

POULSBO DISTRIBUTION SCHEDULE

ORDINANCE NO. 2024-10

SUBJECT: C3 Code Amendments

CONFORM AS TO DATES & SIGNATURES

- Filed with the City Clerk: 05/03/2024
- Passed by the City Council: 06/26/2024
- Signature of Mayor
- Signature of City Clerk
- Publication: 07/01/2024
- Effective: 07/06/2024
- Recorded: _____

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Kati Diehl
Deputy City Clerk

06/26/2024
Date

ORDINANCE NO. 2024-10

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AMENDING SECTIONS 18.80.020, 18.80.030, 18.80.040, AND 18.80.080 OF THE POULSBO MUNICIPAL CODE ("PMC"); RELATING TO THE C-3 COMMERCIAL AND ZONING DISTRICT; REPEALING ORDINANCE NO. 2023-13; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on September 13, 2023, the Poulsbo City Council passed Ordinance 2023-13 approving a 12-month development moratorium for vacant properties and properties not improved with permanent structures located within the zoned C-3/SR305 Corridor. A moratorium is a pause on some new development, land use, and construction applications in order for a city to consider new and/or revised development and zoning regulations; and

WHEREAS, a Market Analysis and Feasibility Study was conducted by Leland Consulting Group (LCG) for the C-3/SR305 Corridor and found that most of the demand in the study area is for housing and, since much of the study area is steeply sloped and the area contains streams, wetlands, erodible and hydric soils, and geohazard areas, the city should consider a number of regulatory changes to encourage development in the study area, including allowing more height; and

WHEREAS, on May 6, 2024, the City of Poulsbo ("City") released the C-3/SR305 Corridor Amendments ("SR305 Amendments") to the public, distributed to Washington State Department of Commerce and other local, regional, and state agencies, and emailed to the City's Development Regulations interested parties e-notice list; and

WHEREAS, on May 6, 2024, the Notice of Application (NOA), State Environmental Protection Act ("SEPA") Threshold Determination, and Planning Commission Public Hearing notice for the SR305 Amendments was published in the Seattle Times, emailed to the NOA, SEPA, Public Hearing, and Development Regulations e-notice lists, posted at the Poulsbo Library, Poulsbo Post Office, City Hall, and the City's website; and

WHEREAS, on May 7, 2024, 2024, the City Planning Staff issued the Planning Commission public hearing staff report regarding the SR305 Amendments; and

WHEREAS, on May 28, 2024, the Poulsbo Planning Commission held a duly noticed public hearing on the SR305 Amendments; and

WHEREAS, after considering the testimony received at the public hearing, the Planning Commission voted to recommend approval of the SR305 Amendments to the Poulsbo City Council, and adopted findings of fact in support of their decision; and

WHEREAS, on June 11, 2024, a public hearing notice announcing the Poulsbo City Council public hearing on the SR305 Amendments was published in the Seattle Times, emailed to the Public Hearing and Development Regulations e-notice lists, posted at the Poulsbo Post Office, Poulsbo Library, City Hall, and the City's website; and

WHEREAS, on June 11, 2024, the City Planning Staff issued the City Council public hearing staff report on the SR305 Amendments; and

WHEREAS, the Poulsbo City Council held a duly noticed public hearing on the SR305 Amendments on June 26, 2024; and

WHEREAS, after considering the City Planning Staff and Planning Commission recommendations and public testimony received in the public hearing, the Poulsbo City Council desires to approve and to adopt the final version of the SR305 Amendments by the passage of this ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings and Conclusions. In support of the actions taken by this ordinance, the Poulsbo City Council hereby adopts the following as findings and conclusions:

- A. The recitals set forth above;
- B. The findings, conclusions, and analysis contained in the Planning Commission Findings of Fact and Recommendation dated May 28, 2024; and
- C. The findings, conclusions and analysis contained in the City Council Public Hearing Staff Report, dated June 11, 2024.

Section 2. Repeal of Ordinance No. 2023-13. Ordinance No. 2023-13, approved by the Poulsbo City Council on September 13, 2023, establishing a moratorium development of C-3/SR305 zoned properties is hereby repealed in its entirety.

