



**2008 Annual Amendment Application No. 2008-10
Downtown Element**

STAFF REPORT

Applicant:	Community and Economic Development
Type of Amendment:	Text and policy revisions to the downtown element of the Comprehensive Plan
Current Land Use Intensity:	High
Current Area Zoning:	Downtown Residential (DR), Downtown Mixed Use (DMU) Warehouse/Residential (WR), Downtown Commercial Core (DCC), S-8 Shoreline District, Urban Commercial Mixed Use-Tacoma Dome (UCX-TD), Light Industrial (M-1), Heavy Industrial (M-2), and R-4 Multifamily; plus three overlay historic special review districts: Old City Hall, Union Depot/Warehouse and Union Station Conservation
Size of Area:	Approximately 1 square mile
Location:	Downtown mixed-use center
Neighborhood Council area:	New Tacoma/Central
Proposed Amendment:	To modify and update the text, goals and policies of the downtown element of the Comprehensive Plan in order to incorporate emerging initiatives, to provide policy guidance for land use, transportation, parking, economic development, infrastructure, transit, and to guide future public and private improvements.

General Description of the Proposed Amendment: The proposed amendment refines the downtown section of the Comprehensive Plan. The proposed amendment is intended to facilitate future development of the Downtown mixed-use center consistent with the growth strategy outlined in the Comprehensive Plan. The downtown area has experienced a period of significant public and private investment that have been described as a renaissance of the area. While these investments have spurred tourism and renewed interest in living, working, shopping, dining and playing downtown, there is still a need to attract large scale employers and vibrant retail and develop better transportation alternatives. The proposed update provides a working tool to clarify the vision for downtown and to use the vision for overarching guidance for implementation strategies, projects and ongoing initiatives. The proposed amendment seeks to bring together a myriad of interdependent actions and planning to create the necessary synergy for a healthy, vibrant downtown.

The downtown plan update is intended to:

- Coordinate land use, transportation, economic development and parking strategies
- Create a walkable downtown through application of best practices such as “complete streets”
- Establish urban design principles with an emphasis on the public realm
- Link economic vitality and environmental quality through an awareness of the regional effects of growth management, land use and transportation decisions
- Promote partnerships to promote infill development and link land use policy and economic revitalization strategies
- Foster collaborative relationships among the community, city and “city builders” and encourage property owners to think beyond the property boundary to achieve mutual benefit

- Responsibly increase density while laying the groundwork for creating a high quality environment and retaining Tacoma's character

Additional Information: In 2007, the City Manager began a series of conversations with the public about future downtown transportation and parking needs. This led to the development of a draft Tacoma City Center Parking and Mobility Strategy which was presented to the City Council in October 2007. The Strategy strives to support a vital downtown and a citywide multimodal transportation system that reduces downtown automobile congestion, assures access to parking for downtown visitors and residents, and supports the use of alternative forms of transportation. Since then a Parking Advisory Group has been formed to make recommendations on how the strategy could be implemented.

The Washington State Legislature passed the Commute Trip Efficiency Act in 2006 which requires local governments experiencing the greatest automobile-related air pollution and traffic congestion to develop and implement plans to reduce single occupant vehicle commute trips. The new law contained the framework for the creation of a new Transportation Demand Management (TDM) entity called a Growth and Transportation Efficiency Center (GTEC). According to the law, a GTEC is a defined boundary of dense mixed development with major employers, small businesses and residential units. The goal of the GTEC program is to provide greater access to employment and residential centers while decreasing the proportion of commuters driving alone during peak periods on the state highway system. Downtown Tacoma was selected as one of seven pilot GTECs in the State in January 2008. Tacoma's GTEC program implementation focuses on three untapped target markets: UWT students, clustered downtown employers, and residential development in the St. Helens area. There is a strong tie between transportation efficiency and economic vitality downtown. The GTEC is intended to promote many of the same goals as the City Center Parking and Mobility strategy as well as the goals and policies in the Comprehensive Plan for the downtown mixed-use center.

