

# City of Poulsbo

## Planning & Economic Development



### C-1 Downtown Commercial Limited Zoning Amendments - Flexible Use STAFF REPORT AND RECOMMENDATION

**To:** Mayor Erickson and City Council  
**From:** Karla Boughton, Planning and Economic Development Director  
**Subject:** C-1 Downtown Limited Zoning Amendments (Flexible Use) – City Council Staff Report  
**Date:** August 7, 2019

Planning Commission and Staff respectfully recommends approval of the C-1 Downtown Limited Zoning Amendments (Flexible Use) as set forth in Exhibit A to this staff report.

#### **PROPOSED MOTION:**

**MOVE** to (approve) (approval with modifications) the C-1 Downtown Limited Zoning Amendments (Flexible Use) as set forth in Exhibit A to this staff report; 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	C-1 Zoning District Considerations
Page 4	Key Concerns
Page 5	Review Criteria
Page 6	Attorney General's Unconstitutional Takings Memo
Page 6	Staff Conclusion and Recommendation
Page 6	Planning Commission Public Hearing
Page 6	List of Exhibits



## 1.0 INTRODUCTION

The City Council adopted amendments to the Poulsbo Municipal Code [Chapter 18.80](#), Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.

Within the C-1 [zoning district](#), but outside of the [shopfront overlay](#), the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

## 2.0 REVIEW PROCESS TO DATE

The Draft C-1 Downtown Limited Zoning Amendments (Flexible Use) was publicly released June 28, 2019. 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 June 28, 2019, the Notice of Application (NOA) with Optional DNS 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 (Exhibit D). On July 15, 2019 the SEPA Threshold Determination was issued (Exhibit E).

On July 23, 2019, the Planning Commission held a duly noticed public hearing and after considering the testimony received at the public hearing, the Planning Commission voted to recommend approval to the Poulsbo City Council and adopted findings of fact in support of their decision (Exhibit H).

On July 26, 2019, 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; and emailed to the public hearing and development regulations e-notice list (Exhibit I).

## 3.0 C-1 ZONING DISTRICT CONSIDERATIONS

**3.1 Design Standards:** In 2018, the City Council adopted new standards for the C-1 zoning district. These standards are summarized as follows: 1) Stronger architectural and design standards which reinforce Poulsbo's Scandinavian heritage; 2) Established a Shopfront Overlay, with specific design standards which apply only to the overlay; 3) Established the height at 35' with no underbuilding parking credit; 4) Lowered height to 25' along 3<sup>rd</sup> Avenue between Moe St and Hostmark St as measured from the highest sidewalk grade of 3<sup>rd</sup> Avenue adjacent to the property line; and 5) Lowered height to 25' along the west side of Front Street within the Shopfront Overlay.

**3.2 Mixed Use:** Mixed use was discussed at length and detail during the 2018 Commercial Code Update. Two types of mixed use were considered: 1) mixed use structure and 2) mixed use site. The discussion around the mixed-use structure centered on what uses were appropriate on the first floor of a multi-story building in the commercial zoning district (residential was already allowed above the first floor). The discussion around the mixed-use site was whether 'standalone' residential units should be allowed in a specific geographic area within the C-1 Zoning District.

The table below summarizes the Planning Commission recommendation on mixed use to the City Council, and what the City Council adopted:

Table 1: Mixed Use 2018		
	Planning Commission Recommendation	City Council Adopted
<b>Residential Units</b>	Not permitted on the first floor.	Not permitted on the first floor.
<b>Uses Accessory to Residential Use (lobby, fitness, etc.)</b>	Permitted behind street level commercial on the first floor.	Permitted behind street level commercial on the first floor.
<b>First Floor Commercial Requirement</b>	Must be commercial and/or accessory uses to residential.	50% of street level ground floor gross square footage shall be occupied by uses allowed in Table 18.80.030 Commercial Uses (excluding residential uses).
<b>Mixed Use Site (3<sup>rd</sup> Avenue)</b>	Recommended, and included conversion option for 'book-end' lots at Moe and Hostmark. Required a market study or similar type document be submitted every four years to demonstrate that commercial uses are not viable in the first-floor space.	Eliminated Mixed Use Site.

**3.3** Reconsideration Request: The Mayor has requested reconsideration of the mixed-use component of the C-1 Zoning District. She made this request based upon input from the development community regarding the financial feasibility for redevelopment, the existing commercial market rent, and her concern that an opportunity for reinvestment is being missed.

Any upgrades to the existing structures in the shopfront overlay portion of the C-1 district will require life safety improvements – fire suppression/sprinklering. The property owner of the majority of the downtown parcels on the east side of Front Street has withdrawn building permits for improvements (which included fire suppression/sprinklering).

At the Economic Development Committee (EDC) meetings in early 2019, representatives from the development community were available to answer questions regarding commercial rents versus residential rent structures. The result of these conversations was the understanding that today’s commercial rents cannot support development improvements in the C-1 zoning district. Written material on the rent comparisons have been submitted as public comment, and are included in Exhibit G.

**3.4** Flexible Use Option: By allowing the space on the first floor of a commercial structure to be flexible – either commercial or residential uses depending on market demand – could address the current rent structure constraints. The flexible use was discussed at EDC as an option that could be incorporated into PMC 18.80.080.J (Mixed Use Structures). The new standard would not apply to properties within the Shopfront Overlay. See Exhibit F for a land utilization map of C-1 zoning district.

**3.5** Proposed Amendment: The amendment is drafted to allow for flexibility of uses on the first floor of a structure in the C-1 zoning district but would require the first floor to be constructed at commercial building and fire code standards and would require parking at the commercial ratio requirements. This is because the commercial standards (both building, fire and parking) are a higher requirement than residential.

The following is the substantive portion proposed amendment to PMC 18.80.080.J Mixed Use Structure; see Exhibit A for the full proposed amendment.

3. New mixed-use structures shall have the following standards:
  - a. Residential units must be located above allowed commercial uses (residences may not be located at street/ground level or below). However, uses accessory to the residential, such as lobby, fitness center, storage, community room and other accepted uses, may be located on the first floor (street level), and shall generally be located behind the street level commercial uses. Number of residential units shall be limited by the mixed-use structure's required development standards (lot coverage, height, parking and setbacks) for the underlying zoning district.
    - i. Within the C-1 zoning district, but outside of the shopfront overlay, residential units may be allowed on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

#### 4.0 KEY CONCERNS

During the 2018 Commercial Code Update, two key concerns were raised during the public workshops and hearings regarding residential uses in the commercial zoning district: traffic and parking.

##### *Traffic*

The City of Poulsbo Engineering Department prepared a technical memorandum summarizing the traffic conditions within the C-1 zoning district as it relates to Level of Service (LOS). This memo is included as Exhibit B. The memo evaluates the current Level of Service standard for Downtown Poulsbo intersections and roadway segments. The source documents reviewed are the 2016 Transportation Comprehensive Plan, the 2010 Traffic Count Report prepared by David Evans and Associates, Vanaheimr Mixed Use Project Traffic Impact Analysis (12/17/18) and Old City Hall Mixed Use Project Impact Analysis (5/23/17). (Both the project TIAs have been reviewed and confirmed by the City's Transportation Consultant Parametrix).

The City prepares a citywide Comprehensive Transportation Plan every six years, which includes the city traffic model calibrated to traffic flows and forecasts future traffic to determine deficiencies in the transportation system that will then be programmed into the City's Capital Improvement Plan. The City then requires development projects to prepare a Traffic Impact Analysis (TIA) to confirm that the minimum level of service remains intact with the development. This requirement is set forth in PMC 14.04, and allows the City to remain current in its Level of Service in between updates to the Comprehensive Transportation Plan.

The Technical Memorandum evaluates the capacity of the roadway segments by Average Daily Trips (ADT), and intersection delays in the downtown. A Level of Service (LOS) is assigned to each roadway segment or intersection based upon a graduate scale (which is defined in the technical memorandum) with LOS A the best and LOS F as the worst. All roadway segments in the downtown (Hostmark, Fjord Drive, Front Street, Jensen Way, and 3<sup>rd</sup> Avenue) all operate within a LOS A or B at this time.

Further, the two mixed use development project TIAs evaluated downtown intersections LOS, compared the pre-project LOS for the intersections and the 5-year forecast LOS with project. Again, all intersections remain at LOS A or B pre project and post project.

The City's adopted LOS is E. Therefore, the roadway segments and intersections are currently well above the City's adopted LOS and remain well above as projected in the TIAs. Any future development proposals within the C-1 zoning district are required to prepare a TIA to ensure LOS meets or exceeds E. Further, the next Comprehensive Transportation Plan update is scheduled for 2022-2023.

Finally, the Technical Memorandum compares trips generated by commercial uses and residential uses as defined by the 10<sup>th</sup> ITE Trip Generation Manual. By comparing the trip rate for multifamily dwelling units and commercial spaces per 1000 square feet, based on the ITE Manual, it can be determined that residential development will produce less traffic in the same footprint, than commercial uses.

Based upon the City of Poulsbo Engineering Department's Technical Memorandum, the current Level of Service for roadway segments and intersections within Downtown Poulsbo is primarily at A or B. Future traffic has been accounted for by two Traffic Impact Analyses completed for proposed mixed use buildings in downtown. The results of the TIA analysis (both have been reviewed and confirmed by City Transportation Consultant Parametrix), state that pre and post project traffic volume and delay will not decrease the current LOS. The City's adopted LOS is E, thereby indicating there is sufficient capacity. Finally, according to the ITE Trip Generation Manual, residential uses generate less trips than commercial uses.

### ***Parking***

On-site parking will be required for all new and redeveloped projects in the C-1 zoning district. The commercial parking ratio for the C-1 zoning district is 1 space per 300 square feet. This is a conservative parking requirement. Unlike other Western Washington jurisdictions, Poulsbo has not decreased nor waived its parking requirements. The residential parking requirement (for floors 2 and above) is 1 space per studio/1 bedroom, 2 spaces per two bedrooms or greater, and guest parking is required for one space per four dwelling units (the code allows for the commercial parking spaces may meet this requirement if the peak hours of operation do not overlap).

An example of how this would work with a flexible use option:

Three story (under 35' height) mixed use building. Each floor is 3000 square feet and floors 2 and 3 each have four units each of two bedrooms. The parking requirement is as such:

- Floor 1: 1 space per 300 gross square feet = 10 parking spaces
- Floor 2: 4 units at 2 bedrooms = 8 parking spaces
- Floor 3: 4 units at 2 bedrooms = 8 parking spaces
- Guest parking = additional 2+ parking spaces

Therefore, any new or redeveloped structure in the C-1 zoning district, will be parked according to the City's adopted parking standards and will meet the needs of the structure without reliance on the downtown Poulsbo public parking lots or on-street parking.

The City conducted a downtown parking study in 2008 and refreshed with updated data in 2012. There are several strategies that were recommended but not yet implemented, including: enforcement of the public parking lots time limits; permit parking program for employee/long-term parking; and paid parking and enforcement for public parking lots.

## **5.0 REVIEW CRITERIA | PMC CHAPTER 18.210**

Amendments to the text of this title or zoning amendments to the city's zoning map shall be applied for and processed according to the provisions of Title 19.

In order to grant a zoning code text amendment, the following findings must be made:

1. The amendment is consistent with the comprehensive plan; and
2. The amendment supports and/or enhances the public health, safety or welfare; and
3. The amendment is not contrary to the best interest of the citizens and property owners of the city of Poulsbo.

***Staff Conclusion:*** The proposed amendment is consistent with the comprehensive plan, as there are many policies (LU-3.1, LU-3.3, LU-3.9, CC-5.9, HS-1.1, HS-3.6, ED-6.5) that support mixed use within the City's commercial zoning districts; the amendment will require compliance with adopted International Building Code and Fire Code standards that ensure the public health, safety and welfare; and the amendment is not contrary to best interest of citizen and property owners as the

City's development standards ensure that adopted transportation Level of Service standards remain intact and parking requirements will ensure all necessary parking is provided on-site and will not have an impact on publicly owned parking areas.

#### **6.0 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 proposed amendment 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.

#### **7.0 STAFF CONCLUSION AND RECOMMENDATION**

Planning Commission and Staff respectfully recommends approval of the C-1 Downtown Limited Zoning Amendments (Flexible Use) as set forth in Exhibit A to this staff report.

#### **8.0 CITY COUNCIL PUBLIC HEARING, AUGUST 14, 2019**

A City Council Public Hearing has been scheduled for 7:00 (or soon thereafter) on August 14, 2019 to receive public comments on the proposed C-1 Downtown Limited Zoning Amendments.

#### **PROPOSED MOTION:**

**MOVE** to (approve) (approval with modifications) the C-1 Downtown Limited Zoning Amendments (Flexible Use) as set forth in Exhibit A to this staff report; and direct the Planning and Economic Development Director to prepare an adopting ordinance in support of this decision.

#### **9.0 EXHIBITS**

- A. Draft/Proposed C-1 Downtown Limited Zoning Amendments (Flexible Use)
- B. Technical Memo on Downtown Traffic from City Engineering Department 7/16/19
- C. Public Participation Plan
- D. Notice of Application with Optional DNS, with Notice of Planning Commission Public Hearing
- E. SEPA Threshold Determination DNS with commented checklist
- F. Map of C-1 Zoning District Land Utilization
- G. Public Comment Received
  - 1. Mike Brown, Sound West Group
  - 2. Gary Lindsey
  - 3. Berni Kenworthy
- H. Planning Commission Findings of Fact and Recommendations
- I. Notice of City Council Public Hearing
- J. Planning Commission Public Hearing (7/23/19) Minutes

# **EXHIBIT A**

## **Initial Release Memo and Proposed Amendments**



# C-1 Downtown Commercial Limited Zoning Amendments - Flexible Use Initial Release June 2019

## INTRODUCTION

The City Council adopted amendments to the Poulsbo Municipal Code [Chapter 18.80](#), Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.

Within the C-1 [zoning district](#), but outside of the [shopfront overlay](#), the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

## PROPOSED AMENDMENTS

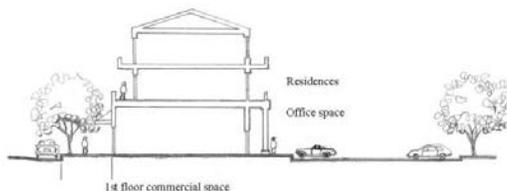
Poulsbo Municipal Code [Section 18.80.080.J](#). - Mixed-Use Structure.

1. Purpose. Mixed use structures allow for placement of a mix of commercial and residential uses in a single building. Mixed use structures are intended to allow for efficient use of land and public services in an urban setting; encourage convenient access between employment, services and residential opportunities; and increase development alternatives.
2. A mixed-use structure shall contain at least two complementary, integrated, or mutually supporting uses (such as offices, retail, professional services, food and beverage, entertainment, public service and residential), [except as allowed in 18.80.080.J.3.a.i.](#)
3. New mixed-use structures shall have the following standards:
  - a. Residential units must be located above allowed commercial uses (residences may not be located at street/ground level or below). However, uses accessory to the residential, such as lobby, fitness center, storage, community room and other accepted uses, may be located on the first floor (street level), and shall generally be located behind the street level commercial uses. Number of residential units shall be limited by the mixed-use structure's required development standards (lot coverage, height, parking and setbacks) for the underlying zoning district.
    - i. [Within the C-1 zoning district, but outside of the shopfront overlay, residential units may be allowed on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.](#)
  - b. A minimum of 50 percent of the street level ground floor gross square footage shall be occupied by uses set forth in Table 18.80.030, Commercial Zoning Districts Use Table [or as allowed by this section](#), and oriented to the primary street. Any underbuilding parking located on the street level floor shall be provided at the commercial parking standards and shall have an intervening permitted use between the street and the parking.

- c. The mixed-use building shall be designed to look and function as an integrated development and encourage pedestrian travel between uses and adjacent buildings.
- d. Buildings should be located adjacent to the primary street or immediately behind a public or semi-public space, such as a forecourt, plaza, or an outdoor seating area.
- e. Commercial uses located on the ground floor shall have a prominent entrance facing the primary street, provide use and activity presence along the street frontage, and be designed to clearly define it as commercial space.
- f. Compatible with the height, massing, setback and design character of surrounding uses shall be considered in mixed use structure design.
- g. At least one outdoor activity feature shall be provided for the mixed-use building, including but not limited to courtyards, delineated gathering spaces, or seating areas. These areas must be paved and landscaped.
- h. Private or shared open space shall be provided for each of the residential units, such as a private outdoor balcony or rooftop deck, and shall be provided at a minimum of thirty-eight square feet per unit.
- i. On-site pedestrian circulation that links the public street and the primary entrance to the structure or residential units shall be provided. When the pedestrian circulation crosses driveways, parking areas and loading areas, it must be clearly identifiable through use of different paving materials.
- j. Existing residential units in a mixed-use structure in the C zones may continue without meeting the standards above.



*Conceptual design of a mixed-use building with retail commercial on the first floor, office on the second floor, and residences on the third floor. Design elements include façade modulation, roof line cascade, rooftop deck, awnings, varies façade materials, recessed and frame windows and ornamental pilasters.*



*Example of mixed-use structures use configuration.*

- 4. It is recommended that acknowledgement be included in lease or purchase/sale agreements for residential units in mixed use structures, and address that residents will reside within commercial structures, where quiet enjoyment may not be guaranteed due to the nature of business, dining/entertainment or special event activity within the commercial zoning districts.

## **PUBLIC AND AGENCY REVIEW TIMELINE**

A Public Participation Plan is required by the Growth Management Act to describe how the City will encourage early and continuous public participation throughout the process of reviewing and updating Development Regulations. The Public Participation Plan includes opportunities to comment, review timeline, and contact information. Please see <https://cityofpoulsbo.com/development-regulation-amendments/> to review the Public Participation Plan.

**June 28, 2019**

Public Release of C-1 Downtown Commercial Limited Zoning Amendments: 1) post on City's website; 2) distributed to local, regional and state agencies; 3) distributed to Planning Commission and City Council; 4) email announcing availability of material sent to email list.

**June 28, 2019**

Notice of Application w/Optional DNS and Notice of PC Public Hearing Issued

**July 12, 2019**

Notice of Application with Optional DNS comment period over

**July 16, 2019**

Planning Commission Staff Report Due

**July 23, 2019**

Planning Commission Public Hearing 7 p.m. | Council Chambers

**August 14, 2019**

City Council Public Hearing - 7 p.m. | Council Chambers

**INFORMATION AVAILABILITY**

The City's Planning and Economic Development (PED) Department webpage will house the C-1 Downtown Commercial Limited Zoning Amendments where interested citizens and community members may visit for status updates, draft documents, official notices, minutes, and project information:

<https://cityofpoulsbo.com/development-regulation-amendments/>

# **EXHIBIT B**

**Traffic Conditions Technical Memo**

**prepared by Poulsbo Engineering**



## ENGINEERING DEPARTMENT

200 NE Moe Street | Poulsbo, Washington 98370  
(360) 394-9882 | fax (360) 697-8269

# MEMO

**To:** Karla Boughton, Planning Director  
**From:** Michael Bateman, PE | Transportation Engineer  
Anthony Burgess | Sr. Engineering Technician  
**Subject:** C-1 Traffic Conditions Summary as it relates to Level of Service (LOS)  
**Date:** July 17, 2019

---

### Purpose:

The purpose of the memo is to summarize available traffic data and intersection Level of Service (LOS) information for the C-1 Downtown Commercial District. The engineering department utilizes standard practices included in the 2011 AASHTO Design Policy on for Geometric Design for evaluation of traffic. A city-wide Transportation Plan is utilized to plan for projects and model traffic forecasts. The Traffic Plan is updated approximately every 6 years and the city traffic model is calibrated to existing traffic flows. The city also requires proposed developments which generate more than 300 trips or have the potential to impact local streets to prepare a Traffic Impact Analysis. The TIA is required to confirm that capital projects are planned concurrent with development and to maintain the minimum level of service requirements. The full requirement can be found in Poulsbo Municipal code Title 14.04.

The following documents were used to generate this memo:

- Vanaheimr Mixed Use Project Traffic Impact Analysis Dated 12/17/18
- Old City Hall (Jensen Way) Mixed Use Project Traffic Impact Analysis Dated 5/23/17
- 2010 Traffic Count Report prepared by David Evans and Associates
- 2016 Transportation Comprehensive Plan prepared by Parametrix

### Findings:

The existing Level of Service at the downtown intersections is A or B. After the development of the two major projects mentioned above, the intersection LOS remains level of service A or B. The city will also require TIA's for each significant new project in the city.

In accordance with the transportation plan, our downtown streets in the C-1 district are classified as follows:

- NE Hostmark St - Minor Arterial
- Fjord Dr NE - Minor Arterial
- Front St - Minor Arterial
- Jensen Way NE - Commercial Collector/Neighborhood Collector
- 3<sup>rd</sup> Ave NE - Commercial Collector

The acceptable ADT for each classification is as follows in Table 1. 2015 volumes indicate our ADT for each street is within the volume for each roadway classification. Level of Service (LOS) is later defined in the **Evaluation** portion of this memo.

Name	From	To	Class	2015 Capacity	2015 ADT	LOS
Hostmark	4th Ave	6th Ave	Minor Arterial	12,350	7,896	B
Fjord Dr	Hostmark	6th Ave	Minor Arterial	11,700	1,135	A
Front St	Jensen	4th Ave	Minor Arterial	13,000	7,583	A
Jensen	Front St	Iverson	Neighborhood Collector	9,000	3,094	A
3rd Ave	Moe	Hostmark	Commercial Collector	3,600	448	A

Table 1 - Appendix B (Chart D), 2016 Transportation Comprehensive Plan

The City of Poulsbo uses the most current version of the ITE Trip Generation manual to determine average ADT rates for a proposed Land use. Table 4 notes several types of land uses, both residential and commercial, that are found in the C-1 Downtown Commercial District. Residential land uses assign a trip rate based upon number of dwelling units while commercial uses are evaluated at rate per 1000 square feet (SF). The United States Census Bureau recently published that the average Multifamily Dwelling unit is approximately 1000 SF. By comparing the trip rate for multifamily dwelling units and commercial spaces, it can be determined that residential development will produce less traffic than a commercial land use in the same footprint.

#### Evaluation:

The supporting documentation for the above findings is summarized as follows.

#### Level of Service Definition

Level of service (LOS) is a quality measure describing operational conditions within a traffic stream, generally in terms of such service measures as speed and travel time, freedom to maneuver, traffic interruptions, and comfort and convenience. Six LOS are defined for each type of facility that has analysis procedures available. Letters designate each level, from A to F, with LOS A representing the best operating conditions and LOS F the worst. Each level of service represents a range of operating conditions and the driver's perception of those conditions including vehicle wait time at the intersection in seconds. The City of Poulsbo's Minimum Standard is LOS E per the 2016 Comprehensive Transportation Plan. Below is a list of definitions of each LOS classification provided from the 2010 Highway Capacity Manual – Transportation Research Board Special report 209 as well as a table showing LOS in reference to intersection delay time.

Measure: Level of Service	Roadway Segment Volume/Capacity (2-way total)	Signalized Intersection Control Delay per Entering Vehicle	Unsignalized Intersection Delay per Vehicle, Stopped Approach Only
A	< 60%	< 10 sec	< 10 sec
B	60%-70%	10-20 sec	10-15 sec
C	70%-80%	20-35 sec	15-25 sec
D	80%-90%	35-55 sec	25-35 sec
E	90%-100%	55-80 sec	35-50 sec
F	100%+	>80 sec	> 50 sec

Table 2 - "Level of Service Thresholds", 2016 Transportation Comprehensive Plan.

