



MINUTES (Approved as Amended on 4-20-16)

TIME: Wednesday, April 6, 2016, 4:00 p.m.
PLACE: Room 16, Tacoma Municipal Building North
733 Market Street, Tacoma, WA 98402
PRESENT: Chris Beale (Chair), Stephen Wamback (Vice-Chair), Donald Erickson, Jeff McInnis, Meredith Neal, Anna Petersen, Brett Santhuff, Dorian Waller, Scott Winship

A. CALL TO ORDER AND QUORUM CALL

Chair Beale called the meeting to order at 4:02 p.m. A quorum was declared.

B. APPROVAL OF AGENDA AND MINUTES OF MARCH 16, 2016

The agenda was approved.

The minutes of the regular meeting on March 16, 2016 were reviewed. Vice-Chair Wamback asked to note in the minutes that the discussion of marijuana code amendments was a summary and did not reflect the order in which the options were discussed. The minutes were approved as amended.

C. PUBLIC COMMENTS

No members of the public came forward to provide comments.

D. DISCUSSION ITEMS

1. Marijuana Code Amendments

Brian Boudet, Planning Service Division Manager, facilitated a discussion to review and approve the draft Findings of Fact and Recommendations Report and the draft Letter of Recommendation to the City Council. He reviewed the discussion from the previous meeting which had not been able to come to a clear consensus on the cooperatives, medical endorsements, and whether to cap the number of retail stores. Mr. Boudet reviewed a chart showing the existing regulations, the staff recommendation, and the Commission's preliminary conclusions from the previous meeting. Questions from the previous meeting were reviewed. Mr. Boudet clarified that the buffering requirement for cooperatives would not impact available space for retail marijuana stores.

Mr. Boudet reviewed that the Commission had concurred at the previous meeting that there should be a cap on the total number of retailers to provide a level of local control, but they were split on whether the cap should be at 16 or higher to compensate for surrounding jurisdictions with bans. Commissioners reviewed the reasons that they determined a need for a cap on the total number of stores including the concern that the State might lift the cap and issue licenses for many stores, that the lack of a cap might necessitate another moratorium in the future, and that they didn't want to dilute the market too much. Chair Beale expressed concern that a cap would be suppressing the market and artificially inflating prices. Vice-Chair Wamback commented that they should use zoning controls and buffers to determine where the stores will be located and allow the market to decide the total number of stores. He noted that the Planning Commission had not received any comments from the public regarding a cap.

Buffers were discussed. Mr. Boudet reviewed that at the previous meeting the Commission had discussed different buffers for Downtown and the rest of the City. Chair Beale recommended including separate 100 foot buffer for transit centers. Commissioners concurred with a 100 foot buffer for transit centers, 500 feet for everything else, and 1000 feet for the State buffers that could not be reduced.

Dispersion was discussed. Mr. Boudet reviewed the Commission's discussion from the previous meeting which had a general concurrence for 300 feet downtown and 1000 feet everywhere else to open up sufficient areas downtown. Commissioner Neal recommended revising the dispersion requirement to 300 feet downtown and 500 feet everywhere else as had been recommended for the public review draft. Chair Beale expressed concern that the Findings of Fact included statements reporting that community members had expressed concern regarding the overconcentration of stores even though there had been very few public comments regarding the issue. Commissioner Petersen commented that she had supported dispersion to foster a thriving business community in places like 6th Avenue. Commissioner Erickson added that the regulations don't allow the product to be displayed in windows, so the storefronts aren't contributing the vitality of the streetscape as many of the stores block out the windows. It was noted that dispersion can also improve accessibility for medical marijuana patients.

Medical endorsements were discussed. Mr. Boudet reviewed that at the previous meeting the Commissioners had discussed either requiring medical endorsements for all or none of the stores. Commissioner McInnis expressed support for a 100% medical endorsement requirement as part of the overall statement that they were making recognizing that there was a medical need. Vice-Chair Wamback expressed concern that as the State Department of Health had yet to release the rules for medical endorsements, and there was currently no proposed requirement to sell the medical products, the endorsement requirement could be meaningless. It was noted that most of the existing retailers were applying for medical endorsements. Commissioners concurred with requiring all retailers carry a medical endorsement.