Section 3. C-3/SR305 Amendments. PMC Sections 18.80.020, 18.80.030, 18.80.040, AND 18.80.080 are hereby amended as set forth in Exhibit A to this ordinance and incorporated herein.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Corrections. Upon the approval of the city attorney, the city clerk and/or code publisher is authorized to make any necessary technical corrections to this Ordinance, including but not limited to the correction of scrivener’s/clerical errors, references, Ordinance numbering, section/subsection numbers, and any reference thereto.

Section 6. Effective Date. This ordinance shall take effect five (5) days after publication of the attached summary, which is hereby approved.

APPROVED:

DocuSigned by:

77AA4B38C18A4BA
MAYOR REBECCA ERICKSON

ATTEST/AUTHENTICATED:

DocuSigned by:

B21DA14DCC754A8...
CITY CLERK RHIANNON FERNANDEZ

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY 
833D00C7E3647E...
EMILY F. ROMANENKO

FILED WITH THE CITY CLERK: 05/03/2024
PASSED BY THE CITY COUNCIL: 06/26/2024
PUBLISHED: 07/01/2024
EFFECTIVE DATE: 07/06/2024
ORDINANCE NO. 2024-10

SUMMARY OF ORDINANCE NO. 2024-10
of the City of Poulsbo, Washington

On the 26th day of June, 2024, the City Council of the City of Poulsbo, passed Ordinance No. 2024-10. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AMENDING SECTIONS 18.80.020, 18.80.030, 18.80.040, AND 18.80.080 OF THE POULSBO MUNICIPAL CODE ("PMC"); RELATING TO THE C-3 COMMERCIAL AND ZONING DISTRICT; REPEALING ORDINANCE NO. 2023-13; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this Ordinance will be mailed upon request.

DATED this 26th day of June, 2024.

DocuSigned by:

D21DA14DCC754A8...
CITY CLERK RHIANNON FERNANDEZ

C-3 Commercial/SR 305 Code Amendments | City Council Public Hearing | June 26, 2024

EXHIBIT A

Staff proposed amendments are shown in red and ~~strikethrough~~
 Planning Commission proposed amendments are shown in purple and ~~strikethrough~~
 City Council proposed amendments are shown in blue and ~~strikethrough~~
 City Attorney proposed amendments are shown in orange and ~~strikethrough~~

NOTE: Not all provisions of a specific section are presented below; only the pertinent sections proposed to be amended are identified. For full context, please refer to the complete section in the Poolsbo Municipal Code: <https://www.codepublishing.com/WA/Poolsbo/>. Full project review documents can be viewed on the project website: <https://cityofpoolsbo.com/development-regulation-amendments-2/>.

Chapter 18.80 | COMMERCIAL DISTRICTS

18.80.020 Purpose.

- D. The C-3 commercial district applies to the geographic area of SR 305 corridor, including Seventh and Tenth Avenues, and is intended to:
1. Encourage businesses that offer the frequently needed consumer goods and services for the local population.
 2. Support a wide range of activities to enhance the SR 305 corridor as the business and financial, health services, and professional office hub of the community.
 3. Ensure that projects are designed using consistent and compatible architectural design.
 4. Allow for residential and mixed-use projects to increase the opportunities for people to live, work, shop and recreate within walking distance.

18.80.030 Uses.

- A. Types of Uses. For the purposes of this chapter, there are six kinds of use:
1. A permitted (P) use is one that is permitted outright, subject to all the applicable provisions of this title.
 2. A conditional use (C) is discretionary use reviewed through the process set forth in Chapter 18.230 governing conditional uses.
 3. An administrative conditional use (AC) is a discretionary use reviewed through the process set forth in Chapter 18.230 governing administrative conditional uses.
 4. A prohibited use (X) is one that is not permitted in the zoning district under any circumstances.
 5. An N/A use is one that is not applicable to the zoning district.
 6. A temporary use permit (TUP) is a use that is allowed only through a temporary use through the process and limitations set forth in Chapter 18.280.
- B. Recognizing that there may be certain uses not mentioned specifically in Table 18.80.030 because of changing business, technology advances, or other reasons, the planning director is authorized to make similar use determinations, as set forth in Section 18.50.030.

