



**Agenda Item
D-1**

**City of Tacoma
Planning and Development Services**

To: Planning Commission
From: Elliott Barnett, Planning Services Division
Subject: **Application #2014-01 – Point Ruston Mixed-Use Center**
Meeting Date: October 16, 2013
Memo Date: October 10, 2013

At the October 16th meeting, staff will present an in depth analysis of Point Ruston LLC's application to amend the Comprehensive Plan and development regulations in order to designate the portion of the Point Ruston mixed-use development located in the City of Tacoma as a Mixed-Use Center (MUC).

The intent of the application is to support, strengthen and accelerate Point Ruston redevelopment efforts, and stimulate job creation and the development of high-density mixed-income housing. Designation as a MUC would enable qualifying multifamily housing developments to benefit from the City's Tax Exemption Program, and would strengthen policy support for infrastructure and other investments supportive of the MUC's development.

Attached is a proposed staff report and supporting exhibits for this application. Staff will request any guidance from the Commission, and if the Commission agrees will request authorization to release the package for continued public outreach and review. Once that outreach is complete, staff would provide the Commission with a summary to inform refinements prior to release of the Annual Amendments public review package.

If you have any questions, please contact me at 591-5389 or elliott.barnett@cityoftacoma.org.

Attachments (5)

c: Peter Huffman, Interim Director



2014 Annual Amendment Staff Analysis Report

Application No.:	2014-01
Proposed Amendment:	Point Ruston Mixed-Use Center
Applicant:	Point Ruston, LLC
Location & Size of Area:	Ruston Way; 29 acres
Current Land Use & Zoning:	S-15 Shoreline District (<i>effective October 15, 2013</i>)
Neighborhood Council Area:	West End
Staff Contact:	Elliott Barnett, Planning Services Division (253) 591-5389 elliott.barnett@cityoftacoma.org
Date of Report: (Planning Commission review date; draft or final)	October 16, 2013 (draft)

I. Description of the Proposed Amendment:

1. Describe the proposed amendment, including the existing and proposed amendatory language, if applicable.

The proposed amendment would designate that portion of the former ASARCO site located in the City of Tacoma (excluding the Slag Peninsula) as a *Mixed-Use Center (MUC)* and Residential Target Area. The proposed 29-acre *Point Ruston MUC* would encompass that portion of the City's *S-15 Point Ruston / Slag Peninsula Shoreline District* (effective as of October 15th, 2013) intended for mixed-use development as part of Point Ruston (see Exhibit A).

Specifically, the proposal would amend the *Growth Strategy and Development Concept Element* of the *Comprehensive Plan* by adding "Point Ruston" to the list of Community Centers and revising the *Growth Concept Map* and the *Generalized Land Use Plan Map*. The revisions in the *Generalized Land Use Plan Map* would also be reflected in the corresponding maps in the *Generalized Land Use* and *Transportation Elements*.

In addition, *Tacoma Municipal Code (TMC) Chapter 13.17 Mixed-Use Center Development* would be amended to add the Point Ruston Community Center to the designated residential target area list (*TMC 13.17.020.C*). Inclusion on this list would make qualifying multifamily housing developments eligible for the multifamily tax exemption program. No changes to the site's *S-15* zoning, or to the scope of development as previously reviewed by the City, are included in this proposal.

Point Ruston, LLC's initial application included an additional 12 acres (parcel 8950003322) within the proposed MUC. However, after discussions with City staff the applicants have removed that parcel from the proposal. Located just southeast of Point Ruston, it was initially included because it is part of Point Ruston LLC's ownership. However, the parcel is mostly marine waters and the zoning is not appropriate for residential development.

2. Describe the intent of the proposed amendment and/or the reason why it is needed.

The intent of establishing a MUC and residential target area at Point Ruston is to support, strengthen and accelerate redevelopment efforts and stimulate job creation and the development of high-density mixed-income housing. One of the policy tools available to designated MUCs is the City's Multi-family Tax Exemption Program, which can provide a boost to development efforts. In addition, the Comprehensive Plan calls for MUCs to be given priority in allocating resources for infrastructure improvements.

3. Describe the geographical areas associated with the proposed amendment. Include such information as: location, size, parcel number(s), ownership(s), site map, site characteristics, natural features, current and proposed Comprehensive Plan land use designations, current and proposed zoning classifications, and other appropriate and applicable information for the affected area and the surrounding areas.

The proposed Point Ruston MUC is the roughly 29-acre portion of the site that is located within the City of Tacoma (excluding the Slag Peninsula). The former ASARCO property is 97 acres in total and straddles the boundary between the Cities of Tacoma and Ruston. In 2006 Point Ruston, LLC purchased the property and currently owns the entire former ASARCO site, with the exception of the Slag Peninsula which is owned by the Metro Parks District. Point Ruston is located at the northern end of Ruston Way and is bordered by the City of Tacoma to the south, the City of Ruston to the east, Point Defiance Park (City of Tacoma) to the north and Commencement Bay to the east.

Since being added to the U.S. Environmental Protection Agency's (EPA) National Priorities list in 1983, the former industrial site has undergone extensive environmental remediation under the direction of the US Environmental Protection Agency. The site has now been prepared for mixed-use development, as authorized under the 2008 Final Supplemental Environmental Impact Statement (FSEIS) and Shoreline Development Permit (see Exhibit B). Earlier this year, the waterfront promenade (Waterwalk) opened to the public, and the Copperline Apartments building has been constructed. Additional development is in review or underway.

The proposed MUC is located within the *S-15 Point Ruston / Slag Peninsula Shoreline District*, characterized in the *Shoreline Master Program* as an Urban Environment with a *High Intensity* Environmental Designation.

The site includes 11 parcels: Parcels 8950003311, 8950003312, 8950003313, 8950003314, 8950003315, 8950003316, 8950003317, 8950003318, 8950003319, 8950003320 and 8950003321.

4. Provide any additional background information associated with the proposed amendment.

If designated, Point Ruston would become the 18th MUC. While the majority of the existing MUCs are zoned as Mixed-Use "X" Districts, this is not always the case. The Downtown Center has its own Downtown zoning districts, and the west Foss Waterway has Shoreline District zoning. Should this proposal be enacted, Point Ruston would have a similar status to the west Foss Waterway which is within the Downtown MUC and Residential Target Area, and is zoned Shoreline District.

The Point Ruston project has been reviewed extensively and received numerous permit approvals including the 2008 FSEIS and Shoreline Substantial Development Permit. The proposed amendments would not result in any modifications to the development approved under these permits.

In 2008, Point Ruston, LLC submitted then withdrew an application for designation as a Mixed-Use Center. At that time, City staff argued that the application was premature due to timing issues. At that time, both the Mixed-Use Centers (“X”) District zoning and the Shoreline Master Program were under review. In addition, the MUC designation is intended to foster development within established centers, and no development had yet occurred. Now, with the “X” District and SMP updates complete and development underway, the situation has changed substantially.

As part of Annual Amendment Application 2014-04, the City’s MUCs will be re-evaluated. This review may include the removal of some previously designated MUCs as well as the incorporation of new ones. The review for this application and that one will be coordinated, as appropriate.

II. Analysis of the Proposed Amendment:

1. How does the proposed amendment conform to applicable provisions of State statutes, case law, regional policies, the Comprehensive Plan, and development regulations?

The proposed designation, with associated policy and code changes, is generally consistent with the applicable provisions of State, regional and local law and policy.

Shoreline Master Program:

The proposal is consistent with the S-15 Shoreline District policy intent and Environmental Designation:

The intent of the S-15 Shoreline District is to establish continuous public access along the shoreline that will take full advantage of the unique shoreline location and views of Puget Sound and Commencement Bay while integrating high intensity upland development that includes mixed-use residential and commercial structures and protecting the integrity of the site wide cap Superfund remedy consistent with EPA directives.

The S-15 Point Ruston / Slag Peninsula Shoreline District is an Urban Environment with a High Intensity Environmental Designation.

Comprehensive Plan:

The proposal is consistent with the Comprehensive Plan. Specifically, it supports or implements the following policies:

Arts and Culture Element

- CH-PA-9 Utilize public art as a visitor attraction (AC-3)
- CH-PA-10 Public Art in mixed-use centers (AC-3)

Capital Facilities Element

- CF-APFS-5 Growth Concept and Tiers (CF-4)
- CF-EDNR-7 Facilities in Mixed-Use Centers (CF-6)

Environmental Policy Element

- E-WQ-3 Shoreline (E-7)
- E-ER-4 Public/Private Partnerships (E-9)
- E-FW-23 Superfund Cleanups (E-14)

Generalized Land Use Element

- LU-GGD-3 Concentrated Development (LU-7)
- LU-GGD-8 Infill Development (LU-8)
- LU-GUCT-1 Encourage Development (LU-10)
- LU-MU-2 Variety of Development (LU-22)
- LU-MU-3 Mixed-use Development (LU-22)
- LU-MU-4 Development Bonuses and Incentives (LU-22)
- LU-MUCD-1 Boundaries (LU-22)
- LU-MUCD-3 Density (LU-23)
- LU-MUCD-4 Priority Development Areas (LU-23)
- LU-MUCD-5 Public Transit Support (LU-23)
- LU-MUCD-6 Compactness (LU-23)
- LU-MUCD-7 Circulation (LU-23)
- LU-MUCD-8 Capital Facilities (LU-23)
- LU-MUCD-9 Development Incentives (LU-23)
- LU-MUCD-12 Mixed Income (LU-23)
- LU-MFTI-3 Mixed Income (LU-25)
- LU-MFTI-4 Density (LU-25)
- LU-MFTI-5 Market Conditions (LU-26)
- LU-MUCC-2 Variety of Development (LU-38)
- LU-MUCC-3 Site Plan Review Process for Community Centers (LU-38)

Growth Strategy & Development Concept Element

- Mixed-Use Centers – Community Center vision (GD-10)

Housing Element

- H-HC-7 Land Use Incentives (H-12)
- H-NQ-2D Mixed-Use Centers (H-10)

Neighborhood Element

- WE-1.1 Expand Housing Opportunities (Neigh-56)
- WE-2.7 Redevelopment of the ASARCO site (p. Neigh-57)
- WE-3.4 Ruston Way Pedestrian Promenade (Neigh-58)
- WE-4.1 Bicycle Route Improvements (Neigh-58)

Open Space Habitat and Recreation Element

- OS-MUC-9 Mixed-Use Centers (OS-11)

Transportation Element

- Vision and Goals (T-14 and 15)
- T-MMP-3 Environmental Sustainability (T-16)
- T-MMP-5 Connectivity and Access (T-16)

The breadth of related policies is an indication that Point Ruston is a key project that supports multiple City goals. To summarize, there are many policies that support or are consistent with the proposed MUC designation. Most pertinent, the proposal is broadly consistent with the MUC policies of the Growth Strategy & Development Concept, and Generalized Land Use Elements.

2. Would the proposed amendment achieve any of the following objectives?

- Address inconsistencies or errors in the Comprehensive Plan or development regulations;

- **Respond to changing circumstances, such as growth and development patterns, needs and desires of the community, and the City's capacity to provide adequate services;**
- **Maintain or enhance compatibility with existing or planned land uses and the surrounding development pattern; and/or**
- **Enhance the quality of the neighborhood.**

The proposed amendment reflects changes that have occurred as a result of the former ASARCO site being redeveloped as a master planned mixed-use project.

To the extent that it facilitates the Point Ruston development, this proposal would help to achieve multiple city goals. The Point Ruston project harnesses private investment to achieve goals including environmental cleanup; reuse of a brownfield site; housing; economic development; concentrating growth within existing centers; and, connecting people to the waterfront.

3. Assess the proposed amendment with the following measures: economic impact assessment, sustainability impact assessment, health impact assessment, environmental determination, wetland delineation study, traffic study, visual analysis, and other applicable analytical data, research and studies.

The Point Ruston project has gone through extensive review and received numerous permit approvals. Impacts were studied at that time, and appropriate conditions placed on the FSEIS and Shoreline permit. The current proposal would have no effect on the scope and character of development already approved, but could accelerate the pace of that development.

Designation of Point Ruston as a MUC and Residential Target Area would set up property tax reductions for the development for a period of 8 or 12 years. This would result in reduced tax revenue to the City of Tacoma for multifamily housing developed during that period. On the other hand, this temporary reduction in revenue should be balanced against the economic benefits of accelerating the build-out, including tax revenue from commercial development.

Should this application be approved, Point Ruston would be placed within a well-developed policy framework. Tacoma's Mixed-Use Centers are part of a comprehensive strategy intended to enhance sustainability, promote active transportation and transit use, and build on Tacoma's neighborhood assets for economic development. At the highest level, developing within the City inherently promotes sustainability by directing growth into urban areas and away from rural and natural areas.

4. Describe the community outreach efforts conducted for the proposed amendment, and the public comments, concerns and suggestions received.

Outreach for this application will build on the extensive public processes that have already taken place for Point Ruston. Point Ruston, LLC has engaged McCament and Rogers, a consultant firm, to assist with the process. City staff are coordinating with them to identify the stakeholders. Staff note that the vision and plans for Point Ruston are well established and broadly supported, and this proposal would not change the scope of development already approved. Furthermore, the objections raised to the original 2008 Point Ruston MUC proposal have now been substantially resolved.

To date, staff and the applicants have identified and had preliminary discussions with the following stakeholders:

- West End Neighborhood Council (presentation on 09/18/13 – voted to support the application)

- City of Ruston (emailed Mayor Hopkins 07/13; met with Ruston's Planner 10/03/13)
- Ruston Pearl Business District (meeting on 09/30/13)
- Metro Parks District (discussion with staff on 09/17/13)
- Citizens for a Healthy Bay (conversation on 09/23/13)
- Tacoma Housing Authority (emails/phone calls in September)
- Pierce Transit (email 10/04/13)

The preliminary outreach has revealed general support for the application. Most stakeholders express the hope that MUC designation would accelerate development. Stakeholders were reassured to learn that no changes to development regulations, particularly height, are proposed.

The City of Ruston stakeholders are also generally supportive of the MUC designation, but call for continued coordination between the Cities of Tacoma and Ruston, and Point Ruston, LLC to ensure that the build-out meets the approved plans and is phased in a manner that is equitable to both jurisdictions in terms of tax benefits.

Tacoma Housing Authority initiated a discussion of affordable housing at Point Ruston. Staff will follow up with them. It may be more appropriately tied to two related applications this year – the Mixed-Use Centers update, and the Affordable Housing update.

Staff will continue to work with the stakeholders identified, as well as conduct additional outreach as part of the overall 2014 Annual Amendment package.

5. Will the proposed amendment benefit the City as a whole? Will it adversely affect the City's public facilities and services? Does it bear a reasonable relationship to the public health, safety, and welfare?

The proposed amendment will benefit the City as a whole by potentially accelerating the pace of a long-awaited development that provides multiple benefits to the community. The residential target area designation will benefit the City by incentivizing residential development and investment in a mixed-use project.

III. Staff Recommendation:

Staff recommends that the proposed amendments to the Comprehensive Plan and the Tacoma Municipal Code pertaining to the proposed designation of Point Ruston as a Community Mixed-Use Center and residential target area, as applied by the Point Ruston, LLC and as depicted in Exhibits C and D, be distributed for public review. Staff will continue to engage in public outreach and provide a summary to the Planning Commission prior to the public hearing process which is tentatively scheduled for February-March 2014.

IV. Exhibits:

- A. Site Map of the Proposed Point Ruston Mixed-Use Center
- B. Point Ruston Development Concept
- C. Proposed Amendments to the Comprehensive Plan
- D. Proposed Amendments to the Tacoma Municipal Code

Exhibit A - Point Ruston MUC

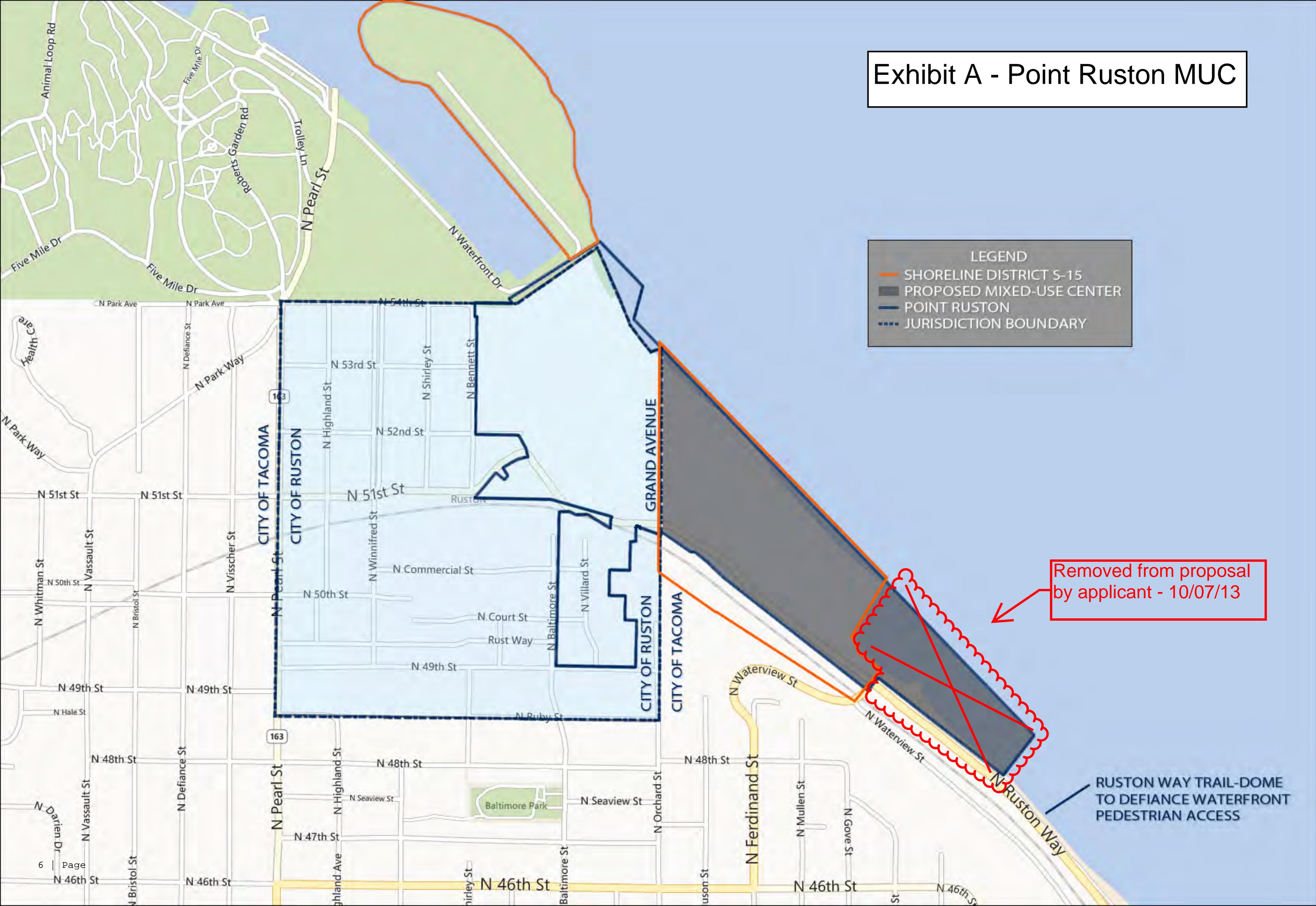
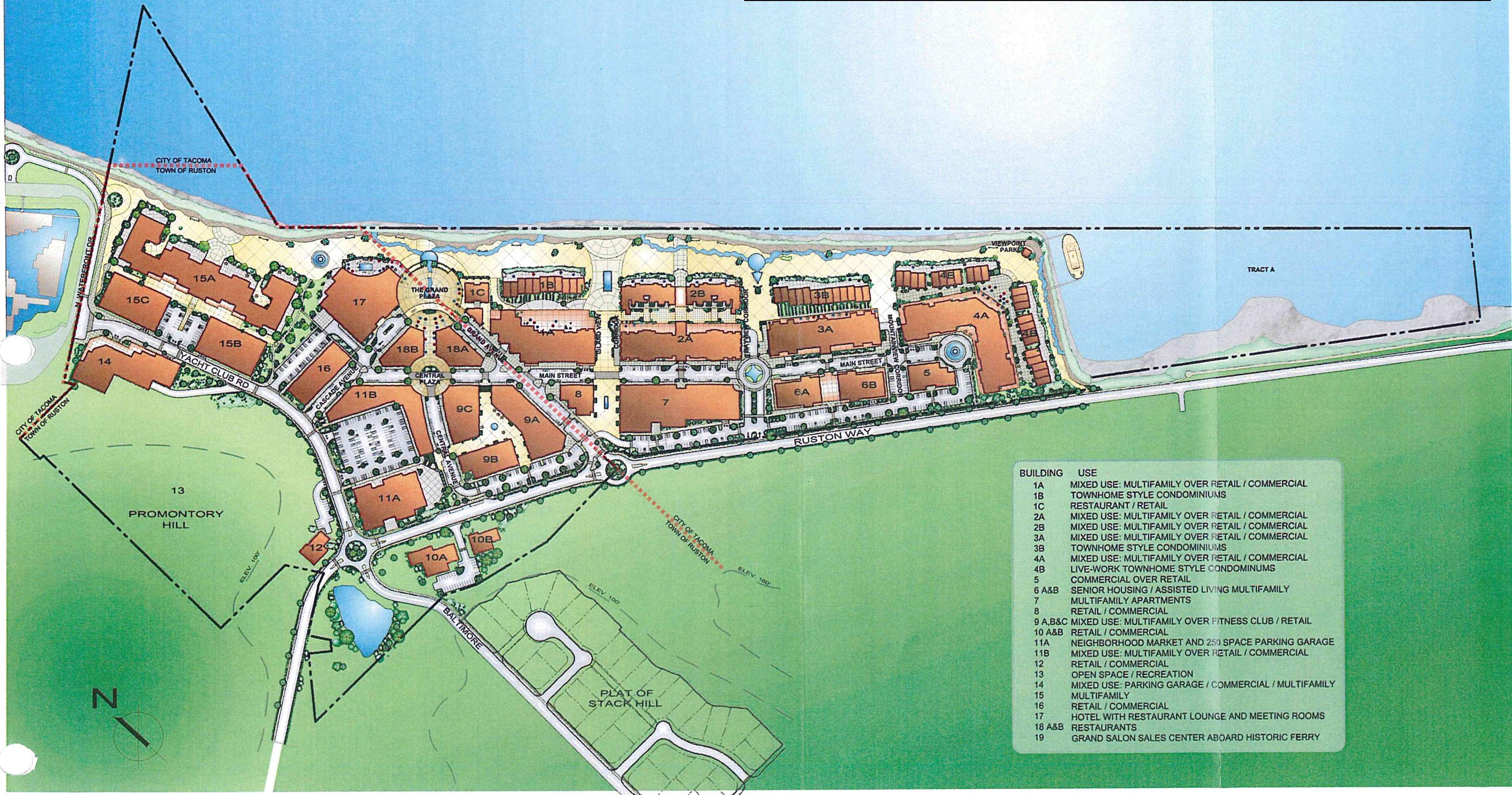


Exhibit B - Point Ruston Mixed-Use Center



Source: ESM, 2008



Exhibit C

2014 Annual Amendment Application No. 2014-01 Point Ruston Mixed-Use Center

DRAFT COMPREHENSIVE PLAN CHANGES October 16, 2013

*Note – These amendments show all of the changes to the *existing* Comprehensive Plan. The sections included are only those portions of the plan that are associated with these amendments. New text is underlined and text that is deleted is shown in ~~strikethrough~~.

Community Center

The community center is a concentration of commercial and/or institutional development that serves many nearby neighborhoods and generally includes a unique attraction that draws people from throughout the city. Some residential development may already be present, and there is a goal to have more residential development. It is directly accessible by arterials and local transit. Pedestrian accessibility is important within the center, but because of its focus on larger scale commercial development, the community center continues to provide for automobile parking, preferably within structures.

Designated Community Centers:

- Tacoma Central Plaza/Allenmore (Tacoma Central)
- S. 72nd and Pacific Avenue
- S. 72nd and Portland Avenue
- TCC/James Center
- Westgate
- Lower Portland Avenue
- S. 34th and Pacific Avenue
- S. 121st and Pacific Avenue (Outside the city within the urban growth area)
- Point Ruston



2014 Annual Amendment Application No. 2014-01
Point Ruston Mixed-Use Center

DRAFT LAND USE REGULATORY CODE CHANGES
October 16, 2013

*Note – These amendments show all of the changes to the *existing* land use regulations. The sections included are only those portions of the code that are associated with these amendments. New text is underlined and text that is deleted is shown in ~~strikethrough~~.

Chapter 13.17
MIXED-USE CENTER DEVELOPMENT

C. Designated Target Areas. The proposed boundaries of the “residential target areas” are the boundaries of the ~~17-18~~ mixed-use centers listed below and as indicated on the Generalized Land Use Plan and in the Comprehensive Plan legal descriptions which are incorporated herein by reference and on file in the City Clerk’s Office.

The designated target areas do not include those areas within the boundary of the University of Washington Tacoma campus facilities master plan (per RCW 84.14.060).

MIXED-USE CENTER	CENTER TYPE	ORIGINALLY ADOPTED
South 56th and South Tacoma Way	Neighborhood	November 21, 1995
Downtown Tacoma	Downtown	November 21, 1995
Proctor (North 26th and Proctor)	Neighborhood	November 21, 1995
Tacoma Mall Area	Urban	November 21, 1995
Martin Luther King Jr. (South 11th and MLK Jr. Way)	Neighborhood	November 21, 1995
Westgate	Community	November 21, 1995
Lincoln (South 38th and “G” Street)	Neighborhood	November 21, 1995
6th Avenue and Pine Street	Neighborhood	November 21, 1995
Tacoma Central Plaza/Allenmore	Community	November 21, 1995
South 72nd and Pacific Avenue	Community	November 21, 1995
East 72nd and Portland Avenue	Community	November 21, 1995
Stadium (North 1st and Tacoma)	Neighborhood	November 21, 1995
James Center/TCC	Community	November 21, 1995
Lower Portland Avenue	Community	January 16, 1996
South 34th and Pacific Avenue	Community	December 11, 2007
McKinley (E. 34th and McKinley)	Neighborhood	December 11, 2007
Narrows (6th Avenue and Jackson)	Neighborhood	December 11, 2007
<u>Point Ruston</u>	<u>Community</u>	<u>August 1, 2014</u>