

## JOINT POULSBO CITY COUNCIL & PLANNING COMMISSION WORKSHOP

MAY 26, 2021

### MINUTES

**PRESENT:** Mayor Erickson; Councilmembers Livdahl, Lord, McGinty, McVey, Musgrove, Phillips, Stern; Planning Commissioners Block, Kipps, Nunes, Stevens (Chair), Taylor

Staff: Planning & Economic Development Director Boughton, City Clerk Fernandez

Guest: Clay White

**ABSENT:** Planning Commissioner Morgan

#### 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the virtual meeting to order at 4:00 p.m. and led the Pledge of Allegiance.

#### 2. COUNCIL & PLANNING COMMISSION WORKSHOP - Kitsap Countywide Planning Policies 2021 Update – briefing on update and process

Planning & Economic Development Director Boughton and Clay White, KRCC Consultant, presented the Kitsap Countywide Planning Policies (CPPs) 2021 Update. Presentation highlights included:

- Why and how the Kitsap CPPs are being updated
- Proposed Revisions
  - **Introduction (UR):** New Vision statement developed at a 2018 KRCC Board Retreat; adds Definitions; refinements to process of amending CPPs appendices
  - **Element A – Countywide Growth Pattern (CW):** Policy language changes for clarity
  - **Element B – Urban Growth Areas (UGA):** Policy language changes for clarity; reviewed policy regarding UGA expansions and adjustments; reviewed policy regarding distribution of population/employment growth; changes to reflect Vision 2050 policies
  - **Element C – Centers of Growth (C):** Implementing PSRC's Centers Framework approved in 2018; element has the most significant amendments; Appendix C establishes criteria and Appendix D identifies

list of Centers and designation process; ensures consistency with Vision 2050

- **Element C and D Appendix – Poulsbo Candidate Countywide Center:**
  - **Appendix D List of Centers 2021**
    - PSRC anticipates that Center designations occur during the 2024 Comprehensive Plan Update.
    - King and Snohomish Counties are not identifying countywide centers during this update; Pierce County did identify countywide centers.
    - LUTAC agreed to a hybrid approach – Appendix D includes countywide centers that were previously identified in Appendix F, have been operating as a countywide center, *and* where planning has been completed by the jurisdiction (i.e. subarea planning).
    - Candidate Countywide Centers were identified (King and Snohomish are taking this approach), for where a jurisdiction anticipates a center will be designated as part of the 2024 comprehensive plan update.
  - Poulsbo Candidate Countywide Center – Downtown Poulsbo/SR 305 Corridor
    - Preliminary land use capacity analysis and assessment lends to a Downtown Poulsbo/SR 305 Corridor Center.
    - Different or additional centers may be proposed as part of the 2024 Comprehensive Plan Update that are not included in the 2021 List of Centers.
    - Appendix D will be amended in 2025 after the jurisdictions complete their comp plan update process and have provided land use and capital facility planning for their respective centers.

Question: Councilmember McGinty asked if countywide centers are areas that they expect to have higher density. Planning & Economic Development Director Boughton said Vision 2050 and the regional growth strategy does contemplate these centers will be a concentration of growth. It is our decision of how much growth we will put there. They looked at a downtown Poulsbo/SR-305 corridor combination. It makes sense for higher concentration to be committed to the transit corridor. They have a number of studies they are roking on right now that will help inform these decisions (commercial land market analysis, land capacity analysis). 34:41

- Major Language Policy Changes – Revisions Proposed
  - **Element D – Rural Land Uses and Development Patterns (R)**
    - Policy language changes for clarity
    - Identification of Rural Centers + defining rural communities
    - Element D is not included in 5/21 Public Draft to allow for further discussion on transportation funding priorities. The KRCC has established a process for resolution beginning late May through June. It is anticipated that policies addressing transportation funding can be agreed upon by mid-June, with a release of Element D for public review and comment then. The public hearing on the full draft is scheduled for July 6, 2021.
  - **Element E – Countywide Strategies for the Natural Environment**
    - Addressing climate change
    - Investment in parks and open space – proximity to underserved communities
    - Reducing environmental impacts (noise, air pollution) on vulnerable populations
    - Coordination on important environmental goals
  - **Element F – Contiguous, Compatible, and Orderly Development (D):** Policy emphasis - New equity and displacement policies
  - **Element G – Siting Public Capital Facilities:** Restructuring policies to mitigate confusion in current policy set; separate policies into siting public capital facilities and essential public facilities; adds policies regarding air transportation facilities
  - **Element H – Transportation:** Several minor policy changes and updates; policy emphasis - resiliency planning and coordination; policy emphasis - Transportation plans and programs serving all users
  - **Element I – Housing:** Focus on providing for middle housing
  - Consideration of strategies to mitigate displacement; continued focus on working together to provide affordable housing
  - **Element J – Countywide Economic Development (ED):** Focus on equity and access to opportunity - minimize displacement impacts to existing businesses; fostering opportunities in distressed areas
  - **Element L – Coordination with Tribal Governments (CT):** KRCC

