1	
2	
3	
4	
5	
6	
7	
8	BEFORE THE HEARING EXAMINER FOR THE CITY OF LAKEWOOD
9	Connie Kay Short Plat) Final Decision Upon Reconsideration
11	Administrative Appeal
12	LU-21-00104)
13	
14	
15	Overview
16	The City's request for reconsideration is granted in part. The February 11, 2022 Final Decision
17	of the above-captioned matter is modified to eliminate the requirement for remand review. No
18	mitigation is required under WDFW ¹ management recommendations. No trees must be retained. The Kay Short Plat is found to be properly approved by City staff with no modifications to the staff
19	approval. The Final Decision and associated Clarification are otherwise upheld. Single large Garry Oak trees are found to qualify as protected habitat under WDFW standards and are subject to WDFW
20	management recommendations. Although remand is found unnecessary for this particular application, no error was found in
21	the findings and conclusions of the Final Decision as supplemented by its February 23, 2022
22	Clarification. As further detailed in this Decision Upon Reconsideration, the City's code is clear that even single large oak trees are protected as fish and wildlife conservation areas. The City has
23	essentially adopted the same definition as that adopted by WDFW for what Garry Oak qualify as protected habitat. The WDFW definition is considered under applicable regulations and by the courts
2425	to be based upon best available science. The City staff concern over the impacts of having to protect every large oak tree has significant
26	1 "WDFW" is the Washington State Department of Fish and Wildlife

merit. Given the ubiquitous nature of the oak trees in Lakewood, and the fact that they are not an endangered or threatened species, the City is justified in its hesitation to categorize all large Garry Oak trees as fish and wildlife conservation areas. Doing so can potentially impair the City's responsibility to accommodate urban growth and may also raise constitutional property rights issues. However, the City Council has already taken those considerations into account by providing that only "substantial weight" is due WDFW management recommendations. That "substantial weight" gives the City the flexibility it needs to balance the need to protect Garry Oak trees verses GMA policies requiring urban densities and the property rights of developers.

The City has failed to recognize, however, that the door the Council left open for other considerations was in the mitigation of protected Garry Oak trees, not their initial designation as fish and wildlife conservation areas. That is why the remand was initially ordered. Remand gave the City the opportunity to make the balancing made available by the City Council for the mitigation stage of review. It is no coincidence that the "substantial weight" clause is in LMC 14.154.030, entitled "Habitat protection standards," and that the designation of the trees as fish and wildlife conservation areas is in the preceding code section, LMC 14.154.020, entitled "Designation of critical fish and wildlife habitat areas."

Ultimately, remand was not found necessary upon reconsideration because the consideration of urban growth and private property rights is not necessary for the Kay short plat. Contrary to the position of both the City and Applicant, the management recommendations of WDFW are clear and specific. Under those standards, the City/Appellant have not met their requisite burden of proof to establish that any retention or other mitigation is necessary for the protected trees in question. Consequently, no modification to the management recommendations is necessary under the door opened by the Council for that very purpose.

Given the far-ranging impacts of construing the trees as protected, the Examiner issued a Clarification to the Final Decision to maximize the opportunity for the parties to flesh out any shortcomings in the Final Decision analysis. The City's Motion for Reconsideration is essentially based upon two assignments of error: (1) the Final Decision failed to recognize that only oaks associated with a protected species qualify as fish and wildlife conservation areas; and (2) the Final Decision failed to recognize that the Kay short plat is SEPA exempt and hence exempt from critical area protection. The Clarification provided greater detail on these two points, identifying that Garry Oaks associated with a protected species only comprise one, nonexclusive category of oak that qualify as fish and wildlife conservation areas. In response, the City was unable to identify how or why it was able to construe a nonexclusive category of Garry Oak as an exclusive one. The Clarification also noted the obvious and very basic point that SEPA exempt projects are not exempt from critical area standards. The City was unable to respond to that significant flaw in its position as well.

