

# PLANNING COMMISSION AGENDA COVER SHEET

**MEETING DATE:** October 2, 2018

**FROM:** Barry A. Berezowsky, DCD Director BB  
Initials

**SUBJECT/ISSUE:** Public Hearing on 2018 Comprehensive Plan Amendments

Discussion dates			
<b>CATEGORY</b>	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation  10 mins.
	<input type="checkbox"/> Public Meeting	<input type="checkbox"/> Consent Agenda	
	<input type="checkbox"/> Unfinished Business	<input checked="" type="checkbox"/> New Business	

**PROBLEM/ISSUE STATEMENT:**

The City received the final Bell Creek Community Economic Revitalization Board Report prepared by Eric Hovee in May 2018. While this report was primarily focused on the Holt Economic Opportunity Area Property (AKA Bell Creek property), the report also discussed and made recommendations regarding other nonresidential properties throughout the City.

One of the primary recommendations made was to discontinue the Comprehensive Plan requirement to develop a sub area plan prior to developing land in the City’s two Economic Opportunity Areas (EOAs).

Staff is proposing three amendments to the Comprehensive Plan to remove the prohibition on developing within the EOAs prior to the development of a sub area plan.

**ATTACHMENTS:**

- 1. Discussion/Analysis: Staff Report
- 2. Public Notice
- 3. Public Comment Letter

## **DISCUSSION/ANALYSIS:**

**City of Sequim  
2018 Comprehensive Plan Amendments  
Staff Report  
Presented to the Planning Commission  
October 2, 2018**

### **INTRODUCTION:**

The City of Sequim's 2015 Comprehensive Land Use Plan (CP) includes many references to sub areas and sub area planning. While it is not unusual for a jurisdiction to make mention of sub area planning in its comprehensive plan, the number of references to sub areas and sub area planning in Sequim's 2015 CP appears unusually high. While the countless references to sub areas and sub area planning is not the subject of this round of proposed comprehensive plan amendments, the reader is reminded that according to the City's CP, there are apparently more than 22 locations throughout the City and its Urban Growth Area (UGA) identified as candidates for sub area designation and, therefore, the development of a sub area plan. In addition, all future Neighborhood Commercial zoning districts are required to be identified through a "centers" based sub area planning process (Land Use, Chapter 3, pg. 30). A cursory search of comparable jurisdictions' comprehensive plans found no evidence of a similar reliance and/or emphasis on sub area planning.

Sub-area planning is not a legal requirement under the Growth Management Act (GMA) and therefore, whether the City requires sub area planning prior to development occurring in a zoning district is strictly a question of City Council policy.

The 2018 Comprehensive Plan amendments proposed below are intended to modify the City's policy requiring a sub area plan be developed prior to allowing development other than single-family housing in the City's two EOAs.

### **STAFF DISCUSSION:**

Sub area plans are detailed plans prepared for a smaller geographic area within a community. The areas can encompass neighborhoods, corridors, downtowns, or other types of special districts that show cohesive characteristics. Also referred to as sector, small area, character area, or specific area plans, sub area plans typically deal with the same topical issues addressed in Comprehensive Plans but include a greater level of detail.

Sub area plans are often useful to a City looking at adopting or amending an urban growth area (UGA) or developing an annexation plan for land already designated as a UGA. Identifying and understanding the type of improvements necessary to support development in undeveloped or underdeveloped areas is a typical purpose of a sub area planning process.

Sub area plans are almost always done by the local government, although public involvement would be an important element of the process. It is highly unusual for a sub area plan to be undertaken by a private party. Private development is most often done through the Master Planning process, especially if the private development is significant in size.

#### **SUB AREA PLANNING REQUIREMENT:**

The first policy statement in the CP requiring sub area planning is found in Land Use Policy 3.6.1 ECONOMIC OPPORTUNITY AREAS (EOAS) (Chapter 3, pg. 33), which states:

*“Rather than speculate on the market for additional regional retail and Sequim’s attraction for high-tech and other light industrial use, Economic Opportunity Areas are designations on the Land Use Plan map that rely on sub area planning / master-planning processes to direct the range of land uses, guide site and building designs, ensure effective transitions to adjacent districts, and set out the program of capital improvements to serve the site. Sub area planning is initiated when there is an opportunity to work with a major landowner/project proponent to pursue a large development that fits the setting and contributes to the economic base.”*

(emphasis added.)

