

(DRAFT) AGENDA
Regular Meeting – Bremerton Planning Commission
(Subject to PC approval)
May 21, 2018
5:30 P.M.
345 – 6th Street
Meeting Chamber – First Floor

- I. CALL TO ORDER**
 - II. ROLL CALL (quorum present)**
 - III. APPROVAL OF THE AGENDA**
 - IV. APPROVAL OF MINUTES:**
 - o March 19, 2018 meeting.
-

V. PUBLIC MEETING

A. Call to the Public: Public comments on any item not on tonight's agenda

B. Public Hearing

- 1. Zoning Code Amendment: Code Flexibility for phased-in mixed-use development

C. Workshop:

- 1. Comprehensive Plan Amendments for 2018
-

VI. BUSINESS MEETING

A. Chair Report: Rick Tift

B. Director Report: Andrea Spencer

C. Old Business:

D. New Business:

**VII. ADJOURNMENT: The next regular meeting of the Planning Commission is
Monday June 18, 2018**

Planning Commission meeting packets are available on-line at
<http://www.BremertonWA.gov/AgendaCenter/Planning-Commission-4>

DRAFT

Subject
April 16, 2018 Approval

CITY OF BREMERTON

PLANNING COMMISSION

MINUTES OF REGULAR MEETING

March 19, 2018

CALL TO ORDER:

Chair Tift called the regular meeting of the Bremerton Planning Commission to order at 5:30 p.m.

ROLL CALL

Commissioners Present

Chair Tift
Vice Chair Wofford
Commissioner Davis
Commissioner Jones
Commissioner Nerf

Staff Present

Allison Satter, Senior Planner, Department of Community Development
Ryan Crater, Senior Planner, Department of Community Development

Commissioners Excused

Commissioner Conley

Quorum Certified

Chair Tift welcomed new Commissioner Davis.

APPROVAL OF AGENDA

VICE CHAIR WOFFORD MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER DAVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

APPROVAL OF MINUTES

VICE CHAIR WOFFORD MOVED TO APPROVE THE MINUTES OF JANUARY 22, 2018 AS PRESENTED. COMMISSIONER NERF SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC MEETING

Call to the Public (public comments on any item not on the agenda)

Chair Tift asked if there were any comments from citizens. Seeing none, he closed the public portion of the meeting.

Public Workshop: City of Bremerton Housing Policies

Ms. Satter referred the Commissioners to the written public comment received from Priscilla Bailey, which suggests some additional measures the Commission should consider based on the impact of the Wheaton Way Insignia Apartments on surrounding properties. She said she responded to Ms. Bailey, advising that her suggestions would be passed on to the Commission for future amendments to the code, but they are not specifically relevant to what the Commission is considering as part of tonight's workshop.

Ms. Satter advised that the Mayor and City Council's 2018 goals identify "quality affordable housing" as a priority. The Mayor would like to focus on better permitting processes and technology, inclusionary zoning potential, multi-family tax exemptions, and the Weatherization Program that is already underway. The City Council's focus is on improving the Rental Housing Safety Program, establishing a stronger connection with the Bremerton Housing Authority (BHA) and stakeholders, and developing a coordinated countywide response to homeless issues.

Ms. Satter said affordable housing is under the purview of the Planning Commission as it updates the zoning code (BMC Title 20). The Commission can recommend zoning code updates to help provide more quality affordable housing. It can also provide recommendations for reducing impediments and extra costs associated with development and improving and streamlining the permitting process. With all potential zoning code amendments, the Commission should discuss and consider whether the amendments will help or hinder quality affordable housing and provide those facts to City Council.

Ms. Satter provided a quick summary of the Housing Analysis that was presented to the Commission in November. She emphasized that the lack of affordable housing impacts both communities and individual households. The Growth Management Act (GMA) requires that communities plan for their share of the anticipated population and provide housing for everyone. However, it does not provide any teeth or direction for how this should be accomplished.

To answer the question of when housing is affordable, **Ms. Satter** explained that a household should spend no more than 30% of its total income on housing costs (mortgage/rent and utilities). Those spending more than 30% are considered "housing cost burdened," and those spending more than 50% are considered "severely housing cost burdened." For example, the average household income in Bremerton in 2015 was about \$46,000, so 30% would be \$1,142/month and 50% would be 1,902/month. The average rent in Bremerton is about \$1,150, which represents a 15% increase compared to 2016 when the average rent was \$1,011. The Median Household Income (MHI) can afford \$1,142/month, which leaves \$15 to cover the cost of all utilities. It is estimated that about 45% of households in Bremerton are cost burdened for housing, and the rental rate increases are expected to continue into the future.

Ms. Satter reported that Bremerton had the highest rental rate increase compared to nearby cities. While rental rates in Bremerton are generally less than in Silverdale and Bainbridge Island, they are increasing at a much faster rate. The significant rate increase is due to inflation, increased cost of materials and labor, increased land values, changing development regulations and household demands for more space of higher quality. Bremerton's unemployment rate was 5.8% in July of 2017, which is higher than Kitsap County (4.7%) and Washington State (4.5%).

Ms. Satter advised that the Median Household Income (MHI) in Bremerton rose from \$30,095 in 2000 to \$45,658 in 2015, which is an increase of about 52%. However, the Median Household Value (MHV) rose from \$101,500 in 2000 to \$185,537 in 2015, which is an increase of 83%. That means that MHI is not keeping up with the increase in housing cost, there is an increasing disparity between wages and rent. Nationally, median rent is increasing by 11% and the median income is only increasing by 1.4%.

Ms. Satter referred to the Comprehensive Plan Goals and Policies related to housing, which the Commission should consider when providing recommendations to address quality affordable housing. She explained that the vision of the housing goals and policies is to "*encourage the growth of Bremerton by strategically locating a wide variety of housing types throughout the City in a way that protects the environment and fosters community health.*" Every decision that is made relative to housing should be consistent with this vision's intent. To do this, the Commission should consider the following goals:

- **Goal H1.** “Protect and enhance Bremerton’s existing quality housing stock.”
- **Goal H2.** “Encourage the development of a variety of new housing options and densities to meet the changing needs of Bremerton’s residents.”
- **Goal H3.** “Support access to quality and affordable housing for all Bremerton residents.”
- **Goal H4.** “Implement and coordinate strategies that promote public and private efforts to facilitate improvements to the housing stock.”

Ms. Satter explained that each of the goals includes a list of polices that address such things as promoting preservation of quality housing, encouraging substandard structures to be redeveloped or removed, improving livability within the housing areas, promoting financial assistance for repair, providing a robust code enforcement program, providing a sense of community for neighborhoods, offering a full range of housing options to support in-fill development and increased densities, providing resources to remove blight conditions, streamlining efficient permit review, promoting increased housing densities, and removing impediments.

Ms. Satter concluded that land use planning can be used to reinforce affordability problems or help improve the situation. While local jurisdictions, alone, cannot solve the problem, particularly if there are economic factors creating housing market turmoil, there is a wide range of tools for improving the local understanding of market dynamics and expanding affordable housing. Keeping the Comprehensive Plan Goals and Policies in mind, staff intends to propose potential amendments to help facilitate more affordable housing in the City. In particular, she asked that the Commission consider the following amendments:

- **Proposed Amendment 1:** *Provide flexibility to the mixed-use requirement within the identified Centers.*

Ms. Satter explained that, currently, Bremerton has the most vacant commercial space in the county. Bremerton has a 19% vacancy compared to the next highest (Kitsap County and Poulsbo) at 15%. Because of the current vacancy rate, developers are unable to obtain financial assistance to construct the commercial component that is required on the ground floor within the Centers. On the other hand, the mixed-use requirement is intended to address the targets identified for each of the Centers, which encourages both commercial and residential development. If they allow developers to build just residential projects, they will not get the commercial space that is needed to support the residents of the City. People will end up going elsewhere to work and shop. That is not the type of live/work/play community that the City wants to become, however the City needs to encourage development.

Ms. Satter advised that the current code requires that all structures located adjacent to or viewable from the right-of-way must have commercial uses for at least 50% of the frontage. However, the Downtown Subarea Plan allows more flexibility. The current Pedestrian Oriented Mixed Use (POMU) zone, offers two options for ground-floor uses:

- At least 50% of floor area abutting the linear sidewalk level should be “pedestrian oriented” for commercial development.*
- The floor area abutting at least 50% of the linear sidewalk level frontage shall be designed and constructed to accommodate future conversion to “pedestrian oriented” uses and may be occupied by any use permitted in the zoning district. The areas designed and constructed to accommodate future conversion shall meet the following standard, in addition to any other required basic or additional design standard;*
 - The sidewalk level façade must include an entrance or entrances to accommodate a single or multi-le tenants or be structurally designed so entrances can be added when converted to the building uses listed in the paragraph above.*

Ms. Satter explained that the intent of the two options is to allow a variety of development that can easily be converted to commercial uses at a later date when the market changes. She referred to the Fairfield Inn mixed-use building, which has a hotel use on top, with shell space for commercial uses on the ground floor. While they have actively recruited tenants, none have gone in the space for many years. They have completed Design Board review and are awaiting a building permit to convert the commercial space into 7 residential units. She provided pictures to illustrate how the residential space could easily be converted back to commercial space at a later time.

Ms. Satter asked the Commission to provide feedback on staff's proposal to expand the flexibility allowed in the Downtown Subarea Plan to apply in the Wheaton-Riddell Downtown Commercial Center (DCC), Wheaton-Sheridan DCC, Charleston DCC and Manette Neighborhood Center (NC). She noted that the Eastside Employment Center does not have the mixed-use requirement. In that center, both outright commercial and outright residential uses are allowed.

Ms. Satter reported that the City is seeing development come to the Wheaton-Riddell and Wheaton-Sheridan areas. In the Wheaton-Riddell DCC, Wilco is redoing the Lowes building. In addition, a permit application for façade improvements was submitted for the K-Mart property, and the intent is to divide the building into multiple spaces for a variety of tenants. In the Wheaton-Sheridan DCC, the City recently received a permit application to demolish the East High School (except the gym). Not a lot is happening in the Charleston DCC, but there have been a number of inquiries for residential development in the Manette NC. However, people have been turned away because they cannot get financing for the ground floor commercial space as required by that zone.

- **Proposed Amendment 2: *Provide incentives for infill development.***

Ms. Satter explained that “infill” refers to any new development in already built-up areas and includes redevelopment of existing properties to make more efficient use of the land. Infill development can include a variety of housing types such as duplexes and townhomes. Staff is interested in having a discussion with the Commission about whether these other housing types should be allowed in more areas of the City. Other potential topics include a review of the accessory dwelling unit (ADU) provisions to see if something could be done better or different and a discussion about allowing shared housing amenities such as parking areas or driveways. Throughout the discussion, staff would like the Commission to consider how code requirements could be reduced to promote infill development. For example, reducing lot coverage if you build an ADU or allowing compact-sized parking spots.

