



DATE: Tuesday, June 16, 2020

RE: Anian Shores Conditional Use Permit, PZ Application No. 19-76

LOCATION: **Southwest Corner of Oak and Front Streets** 120 N. Oak Street, Port Angeles, Washington 98362 **and the Parcels to the West**

APPLICANT: Anian LLC, 10400 NE 4th Street, Bellevue, WA 98004

OWNER: City of Port Angeles & 222 Waterfront LLC

PLANNER: Kevin Bagwell, *Planning Technician*

STAFF REPORT

I. SUMMARY

Eric Dupar, representative of Anian LLC., submitted a Conditional Use Permit (CUP) Application (No. 19-76) proposing a 7-story mixed-use structure. The CUP is required for the proposal because it exceeds the maximum allowed building height of 45 feet in the Central Business District (CBD) zone. The project site is located across three parcels near 120 North Oak Street.

Per Section 17.24.200.A of the Port Angeles Municipal Code (PAMC), additional building height may be approved through a CUP application process and it must consider the impacts of the increased height upon existing views and solar protection, shadow impacts, and other factors such as the height of the bluff south of First Street. Projects requiring CUPs must demonstrate that they are consistent and compatible with the purpose of the zoning district in which the use is located, consistent with the City’s Comprehensive Plan, and are not contrary to the public use and interest

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II. PROPOSAL

Application No. 19-76 proposes the new construction of a 108,850 gross square foot mixed use building. The project includes approximately 7,959 square feet of retail space, +/- 79 residential units, and a 6-story parking garage with +/- 320 stalls. The proposed height of the development is 72 feet at its tallest point and 54 feet at its lowest point. The lowest height portion is where the structured parking garage is located. The grade changes approximately 2 feet and 6 inches from the North to South. The average grade height for the tallest portion of the development is approximately 71 feet reflecting that grade change. (See Figure 1 renderings below). As included in the application narrative, the increase in height is needed to accommodate adequate residential and tenant space to offset the costs of providing exclusive parking to the City of Port Angeles and the Port Angeles Waterfront Center.



Rendering - Front Street facing West



Rendering of bluff viewshed

Figure 1: Site Renderings

The current uses on the subject properties include an unoccupied 2-story structure at the corner and a public surface parking lot to the west of the structure. The proposal includes the demolition of the existing structure and will temporarily displace the 127 existing parking stalls during construction. Surrounding the project site are commercial structures that are operated by Washington Department of Social and Health Services (DSHS) and North Olympic Healthcare Network (NOHN). *See Appendix A for the entire application submittal.*

III. FACTS RELAVENT TO THE APPLICATION

Property Description

Address: 120 North Oak Street

Property IDs / Tax Parcel IDs: 55905, 55907, 55908 / 063000001400, 063000001410, 063000001415

Zoning: CBD, Central Business District

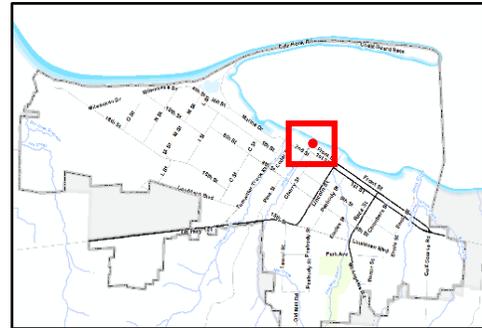
Comprehensive Plan Designation: Commercial

Dimensions: ~345 feet (width) x ~140 feet (depth)

Area: ~48,300 square feet

Existing Lot / Site Coverage: 6% / 99%

Proposed Lot / Site Coverage: 69% / 99%



IV. PROCEDURE

On September 16, 2019, the Applicant submitted a Conditional Use Permit (CUP) application to exceed the maximum CBD zoning district height limit of 45 feet. Per Section 2.18.060 of the PAMC requires the CUP application be considered by the Hearing Examiner through a public hearing process. The application was determined to be incomplete by City Planning Staff on October 11, 2019 and was resubmitted by the applicant on March 12, 2020. The application was then determined to be complete by City Planning Staff on April 15, 2020. Notice of the application was provided on the following dates and in the following manner:

1. 4/16/20: Subject property, Posted sign
2. 4/16/20: City Hall, Notice board
3. 4/16/20: Property owners within 300' of subject property, Mailing
4. 4/20/20: Peninsula Daily News, Circulation

Notice of the SEPA determination virtual public hearing was provided on the following dates and in the following manner:

1. 6/2/20: Subject property, Posted sign
2. 6/2/20: City Hall, Notice board and website
3. 6/2/20: Property owners within 300' of subject property, Mailing
4. 6/2/20: Parties who submitted electronic public comment during the comment period, Email
5. 6/5/20: Peninsula Daily News, Circulation

Per Section 2.18.060 of the Port Angeles Municipal Code, the Hearing Examiner will conduct a review of the CUP application and this staff report and decide on the permit within 120 days of the completeness determination. Such decision may be appealed to the Superior Court, provided that the appeal is filed within 21 days of the Examiner's decision per Chapter 36.70C RCW.