The following Table 18.80.030 is a list of uses for the four zoning districts:

Table 18.80.030 Commercial Zoning Districts Use Table					
USE	C-1 Downtown/ Front Street	Shopfront Overlay	C-2 Viking Avenue	C-3 SR 305 Corridor	C-4 College MarketPlace
Retail Sales and Service					
Automobile sales	X	X	P	X	X
Automobile rental agencies	X	X	P	X	X
Automobile towing services	X	X	P	X	X
Automotive repair	X	X	P	P	P
Automotive parts	X	X	P	P	P
Auto fuel service station ¹	X	X	AC	AC	AC
Building with drive-through facility ¹	AC	X	P	P	P
Building materials, garden, and farm supplies	X	X	P	P	P

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 City Attorney proposed amendments are shown in orange and ~~strikethrough~~

Table 18.80.030 Commercial Zoning Districts Use Table

USE	C-1 Downtown/ Front Street	Shopfront Overlay	C-2 Viking Avenue	C-3 SR 305 Corridor	C-4 College MarketPlace
Convenience store	P	P	P	P	P
Grocery stores	P ²	X	P	P	P
Marine boat sales, service, or rental	P	X	P	X P	X
Mobile, manufactured, and modular housing sales	X	X	P	X	X
Pet and animal sales or service (including dog day care) ¹	P	P ³	P	P	P
Pharmacies and medical supplies	P	P	P	P	P
Regional retail, large-size <i>50,001 square feet or larger</i>	X	X	X	P	P
Regional retail, mid-size <i>50,000 square feet or less</i>	X	X	P	P	P
Rentals, equipment	X	X	AC	AC ⁷	AC ⁷
Retail sales, including variety and specialty stores; general merchandise; flower/plant shop; clothing; home and business/office supplies and goods; art and art supplies; dry goods; gifts; marine supplies, and the like	P	P	P	P	P
Vehicle car wash	X	X	AC	X ⁸ AC	AC
Food and Drink Services¹					
Eating and drinking establishments	P	P	P	P	P
Bakeries, confectioneries, and artisan foods	P	P	P	P	P
Mobile food services ¹	TUP ⁶	X	TUP	TUP	TUP
Farmers market/outdoor produce stands	AC	AC	AC	AC	AC
Food service contractor	X	X	P	P	P
Full-service restaurant (no drive-through)	P	P	P	P	P
Microbrewery, distillery, or winery	AC	AC	P	P	P
Restaurant or coffee w/drive-through ¹	X	X	P	P	P
Business and Professional Services					
Business services (<i>copy centers, printing, mailing, courier and the like</i>)	AC	X	P	P	P
Conference centers	C	X	AC	AC	AC
Corporate headquarters and regional offices	AC	X	P	P	P
Financial services	P	P ³	P	P	P
Investigation and security services	P	X	P	P	P
Offices	P	P ³	P	P	P
Professional services	P	P ³	P	P	P

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Table 18.80.030 Commercial Zoning Districts Use Table

