

Approved

CITY OF BREMERTON
PLANNING COMMISSION
MINUTES OF REGULAR MEETING
March 18, 2019

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 (arrived at 5:39)
Commissioner Jones
Commissioner Nerf
Erik Pedersen

Staff Present

Allison Satter, Senior Planner, Department of Community Development
Garrett Jackson, Planner II, Department of Community Development

Others Present

Gary Gartin, Bradley L. Scott, Inc.

Commissioners Excused

Quorum Certified

APPROVAL OF AGENDA

VICE CHAIR WOFFORD MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER JONES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY. (Note: Commissioner Davis was not present for this vote.)

APPROVAL OF MINUTES

VICE CHAIR WOFFORD MOVED TO APPROVE THE MINUTES OF JANUARY 28, 2019 AS PRESENTED. COMMISSIONER JONES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY. (Note: Commissioner Davis was not present for this vote.)

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: Annual Check-In on Bremerton's Commercial Real Estate Market

Ms. Satter introduced Gary Gartin, who was present to talk about the current commercial real estate trends in Bremerton. She recalled that the Commissioners requested this annual market check-in when, due to an over flux of commercial space, the

zoning code was amended to allow residential uses on the ground floor in commercial zones. She also explained that Mr. Gartin's expertise is in commercial development.

Gary Gartin, Bradley L. Scott, Inc., shared growth trends for Kitsap County, pointing out that there has been substantial population, retail and office growth in Bainbridge Island and Poulsbo and Silverdale has gone from farmland to the major retail and office core of the County. Port Orchard's downtown is still stagnant, but there has been a lot of new retail on the south end. Bremerton hasn't experienced the population growth that other areas of the County have had. However, there is some activity near Highway 3 with the new proposed Harrison Hospital location and the strong auto dealerships and warehouses. East Bremerton (Wheaton Way) is also improving as people are starting to remodel properties, and he expects these improvements to continue. He commented that Wheaton Way is a great retail area with potential as a lot of population are living around it. Office space vacancies decreased by 15,000 square feet.

Mr. Gartin observed that Downtown Bremerton is a type of peninsula, with bridges, the ferry terminal and Puget Sound Navel Station. Most cities do not have to deal with these situations. He recalled that when he moved to Bremerton in 1986, the downtown area was the main retail center. This changed as shopping centers were built further from the downtown, and a large number of the downtown buildings were converted to office space. At one time, navy personnel occupied more than 150,000 square feet of this office space. Many of these spaces were vacated after 9-11, and some are still vacant. These large buildings no longer work for office or retail uses.

Mr. Gartin shared a chart to illustrate the office vacancy rates throughout Kitsap County, noting that Bremerton's vacancy rate is the highest. He explained that, currently, Bremerton has the most office space (over 1 million square feet), and most of the vacancies are in Downtown Bremerton and East Bremerton. He provided historic statistics, showing vacancies at just over 6% in 2001. Vacancy rates increased steadily from 2002 through 2007 as the Navy continued to vacate office space. The rates increased significantly from 2008 through 2013 as several large buildings were vacated. He pointed out that the 400 Warren Avenue Building currently has 23,483 square feet of vacant space, the Chase Building has 41,426, the Ryan Building has about 15,000, and the Kitsap Credit Union has 15,700. That makes a total over 95,000 square feet of vacant office space in the downtown's five most modern buildings.

Mr. Gartin said residential development is driving the current growth in Downtown Bremerton, and these additional people are bringing more activity to the downtown as it transforms into an entertainment district. He pointed out the new residential developments that have recently been added, as well as those that are planned. He commented that, if the perception is good, people throughout Kitsap County will start realizing that Downtown Bremerton is the place to go for an evening of entertainment. Currently there are 25 places that serve food, 18 places that serve alcohol and 262 beer taps within downtown. The patrons of these businesses are not tourists. The downtown is an excellent location for restaurants and other retail uses because patrons who live nearby can walk to them.

Mr. Gartin commented that, although there is a good number of eating establishments in the downtown, there are far fewer retail businesses. He observed that all of the small retail spaces are occupied and it is difficult for smaller retail businesses to locate in the remaining retail spaces in buildings that are more than 100 feet deep. He shared his earlier plan to convert a 2-story building in the downtown into four residential units and smaller retail spaces. His intent was to locate two residential units on the top floor and two residential units on the ground floor behind a 50-foot deep retail area. The retail area would then be divided into two, 1,500 square foot spaces. Although the market would support this type of project, the parking requirement made it impossible because the building covered the entire lot. He was also unable to find a nearby property owner who was willing to tie up property with a long-term deed restriction to provide parking for his building. He summarized that, in his opinion that based on the current code requirements, the old buildings in the downtown will remain empty until they are eventually torn down and redeveloped with something new.