V. COMMENTS

Public Comment:

The public comment period was 30 days in duration and closed on May 20, 2020. Public comment was received which can be summarized with the following concerns (each exhibit listed below is a public comment that can be found in the Hearing Packet):

- Blocked views from the bluff – Exhibit 18, 24
- Soil/bluff stability, consideration of environmentally sensitive areas, and traffic impacts – Exhibit 18
- Additional requirements for fire equipment, training, impact fees to pay for additional equipment – Exhibit 19 and 27
- Earthquake resilience regarding a Cascadia Rising M-9 Event – Exhibit 26
- Downtown Parking – Exhibit 25
- General letters objecting to the project – Exhibit 14, 15, 16, 17, 22, 23
- General letters of project support – Exhibit 12, 13
- Loss of “Downtown Feeling” or “Small town ambience”
- Affordable Housing – Exhibit 18, 23

Staff Analysis:

The following analysis is specific to the public comment received. The complete Staff Findings of the proposal specific to the request of a exceeding the maximum 45-foot building height in the CBD zoning district begins on page 6 of this report.

View Impacts: *The proposal's application materials considered the potential for impacts to views from the bluff directly south of the project sites, as shown in Figure 1 on page 2 of this report. As the building skyline of the Port Angeles downtown area changes, the viewsheds from the City's bluff may be affected. The Port Angeles Municipal Code does not include definitions for “viewshed” or “viewshed impact.” Staff does not find the proposal to meet the criteria for an “obstruction of view” per Grill v. Anacortes, SHB 02-001 (2002) court case. The case construed an obstruction of view to mean “to cut off from sight” and in one appellate case, Bachelder v. Seattle, 77 Wn. App. 154, 164, 890 P.2d 25 (1995), the Court concluded a reduction of 18 degrees of view from a residential property did not constitute an obstruction. The proposed view impacts of this proposal are 1.38 degrees.*

Environmentally Sensitive Areas and area stability: *The proposal is not in the vicinity of an environmentally sensitive area because it is 1.5 city blocks away from the toe of the marine bluff south of 1st Street and is also located outside of shoreline jurisdiction limits. The building will need to meet the structural design criteria of the City. The soil stability will be considered during the building permit process through a geotechnical report being prepared by the applicant.*

Levels of Service: A Traffic Impact Analysis was prepared by Fehr and Peers and reviewed by the City which concluded that no mitigation was necessary and that there would be no decrease in transportation level of service for the adjacent streets, including the Oak and Front Street Intersection.

Fire & Life Safety: In response to the concerns about fire and life safety, the Fire Marshal was consulted about the concerns raised during the public comment period. The proposed structure will be required to meet all fire and life safety codes and new requirements will be based upon a complete plan review of the facility. The current ladder truck has a maximum reach capacity of 100'. The proposed building will be required to meet the minimum D-2 seismic zone requirements for construction as per the City's Structural Design Criteria.

Parking: The proposal will temporarily displace 127 parking stalls and replace those stalls with +/- 320 new stalls upon project completion.

Affordable Housing: The proposal is not intending to propose affordable housing, nor does the City require a portion of all proposed housing developments to be affordable (with exception that some Overlay District application processes require affordable housing). The City of Port Angeles Municipal Code Defines Affordable housing as residential housing available for sale or rent that requires a monthly housing cost, including utilities other than telephone, of no more than 30 percent of the income (as of 2019 - \$968 monthly) of an eligible household. Code further states that an eligible household is one with a total household income no greater than 80 percent of the Clallam County median income (\$38,717) as reported by the Washington State Office of Financial Management (2019 projection \$48,396).

"Traditional Downtown Feeling" In 2016 the residents of Port Angeles framed the vision for the City as they imagined it would be by the year 2036. Regarding economic development, the community imagined that "The City of Port Angeles facilitates sustained economic growth, directing investment to revitalize activity downtown, support local employment, and keep public services affordable and of high quality." For their downtown, citizens said "Port Angeles' central business district is vital and prominent. The central commercial district is one of Port Angeles' major assets, intimately connected to the waterfront and featuring a variety of retail, civic, residential and professional office uses." This was important enough to add as a policy P-9A.4 "To promote the "traditional downtown feeling" of retail, dining, arts, culture, and entertainment oriented activities that are attractive to both tourists and local residents." Although it's difficult for every resident to have the same vision, the city is guided by policy which supports this development of retail space, a new restaurant, parking that supports the arts and culture of the Field Arts and Events Hall, and new neighbors in the downtown district. The Elks Naval Lodge is currently the city's tallest building. Constructed in 1928, it was 5 stories tall, and over 100' above sea level. The lodge didn't blend in with it's one and two-story neighbors. It was a sign of innovation and forward thinking that kept this as the tallest building for 92 years. The current proposal would technically be the tallest building from grade at 7-stories but it's view impacts would be less than the lodge and is shorter when measured from sea level.

