

SUPPLEMENTAL STAFF REPORT #1

Agenda Bill No. 272

To: Planning Commission
From: Doug Fortner, Town Planner
Date: January 6, 2021
Subject: Re-designation and Rezone of Industrial Site
Review of Comprehensive Plan Revisions
Attachments: Quality of Life and Land Use Elements of the Comprehensive Plan
with proposed amendments

Summary:

The owners of the old Abitibi Mill have proposed that the property be re-designated from Industrial to Master Planned Development, a new designation, in the Town's Comprehensive Plan.

Current Status:

The area occupied by the former Abitibi Paper Mill consists of five parcels at the northern edge of the Town along Chambers Bay. The parcels are designated Industrial, Industrial Open Space, Commercial/Recreation and Open Space/Recreation under the current Comprehensive Plan.

Intent of this Supplemental Staff Report

Following the initial Planning Commission hearing on December 14, 2020 on this proposal, a number of issues were raised, including a request for a more thorough review of the proposals' impact on the Comprehensive Plan.

This, and subsequent, supplemental staff reports, will focus on the Town's Comprehensive Plan and the changes that the proposal would engender as well as other issues raised at the previous public hearing. This supplemental staff report will cover the Quality of Life and Land Use Elements. The Introduction to the Comprehensive Plan will be reviewed last, as it contains a summary of each of the elements. Throughout this staff report, the proposal to re-designate the industrial site will be referred to as "the proposal".

Comprehensive Plan Background:

The Town's Comprehensive Plan is mandated by the 1990 Growth Management Act, or GMA. The mandate comes from RCW 36.70A.070, requiring each city and town subject to the act (including Steilacoom) to adopt a Comprehensive Plan containing at least the following elements:

- Land Use
- Housing
- Capital Facilities
- Utilities

- Transportation
- Economic Development
- Parks and Recreation

Each element consists of a chapter within the overall Plan that addresses certain requirements spelled out in the law. The Plan is to be internally consistent, and also consistent with regional plans and policies.

The Town's first GMA Comprehensive Plan was adopted in 1996. It was updated in 2004 and again in 2015. The next mandated update is in 2024.

Issues raised at previous hearing:

1. Spot zoning. The Town Attorney produced a memo, previously distributed, which outlines the definition of spot zoning and concludes that this proposal is not an example. The applicants added an opinion from the Attorney General's office regarding the issue.
2. Effect of new designation on the critical areas ordinance. The Critical Areas Ordinance is mandated by the Growth Management Act to provide protection for certain types of lands; wetlands, frequently flooded areas, fish and wildlife habitats, geologically hazardous areas and critical aquifer recharge areas.

Because of the importance of protecting these environmentally sensitive areas the regulations in the Critical Areas Act override all other regulations. As stated in Steilacoom Municipal Code §16.16.030 Relationship to other regulations:

- (A) These critical areas regulations shall apply as an overlay and in addition to zoning, subdivision, building codes and other regulations adopted by the Town.

Re-designating and rezoning the Industrial area will not result in a diminution of critical area regulation. Instead, those regulations will continue to be in effect, regardless of the underlying zoning.

Analysis of Comprehensive Plan Elements:

Each element consists of text about the topic, goals and policies to implement those goals. The attached Elements are shown in legislative style. Changes are shown with wording proposed for removal is shown ~~stricken~~, wording proposed for inclusion is shown underlined. Changes proposed by the applicant are highlighted in yellow; changes proposed by staff are in green.

The applicants' proposal is to create a new Master Planned Development designation in place of the designations covering the former Abitibi Mill site. In this staff report, the new designation will be referred to as MPD, or the MPD area.

Quality of Life Element

This element is not required by the GMA, but contains several goals and policies which guide the development of the Town, including the relationship between the Town government and its citizens, the natural environment and education.

The industrial area is not mentioned in the text section of this element, nor is it mentioned in the Goals and Policies section.

The applicants propose a new Policy QL 3.8, under the historic preservation goal. The proposed policy provides that the Town would protect the central historic district by maximizing use of the former industrial site to achieve growth targets.

The Town does have growth targets, both for population and employment. These targets are for planning purposes. The Town must be able to show that it has the capacity, at least on paper, to be able to meet the targets. Under the current targets, the Town is required to plan for a population of 6,835 housed in 3,385 housing units by the year 2035, an increase of 655 housing units over the 2010 Census count. Additionally, the Town has a target of 138 new jobs for the same period. These growth targets will be revised within the next three years as the Town completes its mandated 2024 Comprehensive Plan update.

Re-designating the industrial lands for mixed use will mean having extra land available for both housing and commerce, which in turn could protect the historic district from development pressure. However, the existing residential and employment capacities of the industrial area must be preserved by additional regulation if applicant's proposed policy is to be carried out.

The mill site property includes tax parcel 0220322024, which is currently zoned R-9.6. That zoning designation is a residential district with minimum 9,600 square foot lots. The tax parcel is 354,142 square feet in size. For allocating dwelling unit targets, it is assumed that 25% of the parcel will be dedicated to non-residential uses such as roads and stormwater systems. The remaining 265,606 square feet would result in a potential 27 lots. Steilacoom's assumed population per household is 2.35. This one parcel has an assumed capacity of 63 persons. No other portions of the mill site have allocations for population/dwelling unit.

The Town's employment targets have counted on the industrial area's capacity. The employment capacity of the area was set at 788 as an industrial area, but the Town was allocated a target of 138 new jobs due to the uncertainty concerning the redevelopment of the site.