Ms. Satter referenced two housing policies found in the Comprehensive Plan relative to infill development incentives:

- **Goal H3(A).** *“Provide opportunities for the production of new housing for all incomes, ages and family types through infill by stimulating growth of non-traditional housing types such as townhomes, carriage units, accessory dwelling units and duplexes in locations where they will seamlessly infill into the fabric of the existing neighborhoods.”*
- **Goal H3(C).** *“Support increased densities and infill projects in order to capitalize on the cost efficiency of utilization of existing utility services. Additionally, encourage maintenance of City services such as sidewalks, bike lanes, parks, utilities in order to enhance the overall affordability and health of the community.”*

Ms. Satter noted that most of Bremerton is built out, so most subdivision activity is for a small number of lots. She requested Commission feedback regarding potential infill incentives for subdivisions such as allowing more uses/options for subdivisions within certain areas. For example, in order to provide a transition between the Centers and the low-density residential neighborhoods, perhaps the City could allow one of the lots within a subdivision to be a duplex or townhome if it is located within a certain distance from a Center and meets specific criteria. Another option would be to allow small lot subdivisions, with lot sizes smaller than what the current code requires (4,300 square feet). Perhaps the City could allow one lot to be smaller so that existing residential lots could be subdivided to provide an additional infill lot for a single-family home.

Ms. Satter said staff would like to focus on potential infill incentives for subdivisions, recognizing that subdivisions go through an extensive review process to verify that conditions are met. Providing infill opportunities through subdivisions would allow the City to provide more housing opportunities and promote home ownership. It would also promote infill to make more efficient use of the City's infrastructure. She expressed her belief that the City can do better than the current average lot size of 6 dwelling units/acre (7,260 square feet), particularly considering that the City's minimum lot size is 4,300 square feet.

Ms. Satter said developers have expressed a desire for reductions in the subdivision code requirements, and they want to make subdivisions easier. However, it is important to keep in mind that the public can be negatively impacted by subdivisions. Subdivisions can be a hot topic for both the public and developers, and that is why she is presenting ideas rather than actual proposals for code amendments.

Kurt Wiest, Bremerton Housing Authority (BHA), said the Puget Sound area is in the height of a housing crisis right now. They have a disparity between supply and demand. Rental prices are going up because the supply is going down and there is

an influx of population coming from King and Snohomish County who are looking for cheaper housing. The cost and time associated with the commute is something they are willing to factor into moving to this side of the water. Because they are not seeing an appreciable increase in the supply of housing, costs continue to go up. The cure to the problem is increasing the supply. He said he supports staff's recommendation to amend the zoning code to provide greater flexibility in development regulations and greater consideration for infill housing. Anything the City can do to increase the supply without diminishing the quality of life in the community is a good thing. The Commission has a significant responsibility to ensure that quality of life does not decrease as they try to address the housing crisis.

Mr. Wiest commented that income has been relatively flat for those who are most impacted by an increase in housing cost. If adjusted for inflation, income has actually gone down. They have seen a significant increase in the number of homeless households in the community, and many households have had to double up to find adequate shelter at a time when there is scarcity and costs are going up. The City cannot do anything to increase the financial resources of a household, but they can figure out ways to decrease housing costs by increasing the supply of housing.

Vice Chair Wofford recalled that the Bay Vista Development was originally established as mixed housing. He knows that Habitat for Humanity has some units, and there are a variety of subsidized housing opportunities. He asked if there is also some upscale housing available in the development. **Mr. Wiest** reviewed that until 10 years ago, the West Park Development was a 582-unit, low-income public housing project. The community decided that a change was necessary; and through a series of community charrettes, the unanimous consensus was that the site should be redeveloped into a mixed-income, mixed-housing type, mixed-use development. In 2008, the BHA boldly went forward with this major redevelopment project to replace the decaying affordable housing units. The BHA did four different projects, and Habitat for Humanity constructed six single-family homes. An additional 21 single-family homes were constructed that were leveraged home funds from the City. Once the BHA finished its projects, it was up to the private sector to fill in the gaps; and by 2017, all of the remaining land on the 84-acre site has been sold. What is now vacant is in the hands of the private sector with plans for a fast-food restaurant, about 120 single-family residential units that will sell at market rate, and about 220 multi-family units. Once these developments are completed, only two undeveloped sites will remain. Peninsula Community Health purchased a 6-acre parcel adjacent to Winco, and they are currently working on a feasibility study on building a clinic. Kitsap Credit Union has purchased the remaining parcel. They are currently working on a feasibility study for a potential retail banking establishment. He summarized that the overall vision was established 10 years ago, and they are now seeing the realization of that vision. It was never intended to be a one-for-one replacement of deeply affordable housing within the boundaries of West Park, but mixed housing (owner-occupied, rental and deeply affordable rental using housing subsidies).

Commissioner Jones asked if the BHA works with non-profits to see what their population is like for low-income and the need for housing in those areas. **Mr. Wiest** answered yes. He explained that with the redevelopment of West Park, the supply of affordable housing has increased by 60% in Bremerton. This is a remarkable feat that was made possible by a \$20 million grant from the Department of Housing and Urban Development and using other resources wisely. The target population for these new units has been households below 50% of area median income (AMI). The BHA now realizes that the greatest need for the current financial resources (about \$3 million) is for chronic homeless individuals. They are working in partnership with Kitsap Mental Health Services, Kitsap Community Resources, and Peninsula Community Health to put together a project that would build between 60 and 80 studio apartments for chronic homeless individuals. This development would have an element of "housing first," which means you take people as they are and where they are and provide intense on-site services for mental health, drug and alcohol treatment, general health and wellness, etc. The project is in the formative stages. Kitsap Community Resources received a grant from the 1/10th of 1% Chemical Dependency/Mental Health Program Sales Tax Fund to do a feasibility study on whether such a project could work and what the sources of funding would be. Community Frameworks has been engaged to do the feasibility study, which should be completed within the next month. They are looking for potential sites for the project.

Commissioner Jones stressed the importance of locating a project of this type so that there is convenient access to public transportation, medical services, groceries, etc. She knows that these projects are possible and can work if all of the agencies coordinate together. She asked if any thought has been given to transitioning homeless families from the street to apartments, helping them get job training, etc. **Mr. Wiest** answered affirmatively. He explained that in their hierarchy there are special needs populations, victims of domestic violence, veterans, homeless families with children, the disabled, etc. The BHA does the best it can with its limited resources. In addition to increasing affordable housing by 60% over the last decade, the various agencies have coordinated efforts to establish a 1-stop resource center (Housing Solutions Center) where all individuals who

have housing needs can be diverted for help. The Housing Solutions Center appears to be doing as efficient and effective use of resources as they could hope for.

Commissioner Jones asked if the BHA participates in Section 8 Vouchers, too. **Mr. Wiest** answered affirmatively. Unfortunately, in the hierarchy of federal needs, affordable housing is low on the priority list and congress has flatlined funding for the Section 8 Program. That means they are getting the same amount of money they have had for the past five years, but rental costs have risen significantly. The BHA has had to actually reduce the number of participants on the program by attrition. The situation is the same in jurisdictions throughout the country.

Commissioner Jones said it is unfortunate that landlords throughout the City are increasing their rents so dramatically. Her neighbor was just notified that her rent (1 bedroom, 1 bath) would increase from \$1,100 to \$1,700 per month. **Mr. Wiest** agreed that it is staggering. It is simply a function of supply and demand, and they are making up for lost years between 2008 and 2014 when rents were flat or decreasing. **Commissioner Jones** suggested that some are taking advantage of the situation. This will result in more homeless families who have nowhere to go. She felt the situation would get worse before it gets better.

Commissioner Davis calculated that, based on today's average interest rate, a \$250,000 mortgage, which represents about 35% of home purchasers in the area, has a monthly payment of about \$1,266. Even with the new units being built at Bay Vista, which are perceived to be beginner homes, the market is already outpacing the average buyer. This planned community was originally designed as a replacement for affordable units, although not one-for-one. As they add more market rate units, there will be no parity in Bay Vista. While these additional homes are needed, they do not include a component of affordability.

Commissioner Davis said that, in talking with other entities and organizations who are working to implement affordable housing, they are finding that the regulatory and permitting fees for each unit equate to roughly 30% to 33% of the total construction cost. He asked if the BHA has found this to be true, too. **Mr. Wiest** said he has not seen this. With the sale of land at Bay Vista, there are certain restrictions that require the sale proceeds to go back into the development or acquisition of deeply affordable housing. One of the goals in the Bay Vista plan was de-concentration, which was achieved in the overall master plan. Sale proceeds were used to purchase existing properties throughout Bremerton to rehabilitate. De-concentration has been a good thing, and they have accomplished a one-for-one replacement, but it's been in other areas throughout the City.

Mr. Wiess said another consideration the Commission should be aware of when talking about the overall housing burden, particularly with a mortgage, is the additional stress created by property tax increases. Owners of rental properties will also pass this increase on to renters. This makes a bad situation worse.

Commissioner Davis said he understands the concept of incentivizing infill, but he would like staff to work towards a way to incentivize permanent affordable housing for purchase within the City via a deed restriction or some type of incentive for the builder that can spread out the infrastructure costs for the first five years of a purchase in the form of an abatement or assessment. He is interested in something that generates momentum to create permanent housing solutions. As good as the BHA is doing to provide affordable rental units via partnerships with other organizations, those are still tenuous, at best, and subject to market conditions. **Mr. Wiess** agreed and said it will take a lot of different things to help address the crisis they are in. **Commissioner Davis** suggested the quickest pathway is to figure out a way for the City to partner with the BHA and other organizations who are already adding to the solution to create an incentive program to excite more private dollars. This would be one way to fast track a solution that helps the market side associate better with the public needs.

Commissioner Nerf said he recently attended a League of Women Voters meeting on the 1/10th of 1% Chemical Dependency/Mental Health Program Sales Tax Fund. The head of the committee was asked about the application of that money to homelessness, and he responded that you have to realize that giving someone a home is very expensive on a per-person basis. In addition, it has to be a region-wide effort because if one jurisdiction solves the problem, people will come from other areas to take advantage of it. It will be very hard to break this market-driven situation. **Mr. Wiest** observed that Bremerton is not a mecca of homelessness, and people are not streaming into Bremerton. This is a problem that every community is having to deal with, both large and small. He commented that the cost of not doing anything is more expensive than doing something. For example, it costs much more when people inappropriately use the health care system for shelter or when homeless individuals are inappropriately incarcerated. The cost of these inappropriate situations is about \$25,000 to \$30,000 per year, and you can house someone appropriately for around \$13,000 per year.