coordinated with Tribal Governments and no revisions identified

- **Element M – Coordination with Federal Government including Navy (CF):** KRCC coordinated with Navy and minor clarification
- **Element N – Roles and Responsibilities:** Minor Clarifications
- **Appendices**
  - Appendix A: proposed an alternative process when amending content in appendices
  - Appendix B-1 and B-2: remains as is for now; will be subject to update after receive GMA Growth Management Population Forecast from OFM in 2022
  - Appendix C: All new appendix that supports Element C: Centers of Growth. It embodies the Centers Framework hierarchy set forth by PRSC. It also includes the Countywide Center designation process.
  - Appendix D: List of Centers 2021; this list will also be updated after the 2024 Comprehensive Plan Periodic Update.
  - A portion of Appendix C is to be deleted; the remaining portion of Current Appendix C is new Appendix E.
  - Current Appendix D is to be deleted.
  - Current Appendix F and G is to be deleted.
- Project Schedule

### **Discussion:**

Councilmember Stern said CPPs break down into two buckets for him: 1) those that affect Poulsbo directly, and 2) those with indirect impacts (like Element D). He asked if this would affect situation they had with the siting of prisoner release/sexual offender housing right outside the City limits. Planning and Economic Development Director Boughton said it is Element G. Prisons are essential public facilities, therefore these policies in the CPPs will address those. As far as the sexual offender housing that was dealt with in 2019. That is not an essential public facility and are defined differently by the RCW. These regional planning policies do not affect them, that is why they had to amend the zoning code to address them specifically. The state legislature this year tackled it and narrowed down the focus even more.

Councilmember Stern asked if we have made good progress on processes that firmly identify cooperation, sharing, and collaboration with Kitsap County. Planning and Economic Development Director Boughton said our ILA with Kitsap County has served us well during the last 21 years, and supports continuing having an ILA with the County. It needs to be updated, and the 2024 Comp Plan Update is the right time to do it.

Councilmember Lord referenced Tables C-1 through C-7. She noted the chart regarding military installations has a glaring omission – it lacks a table having to do with the Tribes within the county and the interaction we have with them. Even if we are not mandating it, we should acknowledge it. Planning & Economic Development Director Boughton said Table C-6 speaks specifically about the centers, and the military language came from PSRC directly. The description was from LUTAC to acknowledge that military installations are a huge part of Kitsap County, but they are not “centers” per PSRC. There were several conversations with the Navy at the PSRC level of wanting to be acknowledged in the regional growth strategy while acknowledging they are not regional centers on their own. This is the language from PSRC. The point about the Tribe is important. That lives in Element L, which has very specific policies for the tribal government. There was tribal representation on LUTAC and TransTAC.

Councilmember Lord said even though the Navy doesn't have a formal center, it is still listed in there as a military installation, so why isn't there tribal reservations as well. Mayor Erickson said she doesn't think the Tribe sees themselves as growth centers. They don't want people pushed in. If we stuck them in that place, we wouldn't be doing them a favor. Councilmember Lord would like assurance that the Tribes were approached, to make sure everyone is included in the appropriate places.

