



To: Planning Commission
From: Wesley Rhodes, Planning Services Division
Subject: **2023 Amendment – Assessment of “City-wide Commercial Zoning Code Update” Application**
Memo Date: September 1, 2022
Meeting Date: September 7, 2022

Action Requested:
Comment and Determination.

Discussion:

At the next meeting on September 7, 2022, the Planning Commission will conduct an assessment of the staff-initiated application “City-wide Commercial Zoning Code Update” for the 2023 Annual Amendment to the [One Tacoma Comprehensive Plan](#) and [Land Use Regulatory Code](#) (“[2023 Amendment](#)”).

The Commission will review this application and determine, in accordance with the requirements of the [Tacoma Municipal Code](#) (TMC), Section 13.02.070.E, whether the application will be accepted onto the 2023 Annual Amendment package and moved forward for technical analysis.

Attached to facilitate the Commission’s assessment and determination is the Assessment Report for the “City-wide Commercial Zoning Code Update.”

Project Summary:

The Comprehensive Plan and its elements, as well as development regulations and regulatory procedures that implement the Comprehensive Plan, shall be adopted and amended by ordinance of the City Council following the procedures identified in TMC 13.02.070. Proposed amendments may be considered annually, for which the amendment process shall begin in July of any given year and be completed, with appropriate actions taken by the City Council by the end of June of the following year. The process for the [2023 Amendment](#) began with accepting applications during January-March 2022 and is slated for completion in June 2023.

Staff Contact:

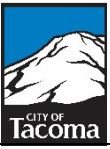
- Wesley Rhodes, wrhodes@cityoftacoma.org

Attachment:

1. Assessment Report – “City-wide Commercial Zoning Code Update”

c. Peter Huffman, Director





**2023 ANNUAL AMENDMENT
TO THE COMPREHENSIVE PLAN AND LAND USE REGULATORY CODE**

Application: City-wide Commercial Zoning Code Update

**Assessment Report
September 1, 2022**

The “City-wide Commercial Zoning Code Update” proposes to update the City of Tacoma’s commercial zoning code classifications (C-1, C-2, T, PDB) to better conform with Future Land Use Map (FLUM) designations and the goals and policies contained within the *One Tacoma* Comprehensive Plan. This generally refers to the commercially zoned areas of the City found outside of the designated Centers (see *Section A.1 Area of Applicability*). This project is primarily aimed to address the following issues:

1. Inconsistencies between the recognized commercial pattern area typologies and the associated land use and zoning designations
 - a. The Comprehensive Plan has three identified commercial typologies (Convenience Corners, Neighborhood Commercial, and General Commercial) but only has two land use designations and two primary commercial zoning classifications (Neighborhood Commercial and General Commercial).
2. Inconsistencies between the Future Land Use Map (FLUM) and Zoning Map
3. Inconsistencies between Comprehensive Plan goals and policies and zoning standards and guidelines

A framework for resolving issues two and three cannot be created without first addressing issue one. Issue one will require a comprehensive review and development of appropriate commercial pattern area typologies (either existing or desired) for the City of Tacoma. Therefore, the work is proposed to occur in two phases.

Phase I, to be conducted as part of the 2023 Comprehensive Plan amendment cycle, will include the development of a typology for commercial pattern areas (outside of Centers) throughout the City. This will serve as a common set of references and geographies against which an assessment in relation to the goals and policies contained in the Comprehensive Plan can be made. Phase I will also include a framework for decision-making regarding the implementation options to increase conformance of commercial areas with the Comprehensive Plan. This may include recommended updates to Title 13 (specifically, Section 13.06.030) of the Tacoma Municipal Code and the *One Tacoma* Comprehensive Plan. This phase may also include a review of, and potential updates to, design standards for commercial areas outside of Centers where the Multi-Family Tax Exemption may be applicable as a result of *City Ordinance No. 28798*.



