

**CITY COUNCIL  
AGENDA COVER SHEET**

**MEETING DATE:** October 22, 2018

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

**SUBJECT/ISSUE:** **Resolution R2018-24 Adopting 2018 Comprehensive Plan Amendments**

Discussion dates				
<b>CATEGORY</b>	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation  15 mins.	
	<input checked="" type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Work Session			
Charlie Bush, City Manager			CPB	10/15/18
Kristina Nelson Gross, City Attorney			KNG	10.16.18
Karen Kuznek-Reese, City Clerk			KKR	10/18/18

**PROBLEM/ISSUE STATEMENT:**

The City received the final Bell Creek CERB Report prepared by Eric Hovee in May 2018. While this report was primarily focused on the Holt 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 subarea plan prior to developing land in the 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 subarea plan.

**ATTACHMENTS:**

1. [Wakefield comment letter](#)
2. [Resolution R2018-24 Adopting 2018 Comprehensive Plan Amendments](#)
3. [PowerPoint Presentation](#)

## **DISCUSSION/ANALYSIS:**

The City of Sequim's 2015 Comprehensive Land Use Plan (CP) includes many references to subareas and subarea planning. While it is not unusual for a jurisdiction to make mention of subarea planning in its Comprehensive Plan, the number of references to subareas and subarea planning in Sequim's 2015 CP appears unusually high. While the countless references to subareas and subarea planning is not the subject of this round of proposed Comprehensive Plan amendments, the reader is reminded that according to the City's Plan, there are apparently more than 22 locations throughout the City and its Urban Growth Area (UGA) identified as candidates for subarea designation and, therefore, the development of a subarea plan. In addition, all future Neighborhood Commercial zoning districts are required to be identified through a "centers" based subarea 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 subarea planning.

Subarea planning is not a legal requirement under the Growth Management Act (GMA) and, therefore, whether the City requires subarea planning prior to development occurring in a zoning district is strictly a question of City Council policy. If subarea planning is confirmed to be a requirement prior to development, the subarea process should then be better defined in the City's Comprehensive Plan.

The 2018 Comprehensive Plan amendments proposed below are designed to allow development other than single-family housing in the EOAs without the development of a subarea plan.

## **STAFF DISCUSSION:**

Subarea 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, subarea plans typically deal with the same topical issues addressed in Comprehensive Plans but include a greater level of detail.

In addition to the above uses of subarea plans, subarea 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 subarea planning process.

Subarea 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 subarea 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.

## **SUBAREA PLANNING REQUIREMENT:**

One of the first requirements for subarea planning is found in LU 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 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.”*

While the importance of the EOAs economic development is noted, there is no good reason why development and design standards and a list of permitted uses could not be prepared without all the procedural requirements demanded by a subarea planning process. The City was able to identify permitted uses and development and design standards for the R4-8 zoning district, the Lifestyle District, the High Tech Light Industrial District, the Heavy Commercial District, the Neighborhood Commercial District, the Community Business District, the Highway Commercial District, the three Downtown Zoning Districts, but for some reason the same could not be done for the two EOAs?

The eastern EOA was recently subjected to a study funded through a Community Economic Revitalization Board (CERB) grant and City and property owners’ contributions. In this study the consultants concluded that a subarea plan is not necessary and, in fact, may pose as a hindrance to development.

*The study concluded, “[a]t the outset, this Bell Creek EOA planning process was intended to meet the subarea plan requirement; however, as the process unfolded, it became clear that the requirement for a subarea 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 subarea plan requirement would be even more difficult to satisfy. The purpose of the EOA zone can be fulfilled without a full subarea 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) (Bell Creek EOA Planning Report, BergerABAM, May 1, 2018, pg. 3).*

## **STAFF CONCLUSION AND RECOMMENDATIONS:**

Staff agrees with the report's conclusion that completing a subarea plan in the western EOA would be difficult and, therefore unlikely, due to the many individual property owners. Currently, there are 30 parcels and 19 property owners and approximately 86 acres in the western EOA. 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 subarea plan by developing use and development standards and design guidelines to protect environmental features and ensure a high-quality product design.

Therefore, staff respectfully recommends the Planning Commission recommend the City Council amend the following in Chapter 3 of the City's Comprehensive Plan. Figure 3- on, page 7 and Land Use Policy 3.6.1 on page 33 and Policy 3.6.3 on page 35 discussing subarea 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 subarea planning. If the City chooses to designate subareas or conduct subarea planning, it may do so under State law. There is nothing in the Growth Management Act (GMA) requiring a subarea planning process 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	<del>HC</del>
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 into 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) of the Planning Commission's recommended amendments to the City's Comprehensive Plan as shown above in Amendments #1 through Amendment #3.