There were comments received after the close of the comment period which are not considered for SEPA compliance or this staff report but are included as exhibits for the Hearing Examiner's consideration in the hearing packet.

City of Port Angeles Departmental Comments:

Comments were received from the Fire and Public Works and Utilities Departments and are incorporated into this staff report.

VI. FINDINGS OF FACT & STAFF ANALYSIS

Analysis and findings of fact from the Department of Community and Economic Development (DCED) Planning Staff are based on the application materials, Comprehensive Plan, Port Angeles Municipal Code (PAMC), standards, plans, public comment, and other relevant materials available during the review period. The findings of fact and staff analysis section of this report is a summary of the completed review by DCED Planning Staff.

Consistency

In preparation and submission of a Conditional Use Permit (CUP) application, the applicant has demonstrated that all standards will be met in accordance with the City's Comprehensive Plan and the Port Angeles Municipal Code. Conditions placed on the permit will ensure those standards will be maintained for the life of the permit.

The organization of this staff report evaluates the proposal's consistency with Title 17 Conditional Use Permit criteria through the lens of that criteria specific to 17.24.200.A PAMC, which states additional height may be approved through a CUP process that considers the impacts upon existing views and solar protection, shadow impacts, and other factors such as the height of the bluff south of First Street.

Title 17 Conditional Use Permit criteria- 17.96.050(a) states "The Hearing Examiner shall consider applications for Conditional Use Permits of uses as specified in the applicable chapter of the zoning regulations. The Hearing Examiner may grant said permits that are consistent and compatible with the purpose of the zone in which the use is located, consistent with the Comprehensive Plan, and not contrary to the public use and interest. The Hearing Examiner may refuse to issue a Conditional Use Permit if the characteristics of the intended use as related to the specific proposed site are such as would defeat the purpose of these zoning regulations by introducing incompatible, detrimental or hazardous conditions."

The CUP criteria as stated in (a) above is summarized below. In addition, the proposal must meet the following elements per section 17.96.050 PAMC:

1. The Hearing Examiner may grant said permits that are... consistent with the Comprehensive Plan,
2. The Hearing Examiner may grant said permits that are... consistent and compatible with the purpose of the zone in which the use is located,
3. The Hearing Examiner may grant said permits that are...not contrary to the public use and interest, and
4. Conditional Use Permits – 17.96.050 PAMC - Additional Criteria: B, C, and D

The proceeding sections in 1-4 demonstrate consistency with the CUP criteria.

1. "The Hearing Examiner may grant said permits that are... consistent with the Comprehensive Plan"

All Conditional Use Permit (CUP) applications must be consistent with the Port Angeles Comprehensive Plan. The following Port Angeles Comprehensive Plan policies are identified by Planning Staff to support the proposal in CUP Application No. 19-76:

Growth Management Element	
Goal: G-2A	To manage growth in a responsible manner that is beneficial to the community as a whole, is sensitive to the rights and needs of individuals, and is consistent with the State of Washington's Growth Management Act.
Policy: P-2A.01	<p>In all its actions and to the extent consistent with the provisions of this comprehensive plan, the City will strive to implement the following goals of the State Growth Management Act:</p> <ul style="list-style-type: none"> a) Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner b) Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development. d) Housing. Encourage the availability of affordable housing to all economic segments of the population. Promote a variety of residential densities and housing types and sizes, and encourage preservation and expansion of existing housing stock. e) Economic development. Encourage economic development throughout the region that is consistent with adopted comprehensive plans, promote economic opportunity, especially for unemployed and for disadvantaged persons, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the region's natural resources, public services and public facilities.

Staff Analysis: CUP Application 19-76 is consistent with the goals, policies, and intent of the Growth Management Element by increasing development in the Central Business District, which should contain the most intense commercial development in the City. The project furthers the economic viability of the downtown by creating additional commercial space and dense residential units promoting more people and more downtown businesses. The downtown area currently lacks market rate housing; therefore, the proposal supports the policy to encourage the availability of housing to all economic segments of the population [emphasis added]. The requested height is necessary to offset the economic impacts created by doubling the existing amount of parking.