While the importance of the EOAs in the City’s economic development land use strategy is noted, there is no good reason why development and design standards and a list of permitted uses could not be prepared without the procedural requirements demanded by a sub area planning process. The City was able to identify permitted uses and development and design standards for the R4-8, Lifestyle, High Tech Light Industrial, Heavy Commercial, Neighborhood Commercial, Community Business, Highway Commercial, the three Downtown Zoning Districts. The question is, why couldn’t the same be done for the two EOAs? The plan articulates no reason other than not wanting to “speculate on the market for additional retail and Sequim’s attraction for high-tech and other light industrial use” (see Policy 3.6.1 above). Frankly, land that basically has little value because zoning does not allow conversion to a higher value of land use is a perfect target of speculators who will reap the benefit once government decides to open the doors to development.

As a first step to resolve how to address the future of the City’s two EOAs the City initiated a study of the eastern EOA (the Bell Creek property) that was funded through a Community Economic Revitalization Board (CERB) grant and City and property owners’ contributions. In this study the consultants concluded that a sub area plan is not necessary and, in fact, may pose as a hindrance to development.

The *Bell Creek EOA Planning Report, BergerABAM, May 1, 2018, pg. 3* study concluded:

*“[a]t the outset, this Bell Creek EOA planning process was intended to meet the sub area plan requirement; however, as the process unfolded, it became clear that the requirement for a sub area plan places an unnecessary burden on property owners and could limit the flexibility needed for future development to respond to market conditions. In addition to the Bell Creek EOA, an EOA is designated in the western portion of the City, north of Highway 101, south of Washington Street, east of River Road, and west of North 7th Avenue. Unlike the Bell Creek EOA, which is currently under single ownership, the western EOA includes multiple property owners and the sub area plan requirement would be even more difficult to satisfy. The purpose of the EOA zone can be fulfilled without a full sub area plan. This can occur with use and development standards that assure non-employment uses will support and complement primary employment activity on the site and with design guidelines that protect ecological features and ensure a high-quality product design. Section 3.0 discusses recommended use and development standards and design guidelines.*

*(Emphasis added.)*

#### **STAFF CONCLUSION AND RECOMMENDATIONS:**

Staff agrees with the report’s conclusion that completing a sub area plan in the western EOA would primarily be difficult and, therefore unlikely, due to the number of individual property owners. Currently, western EOA consists of 86 acres separated into 30 parcels which are owned by 19 property owners. In contrast, the eastern EOA consists of approximately 53 acres under one ownership. Staff also agrees with the report’s conclusion that the purpose of the EOA zones can be fulfilled without a full sub area plan by developing use and development standards and design guidelines to protect environmental features and ensure a high-quality product design.

There are sound economic arguments in support of lifting the sub area planning requirement for the two EOAs. In summary, restricting uses and, therefore, limiting development options encourages property owners to sit on their property as others (including the public sector) make investments into streets, utilities and other public amenities in areas adjacent or near to the EOAs which increases the value of the properties throughout the general vicinity, including the properties unable to develop due to government restrictions. Even though property values will increase across the board, these undeveloped properties will, over time, pay a smaller and smaller proportion of property taxes while the value of surrounding property increases faster and, therefore, pay a higher property tax relative to the undeveloped properties. Therefore, it appears the rationale cited in the plan, excessive speculation, as the basis for limiting land uses in the City’s two EOAs until a sub area plan is prepared is counter-productive to the economic needs of the City and, will in fact, foster speculation in the market place.

Therefore, staff respectfully recommends the Planning Commission recommend the City Council amend Figure 3.B. on page 7, Land Use Policy 3.6.1 on page 33, and Policy 3.6.3 on page 35 in Chapter 3 of the City's Comprehensive Plan discussing sub area planning as a requirement prior to development occurring other than single-family housing in the City's two EOAs. Deleting this narrative does not prohibit the City from conducting sub area planning. If the City chooses to designate sub areas or conduct sub area planning, it may do so under State law. The Growth Management Act (GMA) allows, but does not require, sub area planning and it does not require the process to be spelled out in the City's Comprehensive Land Use Plan.