USE	C-1 Downtown/ Front Street	Shopfront Overlay	C-2 Viking Avenue	C-3 SR 305 Corridor	C-4 College MarketPlace
Real estate	P	P ³	P	P	P
Travel arrangement and reservation services	P	P	P	P	P
Personal Services					
Barber and beauty salons	P	P	P	P	P
Banks and credit unions	P	P	P	P	P
Health and personal care/spas	P	P	P	P	P
Laundry and dry cleaning	P	X	P	P	P
Science/Technology/Research and Development					
Biotechnical/medical laboratories	AC	AC ³	P	P	P
Computer and information technology	P	AC ³	P	P	P
Electronic components, board systems and similar engineering and development	P	AC ³	P	P	P
Research and development/technology uses not otherwise named	P	AC ³	P	P	P
Software engineering	P	AC ³	P	P	P
Fabrication and Assembly					
Electrical or similar component fabrication and/or assembly	AC	AC ³	P	<u>AC P</u>	P
Metal, wood and other materials machining, fabrication, and assembly completely within an enclosed building	AC	AC ³	P	<u>AC P</u>	P
Handcrafted artisan-type products, crafts, food processing or other art-related items within an enclosed building	P	P	P	P	P
Miscellaneous light fabrication and assembly not otherwise named	P	AC ³	P	<u>AC P</u>	P
Lodging					
Bed and breakfast ¹	P	P	P	P	P
Boutique hotel/inn	P	P	P	P	P
Hotels and motels	AC	AC	P	P	P
Arts, Entertainment and Recreation					
Golf course	X	X	C	C	C
Historic and cultural exhibits	P	P	P	P	P
Libraries, museums, galleries	P	P	P	P	P
Marina	C	C	C	N/A	N/A
Movie theater	AC	AC	P	P	P
Performing arts or supporting establishment	P	P	P	P	P

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Table 18.80.030 Commercial Zoning Districts Use Table

USE	C-1 Downtown/ Front Street	Shopfront Overlay	C-2 Viking Avenue	C-3 SR 305 Corridor	C-4 College MarketPlace
Privately owned amusement, sports, or recreation establishments	AC	AC	P	P	P
Public parks	P	P	P	P	P
Recreational goods rentals	P	AC	P	P	P
Sports arena or stadium	X	X	C	C	C
Zoos, botanical gardens, and arboreta	X	X	C	C	C
Educational Services¹					
Colleges and universities	AC	AC ³	AC	AC	P
Grade schools K—12 (public and private)	C	C	C	C	C
Preschool/childcare center ¹	AC	AC ³	P	P	P
Technical, trade and other specialty schools	AC	AC ³	AC	AC	P
Health and Human Services					
Ambulatory and outpatient care services (physicians, outpatient clinics, dentists)	AC	AC ³	P	P	P
Animal hospital and veterinary clinics	AC	X	P	P	P
Funeral homes	X	X	C	C	C
Hospital	X	X	C	C	C
Social assistance, welfare and charitable offices and services	P	P ³	P	P	P
Public Administration					
Fire/police services	P	P	P	P	P
Government services, offices	P	P ³	P	P	P
Maintenance shops	X	X	P	P	P
Postal services	P	P	P	P	P
Transit facilities, including park and ride lots and transfer centers but not including bus stops	C	X	AC	AC	AC
Residential					
Mixed-use structure ¹	P	P	P	P	P
Existing residential use without increase in density ¹	P	P	P	P	P
Home business ¹	P	P	P	P	P
Home occupation ¹	P	P	P	P	P
Family day care/adult family home (<i>within existing residential use, no increase in density</i>)	AC	AC ³	P	P	P
Nursing home, residential care facility, assisted living, congregate care housing	C	X	AC	AC	AC
Planned mixed-use developments (PMUD) ⁴	X	X	P	P	P

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Table 18.80.030 Commercial Zoning Districts Use Table

