

# City of Poulsbo

## *Planning & Economic Development*



## 2018 COMMERCIAL DISTRICTS ORDINANCE UPDATE STAFF REPORT AND RECOMMENDATION

**To:** Planning Commission  
**From:** Karla Boughton, Planning and Economic Development Director  
Nikole Coleman, Associate Planner  
**Subject:** **2018 Commercial Districts Ordinance Update**  
**Date:** May 1, 2018

Staff respectfully recommends approval of the 2018 Commercial Districts Ordinance Update including modifications as identified by the Poulsbo Planning Commission during its workshops review, and as set forth in Exhibit A to this staff report.

### **PROPOSED MOTION:**

**MOVE** to recommend (approval) (approval with modifications) to the Poulsbo City Council the Commercial Districts Ordinance Update as identified as Exhibit A; and direct the Planning and Economic Development Director to prepare findings of fact in support of this decision for the Planning Commission Chair's signature.

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## 1.0 Introduction

The Growth Management Act of Washington (GMA) requires counties and cities to review and evaluate comprehensive plans and development regulations, and update them if necessary, according to a schedule established by RCW 36.70A.130. The City of Poulsbo adopted an updated comprehensive plan in December 2016, which provides a framework of goals and policies. In 2017, the City of Poulsbo updated the Critical Areas Ordinance and Land Division Ordinance.

The City's next review of development regulations is the Commercial Districts, found in [Poulsbo Municipal Code \(PMC\) 18.80](#). The general purpose of the city's commercial districts is to provide the necessary commercial goods and services for the Poulsbo and greater north Kitsap communities. The commercial districts provide for the location of retail sales and services, professional services and offices, food and drinking establishments, lodging, personal and health services, arts, amusement, medical facilities, educational and recreational uses among others.

The primary purposes of the 2018 Commercial Districts Update is to incorporate development standards consistent with the land use and community character policies of the 2016 Poulsbo Comprehensive Plan; to ensure that commercial developments respect the scale, design and character of Poulsbo; provide for a mix of commercial land uses that respond to market changes, and serve the needs of residents, businesses, and visitors; and provide clarifications in some areas where ambiguity of the development standards exist.

## 2.0 Review Process to Date

The Draft 2018 Commercial Districts Ordinance Update was publicly released March 2, 2018. This release and all associated documents were posted on the City's website, distributed to Washington State Department of Commerce and local, regional and state agencies, and emailed to the City's Development Regulations Update interested parties e-notice list.

On March 9, 2018, the Notice of Application (NOA) with Optional DNS on the 2018 Commercial Districts Ordinance Update was published in the North Kitsap Herald, emailed to the NOA, SEPA and Development Regulations e-notice list, and posted at the Poulsbo Library, Poulsbo Post Office, City Hall and the City's website.

On April 20, 2018, a public notice announcing the Poulsbo Planning Commission Public Hearing was published in the North Kitsap Herald, emailed to the public hearing and Development Regulations e-notice list, posted at the Poulsbo Library, Poulsbo Post Office, City Hall and the City's website.

On April 24, 2018 the SEPA Threshold Determination was issued.

Eight written public comments have been received (See Exhibit C).

## 3.0 Summary of Updates

Poulsbo's Comprehensive Plan establishes the commercial land use designation that supports the provision of commercial goods and services for Poulsbo. The commercial designation has then been further refined into four commercial zoning districts on the City's zoning map based on geographic areas of the city and are identified as: C-1: Downtown/Front Street, C-2: Viking Avenue, C-3: SR 305 corridor, and C-4: College MarketPlace. The designation, location and boundaries of the commercial zoning are as shown and depicted on the [Zoning Ordinance Map](#). The proposed amendments include changes within the commercial districts code language itself and does not include recommendations for site-specific rezones.

The proposed amendments can be summarized within three themes:

### 1. C-1 Zoning District Design and Development Standards

In response to the policy direction provided in the Comprehensive Plan, amendments to building design, lot coverage, building height and mixed-use opportunities have been proposed:

- *Building Design:* Revisions and enhancements to the building design standards for the C-1 zoning district. The purpose of the enhanced design standards is to meet the comprehensive plan policies to continue the Scandinavian heritage and small-town waterfront fishing village character.
- *Site Design:* Additional standards for new or redevelopment site features are identified, including providing for pedestrian features and connections, landscaping, and hardscape features (seating areas, steps, boulders, plazas).
- *Building Height:* Consistent with comprehensive plan policies, the building height for the C-1 zoning district is limited to 35' by eliminating the 10-foot height bonus for underbuilding or undergrade parking.
- *Lot Coverage:* New standards for lot coverage are proposed to maintain the intimate pedestrian-scale character of downtown.
- *Shopfront Overlay:* A new overlay is proposed to preserve the historical development pattern along Front Street defined by small parcels, pedestrian scale buildings, and retail and service uses. The shopfront overlay has specialized design standards for this limited area in the C-1 zoning district and requires the unique and individual 'shopfront' character be maintained.
- *Mixed Use Opportunities:* Mixed use – which is the term used for when commercial and residential uses are located together either within the same building or on the same site – is proposed through mixed use structures, and for commercial zoned through lots bordered by Front Street on the west and 3<sup>rd</sup> Avenue on the east as a mixed-use site.

## 2. Revisions to Commercial Use Table

Amendments to Table 18.80.030, Commercial Zoning Districts Use Table, were made to respond to the changing retail market through the growth of online sales, and to include uses that may be appropriate in the commercial zoning districts (within enclosed buildings). Review of uses allowed within the C-1 zoning district were completed as well, with limited locational refinement proposed.