In late 2007, the City contracted with AngelouEconomics, an Austin-based economic development consulting firm, to develop an economic development strategic plan for downtown Tacoma. AngelouEconomics is the largest independent economic development consulting firm in the U.S. and specializes in creating strategies for communities seeking high impact investment and targeted, managed growth solutions. During Phase I, AngelouEconomics inventoried existing conditions in Downtown Tacoma and developed an Economic Impact Statement that highlighted the value of goods, services, residents, employees, and organizations that exist in the downtown have on the City of Tacoma, Pierce County, and the State of Washington. The Economic Impact Statement found that Downtown Tacoma contributes \$4.8 billion to the City's economy, \$7.4 billion to the County's economy and \$10.3 billion to the State of Washington. Phase II was the development of a Market Assessment which evaluated factors critical to employment and business growth such as the available labor force, infrastructure and environmental quality, etc. The Assessment found that downtown has many assets including an attractive natural setting, lower business operating costs, good public transportation options, affordable housing and a growing cultural arts sector. However, the area also has challenges including a low vacancy rate for Class A office space, lack of adequate retail and entertainment venues and, although improving, a generally poor image in the region.

The findings from the Economic Impact Statement and the Market Assessment were utilized to develop the third report, a Downtown Economic Development Strategy. The goal of the Strategy is to increase private commercial investment and provide additional high-wage job opportunities. The Strategy consists of three components: an economic development vision, an analysis and identification of key Target Industry sectors most appropriate for downtown, and an Action Plan that includes goals, strategies and implementation actions corresponding to the economic development vision. One of the key target sectors are international financial services which includes services such as banking, loan, security, investment management, investment advisory, and mortgage servicing when those services are provided to persons

living outside the United States, or the service itself is for use primarily outside of the United States. On June 17, 2008, the City Council adopted Resolution No. 37508 designating an area in the Downtown Commercial Core (DCC) zoning district (generally between South 8th and 15th and the west side of Commerce and I-705) as an International Financial Services Area. The intent of this designation is to create a special emphasis area, the purpose of which is to encourage the retention, expansion, and recruitment of employers and developers of high-rise buildings for employers engaged in international financial services or in providing professional services, support services, or retail, shopping and restaurant experiences for companies and employees engaged in international financial services. The desire is to produce an environment attractive to such employers, their employees, suppliers, and customers. The adopted Resolution requests the Planning Commission to evaluate the DCC zoning regulations, including, but not limited to, maximum allowable building height, floor area ratios, off-street parking requirements and design standards, and recommend changes that would remove any impediments to accomplishing this intent. The downtown plan update provides a policy framework and recommendations for modifying the DCC zone to accomplish the above objectives and the Council's directive.

Earlier this year, the City also contracted for services with VIA Architecture to review the long-range planning and zoning of the downtown area. The VIA consultant team has been sharing information and working with the AngelouEconomics team as their work has evolved. The recommendations from the AngelouEconomics research directly feeds into the VIA Architecture's endeavor to create long-range planning and zoning strategies that will support Angelou's recommendations and help facilitate their implementation. The overall vision for downtown is defined consistently in both efforts and is supported by a combined public outreach effort (interviews, focus groups, visioning sessions, online surveys, etc.).

By integrating the land use plan, transportation, parking and mobility strategies, and the economic development vision for the downtown area, the City of Tacoma will have a robust and meaningful downtown planning document. In addition to these initiatives, the downtown plan update has also considered and incorporated as appropriate other activities such as the update to the UWT Master Plan, streetcar recommendations, the mixed-use center review project and the downtown streetscape study, among others.

Applicable Provisions of the Growth Management Act:

The Growth Management Act does not have a specific requirement for having a downtown element in the Comprehensive Plan. However the following GMA goals are addressed by the proposed amendment: urban growth, reduce sprawl, housing, transportation, historic preservation, environment and economic development. The proposed amendments would further these GMA goals by:

- Focusing development within the downtown area where infrastructure already exists and there are a range of amenities and services;
- Reducing urban sprawl by providing more housing and employment opportunities within an already urbanized area;
- Providing a diversity of housing choices;
- Promoting environmental sustainability in land use, transportation and development decisions
- Creating multimodal and flexible streets that are designed to increase the mode share of pedestrians, bicyclists and transit use throughout downtown
- Supporting economic development strategies to recruit, grow, and retain business and workforce through policy for downtown's overall development concept, urban form, built environment and land use as they relate to leveraging existing investments and providing opportunities for growth.

GMA requires the following elements in the Comprehensive Plan: land use, housing, transportation, capital facilities and utilities. The Act was amended later to require an economic development element that establishes goals, policies, objectives, and provisions for economic growth and vitality and a high

quality of life. Completion of the economic development element is contingent on the allocation of funding from the legislature; which to date has not occurred. Nevertheless, it is clear that the legislature in making an economic development element a requirement intended to link together in the Comprehensive Plan the land use, housing, transportation, infrastructure and economic development visions into a coherent strategy. The proposed downtown plan update addresses the five required elements in response to the economic development vision and strategy as set forth by AngelouEconomics.