Mr. Gartin said that the building he was considering was owned by the same owner as an adjacent building, and both buildings were sprinkled on all floors. However, once ownership was separated, the building he was interested in would have to be disconnected from the sprinkler system. Putting the sprinklers back together would have required tearing up the street and a cost of about \$75,000.

Mr. Gartin encouraged the City to focus on increasing density within a mile of the ferry terminal. He urged the City to put rules and regulations that match the reality of what developers are going to do. He encouraged more flexible plans that support

the market needs. Developers have creative ideas and capital, but they want to make a profit, as well. The more obstacles the City creates, the less opportunities there are for them to do that. He summarized that, as more people come to the downtown, public perception will start to change. Perception is more important than reality, and the City must do whatever it can to bring people here.

Chair Tift invited members of the public to ask questions, but no one came forward.

Commissioner Davis said he has read in progressive design media where some cities have allowed flow-through systems for sprinklers to make it easier to create live/work spaces. He has also read how dying malls in retail zones in the Midwest are being converted to residential units. He referred to a model in Tacoma where living space is being created in an old warehouse district. He asked if Mr. Gartin could think of some way the City could work with developers to bring this type of pop-up retail space that can be turned into something else later as the vacancy rate approaches single digits. **Mr. Gartin** pointed out that retail space in the downtown has the cheapest rents in the County, but the spaces are just too large for small businesses. He also suggested it would help if the parking requirement was eliminated for buildings with fewer than 4 or 6 residential units.

Commissioner Davis asked Mr. Gartin if more food options are needed in the downtown. **Mr. Gartin** pointed out that about 70% of the retail spaces in the downtown are empty. He suggested that changes would naturally happen if more small retail spaces are created and there are more opportunities for people to live downtown. In the modern world, most sales happen on evenings and weekends. As the population in downtown increases, more retail stores will stay open on nights and weekends and tourists will start to come, too. It will take time.

Commissioner Davis recalled that, when he was a City Council Member, the City engaged Roger Brooks as a consultant, and his primary focus was on maximizing density, increasing the critical mass of people and governments getting out of the way of development. Punitive things like an inventory taxes and empty-space taxes do not work to spur innovation. **Mr. Gartin** responded that these taxes will simply be paid by the tenants, and allowing developers to build in a timely manner is most important. He also commented that, at some point, there needs to be more parking structures in downtown Bremerton to address future parking needs and get cars off the streets. An excellent location is the block across from the police station between Warren Avenue and Chester Avenue. He observed that lack of parking is one reason for the high vacancy rate for office space, too.

Chair Tift said the business model that always seems to be discussed is the idea of getting more people downtown, but they should also keep in mind that about 10,000 people come downtown to work (i.e. the Shipyard + Naval Base Kitsap employees). Although they are only in downtown for a short period of time each day, the City should also focus on capturing this population by finding activities (entertainment, education, etc.) for them to do on their way home. **Mr. Gartin** said he was skeptical about being able to capture these workers' attention. Once they are off work, they typically just want to go home.

Chair Tift said another option is to encourage more park-n-ride lots that are external to the downtown. He felt that many of the shipyard employees would relish riding the bus into downtown if there was a park-n-ride lot with an express bus service from Wheaton Way, the old hospital, Silverdale, etc. This opportunity would significantly increase ridership on mass transit, which is one of the Mayor's initiatives. He commented that ignoring this population is not an effective strategy. **Mr. Gartin** pointed out that while the shipyard workers and ferry commuters create a parking problem, they also create an opportunity for the businesses to capture additional patrons. He noted that the shipyard has focused on moving exterior operations on base, which has resulted in an additional loss of tenants in the downtown.

Commissioner Nerf commented that transportation should not be focused on getting out vehicles in and out of downtown. If it were harder to get in and out of downtown, there would be an increased demand for alternative modes of transportation and people would be more interested in living within walking distance. If you want to create a walkable community, they should avoid optimizing vehicular access. **Mr. Gartin** advised that office tenants are leaving the downtown because it is too hard for their workers to get in and out of the area quickly.

Public Workshop: Zoning Code Amendments for Bremerton Municipal Code (BMC) 20.46.040

Ms. Satter presented proposed amendments to BMC 20.46.040 (Manufactured Homes). She reminded the Commission that the zoning code can be changed multiple times throughout the year, and the proposed amendment is part of the City's infill

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toolkit for providing more opportunity for affordable homes. The amendment would reduce the minimum size of an allowed manufactured home from 24 feet to 20 feet in width. She advised that a few years ago, the State required that jurisdictions plan for manufactured homes in a way that is consistent with single-family homes. That means that manufactured homes must be allowed in all zones where single-family homes are allowed, and the City's code is very similar to the State's model ordinance. Currently, the code allows one manufactured home per lot and it must meet certain size requirements. Manufactured homes must be new and located on a permanent foundation that is attached to the ground, and it must meet design criteria (roof pitch, siding material, etc.).