**Amendment #1:**  
**Figure 3.B. Future Land Use Plan Designations, Uses, Densities and Probable Zones, Pg. 7.**

Chapter 3—Land Use

Page 7

**FUTURE LAND USE PLAN DESIGNATIONS, USES, DENSITIES AND PROBABLE ZONES**

Land Use Designation	Typical Land Uses	Planned Density Range	Potential Zone Class.
Single-Family Residential (SFR)	Single-family, detached homes; by CUP: neighborhood parks, schools, public services, special needs housing.	Lots of 5,400 sf min. and 14,500 sf max. (4-8 du/ac.); min. plat avg. of 4 du/ac.	R4-8
Lifestyle District (LD)	Housing of all varieties and density; neighborhood retail; health-care offices, clinics, hospitals; congregate care and assisted living; public services and facilities.	Only limited by height, bulk and site requirements	LD
Neighborhood Center (NC)	Neighborhood retail and services; multi-family housing in integrated, planned MU developments; public facilities.	Only limited by height and site requirements	NC
Community Business (CB)	Community retail and services; public facilities.	NA	CB
Regional Commercial (RC)	Regional retail and services	NA	RC
Highway Commercial (HC)	Visitor and tourist retail, service and lodging.	NA	HC
Heavy Comm. / Warehouse (HC/W)	Contractor yard; wholesale; warehouse; light product assembly and finishing	NA	HC/W
High Tech Light-Industrial (HTLI)	Research, design, manufacturing, and assembly of high-value products in indoor facilities with office-like exteriors	NA	HTLI
Economic Opportunity Area (EOA)	<del>Determined by subarea plan: High-tech light industrial, institutional, regional retail, mix of residential / retail / employment/educational/</del>	<del>If Residential is included, determined by sub-area plan. Only limited by height, bulk and site requirements</del>	EOA (SF4-8 as placeholder)
Downtown District (DD)	As per 2011 Downtown Plan: full range of community- serving uses with specified exceptions.	Determined by FAR and max. height As adopted in master plan.	DC, DMU-I, DMU-II
Planned Resort Community (PRC)	Residential of varying densities and types, local retail and services, tourism activities (by master plan).		PRC
Agriculture Conservancy (AC)	Low-intensity agriculture; open space	NA	AC
Neighborhood Park (NP)	Active sports and passive neighborhood recreation	NA	R4-8
Major Park / Open Space (P/OS)	Community-wide sports and passive recreation; preservation of natural areas, habitat, ecology	NA	P/O S
Schools (SCH)	Public schools	NA	R4-8

Fig 3.B Future Land Use Plan Designations, Uses, Densities and Probable Zones

## Amendment #2: LU 3.6.1 Economic Opportunity Areas (EOAS). Pg. 33.

### LAND USE

## ECONOMIC EXPANSION & DIVERSITY

**LU GOAL 3.6 ECONOMIC EXPANSION & DIVERSITY:** Enhance the community's capacity to sustain its quality of life as it grows by expanding the range of economic activities and employment opportunities.

### POLICIES

#### LU 3.6.1 ECONOMIC OPPORTUNITY AREAS (EOAS)

*Designate "Economic Opportunity Areas" that are comprised of large, underdeveloped lands with good access to US 101 and other infrastructure as venues to expand and diversify the city's economic base and increase living-wage employment opportunities.*

**Discussion:** The city has more than 100 acres of undeveloped or underutilized land that are well-located to add to the community's economic base and increase employment opportunities. ~~Rather than speculate on the market for additional regional retail and Sequim's attraction for high-tech and other light industrial use,~~ Economic Opportunity Areas are designations on the Land Use Plan map representing areas of the City that can accommodate a range of land uses that will stimulate the economy by creating new employment opportunities. These areas may be developed over time in an incremental fashion or as a unified development concept defined through a master plan or sub area planning process that rely on subarea planning / master planning processes to direct the range of land uses, guide site and building designs, ensure effective transitions to adjacent districts, and set out the program of capital improvements to serve the site. Subarea planning is initiated when there is an opportunity to work with a major landowner / project proponent to pursue a large development that fits the setting and contributes to the economic base.

EOAs are designed for any major development that contributes to city goals for economic resiliency and economic / social diversity. While high-tech / light industrial use (see LU 3.6.2) is at the top of the value-added list, expansion of regional retail including car dealerships, tourist facilities, institutional uses, and mixed-use development (see LU 3.6.3) are also potential projects.

Of particular high value to Sequim's future are uses such as a college branch campus or vocational training institute.

Since EOA map designations are in locations of high visibility at major entrances to the city, among the base development criteria to insure a good community fit is project design that reflects the community's character and contributes to a positive community image. Projects that meet this expectation present a good "face" to visitors on all sides, have excellent architectural details, include integrated signing that projects high visual quality, connect to their surroundings both visually and operationally, and use landscape elements to minimize the impact of asphalt expanses for parking lots.