Vice Chair Wofford observed that the AMI in Bremerton is about \$42,000, but *THE KITSAP SUN* reported a few weeks ago that the AMI in Kitsap County was about \$20,000 more. He also recalled that Bremerton has a large amount of vacant commercial space. He suggested that part of the problem with vacancy is the residents of the City do not have the disposable or discretionary income to support the small businesses that want to inhabit the small commercial spaces. They also need people with enough income to pay the taxes needed to support bus service, sewer, water, etc. However, none of the current proposals include eliminating the blighted areas of the City. There should be some proposal to incentivize the elimination of blighted areas so they can provide higher-quality housing for people with higher paying jobs who currently live outside of the City. A larger tax base is needed in order to provide public transportation, mental health support, etc. **Mr. Wiest** said he has always advocated for a loan fund that makes it worthwhile to invest in the property. He said he has seen an increase in the number of young families who are purchasing homes in Bremerton but are working in Seattle. While they are seeing increases in the average cost of homes in Bremerton, they are significantly cheaper than what you can find in King or Snohomish County. However, he agreed that encouraging more investment into Bremerton could have a positive impact on the community.

Commissioner Nerf observed that one thing that makes visions of owning property in Bremerton a problem is that people in the County, in general, do not believe that people want to live in an urban environment. They cannot imagine not having two or three cars and acres of land. He doesn't believe it is the lack of housing that is the problem as much as the lack of amenities.

Chair Tift referred to the ideas proposed by staff and asked for Commission feedback. He referred to proposed Amendment 1, which would expand the more flexible mixed-use development standards in the Downtown Subarea Plan to the other DCCs and the Manette NC. He voiced concern that a home on the ground floor with a 14-foot ceiling would not be all that attractive to anyone. **Ms. Satter** responded that she could provide examples of that have been used to address this concern.

Commissioner Davis said he is in agreement with the overarching goal of allowing more flexibility for mixed-use development, but he would like to see a matrix built into the code so that the standards are applied differently in each of the Centers based on vacancy rates. For example, the vacancy rate in the Charleston DCC is much higher than in the Manette NC where property along the commercial corridor is a hot commodity. He would like to include a provision that if the vacancy rate falls below a certain threshold, abatement of the ground floor commercial requirement would no longer be an option. **Ms. Satter** agreed that it would be appropriate to monitor the situation. **Commissioner Davis** cautioned that if they do not build in a safety valve, the City could end up missing the mark in their goal of creating a balance of live, work and play when the market changes. They could end up addressing the same problem in reverse at some point in the future.

Vice Chair Wofford agreed with Commissioner Davis. He said he supports the proposed amendment, which would help developers finance redevelopment projects. The change would also give current landlords incentives to modernize or improve their existing structures. **Ms. Satter** recalled that before the Downtown Subarea Plan was adopted in 2007, 400 condominiums were constructed with the ground floor commercial requirement. This development incorporated a live/work component to meet the requirement.

Chair Tift summarized that the Commissioners have indicated general support for proposed Amendment 1, which would provide more flexibility for the mixed-use development requirement in the Charleston, Wheaton-Riddell, Wheaton-Sheridan and Manette Centers. They also voiced general support for potential amendments to the subdivision code (Amendment 2).

Chair Tift observed that the Manette NC offers a lot of opportunities for infill. Many of the homes front the alleyways, so it appears that infill was an initiative at some point in the past, too.

Vice Chair Wofford asked that staff consider an amendment that would incentivize improvements in blighted areas. **Ms. Satter** recalled that some areas were up-zoned in 2016. For example, Anderson Cove was rezoned to R-20 and some improvements have already occurred. She agreed to provide an analysis of the blighted areas, including changes that have occurred and what has been done to improve the areas.

BUSINESS MEETING

Chair Report

Chair Tift noted that, with the resignation of Commissioner Strube, there is a vacant position on the Commission. He asked Commissioners to encourage potential candidates to apply. **Ms. Satter** noted that applicants must have lived in the City for at least one year.

Chair Tift recognized some of the positive changes that have occurred in the City during his tenure on the Commission. Some of the Commission’s recommendations to the City Council have made a difference. It is a gratifying group to be involved in, and they have had good support from the staff and the City Council.

Director Report

Ms. Satter reported that Commissioner Strube has moved outside City limits and has resigned his position on the Commission. **Ms. Satter** thanked Michael Strube for his work while serving six years on the Commission. His contributions were noted and he definitely made a difference.

Ms. Satter announced that the application period for Comprehensive Plan amendments is open until April 2nd. So far, no public initiatives have been received, but there are a few staff proposals.

Ms. Satter announced that the City of Bremerton has applied for Opportunity Zone designation for several of the allowable census tracts meeting the application requirements regarding income levels and the potential for economic growth. Opportunity Zones are part of a new federal tax incentive. The City has been provided \$275,000 in funding from the State Capital budget for the Eastside Employment Center to do a market study, Subarea Plan and Planned Action EIS to incentivize development. These items will come before the Planning Commission at some point in the future.

Ms. Satter said the City also received a \$450,000 grant for a corridor study for State Route 303, from the Warren Avenue Bridge over to Riddell. Part of the conversation has included removing driveways, reducing the number of lights, providing more crosswalks, etc. The City needs direction for this corridor, and the grant funding will help identify what should be happening along the essential corridor.

Old Business

There was no old business.

New Business

There was no new business.

ADJOURNMENT

The meeting was adjourned at 6:59 p.m.

Respectively Submitted by:

Andrea L Spencer, AICP
Executive Secretary

Rick Tift, Chair
Planning Commission

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

AGENDA TITLE:	Public Hearing for Zoning Code Amendment: Code flexibility for phased-in mixed use development
DEPARTMENT:	Community Development
PRESENTED BY:	Allison Satter, Senior Planner, (360) 473-5845 or Allison.Satter@ci.bremerton.wa.us

EXECUTIVE SUMMARY

In response to the current commercial and residential markets in and near Bremerton, Staff is proposing to add code flexibility for phased-in mixed use development. As the current District Center Core zone regulations requires all street-fronting development, with a residential units, be developed as a mixed-use building, Staff has been notified by numerous developers that to require a commercial component makes their project unable to receive financing as the City and surrounding area (Silverdale) has overcapacity of vacant commercial buildings.

This flexibility would allow the developer to phase-in the required commercial square footage along the street-frontage in residential buildings at a later date. In other words, the required street-fronting commercial area could be developed as residential units provided it could be easily converted back to commercial when there is a market for it.

The Planning Commission held a workshop in March of this year to discuss these potential amendments. At that meeting the Commission directed Staff to do the following things: (1) provide examples of this exception, (2) confirm and quantify that there is vacant commercial square footage within the impacted centers, and (3) identify the threshold for when this exception should be removed from the Code (to ensure the long range plans of the City are met). Staff has followed the Planning Commission’s guidance and summarizes the results within this packet. Staff anticipates that by adding / revising the code language as identified in **Attachment A**, the code will provide better flexibility for projects, and will result in a more housing options within Bremerton District Center Core zone.

ATTACHMENTS:

- Attachment A: Proposed Amendments to BMC 20.62 – General Commercial.
- Attachment B: Planning Commission’s Findings and Conclusions

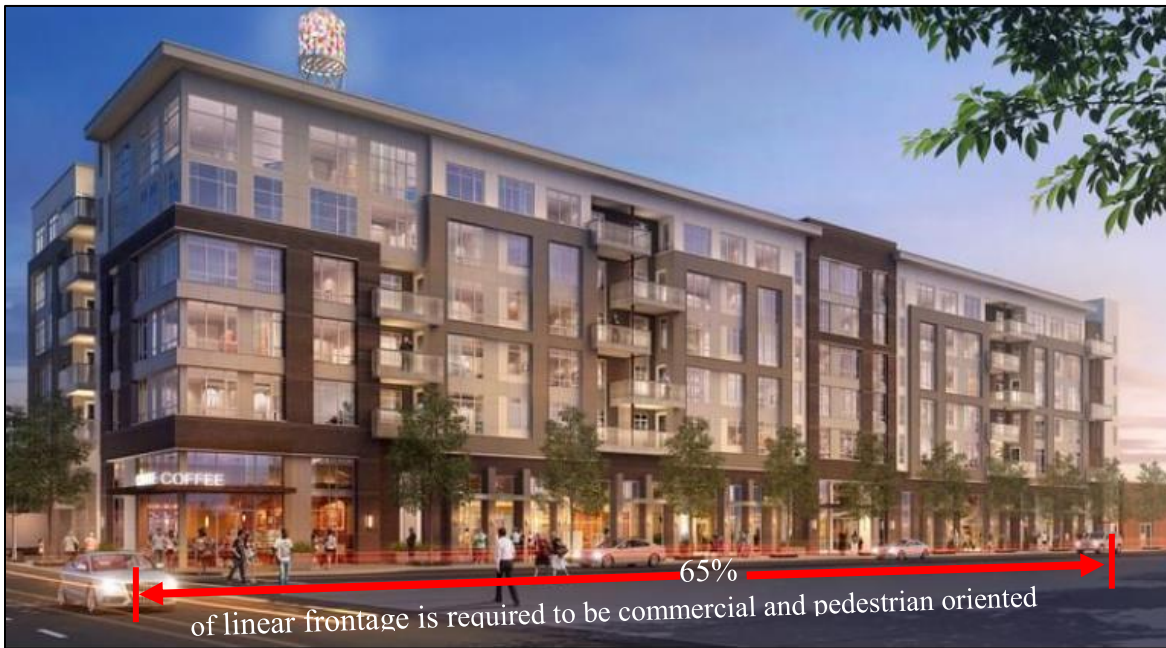
RECOMMENDED MOTION:

Move to recommend the City Council adopt text amendments to BMC 20.62 as detailed in Attachment A, based upon the Staff Report and the Findings and Conclusions presented in Attachment B.

BACKGROUND

Mixed-use development along street frontages is required in the majority of the City of Bremerton urban centers, including the Downtown Regional Center, District Center Core, and the Neighborhood Center of Manette. It has been requested from the developers of this community that Bremerton consider expanding an existing code provision (currently allowed in the Downtown Subarea Plan) to the other centers to allow flexibility in meeting this mixed use requirement. The primary justification is that financing is difficult to obtain for commercial or office square footage when the City, and surrounding areas, have about 15% to 19% vacancy on commercial space.

CURRENT CODE within Bremerton Municipal Code (BMC) 20.62, District Center Core: *all structures that include residential uses located adjacent to, area oriented towards, or area viewable from a public right-of-way shall provide a retail/commercial uses along a minimum of 65% of the ground floor building façade.* This provision supports the Comprehensive Plan policy that the Center will obtain a mix of commercial and residential uses. An example of this requirement is shown below.



The front façade ground-floor is require to have a minimum of 65% of the linear frontage as ground-oriented pedestrian uses such as retail/office square footage (this applies to both façades on a corner lot). Remaining façade (and building) could be residential units.

At this public hearing, Staff is proposing the code flexibility that can be seen in legislative markups in **Attachment A**. This will allow a development to match that of the Downtown and permit phase-in commercial development along the front façade at a later date and adopt the 50% requirement of ground-floor area (versus the 65%). As mentioned previously, this code flexibility is already allowed within the Downtown Subarea Plan, and developers and the City has seen it used successfully. The discussion that follows provides examples, including a project within the Downtown Regional Center.

Examples:

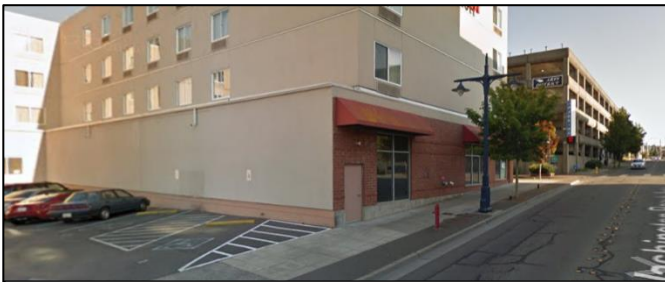
Fairfield Inn & Suites in Downtown Bremerton (239 4th Street)



Existing façade on 4th St and Washington Ave. Empty since construction in 2009



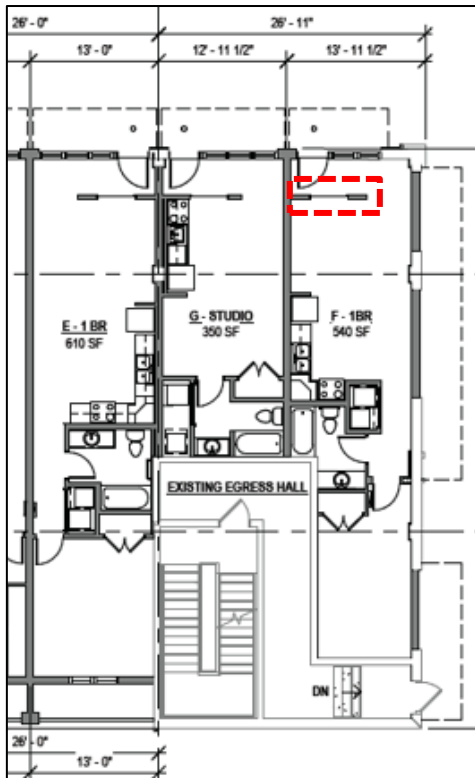
Proposed façade. Taking advantage of code flexibility provision for seven residential units



Existing façade on Washington Ave. Blank wall.



Proposed façade. Five units include small patios.



Section of Floor Plan for the new units (includes three of the seven proposed units). The proposed code does not get into specifics on how to meet the requirement that it is easily able to convert back to commercial space, however, here are a few features that this proposal used to illustrate that it can be easily converted back to commercial uses:

It is plumbed and constructed to commercial standards (versus residential) including higher ceilings and appropriate electrical wiring. Other ways include that each unit has access to and from the street and adequate transparency (windows) on the façade. For the Washington Avenue façade, the windows are bricked in, but that can be easily converted back to windows as the headers and framing are already in place. Also, as there is direct access from the street/sidewalk, the proposal includes a wall in each unit that will act as a screen from the street (shown in a red box on the picture to the left).



400 Washington, Bremerton
 This picture is from the 400 Condos. Though this building was constructed for residential uses-only, this picture shows good examples of how a building could be easily converted by adding a feature like a landscaped wall. This wall could be removed and thus more opportunity for window shopping. Awnings are already in place, but could be expanded or signage added to them.

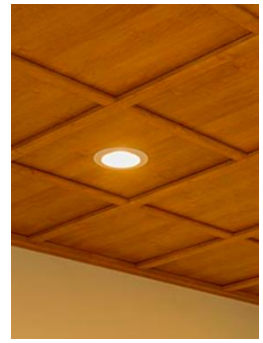


Hollywood, California: motel & commercial space was converted into residential units. Though this is the exact opposite of the current proposal, this helps illustrate how a building could be converted to one use to another.



This proposal changed the façade in the following ways that could still be easily converted back:

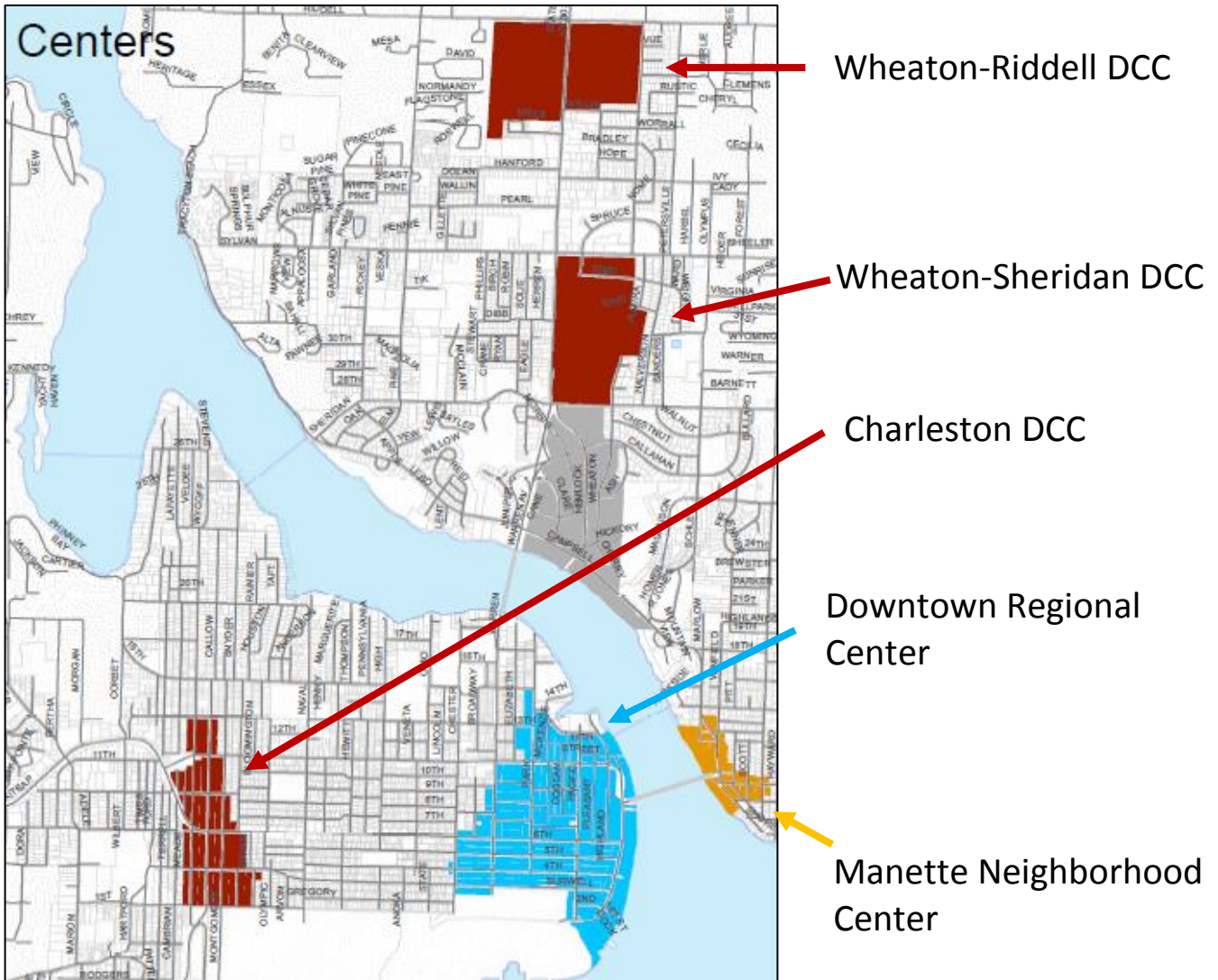
- Removed the awnings and commercial signage;
- Maintained the windows/transparency but added decorative window grilles.
- Still maintained numerous entrances to and from building.



Inside the space: Ground Floor Commercial typical requires a 12' or 14' tall ceilings. Residential units are typically 10'. An easy conversion to create a more residential-feel would be to install drop ceilings like the three example above illustrate.

What areas would this Code change be applicable?

Within the City of Bremerton's Zoning Code, the Downtown Regional Center, District Center Core and the Manette Neighborhood Center are the only zones that require mixed-use development. Those areas are shown on the map below:



The Downtown Regional Center is regulated by the Downtown Subarea Plan (DSAP), and within the DSAP it currently allows the code flexibility for allowing ground-floor commercial uses to phase-in later. No changes are proposed at this time to the DSAP.

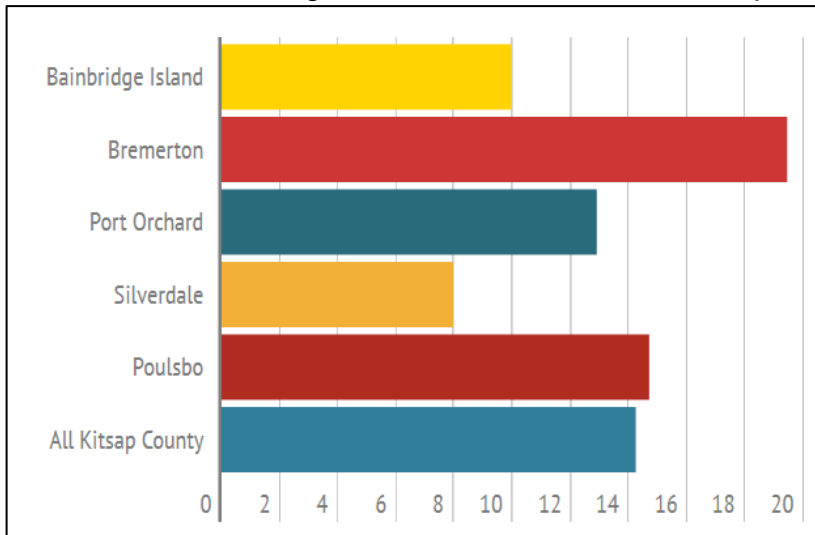
As the Commissioners will see later within this report, Staff will be proposing the proposed code flexibility within the District Center Core and not within the Manette Neighborhood Center, but Manette Center was considered through this process (and discussed more within this report).

Vacant Commercial Space:

The primary justification for allowing the proposed flexibility to have mixed-use commercial ground-floor space come at a later date is because Staff has heard from developers and real estate agents that the City, and surrounding areas, has abundant vacant commercial space, and therefore it is difficult to get financing for a project that is required to construct more commercial space. With that consideration, the Planning Commission requested that Staff verifies this fact and, if possible, identify a threshold for when the Planning Commission should remove this flexibility in the Code to maintain the Comprehensive Plan goal for mixed-use. Staff has coordinated with Bradley Scott Inc. who has provided the City with the listing of vacant commercial and office spaces in Bremerton. City Staff appreciates the time and effort that Bradley Scott Inc.’s staff has dedicated to this inquiry and wishes to publically thank them for their considerable work.

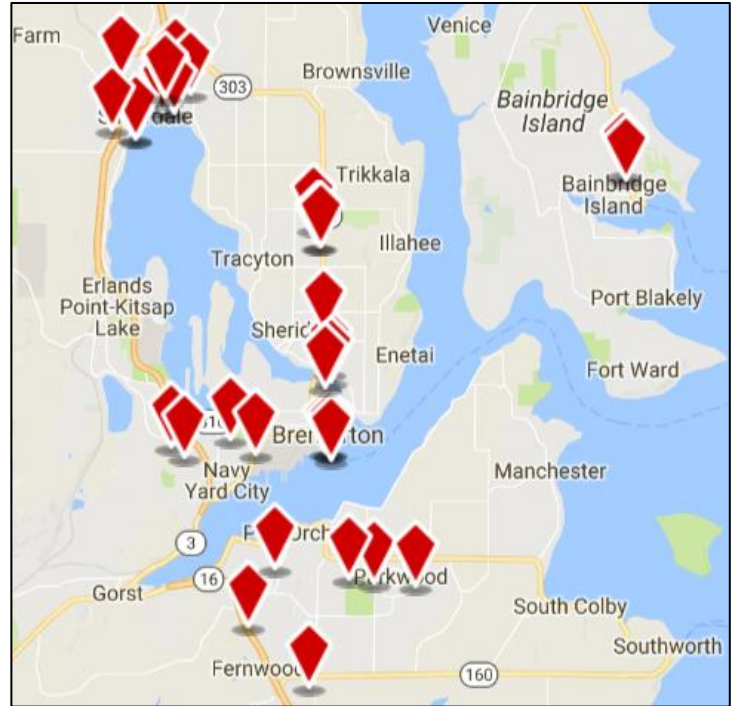
Area wide:

As discussed in the March’s Workshop, Kitsap County has vacant commercial space, with Bremerton having the most vacant commercial space in the County.



BI = 10% vacant
Bremerton = 19% vacant
PO = 13% vacant
Silverdale = 9% vacant
Poulsbo = 15% vacant
Kitsap = 15% vacant

While researching for vacant commercial spaces in Bremerton, the following map was provided which illustrates “where is commercial spaces available in April 2018?” Each red indicator is a space that is available for leased and/or sale, and thus assumed vacant or partial vacant. Much of the concentration includes the Wheaton Way/Hwy 303 Corridor and Silverdale, with other pockets in Charleston, Downtown Bremerton, Auto Center Way, Navy Yard City (Bremerton’s Urban Growth Area), Port Orchard and Winslow.



Staff extrapolated the data from each area that may be impacted from the proposed code provisions. All spaces identified in the following charts are retail/office spaces.

DOWNTOWN REGIONAL CENTER

Please note that though Staff is presenting Downtown Bremerton information, the Downtown Subarea Plan already has this code flexibility written into the Code and thus no changes are proposed to the Downtown Subarea Plan.

Address	Available Sqft	Been on the market (days)
275 4th Street	4,125	3182
409 Pacific Avenue	1123	3945
	4383	
	990	
252 4th Street	3035	216
522 4th Street	7507	564
423 Pacific Avenue	4069	216
555 Pacific Avenue	14000	3809
707 Pacific Avenue	3000	2003
Total sqft in Downtown: 42,232		Average Days = 2,000 (5 years)

*For comparison: Safeway on Callow Ave is about 45,000 square feet (sqft).

WHEATON’S DISTRICT CENTER CORES

As this analysis is intended to discuss where vacant commercial area is throughout the City, and for the ease of this review, Staff has included one chart that address all the vacant commercial space along the Wheaton Way and Hwy 303 Corridor (Wheaton Way turns into State Highway 303 north of Riddell Road; also Kitsap County jurisdiction is north of Riddell Road). The two District Center Cores (DCC) along Wheaton Way are the Wheaton-Riddell DCC and Wheaton-Sheridan DCC.

	Address	Available Sq Ft	Been on the market (days)
City Limits	3441-3451 Wheaton Way	1600	2272
		8000	
	1216 Sylvan Way	1679	78
	3627 Wheaton Way	3400	448
		4680	
		2160	
	3622 Wheaton Way	4230	224
	4020 Wheaton Way	2183	2727
	4060 Wheaton Way	3168	2727
		5335	
		2400	
	4203-4217 Wheaton Way	18720	159
		6720	
	4220 Wheaton Way	144000	2002
County	1736-1740 Riddell Rd	624	340
		625	340
	1550 Riddell Rd	3715	559
		3785	
	4942 Hwy 303 NE	7252	127
	5060 Hwy 303 NE	1500	2355
	5050 Hwy 303 NE	980	522
	5072 Hwy 303 NE	1000	1071
	5460 Hwy 303 NE	1672	797
	5960 Wheaton Way	12096	3688
	5971 Hwy 303 NE	1200	161
	Total sqft on Wheaton/Hwy 303 = 242,724		Average Days = 1,200 (3 years)

*For comparison: Fred Meyers and Walmart are both about 200,000 square feet

CHARLESTON DISTRICT CENTER CORE

As many of the properties within the Charleston District Center Core have been vacant for numerous years, the list of vacant properties available for lease or sale and the actual number of empty commercial spaces are not accurate. Staff has assumed that this is due to property owners choosing to not actively market their property. To try to respond to the Planning Commission inquiry if there is a need in the area, Staff has obtained pictures of vacant commercial space within the Charleston District Center Core. Through this review, it is apparent that Charleston has many vacant commercial space. Please note that some of these picture include multiple empty spaces.

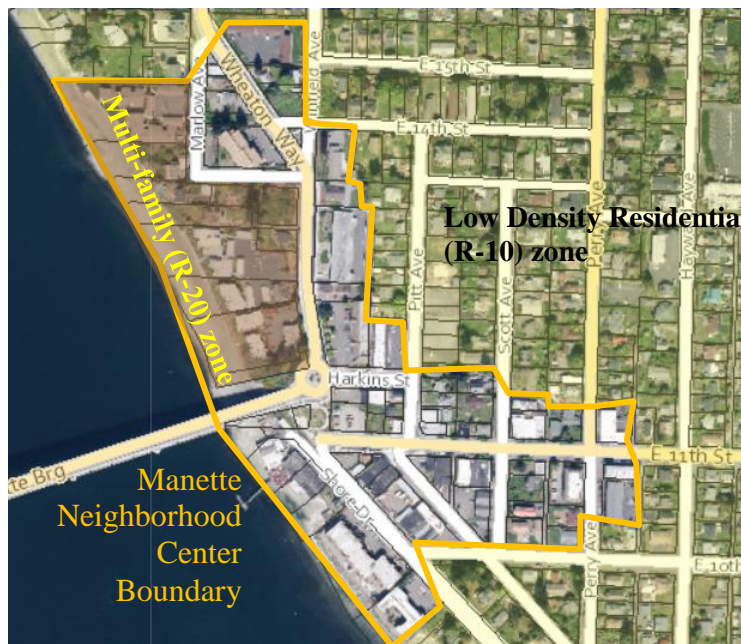


MANETTE NEIGHBORHOOD CENTER

During the March Workshop, Staff presented to the Planning Commission that they were uncertain if the Manette Neighborhood Center commercial area should be amended to allow the phased-in mixed use exception. The Manette Neighborhood Center is the smallest of the commercial centers and promotes a mixed use of residential and commercial uses at a small town/village center scale. The Zoning Code for the commercial area of the Manette Neighborhood Center requires that any new residential building have a commercial component on the ground floor (residential uses are only allowed as “secondary” to a commercial use within this commercial zone, BMC 20.82.020(q)). However, within that zone, there is no specific requirement for the percentage of ground-floor area to be a commercial use. The current code within Manette’s commercial zone are a little more relaxed than the current DCC requirements, and already provide more opportunities for property owners to develop their site.

Staff is also concerned with allowing this proposed exception while maintaining a balance of residential and commercial uses within Manette due to its small size. In addition, during the 2016 Comprehensive Plan update process (through a formal request from the public) the City downsized the commercial area of Manette (along Pitt Avenue). With only few vacant and underutilized parcels within Manette and as the City’s goal for a balance of commercial and residential opportunities, Manette should not receive this amendment at this time.

Due to those considerations listed above, Staff is proposing to not allow the proposed *code flexibility to add commercial square footage to be phased-in* for the Manette Neighborhood Center.



Aerial imagery of commercial area within the Manette Neighborhood Center.

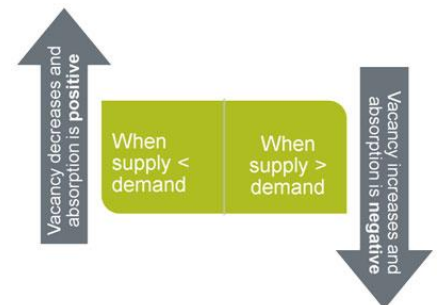
Threshold to remove the exception?

The Planning Commission requested that Staff identify a threshold of when this code flexibility (to have ground-floor commercial uses phased-in within the City’s centers) should be removed. The primary concern is that the City’s Comprehensive Plan vision for centers growth is for a balance of commercial and residential uses, and if the City allows residential-only buildings (with the options to change the first floor into commercial area when the market changes), will the City become a “bedroom” community with minimal commercial amenities and job opportunities within the centers.

Staff inquired with the real estate professionals to help establish an appropriate threshold to present to the Commission. Staff discussed considering absorption rate of the commercial market within Bremerton.

Absorption Rate:

The absorption rate is the way commercial real estate investors gauge tenant demand and is measured in square footage (a supply and demand calculation). Due to the current regulation to require commercial square footage on the ground-floor, this adds to the supply. If these spaces are not occupied, then the demand is low. More supply and low demand is a negative absorption rate. The concern with using this calculation is it utilizes what is on the market at this time. As discussed previously within this report, due to chronic vacancies within some of the City’s Centers (such as Charleston), not all vacant commercial square footage is listed available, therefore it does not provide the most accurate picture.



After evaluating different options, it was determined that a quantitative number to put into the Code would be difficult for City Staff to monitor the specific details of the real estate market. As such, the real estate professionals provided the suggestion of having annual check-ins with them to acknowledge the market trends that they are seeing. If this is done on an annual basis this should provide adequate time to amend the code at any time if the market is turning to support more commercial space. Therefore if this amendment passes, Staff will commit to the Planning Commission to have annual public presentation provided by real estate professional to identify the trends of the Bremerton real estate market.

