



City of Kalama

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Date: March 15, 2019
To: Kalama City Council
From: John Floyd, Mackenzie/Consulting City Planner for City of Kalama
Re: Title 17 - Zoning Code Text Amendments – Central Business District Use and Building height Amendments

SUMMARY

This report summarizes text amendments related to the implementation of the City of Kalama Downtown Revitalization Study. This study, adopted by Council in 2017, examined the city's Central Business District and identified a road map of investments and future planning work to drive redevelopment and activity in the downtown area. This road map was based on an extensive study of existing conditions, community visioning, and economic analysis.

The study concluded with a series of recommended actions the city could make in the near, medium, and long-term implementation. Near term recommendations included revisions to the Kalama Zoning Ordinance to allow “maker” space and multi-family residential development in the Central Business District (CBD). Expanded housing opportunities and a more diverse range of permitted business activity would increase market support for local businesses, respond to a market need for rental housing in Kalama, and create more activity along First Street. It may also address a perception that Kalama is a difficult place to locate due to limited housing and retail opportunities for their employees.

The Central Business District Use and Height Amendments will affect the Kalama Municipal Code (KMC) Chapters 17.26 (Commercial Zoning) and 17.60 (Usage Table) to make changes identified, in part, in the 2017 City of Kalama Downtown Revitalization Study. Proposed changes include the following:

- Making multi-family housing a permitted use north of Geranium Street;
- Creating standards for maker buildings and maker uses; and
- Increasing maximum height limits for properties fronting N. 1st Street.

On March 14, 2019 the Planning Commission considered the proposed text amendments and on a vote of 5-0 recommended the City Council approve the changes included as Exhibit A to this report.

POSSIBLE ACTIONS

1. Approve the ordinance, as proposed.
2. Approve the ordinance, with specified changes.
3. Deny the ordinance.
4. Continue to a future date to obtain additional information or to consider information presented by staff or testifying parties.

STAFF RECOMMENDATION

Recommend that the City Council consider the Planning Commission recommendation to approve the proposed ordinance.

PUBLIC NOTICE

A notice of the hearing was published in the Daily News on Thursday, March 7, 2019.

SEPA

A non-project action SEPA DNS was issued on February 28, 2019. The comment period for this SEPA ended on March 14, 2018.

PROPOSED CHANGES – MULTI-FAMILY HOUSING

Multi-family housing, defined as a building containing five (5) or more dwelling units, is presently restricted to the R-3 (Multiple Family or High-Density Residential District) and MU-R (Mixed Use, Residential Sub Zone). These districts are located on the southern and northern edges of the city, and lack proximity to the Central Business District.

While not a direct job creator, increasing the amount of residential development within the district was found to be an important factor in catalyzing downtown redevelopment. An increase in the number of residents within walking distance of the downtown area is likely to provide a larger and closer customer base for existing and future businesses, as well as creating a greater sense of activity in the area.

Kalama is an underserved rental market, with an approximate undersupply of 100 to 120 rental units and has a significantly lower vacancy rate when compared to Kelso, La Center, Woodland, and Longview. Only 6% of the rental demand is being met by multi-family buildings (5 or more units). This is significantly lower than peer cities that range from 17% (Castle Rock) to 46% (Longview). This low availability is limiting the ability of permanent or temporary workers to live in town and is not responding to rising prices for all forms of housing.

At present, the Kalama Municipal Code limits residential development in Central Business District to mixed-use buildings and prohibits exclusively multi-family development. This prohibition forms a market barrier to property owners and investors looking to develop multi-family housing in Kalama, who may be unable or unwilling to combine residential and commercial development within the same project.

Based upon feedback from the planning commission, draft text amendments presented to the Planning Commission in June and July of 2018. The result of these changes would amend KMC Use Table 17.60.020 to permit multi-family development in the Central Business District, but

only on properties north of Geranium Street. The purpose of this restriction was to recognize and protect the present success and historic development pattern on the south end of downtown, in contrast to the northern end characterized by larger lots and a generally lower intensity of development. In requesting this geographic limitation, the Planning Commission believed that the limited addition of multi-family housing to the CBD would be less disruptive and more likely to result in projects with adequate on-site parking.

PROPOSED CHANGES – MAKER USES AND MAKER BUILDINGS

In addition to allowing multi-family development in the Central Business District, permitting “maker” or “Storefront Production” was identified as a complimentary planning effort to stimulate redevelopment and activity in the downtown area.¹

Maker firms and storefront production businesses are artisan enterprises that make, process, and sell specialty goods on a small-scale using hand tools or small-scale, light mechanical equipment. They are ideal economic targets for small cities because they are generally smaller in scale, improve the community’s “brand”, and can grow into more established businesses over time. Examples of maker/storefront uses include:

- Craft breweries, wineries, and distilleries.
- Bakeries, specialty foods, and coffee roasting.
- Apparel, Jewelry, and custom sports equipment (e.g. bicycles and surfboards).
- Art and furniture.