Staff suggests an additional policy in the Land Use Element as well as specific mention in the zoning ordinance to preserve the minimum existing housing and employment target capacities. See proposed Land Use Policy 8.6.

Land Use Element

Many, if not most, of the changes to the Comprehensive Plan necessitated by the proposal are in the Land Use Element.

The most obvious one is the removal of the text concerning the Industrial and Industrial/Open Space designations, and the creation of the MPD designation. The map would have to be changed to match as well.

Staff has suggested several small changes throughout the element that amount to simply swapping “mixed-use” for “industrial”. The staff report will largely ignore these minor changes, and will follow the changes section by section through the element.

Assumptions pages 2 & 3

The first substantial change is in the list of assumptions upon which the Plan is based. The first assumption, on page 2 of the Element attached, was that there would be no major changes to the general land use pattern in Town. That language must be modified if this proposal is adopted, as it represents a major change to land use in the Town. The staff has suggested adding language to the end of the paragraph acknowledging the re-designation.

The applicants suggested changes to the second assumption, also on page 2. The proposed changes highlight that the potential change at the industrial site has occurred.

The staff suggests changes to the assumptions regarding residential and population growth on page 3. Some portion, at this time unknown, of the eventual development at the mill site will be residential. Staff is assuming that the increase in population will not exceed the Town’s current population allocation. Staff is mindful of the fact that this Comprehensive Plan will be reviewed and revised by 2024, and if a proposal for development of the site has been presented by then, this assumption can be revisited at that time.

The applicants suggest an edit to the final assumption dealing with a possible upgrade to Chambers Creek Road in conjunction with development of the site.

Proposed Land Use, General Pattern pages 3 - 8

Housing

Staff suggests a paragraph noting the various types of housing that may be proposed for the MPD area. Currently, of the areas designated for housing, vacant lots only exist in the R-7.2 and R-9.6 zones; all the land in the Multi-family zoned areas is taken up with existing apartment complexes.

Open Space Areas

Staff has edited this section to remove reference to the Industrial/Open Space designation, which is proposed for elimination, and include a new paragraph which incorporates language from the eliminated section.

Industrial and Open Space

As noted above, this section is proposed for removal, and much of its wording transferred to the Open Space section.

Industrial

This section is proposed for outright removal.

Master Planned Development

This is a description of the new designation provided by the applicants. It would allow development under a land use development agreement between the Town and the applicants.

Master planned developments are in use throughout the county, the largest example being Tahaleh near Bonney Lake. The overall design; including roads, types of uses, building heights and other details; are all agreed to by the government and the developer in a written, binding contract. The development is usually done in phases, which allows the developer to adjust to changing market forces.

As a means to revitalize the mill area, a master planned development is a logical and useful method.

Planning Horizon, page 10

This section deals with the length of time the Comprehensive Plan is designed to cover, for this Plan the time period is 2015-2035. Plans are to be reviewed and updated every eight years, but the 2020 Legislature moved the time table for Pierce, Snohomish and King County jurisdictions to 2024. The next planning horizon will be 2024-2044.

The applicants propose a change to the sentence regarding employment targets to a generalized statement that the Town has employment capacity. The reason for not attaching a figure to the capacity is that applicants do not know what type of development they will ultimately apply for. Town staff believes that, at a minimum, the current employment target must be retained, and has added language to do that.

Housing Intensity, page 11

The staff believes that some cap on the housing density for the MPD area is appropriate, but would like to hear from interested parties on what that cap ought to be. Separately, the parcel currently zoned R-9.6 should keep its density limitation of 4.5 dwelling units to the acre. The area abuts the Chambers Bay II single-family housing development, and consists of a steep embankment along the railroad spur.

Commercial Building Intensity, page 12

The staff believes that some cap on the commercial building density for the MPD area is appropriate, but would like to hear from interested parties on what that cap ought to be. Those limitations should be incorporated into the revised zoning ordinance.

Industrial Building Intensity, page 12

This section is proposed to be removed. Without an industrial designation, there is no reason for this section.

Center of Local Importance, pages 18 - 20

Centers of Local Importance, or CoLI, are designed for smaller jurisdictions as an area for concentrated growth. Currently, the Town has designated the downtown core as its COLI. The MPD area might qualify as a CoLI as well, and staff suggested noting this for future consideration on page 20.

Land Use Goals and Policies, pages 23-30

Applicants propose only one change to the Goals and Policies section, adding a new clause to Policy LU 1.1, which encourages multi-family housing in the new MPD area (page 23). This statement is in line with the other provisions regarding housing within the MPD.

Staff suggests adding the MPD to the areas where commercial development is encouraged in Policy LU 6.5 (page 27). This statement is in line with the other provisions regarding commerce within the MPD.

Staff suggests adding the MPD to the commercial areas with design standards, guidelines, and regulations in Policy LU 8.5 (page 28). The Town's Historic Preservation regulations include written design standards, which includes standards for commercial buildings both within and outside the Historic District. Staff anticipates that the development agreement will govern design standards within the MPD. A provision in the zoning ordinance will be necessary to require design standards.

Staff suggests adding a new Policy LU 8.7 (page 28) to require that the MPD keep the existing housing and employment targets as a minimum.

Recommendation

Staff recommends continuing this hearing to the next Planning Commission meeting on February 8 to continue to review this application.

Motion

I move to continue this hearing to the next Planning Commission meeting on February 8 to continue to review this application.