Phase II, to be conducted as part of the 2024 Periodic Comprehensive Plan update, will include the development and refinement of the recommended implementation methodologies, including creation of specific language for code changes to the Land Use Regulatory Code and updated goals, policies, and design guidelines for potential adoption into the Comprehensive Plan, to achieve Tacoma’s desired future commercial land use.

The project will result in updated zoning standards and the analysis could include elimination and/or consolidation of existing zoning classifications, and potential creation of new zoning classifications, resulting in reclassification of some existing commercially zoned areas and updates to the Zoning Map.

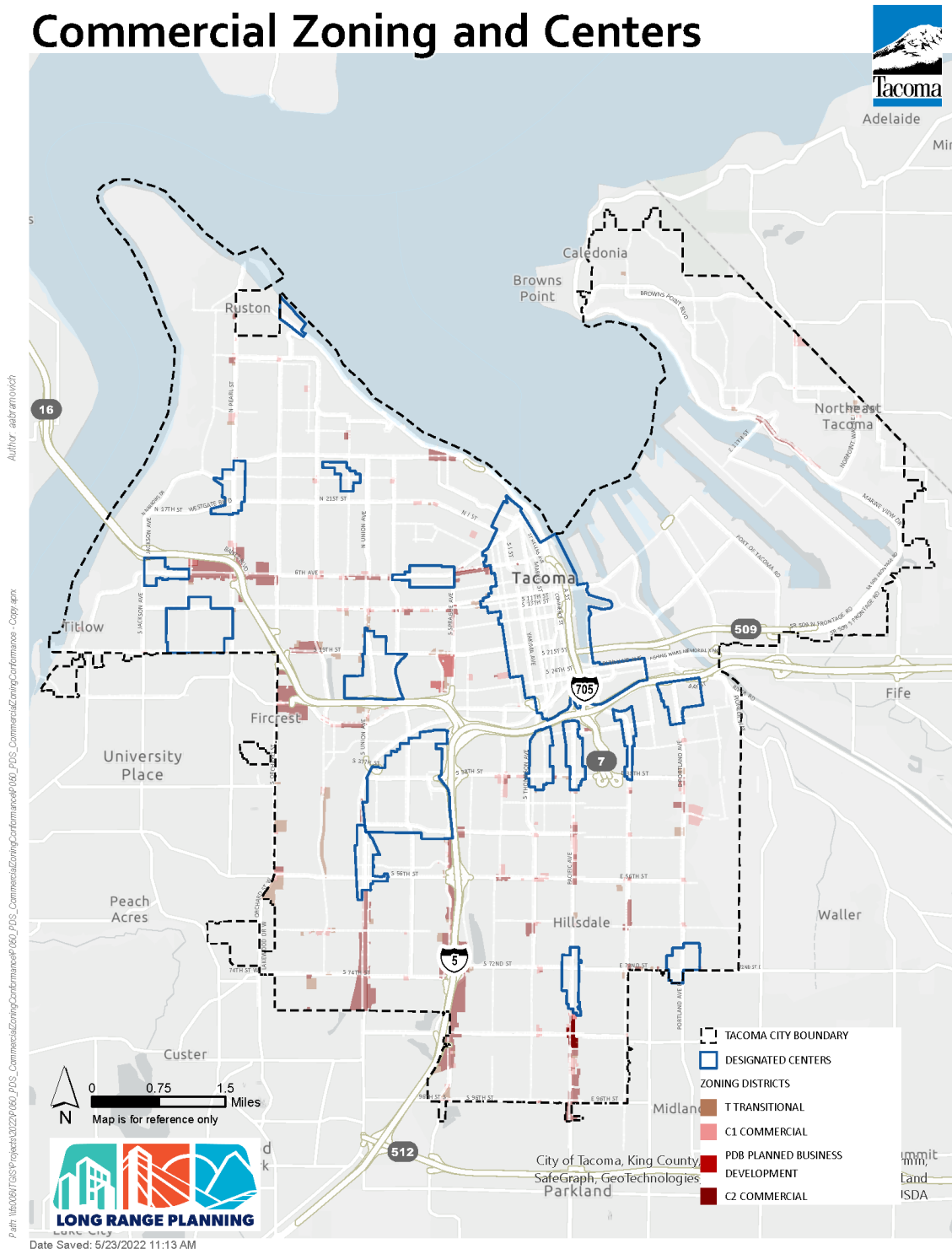
Project Summary	
Application ID:	City-wide Commercial Zoning Code Update
Applicant:	Planning and Development Services
Location and Size of Area:	Citywide
Current Land Use and Zoning:	All commercial zones outside of Mixed-Use Centers. This includes C-1 (neighborhood commercial), C-2 (General Commercial), PDB (Planned Development Business), and T (Transitional).
Neighborhood Council Area:	Citywide
Proposal Summary:	The project proposes to update the City’s commercial zoning code classifications (C-1, C-2, T, PDB) to better conform with goals and policies contained within the <i>One Tacoma</i> Comprehensive Plan. The update will address inconsistencies between the Comprehensive Plan goals and policies with existing zoning standards, such as issues that arise with implementing a more pedestrian-oriented design approach as well as areas where more intensive development abuts lower density residential areas. See Section “A” for the Proposed Scope of Work.