Land Use Element		
Goal: G-3C	To create and maintain a fulfilling and enjoyable community of viable districts and neighborhoods with a variety of residential types attractive to people of all ages, characteristics and interests.	
	P.3C.05	Expand housing opportunities in the Central Business District for all income levels, with an emphasis moderately priced owner-occupied units.
Goal: G-3D	To create and maintain a healthy and diverse commercial sector for a balanced and stable local economy.	
	Policy: P-3D.01	Encourage the recruitment of new and the retention of existing commercial developments and businesses
Goal: G-3E	To provide shopping areas meeting the needs of all City residents and visitors that are safe, compatible with surrounding land uses, and congruent with environmental goals.	
	Policy: P-3E.01	Mitigate the impacts of commercial development on adjacent residential properties, including the use of site design elements that soften the impacts
	P-3E.03	Locate shopping areas at the intersections of arterial streets of sufficient size to satisfy traffic demand and at the boundaries of neighborhoods so that more than one neighborhood may be served.
Goal: G-3F	To provide a pleasant, safe, and attractive shopping environment in the traditional downtown waterfront area including a wide variety of shopping, dining, entertainment, arts, culture, and housing opportunities for visitors and residents alike.	
	Policy: P-3F.01	Guide commercial development in the traditional downtown to emphasize its waterfront location and historic heritage.
	Policy: P-3F.02	Orient the design of commercial development in downtown around pedestrian travel, tourist enjoyment, and protection from adverse weather conditions.
	Policy: P-3F.04	Encourage residential units in the downtown area as part of a mixed-use development concept, including live/workspaces. Ensure that the downtown physical environment is amenable to residential development by minimizing traffic impacts, maintaining security, and providing and maintaining amenities.

Staff Analysis: CUP Application 19-76 is consistent with the goals, policies, and intent of the Land Use Element by developing a mixed-use structure along the edge of three other neighborhoods (See Figure 2). The commercial space is adjacent to the Front Street Arterial and reflects a complimentary design to the downtown area. This new retail encourages the formation of new businesses where development yields more dollars per acre than other commercial developments outside of downtowns. The design of this building has close access to the future Port Angeles Waterfront Center, the Blackball Ferry line to Victoria, B.C., and the Oak Street Ramp to access above the bluff.

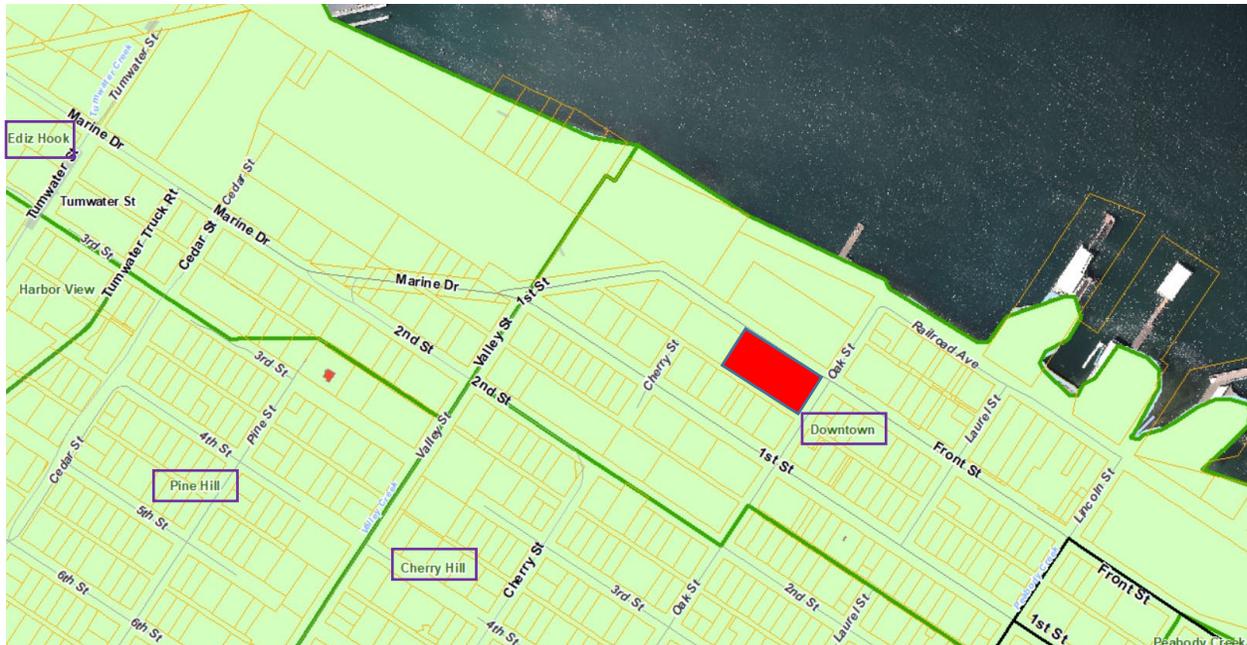


Figure 2: Neighborhood Map showing relation to Ediz Hook, Pine Hill, Cherry Hill and Downtown Neighborhoods (labeled with purple rectangles). Dark Green lines indicate neighborhood boundaries.

