

**CITY OF BREMERTON, WASHINGTON
PLANNING COMMISSION AGENDA ITEM**

AGENDA TITLE: Workshop for Comprehensive Plan Update: Economic Development Chapter
DEPARTMENT: Community Development
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BREMERTON 2035 - PROJECT OVERVIEW

“Bremerton2035” is title of the City of Bremerton’s Comprehensive Plan Update, which focuses on evaluating which aspects of the existing Comprehensive Plan are working and what needs to be adjusted. The City is taking this project on in accordance with the Growth Management Act. The City is required to evaluate and plan for growth over the next 20 years (2016 to 2035). The overarching principles and general concepts within the 2004 Comprehensive Plan continue to be applicable; however, some alterations are necessary to reflect changes related to the economic climate and overall goals of the community.

The Planning Commission is holding a series of workshops, each addressing a different component of the Comprehensive Plan Update (Bremerton 2035). A common theme the Plan update is to streamline and simplify the existing core elements of the Comprehensive Plan and to update the plan to ensure compliance with the Growth Management Act and other locally adopted planning policies.

SPECIFIC MEETING TOPIC

This meeting will focus on the “Economic Development Chapter.” An economic development element establishes local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. Unlike all of the other elements in the Comprehensive Plan, the Economic Development chapter is not required by the state, although it is strongly encouraged.

As with the other chapters of the Comprehensive Plan, Staff has made significant efforts to streamline and simplify the content to provide a clearer, more concise, and user friendly document for the public. This element of the current Comprehensive Plan is not particularly complicated or lengthy so the changes are primarily related to format and readability.

ATTACHMENTS

- *Attachment A: Draft Economic Development Chapter*

WORKSHOP DESIRED OUTCOME

Staff is requesting the Planning Commission consider and deliberate on the proposed Economic Development Chapter to determine if the goals and policies listed adequately address the fundamental principles necessary, while maintaining a user friendly readability.

Modifications to the Economic Development Chapter

The Economic Development chapter is intended to ensure the City is considering and embracing the economic impacts of the City's 20 year growth strategy. As a Metropolitan City, intended to grow into the regional hub of Kitsap County, it is particularly important for the City to look to the future with commercial development in mind.

Although an optional element, the State strongly encourages an Economic Development Element in the code. In order to comply with the Growth Management Act and the County Wide Planning Policies, the element should include a summary of the local economy; address the strengths and weaknesses of the local economy and to clearly identify policies, programs, and projects to foster economic growth and development and to address future needs. In preparing this element staff has also worked diligently on revising the previous language of this chapter to better emphasize the key components. Unlike the pervious elements reviewed, this one was not particularly long; nevertheless it has been streamlined and reorganized as follows:

- Reduction from 6 goals to 5 goals
- Elimination of 3 pages of content
- Re-organization and enhancement of the existing components within the document

Staff has reviewed data available regarding the past 10 years and our economic circumstances and is currently working on updating the Economic Development Appendix with this information. Generally, the City witnessed extensive growth at the turn of the century, but this growth was stifled by the Great Recession. Only recently has the economy begun rebound in Bremerton and the surrounding areas. While the economic growth anticipated for the last 10 years has not been realized significant advances have been made in the way of infrastructure and new facilities that will help entice commerce to Bremerton.

Forecasts indicate that due to Seattle's current growth rate, Cities adjacent to Seattle are likely to witness a ripple effect and also witness significant growth. Many Cities surrounding Seattle are already experiencing higher volumes of growth due to the high cost of living and rents within Seattle. Bremerton is poised and ready to accommodate this growth surge. It is more important than ever to have a strategic plan for how new growth and expanded commerce will shape the future of Bremerton. Specific attention should be paid to improvements related to Bremerton's regional reputation. Attention to building design, street improvements, transportation, safety and diversity will ensure Bremerton grows into a City that is more than a navy town, but is a desirable and prosperous community.

The 2004 Economic Element recognized the importance of growth of the economy, therefore significant changes are not related to content, rather, the draft language is intended to update, simplify and streamline. Staff is seeking Planning Commission's guidance on the chapter's readability and core principles. Does the draft chapter provide clear policy direction in an efficient and reader friendly format, while still meeting all Growth Management Act's goals?

The current Comprehensive Plan, all public released public documents and more information on this process can be reviewed at www.Bremerton2035.com.

Economic Development

Economic Development Vision

As the only Metropolitan City within Kitsap County, Bremerton expects to substantially expand employment and job variety over the next 20 years to support a growing economy and lifestyle diversity within the region.



Economic Development

Introduction

The State of Washington has recognized the need to promote economic competitiveness in community planning efforts. While not a required element of the Comprehensive Plan, this Element is strongly encouraged due to the clear connection between businesses and their critical role in providing for a vibrant, healthy City. The Economic Development Element asserts the need for Bremerton to grow its economy into the Metropolitan City it has been designated to become. This Element puts a priority on both retention of existing competitive businesses and diversifying by encouraging new development that increases activity levels within all commercial areas, especially mixed use centers. At the same time, the Element works to highlight and enhance the qualities that make Bremerton a wise investment, such as its prime waterfront, regionally significant location, and its existing quality infrastructure.

