



Department of Planning and Community Development

Memorandum

Date: May 22, 2018
To: City Council
From: Jennifer Sutton, AICP
Senior City Planner
Subject: Ordinance 2018-13 Business/Industrial Zoning District Regulations

BACKGROUND

During the Comprehensive Plan update process, the City Council and the Planning Commission expressed concerns about the types of non-industrial, non-light manufacturing development that has occurred at the Sportsman Club Road Coppertop Business Park and which could otherwise be located in the Business/Industrial (B/I) District, more specifically at the Day Road and SR 305 location, and the NE New Brooklyn Rd area.

To address such concerns, on September 27, 2016, the City Council approved interim Ordinance No. 2016-31 which imposed a limited moratorium, generally on business licenses, building, and land use permits for new conditional uses, to provide an opportunity for the Council to study and consider this matter further and preserve future options. The 6-month moratorium expired on March 27, 2017. With the moratorium's expiration, the City Council concurred with City staff and the B/I business community that the mix of permitted and conditional uses could be reviewed and improved.

The moratorium was the beginning of a community conversation to allow for outreach to B/I business and property owners, and the wider business community. The City held a series of outreach meetings, beginning on [March 14, 2017](#). Comments from these outreach meetings can be viewed on the City's website for that meeting date (see embedded hyperlink).

The City then held a town hall like meeting at City Hall on [May 17, 2017](#), with property and business owners in the B/I zone, and prepared draft revisions to the permitted and conditional uses in the B/I district for that meeting (see attached) and reported back to the City Council on July 18, 2017. At that meeting, the City Council directed staff to continue to collaborate with the B/I community to amend the permitted/conditional uses and to add/modify use definitions for the B/I zone.

The City held a workshop on [September 20, 2017](#) that solicited participation from the B/I community, and wider food/beverage/restaurant businesses on the Island. Information about the meeting identified several questions that the City wanted to use to focus the discussion. The workshop divided participants into groups based on B/I zoned areas -- Sportsman Club, Day Road, and New Brooklyn. The three groups then reported back to the whole group. The group also discussed questions related to craft food and beverage businesses.

The following overarching themes were expressed at the workshop:

1. Let the market and business owners decide where businesses can locate. Some businesses need the foot traffic to thrive, other businesses need sewer, and the City's zoning regulations can't account for all the analysis that a business owner has to go through to choose a location.
2. The volume of professional services and healthcare business at Coppertop are working because of its location, and the City shouldn't eliminate those uses from possibly locating at Day Road or New Brooklyn. The group was not opposed to keeping them as conditional uses.
3. The craft food and beverage industry could grow substantially, and the City should recognize the opportunity, and develop regulations that don't inhibit that growth, such as limiting on-site sales of producers.
4. Coincidentally, all 3 B/I nodes are close to schools, and the City should continue to allow those recreation uses (e.g., karate, ballet, rock climbing) in those areas to reduce overall vehicle miles traveled.

At their October 3, 2017 meeting, the City Council confirmed by consensus that the Planning and Community Development Department should move forward with developing an ordinance to clean up and clarify B/I zone uses and use definitions.

PLANNING COMMISSION REVIEW OF ORDINANCE 2018-13

The Planning Commission discussed changes to the mix of uses in the B/I zoning district at the March 8, 2018 Commission meeting. The Planning Commission then held a public hearing on April 12, took public comment and thoroughly discussed Ordinance 2018-13. In recommending approval of Ordinance 2018-13 to the City Council, the Planning Commission added a recommendation that *Live/Work* units should be defined and added as a permitted use in the B/I zone, and directed staff to draft complete *Use Specific Standards* for this new use- see page 4 of Ordinance.