USE	C-1 Downtown/ Front Street	Shopfront Overlay	C-2 Viking Avenue	C-3 SR 305 Corridor	C-4 College MarketPlace
Emergency Shelter ¹	AC	C ³	AC	AC	AC
Emergency Housing ¹	AC	C ³	AC	AC	AC
Permanent Supportive Housing ¹	AC	C ³	AC	AC	AC
Transitional Housing ¹	AC	C ³	AC	AC	AC
Utilities and Other Public Services					
Essential public facilities					
State and regional	P	P	P	P	P
Local	C	C	C	C	C
Recycling center	X	X	AC	X AC	X
Utility facilities and utility system	AC	X	P	P	P
Wireless communication facilities exceeding 21' in height	X	X	AC	C	AC
Co-location on existing facility or structure	P	P	P	AC	P
Wireless communication facilities 20' or less in height, including co-location on existing facility or structure	P	P	P	AC	P
Other					
Electric vehicle charging stations	P	P	P	P	P
Adult entertainment businesses	X	X	X	X	X
Commercial parking lots and parking garages (<i>stand-alone; not associated with commercial structure</i>)	AC	AC	P	P	C
Self-serve mini-storage ¹	X	X	P	X ⁵	X
Clubs, lodges, charitable institutions, and similar uses, under 5,000 square feet and within an existing building(s)	P	AC	P	P	P
Clubs, lodges, charitable institutions and similar uses, new freestanding structures and existing building(s) 5,000 square feet or larger ¹	AC	AC	AC	AC	AC
Places of worship, under 5,000 square feet and within an existing building(s) ¹	AC	AC	P	P	P
Places of worship, new freestanding structures and existing building(s) 5,000 square feet or larger ¹	AC	AC	AC	AC	AC
¹ Subject to standards in Section 18.80.080. ² Up to 25,000 square feet gross floor area. ³ Permitted on the second floor or behind shopfront commercial use per Section 18.80.050(D)(12). ⁴ Subject to standards in Section 18.80.090. ⁵ Existing self-service mini storage shall be permitted per Section 18.80.080(I)(13). ⁶ Permitted only in coordination with a special events permit. ⁷ In an enclosed building only. ⁸ <u>Existing car wash facilities shall be permitted per Section 18.80.080(R).</u>					

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18.80.040 Development standards for commercial districts.

A. Table 18.80.040 sets forth the development standards for the commercial zoning districts.

Table 18.80.040 Commercial Districts' Development Standards					
Standard	C-1 Downtown	Shopfront Overlay	C-2 Viking Avenue^{1, 2}	C-3 SR 305 Corridor²	C-4 College MarketPlace
Minimum Lot Area	None. Lot area shall be of size and shape appropriate to accommodate intended uses, parking and landscaping requirements.				
Maximum Lot Area	None	None	None	None	None
Minimum Front Yard Setback	None	None	10'	<u>10' 15'</u>	15'
Minimum Side Yard Setback	None	None	5'	<u>None 5'</u>	5'
Minimum Rear Yard Setback	None	None	10'	10'	10'
Minimum Side or Rear Yard Adjacent to R Zone	10'	10'	15'	15'	15'
Maximum Avg. Building Height ³	See Section 18.80.040(B) ⁴		35' ⁵	<u>35'⁵ See Section 18.80.040(D)⁵</u>	See Section 18.80.040(C) ⁵
Maximum Building Lot Coverage	85%	100%	50%	<u>50% 60%, or 80% if at least 50% of the required parking is under the building.</u>	60%, or 80% if at least 50% of the required parking is under the building.
¹ Alternative development standards for the C-2 zoning district may be allowed through the provisions in Section 18.80.070. ² Alternative development standards for a planned mixed-use development may be allowed through the provisions in Section 18.80.090. ³ See Section 18.150.050 for building height measurement and Section 18.310.010 for building height exceptions. ⁴ See Section 18.80.050(D)(13) for upper-level setback requirement in the shopfront overlay <u>and Section 18.150.060 for measuring upper-level setback.</u> ⁵ See Section 18.80.060(A)(7) for upper-level setback requirement <u>and Section 18.150.060 for measuring upper-level setback.</u>					

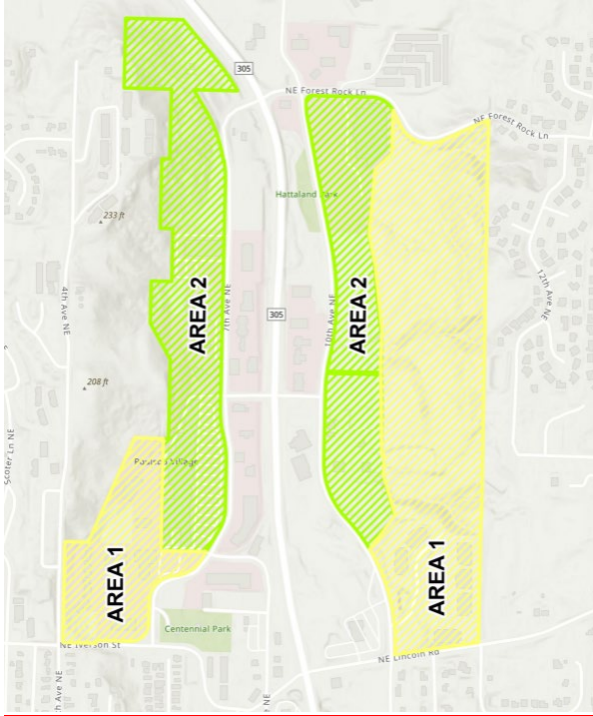
B. C-1 Zoning District Height. The maximum average building height in the C-1 zoning district shall be thirty-five feet, with the exception of provided that:

1. 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;
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;
3. "Highest sidewalk grade" means the highest elevation of the sidewalk parallel to the building frontage; and
4. The height limits described above in subsections (B)(1) and (2) of this section shall not apply to rooftop appurtenances per 18.310.010.

C. C-3 Zoning District Height. The maximum average building height in the C-3 zoning district shall be thirty-five feet, with the exception of:

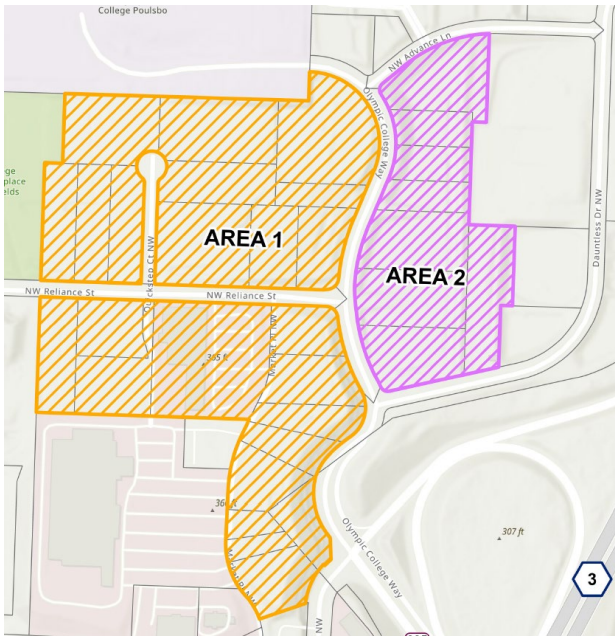
1. The height limit in area 1 (as shown below) shall be forty-five feet average building height; and
2. The height limit in area 2 (as shown below) shall be fifty-five feet average building height.

Staff proposed amendments are shown in red and ~~strikethrough~~
Planning Commission proposed amendments are shown in purple and ~~strikethrough~~
City Council proposed amendments are shown in blue and ~~strikethrough~~
City Attorney proposed amendments are shown in orange and ~~strikethrough~~



D. ~~C~~ C-4 Zoning District Height. The maximum average building height in the C-4 zoning district shall be thirty-five feet, with the exception of provided that:

- 1. The height limit in area 1 (as shown below) shall be forty-five feet average building height; and
- 2. The height limit in area 2 (as shown below) shall be fifty-five feet average building height.



18.80.080 Additional standards and provisions for C zoning districts.

R. ~~Existing lawfully permitted and approved car wash facilities that exist as of the date of adoption of the ordinance codified in this chapter are permitted to expand within the boundaries of the property parcel the facility is located in as-of the date of adoption of the ordinance codified in this chapter. The expansion shall be consistent with and meet all applicable standards of the zoning district.~~

City of Poulsbo

Planning & Economic Development



C-3/SR 305 COMMERCIAL CODE AMENDMENTS

STAFF REPORT AND RECOMMENDATION

To: Mayor Erickson and Poulsbo City Council
From: Nikole Coleman, AICP, Senior Planner
Subject: C-3/SR 305 Commercial Code Amendments
Date: June 11, 2024

The Planning Commission and staff respectfully recommend approval of the C-3/SR 305 Commercial Code Amendments as set forth in Exhibit A to this staff report and to repeal Ordinance No. 2023-13.