Applicable Provisions of the Comprehensive Plan:

Policies and statements from relevant Comprehensive Plan Elements are discussed below. This discussion focuses on policies to which no or minimal changes are proposed. It should be noted that Comprehensive Plan amendments are, by their nature, adjustments to the policy direction of the Plan. The plan update proposal will supersede and replace the existing downtown element of the Plan by adding new goals and policies to address economic development, land use, transit, parking, streetscape, walkability and urban design. The update also identifies strategies and actions for amending downtown regulations, providing new incentives, improving the public realm, incorporating sustainability, and promoting alternative transportation choices. In addition, the plan identifies key development opportunities and sites, provides a typology of streets and best practices, defines a vision for sub-areas of the greater downtown area and discusses links to adjacent neighborhoods.

The growth strategy and land use elements of the Comprehensive Plan contain intent and policies for the downtown mixed-use center. The downtown area is one of 17 mixed-use centers and is a regionally designated growth center. Policies which apply to all mixed-use centers also apply to the downtown area. There are also policies that are specific to the downtown mixed-use center.

a. Growth Strategy and Development Concept Element

Section VI– Mixed-use Centers.

Mixed-use centers are compact, defined areas of medium to high intensity development. Generally, mixed-use centers are located within a larger concentration. They are distinguishable from the concentration; however, by their focus on mixed-use development, pedestrian-orientation and support of public transit. (See Comprehensive Plan pages GD-11 and GD-12 for more explanation of the centers)

Discussion: The proposed plan update would refine the existing policy framework to more effectively direct growth to the downtown center consistent with the above definition and to better support pedestrian orientation of development and the use of public transit. The proposed plan includes policies and recommendation to improve the walking environment and provides street typologies for cycling and transit priority streets.

Section VI – Downtown Center.

The downtown center is the highest concentration of urban growth found anywhere in the city. It is the focal point for the city, the center of government, cultural, office, financial, transportation and other activities. This variety of day and night activities attracts visitors from throughout the city and region. The interstate freeway and major arterials provide access and the center has both local and regional transit connections. Larger, often historic buildings, fronting on the sidewalk characterize the area. Pedestrian orientation is high. Parking is found along the street and within structures.

Discussion: The proposed plan update would refine the existing policy framework to more effectively direct growth to the downtown center consistent with the above definition. The proposed plan provides new policy to preserve and adaptively reuse historic structures, optimizes parking options, and identifies catalyst project sites and areas where new investment can be fostered. Three areas are identified for near term action by the City (one to three years): the downtown core, the International Financial Services Area

and the Brewery district. The draft plan also identifies actions to bolster retail and develop an entrepreneurial climate for business growth.

b. Generalized Land Use Element

Section II – Mixed Use Centers

Mixed-use Centers Goal: To achieve concentrated centers of development with appropriate multimodal transportation facilities, services and linkages that promote a balanced pattern of growth and development, reduce sprawl, foster economies in the provision of public utilities and services, and yield energy savings.

Discussion: The proposed amendment is intended to more successfully focus growth and development within the downtown center by refining policies for new development and redevelopment; transit, cycling and pedestrian improvements; infrastructure; and sustainability which will enhance support of this goal.

Downtown Tacoma Center

Intent

The Downtown Tacoma Center is to be the highest concentration of urban growth found anywhere in the city and within Pierce County. The center is also a designated regional growth center providing a focal point for new housing and employment for the Central Puget Sound region.

Discussion: The proposed amendment is intended to facilitate greater commercial investment and support high density housing consistent with the above intent. The Downtown Center section of the land use element contains six policies which discuss the following:

- the need to maximize development opportunities in the downtown to achieve concentrated growth as indicated in the intent;
- the preservation of historic, cultural and scenic resources which are an asset to the downtown and provide character and context;
- emphasizing on-street and structured parking and discouraging surface lots
- fostering high density quality housing
- the need to develop an integrated multimodal transportation system for automobiles, transit, bicyclists and pedestrians which complements land uses
- recognizing that the cost and availability of parking substantially affects the viability of transit and other alternative transportation choices

The proposed amendment builds upon these policy directives by providing more specific policies on priority locations for development, identifying desired building types and uses, fostering the growth of cultural arts, providing refined guidance on mobility and parking, and by defining street typologies, and transit, cycling and walking corridors.