Housing Element	
Goal: G-6A	To improve the variety, quality, availability, and attainability of housing opportunities in the City of Port Angeles.
Policy: G-6A.11	Provide an appropriate balance between attainable market-rate housing and affordable housing and ensure that affordable housing is provided in a way that contributes to the physical appearance and economic and social health of the neighborhoods and the City.
Policy: G-6A.14	Allow for mixed-use opportunities in neighborhoods, including commercial development and mix of housing densities.
Policy: G-6A.16	Promote and increase the number of downtown residential living units
Policy: G-6A.18	Develop and implement tools to support a range of housing types including affordable housing options.

Staff Analysis: The development proposes to construct +/- 79 market-rate housing units. The structural design will complement the Field Arts and Events Hall that is being constructed directly across the street. This contributes to the Port Angeles Renaissance; a downtown focused study and effort that was debuted by the Chamber of Commerce to the City Council in October 2019 to signify the millions of dollars in investment pouring into Port Angeles. The proposal can prove the viability of other projects in the downtown core. The Port Angeles Renaissance comprises of private and public investment into projects such as the Port Angeles Waterfront Center, the renovation of the Shore Aquatic Center, the Race Street Redesign, the Waterfront Transportation improvement Plan, and more. (The items presented in the council packet from the Port Angeles Renaissance are included as an Appendix D of this staff report). Providing this market-rate housing helps alleviate the high demand for housing in Port Angeles by offering a fresh supply of housing.

Conservation Element		
Goal: G-7B	To protect and enhance the area's unique physical features, its natural, historical, archaeological, and cultural amenities, and the overall environment.	
	Policy: G-7B.02	Promote and highlight Port Angeles' plentiful natural beauty, amenities and cultural history.

Staff Analysis: CUP Application 19-76 is consistent with the goals, policies, and intent of the Conservation Element by considering the visual impacts of an increase in height above the CBD height limits. The Conditional Use Permit application process considers impacts upon existing views, solar protections, shadow impacts, and the height of the bluff south of First Street is included in that consideration. When measured from sea level the top of the proposal would be 87.52' tall while the Elks building is over 100'. The project promotes Port Angeles' high-quality environment by constructing at below the height of the approximately 90-foot tall marine bluff. The views from the top of the bluff will still include the inner harbor, Ediz Hook, and the Strait of Juan de Fuca. Views from the water are still captivated by the magnificent views of Klahhane Ridge and Olympic National Park. This project is intentionally scaled to be seamlessly woven into the downtown fabric. The stepped appearance from the parking garage to the residential portion of the building lessens the overall impact of the request. This method of height attenuation would help blend in further with the adjacent NOHN structure (240 W. Front St) which is 25' tall and would gradually step to the proposed parking structure at 54' then to the final 72' at the residential portion. This approach helps the visual appearance blend in better with the existing uses in the area. The proposal also complements the design and building materials with that of the Field Arts and Events Hall, one of the cultural amenities currently under construction downtown. As conditioned, the screening of the rooftop appurtenances and the parking garage will blend these design elements with the building itself and minimize potential aesthetic impacts.

Economic Development Element																					
Goal: G-9A	To create and maintain a balanced and stable local economy with full employment and emphasis on strengthening the community's traditional natural resource related industries as well as diversifying the overall economic base.																				
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Goal: G-9B	To have a healthy local economy that co-exists with the community's high quality of life through the protection, enhancement, and use of the community's natural, historical, and cultural amenities.																				
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Staff Analysis: CUP Application 19-76 is consistent with the goals, policies, and intent of the Economic Development Element by building a mixed-use building which continues the momentum of the Port Angeles Renaissance. The project would increase the amount of housing available and downtown parking spaces, support the new performing arts center, while simultaneously creating spaces for new businesses to locate in Port Angeles which would enhance the city as the major economic center of the Olympic Peninsula. The project will promote the Department of Social and Human Services "Work First" program as part of construction while after construction building operation staff will be paid family wage income. The project site is located in an area that has the potential to significant cultural resources below ground. The DCED will work to ensure that all possible archaeological resources are handled in accordance with applicable law. In the event archaeological artifacts, features or human remains are discovered, the DCED will immediately notify the Lower Elwha Klallam Tribal Chair and specified Tribal staff by both letter and telephone. The City will also notify the State Department of Archaeology and Historic Preservation, as required in RCW 27.44 and 27.53. As conditioned, cultural resources shall be preserved in accordance with the 2006 settlement agreement.