PROPOSED MOTION:

MOVE to (approve) (approval with modifications) Application No. P-04-17-24-01, the C-3/SR 305 Commercial Code Amendments, as identified in Exhibit A to this staff report and repeal the development moratorium (Ord. No. 2023-13).

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1.0 General Information

Applicant:	City of Poulsbo 200 NE Moe Street Poulsbo WA, 98370
Application No.:	P-04-17-24-01
Description of Proposal:	Amendments are proposed for the C-3/SR 305 Commercial Zoning District. The proposed amendments focus on two items - height increases within specific areas and strategic revisions to permitted uses. Minor parking reductions were reviewed during the C-4/BP Olhava code amendment review. Note: Not all provisions of a specific section are presented in Exhibit A; only the pertinent sections proposed to be amended are identified. For full context, please see the complete section at: https://www.codepublishing.com/WA/Poulsbo/
Type of Amendment:	Zoning Code Text Amendments
SEPA Status:	An Optional DNS was issued on May 6, 2024
Enabling Code:	PMC 18.210.010, PMC 19.40.050
City Council Public Hearing:	Wednesday, June 26, 2024
Staff Contact:	Nikole Coleman, Senior Planner ncoleman@cityofpoulsbo.com

2.0 Review Process to Date

The Planning commission held workshops on the proposed amendments on April 9 and 23, 2024.

On May 6, 2024, the Notice of Application (NOA) with Optional DNS and Notice of Planning Commission Public Hearing were published in the Seattle Times, emailed to the NOA, SEPA, Public Hearing, and Development Regulations e-notice list, distributed to Washington State Department of Commerce, and posted at the Poulsbo Post Office, City Hall, and the City's website (Exhibit D).

On May 28, 2024, 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 E).

On June 5, 2024, the City Council held a workshop on these amendments and following discussion, set the public hearing for June 26, 2024.

On June 11, 2024, a public hearing notice announcing the City Council Public Hearing was published in the Seattle Times and posted at the Poulsbo Post Office, Public Library and City Hall and the City's website; and emailed to the public hearing and development regulations e-notice list (Exhibit F).

One public comment has been received to date (Exhibit G).

3.0 Background

State Route (SR) 305 is a highway that connects the Bainbridge Island Ferry Terminal to SR3 in Poulsbo and serves as a vital corridor for residents, businesses, and visitors. The highway provides connections to other major arterials, including SR307 and Viking Way NW, and runs through a commercial hub. In 2021, the highway saw a range of approximately 22,000 to 37,000 average daily counts of traffic, and with the projected growth in Poulsbo's population and job sectors, commerce and traffic will increase.

On September 13, 2023, the Poulsbo City Council passed [Ordinance 2023-13](#) approving a 12-month development moratorium for vacant properties and properties not improved with permanent structures located within the SR305 Corridor zoned C-3/SR305 Corridor. A moratorium is a pause on some new development, land use, and construction applications in order for a city to consider new and/or revised development and zoning regulations. The State of Washington grants Cities the authority to adopt a moratorium under RCW 36.70A.390. There were multiple reasons for passing the

moratorium, however, the principal purpose is the desire by the City Council to open up more residential capacity in this part of the city.

The city has received a population and employment allocation as well as a housing target for the 2024 Comprehensive Plan update. Consistent with the growth alternatives outlined in the State Environmental Policy Act (SEPA) Environmental Impact Statement (EIS) [scoping process](#) for the Comprehensive Plan Update, the city has allocated approximately 800 population (or 383 housing units) to the SR305 Corridor in two (2) of the land use and growth alternatives. Without the additional planned growth for the SR305 Corridor, the city would be unable to meet the required growth allocations and targets.