Councilmember McVey asked regarding Element D, what the differences of opinion are and how they might affect Poulsbo. Planning & Economic Development Director Boughton said right now Element D has established rural communities called limited area of more intense rural development (LAMIRD), areas that GMA acknowledges as areas in the rural counties that have some development that are historic, acknowledging the reality that they are there. But GMA is clear that LAMIRDS are not areas of growth. Today's Element D talks about rural communities being LAMIRDS and other areas that are not LAMIRDS but are rural communities (Seabeck, Hansville, Southworth). Kitsap County wanted to add a new designation called rural centers. They created their own hierarchy where rural centers is where the LAMIRDS now live, those areas of more intense development. The one we are most familiar with is 12 Trees. They then defined rural communities as being small communities that are not LAMIRDS (Seabeck, Southworth, Hansville). The concern is whether this new rural center would have some implication that would impact how transportation funding is distributed countywide. Where the line is being drawn is the County wanting to preserve its flexibility to seek funding for all of their transportation projects, regardless of where they are located, and the Cities saying there should be a prioritization of funding for transportation projects that serve Urban Growth Areas and cities.

Mayor Erickson said when you hear the word “center,” it might as well be a dollar sign. There is that kind of relationship. Growth centers have greater availability of

transportation funding at the federal level at PSRC. Transportation projects in or near centers give them higher ranking in project selection for funding. The County could leverage the center designation for greater funding opportunities. In addition, they changed Kingston, which use to be an urban growth area, to a high capacity transit community (same as the City of Poulsbo for definitions). It is about keeping money available for urban areas, and not spending it on smaller communities. We are taking the growth pressures. Millions of dollars should not be dumped in Hansville. Whenever you put transportation into an area, that creates growth. We are supposed to be growing in the City and leaving the rural areas rural.

Councilmember Lord asked about Element A, item CW-3, stating member jurisdictions of the KRCC should develop a program for the transfer of development rights to preserve lands for important public benefits. She is concerned with it sounding like it is trying to ensure the County doesn't do anything that might jeopardize lands with important public benefits, but it is so loose, and doesn't know how it might impact the City of Poulsbo. Clay White said this is an existing policy and one they didn't get any recommended changes on. TDR programs are widespread and there are many ways to use them. It is not something established in Kitsap County yet, but there are many models. It incentivizes preservation of important lands. Councilmember Lord said it is not spelled out in the policy document. She urged flushing this out to make it clearer what the goal is and what the options are, and the interactions between counties and cities. Clay White He agreed it is a good point, but the policy is saying we can set up a TDR program, and it would get specific at the point that someone wants to set it up (it takes a lot of work and will). Councilmember Lord said they could spell it out more specifically in the bullet point. Planning & Economic Development Director Boughton said it is a county program, and the arrangement will be different between each jurisdiction depending on what the city can offer. Poulsbo has had the conversation in the past, the result would be specific areas for increased densities. She does not believe that is what Poulsbo wants. The County asked for the policy remain, in case they want to resurrect it in the future. It is a county policy that the City would have to adopt via code.

Councilmember Stern wondered if we need to be explicit or go along with the compromise to not allow the rural centers terminology to move forward and handle it in the appendix. He thinks we live in the exception to the rule of counties in the State of Washington that most growth is concentrated in the cities. In Kitsap County, most growth is concentrated in the County. Every time he goes to Olympia he is asked what is going on with Silverdale. He feels the rural centers issue is another attempt by the County to protect its revenue sources. They have a road tax that the City does not have.

Planning & Economic Development Director Boughton said Mayor Erickson will be approached by Commissioner Gelder to work out a compromise (along with other mayors). Today they could provide their comments to Mayor Erickson as she goes

into represent Poulsbo. It is supposed to happen next week. And then a PlanPol meeting would be held on June 8.

Mayor Erickson is hopeful they will come up with a compromise. People working in goodwill generally can. They must understand their big global roles. Under the GMA, cities are supposed to grow and the counties are to remain rural, and Kitsap is the anomaly.

Councilmember Musgrove asked if there was a conflict between development that spurs growth as opposed to dollars that supports existing and projected growth. There is a contest for funding that would spur growth as opposed to support existing allocated growth. Mayor Erickson agreed that is what the concern is, and we do not want a whole bunch of people moving out in the middle of nowhere because we build a road. It is expensive and does not follow the direction of the law.

Councilmember Musgrove asked if the scheduling suppresses discussion on other elements aside from Element D. Planning & Economic Development Director Boughton said it does not, they are in a public comment period right now for all elements.