2. "The Hearing Examiner may grant said permits that are... consistent and compatible with the purpose of the zone in which the use is located"

The applicable sections of Title 17 for the proposal are examined below to demonstrate consistency and compatibility with the CBD zone.

Chapter 17.24, CBD – Central Business District

Per PAMC Section 17.24.010, the purpose of the CBD is "to strengthen and preserve the area commonly known as the downtown for major retail buildings, service, financial, and other commercial operations that serve the entire community, the regional market, and tourists. It is further the purpose of this zone to establish standards to improve pedestrian access and amenities and to increase public enjoyment of the shoreline. Commercial uses that are largely devoid of any impacts detrimental to the environment are allowed. Gasoline service islands and marine fueling stations are conditionally permitted uses. This zone provides the basic urban land use pattern for commercial, mixed use and, pedestrian oriented uses located in the center of the City with direct access to mass transit services, design standards for compatible commercial development, and support for public parking and business improvements."

Staff Analysis: This proposal strengthens the downtown, serves the entire community, the regional market, and tourists by bringing mixed-use multi-family residential accessibility to the downtown. There will be increased space for retail and a new restaurant for the entire community and tourists to visit. The +/- 79 proposed units will create 44% of the projected demand for 2020 for multi-family housing. That alleviates some pressure on community members to find housing during a housing shortage. The project received a Determination of Nonsignificance for the State Environmental Policy Act review which shows the project will be devoid of any impacts that are detrimental to the environment. The proposed uses are comprised of already permitted uses in the area blended together with space for public parking in the district. This type of uses is consistent with the purpose of the Central Business District.

By analyzing the compatibility of this project for height, it is important to consider a comparison to what is allowed in the CBD zone—45 feet. Many of the existing buildings in the CBD zone are underutilized as they are one or two stories tall—well below the allowed 45-foot height; therefore, the downtown area potentially may grow higher without a CUP process. Additionally, the existing Elks building, as mentioned previously, is taller than the proposal when measured from sea level. The nearby Industrial, Heavy zoning district also allows heights up to 75 feet tall. The proposal’s height is compatible and consistent with the CBD zone and existing surrounding uses.

Per PAMC Section 17.24.200(A), “Area and dimensional requirements,” the CBD maximum building height is 45 feet. The associated footnote to that citation is that, “Additional height may be approved through a Conditional Use Permit process that considers the impacts upon existing views and solar protection, shadow impacts, and factors such as the height of the bluff south of First Street.” The CBD minimum building height is 3 stories/floors. The associated footnote to that citation is that, “All new structures in the CBD shall have a minimum of two functional floors or stories above adjoining street level.

Staff Analysis: A CUP process is being pursued by the applicant. The proposal demonstrates consideration to the existing views, shadow impacts, and the height of the bluff south of First Street. Solar protection was not specifically called out in the narrative, but the provided shadow studies show that the solar viability for the adjacent properties is still possible. The casting of shadows on neighboring properties would occasionally occur during the winter months when there are mostly cloudy conditions (see Exhibit 2, pages labeled 18-19 of the preliminary plans). The proposed design attempts to reduce impacts by limiting the height of the parking garage to only 53’-6”. The project meets the minimum height of 3 stories above street level by constructing a seven total story building.

3. “The Hearing Examiner may grant said permits that are...not contrary to the public use and interest.”

Staff Analysis: The general conditional use proposal to exceed the 45 foot height limit in the CBD, Central Business District zone is consistent and compatible with the purpose of the zone in which the use is located, consistent with the Comprehensive Plan, and not contrary to the public use and interest. The public use and interest are served through this proposal that increases tax values, is consistent with the Comprehensive Plan, provides additional retail space, and a new corner restaurant. This can enhance tourism, economic development, and further positive sustainable development in Port Angeles. The applicant commissioned a traffic impact analysis that showed that the Level of Service will not drop below City standards. The proposal includes significant positive cultural and economic development impacts for the downtown area, community, and North Olympic Peninsula region, and an increase to the taxable values of neighboring properties is also anticipated as a result of the proposal.

In coordination with the Fire Department, the current ladder capabilities can extend to a height of 100 feet. This would allow the current equipment to be able to reach the proposed height of 72 feet. There is existing access to the site from Front and Oak Streets.

The applicant is currently in discussion to propose underground utilities to replace the existing above ground power. The site plan as proposed shows the structure to be built on the property line which would conflict with code required setbacks from utility infrastructure. As conditioned, this proposal will meet the required setbacks from utilities per Section 14.05.160 PAMC.