With Bremerton's excellent location it is only a matter of time before the City realizes an unprecedented economic vitality. The City of Bremerton is 14,800 acres, or approximately 23 square miles and is located at the geographic center of the Puget Sound Region. It is only 11 miles across the water from Seattle and just 33 miles northwest of Tacoma off State Highway 16. The Washington State Ferry system conveniently links downtown Bremerton to downtown Seattle, providing unobstructed automobile access, a unique feature, in comparison to other satellite cities around Seattle. State highways tie Bremerton and the Puget Sound Industrial Center (including the Bremerton National Airport), to Tacoma on the south, and to the Hood Canal Bridge on the north, Puget Sound's link to the Olympic Peninsula. Residents, visitors, and Bremerton-based businesses benefit from this unparalleled regional access as well as the City's favorable size for operations and management. In fact, Bremerton is the largest incorporated City in the West Sound, with a population of approximately 38,000 and houses more jobs than the combined markets of Gig Harbor and Silverdale¹.

Bremerton is regionally significant due to the deep water port, home to a newly rebuilt state ferry terminal, public marina and the Puget Sound Naval Shipyard - the West Sound's largest employer. The City's major employers include the Puget Sound Naval Shipyard, Olympic College and for now, Harrison Hospital. The Puget Sound Naval Shipyard has long been the City's principal economic base despite its federal exemption from paying local taxes and property assessments. Approximately 48 percent of jobs in the City of Bremerton in 2013 were government employment (public sector). Shipyard activities strongly affect the City's population demographics and land use development. Commercial activities are often strategically located near PSNS access points, including automobile oriented business on the edges of Charleston, near the shipyard's main gate on Naval Avenue.

Prior to the Great Recession, Bremerton was growing in almost every sector at rates faster than had been seen for nearly 50 years. While much of that growth stagnated with the economic downturn, significant advances in terms of upgrades to public

facilities and infrastructure progressed. As the economy nationwide is beginning to grow once more, Bremerton is also witnessing growth, particularly in the Downtown region. Development patterns include the permitting of three different multi-family projects totaling nearly 500 new residential units in Downtown alone. A 10 screen movie theater has been constructed, many restaurants and small businesses are thriving and more are anticipated to come.

In 2013, in order to encourage businesses to locate in Bremerton, the City began raising the level of exemption from its Business and Occupation tax annually in \$20,000 increments. Currently (as of 2015), the first \$120,000 of a business' gross receipts are exempt from this tax. In 2014, the City saw a net gain of 750 active business licenses from the previous year, and that number has been increasing annually since 2008.

Harrison Hospital's recent decision to relocate to Silverdale is anticipated to significantly impact the overall economic vitality of Bremerton in the near future; however this departure can be viewed as an opportunity for another large employer to fill the gap. Olympic College is growing rapidly and now offers four year degrees from both Western Washington University and Washington State University. Significant investments into the campus and surrounding area have been witnessed and are forecasted to continue into the future.

Economic development requires partnerships across jurisdictional lines, especially to enjoy the benefits of a shared economy that does not contain itself to political boundaries. The City has been working collaboratively with all jurisdictions within Kitsap County and extending further to the greater Puget Sound Region. Significant growth of Seattle has placed higher demands on its surrounding Cities. As Bremerton is only a ferry ride away from downtown Seattle, it is anticipated that development of the City will increase due to this proximity.

The City of Bremerton is reemerging as a commercial, residential, and cultural center in the region. Downtown is the first of the City's designated centers, with its own adopted Sub-Area Plan to assure a quality setting for new investments. This focused economic activity, with the subsequent protection of quality residential neighborhoods, will lead to new vibrancy and economic well-being City-wide.

The total number of jobs in the City of Bremerton for 2013 is over 28,000, compared to 32,000 in unincorporated Kitsap County¹. The City's share of jobs in relation to its geographical size (23 square miles), in comparison with the County's size (566 square miles) is representative of the City's status as a metropolitan area. The ED Appendix provides available data regarding Bremerton's economic conditions.

¹ Puget Sound Regional Council, Seattle, WA - 2013 Covered Employment Estimates

Economic Development Goals & Policies

Economic Development Goals

The following summarizes the intent of the four Economic Development goals for the City of Bremerton:

ED1: Support expansion of commerce.

ED2: Upgrade and enhance existing buildings and street frontages.

ED3: Facilitate improvements to commercial districts through incentives and partnerships.

ED4: Recognize the relationship between transportation and economic development - improve multi-modal transportation options and routes.

ED5: Establish a regional perception of Bremerton as a welcoming, attractive and business friendly city.