Level of service A represents primarily free-flow operations at average travel speeds, usually about 90 percent of the free-flow speed for the arterial classification. Vehicles are seldom impeded in their ability to maneuver in the traffic stream. Delay at signalized intersections is minimal.



Level of service B represents reasonably unimpeded operations at average travel speeds, usually about 70 percent of the free-flow speed for the arterial classification. The ability to maneuver in the traffic stream is only slightly restricted and delays are not bothersome.

Level of service C represents stable operations; however, ability to maneuver and change lanes in midblock locations may be more restricted than in LOS B, and longer queues, adverse signal coordination, or both may contribute to lower average travel speeds of about 50 percent of the average free-flow speed for the arterial classification.

Level of service D borders on a range in which small increases in flow may cause substantial increases in approach delay and hence decreases in arterial speed. LOS D may be due to adverse signal progression, inappropriate signal timing, high volumes, or some combination of these. Average travel speeds are about 40 percent of free-flow speed.

Level of service E is characterized by significant delays and average travel speeds of one third the free-flow speed or less. Such operations are caused by some combination of adverse progression, high signal density, high volumes, extensive delays at critical intersections, and inappropriate signal timing.

Level of service F characterizes arterial flow at extremely low speeds, from less than one third to one-quarter of the free-flow speed. Intersection congestion is likely at critical signalized locations, with long delays and extensive queuing.

#### 2015 Baseline Traffic

A Citywide intersection turning movement count was collected at 48 intersections in the PM peak hour in 2010. The Average Daily Traffic (ADT) and PM peak hour traffic counts within the City's limits and the adjacent area overall yielded approximately 1.6 percent and 1.7 percent growth, respectively, between 2010 and 2014, which can be translated into an annual growth rate of approximately 0.4 percent for both daily traffic and PM peak hour traffic. An annual growth rate of 0.4 percent results in a total growth rate of 2 percent over the 5-year period. This rate was used to grow the 2010 traffic counts to derive the 2015 baseline traffic volumes as referenced in Table 1. Table 1 is a summary of the roadway networks within the C-1 Commercial Zoning District and provides the resultant ADT, LOS, and designed roadway capacity.

#### Traffic Impact Analysis

The Engineering Department requires TIA's to be submitted for projects in accordance with Poulsbo Municipal Code (PMC) 14.04. The TIA's purpose is to investigate impacts to streets and intersections at the P.M. Peak and evaluate across total Average Daily Traffic (ADT). Two projects within the pipeline are expected to be moving forward within the C-1 Downtown Commercial District and have each submitted a Traffic Impact Analysis. These projects are commonly known as the OLD CITY HALL (JENSEN WAY) MIXED USE BUILDING and the VANAHEIMR MIXED USE BUILDING. These projects used the 2015 Baseline model and assumed a 2.5% growth rate to forecast future traffic conditions.

#### Project Generated Traffic

Both Projects will be creating new Average Daily Trips (ADTs). It should be noted that each of the proposed projects will be demolishing existing structures as a result of redevelopment, which had an existing ADT value associated with them. The VANAHEIMR MIXED USE project will be demolishing the Old Police Station and the OLD CITY HALL (JENSEN WAY) MIXED USE project will be building upon the site of the recently demolished City of Poulsbo City Hall. Below is a list of the projects' expected trip generation.

VANAHEIMR MIXED USE                    **164 Net New Trips (Includes Trip Credit for Old Police Station)**

OLD CITY HALL  
(JENSEN WAY) MIXED USE                    **465 New Trips (Does not include Trip Credit for Demolished City Hall)**

#### Project Intersections Evaluated

Level of Service (LOS) as described above, was analyzed for intersections impacted by the VANAHEIMR



MIXED USE and OLD CITY HALL (JENSEN WAY) MIXED USE projects. It should be noted that the VANAHEIMR MIXED USE traffic Impact Analysis assumed the OLD CITY HALL (JENSEN WAY) MIXED USE project was already constructed. The OLD CITY HALL (JENSEN WAY) MIXED USE Traffic Impact Analysis did not include the VANAHEIMR MIXED USE generated trips, these values are shown in GREY. The table below is a summary of the intersections without the project, and a forecast of the intersection conditions with a projected 5-year increase in traffic volumes. The project TIAs provide additional detail behind their analysis of these intersections.

Intersection Location(s)	Pre-Project LOS	5-yr 2022 Forecast LOS
3 <sup>rd</sup> Ave NE and NE Hostmark St <sup>1</sup>	A	A
4 <sup>th</sup> Ave NE, Fjord Dr NE and NE Hostmark St <sup>1</sup>	B	B
NE Lincoln Rd and NE Hostmark St <sup>1</sup>	B	B
Jensen Way NE and proposed site entrance for Old City Hall Mixed Use Building <sup>2</sup>	A	A
Moe St NE and Jensen Way NE <sup>2</sup>	A	B
Front St NE and Jensen Way NE <sup>2</sup>	A	B

<sup>1</sup> See Vanaheimr TIA dated 12/17/18 pages 7 and 15

<sup>2</sup> See Old City Hall (Jensen Mixed Use) TIA dated 5/23/17 page 15

Table 3 - Data collected from Project TIAs

#### Residential and Commercial Trip Generation

The City of Poulsbo uses the most recent ITE Trip Generation manual to determine average ADT rates for a proposed Land Use. Table 4 notes several types of land uses, both residential and commercial, that are found in the C-1 Downtown Commercial District. By comparing the trip rate for multifamily dwelling units and commercial spaces per 1000 Square Feet, it can be determined that residential development will produce less traffic in the same footprint. (See Footnotes).

LUC	Description	Average Daily Trips	
220	Multifamily Housing (Low-Rise) (1-2 Levels)*	7.32	/ Dwelling Unit
221	Multifamily Housing (Mid-Rise)(3--10 Levels)*	5.44	/ Dwelling Unit
710	General Office Building	9.74	/ 1000 SF
712	Small Office Building	16.19	/ 1000 SF
876	Apparel Store**	49.80	/ 1000 SF
930	Fast Casual Resturant***	208.01	/ 1000 SF
931	Quality Resturant***	55.33	/ 1000 SF
936	Coffee/Donut Shop w/o Drive Through***	66.75	/ 1000 SF

\*The median size of multifamily units built for rent was 1,081 square feet (Multifamily Units built in 2018; United States Census Bureau)

\*\*Mercantile Land Uses receive a Pass By reduction of 25% (Included)

\*\*\*Food Services Land Uses receive a Pass By Reduction 44% (Included)

#### **Conclusions and Recommendations:**

Our analysis shows that typical Downtown Commercial Land Uses varies from 9-200 Average Daily Trips / 1000 SF as compared to Residential Land Uses which varies from 5-8 Average Daily trips / 1000 SF. Therefore, planning for commercial land uses would be the most conservative approach.



This Summary information is based upon previous studies and reports prepared by outside agencies. We recommend continuing this level of evaluation for all future development.



# **EXHIBIT C**

## **Public Participation Plan**



# C-1 Downtown Commercial Limited Zoning Amendment - Flexible Use

## Public Participation Plan

June 2019

---

### INTRODUCTION

The City Council adopted amendments to the Poulsbo Municipal Code [Chapter 18.80](#), Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.

Within the C-1 [zoning district](#), but outside of the [shopfront overlay](#), the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

### PUBLIC AND AGENCY GOALS

- To provide the public with timely information, an understanding of the process, and opportunities to review and comment on the critical areas ordinance amendments, and to have these comments forwarded to the City's decision makers.
- Ensure that information about the process is provided to the public early in the process and at regular intervals thereafter, to maximize public awareness and participation in the process.
- Actively solicit information from citizens, property owners and stakeholders about their concerns, questions and priorities for the amendment process and the future of Poulsbo land uses and the City's Comprehensive Plan.
- Encourage the public to informally review and comment on the update throughout the process.
- Incorporate public comment into the local government's review process prior to significant milestones or decision making.
- Provide forums for formal public input at milestones prior to decision making by local officials.
- Consult and consider recommendations from neighboring jurisdictions, federal and state agencies, and Native American tribes.

### PUBLIC ENGAGEMENT OPPORTUNITIES

The City is committed to providing multiple opportunities for the public to engage throughout the process. The City will take advantage of various modes of communication to inform the public and encourage their participation.

- Website: The City's Planning and Economic Development (PED) Department webpage will house the C-1 Downtown Commercial Limited Zoning Amendments where interested citizens and community members may visit for status updates, draft documents, official notices, minutes, and project information:  
<https://cityofpoulsbo.com/development-regulation-amendments/>

- **E-Notice Mailing List:** An e-notice mailing list of interested persons and organizations has been established. Those on the e-notice list will receive periodic notices regarding the C-1 Downtown Commercial Limited Zoning Amendments progress. Individuals interested in being on the mailing list should contact the PED Department at (360) 394-9748 or at [plan&econ@cityofpoulsbo.com](mailto:plan&econ@cityofpoulsbo.com) and request being placed on the Development Regulations updates e-notice mailing list.
- **Comment:** Interested citizens are encouraged to provide comments to the City by letter, email or fax. All comments will be forwarded to the Poulsbo Planning Commission and City Council. Written comments can be submitted by the following methods:

City of Poulsbo Planning and Economic Development Department  
 200 NE Moe Street | Poulsbo, WA 98370  
 Fax (360)697-8269 | Email [plan&econ@cityofpoulsbo.com](mailto:plan&econ@cityofpoulsbo.com)

- **Attend:** Interested citizens are encouraged to attend and provide verbal comments to the City at the Planning Commission and/or City Council public hearings.

## **INFORMATION AVAILABILITY**

The proposed ordinance is available for public review. The primary repository of all information related to the update is the City’s website— [www.cityofpoulsbo.com](http://www.cityofpoulsbo.com) – at the Planning and Economic Development main page – where draft documents, meeting dates, updates on process, and official notices (notice of application, environmental review, public hearing notices, etc.), will be posted. An e-mail link for questions or comments will also be provided at the website.

Documents are also available for review at Poulsbo City Hall 200 NE Moe Street, Poulsbo. Copies will be provided at a reasonable cost. Official notices will be published in the North Kitsap Herald and posted in the Poulsbo Post Office, Poulsbo Library, and Poulsbo City Hall notice boards. The local news media will be kept up to date on the update process and receive copies of all official notices.

## **PUBLIC AND AGENCY REVIEW TIMELINE**

A Public Participation Plan is required by the Growth Management Act to describe how the City will encourage early and continuous public participation throughout the process of reviewing and updating Development Regulations. The Public Participation Plan includes opportunities to comment, review timeline, and contact information. Please see <https://cityofpoulsbo.com/development-regulation-amendments/> to review the Public Participation Plan.

### **June 28, 2019**

Public Release of C-1 Downtown Commercial Limited Zoning Amendments: 1) post on City’s website; 2) distributed to local, regional and state agencies; 3) distributed to Planning Commission and City Council; 4) email announcing availability of material sent to email list.

### **June 28, 2019**

Notice of Application w/Optional DNS and Notice of PC Public Hearing Issued

### **July 12, 2019**

Notice of Application with Optional DNS comment period over

### **July 16, 2019**

Planning Commission Staff Report Due

### **July 23, 2019**

Planning Commission Public Hearing 7 p.m. | Council Chambers

### **August 14, 2019**

City Council Public Hearing - 7 p.m. | Council Chambers

## **PUBLIC HEARINGS**

The Planning Commission and City Council will conduct at least one public hearing each to gather and consider public testimony on the C-1 Downtown Commercial Limited Zoning Amendments. The hearing(s) are anticipated for **July 23, 2019 (PC) and August 14, 2019 (CC)**. Public notice of all hearings will state explicitly the date/time, review body and location of the public hearing. The public notices will be published in the North Kitsap Herald, posted at the City's public notice locations, sent to the E-notice mailing list and others who request such notice.

## **RECORDING OF MEETINGS**

All public meetings and hearings will be audio recorded. Minutes and/or meeting summary for all public meetings will be prepared, and hard copies made available upon request.

# **EXHIBIT D**

**Notice of Application with Optional DNS and  
Notice of Planning Commission Public Hearing**



# NOTICE OF APPLICATION W/ OPTIONAL DNS and NOTICE OF PLANNING COMMISSION PUBLIC HEARING

Planning and Economic Development Department  
200 NE Moe Street | Poulsbo, Washington 98370  
(360) 394-9748 | fax (360) 697-8269  
www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

## C-1 DOWNTOWN COMMERCIAL LIMITED ZONING CODE AMENDMENT – FLEXIBLE USE

The public has the right to review contents of the official file for the proposal, provide written comments, participate in any public hearings, and request a copy of the final decision.

<b>Planning File:</b>	C-1 Downtown Commercial Limited Zoning Code Amendment - Type IV Application
<b>Notice of Application:</b>	June 28, 2019
<b>Summary of Proposed Application:</b>	<p>The City Council adopted amendments to the Poulsbo Municipal Code <a href="#">Chapter 18.80</a>, Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.</p> <p>In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.</p> <p>Within the C-1 <a href="#">zoning district</a>, but outside of the <a href="#">shopfront overlay</a>, the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.</p>
<b>Environmental Review:</b>	<p><b>ENVIRONMENTAL (SEPA) REVIEW COMMENTS MUST BE SUBMITTED BY <u>JULY 12, 2019</u>.</b></p> <p>The City of Poulsbo has reviewed the proposed project for probable adverse environmental impacts and expects to issue a determination of nonsignificance (DNS) for this project. The Optional DNS process in WAC 197-11-355 is being used. <b><i>This may be the only opportunity to comment on the environmental impacts of the proposed project.</i></b> The proposal may include mitigation measures under applicable codes, and the project review process may incorporate or require mitigation measures regardless of whether an EIS is prepared. A copy of the subsequent threshold determination for the proposal may be obtained upon request. Agencies, tribes, and the public are encouraged to review and comment on the proposed project and its probable environmental impacts.</p>
<b>Public Comment Methods:</b>	<p>Written comments may be mailed, faxed, or e-mailed to the PED Department contact information indicated above. To ensure consideration, all written comments must be received prior to close of the public hearing. At the hearing, the public will have an opportunity to provide written and verbal testimony regarding the proposed project.</p>

<b>Public Participation Plan:</b>	A public and agency participation plan has been developed for this review process, and can be viewed at the <a href="#">City's website</a> . A copy is also available at the Planning and Economic Development (PED) Department.
<b>Draft Document:</b>	The proposed amendments are represented as <b>bold underline</b> for proposed additions and <del>strikeouts</del> for deletions. The proposed amendments can be found online: <a href="https://cityofpoulsbo.com/development-regulation-amendments/">https://cityofpoulsbo.com/development-regulation-amendments/</a>
<b>Planning Commission Public Hearing:</b>	<b>THE PLANNING COMMISSION PUBLIC HEARING IS SCHEDULED FOR <u>JULY 23, 2019</u>.</b> The hearing is scheduled to begin at 7 pm at Poulsbo City Hall, Council Chambers, 200 NE Moe Street, Poulsbo, WA. All interested citizens and agencies are invited to provide written and verbal testimony to the Planning Commission regarding the proposed amendments. The Planning Commission will make recommendations to the City Council. City Council is the review and decision-making authority. Hearing procedures are available from the PED Department and City Clerk's office and are conducted based on Roberts Rules of Order.
<b>Further Information:</b>	Please contact the Poulsbo PED Department at (360) 394-9748, <a href="http://www.cityofpoulsbo.com">www.cityofpoulsbo.com</a> or <a href="mailto:plan&amp;econ@cityofpoulsbo.com">plan&amp;econ@cityofpoulsbo.com</a> for further information.
<b>Examination of File:</b>	The complete document may be viewed at the PED Department, Poulsbo City Hall, 200 NE Moe Street, from 8:30 a.m. to 4:30 p.m. Monday through Friday. Project documents are also available online here: <a href="https://cityofpoulsbo.com/development-regulation-amendments/">https://cityofpoulsbo.com/development-regulation-amendments/</a>

All interested people are invited to attend the Planning Commission Public Hearing. If you are unable to attend, your written comments, received no later than the date and time scheduled for the hearing, will be given careful consideration by the Planning Commission and made a part of the record. Testimony will be allowed on the proposal.

The following procedural rules have been established for public hearings to allow a fair and orderly hearing:

1. The length of time given to individuals speaking for or against a proposal may be determined by the Planning Commission prior to the application being considered;
2. A speaker representing each side of the issue is encouraged.

**THE CITY OF POULSBO STRIVES TO PROVIDE ACCESSIBLE MEETINGS FOR PEOPLE WITH DISABILITIES. PLEASE CONTACT THE POULSBO PED DEPARTMENT AT 360-394-9748 AT LEAST 48 HOURS PRIOR TO THE MEETING IF ACCOMMODATIONS ARE NEEDED FOR THIS MEETING.**



CI/NOA/SEPA



# AFFIDAVIT OF PUBLIC NOTICE

Nikole Coleman, being first duly sworn, upon his/her oath deposes and says: That he/she is now, and at all times herein mentioned has been, a citizen of the

United States and the State of Washington, over and above the age of twenty-one years and a resident of said County, that

on June 28, 2019, affiant that a copy of the following City of Poulsbo public notices, and which is attached to this affidavit,

- Notice of Application
- SEPA Determination
- Notice of Public Hearing (PCPH)
- Notice of Decision

has been provided, mailed and/or posted to the attached distribution lists, property addresses or posting locations:

- US Mail
- Email
- Post at Library, City Hall, Poulsbo Post Office, Website
- Site Posting Address: \_\_\_\_\_

[Signature]

Subscribed and sworn to before me this 1<sup>st</sup> day of July, 2019.

AMANDA RODGERS  
 Notary Public  
 State of Washington  
 License Number 201765  
 My Commission Expires  
 July 16, 2022

[Signature]  
NOTARY PUBLIC in and for the State of Washington, residing at:

Bremerton, WA  
My Commission expires on:

07/16/2022

**Helen M. Wytko**

---

**From:** Constant Contact <support@constantcontact.com>  
**Sent:** Friday, June 28, 2019 11:00 AM  
**To:** Helen M. Wytko  
**Subject:** Your campaign C-1 Downtown Limited Zoning Amendment - Flexible Use has been sent

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.



Dear Helen Wytko,

Your campaign '**C-1 Downtown Limited Zoning Amendment - Flexible Use**' was sent on 6/28/2019 around 2:00 PM EDT.

Below is a copy of the message your subscribers received. See how your campaign is doing by visiting Reports [in your account](#) to get real-time results and stats.

---

**Subject:** C-1 Downtown Limited Zoning Amendment - Flexible Use

---



## City of Poulsbo PUBLIC NOTICE

You are receiving this email because you've signed up to receive periodic notices regarding the City of Poulsbo's development regulations. Thank you for your interest in the future of Poulsbo.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.

Within the C-1 zoning district, but outside of the shopfront overlay, the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

The City encourages all interested parties to review the proposed amendment and attend any or all of the scheduled workshops. Comments may also be made in writing to [plan&econ@cityofpoulsbo.com](mailto:plan&econ@cityofpoulsbo.com) or to Poulsbo Planning and Economic Development Department 200 NE Moe Street, Poulsbo WA 98370. To ensure consideration, all written comments must be received by the City prior to the close of the City Council public hearing (scheduled for August 14, 2019).

Please feel free to contact the Poulsbo PED Department at (360) 394-9748 with any questions regarding this amendment.

Again, thank you for your interest in the future of Poulsbo.

- [Initial Release Memo](#)
- [Public Participation Plan](#)
- [Notice of Application w/Optional DNS and Planning Commission Public Hearing](#)
- [SEPA Checklist](#)

City of Poulsbo | Planning and Economic Development Department, 200 NE Moe Street, Poulsbo, WA 98370

[Unsubscribe hwytko@cityofpoulsbo.com](mailto:hwytko@cityofpoulsbo.com)

[Update Profile](#) | [About Constant Contact](#)

Sent by [planninginfo@cityofpoulsbo.com](mailto:planninginfo@cityofpoulsbo.com) in collaboration with

**Constant Contact** 

Try email marketing for free today!

# **EXHIBIT E**

**SEPA Threshold Determination with commented checklist**



## DETERMINATION OF NONSIGNIFICANCE (DNS)

### C-1 Downtown Commercial Limited Zoning Amendments, Type IV Application

**Description of Proposal:** The City Council adopted amendments to the Poulsbo Municipal Code [Chapter 18.80](#), Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.

Within the C-1 [zoning district](#), but outside of the [shopfront overlay](#), the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

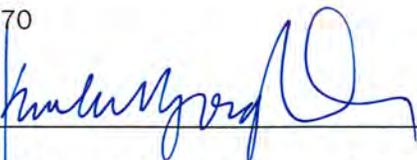
**Project Name:** C-1 Downtown Commercial Limited Zoning Code Amendment  
**NOA/Optional DNS:** June 28, 2019  
**Applicant:** City of Poulsbo Planning and Economic Development Department  
**Lead Agency:** City of Poulsbo

The City of Poulsbo has determined that the above-described proposal does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public on request.

**THIS DNS IS ISSUED AFTER USING THE OPTIONAL DNS PROCESS IN WAC 197-11-355. THERE IS NO FURTHER COMMENT PERIOD ON THE DNS.**

**Responsible Official:** Karla Boughton  
**Position/Title:** Planning and Economic Development Department Director  
200 NE Moe Street  
Poulsbo, WA 98370  
(360) 394 -9748

**Date:** 7/15/19

**Signature:** 

**APPEAL:** Any agency or person may appeal this SEPA determination by filing a written appeal to the responsible official no later than 10 working days from the date of this notice. You should be prepared to make specific factual objections. Contact the responsible official to read or ask about the procedure for SEPA appeals.

cl/sepa



# AFFIDAVIT OF PUBLIC NOTICE

Nikole Coleman, being first duly sworn, upon his/her oath deposes and says: That he/she is now, and at all times herein mentioned has been, a citizen of the United States and the State of Washington, over and above the age of twenty-one years and a resident of said County, that on July 15, 2019, affiant that a copy of the following City of Poulsbo public notices, and which is attached to this affidavit,

- Notice of Application
- SEPA Determination
- Notice of Public Hearing
- Notice of Decision

has been provided, mailed and/or posted to the attached distribution lists, property addresses or posting locations:

- website
- US Mail
- Email to Parties of Record
- Post at Library, City Hall, Poulsbo Post Office, Website
- Site Posting Address: \_\_\_\_\_
- Ecology

[Signature]

Subscribed and sworn to before me this 15 day of July, 2019.