The City leads its motion for reconsideration with the point that the City Council's legislative choice's control in the resolution of what Garry Oaks are subject to protection. Ultimately, however, it is the City that is ignoring those choices. The City Council has chosen to adopt the definition of protected oak adopted by WDFW, which includes single large oak trees. The City Council has also chosen to give substantial weight to WDFW management recommendations, which includes retaining single large oak trees in limited circumstances. City staff's opposition to the Final Decision is based upon disagreement with its own City Council, not any exceedance of authority exercised by the Examiner. The Council has addressed the concerns of City staff by enabling consideration of GMA policy and private property rights impacts at the mitigation stage of project review. That is all that the Final Decision required.

Background

A Final Decision was issued for the above-captioned matter on February 11, 2022. The Final Decision required a remand of the application to incorporate mitigation measures in an updated biological assessment². The Final Decision emphasized that this was an opportunity for the City to consider the impacts of mitigation on its ability to meet its responsibility to accommodate urban growth as contemplated by the GMA. The City requested reconsideration by motion dated February 18, 2022. The Examiner issued a Clarification to the Final Decision dated February 23, 2022 in response to a clarification request made by the Appellant. As noted in the Clarification, a primary purpose of the Clarification was to ensure that the parties had the opportunity to address the reconsideration issues the Examiner found most pertinent in their reconsideration briefing³. The Appellant and Applicant submitted reconsideration responses on February 28, 2022 and the City filed its reply on March 1, 2022.

Materials Relied Upon

The City's Motion for Reconsideration and the responses and replies associated with that motion, in addition to the administrative record of the Final Decision, were considered in issuing this Final Decision Upon Reconsideration. As noted in the Order for Reconsideration, dated February 21, 2022, no new evidence was permitted in the reconsideration briefing without prior authorization. To this end, references by the Applicant to her personal dealings with the Appellant in her February 28, 2022 response are excluded as unauthorized evidence outside the record. In addition, the Appellant's Exhibit 1 to her reconsideration response is also excluded as new evidence.

Conclusions of Law Upheld

The Conclusions of Law of the Final Decision, as supplemented in the February 23, 2022 Clarification, are upheld. The City has not demonstrated any error in the Conclusions of Law or provided any alternative interpretation of the City's fish and wildlife conservation regulations that can be reasonably based upon the LMC.

The City's assertions of error are primarily based upon two code provisions: (1) Garry Oak fish and wildlife habitat areas are only protected if associated with a protected species; and (2) SEPA

² The Final Decision used the term "biological assessment" to describe Manetti Ex. 44, the Applicant's Washington Forestry Consultants report. The report was presented as a "biological assessment" by City staff in an email dated January 19, 2022 and the Final Decision continued to use that terminology. Use of the term was not intended to encompass the content requirements referenced in LMC 14.154.030B.

³ The City had the opportunity to respond to the Clarification points in its reconsideration reply briefing. Had the City raised new issues in its reply to which the Appellant and Applicant had no reasonable opportunity to address, surrebuttal would have been permitted. No objections were raised by any party to the issuance of the Clarification or its comments that it was intended to supplement the reconsideration review process.

exempt projects are not subject to the City's critical areas ordinance. Neither of these positions is supported by the LMC.

A. <u>Garry Oak Do Not Have to Be Associated with Protected Species to Qualify as Fish and</u> Wildlife Habitat Conservation Areas.

The City's sole basis for arguing that Garry Oak trees are only protected if associated with a protected species is LMC 14.154.020bii, which lists several types of "outstanding potential habitat areas" as protected. LMC 14.154.020bii goes on to elaborate that these areas "*include*...specific habitat types which are infrequent in occurrence in Pierce Cunty and Lakewood" (emphasis added) and "may" provide habitat for protected species. The City asserts that the quoted language creates an exclusive threshold for any Garry Oak to qualify as an "outstanding potential habitat area" and hence a protected fish and wildlife protection area.

As pointed out in significant detail in the Clarification, there is no reasonable basis to conclude that the quoted threshold serves as the sole and exclusive basis for a Garry Oak to qualify as an "outstanding potential habitat area." LMC 14.154.020bii only lists the quoted language as one type of habitat area that is <u>included</u> in the types of areas that qualify as "outstanding potential habitat area."