- Additional uses are proposed in all C zones to allow for tech and IT, biotechnical, research and development, and electronics uses; light assembly and fabrication uses completely within enclosed buildings; and handcrafted artisan type products, crafts, or food processing.
- Refinement of uses allowed in the C-1 zoning district shopfront overlay, to ensure the businesses in downtown continue to provide the diverse and unique shopping experiences, products or eating/drinking opportunities not found online or at typical retail settings. Some uses are proposed to be located above or behind the primary storefront uses of retail, services and food/drink establishments.
- The Poulsbo City Council adopted an interim development regulation in 2017 to prohibit self-serve mini storage facilities in the C-3 zoning district. Amendments to Table 18.80.030 propose to make this prohibition permanent, while continuing to allow the use in the C-2 and C-4 zoning districts.

## 3. C-2, C-3, and C-4 Development Standards

Development standards for the other commercial zoning districts were evaluated as well. Building design, site and parking lot landscaping, and screening standards (trash/recycling and mechanical) were all reviewed with some amendments proposed. Additional development standards are proposed for siting of self-serve mini storages in the other permitted commercial zoning districts. Amendments to the standards for mixed use structures are also proposed.

- Revised or new site, landscaping and building design standards for the C-2, C-3 and C-4 districts.
  - Revisions and consolidations of building design standards for architectural details, articulation, roof expression, exterior materials and colors.
  - Revisions to landscaping standards for setbacks and parking lots.
- Additional site design standards for self-serve mini storage in the C-2 and C-4 zoning districts and allowing existing mini storages in the C-3 zoning district to expand within existing property boundaries.

#### 4. Additional Development Standards

Additional development standards, which apply to all commercial districts, are located in PMC 18.8.080. Amendments to many of these standards are also proposed.

- Modifications to mobile vendors to clarify the allowance of mobile food trucks and associated standards.
- Clarification to mechanical screening requirements.
- Addition of standards for trash and recycling screening.
- Amendments to mixed-use structures to respond to market trends.
- Creation of standards for a “mixed-use site” for properties with street frontage off Front Street NE on the west and 3<sup>rd</sup> Avenue NE on the east.
  - Added language to allow stand-alone residential buildings on corner lots located at Moe St NE and 3<sup>rd</sup> Avenue NE and NE Hostmark Street and 3<sup>rd</sup> Avenue NE. However, residential units located adjacent to Moe St NE and NE Hostmark Street shall be constructed to commercial standards (including parking) to accommodate future conversion.
- Additional lighting standards and requirement for a photometric plan.

#### 4.0 Planning Commission Amended Draft

The Planning Commission, in its role as the City’s primary land use advisory committee, reviewed the initial release 2018 Commercial Districts Ordinance Update. The Planning Commission held five workshops on the Update (3/13/18, 3/20/18, 3/27/18, 4/10/18, and 4/24/18), and identified several additional modifications. The Planning Commission modifications are shown in red underline or ~~strikeout~~ and are reflected in the *Planning Commission Amended Commercial Districts Ordinance Draft*.

#### 5.0 Attorney General’s Unconstitutional Takings Memo

Pursuant to Comprehensive Plan Policy PI-2.4, City staff members are familiar with Washington State Attorney General’s “warning signals” for unconstitutional takings of private property. Staff has reviewed the Attorney General’s Advisory Memorandum: Avoiding Unconstitutional Takings in the context of the Draft Land Division Ordinance and has consulted with the City Attorney regarding the warning signals. Staff and the City Attorney are comfortable that the draft ordinance does not result in any unconstitutional taking.

#### 6.0 Staff Conclusion and Recommendation

The 2018 Commercial Districts Ordinance Update was initiated to primarily reformat the ordinance to be consistent with the recent updates of other City land development ordinances (i.e. zoning ordinance, critical areas ordinance and permit procedural ordinance). The Planning Commission in its role as the City’s land use advisory committee, has reviewed the initial 2018 Commercial Districts Ordinance Update and have offered several additional modifications which are shown in red underline or ~~strikeout~~. The *Planning Commission Amended Commercial Districts Ordinance Draft* is included as Exhibit A to this staff report.

The Poulsbo Planning and Economic Development staff respectfully recommends the Planning Commission offer a recommendation of approval to the City Council of the *Planning Commission Amended Draft* as modified.

#### 7.0 Planning Commission Public Hearing May 8, 2018

A public hearing has been scheduled for 7:00 on May 8, 2018 for the Planning Commission to receive public comments on the *Planning Commission Amended Commercial Districts Ordinance Draft*.

##### **PROPOSED MOTION:**

**MOVE** to recommend (approval) (approval with modifications) to the Poulsbo City Council the *Planning Commission Amended Commercial Districts Ordinance Draft* as identified as Exhibit A to the Planning Commission Public Hearing Staff Report; and direct the Planning and Economic

Development Director to prepare findings of fact in support of this decision for the Planning Commission Chair's signature.

## **8.0 Exhibits**

- A. Planning Commission Amended 2018 Commercial Districts Ordinance Update
- B. Planning Commission Minutes (3/13/18, 3/20/18, 3/27/18, 4/10/18, 4/24/18)
- C. Public Comment Matrix
- D. Written Public Comment Received (to date)
- E. Public Noticing Documents
  - 1. Public Participation Plan
  - 2. Initial Release Overview Memo
  - 3. Notice of Application with Optional DNS
  - 4. SEPA Threshold Determination DNS with commented checklist
  - 5. Notice of Planning Commission Public Hearing