[Signature]  
NOTARY PUBLIC in and for the State of Washington, residing at:

HELEN WYTKO  
Notary Public  
State of Washington  
License Number 208236  
My Commission Expires  
May 01, 2023

Poulsbo, WA  
My Commission expires on:  
May 1, 2023



# SEPA ENVIRONMENTAL CHECKLIST

200 NE Moe Street | Poulsbo, Washington 98370  
(360) 394-9748 | fax (360) 697-8269  
www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

A. BACKGROUND		
<b>Name of proposed project, if applicable:</b> C-1 Downtown Limited Zoning Code Amendments - Flexible Use		<b>Date Prepared:</b> June 25, 2019
<b>Name of Applicant:</b> City of Poulsbo	<b>Address:</b> 200 NE Moe Street Poulsbo, Washington 98370	<b>Phone Number:</b> (360) 394-9748
<b>Contact:</b> Nikole Coleman, Associate Planner	<b>Agency Requesting Checklist:</b> City of Poulsbo	
<b>Proposed timing or schedule (including phasing, if applicable)</b> <p>The Planning Commission has a public hearing scheduled for July 23, 2019. The City Council has a public hearing scheduled for August 14, 2019. All hearings will be held at Poulsbo City Hall Council Chambers. Public notices for public hearing dates will be issued and published in the City's official newspaper and City's website. All meeting dates are subject to change. Public notices for public hearing dates will be issued and published in the City's official newspaper and City's website.</p>		
<b>Do you have any plans for future additions, expansions, or further activity related to or connected with this proposal? If yes, explain.</b>  No.		
<b>List any environmental information you know about that has been prepared, directly related to this proposal.</b>  No specific environmental information has been prepared for this update. Land use applications submitted to the City will be required to be processed under the provisions of Title 19, and may require environmental review when development is proposed, pursuant to SEPA rules.		
<b>Do you know whether applications are pending for governmental approvals or other proposals directly affecting the property covered by your proposal? If yes, explain.</b>  Permits will be processed under the current zoning ordinance until new regulations go into effect.		
<b>List any government approvals or permits that will be needed for your proposal, if known.</b>  City Council approval and adoption.		

*Reviewed & commented by Paul Broughton 6/25/19*

Give a brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page.

The City Council adopted amendments to the Poulsbo Municipal Code [Chapter 18.80](#), Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.

Within the C-1 [zoning district](#), but outside of the [shopfront overlay](#), the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

**Location of the proposal.** Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

Poulsbo is located in Township 26 North, Range 1 East, Willamette Meridian and is located in all or portions of Sections 9, 10, 11, 13, 14, 15, 22, 23, 24, 25, and 26. The updated Ordinance will apply to residentially zoned properties city-wide. The responses provided from this point forward imply city-wide applicability, unless otherwise specified.

B. ENVIRONMENTAL ELEMENTS		Agree	Disagree	Mitigate
<b>1. Earth</b>				
<p><b>a. General description of the site (check one):</b>  <input type="checkbox"/> flat <input type="checkbox"/> rolling <input type="checkbox"/> hilly <input type="checkbox"/> steep <input type="checkbox"/> slopes <input type="checkbox"/> mountainous  <input type="checkbox"/> other.</p> <p>Poulsbo's topography varies throughout the city, from flat to areas of steep slopes. Actual development will be subject to additional SEPA review as appropriate. Environmental review and a threshold determination will be required at the time of development review. Site specific development impacts are not identified at this time.</p>	✓			
<p><b>b. What is the steepest slope on the site (approximate percent slope)?</b></p> <p>There are areas within the city limits with slopes exceeding 40 percent, and potential geohazard areas are mapped on the City's critical areas maps. At the time of a development proposal, additional information on slopes will be required. Future development will require additional environmental review.</p>	✓			

<p>c. <b>What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any agricultural land of long-term commercial significance and whether the proposal results in removing any of these soils</b></p> <p>According to the Kitsap County Soil Survey, the soils within the city limits is predominately classified as Poulsbo Gravelly sandy loam, with areas of Kapowsin gravelly loam and Sinclair soils.</p>	✓		
<p>d. <b>Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.</b></p> <p>Geohazards are mapped in the City's critical areas maps and unstable soils/slopes are regulated by the City's Critical Areas Ordinance. No development is proposed at this time. Review of soil conditions will occur at the time specific proposals move forward.</p>	✓		
<p>e. <b>Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.</b></p> <p>This is not applicable to this non-project action.</p>	✓		
<p>f. <b>Could erosion occur as a result of clearing, construction or use? If so, generally describe.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. Erosion control would be addressed through existing City ordinances, including the clearing and grading and critical areas regulations.</p>	✓		
<p>g. <b>About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Projects will require further analysis and SEPA review, where appropriate.</p>	✓		
<p>h. <b>Proposed measures to reduce or control erosion, or other impacts to the earth, if any.</b></p> <p>None. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<b>2. Air</b>			
<p>a. <b>What types of emissions to the air would result from the proposal (i.e. dust, automobile, odors, industrial, wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.</b></p> <p>No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>b. <b>Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.</b></p> <p>No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		

<p>c. <b>Proposed measures to reduce or control emissions or other impacts to air, if any.</b></p> <p>None. No development is proposed at this time. Determination will be made at the time specific proposals move forward. New construction will comply with the requirements of the Poulsbo Municipal Code and the Engineering Department, which will be reviewed at the time of a specific project proposal moving forward.</p>	✓		
<b>3. Water</b>			
<b>a. Surface:</b>			
<p>1) <b>Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.</b></p> <p>Poulsbo's main surface water body is Liberty Bay; there are numerous streams and wetlands throughout the city limits. There is no development proposed at this time; future development will require additional environmental review.</p>	✓		
<p>2) <b>Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.</b></p> <p>No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>3) <b>Estimate the amount of fill and dredge that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>4) <b>Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities, if known.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>5) <b>Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.</b></p> <p>No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>6) <b>Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		

<b>b. Ground:</b>			
1)	<p>Will groundwater be withdrawn from a well for drinking water or other purposes? If so, give a general description of the well, proposed uses and approximate quantities withdrawn from the well. Will water be discharged to groundwater? Give general description, purpose, and approximate quantities if known.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓	
2)	<p>Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: domestic sewage; industrial, containing the following chemicals.; agricultural; etc...). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓	
<b>c. Water Runoff (including storm water):</b>			
1)	<p>Describe the source of runoff (including storm water) and method of collection and disposal, if any (including quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Future development will lead to stormwater runoff, which will be reviewed and required to meet City and State regulations for stormwater management. Determination will be made at the time specific proposals move forward.</p>	✓	
2)	<p>Could waste materials enter ground or surface waters? If so, generally describe.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓	
3)	<p>Does the proposal alter or otherwise affect drainage patterns near the site? If so, describe.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓	
d.	<p>Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:</p> <p>This is not applicable to this non-project action. No development is proposed at this time. At the time of development review, projects will be reviewed for compliance with the City's adopted storm water management regulations and updated critical areas ordinance.</p>	✓	

4. Plants			
<p>a. Check types of vegetation found on the site:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Deciduous tree: alder, maple, aspen, other</li> <li><input checked="" type="checkbox"/> Evergreen tree: fir, cedar, pine, other</li> <li><input checked="" type="checkbox"/> Shrubs</li> <li><input checked="" type="checkbox"/> Grass</li> <li><input checked="" type="checkbox"/> Pasture</li> <li><input type="checkbox"/> Crop or grain</li> <li><input checked="" type="checkbox"/> Wet soil plants: cattail, buttercup, bulrush, skunk cabbage, other</li> <li><input type="checkbox"/> Water plants: water lily, eelgrass, milfoil, other</li> <li><input type="checkbox"/> Other types of vegetation</li> </ul> <p>The checked vegetation is found throughout Poulsbo. This is not applicable to this non-project action. No development is proposed at this time. The existing vegetation for sites will be determined at the time of development review.</p>	✓		
<p>b. What kind and amount of vegetation will be removed or altered?</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>c. List threatened or endangered species known to be on or near the site.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. Landscaping is typically required for new development proposals.</p>	✓		
<p>e. List all noxious weeds and invasive species known to be on or near the site.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. Landscaping is typically required for new development proposals.</p>	✓		
5. Animals			
<p>a. Check any birds and animals which have been observed on or near the site or are known to be on or near the site:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Birds: hawk, heron, eagle, songbirds, other:</li> <li><input type="checkbox"/> Mammals: deer, bear, elk, beaver, other:</li> <li><input type="checkbox"/> Fish: bass, salmon, trout, herring, shellfish, other:</li> </ul> <p>There are a variety of birds, fish, and mammals that inhabit Poulsbo. They are primarily located near streams and Liberty Bay.</p>	✓		

<p>b. <b>List any threatened or endangered species known to be on or near the site.</b></p> <p>Poulsbo has several listed species, including bald eagle, blue heron, harbor seal, salmon (Chinook, chum, coho), steelhead, cutthroat, hardshell clam, smelt, and sand lance.</p> <p>No development is proposed at this time. Additional environmental review will be conducted at the time of application for specific development.</p>	✓		
<p>c. <b>Is the site part of a migration route? If so, explain.</b></p> <p>Liberty Bay and adjacent streams are known to contain anadromous salmonids. The City is located within the Pacific Flyway – a flight corridor for migrating waterfowl and other birds – that extends from Alaska to Mexico and South America.</p>	✓		
<p>d. <b>Proposed measures to preserve or enhance wildlife, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. The City's Critical Areas Ordinance provides protection for wildlife. Any additional mitigation necessary will be identified at the time of site-specific development review.</p>	✓		
<p>e. <b>List any invasive animal species known to be on or near the site.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. The City's Critical Areas Ordinance provides protection for wildlife. Any additional mitigation necessary will be identified at the time of site-specific development review.</p>	✓		
<b>6. Energy and Natural Resources</b>			
<p>a. <b>What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. Electric energy is available city-wide and natural gas is available in specific locations in the city limits.</p>	✓		
<p>b. <b>Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>c. <b>What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. Future development will meet the current energy code as identified in the International Building Code.</p>	✓		

<b>7. Environmental Health</b>			
<p><b>a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so, describe.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>1) Describe any known or possible contamination at the site from present or past uses.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>2) Describe existing hazardous chemicals/conditions that might affect project development and design. This includes underground hazardous liquid and gas transmission pipelines located within the project area and in the vicinity.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>3) Describe any toxic or hazardous chemicals that might be stored, used, or produced during the project's development or construction, or at any time during the operating life of the project.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>4) Describe special emergency services that might be required.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>5) Proposed measures to reduce or control environmental health hazards, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<b>b. Noise</b>			
<p><b>1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?</b></p> <p>The city has a typical level of noise expected in an urban environment.</p>	✓		

<p>2) What types of levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>3) Proposed measures to reduce or control noise impacts, if any.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. Construction noise is regulated in the Poulsbo Municipal Code.</p>	✓		
<b>8. Land and Shoreline Use</b>			
<p>a. What is the current use of the site and adjacent properties? Will the proposal affect current land uses on nearby or adjacent properties? If so, describe.</p> <p>The C-1 zoning district is intended to:</p> <ol style="list-style-type: none"> <li>1. Encourage high quality and recreation amenities, tourist-oriented and commercial development which will enhance public access and the use of the shoreline.</li> <li>2. Encourage a wide range of activities that make downtown Poulsbo the cultural, civic, heritage and waterfront heart of the community.</li> <li>3. Provide a full range of commercial services, tourism, recreation and entertainment activities to support downtown visitors, residents and workers.</li> <li>4. Ensure that projects are designed using consistent architectural design and consistent with the scale and design of downtown.</li> <li>5. Shopfront Overlay. The shopfront overlay is intended to preserve the historical development pattern along Front Street defined by small parcels, pedestrian-scale buildings, active streets, public spaces, and retail and service uses.</li> </ol>	✓		
<p>b. Has the project site been used as working farmlands or working forest lands? If so, describe. How much agricultural or forest land of long-term commercial significance will be converted to other uses as a result of the proposal, if any? If resource lands have not been designated, how many acres in farmland or forest land tax status will be converted to nonfarm or nonforest use?</p> <p>No.</p>	✓		
<p>1) Will the proposal affect or be affected by surrounding working farm or forest land normal business operations, such as oversize equipment access, the application of pesticides, tilling, and harvesting? If so, how:</p> <p>No.</p>	✓		
<p>c. Describe any structures on the site.</p> <p>The C-1 zoning district contains many structures, parking, landscaping, etc.</p>	✓		

<p><b>d. Will any structures be demolished? If so, what?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>e. What is the current zoning classification of the site?</b></p> <p>The proposed amendment is applicable to the C-1 zoning district.</p>	✓		
<p><b>f. What is the current comprehensive plan designation of the site?</b></p> <p>The C-1 zoning are is designated as Commercial.</p>	✓		
<p><b>g. If applicable, what is the current shoreline master program designation of the site?</b></p> <p>Several properties within the C-1 zoning district are located within the Shoreline Jurisdiction (200 feet from OHWM). No development is proposed. Determination of shoreline designation and applicable review requirements will be made at the time specific proposals move forward.</p>	✓		
<p><b>h. Has any part of the site been classified as a critical area by the city or county? If so, specify</b></p> <p>Several properties within the C-1 zoning district are mapped as Aquifer Recharge Area of Concern and Potential Geological Hazards. The actual development of the specific sites will be subject to additional development review and would be subject to environmental review. Site specific development impacts are not identified at this time. Identification of critical areas will be made based on the City's Critical Area Ordinances maps and site-specific environmental information prepared during the development review process.</p>	✓		
<p><b>i. Approximately how many people would reside or work in the completed project?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. The proposed amendment allows for flexibility for employment and residential in the C-1 zoning district.</p>	✓		
<p><b>j. Approximately how many people would the completed project displace?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>k. Proposed measures to avoid or reduce displacement impacts, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any.</b></p> <p>Per Comprehensive Plan Policies:</p> <p>LU-3.3. Provide for a mix of activities including retail, office, social, recreation, local services and as appropriate residential, within the commercial designations.</p>	✓		

<p>LU-3.9. Encourage mixed use by allowing residential units to be located in combination with existing and new street frontage commercial in all commercial zoning districts.</p> <p>CC-5.9. Encourage mixed use by allowing residential units to be located in association with commercial frontage in Downtown Poulsbo. New mixed-use buildings shall be designed to complement the existing character and pedestrian-scale of Downtown Poulsbo, shall be limited in height to an average of 35', and have a mix of both commercial and residential uses incorporated within the building.</p> <p>HS-1.1. Provide land for the city's projected population through a variety of housing types, such as single family and multi-family attached and detached housing (both owner and renter occupied), mixed use, manufactured housing, group homes, government-assisted housing, and housing for low-income households.</p> <p>HS-3.6. Encourage additional housing units through the provisions of mixed-use development in commercially zoned areas.</p> <p>ED-6.5. Facilitate the redevelopment and re-invigoration of older commercial areas. Work with property owners and stakeholders to transform such areas into dynamic retail/mixed use commercial areas that also provide a gathering place</p>			
<p>m. <b>Proposed measures to reduce or control impacts to agricultural and forest lands of long-term commercial significance, if any.</b></p> <p>None are located in the C-1 zoning district.</p>	✓		
<b>9. Housing</b>			
<p>a. <b>Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.</b></p> <p>Not applicable to this non-project action. This is a non-project action. Unknown at this time how many units would be provided based on the amendment.</p>	✓		
<p>b. <b>Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.</b></p> <p>Not applicable to this non-project action. This is a non-project action. It is unlikely the units will be removed based on this amendment.</p>	✓		
<p>c. <b>Proposed measures to reduce or control housing impacts, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<b>10. Aesthetics</b>			
<p>a. <b>What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?</b></p> <p>Per PMC 18.80.040 B., the maximum average building height in the C-1 zoning district shall be thirty-five feet; provided, that:</p> <ol style="list-style-type: none"> <li>The height limit on 3rd Avenue NE between Moe Street NE and NE Hostmark Street shall be twenty-five feet as measured from the highest sidewalk grade of 3rd Avenue NE adjacent to the property line;</li> </ol>	✓		

<p>2. In the shopfront overlay the height limit on west side of Front Street NE shall be twenty-five feet and on east side of Front Street NE shall be thirty-five feet as measured from the highest sidewalk grade of Front Street NE adjacent to the property line;</p> <p>3. "Highest sidewalk grade" means the highest elevation of the sidewalk parallel to the building frontage; and</p> <p>4. The height limits described above in subsections (B)(1) and (2) of this section shall also apply to rooftop appurtenances, such as those identified in Section <a href="#">18.310.010(B)</a></p>			
<p><b>b. What views in the immediate vicinity would be altered or obstructed?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>c. Proposed measures to reduce or control aesthetic impacts, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. While site specific development impacts are not identified at this time, building height and design review requirements are set forth in Poulsbo's zoning ordinance.</p>	✓		
<b>11. Light and Glare</b>			
<p><b>a. What type of light or glare will the proposal produce? What time of day would it mainly occur?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>b. Could light or glare from the finished project be a safety hazard or interfere with views?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>c. What existing off-site sources of light or glare may affect your proposal?</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p><b>d. Proposed measures to reduce or control light and glare impacts, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. While site specific impacts are not identified at this time, the City's zoning ordinance contains lighting requirements. Additional environmental review will be required as sites are proposed for development.</p>	✓		
<b>12. Recreation</b>			

<p>a. <b>What designated and informal recreational opportunities are in the immediate vicinity?</b></p> <p>Muriel Iverson Waterfront Park is located adjacent to the C-1 zoning district.</p>	✓		
<p>b. <b>Would the proposed project displace any existing recreational uses? If so, describe.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>c. <b>Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any.</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<b>13. Historic and Cultural Preservation</b>			
<p>a. <b>Are there any buildings, structures, or sites, located on or near the site that are over 45 years old listed in or eligible for listing in national, state, or local preservation registers? If so, specifically describe.</b></p> <p>This is a non-project action. Determination will be made at the time of specific proposals for development.</p>	✓		
<p>b. <b>Are there any landmarks, features, or other evidence of Indian or historic use or occupation? This may include human burials or old cemeteries. Are there any material evidence, artifacts, or areas of cultural importance on or near the site? Please list any professional studies conducted at the site to identify such resources.</b></p> <p>This is a non-project action. Determination will be made at the time of specific proposals for development.</p>	✓		
<p>c. <b>Describe the methods used to assess the potential impacts to cultural and historic resources on or near the project site. Examples include consultation with tribes and the department of archeology and historic preservation, archaeological surveys, historic maps, GIS data, etc</b></p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>d. <b>Proposed measures to reduce or control impacts, if any.</b></p> <p>If at the time of site-specific development, evidence of historic or cultural resources are found, proper protocols and notifications will be initiated.</p>	✓		
<b>14. Transportation</b>			
<p>a. <b>Identify public streets and highways serving the site and describe proposed access to the existing street system. Show on site plans, if any.</b></p> <p>Properties within the C-1 zoning district are accessed primarily by Front St. NE, Jensen Way NE, 3<sup>rd</sup> Ave NE, Moe St NE, and NE Hostmark St.</p>	✓		

<p>b. Is the site or affected geographic area currently served by public transit? If so, generally describe. If not, what is the approximate distance to the nearest transit stop?</p> <p>The C-1 zoning district is served by Kitsap Transit route 344.</p>	✓		
<p>c. How many additional parking spaces would the completed project or non-project proposal have? How many would the project or proposal eliminate?</p> <p>Any development projects proposed currently, or following the adoption of this amendment, would be required to provide on site parking consistent with PMC 18.80.100. Within the C-1 zoning district, but outside of the shopfront overlay, the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.</p> <p>Per PMC 18.80.100, retail sales, personal services, restaurant, office and professional services required 1 space per 300 GSF.</p>	✓		
<p>d. Will the proposal require any new or improvements to existing roads, streets, pedestrian, bicycle or state transportation facilities, not including driveways? If so, generally describe (indicate whether public or private).</p> <p>Comprehensive Plan Policy TR 1.3: "Each new development in the City shall mitigate its traffic impacts by providing safety and capacity improvements to the City's transportation system in order to maintain the adopted level of service on transportation facilities and to provide for the safe and efficient movement of people and goods using multiple modes of travel. Concurrency shall be the minimum required. Mitigation required of any individual development shall be related and roughly proportional to the impacts of that development where so required by law."</p> <p>Comprehensive Plan Policy TR 2.1: "A concurrency level of service (LOS) standard of LOS E is hereby established for all transportation facilities (except as otherwise designated) in the City of Poulsbo in order to serve as a gauge to judge performance of the City's transportation system. A concurrency standard of LOS F is established for all local roadway sections designated Residential Collector and Residential Access."</p> <p>Level of Service (LOS) E is characterized by significant delays and average travel speeds of one third the free-flow speed or less. Such operations are caused by some combination of adverse progression, high signal density, high volumes, extensive delays at critical intersections, and inappropriate signal timing.</p>	✓		
<p>e. Will the project use (or occur in the immediate vicinity of) water, rail or air transportation? If so, generally describe.</p> <p>C-1 zoning district is located near a recreational marina.</p>	✓		

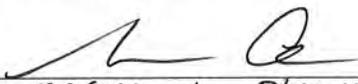
<p>f. How many vehicular trips per day would be generated by the completed project or proposal? If known, indicate when peak volumes would occur and what percentage of the volume would be trucks (such as commercial and nonpassenger vehicles). What data or transportation models were used to make these estimates?</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p> <p>However, TIAs completed for two development proposals within the C-1 zoning district have indicated that the addition of these two mixed-use projects would provide for LOS B or better, indicating little to no delay in vehicular flow. See TIAs for Old City Hall Apartments (P-07-12-17-01) and Vanaheimr (P-05-18-17-01)</p>			
<p>g. Will the proposal interfere with, affect or be affected by the movement of agricultural and forest products on roads or streets in the area? If so, generally describe.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>h. Proposed measures to reduce or control transportation impacts, if any.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward. At the time of development review, projects will be reviewed for traffic impacts and appropriate mitigation will be imposed. TIAs will be required for any future development.</p>	✓		
<b>15. Public Services</b>			
<p>a. Would the project result in an increased need for public service (for example fire protection, police protection, health care, schools, other)? If so, generally describe.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<p>b. Proposed measures to reduce or control direct impacts on public services, if any.</p> <p>This is not applicable to this non-project action. No development is proposed at this time. Determination will be made at the time specific proposals move forward.</p>	✓		
<b>16. Utilities</b>			

*Any proposed project utilizing the code provisions (if adopted) would be required to prepare a TIA. (W)*

<p>a. Check the utilities currently available at the site:</p> <p><input type="checkbox"/> electric <input type="checkbox"/> natural gas <input type="checkbox"/> water <input type="checkbox"/> refuse service <input type="checkbox"/> telephone,  <input type="checkbox"/> sanitary sewer <input type="checkbox"/> septic system <input type="checkbox"/> other.</p> <p>Utilities are also available throughout the city, with natural gas only available in specific areas. No development is proposed with the amendments, and specific determination of utility services will be made at the time of development review.</p>	✓		
<p>b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.</p> <p>Utilities are also available throughout the city, with natural gas only available in specific areas. No development is proposed with the amendments, and specific determination of utility services will be made at the time of development review.</p>	✓		

**C. SIGNATURE**

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature:  Date Submitted: 6/25/19