Section A. Proposed Scope of Work

1. Area of Applicability

Citywide in commercial zones (C-1, C-2, PDB, and T). Not applicable to commercial uses within designated Mixed-Use Centers.

Commercial Zoning and Centers



2. Background

2014 – Major update to the Land Use Designations in the Comprehensive Plan – Established the Neighborhood and General Commercial Land Use Designations that were applied to the Future Land Use Map (FLUM). The updated FLUM began implementation in 2015 but the FLUM and the underlying zoning have never been consistent. This has historically been addressed through individual site rezones; however, this often puts the onus on the site developer. The last major update of the commercial zoning code was likely in the early 2000s.

2015 – The Tacoma Mixed-Use Centers report provided critical analysis and recommendations for commercial areas within the City’s Mixed-Use Centers to align these commercial areas more closely with the stated goals and policies within the *One Tacoma* Comprehensive Plan. Namely, it provided guidance on how to create more pedestrian-oriented commercial typologies. Recommendations were incorporated into the Comprehensive Plan as part of the Periodic Update. However, this document did not provide the same analysis for the City’s commercial zoned areas outside of Mixed-Use Centers, a gap that this project seeks to rectify.

2017 – Annual Amendment Applications and Interim Regulations – Following the 2015 Comprehensive Plan update, City staff initiated a series of zoning reviews to bring zoning into compliance with the updated Future Land Use Map. In 2017, staff initiated an application as part of the Annual Amendment process to consider the Commercial Zoning Update. However, a series of subsequent interim ordinances impacted the work program and the Commercial Zoning update was postponed.

2018 – University of Washington Livable City Year – Student-led projects which included design concepts for some small nodes of commercial development.

2019 _ Future Land Use Map Implementation – In 2019 City staff initiated a zoning review to rectify inconsistencies between multi-family zoning districts and the related FLUM Land Use Designations. The scope was limited to residential areas and envisioned the Commercial Zoning Update as a subsequent action.

2021 – Tacoma TOD Toolkit – Provided guidance on best-practices and principles for pedestrian-oriented commercial uses, including station area placemaking, along transit corridors.

2021 – Ordinance 28798 updating the applicability of MFTE – City council passed an ordinance to expand the geographic scope of the Multi-Family Tax Exemption (MFTE) credit outside of Centers to include “...Neighborhood Commercial Nodes along transit and existing mid-scale residential on corridors....” Stipulations included that it “...shall not become available in the neighborhood commercial nodes until a comprehensive review and update of the design standards for projects which include residential development in those commercial areas is completed.”