Ms. Satter explained that the current code (BMC 20.46.040) only allows manufactured homes that are double wide and each component must be at least 12 feet by 36 feet. She explained that manufactured homes can come in a variety of configurations and pieces. To address the various types of manufactured homes, staff is proposing an amendment that changes the minimum width of each section from 12 feet to 10 feet. She explained that the older lots in Bremerton are 30-foot wide, and that is the minimum lot width in residential zones, too. With a 5-foot setback required on each side, there is only room for a 20-foot wide home. Basically, the code requires manufactured homes to be a minimum of 24-foot wide, but the smaller lots only accommodate a 20-foot width. The amendment is intended to address this inconsistency.

For the Commission's information, **Ms. Satter** reviewed a variety of possible floor plans that would work on a 30-foot wide lot. She also shared a drawing to illustrate how a 20-foot wide manufactured home and 5-foot side setbacks could be accommodated on a 30-foot wide lot.

Ms. Satter advised that if the Commission determines it has enough information to schedule a public hearing, staff will move forward with environmental review and public/agency outreach on the proposed amendments. Staff anticipates a public hearing in April, followed by a recommendation from the Commission to the City Council.

Chair Tift invited members of the public to comment and/or ask questions regarding the proposed amendment, but no one came forward.

Commissioner Davis questioned if the vocabulary contained in the current code would encourage the more modern construction techniques or if a separate set of requirements would be needed to encourage people to think of prefabricated homes as opposed to the older style of manufactured homes. He agreed that manufactured homes have great potential as infill development and affordable housing, but perhaps there needs to be a separate discussion to define prefabricated homes. **Ms. Satter** said staff has worked with the Building Official to address this issue, but she agreed to seek further input before the next meeting about the differences in prefabricated homes for further discussions with Planning Commission.

Commissioner Jones asked if the City has received many applications for manufactured homes. **Ms. Satter** answered no, but noted that there is not a separate permit type for manufactured homes. The permit would be the same as for any other single-family residential home. Manufactured homes are required to meet Department of Labor and Industry standards, and staff's review is focused on design, roof pitch, setbacks, size and how it is attached to the ground. Once a permanent foundation is in place, the City relies on the Department of Labor and Industry to approve the remainder of the project. **Ms. Satter** said she anticipates there will be more manufactured homes if the amendment is adopted.

Vice Chair Wofford asked if the code language can differentiate between a manufactured home and a prefabricated home. **Ms. Satter** agreed to address that question in the next staff report. Currently, the code provision applies to manufactured homes as defined by the Revised Code of Washington (RCW). **Vice Chair Wofford** asked if the code allows for shipping containers to be converted into homes. **Ms. Satter** answered no and explained that shipping containers could be permitted and would also have to be on a permanent foundation, which is where they struggle as it becomes costly. In addition, the fire and building codes would also apply and would require the shipping containers to be updated.

Commissioner Nerf asked if someone could obtain a variance to place a manufactured home on a 30-foot wide lot based on the current code. **Ms. Satter** answered that the City would not likely be able to grant a variance because it would be considered a self-created hardship. The better option would be to change the code as proposed.

The Commissioners agreed to move the proposed amendment forward to a public hearing in April, but they asked staff to provide additional information and potential definitions for "manufactured" and "prefabricated" homes.

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BUSINESS MEETING

Chair Report

Chair Tift recalled that the Commission’s February meeting was cancelled due to the extreme weather. He expressed his belief that the City did a great job of working with that unusual event. He particularly thanked the Public Works Department for their effort.

Director Report

Ms. Satter reported that the Mayor is working with staff to fill the vacant position on the Planning Commission. There are some good candidates up for consideration.

Ms. Satter advised that, on March 6th, the City Council unanimously adopted the Planning Commission’s recommendation to amend the Comprehensive Plan Amendment Process and remove “mini storage” as an allowed use in the District Center Core.

Due to spring break and staff members taking vacations, **Ms. Satter** asked the Commission to consider changing the April meeting from April 15th to April 22nd. With the exception of Commissioner Nerf, all of the Commissioners indicated they could attend on April 22nd. They agreed to change the meeting as proposed.

Old Business

There was no old business.


New Business

There was no new business.

ADJOURNMENT

The meeting was adjourned at 6:28 p.m.

Respectively Submitted by:


Andrea L. Spence, AICP
Executive Secretary


Rick Tift, Chair
Planning Commission

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