Additional policy guidance for the downtown center is contained in the current downtown element of the Comprehensive Plan which was last amended in 2001. The element, often referred to as Destination Downtown, contains overall goals, general policies and policies for four districts: warehouse/residential, downtown residential, downtown mixed use and downtown commercial core. These district policies are implemented by zoning districts and regulations located in a separate chapter of the Land Use Regulatory Code. The proposed plan update builds upon the existing plan element and adds refinements to better articulate the desired objectives and outcomes for future development and redevelopment.

Applicable Provisions of the Land Use Regulatory Code:

As mentioned above, Chapter 13.06A, of the Land Use Regulatory Code, contains the development regulations for the four downtown zoning districts. The proposed plan update provides more specific policy direction and recommends modifications and additions to the development regulations which will be needed to achieve full implementation of the policies in the downtown plan update. The regulatory revisions will be considered through a separate process beginning in 2009.

Amendment Criteria: Applications for amendments to the Comprehensive Plan and Land Use Regulatory Code are subject to review based on the adoption and amendment procedures and the review criteria contained in *TMC* 13.02.045.G. Proposed amendments are required to meet at least one of the eleven review criteria to be considered by the Planning Commission. The following section provides a review of each of these criteria with respect to the proposal. Each of the criteria is provided, followed by staff's analysis of the criterion as it relates to this proposal.

- 1. There exists an obvious technical error in the pertinent Comprehensive Plan or regulatory code provisions.**

Staff Analysis: This criterion does not apply to the proposed plan update.

- 2. The amendment is consistent with the Comprehensive Plan's goals or policies or will achieve consistency.**

Staff Analysis: The proposed plan update refines the goals and policies of the downtown element and helps achieve consistency with the overall vision for the downtown mixed-use center as articulated in the growth strategy and land use elements of the Comprehensive Plan.

- 3. Circumstances related to the proposed amendment have significantly changed, or a lack of change in circumstances has occurred since the area or issue was last considered by the Planning Commission.**

Staff Analysis: Downtown has experienced many new developments and improvements since the downtown element was last updated in 2001. These include the construction of the Tacoma Art Museum, convention center, Courtyard Marriott, Rainier Pacific building, UWT classroom facilities and the LINK light rail corridor. In addition, several buildings have been substantially renovated for offices or housing. Several hundred new housing units have been built especially in the north end of downtown. With these developments comes new interest in upgrading public space and the streetscape to serve new residents and employees and to attract additional investment. The LINK has changed how visitors, employees and residents travel within downtown affecting parking needs and traffic patterns. Although much has happened in the downtown area, private investment is still lacking particularly for new office and retail uses.

The recently completed Downtown Economic Strategic Plan outlines actions needed to attract additional investment by targeting certain industries. In addition, several private and public initiatives are in the works which will affect the downtown environment. These include public transit initiatives which may include expansion of LINK, a Tacoma streetcar, changes in Pierce Transit service and routes, commuter rail extension to Lakewood and expansion of commuter rail service. A rethinking of the management of the parking system initiated by the City Manager is underway in addition to new strategies as part of the GTEC implementation to enhance mobility and reduce drive alone trips. The University of Washington Tacoma is revamping its Master Plan to take into account its change to a four year university and expected enrollment increases. The

change in mission for the campus will change the landscape for the south end of downtown and affect adjacent districts.

The recently adopted International Financial Services Area designation by the City Council could entice private development interests and dramatically change the downtown commercial core. The Thea Foss plan is being updated and the update to the regulations for the adjacent Stadium and MLK mixed-use centers is nearing completion. Implementation of transportation and development strategies are anticipated in the Tacoma Dome area. All of these initiatives and activities need to be addressed through refined policies to ensure that as development and public improvements occur they are coordinated and respond to the overall context of downtown as a whole and result in an attractive downtown setting.

4. The needs of the City have changed, which support an amendment.

Staff Analysis: The quality of the public realm in the downtown has emerged as an issue that needs to be addressed. The quality of downtown's streetscape has declined and improvements are occurring incrementally as public and private development projects occur. This has resulted in a mix of lighting, sidewalk treatment, tree plantings, etc. and a lack of a coherent design. In addition to the streetscape, the quality of design of public spaces is less than desirable and new public spaces need to be identified and built to serve the growing downtown population, as well as employees and visitors.