Significantly, after the threshold language relied upon by the City, LMC 14.154.020bii goes on to provide a specific list of protected habitats, beginning as follows: "[t]hese areas include the following: (A) Priority Oregon white oak woodlands..." In determining whether these listed habitats qualify as protected on their own (as outlined in the Clarification), it's reasonable to conclude that the City Council intended its fish and wildlife conservation area regulations to be interpreted in a manner that is consistent with the state law that mandated their adoption, specifically the Growth Management Act (GMA), Chapter 36.70A RCW.

Applying GMA requirements leads to the inescapable conclusion that the listed habitat, specifically the "Priority Oregon white oak woodlands," on its own qualifies as protected habitat independent of the prior sentence identifying habitat associated with protected species as protected habitat. As noted in Finding of Fact No. 5 of the Final Decision, single large Garry Oak trees qualify as protected habitat under the WDFW definition of "priority Oregon white oak woodlands," which in turn was also adopted by the City as its own definition in LMC 14.165.010⁴. Division II of the Court of Appeals has ruled that the WAC 365-190-130(4)(b)⁵ priority habitat and species information of WDFW are based upon best available science. See Whidbey Envtl. Action Network v. Growth Mgmt. Hearings Bd., 14 Wash. App. 2d 514, 518 (2020). RCW 36.70A.172 requires that critical area

⁴ See LMC 14.165.010 "priority Oregon white oak woodland" definition and compare to Page 4 "priority Oregon white oak woodland" definition of 1998 WDFW Management Recommendations for Washington's Priority Habitats Oregon White Oak Woodlands. LMC 14.165.010 essentially adopts the portions of the WDFW definition that apply to urbanized areas such as the City, at least for single oaks and small patches of oak trees.

⁵ WAC 365-190-130(4)(b) identifies that habitats and species of local importance potentially include those identified by WDFW and that cities and counties should consider WDFW priorities in designating its priority habitats and species because WDFW priorities are based upon best available science. As outlined at Page 4 of the Clarification, WDFW priorities and associated management recommendations for Garry Oak are identified in the WDFW 1998 *Management Recommendations for Washington's Priority Habitats. Oregon White Oak Woodlands*.

regulations be based upon best available science. The *Whidbey* court recognizes that in "rare" circumstances, a "reasoned justification" may be used to depart from best available science. *Id.* at 525. However, any such "reasoned justification" would be laid out in the legislative history to the City's critical area regulations if the City Council intended to depart from the best available science underlying the WDFW definition of protected oak habitat. The City has not shown any such legislative determination in its briefing and none is apparent from the City ordinances from which the City's critical area regulations have evolved.

In point of fact, the legislative history underlying oak tree protection in Lakewood ordinances evidences a legislative determination to move towards the WDFW protection measures rather than away from them. The current definition of "*Priority Oregon white oak woodlands*" was adopted by Ordinance No. 362 in 2004, which as previously noted adopts the WDFW definition for protected oak habitat in urban areas. Prior to the adoption of the WDFW definition, the City's critical areas ordinance protected "oak woodlands," which was limited to oak stands of one acre or more. *See* Ordinance 362, p. 45 and 47. Under the prior definition, single oaks would not qualify as protected habitat. The Council's adoption of Ordinance 362 was a clear move towards recognizing single large oak trees as fish and wildlife conservation areas.

B. <u>SEPA Exempt Projects are not Critical Areas Exempt.</u>

SEPA exempt projects are not exempt from critical area regulations (including fish and wildlife regulations), except to the extent expressly exempted by the critical area regulations. For protected oak trees, SEPA exempt status does not affect the designation of oak trees as fish and wildlife conservation areas. However, it does affect the level of analysis required for mitigation oak trees that qualify as protected.

In its reply brief, the City takes the entirely unfounded position that "SEPA underlies all environmental regulations in the City." If the City's reference to "environmental regulations" are meant to include critical area regulations, that position is patently false and supported by nothing in the City's code. The City's continued reliance upon this specious argument undermines the credibility of its position that single oaks do not qualify as fish and habitat protection standards⁶.

⁶ Associated with the City's contention that SEPA exemptions are equivalent to critical area contentions is the additional argument that there is no authority to condition SEPA exempt projects under the critical areas ordinance. As authority for this unique position, the City cites to RCW 43.21C.110 at p. 11 of this reconsideration motion, which prohibits the imposition of conditions upon SEPA exempt projects "under this chapter." "This chapter," of course, is SEPA. No one is arguing for the conditioning of the project under SEPA.

The conditions required by the Final Decision were under the subdivision code and critical areas ordinance. LMC 14.152.060 provides that the City "shall not" approve any permit, including short subdivision approvals, that do not conform to the critical area regulations. LMC 14.142.020F provides that the intent of the critical area regulations includes mitigating for impacts to critical areas. LMC 14.142.030B provides that the critical areas regulations "shall be liberally construed" serve their purpose. Given these provisions, there is ample legal authority to arrive at implied authority for conditioning a project under critical area regulations. Even without that authority, the subdivision code provides the general authority to condition short plats under the "public health, safety and general welfare" criterion of LMC 17.22.070B1. In the unlikely event that City critical area regulations and subdivision regulations are not found to include the authority to condition for compliance with critical area regulations, the City would just have to make applicants go through the paper exercise of choosing between denial under LMC 14.152.060 or revising their project to avoid removing oak trees required to be retained by WDFW management recommendations. That is what the City would do with a

Under the City's rational, wetlands, streams and steep slopes all would not be subject to protection if located in a short subdivision because short subdivisions are exempt from SEPA review. That is, of course, patently absurd as the City of Lakewood and likely every other city and county in Washington State does not exempt such critical areas from protection based upon the SEPA exempt status of a proposal. Lakewood's critical areas ordinance sets buffers for such critical areas and those buffers are imposed regardless of SEPA-exempt status. See LMC 14.154.050A3; LMC 14.162.080, Table 14.1; LMC 14.146.030B4. Wetlands, streams and geologically hazardous areas do not lose their environmental significance because they're located in a short plat as opposed to a long plat. The same reasoning applies to oak trees.

It is recognized that critical areas such as Garry Oak trees are distinguishable from streams, wetlands and geologically hazardous areas because they have no set buffers. As outlined in the Final Decision and page 4 of the Clarification, the mitigation is based upon the WDFW 1998 *Management Recommendations for Washington's Priority Habitats. Oregon White Oak Woodlands*, to which the City is only required to provide "substantial weight." See LMC 14.154.030B. As further outlined in the Final Decision and Clarification, the mitigation required for protected Garry Oak trees is dependent upon SEPA exempt status – development proposals affecting protected Garry Oak trees must include a formal biological assessment as part of its SEPA review while SEPA exempt projects are not subject to this requirement. The Clarification noted that one could try to argue that this exemption from a formal biological assessment could be construed as a backdoor exemption from protected status. The City made no comment on this issue, again showing that even it could not make such an argument.

As outlined in page 5 of the Clarification, the reference in LMC 14.154.030B to projects subject to SEPA review is limited to requiring those projects to have a formal biological assessment prepared in conformance with the content requirements of LMC 14.154.050B. Other projects, such as the Kay short plat, are still subject to the management recommendations of the WDFW 1998 *Management Recommendations for Washington's Priority Habitats. Oregon White Oak Woodlands* as outlined at Page 5 and 6 of the Clarification.

Remand Unnecessary

In its request for reconsideration, the City makes the assertion that the remand requirement was unduly burdensome because the City had no standards for imposing mitigation. The Applicant also asserts a lack of mitigation standards in its reconsideration response. As outlined at Page 6 of the Clarification, the WDFW 1998 *Management Recommendations for Washington's Priority Habitats*. *Oregon White Oak Woodlands* (1998 WDFW Management Recommendations) provide specific mitigation requirements that should not be difficult to implement. Neither the City nor Applicant provided any explanation as to why the management recommendations are too vague and none are evident from the record.

