

APPROVED

CITY OF BREMERTON

PLANNING COMMISSION MINUTES OF VIRTUAL MEETING September 19, 2022

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 Rich
Commissioner Mosiman
Commissioner Pedersen
Commissioner Wofford

Staff Present

Garrett Jackson, Planning Manager, Department of Community Development
Sarah Lynam, CDBG Administrator, Department of Community Development
Christina Raine, Project Assistant, Department of Community Development

Commissioners Excused

Commissioner Coviello
Commissioner Flemister

Quorum Confirmed

CHAIR CALL FOR MODIFICATIONS TO AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

COMMISSIONER WOFFORD MOVED TO APPROVE THE MINUTES OF JULY 18, 2022, AS PRESENTED.
VICE CHAIR RICH SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC MEETING

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

Chair Tift invited comments from citizens. There were none.

Guest Speaker: Tiana Kleinhoff, Designated Broker, Bradley Scott Commercial Real Estate

Mr. Jackson introduced Tiana Kleinhoff, a real estate expert with Bradley Scott Commercial Real Estate, who was present to provide an overview of the current commercial real estate market conditions and trends.

Tiana Kleinhoff advised that her presentation was actually put together by Cameron Wilson from Bradley Scott Commercial Real Estate. She noted that the firm has been doing commercial real estate primarily in Bremerton for 43 years. She reported the following:

- The pandemic hit Bremerton's commercial district quite hard. Bradley Scott manages a lot of real estate in downtown Bremerton, as well as outside of downtown. Downtown Bremerton was already struggling and was hit the hardest by the pandemic, with many transactions coming to a complete halt.
- Retail and food service businesses were hit the hardest, and some businesses that were already struggling simply gave up. However, a lot of companies were able to change their business models in a way that ended up taking up some of the spaces that were vacated by the failing businesses. A few businesses were so successful that they are continuing with their changed models.
- The private and public sectors worked together to overcome the challenges. The Bremerton Chamber of Commerce introduced a program called Bremer Bonds, where companies that weren't as heavily impacted could purchase bonds, and the money was used to support other companies that were struggling. The City of Bremerton also helped by allowing businesses to use the sidewalks and parking areas to expand their outside spaces. Federal assistance via SBA and PPP loans helped businesses, as well.
- Offices were also hit quite hard by the pandemic. When employees were forced home, tenants were paying for office space that was not being utilized. Workers are beginning to return to offices, but many companies are either reducing their spaces or doing tenant improvements to use the spaces differently. Where there were previously a lot of shared office and cubicle spaces, they are putting in walls to create more private spaces. Corner offices are no longer as much of an incentive for high-performing employees, as they prefer more work-from-home options.
- The long-term effects of the pandemic remain to be seen. Some companies will be able to thrive with a more remote workforce, but many are finding that 100% remote is not working. She doesn't see office space having any permanent extreme downgrade in its need.
- A lot more Seattle companies are looking for space in Bremerton, as many of their workers live in Kitsap County. Many employees are asking to go into the office less and to not have to commute as far. This is good for Bremerton because it allows people who live in Bremerton to work and spend their dollars in Bremerton. Her firm is currently working with a national company that leases large buildings and then subleases to smaller companies.
- They have seen a pretty strong comeback for Bremerton and Kitsap County. While larger sales took a nosedive due to the pandemic, they are definitely back up. They are stronger than they were previously and going in a different direction than pre-pandemic.

Chair Tift noted that remote or telework is often limited by the capacity of the internet, and Bremerton lags behind in broadband access compared to other parts of the County. He asked if there are any plans to provide faster internet access in the City. **Ms. Kleinhoff** answered that, previously, the internet providers had a monopoly, but that is no longer the case. Diversification in provider options will help improve the situation. **Chair Tift** noted that the Public Utility Districts have an emphasis on broadband across the county and have been quite active in the north. He observed that companies are struggling to find skilled workers. Offering opportunities for remote work opens the aperture for attracting people into the workforce.

Chair Tift asked how higher interest rates are impacting commercial real estate sales. **Ms. Kleinhoff** said her company deals primarily with investors who are purchasing large buildings. Interest rate matters to them, but it doesn't hit the pocketbook the same way that it does in a residential purchase. They do not anticipate a lot of change due to interest rate increases.

Ms. Kleinhoff commented that the real estate market affects the commercial market because there needs to be enough people to support the businesses. Some projects in the downtown were unable to move forward because they were trying to add a residential piece that had some parking constraints. Her company has a couple of buildings that would be perfect for dual usage residential/commercial, but the parking requirements make it prohibitive.