Cooperatives were discussed. Mr. Boudet reviewed that at the previous meeting the Commission had discussed two options: allowing cooperatives with the standard State requirements or not allowing them. Vice-Chair Wamback expressed concern that the State would not enforce the local zoning codes for cooperatives and they would end up similar to collective gardens. Commissioner Erickson commented that he opposed allowing cooperatives due to difficulties with enforcing the building code and because they had been created by the State primarily for areas that did not have access to retail outlets. Commissioner Petersen expressed support for allowing cooperatives to not force people to go to retail stores for medicinal needs. Commissioner Neal commented that they should allow cooperatives because it was important that they not encourage the black market. Chair Beale expressed concern about language in the Findings of Fact report regarding the associated risks dropping with the number of plants, commenting that it wasn't supported by the analysis that had been presented. Vice-Chair Wamback noted that they would not have the ability to regulate things like parking as they are doing for short term rentals. Chair Beale asked if they could require a separate license or permit for cooperatives that they could enforce their building codes on. Mr. Boudet responded that they could put standards in place, but there was no guarantee that the City would be informed of new cooperatives by the State. Commissioners voted whether to allow cooperatives with a 100 foot buffer, a 1000 foot buffer, or to not allow cooperatives. The vote was six to three to allow cooperatives with a 1-mile buffer from retailers per State requirements, followed by a vote of five to four to reduce the buffer from sensitive uses from 1000 to 100 feet.

Commissioners voted to not require dispersion with a five to four vote. There was, however, noticeable support for dispersion, e.g., 300 feet in downtown and 1000 feet elsewhere. Commissioner Santhuff commented that he felt strongly that they should have some level of dispersion that would not allow more than one location per block to avoid a concentration that would harm the streetscape. Chair Beale requested that the dissenting opinion be noted in the cover letter.

Commissioners voted for no cap on the total number of stores with a five to four vote. It was noted that some dissenting Commissioners were supportive of having a cap at 16 or higher out of concerns for local control and the viability of the individual businesses.

The draft cover letter and Findings of Fact were discussed. Mr. Boudet agreed to work with Chair Beale to modify the cover letter and Findings of Fact to reflect the discussion and the dissenting opinions. Vice-Chair Wamback expressed concern that there were things in the draft cover letter and Findings of Fact that were not supported by the record or not appropriate for the format including statements reflective political insight, supposition, use of conditional language. Vice-Chair Wamback recommended including

the chart that showed the key issues and evolution of recommendations over the course of the discussion. Commissioner Petersen noted that marijuana researchers had not been discussed but were in the Findings of Fact and Recommendations. She expressed concern that they would be banning marijuana research in the City. Mr. Boudet noted that marijuana research was essentially production and processing and would be regulated the same way. Vice-Chair Wamback expressed concern that paragraph B.2 in the Draft Land Use Regulatory Code changes could, by specifically noting collective gardens, create an argument that the language in B.1 does not apply to them and that they could potentially claim non-conforming use status. Mr. Boudet agreed that they would double check with legal staff on whether altering the language was necessary.

Vice-Chair Wamback motioned that the Planning Commission forward to the Tacoma City Council a package of recommendations concerning changes to marijuana land use regulations generally consistent with the package that was presented to the Planning Commission on April 6th; Exhibit A as modified by discussion at the Planning Commission meeting encapsulated in the Key Issues chart that staff edited during said April 6th meeting; and recognizing that staff, the Chair, and the Vice-Chair will work cooperatively to make final edits to the transmittal letter and the Findings of Fact consistent with the Planning Commission's discussion on April 6th. Commissioner Waller seconded. The motion was approved 8 to 1 with Commissioner Santhuff voting against.

At 5:33 p.m. Chair Beale recessed the meeting. The meeting resumed at 5:39 p.m.

2. Short-Term Rentals

Lihuang Wung, Planning Services Division, facilitated a discussion to review the proposed code amendments for Short-Term Rentals and release them for public review. Mr. Wung noted that there were six key revisions that had been made to the code: a definition for short term rentals; a use table that defines where they are allowed; standards for where conditional use permits would be applicable; a requirement for short term rentals to register with the City and get inspections; a parking requirement; and a definition for how a nonconforming use would be handled. Mr. Wung noted that the new definition for short-term rentals was modeled after the lodging house definition with the addition of an owner occupancy requirement and a limit of 30 days for each rental.

The use table was discussed. For short-term rentals the chart distinguished between 1-2 rooms, 3-9 rooms, and the rental of an entire dwelling. Mr. Wung noted that on the proposed use table short term rentals of 1-2 rooms would be ~~allow~~ allowed citywide with the exception of industrial zones. He noted that they had three different categories for each zone: permitted, not permitted, and allowed only with a Conditional Use Permit (CUP). He reviewed that there were three types of CUPs on the chart: CUPs required for short term rentals to be allowed in a zone; CUPs required for accessory activities; and CUPs for historic buildings in zones where short term rentals were otherwise prohibited. Jana Magoon, Planning Manager, reported that most of the City's existing Bed and Breakfasts were located in residential areas and they wanted to provide a pathway linked to historic designation to provide historic structures with some flexibility. Commissioner Santhuff asked what would be allowed in the Downtown Residential zoning. Ms. Magoon responded that all of the uses would be allowed in the Downtown districts and that they would add it to the chart. Commissioner McInnis asked if house swaps would be discussed. Mr. Wung responded that it would be considered a short term rental if it were for less than 30 days. Commissioner Erickson recommended that house swaps not be considered short-term rentals provided that they do not involve financial compensation.

Registration and inspections were discussed. Mr. Wung reviewed that they would require short term rentals to register with the Tax and License department for an initial \$100 fee; that homes be owner occupied with the owner on site for guest room rentals and the owner on site at least 9 months per year for rentals of an entire house; first-time and annual inspections would be required to ensure that the home meets code and that safety signs are present. Commissioner Neal asked why they were requiring 9 months of owner occupancy per year for house rentals. Ms. Magoon responded that 9 months was typical of many of the benchmarking cities.

Parking requirements were discussed. Mr. Wung reviewed that the proposed parking requirements would require 0.5 spaces per guest room for 3-9 room rentals, which was the same as the requirement for

hotels. He noted that there would be no parking requirement for rentals of an entire house. Commissioner Erickson asked if accessory activities would include parking requirements as part of the CUP. Ms. Magoon responded that impacts such as parking are addressed during CUP process. Mr. Wung reported that existing short term rentals would have 6 months to register to obtain nonconforming status and there would be a \$300 fee for a nonconforming letter.

Commissioners provided the following comments and questions:

- Commissioner Petersen expressed concern that the parking requirement was an unfair demand as many of the homes in the North ~~Slope-End~~ neighborhood do not have off street parking and would not be able to meet the requirements. Commissioners concurred with removing the parking requirement.
- Commissioner Santhuff suggested that instead of requiring owner occupancy for rentals of the entire house, he would rather limit the overall duration that the home was rented out.
- Commissioner Petersen asked if it would be possible to require a license for homes that were being rented most of the year as a business. Chair Beale suggested that they could require a CUP for both accessory activities and homes that were short term rentals as a business and were not owner occupied.
- Vice-Chair Wamback noted that some apartments and condos have units that are available to tenants as a short term rental. He asked if those short term rentals would be included in the proposed amendments. Commissioner Erickson noted that when condos have designated units available for guests they are typically restricted to people who live in the condo. Ms. Magoon suggested that they could exempt those types of units.

Mr. Wung reviewed that the Commission had requested the following: the addition of Downtown districts to the use table; requiring a CUP for short term rentals being used as a business; removal of the parking requirement; an exemption for designated short term rental units available to condo and apartment tenants; and excluding uncompensated housing swaps from proposed regulations.

Vice Chair Wamback motioned that the Planning Commission refer the Short-Term Rental topic, which is an application to the 2016 Annual Amendment, to public hearing tentatively scheduled for May 4th, 2016 and in the package incorporate the changes discussed. Commissioner Santhuff seconded. The motion was approved unanimously.

3. Multifamily District Design Standards

Stephen Atkinson, Planning Services Division, facilitated a discussion to review the proposed code amendments and release them for public review. Mr. Atkinson commented that the overall purpose of the new standards is to achieve the City's growth targets while making sure that new development serves the interests of the people who live there and the overall community. He commented that the amendments would ensure basic standards for the design of multi-family residential development in all zoning districts. He made special note of a number of items that had been previously discussed that were not part of the proposed code amendments, including addressing height issues in R-5; internal connections for larger sites, which would make more sense as part of a guideline process; and how to design parking for more internal residential streets.

Commissioners provided the following comments and questions:

- Vice-Chair Wamback asked if the map of designated pedestrian streets had any utility beyond the discussion item. Mr. Atkinson responded that the map does have further utility for both in street and off street design, and that as they begin to talk about commercial development standards, they would want to talk about what kinds of commercial development patterns they want to see along the designated pedestrian streets.
- Vice-Chair Wamback asked what the potential rezone on page 6 of the staff report was in reference to. Mr. Atkinson clarified that it was in reference to the rezone study areas that included notifications for other amendments such as the Multifamily District Design Standards. Vice-Chair Wamback recommended including a statement clarifying that it was part of a larger package.
- Vice-Chair Wamback asked if they had provided any notice to property owners along the streets that there might be something that affects future development on those properties. Mr. Atkinson

responded that it was part of the discussion of the Comprehensive Plan update, so they did not do a specific notification for the current process.

- Commissioner McInnis asked how the tree canopy standards would work. Mr. Atkinson responded that they had set standards when they revamped the landscaping code several years ago and there was a sliding scale depending on the kind of tree planted and the expected canopy coverage for each type of tree. Commissioners expressed concern about the lack of accountability for trees that are pruned to be shorter in the public right of way.
- Commissioner Erickson expressed concern about allowing 50% of a street frontage to be a parking lot, commenting that it would not lead to a vibrant enclosed streetscape. Mr. Atkinson commented that the intent was to provide a standard that they did not currently have outside of mixed-use centers. He suggested that they could set a maximum for continuous linear feet of parking while still allowing 50% of the street frontage to be parking. Commissioners concurred with setting the maximum continuous parking at 80 feet for public review.
- Commissioner Neal expressed concern that the lack of a requirement for retail space in the Downtown Residential area was creating a lot of dead blocks of tall apartment buildings with no life on the street.
- Vice-Chair Wamback asked if any of the proposals had been shared with some of their housing staff for comment, noting current issues with affordable housing and the competing demands of design and cost. Mr. Atkinson responded that it had not and that they weren't proposing the same level of building standards as in mixed-use centers because they were trying to balance design and affordability.

Commissioner Erickson motioned for the Planning Commission to release the Multifamily District Design Standards update for a public hearing tentatively scheduled for May 4th, 2016 with the minor amendment on the 80 feet maximum for continuous parking along the street frontage. Commissioner Neal seconded. The motion was approved unanimously.

4. Future Land Use Implementation

Mr. Atkinson facilitated a discussion to review, and release for public review, the proposed area-wide rezones and amendments to the Zoning Map. He reviewed that they were starting the first phase of the implementation of the Future Land Use map and the new designations from the Comprehensive Plan. He reviewed that the sites being proposed for area-wide rezones were either cleanups or were reflective of changing land use patterns. Mr. Atkinson discussed changes to the eight study areas since the last conversation.

For the Franke Tobey Jones site, they were now only proposing a land use designation change to reflect the current zoning. Mr. Atkinson reported that the applicants still had a corner that they were seeking to rezone, but the preference was to rezone it to a PRD zoning as has been done with the rest of the site. The PRD modification and site rezone would include notification and a public process. Vice-Chair Wamback recommended better clarification for the future land use designation terminology.

For North 33rd and Pearl, Mr. Atkinson reviewed that a church that had been designated as a neighborhood commercial land use designation and they were recommending a change to multifamily low density for the future land use map to be more consistent with the existing and proposed zoning in the area.

For the area near S Alaska and 72nd, Mr. Atkinson noted that they were not proposing future land use designation changes and they were scaling back what the proposed rezone would be as they considered where the appropriate transition between commercial and multifamily residential could occur. They were still proposing a rezone, but would be focusing it on the intersection at Alaska and 72nd.

Commissioner Santhuff asked how they would be protecting parks and open space as they were rezoning Nob Hill area. Mr. Atkinson responded that the long term intent is to protect and conserve those spaces and that most of the sites are slopes where critical area standards would apply. He noted that there is some limited funding for acquisition but sites without wetlands, streams, or habitat would be low priority. He commented that he hoped to bring forward some proposals in the future for site development

standards to retain vegetation and put tree canopy back in place as new development occurs, but at this time, the City's strategies are focused on incentives to conserve these areas.

Vice-Chair Wamback asked if they could withdraw any of the study areas after sending them out for public comment or if an up or down vote would be required. Mr. Boudet responded that they would not be able to withdraw a study area, but they could recommend no change for a study area.

Commissioner Erickson motioned that the Planning Commission recommends releasing the Future Land Use Implementation staff analysis report for eight area-wide rezones for public review and a public hearing on May 4th, 2016. Commissioner Neal seconded. The motion was approved unanimously.

5. 2016 Annual Amendment Package

Mr. Wung reviewed that they had approved three applications for the 2016 Annual Amendment at the current meeting and two others at the previous meeting. He requested that the Planning Commission make a motion to release the entire packet for public review and set May 4th as the date for a public hearing.

Commissioner Erickson motioned to release the entire package for the public hearing on May 4th, 2016 including the items from the last meeting and the current meeting including all discussed edits. Commissioner McInnis seconded. The motion was approved unanimously.

E. COMMUNICATION ITEMS & OTHER BUSINESS

Mr. Wung reported that the RFQ for the Amtrak Station design work had gone out, thanks to the diligent work of the citizens advisory committee chaired by Commissioner Erickson. He expressed appreciation for Commissioner Erickson's leadership and dedication on the project over the last three years.

Mr. Boudet noted there was an ongoing internal conversation about not having the annual amendment cycle every year to allow more time for in-depth discussions.

Commissioner Santhuff noted that Sound Transit's ST3 package did not include continuing the link between the Tacoma Dome and the Tacoma Mall. He asked if the City was planning on commenting on whether the project should be included in ST3 as a funded project or as one of the corridors where they would fund future design work. Mr. Boudet commented that there were three corridors being discussed for Tacoma, including a connection to Seatac, and what the Mayor had advocated for was reflected in the initial package.

F. ADJOURNMENT

At 7:15 p.m., the meeting of the Planning Commission was concluded.