Policies

The four goals support the overall growth strategy of the City specifically related to Economic Development. Associated policies have been created to support and implement the vision established by the goals.

Goal ED1: Support expansion of commerce by diversifying and expanding Bremerton's commercial base.

Implementing Policies:

ED 1(A): Attract new employment opportunities throughout the city by utilizing incentives for redevelopment of underutilized sites, such as encouraging adaptive re-use of existing commercial buildings.

ED 1(B): Increase market elasticity and diversity of businesses by supporting a wide variety of commercial uses within the designated mixed use Centers throughout the City.

ED 1(C): Entice development of start-up and small businesses by supporting home occupation businesses, incubator businesses, and mobile vendors. Educate property owners in development options and interests.

ED 1 (D): Actively seek living wage jobs that benefit a broad cross-section of residents and encourage educational opportunities such as higher education and workforce training programs.

ED 1(E): Support and encourage annexations when appropriate. Continue to monitor land supply and availability for development sites throughout the city.

Goal ED 2: Revitalize Bremerton’s commercial districts by upgrading and enhancing the aesthetic quality of existing buildings and street frontages.

Implementing Policies:

ED 2(A) Encourage rehabilitation and upgrades to enhance the street presence in existing commercial districts through a wide variety of means including but not limited to:

- *Promote decorative street lighting, window displays, increased security, and pedestrian public amenities (trash cans, benches, etc.).*
- *Consider recognition, preservation, and repair of historic storefronts and signage such as McGavin’s Bakery that emphasize quintessential elements from our past in areas such as Downtown, Manette, and Charleston.*
- *Investigate outdated and obsolete elements of building frontages such as façade treatment and signage. Encourage maintenance, repair, and enhancement focusing on pedestrian scale enhancements.*

ED 2(B): Ensure new development promotes street level activation to encourage walkability and social interaction through site and façade design, including but not limited to the following:

- *Design standards should be required for new commercial structures, especially in Centers, that ensure buildings and site layouts are designed with a focus on pedestrian scale such as intersection anchoring, strategically locating parking to the rear of structures, recognizable access ways, promotion of weather protection etc.*
- *Promote the use of the design review board to ensure aesthetic quality, pedestrian scale of new buildings, and flexibility of development standards within the Downtown Regional Center for both new construction and substantial remodel of existing structures.*

Goal ED3: Facilitate physical improvements to commercial districts through tax incentives, intergovernmental programs, and private public partnerships.

Implementing Policies:

ED 3(A): Pursue regional and state investment interests, especially public dollars, through lobbying and relationship-building, highlighting Bremerton as a stable, appealing community committed to partnerships and collaboration.

ED 3(B): Encourage rehabilitation programs, grant funding, and Local Improvement Districts for clean-up/repair of existing structures and infrastructure improvements especially in designated mixed use centers.

ED 3(C): Pursue state legislation, programs, and tax strategies to aid business districts in attracting and retaining a diverse commercial base. Expand existing strategies such

as the Multi-Family Tax Exemption to all centers and the Empowerment Zone citywide.

Goal ED 4: Recognize the relationship between transportation and economic development by working collaboratively with other governmental agencies to improve multi-modal transportation options and routes.

Implementing Policies:

ED 4(A): Pursue alternative transportation monies, including federal dollars typically spent on the interstate system, for fast-ferry research and other multi-modal investments and improvements.

ED 4(B): Ensure access to commerce by focusing commercial development along existing transportation corridors. Support expansion of transportation systems and facilities to improve access to the Bremerton National Airport, the Puget Sound Naval Shipyard, Downtown, and the designated District Centers.

ED 4(C): Work with Kitsap Transit to enhance access to commerce during standard business hours, nights, and weekends.

ED 4(D): Coordinate with the Puget Sound Naval Shipyard and the Washington State Ferry Service to work towards reducing parking demands and traffic influxes from commuter and shipyard workers on City streets. Continue to limit surface parking as it does not promote economic development of the City.

Goal ED 4: Advance efforts to establish a regional perception of Bremerton as a welcoming, attractive and business friendly City.

Implementing Policies:

ED 4(A): Evaluate and work towards efficiency and efficacy of all permit processes to ensure requirements and timelines are predictable. Encourage City Departments and Staff to advocate on behalf of development projects that meet code provisions and to provide condensed development guides to applicants that help identify code requirements.

ED 4(B): Encourage a wide variety of marketing and tourism efforts that provide a welcoming sense such as:

- *Supporting the installation of way-finding signs to business districts, parks, and regional attractions within the City.*
- *Partner with private and public agencies to publicize community services and amenities.*
- *Support efforts of local business and associations to attract new business and visitors from outside the City.*
- *Support tourist attractions and amenities, by advocating for enhanced and regular ferry service between Bremerton and Seattle.*

ED 4(C): Encourage community engagement and civic activities within Centers by promoting recreational activities, and community events as these activities tend to enhance a sense of community and support local commerce.