Commissioner Mosiman asked for a square-foot cost comparison for office space in downtown Seattle versus Bremerton. **Ms. Kleinhoff** responded that she did not have that information with her. **Commissioner Mosiman** asked how much availability there is for commercial office space in downtown Bremerton. **Ms. Kleinhoff** said office space in downtown Bremerton is thin unless a company is looking to take on an entire building and do substantial tenant improvements. A lot of space was vacated when many government contractors moved from downtown Bremerton to the Naval Base following 9-11. However, the improvements that were made to the buildings do not function for most other office-type settings. This is a

problem because office users do not generally dedicate the same amount of money to tenant improvements as retail, food service and other industry types. She concluded there is a lot of office space in downtown Bremerton, but it is not easy to market to new office users. Most of the desirable office space is outside of downtown.

Commissioner Mosiman asked if there are other impediments to attracting businesses into the downtown office spaces other than the previously mentioned parking requirement. Again, **Ms. Kleinhoff** said one of the biggest impediments is usability of the space. Many of her office users won't even look at buildings in the downtown because of the amount of work that would be needed for them to be functional. **Commissioner Mosiman** said it appears that the notion of mini headquarters, shared work spaces, etc. will be a bit of a hard sell unless someone is willing to purchase an entire building. **Ms. Kleinhoff** agreed.

Commissioner Mosiman asked what the City is doing to promote available space in the downtown. **Ms. Kleinhoff** said her company has had multiple offers for many of the buildings in the downtown, but they all required a change in use. Every potential buyer has hit barriers trying to get the new uses approved. Unless the parking requirement is changed, most of these buildings will remain vacant into the future.

Commissioner Mosiman suggested it would behoove the Commission and staff to have a discussion about the barriers that are causing the downtown buildings to remain vacant, particularly those that relate to the zoning code. He asked if there have been any conversations within City government about how to address parking issues in downtown Bremerton, specifically as it relates to the needs of commercial developers.

Commissioner Wofford said he has heard from people in Seattle that artist studios were priced out when the viaduct was removed. He asked if artists are moving to Bremerton as an alternative location. He asked if some of the vacant buildings be utilized as artist studios without a lot of rehabilitation. **Ms. Kleinhoff** answered that the unfortunate reality is that unless there would be no mortgage and minimal to no overhead, these types of spaces would be very difficult to dedicate because artists cannot typically afford to pay much in rent. Her company previously advocated for a Community Development Block Grant to create an art studio in a building that was previous used for art. However, creating an artist workshop that was affordable was cost prohibitive. **Commissioner Wofford** said he would think that some income and occupation is better than vacant and no income. **Ms. Kleinhoff** agreed with the thought process but noted that it costs money to put bodies in buildings. They have to be safe and provide utilities, etc.

Public Hearing: Proposed 2024 Comprehensive Plan Update Public Participation Plan and Potential Scope for the Comprehensive Plan Environmental Impact Statement (EIS)

Mr. Jackson explained that the purpose of the hearing is for the Commission to take public testimony, deliberate and provide a recommendation to the City Council to approve, approve with modifications, or deny the proposal.

Mr. Jackson reviewed the Comprehensive Plan Process. The Growth Management Act (GMA) or Revised Code of Washington (RCW) 36.70A dictates that the jurisdictions within Washington State plan for growth. The Puget Sound Regional Council (PSRC) is responsible to plan for growth regionally (Kitsap, King, Snohomish, Pierce), and its main goal is to come up with projections for jobs and population growth for each county and ensure that jurisdictions are compliant with the GMA. The Kitsap Regional Coordinating Council (KRCC) allocates the growth projections from the PSRC to individual jurisdictions within Kitsap County and adopts Countywide Planning Policies that ensure Kitsap County jurisdictions are compliant with the GMA. The Bremerton Comprehensive Plan is then updated to demonstrate the City's capacity to accommodate the projected growth.

Mr. Jackson advised that the 2024 Comprehensive Plan will start with PSRC changes to the Regional Growth Plan (Vision 2050) to update the projected population and job growth targets and ensure GMA compliance. As required by the GMA, a Buildable Lands Report (2013 – 2019) was prepared in late 2021 to ensure that the permits the City received matched up with the growth projections. The KRCC uses Vision 2050 and the Buildable Lands Report to adopt new growth projections. Local jurisdictions must then update their comprehensive plans to demonstrate growth capacity.

Mr. Jackson said the KRCC has received the PSRC's Regional Growth Plan (Vision 2050), which states that the Puget Sound area is supposed grow by 1.5 million people and 1.1 million jobs between 2020 and 2050. The KRCC is still evaluating how

the County's allocations will be given to the various jurisdictions. The City cannot move forward with its comprehensive planning process until the KRCC has adopted its plan.