An example of an EOA located on the east side of Sequim Avenue as you enter Sequim.

#### LU 3.6.2 HIGH-TECH LIGHT INDUSTRIAL

*Increase opportunities for new primary employment and local economic diversity by creating new districts for High-Tech Light Industrial use within the existing urban fabric where services and transportation are available.*

**Discussion:** Sequim is a place that people settled to live off the land and continue to choose for its

## Amendment #3: LU 3.6.3 Mix of Residential, Services & Employment, Pg. 35.

### LAND USE

EOA sites have an inherent duty to be good neighbors to surrounding housing standards for high-quality, low-scale design and mitigation of noise, glare and other operational factors are among the community expectations to make HTLI use both a good neighbor and a positive contribution to the city's visual quality.

The total land area designated in the Plan for HTLI development is approximately 225 acres, equivalent to eleven Sequim Walmart sites.

#### LU 3.6.3 MIX OF RESIDENTIAL, SERVICES & EMPLOYMENT

*Create a mix of residential, services, and employment where combining uses vertically or horizontally in a planned development increases the community's economic base and job opportunities while allowing for the lifestyle benefits of living near work.*

**Discussion:** Traditional "mixed use" development combines land uses that are commonly separated into single-purpose zones but can be integrated on a unified site through master-planning and design controls. Most mixed-use projects combine higher- density living with related retail and services uses and / or major employers.



Many Downtown areas incorporate mixed use development to combine commercial and residential uses.

Mixed use is inherent to the Downtown District in which projects combine residential and non- residential uses either vertically within the same

building - apartments over shops, for example - or within a planned development - condos on the same site as businesses that serve residents' needs. This type of interdependent relationship among places to live, work, and shop is common to highly urban cities and not generally viewed as "small town." However, **within the framework of sub-area planning of Economic Opportunity Areas** (see Policy LU 3.6.1), mixed-use on a limited scale is a possibility for larger EOA sites that don't impose on Low Density Residential neighborhoods. The inclusion of major employment in projects is somewhat dependent on the degree of connection between the career fields of project residents and the types of jobs offered.



**FINANCIAL IMPLICATIONS:**

None

**STAFF RECOMMENDATION:**

Accept staff's proposed amendments and recommend the City Council amend the City's 2015 Comprehensive Plan.

**MOTION:**

I move to recommend (APPROVAL), (APPROVAL WITH MODIFICATION), (DENIAL) to the City Council of staff's recommended amendments to the City's Comprehensive Plan as shown above in Amendments #1 through Amendment #3.

## 2. PUBLIC NOTICE



152 W. Cedar Street, Sequim, WA 98382  
PH (360) 683-4908 FAX (360) 681-0552

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**CITY OF SEQUIM  
NOTICE OF APPLICATION, PUBLIC MEETING AND PUBLIC HEARING  
AND INTENTION TO UTILIZE THE OPTIONAL DNS PROCESS  
AND ISSUE A DETERMINATION OF NON-SIGNIFICANCE**

**PROJECT NAME:** 2018 Comprehensive Plan Amendments

**LOCATION:** City of Sequim

**PUBLIC COMMENT PERIOD:** Open until **September 24, 2018**

**PROPONENT/PROJECT LEAD:** Barry Berezowsky, Community Development Director,  
City of Sequim

**PUBLIC HEARING:** Sequim Civic Center, 152 W. Cedar St., **October 2, 2018 at 6:00 PM.**

**PUBLIC HEARING:** Sequim Civic Center, 152 W. Cedar St., **October 22, 2018 at 6:00 PM.**

**PROJECT DESCRIPTION:** As required by the Growth Management Act (GMA) the City conducted an annual review of its Comprehensive Plan, after which, the City Council set a 2018 Comprehensive Plan Amendment docket that includes amendments to the Comprehensive Plan initiated by the City. The amendments would discontinue the requirement to develop a sub area plan for areas currently designated as “Economic Opportunity Area” (EOA) before they can be developed to standards other than those prescribed by the “Single Family Residence” (R4-8) zone. Other amendments would include minor corrections to inconsistent text, map, and table sections in the plan.

**CONSISTENCY W/ APPLICABLE CITY OF SEQUIM PLANS & REGULATIONS:**

The proposal will be reviewed for compliance with all applicable codes and standards, including the Growth Management Act (GMA), Sequim’s Comprehensive Plan, and Sequim Municipal Code.