To ensure that the constructed building is in accordance with the approved height of this CUP, the Building Inspector must verify the existing grade per Section 17.08.045.B PAMC. As conditioned, the proposed height will not exceed the maximum height allowed by this CUP.

Port Angeles Housing Action Plan 2019

The 2019 Housing Action Plan influenced the development of the goals, policies and objectives, which strive to achieve Port Angeles' long-range vision for housing. The following Housing Action Plan excerpts and tasks are relevant to this application. Planning Staff provides comments under each provision as demonstration of the analysis that has occurred with the application review process and the findings of fact relevant to the application.

“Housing demand projections from 2020-2030 project a demand of 178 multifamily units in the year 2020.”

Staff Analysis: The number of units proposed with this development account for 44% of the projected need for this type of housing for the current year.

Housing Action Plan Task 4: Implement incentive zoning – non-cash density offsets:

Staff Analysis: The project is consistent with Task 4 of the Housing Action Plan by providing height allowances for additional floors in an area with reduced parking standards for a mixed-use development. The current height maximum stipulated in Port Angeles Municipal Code is too low to provide sufficient housing. It also allows for additional ground floor retail in the identified Central Business District (CBD) and the option for different types of uses permitted in that zone.

Housing Action Plan Task 6: Package a demonstration project site:

Staff Analysis: The project is consistent with Task 6 of the Housing Action Plan by processing a permit for a mixed-use development prototype that proves market rate units in the downtown are an economically viable investment. The increased density will show that the development regulations in Port Angeles can adapt to the market demands.

4. Conditional Use Permits – 17.96.050 PAMC - Additional Criteria: B, C, and D

B. In each application the Hearing Examiner may impose whatever restrictions or conditions they consider essential to protect the public health, safety and welfare, and to prevent depreciation of neighboring property.

Staff Analysis: The findings and analysis presented in the staff report propose the basis for conditions of approval for the hearing examiner’s consideration to protect the public health, safety and welfare, and to prevent depreciation of neighboring property.

C. Purpose of a Conditional Use Permit: the purpose of a Conditional Use Permit shall be to assure that the maximum degree of compatibility between uses shall be attained. The purpose of these regulations shall be maintained with respect to the particular use of the particular site and in consideration of other existing and potential uses within the general area in which such use is to be located.

Staff Analysis: The criteria for overall maximum allowable height above 45 feet are demonstration of the proposal's consideration to existing views, shadow impacts, the height of the bluff south of First Street, and solar protection. The application materials demonstrate that the building roofline is below the height of the bluff south of First Street and south of the subject property. The solar and shadow impacts are minimal, and shadows would be most prevalent during times when there is little sunlight in the region. The project only further increases the height to offset the cost the parking provided for the downtown area. As discussed in criterion "A" above, there is maximum compatibility between existing and potential uses.

To determine compatibility with existing and proposed uses, the City of Port Angeles has reviewed the application against the criteria for a Conditional Use Permit in regards to the purpose of the zone, permitted uses in the CBD, and the Comprehensive plan which is the guiding policy document to determine the future of Port Angeles. The applicant's proposed building form regarding staggered heights and textures and materials that visually break up the building's mass assure compatibility with the existing uses such as the Field Arts and Events Hall. As conditioned, the City shall ensure the final materials, textures, and building veneer assure maximum compatibility with the CBD zone. Furthermore, the CBD zone establishes additional criteria that allows height that considers adequate concern for the existing views, shadow impacts, the height of the bluff south of First Street, and solar protection. Those additional criteria are elaborated throughout this staff report.

D. The Federal Fair Housing Act requires that reasonable accommodations be made in rules policies, practices, or services, when such accommodations may be necessary to afford disabled people equal opportunity to use and enjoy a dwelling. The Planning Commission is therefore authorized to make accommodations in the consideration of Conditional Use Permits for group homes for disabled persons as defined in the federal Fair Housing Act, when the Commission determines that such accommodations reasonably may be necessary in order to comply with such act.

Staff Analysis: This section is not applicable as no group homes are proposed and the building is required to comply with the Americans with Disabilities Act of the International Building Code (2015), which is evaluated at the time of the building permit review.

Environmental Review

This project was reviewed under the Washington State SEPA threshold determination rules requirements and procedures; and was issued a Determination of Nonsignificance (DNS) on 6/2/20 No. 1419. The proposal has shown no detrimental or adverse impacts to the environment. In accordance with WAC 197-11-355. The 14-day appeal period expired on 6/16/20. The SEPA checklist and environmental documents are on file at the City of Port Angeles Department of Community and Economic Development Planning Division and are available upon request.