A [Market Analysis and Feasibility Study](#) was completed by Leland Consulting Group (LCG) for the SR305 corridor. The study found that most of the demand in the study area is for housing. The retail market is active in existing buildings but with less demand for new developments, and office demand has dropped significantly because of the COVID-19 pandemic. In addition, since much of the study area is steeply sloped and the area contains streams, wetlands, erodible and hydric soils, and geohazard areas, the city should consider a number of regulatory changes to encourage development in the study area, including allowing more height, lower parking levels in locations where residents could feasibly walk to transit, downtown, and other destinations, and permitting garden apartments, single family housing, and middle housing (e.g., townhomes) in the east and west hillside areas.

4.0 Proposed Amendments

Initial staff proposed amendments are represented as [red underline](#) and [red strikethrough](#). The Planning Commission, in its role as the City's primary land use advisory committee, identified additional modifications to the staff proposed amendments. The Planning Commission modifications are shown in [purple underline](#) and [strikethrough](#). City Council modifications are shown in [blue underline](#) and [strikethrough](#).

5.0 Attorney General's Unconstitutional Takings Memo

Pursuant to Comprehensive Plan Policy PI-2.4, City staff members are familiar with Washington State Attorney General's "warning signals" for unconstitutional takings of private property. Staff has reviewed the Attorney General's Advisory Memorandum: Avoiding Unconstitutional Takings in the context of the 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.

6.0 Review Criteria and Conclusion and Recommendation

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 interests of the citizens and property owners.

Conclusion:

The amendments support the land use (Ch 1), community character (Ch 2), housing (Ch 7), and participation, implementation, and evaluation (Ch 11) chapters of the Comprehensive Plan. Supporting policies include:

- Policy LU-3.8 Encourage the infill, renovation or redevelopment of existing commercial areas and discourage expansion of linear commercial "strips."
- Policy 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.
- Policy HS-3.1 Promote socioeconomic integration by allowing for a variety of housing types and sizes together in new residential and redevelopment projects.

The amendments support and/or enhance public health, safety and welfare and is not contrary to the best interest of the citizens and property owners by accomplishing the following:

- Allow for residential and mixed-use projects to increase the opportunities for people to live, work, shop and recreate within walking distance.
- Limit uses that are not compatible with future residential.
- Increase height to incentivize construction of additional housing units within an area that has the infrastructure (streets, sewer, water, stormwater) to support the growth.
- Reduce front and site setback requirements to allow for site flexibility.
- Allow for existing car wash facilities to continue to function as conforming uses, while also eliminating the ability for new car wash facilities to locate within the C-3 zoning district. The noise and traffic around car wash facilities are not compatible with residential uses.

Recommendation: Planning Commission and staff respectfully recommend approval of the proposed C-3/SR 305 Commercial Code Amendments.

7.0 City Council Public Hearing, June 26, 2024

The City Council Public Hearing is scheduled for **Wednesday, June 26, 2024**, at 5:00 pm, or soon thereafter. Public hearings are being held as a hybrid virtual/in-person meeting at the web address and call-in number noted below and at Poulsbo City Hall Council Chambers, 200 NE Moe Street, Poulsbo, Washington. This call-in number: 1-253-215-8782 and meeting id: 898 4841 6447 are provided for virtual attendance, in addition to this webinar link: <https://us02web.zoom.us/j/89848416447>. Oral comments can be made in-person. Please state your name and limit your comments to 5 minutes unless additional time is granted by the Council. As a rule, the Council will not respond to citizen comments. Written comments can be emailed to cityclerks@cityofpoulsbo.com by 2:00 p.m. the day of the meeting, and they will be distributed to the Council before the meeting. Written comments will not be read into the record.

PROPOSED MOTION:

MOVE to (approve) (approval with modifications) Application No. P-04-17-24-01, the C-3/SR 305 Commercial Code Amendments, as identified in Exhibit A to this staff report and repeal the development moratorium (Ord. No. 2023-13).

8.0 Exhibits

- A. C-3/SR 305 Commercial Code Amendments
- B. Ordinance 2023-13
- C. Public Participation Plan
- D. Notice of Application with Optional DNS and Notice of Planning Commission Public Hearing
- E. Planning Commission Findings of Fact
- F. Notice of City Council Public Hearing
- G. Public Comments