**COMMENTS:** Persons wishing to comment on the project should submit written comments within fourteen (14) days of the date of this notice, by **4:00 P.M. on Monday, September 24, 2018** to the City of Sequim Department of Community Development (DCD), c/o Barry Berezowsky, 152 West Cedar Street, Sequim, WA. **The public, tribes and agency staff are encouraged to comment on this application as this may be your only opportunity to**

**comment on this project.** However, public comments will be accepted up to and any time prior to the closing of the public hearing but will not be included in the staff report. Public comments should be as specific as possible and submitted to the City as early in the review of the application as possible. Public comments may be mailed, emailed, personally delivered or faxed to the City. Any person has the right to comment on the application, receive notice of and participate in any hearings, request a copy of the decision once made, and may appeal the decision.

**REQUIRED PERMITS & STUDIES:**

- State Environmental Policy Act (SEPA) Environmental checklist;
- City of Sequim, 2015 Comprehensive Plan Update, EIS Addendum (to 1996 EIS and 2006 Updated Environmental Checklist), June 26, 2015, Weinman Consulting, LLC.

**LEAD AGENCY:** The City of Sequim assumes lead agency status for this project.

**SEPA THRESHOLD DETERMINATION:** The SEPA Responsible Official anticipates adopting the above referenced 2015 Comprehensive Plan Update, EIS Addendum and supporting documents and, thereby, issuing a Threshold Determination immediately after the project's comment period ends on **September 24, 2018**. Based on the checklist submitted and associated environmental documents, listed above, and incorporated by reference (WAC 197-11-600(4)(b), the adopted City Comprehensive Plan and development regulations it is anticipated that a threshold determination resulting in a Determination of Non-Significance (DNS) will be issued for this project per WAC 197-11-158. An environmental impact statement (EIS) is not required under RCW 43.21(C).030(2)(c). A copy of the subsequent threshold determination may be obtained upon request and will be available on the City's webpage ([www.ci.sequim.wa.us](http://www.ci.sequim.wa.us)).

**ANTICIPATED MITIGATION MEASURES:** The Responsible Official anticipates the following Mitigation Measures:

NONE

### 3. PUBLIC COMMENT LETTERS

Mr. Barry Berezowsky, City Council members, City of Sequim Staff,

I write this email to you serving as both a reminder and a request regarding clarification and changing of current western EOA (behind Costco and Home Depot) land use designation. It is a reminder because I have already spoken with city staff members on several occasions (principally Mr. Berezowsky) and each of the current city council members about my situation. It is a request because I am interested in the current western EOA designation area being changed or clarified to allow for broad mixed commercial uses as would be appropriate for the area.

As you know, under the current designation for this area, the only allowed use of the property is the construction of single family residential homes. I realize that over the last several years the city has been planning for future growth that is coming and will continue to come, and as a result the city has made changes here and there in regard to land use designation. It appears that this area was earmarked as an area fitting for economic opportunity such as commercial development that would bring jobs, tax revenue, and conveniences to the city. However, in the mix of everything it appears that permitted uses were never assigned to the area therefore leaving the only option of single family home construction. As at least one city council member joked, "what does economic opportunity area have to do with building homes?"

As a reminder, I own three, five-acre parcels behind Costco beginning at the corner of 9th Ave and where Hemlock would intersect, extending west toward River Road. This land lies between Costco and Home Depot to the north, and the highway to the south. I do believe that this area is much more fitting for big box retailer, car lot, light industrial/warehouse, etc. than it is residential construction. As I have consulted with Steve Smith of Sun Valley Realty he has indicated that he has, and continues to have, parties that are potentially interested in improving the land, however, they cannot do so absent changes and clarification to this area.

Earlier this year I took the opportunity to reach out to each city council member to survey their thoughts on returning this area to a commercial designation. I was very encouraged by the discussions I had as each member seemed to agree with this change.

Therefore, I respectfully request that this area be returned to a broad commercial designation that does not require a sub area plan in order for development to occur. It would be very restrictive to require that all landowners in the area be in total agreement with any improvement that is done. That being said, I do think that most owners in this area would be interested in the opportunity to develop their property.

As an aside, I also want to propose to the city staff and city council members the interest that I have in working with the city to extend Hemlock from 9th Ave to River Road behind Costco. Obviously, it would be beneficial to see Hemlock extended from 9th Ave to 7th Ave as well. I would hope that the Dawley family would be interested in seeing this happen.

Thank you for your time and service,

Danny Wakefield  
360-477-9201  
[danny\\_wakefield@hotmail.com](mailto:danny_wakefield@hotmail.com)