*ASSOCIATE Planner*

## D. SUPPLEMENTAL SHEET FOR NON-PROJECT ACTIONS

1.	<p><b>How would the proposal be likely to increase discharge to water; emissions to air; production, storage, or release of toxic or hazardous substance; or production of noise?</b></p> <p>As a non-project action, the C-1 Downtown Limited Zoning Amendments would not create any of these effects. All development and uses will be subject to all applicable local, state and federal regulatory requirements and will be reviewed on a case-by-case basis during the development review process.</p> <p><b>Proposed measures to avoid or reduce such increases are:</b></p> <p>No measures are proposed with the update. However, measures will be identified as necessary during the development permit and environmental process for specific projects. Compliance with city regulations and other appropriate mitigations would reduce increases.</p> <p>All future developments will be required to meet Poulsbo Municipal Code (PMC) Chapter 13.18, Illicity Discharge Detention and Elimination, Chapter 15.35, Grading and Clearance, and Chapter 13.17, Stormwater Management. In addition, all construction is required to meet Chapter 15.32, Regulation of Construction Hours.</p>
2.	<p><b>How would the proposal be likely to affect plants, animals, fish, or marine life?</b></p> <p>As a non-project action, the C-1 Downtown Limited Zoning Amendments would not directly affect plants, animals, fish or marine life. Projects resulting from the update will require further review under SEPA. However, the City's Critical Areas Ordinance (CAO), Chapter 16.20, establishes appropriate protection measures and procedures for habitat conservation.</p> <p><b>Proposed measures to protect or conserve plants, animals, fish, or marine life are:</b></p> <p>The CAO provides regulatory protective measures to protect and conserve vegetation and wildlife habitat. Additional measures may be identified during the development permit and environmental review process for specific projects.</p> <p>The City may require completion of environmental studies by qualified professionals to assess the impact of proposed development on critical areas. The City's CAO requires vegetative buffers along surface waters to protect anadromous fish and wildlife habitat. New development may be subject to buffers, as identified in the CAO and other applicable development standards.</p>
3.	<p><b>How would the proposal be likely to deplete energy or natural resources?</b></p> <p>As a non-project action, the C-1 Downtown Limited Zoning Amendments would not deplete energy or natural resources. Projects resulting from the amendments will require further environmental review at the time of development application.</p> <p><b>Proposed measures to protect or conserve energy and natural resources are:</b></p> <p>Measures would be identified during the project specific development permit and environmental review. Compliance with city regulations and other appropriate mitigations would provide the appropriate measures to reduce impacts.</p> <p>All future developments are required to meet the current edition of the International Energy Conservation Code, as published by the ICC, as adopted by the Washington State Building Code Council.</p>
4.	<p><b>How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection; such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?</b></p> <p>The CAO includes standards to protect critical areas and their buffers when development is proposed.</p>

	<p><b>Proposed measures to protect such resources or to avoid or reduce impacts are:</b></p> <p>Measures would be identified during the project specific development permit and environmental review. Compliance with city regulations and other appropriate mitigations would provide the appropriate measures to reduce impacts.</p>
5.	<p><b>How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?</b></p> <p>The proposed updates will not change existing land use patterns.</p>
	<p><b>Proposed measures to avoid or reduce shoreline and land use impacts are:</b></p> <p>The amendments being considered through the update do not pose shoreline or land use impacts. All development applications will be subject to further review under SEPA, the city's zoning code and the Shoreline Master Program where appropriate.</p> <p>Per Comprehensive Plan Policy NE-7.1, Proposed development projects shall be reviewed for consistency with the no net loss policy, taking into account (1) the environmental limitations and sensitivity of the shoreline area; (2) proposed mitigation for anticipated impacts; (3) the level of infrastructure and services available; and (4) other comprehensive planning considerations.</p> <p>Per Comprehensive Plan Policy NE-7.2, new development and redevelopment in all shoreline environment designations shall be consistent with the "preferred use" and "priority use" provisions as set forth in 90.58.020 RCW and WAC 173-26-201, or their successors.</p>
6.	<p><b>How would the proposal be likely to increase demands on transportation or public services and utilities?</b></p> <p>No development is proposed. However, future developments on the subject sites may have increased demands, which would be identified during the specific project development review. Projects resulting from amendments may require further review under SEPA which will be accomplished as required under WAC 197-11 and the Poulsbo Municipal Code.</p>
	<p><b>Proposed measures to reduce or respond to such demand(s) are:</b></p> <p>Measures to reduce impacts on transportation, public services and utilities would be identified during project specific development review. Compliance with city regulations and other appropriate mitigations could provide the appropriate measures to reduce impacts.</p> <p>Per Comprehensive Plan Policy TR-2.1, a concurrency level of service (LOS) standard of LOS E has been established for all transportation facilities (except as otherwise designated) in the City of Poulsbo in order to serve as a gauge to judge performance of the City's transportation system.</p> <p>Per Comprehensive Plan Policy TR-1.4, each new development in the City shall mitigate its traffic impacts by providing safety and capacity improvements to the City's transportation system in order to maintain the adopted level of service on transportation facilities and to provide for the safe and efficient movement of people and goods using multiple modes of travel. Concurrency shall be the minimum required. Mitigation required of any individual development shall be related and roughly proportional to the impacts of that development where so required by law. Mitigation of traffic impacts may be achieved in any number of ways, including but not limited to, actual construction of improvements, financial contribution in lieu of such construction, payment of impact fees imposed under RCW 82.02, implementation of transportation demand strategies, or any other method that is acceptable to the City and that will result in actual mitigation for the impacts of the development.</p>
7.	<p><b>Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.</b></p> <p>The proposed amendments do not conflict with any local, state or federal laws or requirements for the protection of the environment. All future development proposals would be required to follow all applicable regulations regarding the protection of the environment.</p>

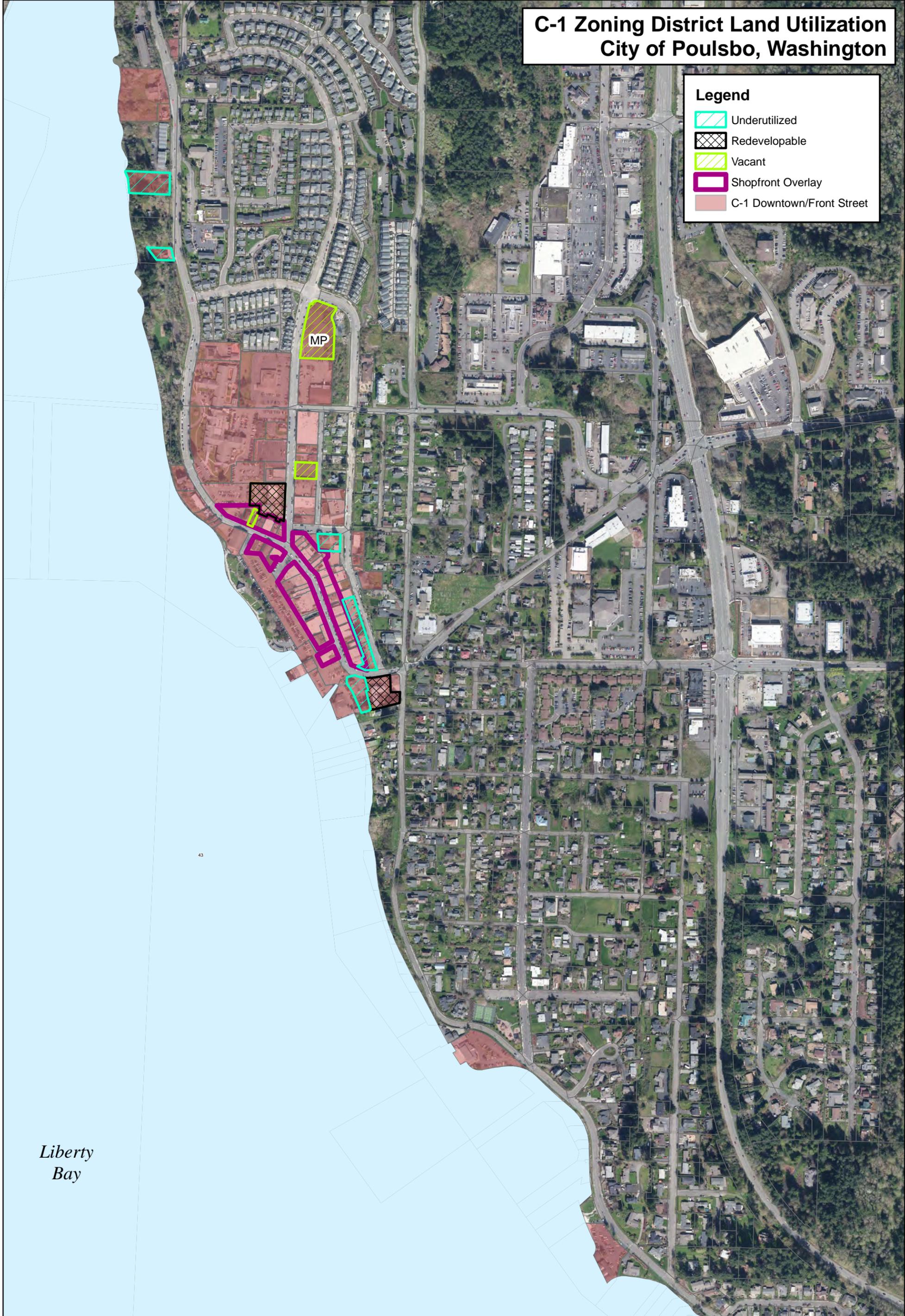
# **EXHIBIT F**

## **Map of C-1 Zoning District Land Utilization**

# C-1 Zoning District Land Utilization City of Poulsbo, Washington

**Legend**

-  Underutilized
-  Redevelopable
-  Vacant
-  Shopfront Overlay
-  C-1 Downtown/Front Street



*Liberty Bay*

0 160 320 640 960 1,280 Feet



Published April 2019

This Map is intended for general purpose planning. Maps are schematic representations of physical features, infrastructure, and land ownership boundaries. The map information was derived from available public records and existing sources, not from surveys. Studies may be necessary with project review to verify information.

# **EXHIBIT G**

**Public Comment Received**

Exhibit F.1  
SoundWest Group  
Public Comment



**6** House & Single Duplex



**3** Back Parking Lot



**2** Nordic House (N)



**2** Nordic House (M)



**2** Nordic House (S)



**1** Olympic Building



**1** Olympic Building



**3** Closet Transfer



**5** Side Parking Lot



**4** Liberty Building



**9** Blue Heron



**8** Old Bank



**10** Tolman Clucas





NEW HOUSING

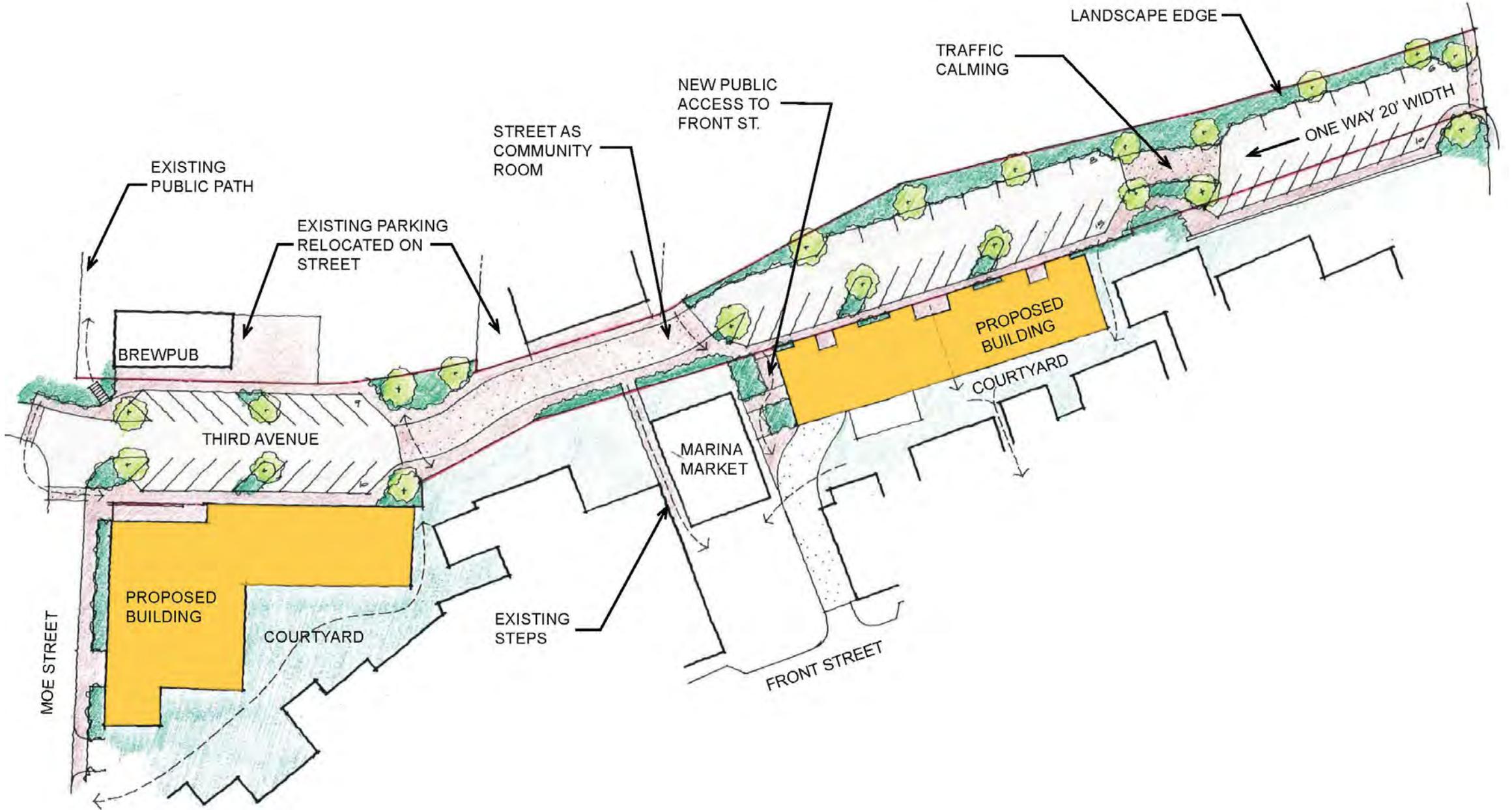
NEW HOUSING

PED. PATH

HISTORIC BUILDINGS

THIRD AVE

FRONT ST



**COMMERCIAL IN POULSBO, WA**

**ASSUMPTIONS**

Gross Bldg Area	10,000 sf	Loan - 70% LTC
Net Leasable Area	9,000 sf	\$ 2,240,000.00

		<u>\$/SF</u>		<u>Total Cost</u>
<b>BUILD COST</b>	Land	\$	60	\$ 1,500,000
	Construction Costs	\$	170	\$ 1,700,000 Shell & Core
	<b>TOTAL</b>	\$	<b>230</b>	<b>\$ 3,200,000</b>

		<u>\$/SF</u>		
<b>INCOME</b>	RENT		\$16	144,000 \$16/sf/year
	Other Income			-
	Vacancy Loss	10%	\$	(14,400)
<b>Subtotal</b>	\$	<b>16</b>	\$	<b>129,600</b>

<b>EXPENSES</b>	Tenant Improvement*	\$	5	\$ (45,000)
	* \$25/SF allowance, amortized over 5 year lease term			
<b>Net Operating Income</b>	\$		\$	<b>84,600</b>

Yearly Debt Payment\*\* (\$177,396)

\*\* Assume 5% rate, 20 Year Am, 10 Year Call

**BEFORE TAX CASH FLOW** (\$2,796)

Debt Service Coverage Ratio 0.48

**RESIDENTIAL COMPARISON**

		<u>\$/SF</u>
\$ 1,500,000	\$	60
\$ 1,600,000	\$	160
<b>\$ 3,100,000</b>		

		<u>\$/SF</u>	
\$ 286,200	\$2.65		*currently receiving \$3.05/sf/mo in Bainbridge
\$ 16,500			*Parking, Pet Rent, Storage, Late Fees, NSF Fees, etc.
\$ (14,310)	5%		
<b>\$ 288,390</b>			

\$ -

**\$ 288,390**

(\$140,219) \* Assume 4.75% rate, 30 year Am

**\$ 148,171**

2.06

**Commercial Property**

18 Front Street (Green Light Diner)	
Building Square Footage	9334 S.F.
Annual Rent	\$115,656
<b>Average Annual Rent per square foot</b>	<b>\$12.39</b>

Warren G. Harding Building	
Building Square Footage	13890 S.F.
Annual Rent	\$137,832
<b>Average Annual Rent per square foot</b>	<b>\$9.92</b>

**Residential Property\***

Arendal on Viking Apartments	
1 bedroom square footage	760 S.F.
Annual Rent	\$21,120
<b>Average Annual Rent per square foot</b>	<b>\$27.78</b>

2 bedroom Square Footage	1040 S.F.
Annual Rent	\$24,660
<b>Average Annual Rent per square foot</b>	<b>\$23.71</b>

**\*Utilities Note**

Residential tenants pay sewer, water, garbage  
Commercial tenants (included in rent)

# WARREN G. HARDING Building

SHOWN BY APPOINTMENT ONLY



**18800 Front St NE  
Poulsbo, Washington 98370**

**\$ 1,900,000**

Mixed Use Commercial Real Estate Opportunity in beautiful downtown Poulsbo



**Gary Sharp, Broker 253.851.8525**  
**gary@sharpcommercial.com**

## STRANDLOOF BUILDING RENT ROLL MAY 2019

- Maple Grove Cottage, LLC Ste. 100                      **Lease expires: 03/31/20**  
2,314 sq. ft.    Tenant Rent: \$2,000.00
- Sandra Dickson/Curious Child Ste 101                      **Lease expires: 06/30/19**  
1,116 sq. ft.    Tenant Rent: \$1,206.00
- NW Land & Sea                      Ste. 102                      **Lease expires: 10/31/19**  
1,427 sq. ft.    Tenant Rent: \$1,400.00
- Norse City Boardroom Ste. 103                      **Lease expires: 05/31/20**  
1,270 sq. ft.    Tenant Rent: \$1,200.00
- Velosys, LLC Ste. 201& 202                      **Lease expires: 03/31/20**  
2,325 sq. ft.    Tenant Rent: \$2,325.00
- ALPHA Ledger Technologies Ste. 203                      **Lease expires: 07/31/19**  
750 sq. ft.    Tenant Rent: \$655.00
- Elysian Studio, LLC Ste. 204                      **Lease expires: 01/31/21**  
688 sq. ft.    Tenant Rent: \$700.00
- Warren G. Harding Lodge 3<sup>rd</sup> Floor                      **Lease expires: 12/31/19**  
4,000 +/- sq. ft.    Tenant Rent: \$2,000.00

13,890 S.F.

**Total Monthly Rent                      \$ 11,486.00**

**Annual Scheduled Rent                      \$ 137,832.00**

## ANNUAL PROPERTY OPERATING DATA

### PROPERTY

Building Name: Strandloof Building  
Building Address: 18800 Front Street NE  
Address line 2: Poulsbo, WA 98370

### INCOME

### 2019 Pro-Forma

Gross Scheduled Rental Income: \$137,832 (See Rent Roll)

Other Income:

Total Gross Income: \$137,832

VACANCY FACTOR

GROSS OPERATING INCOME \$137,832

### EXPENSES

Accounting (estimated) \$ 1,000

Insurance \$ 2,538

Repairs/Maintenance (estimated) \$ 8,000

Taxes \$19,891

Utilities \$ 941

Water/Sewer/Garbage \$ 4,080

**TOTAL EXPENSES** \$36,450

**NET OPERATING INCOME (Estimated)** \$101,382

# 18 Front Street

SHOWN BY APPOINTMENT ONLY



18820 Front St NE  
Poulsbo, WA 98370

**\$ 1,400,000**

Mixed Use Commercial Real Estate Opportunity in beautiful downtown Poulsbo



**Gary Sharp, Broker**  
**253.851.8525**  
**[gary@sharpcommercial.com](mailto:gary@sharpcommercial.com)**

**18 FRONT STREET**

**Poulsbo, WA**

- **Green Light Diner** **Lease expires: 05/31/24**  
*2,956 sq. ft.* **Tenant Rent: \$2,753.93**
- **MD Interiors, Inc. Ste. 210** **Lease expires: 03/31/20**  
*1,092 sq. ft. – incl. 1/2 of common area* **Tenant Rent: \$1,200.00**
- **The Boat Company Ste. 200** **Lease expires: 08/31/19**  
*1,325 sq. ft.* **Tenant Rent: \$1,450.00**
- **The Bayside Center, LLC Ste. 220** **Lease expires: 06/30/19**  
*1,284 sq. ft.* **Tenant Rent: \$900.00**
- **MD Squared, Inc. Ste.'s 100 & 110** **Lease expires: 03/31/22**  
*1,185 sq. ft.* **Tenant Rent: \$1,434.12**
- **Apex Media & Marketing, LLC** **Lease expires: 04/30/22**  
*1,852 sq. ft.* **Tenant Rent: \$1,900.00**

9334 J.F.

**Total Monthly Rent Scheduled: \$9,638.05**

**Annual Scheduled Rent: \$115,656.60**

**ARE ESTIMATES AND MUST BE VERIFIED TO BUYERS SATISFATION.**

## ANNUAL PROPERTY OPERATING DATA

### PROPERTY

Building Name: 18 Front Street Building  
Building Address: 18800 Front Street NE  
Address line 2: Poulsbo, WA 98370

### INCOME

### 2019 Pro-Forma

Gross Scheduled Rental Income: \$115,657 (See Rent Roll)  
Other Income:  
Total Gross Income: \$115,657 (Proforma)

### VACANCY FACTOR

GROSS OPERATING INCOME \$115,657

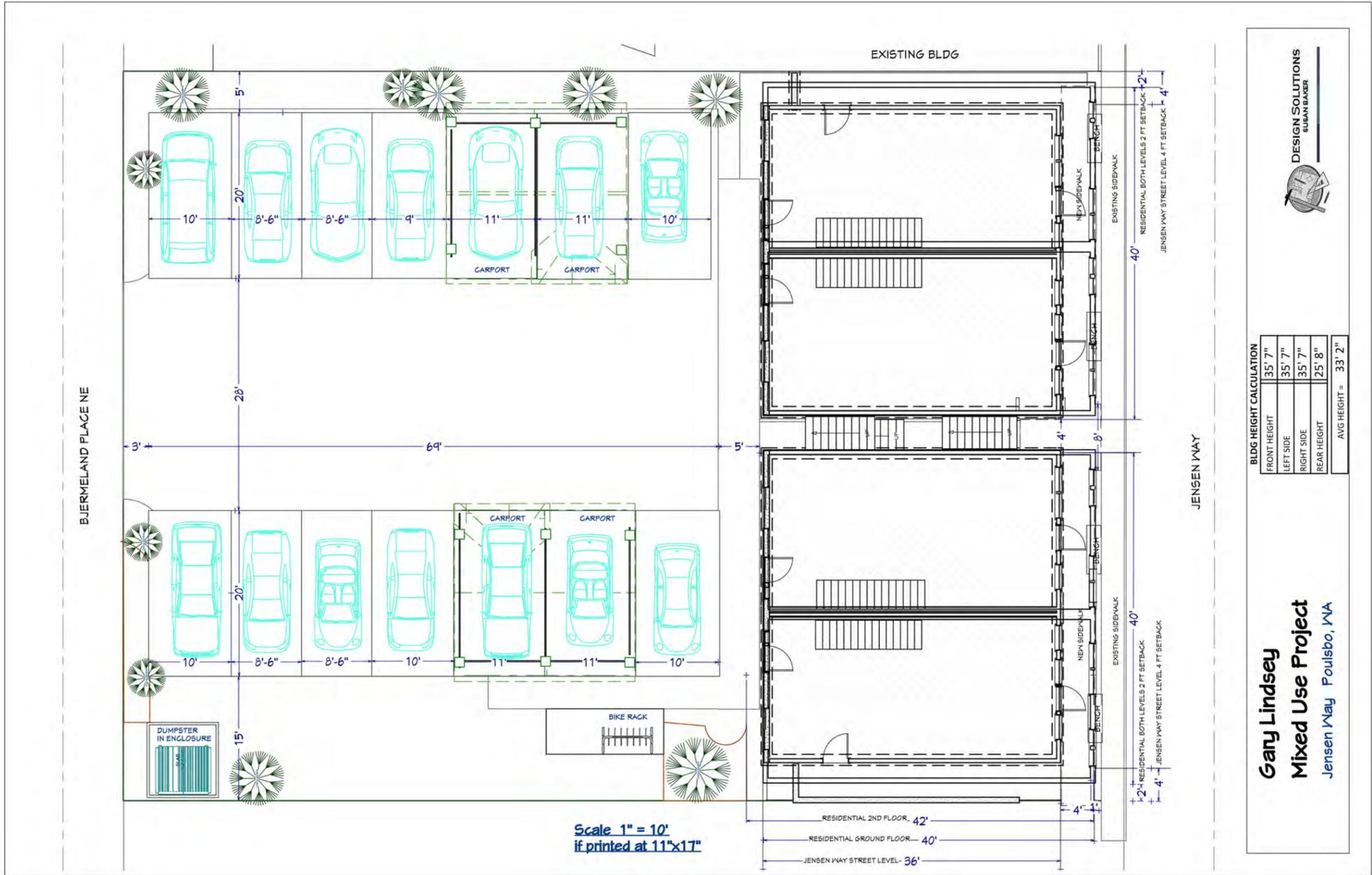
### EXPENSES

Accounting (estimated) \$ 1,000  
Insurance \$ 2,538  
Repairs/Maintenance (estimated) \$ 8,000  
Taxes \$13,526  
Utilities \$ 941  
Water/Sewer/Garbage \$ 4,080

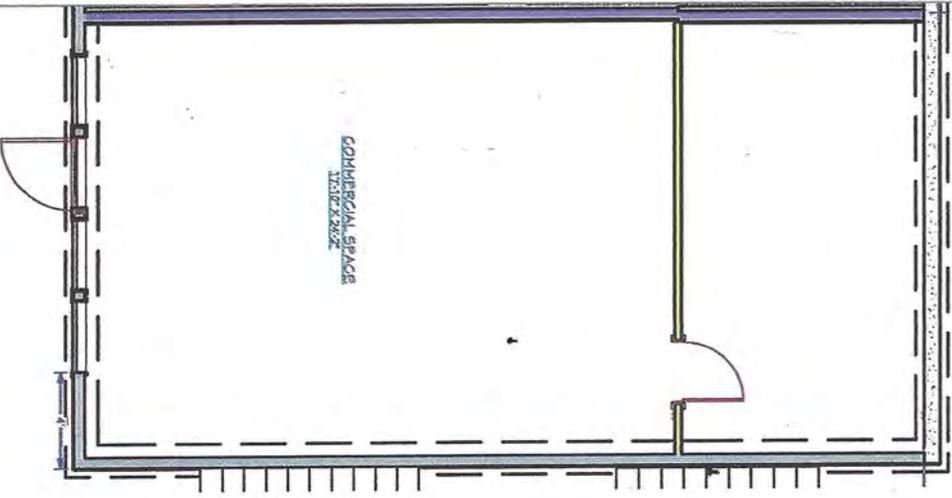
**TOTAL EXPENSES** \$30,085 (Estimated to be verified)

**NET OPERATING INCOME (Estimated)** \$85,572

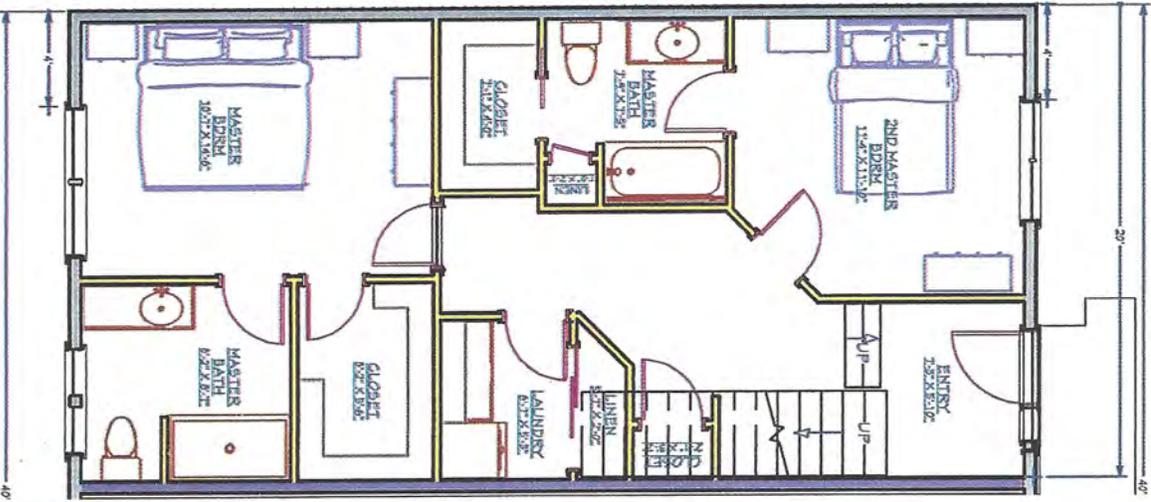




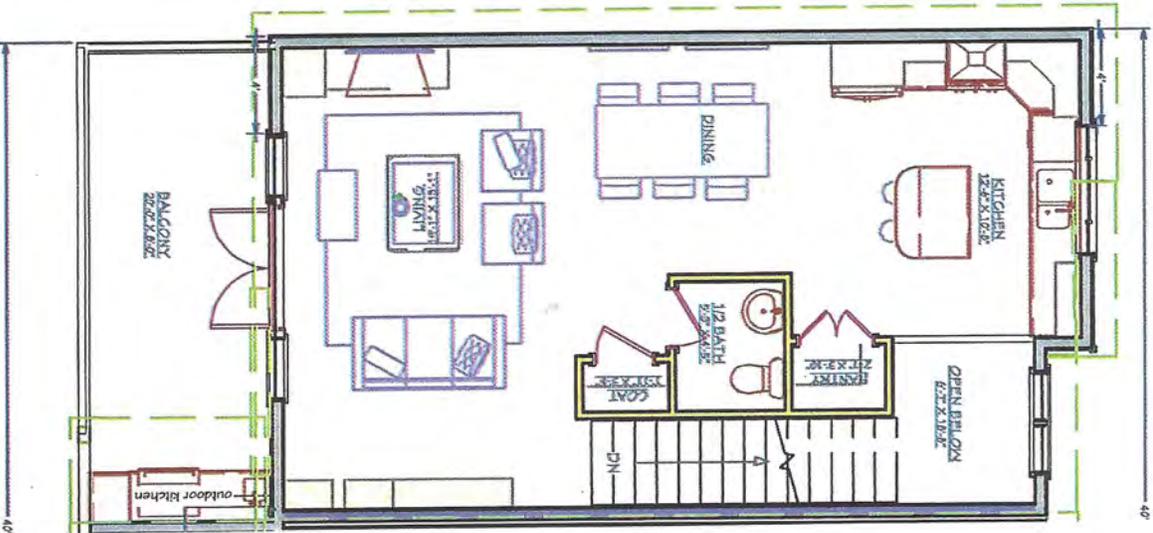
# Jensen Level



# 2nd Floor



# 3rd Floor



**From:** [City of Poulsbo Planning and Economic Development](#)  
**To:** [Nikole CH. Coleman](#)  
**Subject:** FW: C-1 Downtown Commercial Limited Zoning Code Amendment - Flexible Use  
**Date:** Tuesday, August 06, 2019 9:40:41 AM

---

Include as public comment received exhibit.

**Karla Boughton**

Planning and Economic Development Director  
City of Poulsbo  
200 NE Moe Street  
Poulsbo WA 98370  
(360) 394-9748

**NOTICE OF PUBLIC DISCLOSURE:** This e-mail account is public domain. Any correspondence from or to this e-mail account may be a public record. Accordingly, this e-mail, in whole or in part, may be subject to disclosure pursuant to RCW 42.56, regardless of any claim of confidentiality or privilege asserted by an external party.

---

**From:** Berni Kenworthy <berni@team4eng.com>  
**Sent:** Tuesday, August 06, 2019 7:20 AM  
**To:** City of Poulsbo Planning and Economic Development <information@cityofpoulsbo.com>  
**Cc:** Russ Shiplet <ExecOff@kitsapbuilds.com>; 'Rebekah Johnson' <KBAGovAffairs@kitsapbuilds.com>  
**Subject:** C-1 Downtown Commercial Limited Zoning Code Amendment - Flexible Use

**CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.**

City of Poulsbo Council Members,

I am writing in support of the proposed limited amendment to the C-1 Downtown Commercial Zone outside the shopfront overlay. The amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial. This flexibility allows market conditions to inform development and is of particular importance during a time when affordable housing is a major concern in our area. Removing barriers to housing options is a good first step towards addressing affordable housing. I look forward to other future discussions that evaluate market-driven development flexibilities.

Thank you.

---

**BERNI KENWORTHY, PE**  
**Civil Engineer & Principal**

Voice (360) 297-5560  
Fax (360) 297-7951  
Email [berni@team4eng.com](mailto:berni@team4eng.com)



Team 4 Engineering

5619 N.E. Minder Rd., Poulsbo, WA 98370  
Phone: (360) 297-5560 FAX (360) 297-7951

**Notice:** This message and/or any attachments are private or privileged. If you are not the person for whom this message is intended, please delete it and notify the sender immediately. Please do not copy or send this message to anyone else. Prior to use of this email

**EXHIBIT H**  
**Planning Commission Findings of Fact**



## C-1 Downtown Commercial Limited Zoning Amendments - Flexible Use *Planning Commission Findings of Fact and Recommendations*

---

The Poulsbo Planning Commission, in its role as advisory body on land use policy documents and regulations, held a public hearing on July 23, 2019 to review and discuss the C-1 Downtown Commercial Limited Zoning Amendments (Flexible Use).

The Planning Commission opened its noticed public hearing on July 23, 2019 and took testimony. On July 23, 2019, after discussion and deliberations, the Planning Commission provided a motion for recommendation on the C-1 Downtown Commercial Limited Zoning Amendments (Flexible Use).

The Planning Commission moved to recommend, with a vote of 6 for 1 absent, to The City Council approval of the C-1 Downtown Commercial Limited Zoning Amendments (Flexible Use)

In making the recommendation, the Planning Commission offered the following **FINDINGS**:

The City Council adopted amendments to the Poulsbo Municipal Code Chapter 18.80, Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19.

Within the C-1 [zoning district](#), but outside of the [shopfront overlay](#), the amendment allows residential units on the first floor of mixed use projects; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

The C-1 Downtown Commercial Limited Zoning Amendments (Flexible Use) was publicly released June 28, 2019. 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 June 28, 2019, the Notice of Application (NOA) with Optional DNS 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 July 15, 2019, the SEPA Threshold Determination was issued.

On June 28, 2019, 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 July 16, 2019, the Planning and Economic Development Department released the staff report for the Planning Commission Public Hearing.

The Poulsbo Planning Commission held a properly noticed public hearing on July 23, 2019.

After the close of the public hearing and Commission deliberations, the Planning Commission provided motions and recommendations to the City Council on the C-1 Downtown Commercial Limited Zoning Amendments (Flexible Use).

The PLANNING COMMISSION **RECOMMENDS APPROVAL** of the C-1 Downtown Commercial Limited Zoning Amendments (Flexible Use) as identified in Exhibit A to the Planning Commission Staff Report dated July 16, 2019 and modifications identified during Planning Commission deliberations.



---

RAY STEVENS, CHAIR  
Poulsbo Planning Commission  
July 26, 2019

# **EXHIBIT I**

## **Notice of City Council Public Hearing**



# NOTICE OF PUBLIC HEARING

Planning and Economic Development Department  
200 NE Moe Street | Poulsbo, Washington 98370  
(360) 394-9748 | fax (360) 697-8269  
[www.cityofpoulsbo.com](http://www.cityofpoulsbo.com) | [plan&econ@cityofpoulsbo.com](mailto:plan&econ@cityofpoulsbo.com)

## C-1 DOWNTOWN COMMERCIAL LIMITED ZONING CODE AMENDMENT – FLEXIBLE USE

### City Council Public Hearing: August 14, 2019

<b>Hearing Date:</b>	August 14, 2019	<b>Hearing Time:</b>	7 pm, or soon thereafter as the agenda determines
<b>Hearing Location:</b>	Poulsbo City Hall, Council Chambers, 200 NE Moe Street, Poulsbo, WA		
<b>Requested Action:</b>	All interested citizens and agencies are invited to provide written and verbal testimony to the City Council regarding the proposed project.		
<b>Project Description:</b>	<p>The City Council adopted amendments to the Poulsbo Municipal Code <a href="#">Chapter 18.80</a>, Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.</p> <p>In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.</p> <p>Within the C-1 <a href="#">zoning district</a>, but outside of the <a href="#">shopfront overlay</a>, the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.</p>		
<b>Public Comment Methods:</b>	Written comments may be mailed, faxed, or e-mailed to the Planning and Economic Development (PED) Department contact indicated below. To ensure consideration, all written comments must be received by the City prior to close of the public hearing. At the hearing, the public will have an opportunity to provide written and verbal testimony to the City Council regarding the proposed project.		
<b>Hearing Information:</b>	The City Council <b>public hearing is scheduled for August 14, 2019</b> . City Council is the review and decision-making authority. Hearing procedures are available from the PED Department and City Clerk's office and are conducted based on Roberts Rules of Order.		
<b>Contact:</b>	City of Poulsbo Planning and Economic Development Department 200 NE Moe Street, Poulsbo, WA 98370 Phone: (360) 394-9748   Fax: (360) 697-8269   E-mail: <a href="mailto:plan&amp;econ@cityofpoulsbo.com">plan&amp;econ@cityofpoulsbo.com</a>		
<b>Additional Information:</b>	Documents may be examined at the PED Department, Poulsbo City Hall from 8:30 am to 4:00 pm Monday through Friday. All pertinent documents will be posted here <a href="https://cityofpoulsbo.com/development-regulation-amendments/">https://cityofpoulsbo.com/development-regulation-amendments/</a>		

THE CITY OF POULSBO STRIVES TO PROVIDE ACCESSIBLE MEETINGS FOR PEOPLE WITH DISABILITIES. PLEASE CONTACT THE POULSBO PED DEPARTMENT AT 360-394-9748 AT LEAST 48 HOURS PRIOR TO THE MEETING IF ACCOMMODATIONS ARE NEEDED FOR THIS MEETING.

CI/CCPH



# AFFIDAVIT OF PUBLIC NOTICE

Nikole Coleman, being first duly sworn, upon his/her oath deposes and says: That he/she is now, and at all times herein mentioned has been, a citizen of the United States and the State of Washington, over and above the age of twenty-one years and a resident of said County, that on July 26, 2019, affiant that a copy of the following City of Poulsbo public notices, and which is attached to this affidavit,

- Notice of Application
- SEPA Determination
- Notice of Public Hearing (cc)
- Notice of Decision

has been provided, mailed and/or posted to the attached distribution lists, property addresses or posting locations:

- US Mail
- Email
- Post at Library, City Hall, Poulsbo Post Office, Website
- Site Posting Address: \_\_\_\_\_

[Signature]

Subscribed and sworn to before me this 26 day of July, 2019.

[Signature]  
NOTARY PUBLIC in and for the State of Washington, residing at:

Poulsbo, WA  
My Commission expires on:

5/1/23



# North Kitsap Herald

## Affidavit of Publication

State of Washington }  
County of Kitsap } ss

Leanna Hartell being first duly sworn, upon oath deposes and says: that he/she is the legal representative of the North Kitsap Herald a weekly newspaper. The said newspaper is a legal newspaper by order of the superior court in the county in which it is published and is now and has been for more than six months prior to the date of the first publication of the Notice hereinafter referred to, published in the English language continually as a weekly newspaper in Kitsap County, Washington and is and always has been printed in whole or part in the North Kitsap Herald and is of general circulation in said County, and is a legal newspaper, in accordance with the Chapter 99 of the Laws of 1921, as amended by Chapter 213, Laws of 1941, and approved as a legal newspaper by order of the Superior Court of Kitsap County, State of Washington, by order dated June 16, 1941, and that the annexed is a true copy of NKH866858 CCPH NOTICE as it was published in the regular and entire issue of said paper and not as a supplement form thereof for a period of 1 issue(s), such publication commencing on 07/26/2019 and ending on 07/26/2019 and that said newspaper was regularly distributed to its subscribers during all of said period.

The amount of the fee for such publication is \$35.88.

Leanna Hartell

Subscribed and sworn before me on this

26<sup>th</sup> day of July,  
2019.

Linda Phillips

Notary Public in and for the State of  
Washington.

City of Poulsbo-Planning | 80707350  
NIKOLE COLEMAN





**CITY OF POULSBO  
NOTICE OF CITY  
COUNCIL PUBLIC  
HEARING**

**RCW 36.70B.110**

**Project Name/Location:**  
C-1 Downtown Commercial Limited Zoning Code Amendment, Type IV Review

**Project Description:**  
The City Council adopted amendments to the Poulsbo Municipal Code Chapter 18.80, Commercial Zoning Districts, in 2018 (Ordinance 2018-20). Amendments were to all four of the Commercial zones and addressed the permitted use table, landscaping, design standards, and the creation of the downtown shopfront overlay.

In early 2019, Mayor Erickson requested the Economic Development Committee (EDC) review the mixed use/residential component of the amendments for the C-1 (downtown) zoning district. The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19). The EDC de-

cided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion. A full City Council workshop was held on the topic on 6/19/19. Representatives from the private sector multi-family development have attended meetings to answer questions.

Within the C-1 zoning district, but outside of the shopfront overlay, the proposed amendment allows residential units on the first floor; provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

**Public Hearing:** The City Council public hearing is scheduled for **August 14, 2019 @ 7pm** (or as soon thereafter as the matter may be heard according to the meeting agenda) at Poulsbo City Hall, Council Chambers, 200 NE Moe Street, Poulsbo, WA. City Council is the review and decision-making authority. Hearing procedures are available from the PED Department and City Clerk's office and are conducted based on Roberts Rules of Order.

**Public Comment:** All interested people are invited to attend the hearing. If you are unable to attend, your written comments, received no later than the date and time scheduled for the hearing, will be given careful consideration by the Planning Commission and made a part of the record. Testimony will be allowed on the proposal.

**More Information:** Documents may be examined at the PED Department, Poulsbo City Hall from 8:30 am to 4:00 pm Monday through Friday. All pertinent documents will be posted here

<https://cityofpoulsbo>.

[com/development-  
regulation-amendments](#)  
Published: North Kitsap  
Herald July 26, 2019  
Legal #: NKH866858

# **EXHIBIT J**

## **Planning Commission Public Hearing Minutes**



## CITY OF POULSBO

### Planning Commission Public Meeting

July 23, 2019

Commissioners Present: Gary McVey, Jim Coleman, Ray Stevens, Jerry Block, Ray Taylor, Kate Nunes

Staff Present: Karla Boughton, Anthony Burgess (Engineering Dept), Edie Berghoff, Helen Wytko

1. Call to order
2. Pledge of Allegiance
3. Approval of minutes: 6-25-19: Nunes/Coleman Minutes aye, Block abstain
4. Modifications to the Agenda: None
5. Public Meeting: C-1 Downtown Limited Zoning Amendments - Flexible Use
6. Comments from citizens regarding items not on the agenda:

Rita Hagwell: Hi, my name is Rita, and I've lived in the City, well, not in the City; I've lived on my property since 1971. I rezoned to the City in 2005 – before that I was in the County. I wanted you to see my lovely sign (which really took a lot of convincing to the City) that was given to me by Frank Raab, he was my neighbor. Some of you may remember Mr. Frank Raab and his wonderful wife, and how they collected so much money at Christmas to get things for people. They were just fabulous. And he was so happy, because he had to go back into the City to take the place of Ms. June Apac. He said to me, "You've done so much for (correction) – *your family* has done so much for that lane and that area, we want to name that lane for your daughter." I said, "That's fine, it had no name but it was on my property." And on that lane, we put our well, our water rights from the State of Washington, we had asphalt, a power pole, and had really made it much better. And he said, "We are so proud to go on that lane; it used to be a real mess before." So that became Marilyn Lane. We had a lot of disputes. Some drunk person called me up and said "I am taking that down it is against the fire code." And then I went in my woods and I found it. I have another one, but it's much stronger than that one. And Chief Olson, if you remember him, a very nice fire chief, said, "That person could get in trouble. You don't make things like that and say something like that, that something is against fire rules. And you know we would never turn signs down and tear them down." And I said, "Yes, I know that." So as a result, I have my... and the City will not give me the correct address. But I will show you something; you'll see my address – there's my address and you can see my address right there, "Marilyn Lane," (referring to sign) that's the stronger one there. The City will not recognize it, they will not tell the Fire Department there I am, that's my little lane leading up there. They

have another map, which I can show you, and that goes north, and they call that Marilyn Lane. They will not listen to me, and I'm concerned. I did talk to the fire person, but perhaps they didn't understand. I will talk to (them) again. Therefore, we've had a lot of problems. I have a terrible lane. The bottom part is owned by West Poulsbo, LLC, and they have one big mess. Can you show just a couple of those? (*Referring to photographs*) I have to paint—they're not potholes, they're sinkholes. You'll see it doesn't look that good, but it's fine. Is that good enough? Good. Can you just show a quick... okay, there's my construction lights, they're red. I have construction lights there, there's the sinkhole again, there's a sample of what they look like, and are there any more construction lights? I have more construction lights. (KN says something) Great, that's another group of construction lights, and that's because Mr. Hartman will not collect any samples of how bad it looks and will not fix it. He owns the bottom of the lane. I am disabled; I will be working with the Feds – the American With Disabilities Act. I cannot get a new car, because I already got a flat tire in there, and I was stuck once, in there. They can't do that; they have to do something – it leads right up to Viking. It comes out to Viking, and there are four households sharing that lane. (inaudible response) Yeah, great. So I am bringing my survey, so you can look and see (*referring to survey*) it's upside down. Okay, and therefore you can see the bottom part, but after you come up towards that little thing, from there on we did all of the asphalt. You can see my well. You can see it's protected 100 feet around. That's my water rights with the State of Washington. So then what happened, unfortunately, is that lovely group, *Trails Committee*, were convinced that they could have a trail on my land. It was naivety, that was the reason. They didn't understand, but speaking with them – talking with them personally, they understood that it was the wrong things to do. Because they know that it's private property, and they know, and they did take it off. Thank you again, I can't ever tell you what a wonderful group they are. But then they said, well we can have dogs there, right there in that part, we can have bicycles. That's *my* lane, that's Marilyn Lane right there. But you can't, because it's protected 100 feet. You can't bring up dogs; you can't bring up bicycles. So that was the end of that and I was very thankful about that. Then we came (I want to see, if you'll look) – the bottom part is where I showed you, that he has that terrible, terrible bottom, and mine is very nice, if you can see part of my asphalt. And that's why Mr. Raab was so proud of what we did. And also, so I wrote to him (Mr. Hartman), and of course if you could show this, he rejected it. I said very nice and polite, I said, "Can you do something," and you'll see refused - how much I paid. He lives in California... Laguna, I don't know where that is. But he does spend some time here, and he refused. He would not do anything. Okay, then with the City. I asked the City, "I don't want you to do anything, City. I want you to make a report of dangerous conditions." Once again, I said, "I'm under the American with Disabilities Act, and if a tree goes down, what am I going to do?" They said, "We don't get involved, that's private property." And look at all the people... the City said to ignore it. Can you look at that? Not that these people are wrong, the City told them to ignore for those people. That's a nice engineer lady, then there's Mike Lund, and Mike Lund said, "That's not sinkholes, that is potholes." Maybe to you it's a pothole, Mr. Lund, but you're wrong. And then I had (is that the only one? -*referring to materials* – is there anybody else's name on there?) (Inaudible response *KB?*) Well I know that the nice police officer couldn't come up

either. He said, "It's private property." And you'll see that's what Miss Lineas said, private property. And all I wanted the City to do is write to this person, and say, "Why don't you take care of your property?" And then, the other part I had, I also (like I told you)- they had MaryLynn Lane in the wrong place, so I had my doctor write a letter and say (if you can see, I have copies), "I've cared for this patient for several years, she does suffer some significantly medical problems. She possibly has to call 911." I recently examined the papers I brought, and it shows that to come to my house, that if you followed the map, you would go north, you would not stop right up the lane where I live. And he's asking the City to correct it, and of course, they didn't – they ignored it, if you can read that and see that – thank you very much. I want to come to the main point. The main point is that you probably all know that the declaration of a well proves that nobody can do anything in that area. (Can you see that? That's with the Department of Health, and the State of Washington.) You're protected 100 feet around, and so their idea of having people come up as a trail and walk on my land: gone. Bring their bicycles and dogs: no, not good. Then I had my attorney write some letters. I spent a lot of money, but I hope to recuperate it some time, trying to explain to the City what the problem is, and nobody would listen. So then my attorney said – what did they do? Okay then the next thing they did was take 400 feet from me, (can you move it back by Johnson Creek? – *referring to map/picture* – that's at the end of – right), now you'll see, I don't have 400 feet; I only have 200 feet on one side (you see the creek?) and then you can see, I don't know what it is... 76? But they took 400 feet from me. So I don't own my property, they've taken it over for the salmon, okay.

Then, in the front, of course, with the stimulus money, they knocked down a bunch of trees and put that wall up – I call it a "Berlin Wall." It's a soviet-style wall – very ugly, and it's to keep people in, like the Berlin Wall – that's why I call it that. Okay, then Johnson Creek, and then my sign, but now my new concern is grading and cutting. They're going to have absolute power over my land. I have never clear-cutted that land, it's selective logging. They are going to be able to tell me about my trees. Somebody that doesn't even know anything about trees. I do have a Bachelor of Science, and four years of graduate school. I'm not an expert, but when you live on the land for almost 50 years, you understand things, and my trees are everything to me. And they are – that's what I'm asking you *here*. To make sure you put a kibosh on any of their strange ways of dealing with people. I'm afraid they'll start coming up to my land. I had threats; I had people coming up, telling me I was going to lose my land, if I didn't go in with the septic... I had all kinds of things. My husband was dying in Arizona, and they said my septic was in the wrong place, and that I had to get it fixed, or that I had to do something. And I had to get my brother-in-law to do that. I had three inspections, and there was nothing wrong with it. It was the absolute right place. Those are just the threats I had to put up with. I don't think anybody in this city has put up with more threats or more problems. I have all of these written down, and I'm not going to bore you with that. But I want to say something, my next problem. Next to me, is a wildfire waiting to happen. And what is that? That is, instead of worrying about some trees cut down on my land, let's look at Viking: you'll see a beauty shop, and then you'll come up Viking like you're going to Bremerton, or Silverdale, and you'll see very bad, overgrown grass. And I know that they used to take care of it when it was a cabal. There was a cabal – John Johnson. I'm not sure about that other person, I'll leave his name out for now. And then there

was Hartman. When they took care of it, two of them or maybe three of them, they always cut the grass. Now the grass is very high and they don't have many trees in there. They already lost one power pole; it fell down. The lights went off for maybe half a day. And so I'm concerned about that wildfire. I'd like to talk to the fire department, but unfortunately, people have written to the fire department in this city, and you know, said kind-of I'm a nut. And I am. I love my property, and my property is like my children, although I do have a family, but it means everything to me. And I do complain when things are wrong. And I'm a woman, and sometimes I think maybe I'm being discriminated against. From other women – not men; the men are great. So I'd like to see that that's done... (interrupted)

GM: Excuse me, Chairman? I'm going to suggest we set a time limit here. We've got a full agenda; we've got a crowd of people.

Rita Hagwell: Okay well, so I'd like you, if you're going to be looking at planning grading, et-cetera, will you look at my property, see how large it is, see what they're up to next, because I certainly don't trust them. I did try with one person over there, to show her my survey and she screamed and yelled at me. I thought she was going to knock me down, so I said, "I'm so glad so many people are here today." So anyway, I hope you take into account a wildfire possibly happening, and the City will not give me any help. Who knows who to go call? Who knows. Maybe you can, if they are doing grading, et-cetera, you'll be careful, you'll listen to me, and you will not go with that group of people, because they are discriminating against me and I don't think there's one other person in this city that's gone through what I've gone through in discrimination. Whether it's my disability, whether it's my ethnic heritage, whatever – whatever the reason. Jealousy, because I'm originally from New York – who knows? We don't know, but there's been a big problem and I'd like it - - it's not going to be solved, but I'd like you to consider that when you look at everything. Thank you!

RS: Thank you. Anybody else?

(Silence)

7. RS: Okay, then we will close the public meeting and open the **Public Hearing for Limited Zoning**.

KB: Good evening, Planning Commission and members of the public. My name is Karla Boughton, and I'm the Planning and Economic Development Director here at the City of Poulso. I do have a short presentation to introduce the Commission and the Public into tonight's Public Hearing. It is a Zoning Ordinance Amendment. So as we always do, we will start off our presentations, giving you an overview of our review schedule. We released the Limited Zoning Ordinance Amendment on June 28; that was a Public Release. We issued our Notice of Application with our optional DNS. The Public Hearing Notice for tonight's meeting was also issued on June 28. Tonight is the Public Hearing for the Planning Commission. As you know, Planning Commission is an advisory committee to the City Council, so they will be offering a recommendation to the City Council. The Public Hearing in front of the City Council is on August 14.

INTRO BACKGROUND SLIDE:

# C-1 DOWNTOWN LIMITED ZONING AMENDMENTS - FLEXIBLE USE

Planning Commission Public Hearing  
July 23, 2019

BACKGROUND SLIDE 2:

## Review Schedule

- June 28, 2019 | Initial Release
- June 28, 2019 | Notice of Application with Optional DNS Issued
- June 28, 2019 | Notice of Planning Commission Public Hearing Issued
- **July 23, 2019 | Planning Commission Public Hearing**
- July 26, 2019 | Notice of City Council Public Hearing Issued
- August 14, 2019 | City Council Public Hearing

(Next slide)

BACKGROUND SLIDE 3:

# Background

- City Council adopted amendments to the Commercial Zoning Chapter in 2018.
- Amendments were to all C zones and addressed use table, height, landscaping, design standards, and the creation of the downtown shopfront overlay.
- Mayor requested the CC Economic Development Committee reconsider the mixed-use component in downtown based upon new information.



(Slide3) City Council did adopt amendments, that is Chapter 18.80 of the Poulsbo Municipal Code in our Zoning Ordinance. The Mayor's request was in February of 2019. (Next slide)

DRAFT

BACKGROUND SLIDE 4:

## Background Cont.

- The EDC discussed options for residential uses in the C-1 district, as well as in the other commercial districts, at multiple meetings throughout the spring (2/27/19, 3/27/19, 4/12/19, 4/24/19).
- The EDC decided to focus on residential uses in the C-1 zone and at its 4/24/19 meeting requested that the full City Council hold a workshop to continue the discussion.
- A full City Council workshop was held on the topic on 6/19/19.

(Slide 4) The Economic Development Committee (which is a sub-committee of the City Council) did consider this and discuss it, among themselves and the Mayor, in the Spring of this year, they met 4 times and discussed it as an agenda in their regular meetings (dates in slide). The EDC decided to focus on C-1 only; they did consider and review all of the commercial zoning districts. (Next slide)

BACKGROUND SLIDE 5:

## What's on the Books for C-1:

- Design standards which reinforce Scandinavian heritage.
- Establishment of Shopfront Overlay.
- Height limit of 35', except:
  - 3<sup>rd</sup> Avenue between Moe St and Hostmark St shall be 25' as measured from the highest sidewalk grade of 3<sup>rd</sup> Avenue adjacent to property line;
  - In Shopfront Overlay, west side of Front St shall be 25' and the east side of Front St shall be 35' as measured from the highest sidewalk grade of Front St.



(Slide 5) So just as a refresher to what was adopted last year as part of our Comprehensive Commercial Code Update, we have stronger design standards. The Shopfront Overlay had very

specific design standards to that overlay. The height limit was lowered in downtown in two ways, one was it eliminated the credit for underbuilding parking, which was up to 45 feet, so all buildings needed to stay at 35 feet period, in the C-1 zoning in the downtown district, and then there was two additional height lowerings that the City Council adopted, (see slide). (Next slide)

BACKGROUND SLIDE 6:

## Mixed-Use - 2018

- Mixed-use was discussed at length during the 2018 Commercial Code Update.
- Two types of mixed-use considered: 1) mixed-use structure and 2) mixed-use site.
- The discussion around the mixed-use structure centered on what uses were appropriate on the first floor of a multi-story building in the commercial zoning district (residential was already allowed above the first floor).
- The discussion around the mixed-use site was whether 'standalone' residential units should be allowed in a specific geographic area within the C-1 District.

(Next slide)

BACKGROUND SLIDE 7:

Mixed-Use 2018		
	PC Recommendation	CC Adopted
<b>Residential Units</b>	Not permitted on the first floor.	Not permitted on the first floor.
<b>Uses Accessory to Residential Use (lobby, fitness, etc.)</b>	Permitted behind street level commercial on the first floor.	Permitted behind street level commercial on the first floor.
<b>First Floor Commercial Requirement</b>	Must be commercial and/or accessory uses to residential.	50% of street level ground floor gross square footage shall be occupied by uses allowed in Table 18.80.030 Commercial Uses (excluding residential uses).
<b>Mixed Use Site (3<sup>rd</sup> Avenue)</b>	Recommended, and included conversion option for 'book-end' lots at Moe and <del>Hostmark</del> . Required a market study or similar type document be submitted every four years to demonstrate that commercial uses are not viable in the first-floor space.	Eliminated Mixed Use Site.

(Slide 7) This table sums up what the Planning Commission recommended to City Council, and what City Council ended up adopting. You'll see that down on the First Floor of Commercial is

where the convergence first happened, so the Planning Commission recommended that it must be commercial or accessory uses to residential, but not in a full residential. The City Council adopted that 50% of street level must be commercial use (is basically what is referred to in Table 18.80.030 – not be accessory uses to residential but be commercial use. (Next slide)

BACKGROUND SLIDE 8:

## Request for Reconsideration

- The Mayor requested reconsideration of the mixed-use component of the C-1 Zoning District. She made this request based upon input from the development community regarding the financial feasibility for redevelopment, the existing commercial market rent, and her concern that an opportunity for reinvestment is being missed.
- Any upgrades to the existing structures in the shopfront overlay portion of the C-1 district will require life safety improvements. The property owner of the majority of downtown parcels on the east side of Front St has withdrawn building permits for improvements.

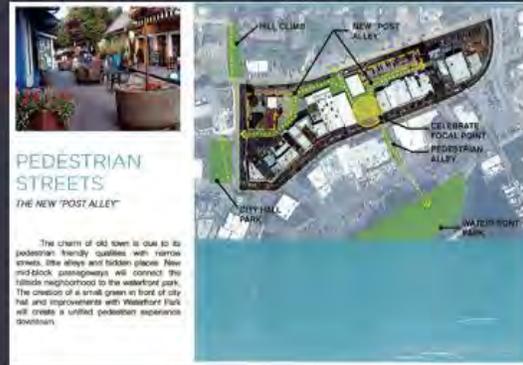


(Slide 8) The Mayor's rationale for her request, and she made this request to the Economic Development Committee; then the full Council requested an initiation of the process, and so this is where the Planning Commission comes in – this is the Public Review process. Upgrades pertain especially to the downtown core in the shopfront overlay or in the older structures of downtown. The cost of those upgrades, given the current commercial rent of downtown made those upgrades financially infeasible. So the Mayor and the Economic Development Committee talked about whether there's a missed opportunity. (Next slide)

BACKGROUND CONT SLIDE 9:

# Missing An Opportunity?

- Delayed maintenance has resulted in expensive upgrades.
- Any upgrade to buildings requires life safety improvements – sprinklering.
- Commercial rents in downtown cannot at this time support the expense of building upgrades.
- New property owner has expressed his desire, vision and financing for downtown improvements.
- However, based upon the current financial status, he is not moving forward on building permits that were approved.



(Slide 9) Sprinklering and fire suppression is required for any new upgrade. The “current financial status” meaning the rent structures, cannot financially support those improvements, so building permits that were issued for improvements, including fire suppression have been withdrawn. (Next slide)

BACKGROUND SLIDE 10:

## Proposed Amendment

- The amendment is drafted to allow for flexibility of uses on the first floor of a structure in the C-1 zoning district but would require the first floor to be constructed at commercial building and fire code standards and would require parking at the commercial ratio requirements.
- The following is the substantive portion proposed amendment to PMC 18.80.080.J:

3. New mixed-use structures shall have the following standards:
  - a. Residential units must be located above allowed commercial uses (residences may not be located at street/ground level or below). However, uses accessory to the residential, such as lobby, fitness center, storage, community room and other accepted uses, may be located on the first floor (street level), and shall generally be located behind the street level commercial uses. Number of residential units shall be limited by the mixed-use structure's required development standards (lot coverage, height, parking and setbacks) for the underlying zoning district.
    - i. Within the C-1 zoning district, but outside of the shopfront overlay, residential units may be allowed on the first floor, provided that the first floor shall be constructed to commercial building and fire code standards and parking required at the applicable commercial ratio, to accommodate flexibility of use as both residential or commercial, as the market supports.

(Slide 10) The Economic Development Committee discussed whether or not there could be an amendment to the mixed use structure component of the zoning chapter that could allow for a flexible use of the first floor, meaning the market could dictate the use of that first floor. And if

the residential market was strong at that time, they could have the option of finding a residential renter, but if the market was for a commercial use, they would have the opportunity to do that. The building, fire code, and parking standards would be at the highest level, giving the option of flexibility, basically, for the use of that space, per the market. The amendment is for the C-1 Zoning in full, with the exception of the shopfront overlay. There was a map on an earlier slide that showed what the shopfront overlay is, but to remind everyone what that is: the shopfront overlay is the existing core buildings on Front Street between Postmark and Moore, and Moe Street.

So just to touch on two key concerns that were brought up last year as part of the mixed use structure. One was traffic, and one was the concern that increased residential units in downtown Pousbo would increase traffic to a point that we would have some failures at a level of service and just make it a very congested area to travel in. (Next slide)

DRAFT

BACKGROUND SLIDE 11:

## Key Concerns - Traffic

- The Engineering Dept. prepared a technical memorandum summarizing the traffic conditions within the C-1 zoning district as it relates to Level of Service (LOS). This memo is included as Exhibit G.
- The Technical Memorandum evaluates the capacity of the roadway segments by Average Daily Trips (ADT), and intersection delays in the downtown. A Level of Service (LOS) is assigned to each roadway segment or intersection based upon a graduate scale (which is defined in the technical memorandum) with LOS A the best and LOS F as the worst.
- **All roadway segments in the downtown (Hostmark, Fjord Drive, Front Street, Jensen Way, and 3<sup>rd</sup> Avenue) all operate within a LOS A or B currently.**



(Slide 11) The memorandum looked at our traffic model, our transportation plan, as well as two Transportation Impact Analyses (TIAs) for developments in the downtown to evaluate the level of service of our intersections, as well as Level of Service (LOS) of our roadway segments. The City's own Comprehensive Transportation Plan has all intersections and segments at a LOS A or B. Those were verified with the TIA, with those projects programmed in. (Next slide)

BACKGROUND SLIDE 12:

## Key Concerns - Traffic

- The City's adopted LOS is E. Therefore, **the roadway segments and intersections are currently well above the City's adopted LOS and remain well above as projected** in the TIAs. Any future development proposals within the C-1 zoning district are required to prepare a TIA to ensure LOS meets or exceeds E. Further, the next Comprehensive Transportation Plan update is scheduled for 2022-2023.



(Slide 12) The important thing is, that even with two mixed-use structures that are being proposed (they have not been approved), and the current traffic, the LOS in Downtown Poulsbo and the roadway segments and the intersections, as measured by the ITE manual (how we look at how much is a delay at intersections), we are at a LOS A or B. Further, the technical memorandum looked at what the comparison between trip generation commercial uses and residential uses, and again, with the Institute of Transportation Engineers (ITE) Manual, it showed that commercial uses are generally going to generate more traffic than a residential use would. Again, having this flexible use option, if a residential use was to go in there, it would have less impact on our streets than a commercial use would. Further, because it would be set as a flexible use option, and as I discussed before, we would require it to be at the higher standard, it would be parked at the commercial standard. So that would be the second piece that we heard last year regarding the concern about downtown parking. (Next slide)

BACKGROUND SLIDE 13:

## Key Concerns - Parking

- On-site parking will be required for all new and redeveloped projects in the C-1 zoning district. The commercial parking ratio for the C-1 zoning district is 1 space per 300 square feet. This is a conservative parking requirement.
- Therefore, any new or redeveloped structure in the C-1 zoning district, will be parked according to the City's adopted parking standards and will meet the needs of the structure without reliance on public parking lots or on-street parking.



(Slide 13) Regarding the conservative parking requirement: in the Staff Report, we provide an analysis of what a parking requirement would be using the residential standards and a parking requirement using the commercial standards; it's very clear that new commercial would generate more parking requirements onsite than a residential use.

We just want to note, and I know we've talked about this a bit last year, is that we are the only jurisdiction in Kitsap County that has not lowered or waived, in some extent, our parking requirements. The other cities have, in order to incentivize, and to have urban living in their downtown; we have not, in Poulsbo, done that at all – in fact, in this case we are requiring a more restrictive standard be applied. So I just want to conclude on the parking that if there is a parking issue in downtown Poulsbo, it's not a zoning code issue. It may be an enforcement issue, and we have done a downtown parking study: (Next slide)

BACKGROUND SLIDE 14:

## Key Concerns - Parking

- The City conducted a downtown parking study in 2008 and refreshed with updated data in 2012. There are several strategies that were recommended but not yet implemented, including: enforcement of the public parking lots time limits; permit parking program for employee/long-term parking; and paid parking and enforcement for public parking lots.



(Slide 14) There are implementation and enforcement measures that the City Council can choose to do if they want to look at enforcement of downtown parking. (Next slide)

BACKGROUND SLIDE 15:

## Review Criteria - Conclusion

In order to grant a zoning code text amendment, the following findings must be made:

1. The amendment is consistent with the comprehensive plan; and
2. The amendment supports and/or enhances the public health, safety or welfare; and
3. The amendment is not contrary to the best interest of the citizens and property owners of Poulsbo

**Staff Conclusion:** The proposed amendment is consistent with the comprehensive plan; the amendment will require compliance with adopted International Building Code and Fire Code standards that ensure the public health, safety and welfare; and the amendment is not contrary to best interest of citizen and property owners as the City's development standards ensure that adopted transportation Level of Service standards remain intact and parking requirements will ensure all necessary parking is provided on-site and will not have an impact on publicly owned parking areas.

(Next slide)

BACKGROUND SLIDE 16:

## Recommended Motion

**MOVE** to recommend (approval) (approval with modifications) (denial) to the Poulsbo City Council the C-1 Downtown Limited Zoning Amendments (Flexible Use) 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.

(Slide 16) We have a Motion here for your consideration, as well as in your packet. And that concludes my Initial Staff Report. (Next slide)

BACKGROUND SLIDE 17:

# THANK YOU.

Questions or Comments:

City of Poulsbo Planning and Economic Development Department  
200 NE Moe Street | 2<sup>nd</sup> Floor  
360.394.9748 | [plan&econ@cityofpoulsbo.com](mailto:plan&econ@cityofpoulsbo.com)

Thank you very much for your attention. (Final slide)

RS: Okay. At this point we will take **comments from citizens** regarding this. Does anyone want to come up and make comments.

Tom Curran: Hi, I'm Tom Curran. I live a few blocks away from here. Thanks for the good information on sweating the details. I really want to thank you for maintaining restrictive standards about parking. I think that's a huge issue. I think we're going in the right direction by really maintaining those standards, and I think partly for, not just because of people who live downtown, but also businesses, we really want to help small businesses in downtown Poulsbo, in this area it's tough to run a small business. When you think about people visiting here whether they are coming by boat or they're coming by auto or mass transit... you don't want to visit someone else's neighborhood. If downtown is mostly residential, nobody's going to want to bring their boat up to somebody's front yard and visit there. You know, they want to come

up to a place with chocolate shops and book stores and viable restaurants and art galleries. That's what we need downtown, so please, it's good about the parking, maintain commercial as much as you can downtown. I absolutely understand we need affordable housing in this community, it's growing, absolutely, it's growing huge, and the numbers are amazing. But you have to have... I can't think of a more expensive place to try and build housing than downtown Poulsbo, over the waterfront view. That's not going to get you your affordable housing. There is wonderful places that have already been designed in the Comprehensive Plan, to get your affordable housing. Another thing about downtown, please try and get these to be *owner* places. A subtle change that you see happening in Poulsbo is a lack of community, and there's a couple of things adding to that. One is because people don't work here, not that there's not a lot of businesses downtown. People live here and then they go to Seattle, or they go elsewhere to work – this is going to be a bedroom. You have a community where they work other places. You are also getting more and more rentals. People don't own their homes. People are tenants here and they're not employed here, and we're expecting to have a sense of community. That's a hard ask. We have to have... so if you're going to develop residential downtown, please stress if people could own those units, that would make a big difference, or they could have businesses they work at downtown. That will help the central community here. I think it is slowly fading in Poulsbo, and I don't want to see it go. Thanks for all your good work and for listening to me.

07:34:04 RS: Thank you. Anyone else?

Lynn Myrvang: Good evening. My name is Lynn Myrvang, and I also live locally, just down the street, downtown. She's (Helen) putting up kind-of a rudimentary map that I made, and I'm hoping it makes sense as I go on. What I did is I took the black-hatched properties will be, according to the new Amendment, all residential. So I just want to give a glimpse of our downtown area, and then – gosh, you can't see it, but it was green - the commercial up on 3rd Avenue, there are probably 6 or 7 different properties that are commercial there, and ones with just little marks on them, up on 3<sup>rd</sup>, excuse me, above the shopfront overlay, are at this point, what I'd heard, these are going to be residential units above the shops, on some of those, converted. So I just wanted to give you that as I was sharing.

With this proposed Zoning Amendment, developers in Downtown Poulsbo will be able to build all residential into their new construction, and if they choose, to also convert any current buildings to the same, including Vanaheimr and the Old City Hall building. As the developer holding 11 of the properties Downtown (that's a considerable amount), it makes complete sense financially, for this Amendment. The financial risk is less, as he will add greater cash flow with residences and he'll be able to make the upgrades to his current buildings without pulling from any of his other assets. Residences will be easy to lease for a substantial rent with astounding views of Liberty Bay and the mountains. Last year through many meetings that you (the Planning Commission) were part of, the City Council was part of, even the Economic Development Committee – discussions were had: what would be best to serve Downtown Poulsbo with its quaint fishing village style, with character, and its Little Norway theme. Allowing

either mixed-use or residential along 3rd and in the C-1 Zone, and then whether the bookends of 3rd would be best as convertible buildings, which is the same as what is being proposed for this Amendment.