3. Policy Framework

Growth Management Act

The City’s Comprehensive Plan, including the Future Land Use Map (FLUM), was developed in accordance with both the procedures and the substantive requirements of the Growth Management Act (GMA). In addition to guiding the development of local Comprehensive Plans, the GMA also requires that development regulations conform to and implement the locally adopted Plans. RCW 36.70A.040 states that “...the county and each city located within the county shall adopt a comprehensive plan under this chapter and development regulations that are consistent with and implement the comprehensive plan...”.

In addition, the GMA requires that local jurisdictions “...ensure that, taken collectively, adoption of and amendments to their comprehensive plans and/or development regulations provide sufficient capacity of land suitable for development within their jurisdictions to accommodate their allocated housing and employment growth, including the accommodation of, as appropriate, the medical, governmental, educational, institutional, commercial, and industrial facilities related to such growth, as adopted in the applicable countywide planning policies and consistent with the twenty-year population forecast from the office of financial management (RCW 36.70A.115).”

One Tacoma Plan

The *One Tacoma* Comprehensive Plan, at the broadest level, is guided by **GOAL UF-1** to “guide development, growth, and infrastructure investments to support positive outcomes for all Tacomans.” One of the challenges for implementing the commercial FLUM and associate goals and policies of the Comprehensive Plan is that it currently identifies three key commercial typologies but only employs two commercial FLUM designations with corresponding zoning.

Commercial Districts are directly identified in the Urban Form chapter under the Employment Areas Section and are classified into three general typologies:

- **Convenience Corners** – small commercial nodes distributed throughout Tacoma’s neighborhoods, often along historic streetcar routes
- **Neighborhood Commercial** – districts characterized by small-scale neighborhood businesses with some residential and institutional uses
- **General Commercial** - districts which encompass medium to high intensity commercial uses which serves a large community base with a broad range or larger scale uses

The FLUM designations and corresponding zoning classifications table (Table 3 in the Comprehensive Plan, a portion of which is shown below) provides a purpose statement for each FLUM designation and by extension the corresponding zoning classifications they encompass.

The **Neighborhood Commercial** FLUM category contains C-1 and T commercial zoning and are characterized primarily by small-scale neighborhood business with some residential and institutional uses. Uses are generally characterized by smaller buildings and sites, less signage, and low to moderate traffic generation. There is an emphasis on small businesses and development compatible with nearby residential areas.

The **General Commercial** FLUM category contains PDB and C-2 commercial zones and are characterized by medium to high intensity commercial uses which serve a large community base with a broad scale of uses. These areas also allow for a wide variety of non-commercial uses, such as residential development, institutional uses, community facilities, and some limited production and storage uses. These areas are generally located along major corridors and may have more direct access to highways. This designation is characterized by larger-scale buildings, longer operating hours, and moderate to high traffic generation.

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATIONS	CORRESPONDING ZONING
<p>Neighborhood Commercial</p> <p>This designation is characterized primarily by small-scale neighborhood businesses with some residential and institutional uses. Uses within these areas have low to moderate traffic generation, shorter operating hours, smaller buildings and sites, and less signage than general commercial or mixed-use areas. There is a greater emphasis on small businesses and development that is compatible with nearby, lower intensity residential areas.</p> <p><i>Target Development Density: 14–36 dwelling units/net acre</i></p>	<p>C-1 General Neighborhood Commercial District</p> <p>T Transitional District</p>
<p>General Commercial</p> <p>This designation encompasses areas for medium to high intensity commercial uses which serves a large community base with a broad range of larger scale uses. These areas also allow for a wide variety of residential development, community facilities, institutional uses, and some limited production and storage uses. These areas are generally located along major transportation corridors, often with reasonably direct access to a highway. This designation is characterized by larger-scale buildings, longer operating hours, and moderate to high traffic generation.</p> <p><i>Target Development Density: 45–75 dwelling units/net acre</i></p>	<p>PDB Planned Development Business District</p> <p>HM Hospital Medical District</p> <p>C-2 General Community Commercial District</p>

From Table 3 in the Urban Form chapter *One Tacoma* Comprehensive Plan – FLUM designations and corresponding zoning

Additionally, the last major update to the commercial zoning standards and guidelines occurred in the early 2000s. Since that time there have been many updates to the goals and policies found within the Comprehensive Plan that need to be integrated into the commercial zoning code. While this project will include a comprehensive review of goals and policies within the plan, it is primarily concerned with those goals and policies that speak to the need for pedestrian-oriented (non-auto-centric) commercial typologies, as well as the relationship between more intensive development where it abuts lower-scale residential areas.

Policies related to **pedestrian-oriented** (non-auto-centric) design + development standards:

- **Policy DD–1.3** Design buildings and streetscape of a human scale to create a more inviting atmosphere for pedestrians.
- **Policy DD–1.8** Enhance the pedestrian experience throughout Tacoma, through public and private development that creates accessible and attractive places for all those who walk and/or use wheelchairs or other mobility devices.
- **Policy DD–1.9** Encourage development, building and site design that promote active living.
- **Policy DD–1.14** Encourage the continued use of alleys for parking access and expand their use as the location of accessory dwelling units and as multi-purpose community space.
- All policies within **Goal DD-2** which ensures “that parking area design and management balances the needs of all users, supports modal priorities, and is responsive to site context.”
- The important intersection and overlap between commercial and residential development, particularly as found within some of the policies within **GOAL DD-4**.
- **Policy DD–5.2** Encourage development in centers and corridors to include amenities that create a pedestrian-oriented environment and provide places for people to sit, spend time, and gather.

- **Policy DD–5.3** Promote building and site designs that enhance the pedestrian experience in centers and corridors, with windows, entrances, pathways, and other features that provide connections to the street environment.
- **Policy DD–5.6** Site and design new developments with safe, convenient, connected and attractive pedestrian access....
- **Policy DD–5.15** Strengthen the continuity of development and streetscape by using architectural features, street furniture, and other elements that unify and connect individual areas.
- **Policy DD–5.16** Within core commercial areas, encourage uses at street level that generate pedestrian activity and support transit ridership.

Policies related to the design + development standards where more **intensive development abuts lower-scale residential** areas:

- **Policy DD–9.1** Create transitions in building scale in locations where higher-density and intensity development is adjacent to lower scale and intensity zoning. Ensure that new high-density and large-scale infill development adjacent to single dwelling zones incorporates design elements that soften transitions in scale and strive to protect light and privacy for adjacent residents.
- **Policy DD–9.2** Improve the interface between non-residential activities and residential areas, in areas where commercial or employment areas are adjacent to residential zoned land.
- **Policy DD–9.4** Minimize the impacts of auto-oriented uses, vehicle areas, drive-through areas, signage, and exterior display and storage areas on adjacent residential areas.

4. Objectives

Address inconsistencies or errors in the Comprehensive Plan or development regulations

Historically, the City of Tacoma has had embedded inconsistencies between the Comprehensive Plan and Zoning District boundaries. These inconsistencies were studied and discussed as part of the Comprehensive Plan update in 2015. One of the high priority actions identified in the *One Tacoma* Plan was to begin a multi-phase effort to rectify these inconsistencies between the land use designations in the Plan and the implementing zoning code. Both state law, through the Growth Management Act, and local ordinances require that the City bring the zoning designations into conformance with the Plan or amend the Plan to be consistent with the zoning designations. Ultimately, the Plan and Code must be internally consistent.

This project is aimed at rectifying three primary types of inconsistencies:

1. Inconsistencies between the recognized commercial pattern area typologies and the associated land use and zoning designations
 - a. The Comprehensive Plan has three identified commercial typologies (Convenience Corners, Neighborhood Commercial, and General Commercial) but only has two land use designations and two primary commercial zoning classifications (Neighborhood Commercial and General Commercial).
2. Inconsistencies between the Future Land Use Map (FLUM) and Zoning Map
3. Inconsistencies between Comprehensive Plan goals and policies and zoning standards and guidelines

Over the next 20 years, the number of people and jobs will grow significantly in Tacoma. The City’s comprehensive plan, while focusing growth within designated centers, anticipates additional infill residential and commercial development in

neighborhood nodes and along designated corridors. The City's commercial zones were created when auto-oriented and low-intensity commercial uses were more common and more actively promoted. The update will address issues that arise with implementing a more pedestrian-oriented design approach as well as areas where more intensive development abuts lower density residential areas.

As such, additional refinement to the number, type, and geographic applicability of the City's commercial zones are necessary to ensure that growth and development can be accommodated in a context sensitive manner that is consistent with the *One Tacoma* Comprehensive Plan. This could include updates to massing and articulation, transitions and step-downs, ground floor uses, parking requirements, and setbacks, among others. This project may involve the creation of new, or consolidation of existing, commercial zoning districts

Currently, there are a significant number of areas where the FLUM designation is Neighborhood Commercial, but the underlying zoning is General Commercial. If strictly applied, the FLUM would direct significant city-wide downzones of commercial properties from C-2 to C-1. Instead, staff is proposing this project as a means of evaluating the City's current policies, land use designations, and commercial zoning classifications to determine the best methodology for creating conformance and implementing the goals and policies within the *One Tacoma* Plan.

Furthermore, it is evident that there are broad differences in the typology of urban form of areas within a single commercial zoning classification. For example, C-2 General Commercial zoning produces commercial development patterns as varied as the Bass Pro Shops on S. Hosmer Street and the commercial area in Old Town on N. 30th Street.



Example of large-scale auto-oriented commercial development found within C-2 (general commercial) zoning



Example of a neighborhood-scale pedestrian-oriented commercial area (with residential) found within C-2 (general commercial) zoning

Updating code within a single zoning designation to address the desired design standards between these varied contexts is challenging. Furthermore, under the current guidelines, areas serving as desirable pedestrian-friendly commercial areas (many with historic building stock) could be redeveloped, without any zoning change, into auto-oriented or (in some cases) even completely residential uses. A thorough review of the City’s commercial zoning standards could produce a code that is streamlined and targeted, thus implementing the FLUM, goals, and policies within the *One Tacoma Plan*.

Mixed-Use (X) districts within Centers are one way the City has been responding to changing circumstances, such as growth and development. Because these zoning classifications have generally been created and/or updated since the more traditional commercial (C) districts, an analysis of the relationship between these districts is merited. Such an analysis could help understand the relationship in terms of the uses and design each is producing. Scale (especially height) is still a defining feature but it’s possible that the merits of having a separate “C” district is losing some value over time. For example, both districts are inherently mixed-use by nature with the ability to have developments that are entirely residential within “C” districts. Other traditional differences, such as the applicability of MFTE, are also lessening as *Ordinance 28798* seeks to expand MFTE outside of traditional centers to include commercial neighborhood nodes along transit corridors, among other areas.

5. Options Analysis

Creation of criteria to conduct an options analysis will be a next step as part of Phase I. Phase I includes the creation of an implementation framework. To develop a framework, we will need to evaluate some early options relating to zoning code amendments (including updates to existing classifications and/or creation of new classifications), amendments to the goals and policies within the Comprehensive Plan, and amendments to the Zoning Map. Impacts assessment will largely be conducted as part of Phase II.

6. Proposed Outreach

Outreach for this project will be citywide. Current codes require notification of all taxpayers within 2500’ of a proposed rezone or FLUM amendment. This proposal will affect both residential and commercial property owners and

tenants. In addition, there is the potential for great interest among the business community and stakeholders, as well as certain neighborhood groups. Potential outreach will include Neighborhood Councils, Business Districts, Master Builders Association of Pierce County, the Chamber of Commerce and community groups such as Historic Tacoma.

