

City of Poulsbo

Planning & Economic Development



2018 COMMERCIAL DISTRICTS ORDINANCE UPDATE STAFF REPORT AND RECOMMENDATION

To: City Council and Mayor Erickson
From: Karla Boughton, Planning and Economic Development Director
Nikole Coleman, Associate Planner
Subject: **2018 Commercial Districts Ordinance Update**
Date: June 14, 2018

Planning Commission and staff respectfully recommends approval of the City Council Modified Commercial Districts Ordinance Update including modifications as identified by the City Council during its workshops review, and as provided at the City Council Public Hearing.

PROPOSED MOTION:

MOVE to (approve) (approve with modifications) the Planning Commission Amended Commercial Districts Ordinance Update, with modifications as identified by the City Council during its workshops, City Council Public Hearing, as well as modifications identified during the City Council deliberations; and direct the Planning and Economic Development Director to prepare an adopting ordinance in support of this decision.

CONTENTS:

Page 2	Introduction
Page 2	Review Process to Date
Page 2	Summary of Update
Page 4	Planning Commission Review
Page 4	Public Comments
Page 4	City Council Review
Page 4	Staff Conclusion and Recommendation
Page 4	Attorney General's Unconstitutional Takings Memo
Page 5	City Council Public Hearing
Page 5	List of Exhibits



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.

On May 8, 2018, the Planning Commission held a duly noticed public hearing on the Planning Commission Amended Commercial Districts Ordinance. After considering the testimony received at the public hearing, the Planning Commission voted to recommend approval of the Planning Commission Amended Commercial Districts Ordinance to the Poulsbo City Council and adopted findings of fact in support of their decision.

The City Council held three workshops (5/16/18, 6/6/18, and 6/13/18) to consider the Planning Commission Amended Commercial Districts Ordinance. The Planning and Economic Development Committee also reviewed proposed changes to the ordinance on May 23 and May 30 and June 13, 2018.

On June 1, 2018, a public hearing notice announcing the Poulsbo City Council Public Hearing was published in the North Kitsap Herald and posted at the Poulsbo Library, Poulsbo Post Office, City Hall and the City's website; on June 1, 2018, the Poulsbo City Council Public Hearing notice was emailed to the public hearing and development regulations e-notice list.

3.0 Summary of Update

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 four 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' (30' with a 5' for a pitched roof) 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.

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 18.80.080. Amendments to many of these standards are also proposed.

- Modifications to mobile vendors to clarify the allowance of mobile food trucks and standards.
- Clarification to mechanical screening requirements.
- Addition of standards for trash and recycling screening.
- Amendments to mixed-use structures to respond to market trends.
- Additional lighting standards and requirement for a photometric plan.

4.0 Planning Commission Review

The Planning Commission, in its role as the City's primary land use advisory committee, reviewed the initial release Draft 2018 Commercial Districts Ordinance Update. The Planning Commission held five workshops (3/13/18, 3/20/18, 3/27/18, 4/10/18, and 4/24/18) and one public hearing (5/8/18). The Planning Commission identified several modifications, which are shown in red underline or ~~strikeout~~ in Exhibit A to this staff report.

5.0 Public Comments

Public comments been received throughout the Planning Commission and City Council review process, and written comments have been submitted. Exhibit C – Public Comment Received Matrix and Exhibits -include comments received verbally at the public hearing and workshop, as well as written comments. An updated public comment matrix to include comments from the June 13, 2018 workshop, and any additional written comments received after the issuance of this staff report, will be entered into the record at the June 20, 2018 City Council public hearing.

6.0 City Council Review

The Planning Commission Amended Commercial Districts Ordinance Draft was distributed to the City Council on May 9, 2018 (after the Planning Commission's May 8th public hearing). The City Council held three workshops (5/16/18, 6/6/18, and 6/13/18) to consider the Planning Commission Amended Commercial Districts Ordinance. The Planning and Economic Development Committee also reviewed proposed changes to the ordinance on May 23 and May 30 and June 13, 2018.

City Council modifications are identified in bold blue underline or ~~strikeout~~ in a modification document that will be updated by staff and provided to City Council via email, posted to the project website, and entered into the public record at the June 20, 2018 City Council public hearing.

7.0 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 Commercial Districts 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.

8.0 Staff Conclusion and Recommendation

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.

The Planning Commission in its role as the City's land use advisory committee, reviewed the 2018 Commercial Districts Update and offered several additional modifications which are shown in red underline or ~~strikeout~~. Additional modifications have been identified by the City Council and are identified in bold blue underline or ~~strikeout~~ in a modification document that will be updated by staff and provided to City Council via email, posted to the project website, and entered into the public record at the June 20, 2018 City Council public hearing.

Planning Commission and staff respectfully recommends approval of the Planning Commission Amended Commercial Districts Ordinance Update and the modifications as identified by the City Council during its workshops, and as updated at the June 20, 2018 public hearing.

9.0 City Council Public Hearing June 20, 2018

A public hearing has been scheduled for 7:00 (or as soon thereafter as the matter may be heard according to the meeting agenda) on June 20, 2018 for the City Council to receive public comments on the Commercial Districts Ordinance Update.

PROPOSED MOTION:

MOVE to (approve) (approve with modifications) the Planning Commission Amended Commercial Districts Ordinance Update, with modifications as identified by the City Council during its workshops, City Council Public Hearing, as well as modifications identified during the City Council deliberations; and direct the Planning and Economic Development Director to prepare an adopting ordinance in support of this decision.

10.0 Exhibits

- A. Planning Commission Amended Commercial Districts Ordinance Update Draft (dated 5/1/18)
- B. Public Comment Matrix (last updated 6/6/18) and Written Comments
- C. Planning Commission Minutes (3/13/18, 3/20/18, 3/27/18, 4/10/18, 4/24/18, 5/8/18)
- D. Planning Commission Findings of Fact
- E. Public Noticing Documents
 - 1. Notice from Washington State Department of Commerce
 - 2. Public Participation Plan
 - 3. Initial Release Overview Memo
 - 4. Notice of Application with Optional DNS
 - 5. SEPA Threshold Determination DNS with commented checklist
 - 6. Notice of Planning Commission Public Hearing
 - 7. Notice of City Council Public Hearing