Councilmember Musgrove asked if the changes that are being seen are best policies for the City or County. Planning & Economic Development Director Boughton said the amendments as proposed are intended for the purpose to ensure consistency with the PSRC Vision 2050, of which Kitsap County is a member of. She also believes the changes will be helpful for Poulsbo's future comprehensive planning. She worked very hard on the centers chapter, and also as a member of LUTAC. They talked about how it would affect all their jurisdictions. She feels confident it serves our needs.

Planning Commissioner Taylor said the document fails to use the word "shall" in a lot of cases. Planning & Economic Development Director Boughton said they spent time with the facilitator and regarding the TDRs, they believe the word should be "should." It is an optional program. Nobody wanted to make that mandatory. The County would have to develop a TDR plan. Part of the reason they stopped it is staffing resources. They like the idea and it could work for perhaps Bainbridge Island and Port Orchard (not particularly Poulsbo). But the County would have to take the lead on it. It costs money to set these things up.

Councilmember McGinty asked for thoughts on the changes for climate change, social justice, and displacement. Planning & Economic Development Director Boughton said they are new ideas embodied in Vision 2050. They will have to tackle that in the 2024 update. She does not have a clear idea at this time on how they will be implemented.

Councilmember Livdahl asked what the practical ramifications of designating

downtown Poulsbo as a center? Would it be a bunch of big apartment buildings? She fears the quaint downtown changing with how would they pack it in. Planning & Economic Development Director Boughton said it is not her intent for downtown Poulsbo to be a high-rise apartment area. The criteria that is established by PSRC is called activity units. Downtown Poulsbo already has an activity unit number that meets the activity unit for a county-wide center. It is almost a regional center definition. When they started working through the centers chapter, if they designated downtown Poulsbo as a center, it would mean it is a location for future growth. She believes she hears from the Planning Commission, Council, and the community that they are not interested in having downtown Poulsbo become like downtown Bremerton or Redmond, etc. Infill is okay, and we will experience that with three projects that will be happening. But concentrating growth and up-zoning downtown is not on the table. She is in the conundrum that it qualifies as a center today, but we don't want to concentrate our growth there. She and the Mayor talked about it a lot in 2019, and the Mayor suggested combining it with SR-305 corridor, because that is where we want the concentration of growth to occur. But on its own it doesn't qualify for the activity units and the criteria for a countywide center right now. That is why she designated it as a candidate, because she still has planning work to do. So, they are putting it as a candidate and having a relationship with the two where the downtown qualifies us, but the concentration of growth will occur on the SR-305 corridor. But that doesn't preclude them at looking at other areas as well. But she wanted to get something on the list that seemed reasonable and acknowledge SR-305 as our transit corridor and the connection to the Bainbridge Ferry.

Mayor Erickson said this important that we are already at the tipping point with jobs and population. If we ignore it and don't built infrastructure to support it, as we continue to grow we get further behind on the infrastructure we need for the community. We need these numbers together and we need to understand them, because they drive dollars that build roads, sewer, and water, which we need to have as people come here. We need to figure out a way to get us greater funding flow to support the population we know is coming, without destroying the quality and character of our community. It is really hard. Planning & Economic Development Director Boughton said that is their challenge of the 2024 Comp Plan Update.

Councilmember Lord said she supports Mayor Erickson in her efforts on the rural center issue. She hopes there is some addressing of the tribal issue (double check with them that they are okay with how it is stated) and the capital facilities location of sexual offenders. The last thing she found in the draft policy right after the index, the introduction has a list of 13 different areas, and the last one says historic presentation (she assumes it is preservation).

Councilmember Stern said he will be voting to limit the county overreach regarding the LAMIRD areas. He said the Council 15 years ago had the opportunity to bid on



becoming a regional center. They said thank you, but no thank you. They have tried to walk that fine line. Mayor Erickson said Poulsbo has the right to be Poulsbo, and she thinks they are all on that page.

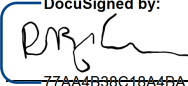
Planning Commissioner Stevens said it has been extremely helpful to sit through this. They haven't done this before with the Planning Policies and it will help them with the Comprehensive Plan Update.

### 3. ADJOURNMENT


**Motion:** Move to adjourn at 5:46 p.m.,

**Action:** Approve, **Moved by** Stern, **Seconded by** Musgrove.

Motion carried unanimously.

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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk