



TO: Infrastructure, Planning, and Sustainability Committee
FROM: Peter Huffman, Planning and Development Services
COPY: Claire Goodwin
SUBJECT: Clarification of Planning Commission Recommendations RE: Tideflats Regulations
DATE: August 30, 2021

At the Infrastructure, Planning, and Sustainability Committee meeting on August 18, 2021, the Committee requested clarification on items relating to the Planning Commission's recommendation on the Northeast slope overlay, hydrogen fuel regulations, and chemical and manufacturing and production definitions. Planning and Development Services staff provide the information below in response to the request for clarification.

QUESTION: What level of parcel by parcel analysis was done for the purposes of determining the applicability of the Port of Tacoma Transition Overlay District in NE Tacoma? What level of property owner notification and outreach was conducted in support of these proposals?

Container Port Element - Policy Implementation

In 2014, the City adopted a Container Port Element in the Comprehensive Plan, consistent with Growth Management Act requirements. The policies in the Container Port Element called for buffers to limit encroachment of incompatible land uses on the Port of Tacoma Manufacturing and Industrial Center (Port M/IC), specifically identifying slopes and other topographical features as natural buffers to be maintained.

After reviewing the applicable policies and regulations, the Planning Commission found that zoning and land use regulations for this area in northeast Tacoma had not yet been amended to fully implement the adopted policies. Instead, the area remains zoned primarily for single family residential dwellings, with a 5,000 square foot minimum lot size – the same R-2 zoning that applies to the majority of the City's residential areas.

The proposed amendments would establish a new Overlay District to limit residential encroachment on the Port M/IC. The proposal would apply the overlay to the hillside in NE Tacoma and apply the following standards to that area:

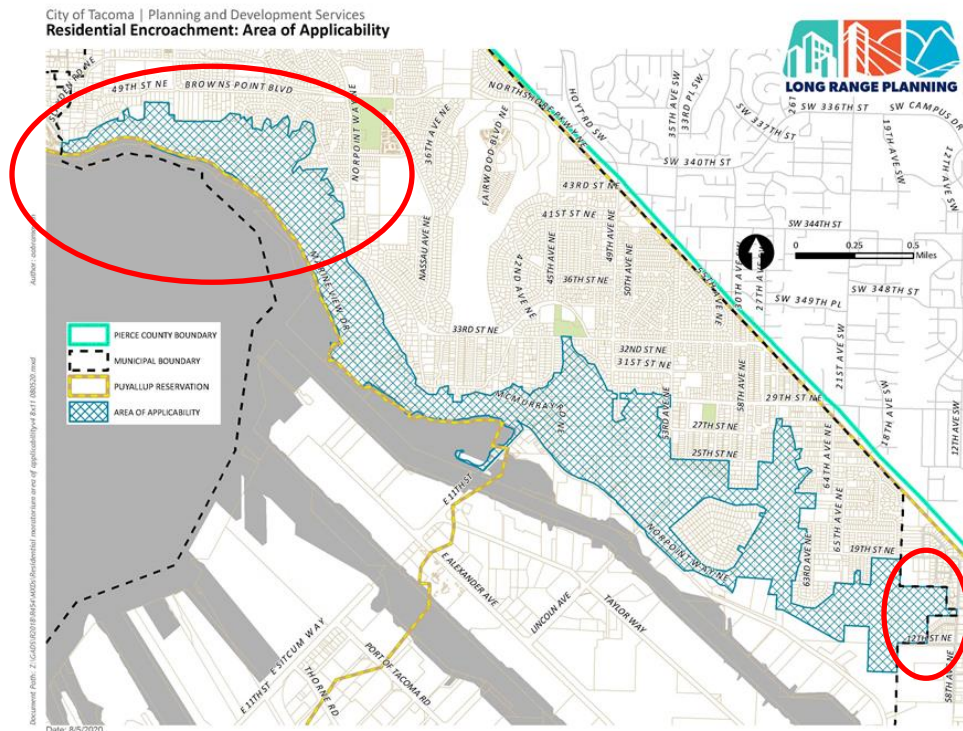
- The Overlay District would establish a maximum density of one unit per acre while providing flexibility to support clustering new residential development away from the Port M/IC.
- The Overlay District would require Notice on Title for any new residential unit construction identifying the proximity to an established industrial area.
- Apply building and design standards to proposed residential uses to minimize the impacts from port/industrial uses.

Planning Commission Review

The Planning Commission did not conduct a specific parcel by parcel (there are over 400 private parcels in the overlay zone) analysis but rather evaluated the following characteristics of the slope:

- Container Port Element policies that apply to the slope
- Public versus private ownership
- Proximity to the Port of Tacoma and industrial zoning
- Slope topography and vertical versus horizontal separation of related residential areas
- Developed versus undeveloped sites
- Existing tree canopy
- Parcel sizes
- Development capacity under pre-interim and interim regulations
- Typical impacts affecting NE Tacoma residents (noise, light, odor) from industrial activity
- Recent development activity from vested plats

Based on the Commission's review, two potential map amendments were proposed for the public hearing. These included removing the two areas circled below:



During the public hearing and comment period, the Commission received public comments from CBRE and the Heiberg family. Following the Planning Commission public hearing, the Commission conducted a site-specific review of the Heiberg property in response to public comment on the proposal and a request by the property owner to remove that property from the proposed overlay zone.

Planning Commission Recommendation

Based on the overall slope characteristics, public comment, and site review, the Commission recommended the following:

1. Amend the Overlay Zone at the top of slope to remove any existing residential structures.
2. Retain the hillside to the Northwest (see map above) near Brown's Point.

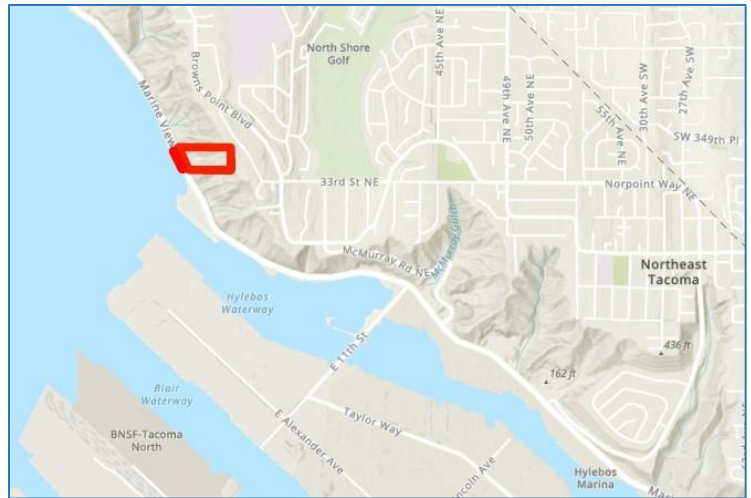
3. Exclude CBRE property (partially) based on the unique characteristics (site has been cleared, BPA power lines and easement limit development).
4. Retain Heiberg property within the proposed overlay.

Public Notification and Outreach

The Planning Commission conducted two public hearings and accepted written comments as part of each regular agenda. In support of the public hearings, direct notification was sent to all taxpayers of record and occupants of potentially affected properties. Likewise, email notice was provided to interested parties, including Neighborhood Councils and Business Districts. Email notice included individuals who had commented in 2017 on the initial interim regulations.

Based on the public hearing notifications, the Commission received public comment from CBRE and from the Heiberg family.

During the interim time period, the City has received multiple other inquiries from property owners and realtors about the affect and timing of the regulations. For example, although not during the public hearing, the Planning Commission also received correspondence from the owner of property located at 4409 Marine View Drive expressing concerns about the impact of the Interim Regulations on their property (location highlighted on the map to the right).



Question: How did the Planning Commission resolve concerns from TPU regarding hydrogen fuel production?

Interim Ordinance

Under the Interim Ordinance, hydrogen manufacturing is considered part of the Chemical Manufacturing use category. The Interim Ordinance prohibits new chemical manufacturing uses. Therefore, hydrogen production, whether for fuel or other uses, is currently prohibited citywide.

Planning Commission Recommendation

In response to concerns over the prohibition of new renewable fuel production, including hydrogen, and a recognized public interest in reducing greenhouse gas emissions, the Planning Commission recommended the following amendments:

1. Define renewable fuel production as a separate land use category, apart from chemical manufacturing more broadly and apart from fossil fuel production. This allows greater flexibility to regulate and zone these uses differently given the disparate potential impacts of the uses and with consideration of the significant public interest in supporting renewable fuels and greenhouse gas reduction.
2. Define renewable fuels to specifically allow for hydrogen production from renewable processes. The caveat that hydrogen must be produced from renewable processes was included given that hydrogen

production can occur via electrolysis, which in Tacoma is largely carbon free, or from fossil resources including coal and natural gas.

The following is the proposed Planning Commission definition of renewable fuel with the pertinent language highlighted:

“Renewable Fuel.” Fuels that are synthesized from renewable energy sources, such as wind and solar, those approved by the US Environmental Protection Agency (EPA) Renewable Fuels Standard Program, and hydrogen fuels (when produced with renewable processes), that result in a lifecycle greenhouse gas emission reduction of at least 50% or more under the Federal Clean Air Act, until such time as a state renewable fuel standard is adopted. Upon adoption of a state or regional standard, the standard most directly scaled to Tacoma will be used to define the use classification. Renewable fuels shall not include products produced from palm oil or other feedstocks that cannot be proven to reduce greenhouse gas emissions utilizing accepted methods of the Washington State Department of Ecology or US EPA.

Question: What types of chemical uses could be permitted under the “heavy industrial” use category, and to what extent would these uses trigger a SEPA review?

Examples of Chemical Manufacturing:

1. Chlorine
2. Ammonia production for fuels or fertilizers
3. Petrochemicals (chemicals derived from oil)
4. Pharmaceuticals
5. Fertilizers
6. Paints, wood stains, and treatments

SEPA Applicability:

1. Any new chemical manufacturing use in the shoreline or a critical area will require permits and SEPA review.
2. Certain development activities trigger SEPA review, regardless of the types of chemicals being manufactured, stored, or processed. These include:
 - Construction or demolition of a building greater than 12,000 square feet;
 - Fill or excavation of more than 500 cubic yards;
 - Construction of a parking lot for more than 40 vehicles;
 - Installation or removal of impervious tanks on industrial property with a capacity of more than 60,000 gallons.
3. Development activities that are below these thresholds are categorically exempt and would not trigger SEPA, but Fire Codes would still apply.