Mr. Jackson announced that the State's GMA will require the City to make some pretty significant updates to its Comprehensive Plan, including:

- Housing (HB 1220). Previously, the City's plan had to demonstrate that there was adequate housing capacity, but the updated plan must also show there is adequate housing capacity based on income bands.
- Equity (HB 1220). Groups that have historical inequities will be encouraged to participate in the Comprehensive Plan update process, and the Plan must also demonstrate how the City will address historical development inequities.
- Climate Change and Resiliency (RCW 701.45.020 and HB 1099). The State has set greenhouse gas targets of 45% of 1990 levels by 2030 and 95% by 2050. Implementation of these climate requirements hinge on the availability of State funding.

Mr. Jackson briefly reviewed the Buildable Lands Report, which was presented to the Commission last September. He highlighted the following:

- The Commissioners and public can access the entire Buildable Lands Report via the County's website at https://www.kitsapgov.com/dcd/PEP%20Documents/FINAL%20Buildable%20Lands%20Report_November%202021.pdf.
- The City's population is growing at a rate that exceeds its 2036 population estimates.
- The City is slightly behind its 2036 growth target for commercial development, but corrective measures are not required.
- Without making any corrective measures to the existing Comprehensive Plan, the City has a residential capacity for about 17,000 residents and approximately 18,000 additional jobs.
- From 1995 to 1999, permitting data shows that 57% of development was located in rural Kitsap County. From 2013 to 2019, only 28% of development was located in rural Kitsap County and 72% was located in cities or urban growth areas.
- Based on the findings of the Buildable Lands Report, the KRCC will update the 2036 growth targets and provide jurisdictions with the new population projections needed for comprehensive planning.

Mr. Jackson explained that, once the KRCC has provided the updated population projections, the City will be able to assess whether or not the current land use regulations and zoning map needed to be altered.

Mr. Jackson provided an overview of the proposed 2024 Work Plan, highlighting the follow:

- The Comprehensive Plan amendment application deadline will be extended. Generally, the application period is August through November, and staff is proposing to extend the deadline to February 1, 2023. As proposed, applications for Comprehensive Plan and Zoning Code amendment will be suspended for the remainder of 2023 and 2024 while the City actively updates the two documents. In order to do this, the City Council must adopt the changes via an ordinance. The City will still provide for public comments and suggestions, but not applications.
- It is anticipated that the Planning Commission and City Council will adopt the plans in the fall of 2022.
- In the fall of 2022 through the spring of 2023, the Planning Commission will review specific elements of the Comprehensive Plan, starting with the Economic Development Element in November. Experts will be asked to assess the adequacy of each element, and the public will be invited to participate and comment.
- In the winter and spring of 2023, the City Council will tour each of the council districts and listen to concerns from their constituents.
- Based on the Commission and public's comments on each of the elements, staff will prepare and introduce the revised elements back to the Commission in the summer of 2023 through winter of 2024. The Commission and public will have an additional opportunity to comment on the proposed revisions at that time.
- In the summer of 2023 through the winter of 2024, staff will move forward with the State Environmental Policy Act (SEPA) and Environmental Impact Statement (EIS) process. The population allocations from the KRCC will likely be higher than the current numbers, and SEPA and EIS will be required for the additional population.

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- This fall, the City will start looking for a consultant to assist with the EIS process and the draft EIS process will begin in the summer of 2023 after all of the preliminary feedback from the Commission, public and other stakeholders has been received.
- From the spring to the fall of 2024, the City Council, PSRC and Department of Commerce will begin the formal adoption process for the updated plan. This will occur after the Planning Commission conducts a public hearing and forwards a recommendation to the City Council.

Next, **Mr. Jackson** reviewed the Public Participation Plan, highlighting the following:

- A Whole City Mailer will be sent to all property owners in the City around November 1st, letting them know that the Comprehensive Plan and Zoning Code amendment application periods will be open until February 1st. The mailer will also introduce a public survey asking citizens how they feel the current Comprehensive Plan addresses the needs of the community. In addition, it will inform the public that the City will be engaging in EIS scoping. The public will specifically be invited to participate in these three events.
- The update process will focus around the Planning Commission's schedule, and their meeting agendas will be heavily advertised. Staff is starting to work with (BKAT) on a monthly presentation, which will advise the public of the topics that are coming before the Planning Commission for review and how to participate.
- In October, the City will launch the Bremerton 2044 Webpage, where project documents will be posted. The website will advise the public of how they can participate.
- The City will continue to advertise Commission meeting agendas in the Kitsap Sun. The meeting agendas will also be posted in physical locations throughout the City.
- Staff will provide a monthly update on the progress of the Comprehensive Plan to the City Council, and members of the public will be invited to participate in the Planning Commission process.
- Staff has already attended a number of public events in September, informing the public of the upcoming Comprehensive Plan update. They will also have a table at the Farmers Market on September 29th where business cards will be available with his contact information, as well as information on how to sign up for Planning Commission updates as the process moves forward. Staff has had some spirited conversations with the public at these events, most of them cordial, about how people feel about the City and what could be done to improve it.

