 2009, the cities of Spokane and Airway Heights announced a desire to annex portions of the West Plains Urban Growth Area. In the spirit of collaboration, the City of Spokane, the City of Airway Heights, and Spokane County committed to a series of meetings to discuss the issues and challenges such an annexation presents. Both Spokane and Airway Heights have clearly stated their intent to do what they can to avoid adverse impacts to Spokane County.

The cities of Spokane and Airway Heights have demonstrated their commitment to collaboration, and they have demonstrated their commitment to promoting Spokane County’s fiscal health. Given these commitments, and given that the collaborative planning team had been examining potential avenues to advance precisely these objectives, the collaborative planning team proposed a “way forward” to tackle the fiscal and service challenges that the contemplated West Plains annexation would present to Spokane County.

The proposal offered a framework, first, for thinking about and, second, for trying to unravel the intertwined challenges that Spokane County faces. The goals were:

1) To identify a strategy that stakeholders might pursue to begin putting Spokane County in a more sustainable position; and

2) To explore how the annexing cities might contribute to the success of such a strategy. In particular, if the option of revenue sharing is on the table, the question would be: How does revenue sharing fit into the broader strategy to address Spokane County’s short- and long-term challenges?

Because the obstacles that Spokane County faces around annexation are not unique to the West Plains area, the hope is that any strategies worked out here can serve to ease the impact of, and smooth the path for, future annexations.

The cities of Spokane and Airway Heights and Spokane County are moving forward with resolving some of the issues that an annexation presents and have crafted an interlocal agreement that will meet each jurisdictions needs.
The collaborating partners are making progress towards achieving their ultimate goals. In terms of land use, the partners have put in place compatible development regulations that address the agreed upon points of difference (private roads, urban design guidelines, connectivity, and a formalized communication process). And in terms of addressing Spokane County’s need for a sustainable fiscal position, the process (and actions by the collaborating partners) has put the collaborating jurisdictions in a position where they can now meaningfully address Spokane County’s structural fiscal challenges:

- Stakeholders in the discussions have a more robust understanding of what Spokane County does and how it does it. In particular, stakeholders have a clearer sense of the distinctions between the County’s regional, local, and contract functions.

- Collaborating cities recognize the importance of the County’s role as a regional service provider and have voiced support for ensuring that the County’s regional line of business is fiscally sustainable.

- Collaborating partners have acknowledged that Spokane County will be much more likely to succeed if it can pursue sustainability with the support of cities. Most of the long-term solutions to Spokane County’s challenges—whether the solution lies in Olympia or in Spokane County—will be easier to achieve with 100% city support.

- The County, Spokane, and Airway Heights have reached a collaborative solution to mitigate the fiscal impacts from the West Plain annexation (or at least to give Spokane County some breathing room to prepare for the time when annexation happens); and, finally

- After completing the recent “line-of-business” analysis, Spokane County and its collaborating partners now have a solid foundation of information to work from as they move forward. With a common understanding of the County’s current position, the collaborating jurisdictions are in much better position to identify routes that offer opportunities for success.

Next Steps

With so much foundational work completed, the next step is to try to build a plan for getting from where we are today to a more sustainable future. Looking forward:

- County policy makers have to weigh the immediate and long-term actions they wish to pursue;

- Cities have decisions to make about how (and under what circumstances) they will play a role in assisting the County to achieve stronger fiscal footing; and

- In order for the process to be successful, all of this should fall within the structure of a coordinated plan that ensures that all parties are pulling in the same direction.

The collaborative planning partners have agreed that the best way to move forward is to identify potential paths that would set Spokane County up for long-term success. This could be documented in a white paper for consideration by policymakers within the collaborating jurisdictions (and by stakeholders beyond). And clearly, key players from the collaborating jurisdictions would need to be engaged throughout the process of developing such a document. This would involve exploration and development of options for County fiscal sustainability and would need to include high-level technical investigation and refinement of potential revenue streams and/or cost-saving mechanisms. A significant number of meetings with each of the various stakeholders in the process would follow as well as on-going strategy development and refinement within the Collaborative Planning Team. Logistics for this next phase are currently under way.