CONCLUSION:

Staff believes that these revisions reflect the input received by the Planning Commission at the March workshop, and will promote development within the District Center Core. This exception will increase the housing supply within Bremerton by providing more housing options. To ensure the City continues having a balance of housing and employment opportunities, an annual status report on commercial growth/development will be presented to the Planning Commission to monitor if this exception is still appropriate.

STAFF RECOMMENDATION:

Staff recommends that Planning Commission review the materials provided, conduct a Public Hearing, consider testimony and move to recommend the proposed amendments to the City Council for adoption.

Staff Proposed Amendment for Phased-in Mixed Use Development
Planning Commission Draft: May 11, 2018
(Anticipated Public Hearing at Planning Commission on May 21, 2018; anticipated final adoption
by City Council June/July 2018)
 To see the Code in its entirety, please click [here](#).

Changes are shown in legislative mark-up: Text additions are underlined, text removal is
 strikethrough. All text changes are in red text.
 Example: ~~Removed this section~~ Added this section.

DISTRICT CENTER CORE (Bremerton Municipal Code 20.70) – portion of:

20.70.060 DEVELOPMENT STANDARDS.

Lot development shall be in accordance with the following unless allowed for otherwise by law:

(a) Maximum front yard setback: ten (10) feet. At least sixty-five (65) percent of a building's front facade shall meet the maximum front yard setback. The setback may be increased if the Director finds that such increase is the minimum necessary to facilitate a superior site design. In order to obtain approval for an increased setback, the applicant shall submit a written analysis establishing how the project facilitates superior site design, is the minimum necessary, is consistent with specific goals and policies within the Comprehensive Plan, and is compliant with all applicable sections of the BMC. The following list identifies examples of circumstances where increased setbacks may be found to be appropriate:

- (1) When the site includes more than one (1) street frontage;
- (2) To accommodate existing topography, utilities, or other physical site constraints that make compliance with the setback infeasible;
- (3) To accommodate phasing of infill development;
- (4) On sites that are significantly developed with existing legally established nonconforming uses or structures whereby strict code compliance will not facilitate effective circulation; or
- (5) For projects that in the opinion of the Director provide enhanced public amenities within the setback area which include, but are not limited to, the following: public plazas, increased landscaping, architectural features, improved pedestrian connections.

(b) Side yard setback: zero (0) except when adjacent to the low or medium density residential zones (R-10 and R-10M) where a ten (10) to twenty (20) foot visual screen is required pursuant to BMC [20.50.050\(b\)](#).

(c) Rear yard setback: zero (0) except when adjacent to the low or medium density residential zones (R-10 and R-10M) where a ten (10) to twenty (20) foot visual screen is required pursuant to BMC [20.50.050\(b\)](#).

(d) There is no maximum density for residential use.

(e) Maximum building coverage: sixty (60) percent base maximum; provided, that through the use of any combination of the following, building coverage may be increased up to eighty-five (85) percent maximum:

- (1) Projects containing mixed uses: ten (10) percent bonus.
- (2) Projects with a three (3) or four (4) story building: ten (10) percent bonus; projects with five (5) or more story building: fifteen (15) percent bonus.
- (3) Projects providing a pedestrian-oriented plaza or area of at least one hundred fifty (150) square feet along a pedestrian walkway at an intersection corner, bus stop or other key pedestrian area approved by the City. Such areas shall contain seating for at least four (4) people, a trash receptacle and three (3) or more of the following: a pedestrian shelter, a drinking fountain, a bike rack, pedestrian-scale lights, pavers on the walkway surfaces, a kiosk, a street vendor station providing food or beverages, trees, an appropriately sized statue or sculpture, or a public restroom. Interior courtyards with these amenities qualify if they would be readily apparent and accessible to pedestrians on adjoining sidewalks: twenty (20) percent bonus.
- (4) Projects providing a through-block corridor that facilitates pedestrian access in a location approved by the City: five (5) percent bonus.
- (5) Projects providing at least fifty (50) percent of their required parking underground or within the building: twenty (20) percent bonus.

- (f) Maximum development coverage: maximum development coverage by impervious surfaces, seventy-five (75) percent; provided, that through the use of any combination of the mechanisms listed in subsections (e)(1) through (5) of this section, up to ninety-five (95) percent maximum development coverage may be allowed.
- (g) Maximum building height: eighty (80) feet except:
- (1) Structures within fifty (50) linear feet of parcels zoned for low density residential shall not exceed four (4) stories in height; and
 - (2) Structures within fifty (50) and one hundred (100) linear feet of parcels zoned for low density residential shall include architectural features to gradually transition the building height from four (4) stories to a maximum height of eighty (80) feet at the one hundred (100) foot distance from the low density residential zoned parcel.
- (h) Mixed-Use Requirement. All structures that include residential uses located adjacent to, are oriented towards, or are viewable from a public right-of-way (not required on private streets) shall provide retail/commercial uses along a minimum of sixty-five (65) percent of the ground floor building facade. On corner lots, the requirement shall be applied to both frontages facing a public right-of-way. Exceptions to this requirement will be made for projects that comply with **BMC 20.70.070(a)(3)(6)**.

20.70.070 DESIGN STANDARDS.

The following design standards shall be applied to all new structures and redeveloped structures. Residential development of three (3) units or fewer are exempt from this section. When development involves the remodel or expansion of existing structures, the Director may modify these requirements to reasonably fit the scope and scale of the remodel or expansion.

(a) Primary Design Features. The following criteria shall be applied to all primary building facades and facades facing public streets:

- (1) Top and Base. Buildings shall convey a visually distinct base and top. A "base" can be emphasized by a different masonry pattern, more architectural detail, visible plinth above which the wall rises, storefront, canopies, or a combination. The top edge is highlighted by a prominent cornice, projecting parapet or other architectural element that creates a shadow line.
- (2) Orientation. All properties adjacent to a public right-of-way shall orient structures toward the primary street. Properties located at intersections should orient their structures toward the intersecting corner.
- (3) Minimum Transparency. At least sixty (60) percent of all facades facing the public sidewalk, or sidewalks providing circulation within a site, measured to eight (8) feet above the sidewalk or surface grade, shall be comprised of transparent windows or doors.
- (4) Blank Facades. Building facades shall not present a blank facade to view from public rights-of-way, common parking areas, or residential properties. Such facades may be broken by windows, trellises, columns, variations in plane, or other devices that add variation and interest to the facade.
- (5) Mechanical Equipment Screening. Rooftop and ground-level mechanical equipment shall be screened from view from public streets. Screening materials shall be architecturally similar to the primary structure.
- (6) ~~Ground-floor. Ground-floor frontage of a structure facing a public right-of-way should consist of at least fifty (50) percent commercial uses intended to be accessed by pedestrian or bicyclist traffic. At a minimum, this area shall be constructed to a commercial standard in order to accommodate future conversion to pedestrian-oriented commercial uses, but in the interim may be occupied by any permitted use per BMC 20.70.020.~~ Ground-floor frontage of a structure facing a public right-of-way must conform to either (i) or (ii) listed below. An exception from (i) and (ii) may be made for lots that have two or more frontages (such as corner lots), that one frontage may reduce the minimum fifty (50) percentage of retail/commercial use frontage if the site has topographical or other site constraints.
 - (i) At least fifty (50) percent of the floor area abutting the linear sidewalk level should be designed to be "pedestrian oriented".
 - (ii) The floor area abutting at least fifty (50) percent of the linear sidewalk level frontage shall be designed and constructed to accommodate future conversion to "pedestrian oriented" uses and may be occupied by any use permitted in BMC 20.70.020. The areas designed and constructed to accommodate future conversion shall meet the following standard, in addition to any other required design standards: The sidewalk level façade must include an entrance

- or entrances to accommodate a single or multiple tenants or be structurally designed so entrances can be added when converted to the building uses listed in BMC 20.70.020.
- (b) Secondary Design Features. Four (4) secondary design features are required from the following list:
- (1) Multiple Roof Lines. Structures shall have at least three (3) horizontal roof lines, as viewed from the front facade.
 - (2) Modulation. The horizontal plane of a structure shall not extend for more than thirty (30) feet, as measured from any one (1) point of the structure, without a significant architectural variation of at least two (2) feet in depth.
 - (3) Facade Materials. At least three (3) different facade materials shall be incorporated into the exterior appearance of the structure (wood, brick, stucco, tile, shingles, other).
 - (4) Additional Transparency. An additional fifteen (15) percent transparency to what is required per subsection (a)(3) of this section.
 - (5) Weather Protection. Recessed or protruding building features, of no less than four (4) feet in depth, which extend along at least fifty (50) percent of the front facade.
 - (6) Main Entry. Pedestrian entrances are preferred from buildings facing the street. Entries shall be easily identifiable from the street or sidewalk; this can be accomplished through architectural or ornamental features.
 - (7) Public Amenity. Outdoor eating area, artwork, street furniture, plantings in window boxes, public trash receptacles, or other alternative public amenity approved by the Director. Any proposed amenity shall be architecturally compatible with the principal structure. Any approved amenity shall be maintained for the life of the project. (Ord. 5319 §12, 2017; Ord. 5301 §3 (Exh. B) (part), 2016; Ord. 5222 §15, 2013; Ord. 5046 §16, 2008; Ord. 4950 §8 (Exh. A) (part), 2005)

FINDINGS AND CONCLUSIONS OF THE CITY OF BREMERTON PLANNING COMMISSION

Summary:

The proposed amendments to the Bremerton Municipal Code related to flexibility for phased-in mixed use development with the District Center Core.

I. FINDINGS OF FACT

1. Project Description:

The proposed amendment package includes revisions to Bremerton Municipal Code 20.70, District Center Core, as follows:

- (a) Correct citation in BMC 20.70.060 Development Standards to exception for phased-in mixed-use requirement;
- (b) Revise “Ground-floor” design standards per BMC 20.70.07(a)(6) to allow flexibility for phased-in mixed use development.

2. Procedural History:

- 2.1 Planning Commission Workshops: March 19, 2018
- 2.2 Washington State Department Of Commerce Notice: April 30, 2018
- 2.3 SEPA Threshold Determination DNS: April 24, 2018
- 2.4 Notice of Public Hearing: May 5, 2018
- 2.5 Planning Commission Public Hearing: May 21, 2018

3. Public and Agency Comment:

- 3.1 At the workshop held on March 19, 2018, a public comment was offered by Kurt Wiest, Director of the Bremerton Housing Authority, who was in favor of any modifications which could increase housing supply and provide more housing options within the City.
- 3.2 At the Planning Commission Public Hearing on May 21, 2018, the following testimony was provided:

_____.

_____.

_____.

_____.

4. SEPA Determination:

A Determination of Non-Significance was issued on April 24, 2018, to date no comments or appeals have been filed.

5. Consistency:

Text amendments to Title 20 shall meet the decision criteria outlined in BMC 20.18.020(d). The Planning Commission may recommend, and the City Council may adopt or adopt with modifications, an amendment to Title 20 if the criteria outlined below are met.