The Commission met again on April 19 to discuss *Healthcare facilities* and *Professional services*. Both uses are currently conditional uses in the B/I zone. The current definition of *Healthcare facilities* applies to healthcare uses at all scales, from a sole practitioner practice to a hospital. The current definition of *Professional services* refers to all other kinds of professionals aside from healthcare providers, such as accountants or lawyers. The Planning Commission recommended to the City Council that the definition of *Healthcare facilities* should be changed to mean large facilities like hospitals and that they should **NOT** be allowed (even conditionally) in the B/I Zone- see page 8 of Ordinance. *Healthcare facilities* would continue to be allowed as a conditional or permitted use in every other zone, except the Water Dependent/Industrial zone (see page 5 of Exhibit A). The Planning Commission also recommended to the City Council that the definition of *Professional services* should be changed to include smaller-scale healthcare providers such as doctors' offices (see page 9 of Ordinance), and that *Professional services* should be changed to be **PERMITTED** in the B/I zone (see page 7 of Exhibit A).

ADDITIONAL DEPARTMENT SUGGESTIONS FOR ORDINANCE 2018-13

Additional suggestions have been identified by the Department since the Planning Commission completed their review. **These changes have been added to Ordinance 2018-13:**

- Increase the number of animals that constitutes a kennel from 3 to 5 animals, matching Kitsap County's regulations. A clarification/correction proposed change is that Indoor kennels will be added as a permitted use in the Neighborhood Center, Mixed Use Town Center, and High School

Road zones. They are currently permitted there as the existing definition of kennel identifies it as a professional service, and professional services are permitted in these zones. (see 7 of Exhibit A and page 9 of Ordinance 2018-13).

- A mixed-use development has both commercial uses and residences on the same property. The Department recommends commercial/residential mixed uses be added as a permitted use in the R-8 & R-14 zones. It is currently not permitted (see page 2 of Exhibit A). Staff recommends permitting mixed-use development in these multi-family zones because there are some commercial uses that are permitted or conditional in those zones, mostly related to institutional, cultural, or healthcare type uses. For instance, this change would allow a multifamily project in those zones to include a school. This change would not permit commercial uses that were not otherwise permitted.
- The Department recommends that Use Specific Standards be created for *Craft Food and Beverage* businesses- see page 5 of Ordinance 2018-13.

Additional Department suggestions have been identified since the Planning Commission completed their review. These changes have NOT been added to Ordinance 2018-13, and are shaded in GREEN in Exhibit A to Ordinance 2018-13 Use Table:

- The Department recommends that *Indoor Recreation* be a permitted use in the Neighborhood Center Zone instead of a conditional use (see page 4 of Exhibit A). *Indoor Recreation* is already a permitted use in the other mixed-use commercial zones. The definition of *Indoor Recreation* is proposed to be amended in Ordinance 2018-13- see page 9 of the ordinance.

Currently, *Research and Development* is a permitted use only in the B/I zone. The Department recommends that *Research and Development* be a permitted use in the other commercial zones to support future sustainable technology business opportunities (see page 12 of Exhibit A). The current definition of *Research and Development* is below.

18.36.030.222. “Research and development” means businesses that include, but are not limited to, laboratories for scientific research testing and experimental development that can be performed with minimal adverse impact on, and pose no special hazard to, the environment and the community.

EXISTING PERFORMANCE STANDARDS IN THE BUSINESS/INDUSTRIAL ZONE

In addition to development standards such as setbacks, height or lot coverage (see [BIMC Table 18.12.020-3](#)), development in the B/I zoning district is subject to a variety of performance standards. Staff has reviewed the variety of performance standards in Title 18 Zoning that apply to the B/I zoning district.

- [18.06.050.B Performance Standards](#)
- [18.15.010 Landscaping, screening, etc.](#)
- [18.15.020 Parking and loading](#)
- [18.15.030 Mobility and access](#)
- [18.15.040 Outdoor lighting](#)
- [Chapter 15.08 Sign Code](#)

These standards are not lacking, per se, but their application has been inconsistent. Additional staff training is needed to ensure that the full suite of standards are applied from Site Plan and Design Review permits to tenant improvement permits and business licenses.

Additionally, City staff is discussing future updates to all [design guidelines, BIMC Section 18.18.030](#), with the Design Review Board, including the [B/I design guidelines](#).