Given the citywide scope of work, community engagement will be targeted towards citywide or broader neighborhood interest groups, associations and organizations. Staff resources will be limited in capacity to conduct community outreach at a parcel-by-parcel scale. Outreach efforts will need to be equitable and seek to engage a variety of communities and community interests in Tacoma, particularly those areas that have been historically under-represented in zoning and land use processes.

In order to help facilitate early public comment, staff is proposing the creation of a “Potential Commercial Rezones” map that would enable public comment on the potential rezone map. A similar approach has been taken with other City-wide rezone efforts such as updates to the FLUM (<https://wspdsmap.cityoftacoma.org/website/FLUM/>). Staff proposes to utilize this web-based comment tool during the distinct phases of the project to enable more place-based comments.

Other methods of notification and engagement may include preferential surveys and outreach at Farmers Markets and other community events. The utility of online engagement platforms, such as Social Pinpoint, will also be explored.

Lastly, since many of these potential rezones would apply within the Puyallup Tribe Reservation, early consultation with Tribal staff will be essential to identifying Tribal concerns early in the process and to identify options to respond to those concerns.

7. Impacts Assessment

Typically, Plan amendments and area-wide rezones are evaluated under a SEPA non-project action. Additional project-level review is conducted as part of an application for land use or building permits and mitigation for project impacts may be required at the time of permit issuance. Phase I will focus on establishing a consistent policy and typology framework for commercial zoning and then applies those through zoning and development standard amendments in phase II. As a result, impact review will be limited in phase I but will include recommendations for impact analysis to be conducted as part of phase II. In general, impacts are expected to be limited as the area of applicability is generally targeted toward existing commercial areas and modifying zoning and development standards to achieve greater consistency with *One Tacoma* Plan goals and policies.

Section B. Assessment

The applications were reviewed against the following assessment criteria pursuant to TMC 13.02.045:

- If the amendment request is legislative and properly subject to Planning Commission review, or quasi-judicial and not properly subject to Commission review.

Staff Assessment: The amendment is legislative and properly subject to Planning Commission review.

- If there have been recent studies of the same area or issue, which may be cause for the Commission to decline further review, or if there are active or planned projects that the amendment request can be incorporated into.

Staff Assessment: This is a continuation of a multi-year effort to bring the Plan and Zoning into conformity. Several iterations of this project have been proposed and started over the years but were ultimately postponed and recommended for continued deliberation. In some cases, the City Council may have approved recent site rezones of areas under review within this scope of work; these sites will be identified as part of the evaluation. At this time there are limited or no other active or planned projects that this amendment can be incorporated into. However, the project may have overlap and/or compelling reasons to coordinate with the Urban Design Review program.

- If the amount of analysis necessary is reasonably manageable given the workloads and resources of the Department and the Commission, or if a large-scale study is required, the amendment request may be scaled down, studied in phases, delayed until a future amendment cycle, or declined.

Staff Assessment: To help facilitate this review, staff proposes to analyze specific types of issues and approaches to these issues, rather than conducting site by site analysis. Staff is recommending a phased approach to conduct the Commercial Zoning Update (to include commercial typologies and an implementation framework) in 2023 and the Commercial Rezones and Comprehensive Plan updates in 2024.

Section C. Recommendation

Per TMC 13.02.070.E.3, the Planning Commission will review this assessment and make its decision as to:

- Whether or not the application is complete, and if not, what information is needed to make it complete;
- Whether or not the scope of the application should be modified, and if so, what alternatives should be considered; and
- Whether or not the application will be considered, and if so, in which amendment cycle. The Planning Commission shall make determinations concerning proposed amendments.

Staff Recommendation:

- Staff concludes that the application is complete and includes the information necessary to move forward into the technical analysis phase of the amendment process.
- Staff recommends that the scope of the application focus on the policy elements and establishing a commercial typology framework that can be implemented through the zoning code in phase II.
- Based on the review of the proposal against the assessment criteria, staff concludes that this application is ready for technical analysis. Staff recommends that the Planning Commission accept the application as part of the 2023 Annual Amendment docket.