Over the last few decades, the internet has removed barriers for makers to locate in areas where quality of life and lower overhead costs can supersede access to markets. By offering their goods in a local storefront, such businesses may also serve as an “amenity” for local residents and businesses, and a broader promotional role by raising awareness of Kalama and drawing new or repeat visitors.

The small scales of these businesses may also be a good match for the existing buildings stock within downtown Kalama. As documented in the Downtown Revitalization Study, only four (4) buildings within the study area are above 20,000 square feet in size. The remaining 42 averaged just 5,300 square feet in size, many of which are underutilized.² Out of the buildings examined, the Old Fairgrounds site was found to be an ideal candidate for a small scale “Makerspace” building due to its large size, easy conversion, and high visibility from both Interstate 5 and N. 1st Street.³ However, existing zoning requirements are limiting the establishment of such a use in the Central Business District.

Like many new sectors of the economy, traditional zoning code language can often prohibit or hinder the establishment of new businesses that were not anticipated when the code was written. In this case, small scale artisan manufacturers are being lumped together with larger industrial activity. Presently, the Central Business District Zone allows some, but not all uses that are often found in “maker” spaces. For example, bakeries and custom arts and crafts are permitted, whereas light industrial production facilities are not. Similarly, some uses such as food

¹ See City of Kalama Downtown Revitalization Study (DRS), pages 62, 85, 87, and 100.

² See DRS, pages 10-12.

³ See DRS, pages 41, 52, 80, 85, 87, and 110.

processing require a conditional use permit, which may not be appropriate for a small operation working out of a storefront location.

Based on discussions with the Planning Commission in July and September 2018, the following amendments are recommended:

- A new section would be created within Chapter 17.26 (Commercial Zoning) to allow and control two types of land uses:
 - Makerspace buildings containing multiple maker firms and designed to promote manufacturing, retail, and community.
 - Maker firms operating as an accessory use to a permitted commercial use.
- The new section would include new standards to ensure the use remains consistent with the City’s goals for the Central Business District, including the redevelopment of vacant or underutilized sites into pedestrian friendly retail and community gathering spaces that enhance the livability and economic competitiveness of the district. These include:
 - Requiring goods produced on-site to be sold on-site, through retail or eating and drinking space as appropriate.
 - Setting minimum requirements for the amount of retail or food service on-site, to ensure the sales aspect remains a principal part of the site.
 - Setting minimum parking requirements.
 - Controls on odors and dust.
- The existing use table in KMC 17.60.020 already lists several use types that in some or all circumstances could meet the definition of a maker firm. These include uses such as “Bakery” (permitted), “custom arts and craft work” (permitted), “Food Processing” (conditionally permitted), and “Brewpubs” (conditionally permitted). No change is proposed to these categories, though firms meeting the standards for maker firms could opt into the proposed standards.
- Several uses currently prohibited in the zone would be permitted, provided they met standards for on-site sales and other requirements of the proposed standards. These uses include:
 - Blacksmith.
 - Light industrial manufacturing.
 - Furniture and fixtures manufacture and assembly.

PROPOSED CHANGES – BUILDING HEIGHT

The Downtown Revitalization Study found the buildings along First Street have low visibility from I-5 due to their orientation towards First Street, and visual separation from one of the city’s biggest amenities, the Columbia River. The report did not specifically recommend increasing the allowable building height limit, but such an increase could be supportive of community goals as it could facility a greater density of jobs or housing within the zone, would make the buildings more visible from I-5 to increase profitability, and would provide views to and from the river. Raising the existing height limits could also make the CBD more attractive to potential developers looking to invest in Kalama.

To address this, staff suggested the Planning Commission consider raising the existing height limit from 45 feet (three stories max) to 50 feet with no limit on the number of stories. Feedback provided by the Planning Commission at the October meeting was that this was not sufficient to achieve city goals, and that height limits should be more aspirational and have a clear relationship to the slopes above downtown. This included a suggestion that maximum height might relate to the elevation of 2nd street, in order to preserve the views of existing homeowners along the bluff while reflecting the natural terrain in the architecture of downtown. In January, the Planning Commission further refined this direction to include lower height limits on the west side of N. 1st Street to help protect views.