5. The amendment is compatible with existing or planned land uses and the surrounding development pattern.

Staff Analysis: The proposed plan update is a refinement of the downtown vision and builds on past initiatives and incorporates new initiatives by providing a context for future investment to occur. Downtown will remain as the center of the South Puget Sound region and has a major influence on development within the City, County, region and State. The plan update will provide additional policy guidance to support private investment and public improvements. Downtown is anticipated to continue to be the cultural, governmental, financial, office and educational center for the City supported by a mix of housing, recreation, shopping, restaurants, entertainment and quality public spaces

6. Growth and development, as envisioned in the Plan, is occurring faster, slower, or is failing to materialize.

Staff Analysis: The downtown area has experienced greater growth and development in the last decade than in the previous decade but certain uses are still lacking including retail, restaurants, entertainment and new Class A office development. The combined efforts of developing an economic development strategy and a land use plan to implement the strategy are intended to enhance the growth and development that has recently occurred and encourage greater future investment.

7. The capacity to provide adequate services is diminished or increased.

Staff Analysis: This criterion does not apply to the proposed plan update.

8. Plan objectives are not being met as specified, and/or the assumptions upon which the plan is based are found to be invalid.

Staff Analysis: The goals and policies of the current downtown element are being partially met. Although housing units have been built as anticipated, there is still a need for more housing and greater choices to accommodate a range of incomes and household types. The downtown economic development strategy identifies potential target industries for the City to emphasize in its marketing and recruitment. The plan update identifies areas and projects which may be catalysts for development consistent with the needs of the target industries. The newly designated International Financial Services Area (IFSA) is intended to be one of the opportunity areas. The IFSA will not only support the retention of Russell Investments but will attract similar firms as well as related support businesses.

9. Transportation and and/or other capital improvements are not being made as expected.

Staff Analysis: Downtown is intended to be served by a multimodal transportation system; however, additional investment and improvements are needed to meet this goal to facilitate greater use of public transit, walking and cycling to reduce drive alone trips. The downtown area was recently designated a Growth and Transportation Efficiency Center (GTEC). The purpose of a GTEC is to pursue aggressively through a variety of programs and activities the reduction of drive alone trips. As noted previously, the management of parking is one of the primary components. The lack of quality streetscape affects the desirability of walking in the downtown area and improvements are needed for safety, connectivity and access. The downtown area lacks designated bike paths to facilitate cycling as a commuting option. The topography of downtown discourages east-west walking and cycling except for the hardy. As streets are redesigned and improved, the accommodation of bicycle lanes will be a priority for certain identified corridors. The proposed plan update incorporates best practices in street design to accommodate all modes of travel and integrates land use with transportation choices.

10. Substantial similarities of conditions and characteristics can be demonstrated on abutting properties that warrant a change in land use intensity or zoning classification.

Staff Analysis: This criterion does not apply to the proposed plan update.

11. A question of consistency exists between the Comprehensive Plan and its elements and RCW 36.70A, the County-wide Planning Policies for Pierce County, Multi-County Planning Policies, or development regulations.

Staff Analysis: The proposed plan update will achieve greater consistency of the downtown element with multi-county planning policies regarding regional growth centers. The downtown area is a designated regional growth center per the Puget Sound Regional Council (PSRC) and the adopted multicounty planning policies contained in *Vision 2040*. The downtown also is recognized as a regional growth center in the adopted Pierce County County-wide Planning Policies (CPP).

The PSRC is the multi-county planning organization for the four-county area that includes Pierce County as well as King, Kitsap, and Snohomish counties. The downtown is one of 24 designated regional growth centers in the Puget Sound region, and one of five designated regional growth centers in Pierce County. Both PSRC and the CPP include criteria for the regional growth centers. These include levels of targeted activity among other criteria. The PSRC criteria state that the targeted minimum activity level for regional growth centers must be 45 activity units per gross acre (Designation Criteria for Regional Growth and Manufacturing Industrial Centers, adopted by the PSRC Executive Board June 26, 2003). An activity unit is defined as a job or a resident. The proposed amendments provide policy guidance for meeting the targeted activity level and

therefore increase the consistency of the Comprehensive Plan with the multi-county planning criteria.

Economic Impact Assessment:

The proposed plan update has at its impetus the improvement of economic development in the downtown area. The plan is intended to translate the strategic actions in the downtown economic development strategy into a policy framework that will achieve a healthy, balanced economy, achieve vitality and livability, enhance sustainability and foster the arts. The policies provide a clear direction for future investment and set the framework for implementation activities that will facilitate development.

Staff Recommendation:

Staff recommends that the proposed downtown plan update be forwarded for public review and comment and be adopted as part of the 2008 annual amendments to the Comprehensive Plan.