The City's focus on the mitigation requirements reveals that the Final Decision remand order was unnecessary and the need for mitigation can be addressed without further project review. The

developer proposing to building with a stream or wetland buffer. The same could be done for an applicant proposing to remove protected oak trees.

⁷ "Protected" Garry Oak as referenced in this Decision refers to Garry Oak that are protected as fish and wildlife conservation areas.

City Council's decision to only require "substantial weight" to the 1998 WDFW Management Recommendations is construed as the one opportunity City staff can give to what it believes to be the absurd consequences of having to protect the multiple single oak trees located in the City. Such flexibility is in line with the long-standing principle expressed in the *Whidbey* case that departures from the best available science of the WDFW recommendations upon a "reasoned justification." Id.

The Final Decision required a remand for several reasons, including (1) the oak trees had not been treated as protected fish and wildlife habitat areas under the City's review process; (2) the opportunity for "reasoned justification" had reasonably not been recognized by the parties; and (3) the precedential impact of the Final Decision could significantly affect other projects due to the pervasiveness of the oak trees throughout the City. However, upon reconsideration, as determined below, the opportunity for "reasoned justification" need not be addressed for this project because the 1998 WDFW Management Recommendations do not compel any mitigation for the trees of this project. Given the delays caused by the City's request for reconsideration and in the interest of expeditious and economical review, the mitigation requirements will be addressed by this Decision Upon Reconsideration in lieu of remand.

No Mitigation Required

No mitigation is required for the oak trees located on the Kay short plat. The City/Appellant has not met its burden of proof in establishing that the trees are important to species highly associated with the oak trees.

As outlined in the Clarification, the 1998 WDFW Management Recommendations provide for retention of single and small patches of Garry Oak in urbanized areas if those trees are "deemed important to species highly associated with Oregon white oak." Pages 10-12 of the 1998 WDFW Management Recommendations identify what species are "highly associated" with the oak trees. The City and or Appellant have the burden of proving that any such species are highly associated with the oak trees. See RCW 82.02.020 (city must "demonstrate" necessity for dedications of land as condition of project development); Isla Verde Int'l Holdings, Inc. v. City of Camas, 146 Wash.2d 740, 755-56 (2002)(City has burden of establishing that permit conditions are reasonably necessary as a direct result of a proposed development).

For this application, the City and Appellant have not proven that the short plat is associated with any highly associated species identified at pages 10-12 of the 1998 WDFW Management Recommendations. The Appellant has identified some highly associated species that may be located in the vicinity of the project site, but none that are specifically located at the project site. Somewhat vexing in the WDFW list of associated species are "invertebrates," which includes insects. Presumably, all Garry White Oak serve as habitat for some types of insects. However, the "invertebrate" section at page 11 references Appendix B, which lists only a few specific types of insects as qualifying as "highly associated" with the Garry Oak. The City and Appellant have not established that the oak of the project site serve as habitat for any of the "highly associated" insects listed in Appendix B.

Decision

The Final Decision, as clarified by the Clarification, is upheld and no errors are found. The Final Decision, as supplemented by the February 23, 2022 Clarification and this Decision Upon Reconsideration, are upheld and shall constitute the final decision for the Kay Short Plat application.

However, the order requiring remand in the Final Decision is overturned and for the reasons identified in this Decision Upon Reconsideration, no mitigation or tree retention is found necessary for the Garry Oak trees located at the Kay Short Plat project site. DATED this 14th day of March, 2022. Hearing Examiner for Lakewood **Appeal Right and Valuation Notices** LMC 18A.20.080 provides that the final decision of the Hearing Examiner is subject to appeal to superior court. Appeals of final land use decisions to superior court are governed by the Land Use Petition Act ("LUPA"), Chapter 36.70C RCW. LUPA imposes short appeal deadlines with strict service requirements. Persons wishing to file LUPA appeals should consult with an attorney to ensure that LUPA appeal requirements are correctly followed. Affected property owners may request a change in valuation for property tax purposes notwithstanding any program of revaluation.