- Remove the three-story limit and increase the maximum height south of Geranium Street from 45 to 50 feet, to provide more flexibility in roof forms for new development and make three-story commercial development more viable. This is based on the following plate height assumptions for new development.
 - 15 feet for the ground floor.
 - 10.5 feet for residential upper stories.
 - 14 feet for commercial upper stories.

- Progressively increase the height limit north of Geranium Street in proportion to the increased elevation of Second Street. The purpose for this is to allow the height of future buildings to mirror the height of the surrounding landscape and take advantage of views across the interstate highway, but in a manner respectful of existing views of the river from above, and of the bluffs from below.

The following table summarizes the proposed height limits and resulting elevations by segment, listed from south to north.

Approximate Elevations – N. 2nd Street			
	Proposed Height Limit from Grade (west side / east side of N. 1st Street)	Approximate Maximum Elevation Under Proposed Text Amendment	Approximate Elevation of corresponding Street Segment
Elm St. to Fir St.	50 ft. / 50 ft.	77 ft.	61 – 72 ft.
Fir St. to Geranium St.	50 ft. / 50 ft.	76 ft.	72 – 80 ft.
Geranium St. to Holly St.	60 ft. / 65 ft.	84 ft. / 89 ft.	80 – 123 ft.
Holly St. to Ivy. St.	70 ft. / 80 ft.	93 ft. / 103 ft.	123 – 162 ft.
Ivy St. to Kingwood St.	90 ft. / 95 ft.	115 ft. / 120 ft.	162 ft. – 195 ft.

COMPREHENSIVE PLAN

The proposed text amendments advance multiple goals and policies outlined in the Comprehensive Plan. These include, but are not limited to, the following:

- *General Goal 1: Encourage a pattern of community development in concert with the land’s capability to support such development, to avoid hazard areas and preserve unique natural and scenic areas.*
- *General Goal 2: Preserve the natural and scenic amenities that define Kalama*

and provide a distinct and unique quality of life.

- *Environmental Goal 8: Encourage economic enterprises that will support and enhance the community and will result in minimal environmental impact.*
- *Land Use Goal 1: Promote the health, safety and welfare of the residents of Kalama through the encouragement of sound growth and development of residential, commercial, industrial and recreation/open space areas.*
- *Land Use Goal 2: Promote new residential development that is appropriate in type and density considering existing land use patterns, capacities of public facilities, natural characteristics of the land and the general public interest.*
- *Land Use Goal 3: Actively plan and guide anticipated growth by seeking full utilization of existing land.*
- *Land use Goal 5: Maintain and enhance the sense of place and small-town atmosphere that helps to define Kalama and makes it a desirable place to live.*
- *Land Development Goal 1: Maintain and enhance the sense of place and small-town atmosphere that helps to define Kalama and makes it a desirable place to live.*
- *Land Development Goal 3: Encourage the orderly, efficient and beneficial development of lands within the city (including individual lots), while preventing an overload on existing infrastructure and services.*
- *Land Development Goal 4: Ensure that the subdivision of land will provide adequate light, air and privacy to each proposed lot given the anticipated use.*
- *Land Development Policy 4: Review and update as necessary the subdivision code and other standards to ensure that they allow for and promote innovative land development techniques.*
- *Housing Goal 1: Provide for and encourage a variety of housing types, options and densities with the intent of supplying a range of housing choices for every citizen of the community.*
- *Housing Goal 3: Plan and provide for a sufficient supply of land so that housing costs can remain affordable; promote in-fill and redevelopment in existing residential areas.*
- *Housing Goal 4: Promote Kalama's uniqueness in terms of scenic views, Columbia River access, Port influence, highway access and other amenities for future residential development.*
- *Housing Policy 1: Encourage new housing on vacant land within the city limits to utilize streets and urban services already in place.*
- *Housing Policy 5: Consider the impact each development will have on views from surrounding properties when reviewing residential plats.*
- *Housing Policy 6: Consider locating high-density residential development near commercial areas, employment centers, public transportation and where utilities and city services can provide appropriate levels of service.*
- *Housing Policy 9: Encourage in-fill development including small-lot development in existing residential neighborhoods.*
- *Transportation Policy 5: Require adequate off-street parking for future developments and discourage on-street parking in existing developments whenever feasible alternatives exist.*
- *Economic & Commercial Goal 1: Achieve a well-balanced, diversified economy*

- to encourage a stable rate of economic growth and community prosperity.*
- *Economic & Commercial Goal 3: Work to improve level of commercial and industrial and service activities in the city.*
 - *Economic & Commercial Goal 5: Encourage the creation of family-wage jobs in and around Kalama.*

List of Exhibits

- A. Proposed Text Amendments
- B. SEPA Determination of Non- Significance (DNS)
- C. SEPA Environmental Checklist