- (1) It is consistent with the goals and policies of the comprehensive plan;

Analysis: The proposed amendments continue to uphold the objectives and goals of the Comprehensive Plan, and implement the following policies:

LU1(A): Designate neighborhoods, communities, and centers throughout the City and encourage the implementation of design guidelines for new development and redevelopment that complement the designated purpose and scale.

LU2(A): In order to combat chronic vacancy experienced in select areas, the City should consider zoning regulations that promote occupancy for buildings that are experiencing prolong vacancy.

LU2(B): Support flexible development regulations to allow transitions of uses over time.

LU2(D): Provide development incentives and flexibility within regulations to encourage desirable design elements.

LU1-Cen(A): Development regulations should encourage pedestrian oriented mixed-use design in Centers and address such issues as:

- (1) Locating buildings or features in the core of the Center at sidewalk edge,*
- (2) Providing windows and other architectural features that foster pedestrian interest along street fronts,*
- (3) Adopting sign standards that reflect pedestrian scale,*
- (4) Encouraging and/or requiring architectural features that are of a scale and type appropriate for viewing by pedestrians at the building front and immediately nearby, and*
- (5) Development projects should be encouraged to provide amenities such as street furniture, street trees, small public spaces and plazas, etc.*

LU1-Cen(E): Consider the existing built environment when creating development regulations.

LU2-Cen(C): Provide incentives and flexibility that encourage and enable development in Centers.

ED2(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.*

(2) It does not conflict with other City, state and federal codes, regulations and ordinances.

Analysis: The proposed amendments do not conflict with any other regulations. To ensure the City continues having a balance of housing and employment opportunities as identified within the Comprehensive Plan, an annual status report on commercial growth/development will be presented to the Planning Commission to monitor if this exception is still needed.

II. CONCLUSIONS & RECOMMENDATION

Based on the findings above, the Planning Commission concludes that the proposed amendments to the Bremerton Municipal Code Title 20 Land Use Chapter, meets the requirements in BMC 20.18.020(d) text amendments, and therefore recommends to the City Council, the adoption of amendments to Title 20.

Respectfully submitted by:

Andrea L. Spencer, Executive Secretary

Richard L. Tift, Planning Commission Chair

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

AGENDA TITLE:	Workshop for 2018 Comprehensive Plan Amendments Docket: Overview
DEPARTMENT:	Community Development
PRESENTED BY:	Allison Satter, Senior Planner, (360) 473-5845 or Allison.Satter@ci.bremerton.wa.us

This Report is duplicative to Planning Commission’s April Workshop as April’s meeting was cancelled due to lack of quorum.

EXECUTIVE SUMMARY

The Comprehensive Plan contains the community’s vision for its future and sets policy and guidance to achieve the vision. The City updated the Comprehensive Plan in June 2016, as mandated by the Washington State Growth Management Act (RCW 36.70A). Comprehensive Plan amendments are processed on an annual cycle and will be discussed at this workshop. Six amendments are included for the Planning Commission’s consideration for 2018. Amendments to the City’s Comprehensive Plan are regulated by Bremerton Municipal Code (BMC) 20.10.

This workshop’s intent is to summarize the Comprehensive Plan proposed amendments for the 2018 annual Comprehensive Plan docket, process and anticipated schedule.

ORDERS OF THE DAY:

Provide early direction to Staff on proposed Comprehensive Plan amendments and provide feedback on anticipated schedule and any questions regarding the process.

DECISION CRITERIA FOR COMPREHENSIVE PLAN AMENDMENTS

The City of Bremerton’s Comprehensive Plan establishes a blueprint for our future – a document that will guide the City in its decision making for the next 20 years. The Comprehensive Plan provides a set of policies that direct future growth and development. Additionally, the Plan identifies potential strategies that will help effectively guide City leaders in making substantive and thoughtful decisions for the community.

Pursuant to State laws and the City’s code (BMC 20.10), the Comprehensive Plan may only be updated once a year (with a few exceptions such as a Subarea Plan adoption or emergency amendments to prevent or avoid imminent danger to the public). The City has a window to accept applications for the Comprehensive Plan between the first business day of January to the first business day in April. If an applicant “missed” the submittal date or submitted an incomplete application, the next opportunity to apply will be in January-April 2019.

As Planning Commission is considering the proposed Comprehensive Plan amendments, the Commission will have to verify that the following has been considered (BMC 20.10.080):

1. The Commission shall consider all proposed amendments concurrently to assess their cumulative effect onto the City and the environment.
2. The Planning Commission may recommend, and the City Council may adopt or adopt with modifications, amendment to the Comprehensive Plan if:
 - (a) There exists an obvious technical error in the pertinent Comprehensive Plan provisions; or
 - (b) All the following criteria have been met:
 - (1) The amendment is consistent with the Washington State’s Growth Management Act;
 - (2) The amendment is consistent with the Comprehensive Plan or other goals or policies of the City;
 - (3) If the amendment was reviewed but not adopted as a part of a previous proposal, circumstances related to the proposed amendment have significantly changed, or the needs of the City have changed, which support an amendment;
 - (4) The amendment is compatible with existing or planned land uses and the surrounding development pattern; and
 - (5) The amendment will not adversely affect the City’s ability to provide urban services at the planned level of service and bears a reasonable relationship to benefitting the public health, safety and welfare.

Planning Commission shall consider the Comprehensive Plan proposed amendments through workshops and a Public Hearing. Planning Commission will provide a recommendation to City Council regarding this amendments. Staff is anticipating the schedule for the proposed amendments to be the following:

- **Workshops:**
 - May 21, 2018, an early preliminary overview of the proposed amendments.
 - Workshops for further analysis on the proposed amendments throughout the Spring and Summer
 - Public outreach will be heavily sought throughout the whole process.
- **Environmental Review:** July through September Staff will conduct environmental review and submit the draft amendments to local and state agencies, and the tribes for agency review.
- **Public Hearing for Planning Commission:** Anticipated September or October 2018.
- **City Council Decision:** Late Fall 2018 Public Hearing.

Please note, any changes to the Comprehensive Plan that impact the Zoning Code, such as a change to the Comprehensive Plan Land Use Map, will require an additional process to revise the Zoning Code Map for consistency with the Comprehensive Plan.

PROPOSED AMENDMENTS: OVERVIEW

For 2018 annual Comprehensive Plan docket cycle, there are six proposed amendments to revise the Comprehensive Plan; five proposed amendments from City Staff and the Council, and one request from the public.

As for the five City proposed amendments, the following is a summary of each proposed amendment and Staff’s preliminary analysis:

1. Amendments to the Downtown Subarea Plan.

There are multiple items that should be considered in the 2018 Comprehensive Plan amendments within the Downtown Subarea Plan that was adopted in 2007 and updated in 2016. Here is an overview of each proposal:

(a) Parking Standards.

It has been requested by City Council that we shall re-assess the parking standards required by the Downtown Subarea Plan. A concern has been expressed that the parking standards within the Downtown Regional Center, especially within the Downtown Core, requires is too few off-street parking for residential development. Staff will present current standards and goals and vision of the Downtown Subarea Plan and consider what, if any, amendments are needed for this topic.

Under the Planning Commission's purview, the Commission can only provide City Council recommendations that amended the City's Comprehensive Plan or Zoning Code, which effects private property, not the area within the public right-of-way. Please note that for the last year there has been a parking study to assess the current condition of the parking system, identify future needs and make recommendations for strategies to address demand and financing of the system, all focusing within the public streets and City managed garages (link: <http://www.ci.bremerton.wa.us/986/Parking-Study>). Any comments regarding the City's Parking Study, or how the City should manage on-street parking, should be directed to the City Clerk at 360-473-5323.

(b) Provide clarification to the Design Review Board process

The City of Bremerton Downtown Subarea Plan requires Design Review Board (DRB) for projects greater than four (4) residential units or commercial projects over 5,000 square feet that are located within Downtown. When it comes to retrofitting or changing the façade of an existing building, it becomes unclear in the code if DRB is required. Staff is proposing clarification to this portion of the Subarea Plan to clearly outline when DRB is required for retrofitting, expanding or replacing an existing building in Downtown.

(c) Add consistency to the Warren Avenue Corridor Land Use Designations intent and code requirements.

It has come to Staff's attention that the Warren Avenue Corridor intent does not concur with the allowed use/development standards. The intent of the Warren Avenue Corridor is "to provide a commercial district of medium density to transition to lower scaled uses outside of the downtown. Residential uses are considered secondary to commercial uses." Though it specifically states that "residential uses are secondary to commercial uses" there is no specific code requirements to require such a requirement. This proposed amendment will examine the intent of the zone, and consider additional requirements to meet the existing intent of this land use designation.

2. Amendment to the Puget Sound Industrial Center-Bremerton Subarea Plan to allow gravel "paving" in specific circumstances. This may be expanded to include

adding a policy to the Industrial land use designation within the Comprehensive Plan Land Use Element to support gravel in certain circumstances within the Industrial land use designation.

The Puget Sound Industrial Center-Bremerton (PSIC-B) is the Manufacturing and Industrial Center located within City limits. As such, many standards required for urban development were adopted within the PSIC-B Subarea Plan; one such standard includes, “Driveways and areas used for loading, parking and maneuvering motorized vehicles shall have a paved surface.” Due to this requirement, many proposed businesses within the Industrial center are struggling to locate there due this initial expense and the consideration that much of their industrial use of the site would likely deteriorate the pavement at a greater rate. Staff would like to consider adding exceptions for industrial storage yards or long driveways on the site for industrial traffic (such as access to a gravel mine), provided the gravel does not impact the City roads or require more shoulder cleaning/maintenance and other such impacts.

This exception may also be appropriate for Industrial lands within the City, not just within the Manufacturing and Industrial Center, and will be discussed throughout the coming months.

3. Kitsap County Equivalence Table within the Land Use Element. Amend chart to address all Land Use Designations in Bremerton’s Urban Growth Areas.

It has come to the City attention that a Kitsap County classification for Urban High Intensity Commercial was not included in the Comprehensive Plan Land Use Element’s Equivalence Table (page LU-44). The City utilizes this tool to help provide clarity to the applicants and the County on what is the equivalent zoning upon annexation from Kitsap County Land Use Designations to City of Bremerton. Example: if a property is Urban Low Density Residential in the County, upon annexation, this chart identifies that they City’s most comparative designation is Low Density Residential. Staff would like to correct this error, and will review with Kitsap County to verify that allow Urban Growth Area Land Use Designations are addressed in this chart.