Recommendation

It is the recommendation of Department of Community and Economic Development Staff that the Hearing Examiner approve Application No. 19-76 with the conclusions and conditions in Section VII of this staff report on page 16. This recommendation is based on Staff's review of the application materials, Port Angeles Municipal Code standards, and submitted comments.

VII. DECISION, CONCLUSIONS, & CONDITIONS

Having reviewed and considered the staff report, application materials, public comment, and all the information presented, the City Planning Division recommends **approval, with conditions**, Application No. 19-76 for a General Conditional Use Permit and makes the following conclusions:

1. Analysis and findings of fact from City Staff are based on the entirety of the application materials, municipal code, standards, Comprehensive Plan, plans, public comment, and all other materials available during the review period. Collectively the information contained in the staff report is the record of the review. The analysis and findings section of this report is a summary of the City Staff completed review and the specific findings of fact.
2. Per PAMC Section 2.18.060 of the Port Angeles Municipal Code (PAMC), the Hearing Examiner has the review authority and is authorized and directed to hear and decide on general Conditional Use Permits. As to all of the foregoing issues and matters, the decision of the Hearing Examiner shall be the final decision of the City. Such decision may be appealed to the Superior Court, provided that the appeal must be filed with the City within 21 days after the Director issues the decision. An appeal application for any decision of the Director shall stay all further proceedings by the Department of Community and Economic Development specific to the property under appeal.
3. The proposed building height of 72 feet and its related site development, meets the goals, policies, objectives and standards of the Comprehensive Plan related to growth management, land use, conservation, and economic development.
4. The proposed building height of 72 feet is consistent with the Conditional Use Permit criteria described in PAMC 17.96.050 and in 17.24.200(A).
5. The proposed building height of 72 feet is measured from grade that is established only when the City building inspector verifies the grade per Section 17.08.045.B PAMC.
6. The proposed footprint of the garage portion of the building conflicts with the clearance requirements from existing above ground electrical infrastructure per Section 14.05.160 PAMC.
7. The proposed building form regarding staggered heights and textures and materials that visually break up the building's mass assure compatibility with the existing uses such as the Field Arts and Events Hall
8. The current proposal would technically be the tallest building from grade at 7-stories but it's view impacts would be less than the lodge and is shorter when measured from sea level.

9. The project site is located in an area that has the potential to significant cultural resources below ground. Therefore, it is necessary to have a professional archaeologist on site during any and all ground disturbance work.
10. Conditional uses require a special degree of review and may be subject to certain conditions to make such use consistent and compatible with other existing or permissible uses.
11. The DCED will work to ensure that all possible archaeological resources are handled in accordance with applicable law. In the event archaeological artifacts, features or human remains are discovered, the DCED will immediately notify the Lower Elwha Klallam Tribal Chair and specified Tribal staff by both letter and telephone. The City will also notify the State Department of Archaeology and Historic Preservation, as required in RCW 27.44 and 27.53.

Recommended Conditions of Approval

Through the staff analysis of General Conditional Use Permit Application No. 19-76, it has been identified that all standards will be met in accordance with the Port Angeles Municipal Code. The following **eight conditions** are recommended to be placed on the permit will ensure those standards will be maintained for the life of the permit:

1. The City Building Inspector shall verify the benchmark and final height to ensure compliance with the height allowed per this CUP.
2. Approval of this Conditional Use Permit does not preclude any permits that are required from any other City division or agency.
3. If the 12'-6" clearance from any structure or other improvement to an overhead high voltage power line cannot be provided for, the electrical utility must be placed underground at the applicant's expense.
4. A notice of this Conditional Use Permit and all the conditions of its approval shall be recorded with the Clallam County's Assessor's office by the property owner prior to the issuance of any building permits, final occupancy or commencement of the conditional use.
5. The parking garage portion of the proposal must include a structural feature that shields the void spaces of each parking level. Landscaping or artwork is encouraged to be included on the shield.
6. All rooftop appurtenances shall be screened to ensure maximum compatibility and minimal aesthetic impacts to the surrounding environment.
7. The applicant must hire an archaeologist approved by the Director of Community & Economic Development to be present on site during ground disturbances. The Archaeologist must meet the Washington State guidelines for a Professional Archaeologist and must be in contact with the Director prior to and during the permitted project. A professional report must be issued to the Director upon completion of the ground disturbing actions.

8. Regardless of the presence of an archaeological monitor; if during ground disturbances any phenomena of possible archaeological interest are uncovered the developer shall immediately stop such work and notify the Director of Community & Economic Development at 360-477-0195. Work may not resume in the area of the find until the Director is satisfied that archaeological resources have been properly protected.

APPENDIX

Appendix A: Application No. 19-76 Materials

Appendix B: SEPA DNS No. 1419

Appendix C: Public Comment

Appendix D: Port Angeles Renaissance Packet