When the City Council vote was taken, there was a consensus by all but one, and the Commercial Code was amended in 2018. Their reasoning, which is still well justified was that these buildings most likely would never go commercial, as residential gives the highest rent. Allowing all residential on 3rd could also easily create reverse blight, as was said and discussed at some of the meetings. All residential around the five commercial buildings on 3rd would make it much harder to draw visitors and shoppers to do the loop. To walk up Moe Street, to walk up Hostmark; they would look at it and think it's residential; why would they want to go up there? To the brewery, to the guitar shop, to the other shops that are up there? Traffic flow and parking (which has been discussed tonight, and I really appreciate that, Karla – thank you) those were very strong factors. The number one complaint from community members who want to visit and shop in downtown Poulsbo is very poor traffic access and parking – that there is no parking. Poulsbo's Commercial Code expects new developments to be able to park themselves. The reality is: does this even replace the parking we will lose by these planned developments, let alone add enough new parking for them? Access for 3rd Avenue townhouses will also be from the Downtown, going by Boehm's there, which will add to the bottleneck. Allowing all residential on 3rd, the bookends and the C-1 Zone creates an amphitheater-styled small, commercial Downtown surrounded by residential. Is this what we want for our beloved waterfront Little Norway? Will this truly serve the Downtown in the long term? What has really changed? What new information is so compelling in less than six months from last year's Commercial Code vote that caused this change? Conservatively, we are looking at well over 160 new residences added to Downtown Poulsbo with this Amendment passed. There are already many housing developments in Greater Poulsbo to provide new housing as per the Growth Management Act. Do we need all these new residences right in Downtown? Is it worth approving this Amendment for the sake of finances? Thank you very much for listening and for letting me speak.

07:39:13 RS: Thank you.

Mike Myrvang: My name is Mike Myrvang. Just to kind of follow up, is that the way we want to go to get the delayed maintenance of the building and building upgrades paid for? In this town, that's something that has been an issue with the property owners in downtown for quite some time, I mean they were levied this additional task of sprinkler systems, you know, if they did any remodeling or changing of the buildings and I'm just wondering – is there a way that the City could come alongside these property owners and modulate some of the cost of the building upgrades, maybe? Help or give them ideas? Is there another way to have this done and not have to bring in people we are looking at in downtown area. It's a simple, what we are dealing with now is a basic simple amendment allowing residential units to be put on the first floor of these buildings that will be built adjacent to the shopfront overlay on 3rd, and in other buildings, on Vanaheimr, say, or in the other City Hall area. It is something that is starting the ball rolling for a heavy populus in downtown, and we're trying to make that fit in our quaint little town here, and that's what I want to bring up. Thank you.

7:41:37 RS: Okay, thank you.

Gary Lindsey: My name's Gary Lindsey, I'm a resident of Poulsbo and I also own a parcel of property that is just below City Hall that is the vacant grassy area that fronts Jensen Street and Bjermeland. This project on the screen is something I've proposed to the City. These properties that are being proposed for what could be flexible space – residential or commercial are primarily vacant sites. This site has been vacant for at least 20 years or 30 years; I believe there was a house on it at one time. I think there's been one commercial building built in Downtown Poulsbo in the last 25 years, and there are certainly vacant parcels that have been zoned. That building is vacant and has been for I think a year, for whatever reason. It's a case of demand as to why we could turn vacant land into residential – build them so they're commercial and they could be converted. And these could all could be easily converted. They are going to be built to commercial codes; they are going to be parked to commercial standards, or what will actually be an excess of parking until they're repurposed as a commercial space. If the desire is to get more commercial space available, I'm going to tell you that you're going to have more opportunity to convert an existing space in the commercial than you are to take a vacant piece of land and expect someone who will build a brand new building when rents are about half of what it takes to support a new construction. This building up on the screen, for example, very easily convertible on the main floor to a commercial space. And if a tenant knows demand, and a tenant came along and wanted to rent that for more as a residential, it could certainly be converted very easily. If a tenant wanted to take a vacant piece of land, that would take 2 or 3 years and way more money than most of these tenants down in town are capable of. So I would say this is not taking away from the City, but actually adding, eventually, some inventory. Residential units, these are – that I'm proposing – going to be owner-occupied. Well, it could be rented, but they're townhouses and the main level could be an apartment for a mother-in-law, or a child, and they could be converted at a later date, but these are going to be for sale owner-occupied units. Again, it's the vacant land that gets redeveloped like this, if there hasn't been a building built, except one in the last 25 years, maybe it's worth looking at another way to accomplish some redevelopment of downtown. Thank you.

7:44:49 RS: Okay, thank you. Anyone else?

Angela Bennet: Hello, I'm going to have to have a different perspective. My name is Angela Bennet and I also live on 3rd Avenue. We moved here about 11 years ago, right as the economy was starting to come down. We saw the boarded up buildings and things like that downtown, where we had vacant storefronts. One of the things that allowing residential to come into this area does, is that it encourages more people all year long. Right? During the summer, we have no problem with the number of people who come into downtown and patronize our commercial areas, but during the winter it becomes less and if we want to maintain it, I do think we need to bring it more residential downtown. I also don't think that the way it is right now, at least on Third avenue, is very attractive. We have dumpsters and blackberries; that's not welcoming. If we had something that was more welcoming along there too, I think you would have more individuals coming along that way. And as a resident who lives on there, parking is an issue. It will always be an issue, for us personally, to park right in front of our house, but not to park in Poulsbo. We always see the Port of Poulsbo lot - it always has room in it. Yes, directly in front

of our house, usually we cannot park. But we we can park near enough to walk. So I would give you an alternate view, from someone who does live downtown, that I think having more people living there, and not having to drive in, but living there and can walk downtown and can access the things that we access right now, will encourage more growth throughout the years. Thank you.

RS: Thank you.

4:47 Brian Smith: Hi, my name is Brian Smith and I live on 4th Avenue. I'm not really here to debate that a conversion is good or bad idea for Poulsbo. I think as residents, our concerns were adequately presented last year, before the commercial code update, and the City Council voted 6 to 1, not to allow for residential on the first floor, as Planning Commission recommended. But it appears after hearing about the EDC and watching City Council meetings on the video, that we have new information and more relevant ideas that allow for that to be back on the table. I would say okay, but please share that with us. More than just a graph that shows red ink, if we have to go forward with the way we planned. I am not challenging any developer or their character, but it just feels a little bit like capitulation when a business plan doesn't work out, and so now we are going to go back and adjust the code. So if it does - perhaps that's the best plan or perhaps that's because no one else is interested in Poulsbo. And at that point, we probably should pay attention. But there's a way to change red ink, and you use an eraser and you redo it, and find it until it's not red, and if it stays red, you don't buy the property. Because certainly there was a commercial code in place at the time that had to be complied with. And if you couldn't make it work, you either had to live under the hope or the promise that it was going to change for you, or why would you go forward? So I hope this all works out because I really do think 3rd Avenue is something we've got to talk about. And we are not talking about building heights anymore, so some of our concerns have been muted, but we're at a crossroads here, and our character is on display. We've got to decide whether we'll let things be dictated to us or whether we'll work in conjunction and make something better out of this, but I really feel like \$100 of blue paint is not a good faith gesture. We should know that whoever is here is here for the right reasons. And then we should support them. Thank you for your time.

7:49:09 RS: Thank you. Anyone else?

Jean Charters: Hi, my name is Jean Charters, and I'm a resident of 4<sup>th</sup> Avenue, and also a member of the Historical Society, and I participated in the commercial code conversation, so yes, last year. So, coming back to this with some of the same information that we learned last year, and then understanding that there's new information like you just heard, and not knowing all of that new information, it would be great if this was a participatory process, and we could hear more of why this is a great thing for Poulsbo. Just living on 4<sup>th</sup> Avenue, we do have a spectacular view. I'll just put that out there - I know we do. And if you're going to build a townhome on 3<sup>rd</sup> Avenue, you are going to have a spectacular view. What is your incentive to change that residential unit into a commercial unit? I personally think that there is 0% chance that that residential is ever going to go to commercial. ZERO. That's my personal feeling about

that. And then, on top of that, if you have all of this residential in downtown, we have no services to support those people downtown. Everybody has to go to Central Market, or Safeway, or the pharmacy, or the hardware store... they're going to be congesting the traffic downtown, coming and going. And right now on 3<sup>rd</sup> Avenue, there are at least 40 parking spaces that are used every day by whoever – commercial merchants, employees that are going to go away, and none of that's been addressed either. Where are those parking spaces going to go, if you put residential on 3<sup>rd</sup> Avenue? Because there's not a lot of room around town for the rest of those people to park now. So, what's happening, infrastructurally, before we do this? That's what I want to know. Have you had *that* conversation? Thanks for your time; I appreciate it.

7:51:21 RS: Thank you. Anyone else?

Mike Brown: Good evening, my name is Mike Brown, I'm with Sound West Group and I represent Sound West Group, and it's true that Sound West does have a number of properties in downtown Poulsbo, all of which we feel need some level of upgrade. Some of that is just repair-deferred maintenance that's been mentioned, and in other cases it's creation of new buildings, possibly along 3<sup>rd</sup> Avenue. I want to speak really to the concern about whether or not it's convertible and how flexible that really is. And the reality is in commercial buildings, during their lives, many, many times their interiors are changed out for one tenant or another. I am also a commercial builder and probably 70% of the business that I've done in my career here in the last 35 or longer years has been tenant improvement. We've literally been in some buildings dozens of times to swap out for the next tenant. It's really about the business at hand. But the important thing, and an interesting thing that we've seen happen where there's a residential component that starts first, is that small businesses often do move into those spaces just as they're built out. So there's a flexibility of the residential verses commercial and/or commercial. One of the expensive pieces, if you build just a commercial building off and we build out what is called a "vanilla shell" – you don't take it any further than the core and shell, so the perimeter wall and the services that serve the building - and the reason that you do that is because you really don't know who your tenant is going to be, and then along comes the tenant. An average tenant improvement for something like an office building is somewhere in the range of \$80 per square foot, up to medical office spaces that can go over 200. So let's just take the example of the lower end of that: if we build a commercial space and somebody's facing rent it takes to support that construction, then on top of that they have to support the tenant improvement buildout, because not all of that is borne by the landlord, in fact, a share of it is borne by the tenant. That's not a problem for somebody like Albertson's, or a large corporate entity, but it is a problem for somebody that wants to be a small operation and start maybe a 1 or a 2-person shop. So that's where these residential buildouts actually work pretty well. We've built these in other places where people do move in and they make them work as a hair salon or an accountant's office or that kind of thing, and that barrier to the entry is not there because the space is already built out and can be easily adapted to the business at hand, and that extra burden of that expense doesn't have to be borne by the tenant. So, just a piece of the flexibility that I think is important, because we've heard a lot about, you know, it's the small business guy

who really has it tough here, and that tenant improvement cost really is a disadvantage. Thank you.

7:54:50 RS: Okay, thank you. Anyone else?

(Silence)

7:55 RS: Okay, so we will end the Public Hearing portion of it and open up the Public Meeting, and you can ask questions and do things like that, through our deliberation. Anybody?

JC: The C1 does not include just downtown Poulsbo, C1 includes all over Poulsbo. It's not just restricted to 3<sup>rd</sup> Avenue. So we could have these conditions outlaying over on Viking, we could have it over *here* (pointing out on map), maybe, by where the old Albertsons used to be, back along that hillside – it could be residential/commercial. So it's just not restricted to downtown Poulsbo itself; it covers more than one area. Now my question for Karla is, as you go through your review process of the availability of commercial space and residential space, as we have to design our future growth areas, how will this Amendment play out, if we do have some of these structures built?

KB: So that's an interesting and good question. Mixed use has been something that has come along and become more interesting and popular in all of the urban areas in Washington, and certainly in Central Puget Sound, and so what Commissioner Coleman is referring to is when we update our Comprehensive Plan, which we are getting ready to do in 2024, we have to make some assumptions on how land is going to be used, and whether it's going to be used residentially or commercially. Certainly, when something is zoned residential, we know it's residential, and until mixed use came along, tending to be more popular, commercial would be for commercial. So there are assumptions that have been developed that jurisdictions will be using to assume a percentage of commercially zoned property that would be used for residential. So we can take that into account, again, it's an assumption, but all of our land capacity are based on assumptions. And so it is something we will be working with a land use economist, actually, to help determine what that number is. So we will be able to incorporate mixed use within our land capacity analysis for commercial zones.

JC: Okay.

GM: Karla, can you confirm Mr. Coleman's question? As I read the materials, throughout it, it talks about the C1 downtown limited zoning amendment, so does this indeed affect other parts of the City? Can you clarify that for us?

KB: I can, yes, thank you for bringing that up. So there's a map within your packet, it is Exhibit E, and it shows a portion of the C1, or it shows most of the C1, so the C1 zoning district is primarily downtown Poulsbo, and then there's a few C1-zoned properties along Front Street, kind-of across the street from the Poulsbo Park and Recreation Center, and so this amendment is not proposed for all of our commercial zones, it is proposed just for the C1. The Economic Development Committee did consider it for all of the C zones, but at this point wanted to move

forward only with this amendment. They did task our department to looking at all the commercial zones; at some point in the future for similar amendments as well. I will also note that mixed use is already an allowed thing in the City and has been for over 20 years, for the second floors and above, so this again, is speaking to a flexible use option for the first floor.

RT: My reading of this is that it only affects a few properties, which would mean that other property owners, for example, and I'll just name a couple, for example over at JJ's, they would be at a disadvantage because they could not take advantage of this, if this was passed. It doesn't seem a fair way to treat all the other property owners.

KB: Alright, so the shopfront overlay, which is where JJ's is located, was discussed at length last year as a place that we want to preserve and protect, and as the footprint currently is right now, for our identity, for Pousbo. So the properties that could take advantage of this proposed amendment would be (most likely) vacant properties, as discussed at some of your public testimony. There is obviously opportunity for redevelopment on some existing structures, but that, again, would be determined by the property owner whether that was financially feasible for them. So again, Exhibit E, which is map of downtown shows some potential parcels that would be able to be utilized for this, but those properties within the shopfront overlay would remain commercial use on the first floor, completely, and would be limited to the uses in the adopted use table. Again, if they have a second floor, and they have parking for the second floor, they could convert those into residential uses, but they would have to be if they have a second floor and parking for they can convert those into residential uses, but they would have to have on-site parking, or a way to provide off-street parking for any residential conversions to the second floors.

RT: I had a concern about traffic survey that was done. If you add (and I've got a couple drawings in the packet, where we have second floor residential), now we're going to have first floor residential. I believe that we are going to have more traffic from an increase due to residential than we do from commercial. Because mainly the folks coming in for commercial will come by boat transit or come to the parking lot, and walk around town. And they'll come in, and they'll leave. Residential people come and go from their house two, three, four times a day, and they have to use the streets. So I think if we increase the number of residential units in downtown, we're going to increase the traffic.

KB: So we can speak to Exhibit G, which is your Traffic Conditions Technical Memorandum, and it was prepared by the Pousbo Engineering Department. I don't necessarily know if all of our downtown tourists come by boat; I think that would be an interesting study, to determine our tourist traffic via boat and by vehicle. I will say in general, and this is toward the end of your Technical Memorandum, is on page 4, there is table in here that outlines the is the trips generated by use by the Institute of Engineers Trip Generation Manual, and that's the one that we use, as well as most jurisdictions use for generating trips, and that if you see, multifamily housing, 1 to 2 levels generates 2.32 trips per day, up 3 through 10 levels, which of course we are not talking about at all, has a trip generation of 5.44. When you compare it to other commercial buildings, the lowest would be a general office building of 9.74 (per thousand

square feet). So, I definitely understand your concern and I think that is a concern that we've heard before, but I do believe that if you look at the technical analysis provided by the engineering department, you are going to see that the trips being generated by residential (and this is new residential versus new commercial) would probably be less based on the ITE manual. And again, this is what we use for all of our developments in all of our zoning districts. I will introduce Anthony Burgess, who is the engineer who helps assist the research and the development of the technical engineer technical memo, and he's with our Engineering Department.

AB: So I did want to note that we did check with the U.S. Census Bureau, what is the average size of a residential apartment, and it is 1,181 square feet, and that was from data collected last year. So when looking at this chart, a dwelling unit trip rate is same as commercial unit use. So the multi-family housing midrise of 5.44 trips per dwelling unit is synonymous per 1,000 square feet as you are looking though the chart, just to remember that.

8:05:08 RS: Any other questions?

KN: I had question as to why the proposed amendment drops the requirement that the Planning Commission had previously recommended, about looking at an economic analysis every four years, I think it was. I know at our previous Planning Commission Meeting, there was a little preview of that, with we don't know exactly what that would look like, but it seems to me that Exhibit F2 that looks at the commercial rental market verses the residential market, plus form information on commercial rental vacancies might serve that purpose. (?)

KB: Yes, so part of the reason that it did get dropped out was the discussion at the Economic Development Committee Meeting at that time weren't discussing requiring an economic analysis, so that would be the main reason, is part of this proposed amendment. The Planning Commission did offer that last year, as part of the recommendation package. One of our comments was it's difficult to know exactly what that is because when we did the research after the Planning Commission it was hard to find an example of that, but I think your comments are correctly on spot, that... The burden is on the property owner to develop it and to demonstrate to the City. So certainly if the Planning Commission wanted to bring back that recommendation, I certainly think we could figure out how to make it work.

8:07:03 RS: So are you are saying that there could be a requirement for the property owner to give justification for renting something as or developing something as residential rather than commercial?

KB: It would be similar to, if you look at your bottom one here (*indicating page*) I'm presuming it's something similar to what you approved last year, which is that you required a market study or similar type document be submitted every 4 years to demonstrate that commercial space are not viable on the first floor space. So I think it would be something similar if you wanted to do that, to say... Because this is crafted a little bit differently in that it's called "flexible use," I'm

presuming you would want to know if it's being used as residential, why it's not being flexed back to commercial, or vice-versa.

RS: And I guess that's where this is going right now. Bear with me; what we had talked about was doing an every 4 years demonstrate what is happening and then you would be able to develop in a certain way. I think that's what we talked about. You have to give some justification that says that commercial doesn't work, we'll do it in residential. I don't think that we flushed it out that it was commercial first and then you could go to residential if that didn't work. Is that?

KB: No, that was not language from last year. The language was you could have residential on the first floor, but you would have to at least check in with the City every 4 years to explain why it's not converting to commercial.

RS: But that would be very difficult, because how would you? You would evict somebody and say, "Ah, well, now it's got to be commercial." So you've got to evict somebody?

KB: I think the language today is proposing to be more simple in the sense that it's really letting the market dictate the use. It's putting zoning aside and letting the market dictate the use, for those properties in the C1 that can take advantage of this, and letting the market dictate it and I think that the testimony you heard is that there's a school of thought that the commercial, small-scale, small business commercial uses on the first floor in combination of a second floor, perhaps can't finance new construction. So having that option can help finance it with the bank. I don't understand it, it's not my thing, but the way the banks process loans and how they invest, and that once it's built, the opportunity to flex through tenant improvements is greater than requiring it to be commercial, in the outset of new construction, if I'm summarizing what I heard tonight.

RS: I think I heard that too. I guess the question is, I mean, do we see a way to do the study? I don't know how you would think – we're still at the same spot – I don't know how you would enforce that, how you would do that unless we need-hired somebody.

RT: What would be used as the criteria as to whether they flex back or forth, from residential to commercial? I looked in when we looked at packet, all of this sided with rentals for commercial space, was up to Green Light Diner, in the Warrant G. Harding Building, and those were a buck and a quarter a square foot. But then right away, they wanted the comparison that you throw in the package, that the new apartments, with a lot of amenities over on Viking Way, is 23 dollars and something a square foot. Who would ever flex back to commercial if they are getting 23 dollars a square foot, compared to even 5 or 10 dollars a square foot for commercial? In other words we have to be prepared to accept the fact that once these structures are built, they will always be residential.

GM: So Karla, if a market study isn't a way to try to avoid this in perpetuity, are there other options? Can you express a timeline for the building permits? I'm just throwing it out there... 5 years? I am certainly happy to consider flexibility, but I do hear some of the citizens expressing

concerns that it may not ever revert back to commercial. Looking at the numbers that development committee, at least, has given us so far, I'd be sure to share some skepticism of whether that's actually going to convert back. So if not a market study, (I understand there may be some concerns about how you define that, what you use as the criteria), what other levers do we have, if any?

KB: I think the way the amendment is set up is that if the use is to be dictated by the market, then there isn't anything that I can think of, other than the market study as a check-in with the City. I would say it would be challenging to define it, but not impossible. I think we could figure it out if that was something that was important to the Planning Commission. Don't make a challenge be the reason you don't do what you want to, what the right thing is to do. The staff can figure it out. If the flexible use is going to be swayed by the market and market rents, then what you do want to do as a check in, if you want a check in, if you don't want the market to fully dictate it, and you want to be able to have some input, or at least giving us input on what the current market is in downtown, then having a study or some documentation would be the right way – or would be a way to do it, as we discussed last year.

8:14:20 RS: I think what we are doing is missing the point. The point is that we do have vacancy problems in Poulsbo, and it's been an ongoing fact for as long as I've lived here – 30 some years. We do have buildings that are falling apart and that are not being maintained, for one reason or another. So I think the intent of this is to try to help have the solution that makes it feasible to do upgrades, try to keep our vacancy rates down, that type of thing. What we're looking at is trying to address history of what we are dealing with. What we have now doesn't seem to be working, though of course, markets could change. But we're isolated enough here in Poulsbo from the big ticket money in the Seattle area, that I don't see that we are going to have (unless they put 10 new ferry boats in and we have a big influx of people that can get high-level jobs or some high-level employer moves in town), I don't see that we're going to see a whole big difference from here on. If there is a way for us to allow, reality is to want it to work. It isn't working; we have to do something else. What is that? Is it allowing a few areas to do some residential to try to bring up the area? That might be the method. We should do something different than what we've been doing. Or we just maintain a steady flow of people that start a business, then go out of business, and they just sit. We need to do something, and I think this is an attempt to do something, and I think that's probably why the Mayor came back with *We've got to do something* because we're sitting here.

GM: I want to be clear. I am in favor of providing flexibility. It is: How do we do that? I wish that every downtown commercial spot could be filled with a mom and pop small business, but given the vacancy, given the empty lots downtown, and given the condition of 3rd Avenue, given new reality of the Amazons, and other online shopping, things have changed, and I think we do need to provide flexibility. I'm in favor of providing more residential downtown, or near downtown, because I think that will help support small businesses. I think it will help even out the ebbs and flows of seasonal tourist traffic and perhaps provide more customers year-round. I am all in favor of providing flexibility; I'm just trying to figure out the best way to do that,

because I recall when we discussed this previously, there were some Commissioners that expressed some concern that we've only got a limited amount of commercial space, and do we want to give all that away? I just want to make sure that we are doing it in the right way. So I'm all about providing the flexibility necessary, but I want to make sure that we do it in the right way. And I am struggling with it now, whether this proposed amendment is the right way, right now. I'm not sure.

