



Addendum

To Determination of Non-Significance issued June 8, 2017 for the Comprehensive Plan Update and Municipal Code Update | Addendum Date October 16, 2017

Introduction

On June 8, 2017, the City of Chelan issued a Determination of Non-Significance (DNS) on June 8, 2017 for the Comprehensive Plan Update and Municipal Code Update together with a supporting checklist. The comment period closed June 22, 2017. No comments were received.

Since the DNS was issued, the Planning Commission recommended a Comprehensive Plan and Municipal Code for City Council consideration. The City Council has given direction to City staff to make revisions and prepare an adopting ordinance.

The purpose of this Addendum is to provide additional information or analysis that does not substantially change the analysis of significant impacts and alternatives in the existing environmental document. The addendum has been prepared consistent with WAC 197-11-625. Agencies are not required to circulate an addendum to a DNS. As a courtesy, the City of Chelan has circulated this addendum to those receiving the DNS and posted it on the project website. It has also been provided to City decision makers.

Description of Proposal

The proposal consists of a Comprehensive Plan Update and Municipal Code Update with the following components:

- The Comprehensive Plan Update includes amendments to the unified Future Land Use and Zoning Map addressing the city limits and Urban Growth Area, Comprehensive Plan goals and policies, and Capital Facility Plan addressing a range of services and infrastructure.
- The City is proposing amendments to its Municipal Code to implement the Comprehensive Plan Update: Chapter 14.10 Critical Areas; Title 15 Buildings and Construction; Title 16 Land Divisions; Title 17 Zoning; Title 19 Administration of Development Regulations; Title 25 Development Standards; and the Shoreline Master Program.

Evaluation of Revisions

Since the publication of the DNS in June 2017, refinements to the proposal have been recommended by the Planning Commission, and considered by the City Council. The revisions are described below together with summary environmental analysis.

Planning Commission Recommendations July 2017:

1. **Approve the Comprehensive Plan Update** with amendments. The Planning Commission accepted the changes in the May 2, 2017 draft plan with additional changes designed to allow for greater height in the T-A Overlay and to clarify a policy supporting regulations for short-term rentals citywide.
 - The T-A Overlay Height would match the underlying T-A base zone. The T-A base zone height is proposed at 40 feet, a reduction of 10 feet over the current code. Thus, no increase in land use or aesthetic impacts are anticipated compared to the “no action” plan/code, and there would be a reduction in potential impacts compared to the “no action” plan/code.
 - The policy amendment consisted of a minor clarification to a policy in order to support the preparation of regulations for short-term rentals citywide.

2. **Approve the Future Land Use Map/Zoning Map** as presented in the Land Use Element Update with amendments. The Planning Commission approved the Future Land Use Map/Zoning Map in the May 2, 2017 Land Use Element with changes designed to: 1) modify the UGA boundary on the southshore (a small addition and a modified exclusion area); 2) create and expand a live-work overlay; 3) allow a T-A addition north of W. Campbell; 4) change the area north of Apple Blossom Center from W-I to R-M; and 5) correct split-parcel designations.
 - The boundaries reflect public input communicated to Chelan County and provided to the City of Chelan. The boundaries continue to be reduced compared to the current Comprehensive Plan. The UGA boundary change was addressed in the SEPA Checklist for the Comprehensive Plan Update in June 2017, and no change to the analysis is needed.
 - The Live-Work Overlay was expanded based on public comment, but has a conditional use and master plan process that would achieve a compatible balance of employment and residential uses. Given the largely undeveloped nature of the W-I zone, and the live-work provisions, the footprint of development would be similar or less than traditional warehouse industrial and address open space and agricultural conservation elements. Thus, no increase in natural environment or built environment impacts are anticipated, and there are no changes to the overall conclusions of the DNS and supporting checklist.
 - The T-A addition north of W Campbell is consistent with T-A lands abutting to the north, and the small lots would limit development potential. There is also a grade change with areas to the south. Future development would be subject to City codes and permit review procedures. Thus, no increase in natural environment or built environment impacts are anticipated, and there are no changes to the overall conclusions of the DNS and supporting checklist.

- The area north of Apple Blossom Center was designated for the W-I zone on the current plan/zoning map. The potential for residential uses would allow for likely smaller-footprint development that is more suited to the topography and compatible with abutting agricultural, residential, and commercial lands. Thus, no increase in natural environment or built environment impacts are anticipated, and there are no changes to the overall conclusions of the DNS and supporting checklist.
- Split zone corrections were designed to be more consistent with the current plan/zoning map. No impacts are anticipated.

3. **Approve the Municipal Code Amendments** with amendments. The Planning Commission approved the May 2, 2017 municipal code amendments addressing zoning, critical areas, subdivisions, and other development standards, with amendments including: 1) for small town community character and views to the lake and hills, reducing heights in several zones (R-M, T-A, DMU and TMU, C-W, C-HS); 2) matching T-A zone height limits of 40 feet in the T-A Overlay; 3) clarifying and modifying single family densities and multifamily densities as well as townhome standards in R-M and T-A zones; 4) clarifying alternative setbacks in steep slope areas; 5) in the DMU and W-I zones, allow existing legal single family uses, which may expand up to 25% instead of having them be non-conforming with a deadline; 6) modifying standards in the W-I zone for accessory workforce housing; and 7) addressing and amending a concept for Live-Work in the W-I zone.

- Height reductions would reduce the potential for land use and aesthetic impacts; there is a potential for applicants to administratively request the originally allowed heights, but with 3-D modeling and the ability for the city to condition development.
- The T-A Overlay Height would match the underlying T-A base zone. The T-A base zone height is proposed at 40 feet, a reduction of 10 feet over the current code. Thus, no increase in land use or aesthetic impacts are anticipated compared to the “no action” plan/code, and there would be a reduction in potential impacts compared to the “no action” plan/code.
- The clarification of densities and standards between the R-M and T-A zones allows for a more consistent application of standards and responds to public comment. The clarifications and standards are similar to the current code which allows the application of R-M development standards in other zones. Future development would be subject to City codes and permit review procedures. Thus, no increase in natural environment or built environment impacts are anticipated, and there are no changes to the overall conclusions of the DNS and supporting checklist.
- The clarification of alternative setbacks in steep slope areas is consistent with staff interpretations in past development applications and maintains the intent for adequate access and minimizing grading. No impacts are anticipated due to this clarification.
- Allowing existing, legal single-family uses is consistent with the current intent of the nonconforming standards and provides greater certainty while still achieving the aims of the zone.

- The standards for accessory workforce housing are intended to create a compatible accessory housing development for employees with a quality similar to the R-M zone. No impacts are anticipated due to this clarification.
- Regarding Live-Work, please see analysis under #2 above.

City Council Direction

On September 26, 2017 and October 10, 2017, the City Council provided conceptual direction for the Comprehensive Plan Update and Municipal Code Update. The City Council supports the Planning Commission recommendations apart from the changes addressed below:

1. The City Council considered the proposed Hillside Development and Design Standards in CMC 17.59. As recommended by the Planning Commission, these are proposed to apply to lands with 30%+ slopes. The threshold for application would change to 20%. The standards are meant to protect the natural slope of the land while still allowing development consistent with the underlying zoning. This would benefit the natural environment, and allow greater compatibility in the built environment. No adverse environmental impacts are anticipated.
2. Amend the vision statement: “The City of Chelan aims to conserve the qualities that make Chelan a great place to Live and Work, while ~~embracing sensible~~ carefully managing growth and change.....”
 - This change is minor and does not alter the direction of the vision statement. No impacts are anticipated.
3. Remove Campbell’s R-M to R-L change on the westside of the golf course – matches Campbells withdrawal at the August 2017 hearing.
 - This R-M proposal was considered in the DNS and SEPA checklist. The reversion to R-L matches the “no action” plan/zoning and no changes to the range of the prior analysis are needed.
4. Remove the Northshore change from R-L to T-A.
 - The reversion to R-L matches the “no action” plan/zoning and no changes to the range of the prior analysis are needed.
5. Remove the R-M to T-A change north of W. Campbell and consistent with other changes, ensure the R-M is changed to DMR.
 - This proposal of DMR matches the alternative plan/zoning studied in the DNS and Checklist. and No changes to the range of the prior analysis are needed.
6. Municipal Code clarifications include:
 - a. Integrate the State Building Code Changes in WAC 51-54A-8200 Appendix N.
 - These edits largely clarify language and cross reference other standard codes related to water supply and access. Integrating state changes would be compatible with the City’s general approach to standard codes. The standards continue to promote health and safety

and reduce potential impacts of wildland and urban fire events. No adverse environmental impacts are anticipated.

- b. Allow interim sewer and water standards in the SUD zone only, and apply building placement standards.
 - The May 2017 and Planning Commission July 2017 proposals allowed interim standards in more zones. This proposed change would limit interim standards to the SUD zone. Thus, more zones would continue to be subject to City water and sewer standards, similar to the “no action” current plan. Allowing interim sewer and water standards in the SUD with building placement standards continues to promote the agri-tourism and agricultural gateway character of the areas. When development is able to hook up to water and sewer, the SUD zone standards will promote clustering and open space. At a programmatic level, no adverse impacts are anticipated. When future development is proposed at the densities of the zone and with services, it would be subject to SEPA review.
- c. Add agri-tourism uses to the T-A Overlay.
 - The Overlay allows accommodations, commercial uses, and promotes agriculture in open space areas, and thus essentially allows the ingredients of agri-tourism. This change is a housekeeping measure.
- d. Add density bonuses for affordable single-family dwellings to the T-A base zone similar to the T-A Overlay and R-L zones.
 - The Planning Commission recommendations included density bonuses for affordable housing in the SUD, R-L, and T-A Overlay zones. The City Council proposal would add the T-A base zone to this list. Similar to the present code that applies R-M standards in the T-A zone, the proposed code would allow a density of 8.7 du/ac for single-family dwellings and 18 units per acre for multifamily dwellings. A density bonus for single-family dwellings would allow a density bonus of 0.25 units per acre, for a total of 8.95 gross dwelling units per acre. The density range of 8.7 to 18 du/ac would remain. No adverse environmental impacts are anticipated at a programmatic level. When future development is proposed at the densities of the zone, it would be subject to SEPA review.
- e. Clarify that W-I live-work residential units should follow R-M development standards for height.
 - The W-I zone does not have a height standard. The R-M development standards are referenced for other aspects of live-work units (e.g. coverage), and this housekeeping change would apply R-M height standards. This would give more predictability and consistency to the development, matching other multifamily standards. No adverse environmental impacts are anticipated at a programmatic level. When future development is proposed at the densities of the zone, it would be subject to SEPA review.
- f. Allow accessory workforce housing in the W-I zone as proposed by the Planning Commission, but with the allowance that other business employees may occupy a portion of the units. Up to fifty percent (50%) of the units can be available for rental by employees of other businesses, and

the limit is to be specified in deed restrictions. The employees of other businesses may be in-city or out of city employees; for example, employees of small growers in valley related to W-I zone businesses such as fruit packing may use accessory housing in the W-I zone.

- W-I zone would have a primary use of industrial. Accessory workforce housing would be allowed to support businesses. Allowing other businesses employees would not change the overall density or accessory nature of the residential use. To avoid having units solely with employees that are unrelated to the onsite business, there is a cap of 50%. No adverse environmental impacts are anticipated at a programmatic level. When future development is proposed at the densities of the zone, it would be subject to SEPA review.

7. Per responses to comments and housekeeping revisions make corrections and clarifications, and ensure consistency with city inventories and programs and other documents such as the adopted Transportation Improvement Program, proposed budget, etc. These corrections and clarifications are not intended to change the substance of policy directions but rather to avoid errors and inconsistencies. No adverse impacts are anticipated.

GROWTH CAPACITY AND GROWTH TARGETS

All alternatives allow for future population growth. Planning Commission and City Council proposals are similar to the level of growth and slightly lower than the May 2017 plan studied in the June 8, 2017 SEPA Checklist.

All alternatives have sufficient capacity to meet the City’s permanent population growth target by 2037 (net 415 residents) and expected growth trends (net 1,254 residents).

All alternatives study seasonal residents and visitor population in the Draft Capital Facilities Elements.

Table 1. Growth Capacity Comparison

Alternative Scenario	Year-Round Dwellings	Year-Round Population	Seasonal Dwellings
Current Plan “No Action”	1,689	3,970	1,316
May 2017 Plan	1,389	3,263	782
Planning Commission July 2017	1,325	3,113	757
City Council October 2017	1,327	3,117	756

Source; BERK Consulting 2017

Issuance

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