Mr. Jackson summarized that the Public Participation Plan calls for early, continuous and effective public participation that will result in a Comprehensive Plan that reflects the community's desired future while also demonstrating compliance with the GMA.

Mr. Jackson said this hearing is an opportunity to inform the public that EIS scoping is beginning, and a more formal notice will be included in the Whole City Mailer. He explained that scoping is the first step in the EIS process. Its purpose is to narrow the focus of the EIS to significant environmental issues and to identify alternatives to be analyzed in the EIS. Scoping also provides notice to the public and other agencies that an EIS is being prepared and initiates their involvement in the process. The topics that will be evaluated as part of the SEPA process include: natural environment, air quality, land use/plans and policies, cultural resources, aesthetics, transportation, public services, and utilities.

Again, **Mr. Jackson** advised that the purpose of the public hearing is for the Commission to take and consider public testimony, deliberate and provide and recommendation to the City Council regarding the two plans.

Chair Tift opened the hearing for public testimony.

Jack Paauw, Bremerton, said he is a member of the Sound West Group of real estate developers in Bremerton and Kitsap County. They primarily deal with multifamily residential developments. He commented that it has been proven over and over again in urban planning that residential development drives activation of dark downtowns. He suggested that encouraging residential development will be key to reactivating the downtown, and restaurants, entertainment and office uses will follow after that. He also commented that the time required for review, entitlements and permitting is key. The longer the time draws out, the less opportunity there is to incorporate affordable housing and green initiatives, etc. He suggested that developers would be happy to pay the cost of shortening the review time for entitlements and permits.

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Chair Tift closed the public portion of the hearing and invited the Commissioners to comment and deliberate.

Vice Chair Rich referred to staff's statement that *"Through additional noticing to potential stakeholders, scoping offers more opportunities to consider and explore means to address possible concerns."* She asked what the City anticipates as far as additional noticing to potential stakeholders. **Mr. Jackson** said the City has a standard list of State, Tribal and community stakeholders to which notices of application and SEPA notices are sent. Notices will be sent to those standard groups, and the City will also reach out to fulfill the equity-based promise to include historically disenfranchised groups.

Commissioner Pedersen asked if the Whole City Mailer would be sent to just property owners, and **Mr. Jackson** answered that it would be sent to all property owners, as well as site addresses.

Commissioner Pedersen asked how staff will categorize and organize all of the public comments and present them to the Planning Commission for consideration. **Mr. Jackson** said staff has set up a Comprehensive Plan specific email address that will go live at the same time as the webpage update. The website for the Comprehensive Plan Update will also advertise the email address for public comments. Staff will answer each of the emails individually. It will be an incredible amount of work, but staff is excited for it. The comments will be categorized based on the related Comprehensive Plan element. An attachment will be provided at every Commission meeting that includes the comments that have been made thus far. The comments will be available for public viewing, as well.

COMMISSIONER PEDERSEN MOVED TO RECOMMEND THE COMPREHENSIVE PLAN UPDATE WORK SCHEDULE AS DETAILED IN ATTACHMENT A TO THE CITY COUNCIL FOR ADOPTION. COMMISSIONER WOFFORD SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

COMMISSIONER WOFFORD MOVED TO RECOMMEND THE COMPREHENSIVE PLAN PUBLIC PARTICIPATION PROGRAM AS DETAILED IN ATTACHMENT B TO THE CITY COUNCIL FOR ADOPTION. COMMISSIONER MOSIMAN SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

BUSINESS MEETING

Chair Report

Chair Tift did not have any items to report.

Director Report

Mr. Jackson announced that that the City Council will hold a public hearing on September 21st on proposed Zoning Code amendment related to duplexes and townhomes in R-10 zones, bonus densities and cottage housing. He invited interested Commissioners to attend the hearing.

Mr. Jackson introduced Christina Raine, the department's new Project Assistant. **Chair Tift** welcomed Ms. Raine and thanked Ms. Lynam for all of her work to support the Planning Commission over the past two years.

Old Business

There was no old business.

New Business

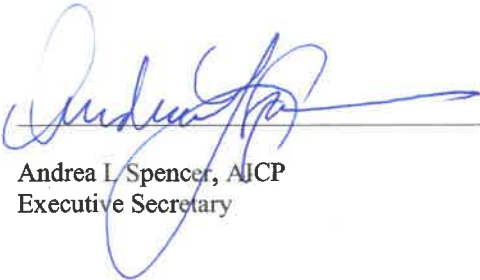
Vice Chair Rich asked if the Commission would be meeting in person for their October meeting. **Ms. Lynam** answered that the department should have more information regarding in-person meetings by the end of the month.

ADJOURNMENT

The meeting was adjourned at 6:49 p.m.

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Respectively Submitted by:



Andrea L. Spencer, AICP
Executive Secretary



Rick Tift, Chair
Planning Commission

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