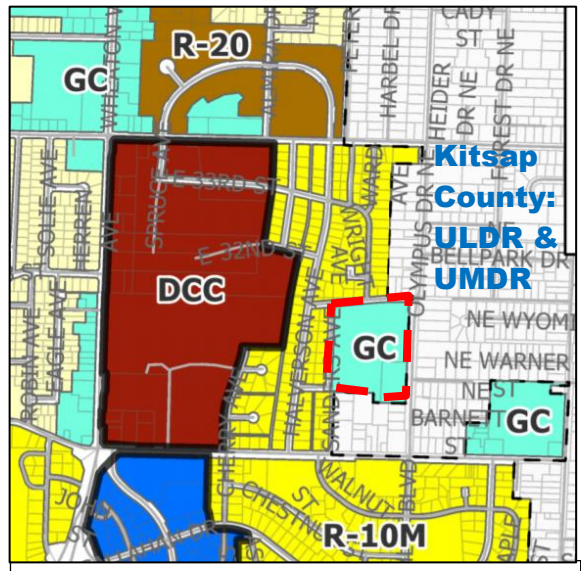
Kitsap County Land Use District	Kitsap County Zoning	Allowed Uses	City of Bremerton (COB) Land Use Equivalent	COB Land Consistent Zoning
Urban Low Intensity Commercial	Neighborhood Commercial	Provide for the quick stop shopping needs of the immediate neighborhood in which they are located. These centers should be based upon demonstrated need and shall be sized in a manner compatible with a residential setting.	Neighborhood Business	Neighborhood Business
Urban Low-Density	Urban Restricted	Applied to areas within urban growth areas that have been identified with a significant	Low Density Residential	Low Density Residential

Screenshot: Portion of the City of Bremerton Comprehensive Plan’s Equivalence Table

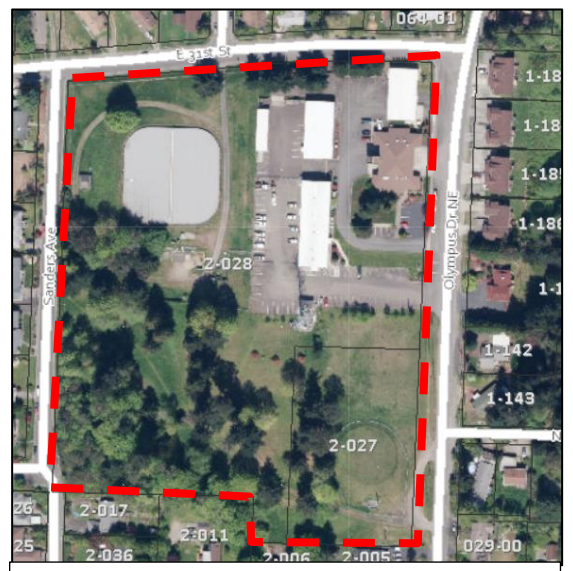
4. **Revise Land Use Map #1** for the City of Bremerton properties on Olympus Drive from General Commercial to Neighborhood Business (general address: 3027 Olympus Drive).

This property is currently owned by the City of Bremerton and used by the City’s Public Works & Utilities Department, Parks Department, and a City of Bremerton Fire Station. The current land use designation for this property is General Commercial. The intent of this designation is to provide locations for high intensity commercial uses serving the entire community while also creating a pedestrian-friendly, transit-supporting corridor.

When the Planning Commission was considering Zoning Code amendments in May 2017 to allow *Automobile Repair* businesses within certain zones, this neighborhood became aware of their current land use designation for the City of Bremerton properties and became concerned with the impacts that this could have on their neighborhood. At that time, many neighbors requested a change to the zoning to be a less intensive commercial zone, City Council directed staff to add this amendment to the next available Comprehensive Plan Amendment docket, and thus is up for discussion this year.



Current Land Use Map #1 (portion). Subject area highlighted in red (along Olympus Dr)

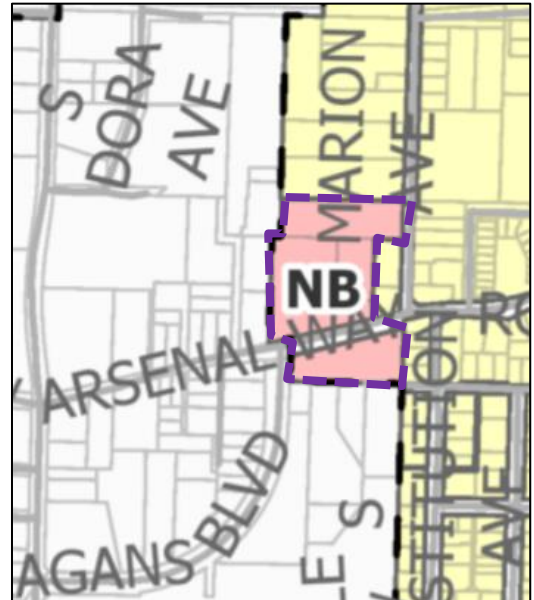


Close up aerial of the subject area (City of Bremerton property)

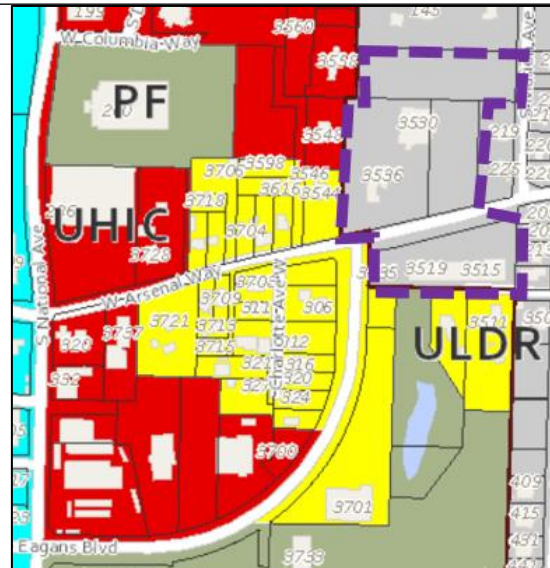
5. **Revise Land Use Map #3** for properties on Arsenal Way and Marion Avenue from General Commercial to Neighborhood Business (Tax Identification Numbers: 222401-2-104-2002, 222401-2-105-2001, 222401-2-103-2003, 222401-2-109-2007).

During the 2016 Comprehensive Plan update, these properties were debated what was the appropriate land use designations for these properties: General Commercial or Neighborhood Commercial. Due to their proximity to the single-family neighborhoods by the City's Forest Ridge Park, the Neighborhood Commercial designation was adopted for this site to be a less intensive commercial designation. This subject area includes two property owners: Sesko and Arsenal Way Partnership; and includes a small commercial strip mall with Servmart, and Western Technology Company and a property with an old dance hall.

As these properties are located adjacent to the City of Bremerton's Urban Growth Area of Navy Yard City, it has come to the City's attention that the County's land use designation adjacent to this area is Urban High Intensity Commercial. The County's designation would be more comparative to uses allowed within the City's General Commercial land use designation and thus Staff will present this to the Planning Commission for your consideration to change this commercial designation.



Current Land Use Map #3 (portion). Subject area highlighted in purple (along Arsenal Way)



Kitsap County Zoning. Subject area in purple.



6. **PUBLIC REQUEST: Revise Land Use Map #3** to allow residential uses within the Freeway Corridor for those subject parcels.

The City has received one public request for revision of the Comprehensive Plan to allow residential uses within the Freeway Corridor Land Use Designation. The applicant has requested that residential uses to be allowed within the Freeway Corridor, likely as an overlay.

General location: The applicant is the property owner of Casade Gym. This general area is between Kitsap Way and the freeway, including the Baymont Inn & Suites (formerly Howard Johnson Hotel), Four Square Church building, Mentor property, AAA & Better Properties building (adjacent to NAD Park), RV sales, a flooring company, former Agape building, and some single family homes.

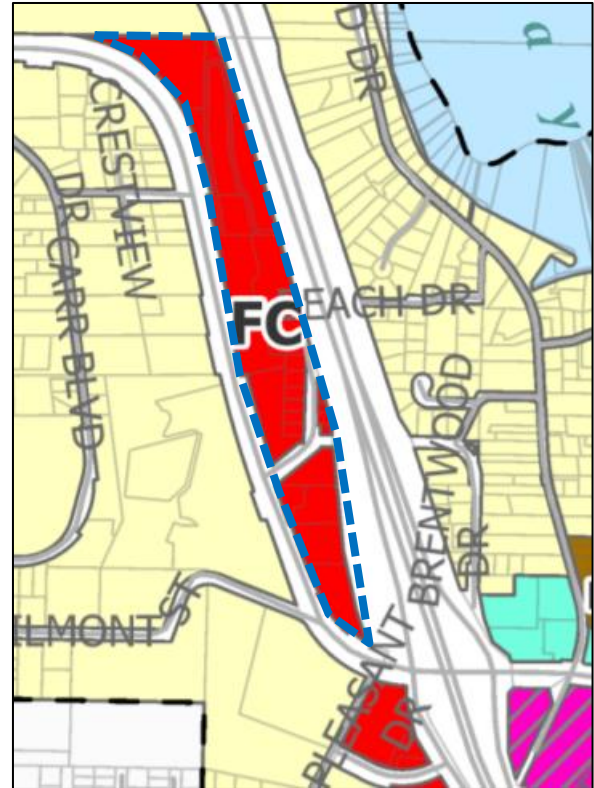
The intent of the Freeway Corridor is for commercial activities that will typically be region-serving in nature and scale that benefit from high visibility from freeways serving the region, provide large areas for parking, and may include large-scale structures and/or outdoor display or storage areas. This land use designation allows majority of commercial and light industrial uses outrightly and some more intense uses through a conditional use permit. As these uses may not be appropriate for adjacent residential uses, this portion of the code has prohibited residential uses to minimize impacts and conflicts. However, there is code written to help address incompatible uses adjacent to one another as within this land use designation, design standards, buffering and/or other techniques are used to mitigate the effects of the intense uses allowed in the Freeway Corridor on less intense adjacent uses.

As the City is feeling the impacts of a lack of supply of quality housing, Staff was supportive of bringing this conversation forward for the Planning Commission to consider. However, as the City cannot support a proposal for a spot zone, (“spot zoning” is the process of singling out a small parcel(s) of land for a use classification totally different from that of the surrounding area), Staff is proposing to expand this area as shown on the image that follow to include a much larger area for a potential overlay designation. Staff is requesting that Planning Commissions consider expanding the study area and get input from property owners in this vicinity. If this area is not expanded from the four parcels (owned by the applicant) to a larger area, the City would likely not be able to support this propose amendment.

(Images of this proposal are shown on page 8 and 9 of this report)



Initial Public Request: properties under his ownership shown in blue hatched surrounded by red Freeway Corridor designation. Tax Parcel Numbers: 3719-001-026-0608, 3719-001-027-0003, 3719-001-026-0509, and 3719-001-027-0300/



City's alternate proposal would be to apply the overlay to a larger area of the Freeway Corridor (shown above with blue outline). If Planning Commission is interested in this proposal, more public outreach will be required.