JB: I think I'd like to say, if you look at what the Planning Commission, a year ago – it was a year ago that we started on this – the Planning Commission thought long and hard and we discussed a lot of things and put a lot of effort into it and basically if you look at what's coming back to us from the Council now - the Council is basically agreeing with what the Planning Commission sent to them many months ago. Other than perhaps the marketing analysis. My opinion on it is: I think we should go back to where we as a Planning Commission – the decision or the determination we came up with at that point in time, is what I'd like to go forward with, including the market analysis. This is our recommendation that's going to the Council. They're the ones who have to decide.

RS: The only down side to that is that they turned it down.

JB: But now they're coming back on it. It's their amendment, they are basically coming back and saying what we sent to them in the first place.

JC: I don't know where the City Council is coming from. We're not participants in their discussions on this, so we really don't know where they're coming from. We don't have a lot of personal input or feedback from them when it comes back to us, wanting us to look at things, so we are getting back to the same thing we got- gave before, like I say, over a year ago. But again, I don't have any input from the City Council, other than through the Planning Director. I have not sat face-to-face with a City Council member, wanting to know why they feel this didn't work the first time. Where do you want us to go with this? What do you want us to do? Do you want us to have more Public Meetings? What do you want us to look at? I think direction is what we need.

KB: I think that this is the public process and the direction that the City Council has given is for you to do what you always do as a Planning Commission, which is to consider the amendment in front of you and have a thoughtful conversation and to decide what you believe is best for the City of Poulsbo. I don't think they are asking you to do anything different than what you have always done, based on the information what was presented in front of you as part of the Staff Report and the presentation. They had some conversations, yes, they did have conversations, and wanted then to kick it to the public process, for the broader community conversation, which is exactly what you do as the Land Use Advisory Committee.

KN: I have gone back and forth on this, too, because after our last meeting we had a little preview, and we talked about the economic analysis, and I went home and I said to myself that I don't think we need that. The market should be able to take care of that. But then, I think

about it more, and if there's no incentive to even think about changing use, you might not change the use. And it's easier to put a requirement in here, say, we'll check in every 4 years, and then the next time we update the Code, we could take out the requirement if it's cumbersome, or if it's not doing what we wanted it to do. I lean towards putting a requirement for some sort of analysis in.

RS: What would be the form of that? Would it be if they wanted to change the use? So let's say they go through and they set up the use; they have residential on the first floor, and they want to change the use to maybe... a bigger residential? I don't know. How would you do that? Because typically we can only touch something when there's a change in use. Right now what we have here is an assessment that says right now it makes sense to do residential on that floor. If in 4 years, or whatever we set it to, they give us a study that says actually it looks like commercial is better, I think it would be hard for us to enforce them to switch it to commercial.

JC: Maybe this needs to be set at 5 years and then it reverts back to first floor is all commercial.

RS: I would hate to be an elected official and be trying to evict people from their homes, but I'm not an elected official.

JC: Those are commercial grade, so...

GM: If we were to do this, I think it needs to be based on some sort of data. If that's what we want to do.

RS: I think a market study doesn't prove anything, because I'm assuming that the developer will be doing that anyway. Because if they can get more money for commercial on that space, because let's say we've got a lot more residences that are now living there, that are now moving into these spaces, and suddenly we realize that not everybody wants to go to Central Market in their car, they want a good store downtown, and they might get more rent for that, so there may be a turn around.

KN: Without a market analysis.

RS: Or even with one, because I'm assuming they are going to maintaining a market analysis because they want to make more money. Hopefully they are going to try to service their residences.

JB: If it's already mixed use, they'll already be able to do that anyway. They can convert back.

RS: Right, and that's what I'm saying. So the market study doesn't do anything other than what they should be doing anyway.

KN: We might just be adding a step.

RS: I just don't know how we would enforce it. Because we can't really enforce anything unless there's a change in use, and I guess if the tenant was out, then do we tie it to that? But there

would be a tenant involved and if that tenant moves and they want to rent it to a new tenant, they would have to prove that it makes sense not to convert. I don't know how you would do that, because you'd have to register the tenants.

KB: It would be a cumbersome administrative action.

RS: I think that there is a need for something to be done. We seem to be stuck. Every time I come into town, it bothers me that we have run down buildings, and there is a reason for that. It's not because we don't have people who like the area. It's our area, and something's driving it.

KN: We hear from residents that they would like to see more of a night life, they'd like shops open later, and they'd like more restaurants. That comes with more people downtown, year round.

GM: Another thing we haven't really talked about. I'm aware that we have ham-strung to some point, new development or refurbished development, downtown with the change of height requirement down to 25 feet. That gives people a lot less flexibility to try to make improvements to buildings, construct of new buildings and slab. Part of me is saying, "Okay, the City Council changed that, which would lead me a little bit more to offer the flexibility on the first floor. So that's part of my thinking here too. I think that needs to be remembered.

RS: Any other discussion that we want?

Silence

RS: Questions? What do we want to do?

JC: So, we're not going to go with any kind of market analysis?

JC: Okay. Mr. Chairman, move to recommend approval to the Poulso City Council the C1 Downtown Limited Zoning Amendments Flexible Use, identified in Exhibit A, and direct the Planning and Economic Development Director to prepare Findings of Fact in support of this decision for Planning Commissioner Chair's signature.

GM: Second.

RS: We have a motion and a second. All those in favor, signify by, "Aye."

All: "Aye."

RS: Any opposed? Any abstentions?

Silence

RS: Okay. It goes to City Council.

8. RS: We will do **Liberty Landing Subdivision** next.

EB: Good Evening. For the record, I am Edie Berghoff, with the City of Poulsbo Planning Department, and with me here tonight is Anthony Burgess with the Engineering Department for the City. The applicant is also here this evening and may have a few comments.

The Liberty Landing Subdivision is a preliminary plat in the residential medium zoning district. Preliminary plat is a type 3 zoning application under the Title 19, which is Permit Application Procedures. It requires a public hearing before the Hearing Examiner, and the Planning Commission is tasked with making a recommendation to the Hearing Examiner for the project.

There are Findings of Fact, Conclusion, and Recommendation, that's signed by the Commission Chair, that is forwarded to the Hearing Examiner. The criteria for the project are established when the application is found technically complete, which in the particular case is November 30, 2018. The criteria are in the Zoning and Subdivision Ordinances. The Application for Preliminary Plat by state statute is a 90-day process. The application includes an extension for that. The application granted an additional 60 days. We are within that timeframe. Project notices have been distributed. There is an exhibit in the packet of your Staff Report that includes all of that information.

The site is located near Poulsbo Place, and it's approximately 1 acre in size. Poulsbo Place is *this area here*. It is zoned high density residential. The project itself is medium density residential and is something of a buffer between low density residential and the Poulsbo Place high density residential. All of the adjacent properties are developed. There are some small pieces that look vacant, however they are either Open Space with an existing plat or there's another reason specific for use. The site itself is proposed to be subdivided into 8 lots. They will be single family homes, and there will be an area of right-of-way dedicated to the City. Access is provided by two driveways, each driveway serving 4 residences. Each single-family home is required to have two parking spaces, so multiply that by 8 and you are required to have 16 parking spaces on site. The applicant is providing 22 total parking spaces on site, so they have on-site parking for guests. One of the things that the applicant has provided (to provide some certainty for the neighbors in the area) is some home designs for the project. They are included in Exhibit A of the Staff Report. All structures on site, including amenities – there is a possibility of a garden shed being constructed as an amenity. They will all follow the general design including trims on the buildings.

Preliminary Plats in residential medium designations are required to provide amenities. This is a landscape plan that shows one of the amenity combinations. They are located on lots 7 and 8. In the Final Plat they will be located in easements that will have some language in the project CC&Rs that will have some language for the homeowners so that all of the residents will be able to use those. The landscape plan itself includes setback yard landscaping, incorporates street trees along Hamilton Court, and provides for the required tree retention. Six trees are required to be retained. They are shown as *stars*, I'll call them. *Here* is one of them. As this is designed the tree retention requirements have been met. The preliminary plat has been reviewed against the City's Subdivision Zoning Environmental Regulations – I will say there are no critical environmental areas on the site. All lots meet the City's requirements as conditioned. The

City's Engineering Department has reviewed the plat for compliance with the City's construction standards and stormwater regulations and find that the project meets the requirements with the conditions. The project as proposed, in conjunction with the SEPA mitigation and conditions of approval is consistent with the Poulsbo Comprehensive Plan, the Zoning Ordinance, and all other applicable City regulations. I will ask Anthony if he has any comments he wants to add.

AB: No.

KB: Staff respectfully recommends that the Planning Commission recommend approval of the Liberty Landing Subdivision, as presented. We are happy to answer questions for you following the applicants comments and any public comment that there may be.

HW: Mr. Chairman, we have a presentation from the applicant, and I will go ahead and turn that on right now.

8:36:44: Bill Orty: My name is Bill Orty. As you requested onto something less "weighty," this is all kind of new to me so I am going through this really quickly, and if you have any questions or you want me to go back to something, we can do that. So *there's* just a brief description of the project, which was pretty much already covered. Some of the architecture and aesthetics, and then there are a number of improvements for the benefit of the neighbors in the City that are part of the project. Then there are some elements and comments that were brought up at the neighborhood meeting that if need be, we can talk about. So we already went over where the project is located, and *that's* just the aerial view of the current lot, as it is - a house in the middle. *This* is the proposed development; as you saw, it is right in the corner of Poulsbo place. Eight homes makes them single story and two-story, pretty small homes. The single story is 850 square feet. The two stories are 1350. And then there is a number of improvements that we can discuss quickly. *This* is just architectural renderings of what the development would look like. (*This* street here is looking from right there, and if you happen to be standing *there* on the sidewalk, that is kind-of what the homes would look like. The idea is that these homes could be here for another 100 or 200 years. So if I've got to spend a little bit more money to make it nice, with variations in trim, crown molding on windows and things like that, that is something I think is in keeping with charm of Poulsbo. So the homes are nicely trimmed out and you know, beauty is in the eye of the beholder but I think they look nice. Again - floor plans - they are small, but they're just very efficient. Open floor plans. They're kind of designed for young families or retirees. So even on the two-stories, there's a master on the first floor or the second floor, so it's open to lots of potential uses. In terms of improvements, there's the road right *there* - Hamilton Court, if I go back *here*, this is actually the property boundary. Hamilton Court runs right through it. So there are road improvements, and those include standard 125 foot radius crowning in the flat areas and then a super elevation along the bend. There's a sidewalk being put in that is going to connect the circuit from Jensen on up to First Street. What will happen eventually is that - *this* is the boundary of lot as it is today, but when the project is done, the lot boundary will run along *that sidewalk there* and the rest just gets dedicated to the City. Two private drives, as you saw - each one serving four homes. Easement for utilities. There is over 400 feet of new 8-inch diameter freshwater pipe

put in, and that's not really necessarily to serve the development; that's for the surrounding homes. There is an old four-inch pipe that's there now, and as a condition of approval, we are going to put that in there to upgrade that. Fire hydrants added, again- there's sort of an older hydrant *here*, but with *these two hydrants*— should serve the whole area. Stormwater treatment system with a modular wetlands unit, not just to treat the stormwater on side, but also to treat Hamilton Court. One of the biggest things at the neighborhood meeting was parking. What happens is there's a peewee field *right here*, and on the weekends, or whenever there's games, cars park on both side of street *here*, and I talked to the Poulsbo Police Department, and the reason they don't ticket the cars is because they can't tell where the property line is. So when this is done, if *that's the sidewalk* and cars park on that sidewalk or on that street, they'll be ticketed. They would actually have to park in the lawns, which they are not going to do, and if they do park on the lawns, it gets rid of the parking area anyway. I think that just by virtue of design and what's going to happen here, that's going to be addressed. The meeting went into the landscape plan, we're maintaining 27% of ten-inch trees. There are 32 deciduous trees of various kinds being added. 21 non-deciduous trees. More than 60 shrubs, ground cover, and then as Edie mentioned, there's alternative amenities. A cutting garden and a picnic table or a garden shed and a bocce ball court. So at the neighborhood meeting, there were lots of comments. I think there were over 30 people there, and it kind of revolved around these things – the aesthetics of the development, the peewee parking and safety, privacy concerns, tree retention, and water problems. I think the aesthetics of the development, again, that's up for people to make their own decision whether they like the way it looks, but certainly there is care being taken to make it look very nice. The peewee parking- we talked about... privacy concerns, so really these two residents *here* are worried about homes being put in *here*. But you know it is a residential high and residential medium area, and in the landscape plan there are screening trees that will be put in *here* to try and deal with that. For this resident *here* they are mostly looking right down *that street*. This home is kind-of off to the side. And then *this resident*, I talked to both of them and there will be screening trees in here and potentially these windows can be frosted up to a certain height, and they seem to be pretty good with that. In terms of tree retention, we talked about that, lots of additional shrubs and trees being added, and then the water problems – there's a high point *here*. When this is all said and done, the water is going to be directed to the center *here* and then out to the water treatment system. If anything, I think it will reduce the water problems for that resident *there*. Improvements: the infrastructure, roads, sidewalks, water treatment, parking enforcement, fresh water supply and fire protection are going to benefit. The neighborhood, of course, with 8 homes, the tax base for the parcel will increase by 8x, which will benefit the broader City of Poulsbo. Concerns from the nearby residents have been heard and I think they have pretty much been addressed. The applicant believes that Liberty Landing is in harmony with the master plan for the City of Poulsbo, and I respectfully request that there is a recommendation made to approve the project.

8:44: RS: We'll take comments from citizens on this project.

Rita Hagwell: My name is Rita Hagwell. I'm a retired teacher, wife, mother and have 4 years of graduate school. I hope someday you get a chance to read *Where Have You Gone, Bernadette?* It's about a woman architect that moves to the northwest from California, and she doesn't like anything, especially craftsman houses, but I'm not going to say what happens. But your houses are so nice, I think even Bernadette would like them! You should get a chance to read that book if you can. Okay, and I did want to show one other thing, and that is... (can you show *this* too) which is the urban tax to Poulsbo.

RS: Is this to address this project?

Rita Hagwell: No. I'm complimenting it, is that good enough? I know I wanted to make more comments. Because if it's the wrong time... please don't forget the west side.

RS: Okay, we won't.

Rita Hagwell: Thank you. And remember, all the oxygen you're getting: look across Liberty Bay and see all the trees. My 125-year old trees, and you're getting such clean lungs. I realize it's the other side of the tracks, but don't forget it. Thank you, that's enough for me to say, today!

RS: Thank you. Anyone else? Okay, so we will do our discussion. Any question for staff?

JC: I've got one question. Surrounding the old farm house up there, which I assume is going to be destroyed, or taken down, what type of utilities are attached to that house, if any, at this point in time? And how far back is the contractor going to have to take them, to get them out of his way? Back to the Mays, I mean, is there a well up there, at the farm house?

AB: With any new development, if there are pre-existing septic systems or wells, as per our Engineering Conditions of Approval, those are required to be decommissioned per Ecology and Department of Health standards. And if there are pre-existing utility connections, those are either re-used or decommissioned at the main if they won't be reused.

JC: I just didn't see much address in here about dealing with conditions and how to take care of if they do come up – that was the only thing.

AB: Those are our standard conditions with any proposal from the City of Poulsbo, and those will be checked with the clearing and grading drawings, assuming you know that...

JC: On Page 15, Title 19 if you go down to Permit Procedures. If you go down below the chart on the second paragraph, it starts with, "The application was approved on November 19, 2018, and technically complete November 30, 2019." I think we have a little error there.

EB: I think you found a typo for me. Thank you!

JC: So we haven't quite reached November yet. That's all I've got.

GM: I had a couple of questions. Just to clarify, is it all of Hamilton Court, essentially being rebuilt as part of this, or just that north-south section of Hamilton Court?

AB: So the portion of Hamilton Court which is the curve, that will be rebuilt as per half-width street improvements, due to the scope of work (thank you, Edie) the curb will be realigned to our minimum standard, which is 125 foot radius. This is in compliance with our highway design guidance manual. It's also within our construction standards of 125 foot minimum for the radius. So that whole curve will be rebuilt and actually graded to divert all stormwater into a curb piped conveyance system, so part of what the applicant was discussing with improvements to stormwater in the neighborhood is moving all the water that would have run off of the existing drive into the properties is now going to be run into a piped conveyance system. The extension, which is shaded in a slightly different pattern, *south*, that is trenching improvements due to the water line looping, and that will be a little bit different – that's not a road rebuild – that's a repair, which will be in compliance with our construction standards.

GM: Second question: the two options for the recreational amenities... was feedback gathered on those at the neighborhood meetings, or not? Because they seem to be a pretty different choice set.

EB: That was not known at the time of the neighborhood meeting. That's strictly working with the City to figure out what will work at the site and what makes sense based on our codes.

GM: So City planning staff working with the developer would finalize that choice, is that right?

EB: Yes.

GM: Okay. And I'm assuming that if the choice is the ADA-compliant picnic table, that there will be an ADA-compliant sidewalk leading to said ADA-compliant picnic table, correct?

EB: Yes

GM: Okay. Thank you.

RT: I think the Commissioner found a typo for you. At the top of page 23, "December 28, 2019," I don't think you've received them yet if that's the correct date. I did have a life safety issue concern: the driveways going in, I understand they're 20 foot-wide, including the 5-foot sidewalk... are they going to be posted "NO PARKING"? The problem I have with them being not posted is that if we travel around Poulsbo, I think lots of places where we have these little streets, there are no "NO PARKING" signs up, and a fire truck would have a problem getting through. And so, they would either have to run hose from the street, back to the back units, or they can't get in there. That would even be difficult for an ambulance. I saw on the TTRs that are proposed that you're not going to have on-site RV storage. But that doesn't mean that Joe Shmucatelli won't have his cousin over, inside a trailer there, for the Fourth of July weekend. And these are things I see as I ride my bike around Poulsbo, so we really need to think about the signage for that, because the police won't do anything if it's not posted.

AB: So these two driveways will actually be private driveways to serve only the four residences on each. And the way they are designed is 20 feet – 5 feet of that being a designated sidewalk for pedestrian access. Twenty feet is the minimum standard width for fire access road. So the applicant has the understanding that that is the designation, and in response, they are providing additional on-site parking for guests. Now when it comes to somebody parking their boat, you know it's difficult to enforce that. However, these will be designated as NO PARKING lanes.

JB: If they're not posted, no one can do anything.

AB: Yes

GM: So they would be posted, "NO PARKING," the private lane?

AB: Yes

EB: Yes

GM: I would like to talk about the northwest corner. I understand that you have this 120 or 125 foot radius. First of all, is there any wiggle room on that, because I saw in the comments, it being questioned whether that could be made a smaller radius, and take up less room? That's the first question. The second question is: does the City really want to own that land? Maybe that's a Karla question?

AB: I can certainly (easily) address the first question. The radius, 125 foot is the minimum radius. There is no wiggle room there. There was talk of a "T" intersection, and I do want to call attention to an error in my staff memo. I say that the proposed realignment radius was encouraged. It was not encouraged, so I will provide that correction. And that's due to anytime you have an interruption of traffic flow, you have increased noise, and it was not cohesive with the design element, and the applicant had proposed these street improvements, which the staff supported.

GM: Okay, and what's going to happen with that triangle?

EB: That is a good question. Right now the residences in that area use a portion of it for their guest parking, kind of their own personal overflow parking. I don't know what will happen with that in the future.

JB: Who is responsible to maintain it? Some of it is grass, for instance, so who would mow it?

EB: It would probably be the once a year when our City Public Works goes through and maintains along the sides of roads and that type of thing.

JB: I drive by there all the time. Today as I drove by, there was a landscaper and his trailer behind it parked, with a couple of lawn mowers sitting out on the street and I could barely drive by it. I mean, he was right out in the street.

EB: So the other thing is that if the neighbors want to maintain it they are certainly welcome to. In a section of code, the City does have, like most jurisdictions do in Washington state, whatever property owner is responsible for maintaining the right-of-way or the landscaping strip that is immediately adjacent to road from their property. So there's that as well.

KN: I had two things. One, on page 22 of the Staff Report and the Conditions For Approval, we say that P2, homes in the proposed development shall substantially conform to the conceptual architectural drawings and elevations... I would like to see that also say "size." I know some of us felt like the new development down off of Fjord – we had a nice presentation with all sorts of pretty pictures that showed cottages, and then the houses that actually ended up being approved were significantly bigger than we were expecting. So I guess I would like to see size mentioned.

EB: I would say the motion would be for recommending whatever the recommendation is to have the Chair sign the findings and add that as a modification.

KN: Secondly, (I think I know the answer to this), but was consideration given to having a walking connection between Poulsbo Place and Ashcrest Loop, and the development?

EB: There was actually, over the years developments here – applicants with development proposals have approached the Poulsbo Place homeowners, and there is a short narrow strip of Poulsbo Place open space. The home owners would all have to get together and they would have to agree – the homeowners' association would for Poulsbo Place - before access could be granted. The general consensus was that they did not want to go through that process.

KN: Dissapointing. I guess my last comment was, I thought that this was great. I thought it was an excellent proposal, excellent staff work, excellent work by the developer. I thought this was a really nice package.

(Agreement around.)

RT: I make a motion that Liberty Landing, the Planning Commission show hereby recommend Approval with the Hearing Commander and Hearing Examiner of the Liberty Bay Subdivision, subject to the SEPA A litigation and conditions of approval contained in the Staff Report, Planning File P-11-19-18-01, and direct the Planning Commission Chairman sign the Finding of Fact Conclusion and Recommendations.

KN: I'd like to propose that we approve it with the modifications as to the size requirement being substantially the same as presented in the package.

RS: Which would be Item P2.

KN: Yes, P2 in the Staff Report as modified.

RS: Do you accept that modification to the Motion?

RT: I accept it.

RS: We have a Motion, and a Second. All those in favor, signify by "Aye."

("Aye" all around.)

RS: Any opposed?

(Silence)

RS: Extensions?

(Silence)

RS: It is very nice.

Bill Ortyn: Thank you.

9. Comments from Citizens - None

10. Commissioner comments?

JC: I've got one for you folks up there at that table. This evening, coming down Lincoln and watching traffic turning off 305 to go up Lincoln, and you've got two cars trying to turn into the new Chinese Restaurant, and nowhere for the traffic to go that's making left turns that are stuck out there on Highway 305, because you've got one car that's trying to come out and two cars that are trying to go in. You've got an accident just waiting to happen there, so what are your plans for that?

AB: That is a great question.

RS: It's an old driveway that's too close to the intersection.

JC: There's no room there for traffic to go in and out and you've got turning traffic coming off the highway.

AB: Unfortunately there, that was going to be the outcome with anything except for vacancy, due to the existing drive, and even if the site was redeveloped and the drive was pushed as far away as possible, it's still very constrained.

KN: Is there enough parking there? Is that in accordance with Code?

KB: Yes.

KN: It seems like there are only 8 spots?

KB: They are very busy.

KN: I was wondering where they are going to park for the other house that they are going to rent out.

AB: This was a tenant improvement.

KB: As long as you have a change of use in our Code that's a commercial to commercial, we don't require additional parking. There wasn't any room. You guys probably know that right to the south of the building is actually the south fork of Dogfish Creek, so there wasn't room to expand on this site.

RS: Any other comments?

(Silence)

11. Meeting adjourned 9:04

DRAFT