



# CITY OF PUYALLUP

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## Development Services

333 South Meridian  
Puyallup WA 98371

To: City Council  
From: Katie Baker, AICP, Planning Division  
Re: **South Hill Neighborhood Plan Adoption**  
Date: January 23, 2017

*(Meeting date: February 7, 2017)*

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### **Introduction**

Puyallup has two Regional Growth Centers, Downtown Puyallup and South Hill. Regional Growth Centers (RGCs) are areas designated by Puget Sound Regional Council (PSRC) as focal points for population and employment in the region. These areas are characterized by compact, pedestrian-oriented development with a mix of residences, jobs, retail, services, and entertainment. RGCs are eligible for funding priority for transportation and economic development through PSRC.

All jurisdictions with designated RGCs are expected to adopt a neighborhood (or “sub-area”) plan for the center in the city’s adopted comprehensive plan. These plans are intended to meet regional requirements while adhering to community priorities, by establishing specific goals and policies for the neighborhood as well as more detailed development standards.

On November 22, 2016, the City Council held a public hearing on the South Hill Neighborhood Plan (SHNP). This SHNP proposal includes a revised Comp. Plan element, land use and zoning map amendments, and Puyallup Municipal Code amendments. The SHNP has been in development since 2006. This work has involved Planning Commission work sessions; public outreach including open houses, questionnaires, and meetings with area property owners; and coordination with outside agencies.

### **Background**

A brief timeline of work on the Plan is provided below:

- 2007-2009: Public outreach to develop vision and framework policies
- 2009: City Council adoption of vision and framework policies
- 2010: Collaborative Health Impact Assessment with Tacoma-Pierce County Health Department
- 2011 and 2015: Transportation analysis completed
- 2013-2015: Planning Commission review of proposed zoning designations
- July 8, 2015: Planning Commission public hearing (property owner concerns raised)
- August, 2015 – January, 2016: Meetings with area property owners to address concerns
- January 12, 2016: City Council study session
- February 10, 2016: Planning Commission release of document for public review
- March 23, 2016: Planning Commission public hearing
- April 13, 2016: Planning Commission recommendation
- August 10, 2016: Open house to present Planning Commission recommendation

## **Planning Commission Recommendation**

A Planning Commission public hearing on the SHNP was first held on July 8, 2015. At that time the Planning Commission directed staff to work further with area property owners on the proposed map and code amendments due to property owner concerns expressed at the public hearing. Staff then held multiple meetings with property owners to better understand their concerns, followed by Planning Commission work sessions to review revisions to the proposed code amendments.

A second public hearing was held on March 23, 2016, followed by a Planning Commission recommendation on the revised Plan. By a vote of 4-2, the Planning Commission recommended adoption of the South Hill Neighborhood Plan, which includes the Comprehensive Plan element, Land Use and Zoning map amendments, and zoning code amendments to PMC 20.31 Mixed Use (MX) Zones and 20.52 Mixed-Use – Design Review Overlay (MX-DRO).

## **City Council Public Hearing**

City Council held a public hearing at their November 22, 2016 meeting, to consider the full South Hill Neighborhood Plan, as recommended by the Planning Commission. Additionally, staff recommended amendments to the PC recommended proposed Mixed Use zoning code (PMC 20.31) and Mixed Use – Design Review Overlay (PMC 20.52) intended to clarify and enhance the PC recommendation.

The South Hill Neighborhood Plan package of amendments includes:

- Modification of existing framework policies into a complete sub-area plan which meets the requirements of the Puget Sound Regional Council sub-area plan requirements;
- Associated land use and zoning map amendments of a majority of parcels within the South Hill Regional Growth Center;
- Amendment of two municipal code sections:
  - PMC 20.31 MX Mixed Use Zones, which includes three new zone districts - Community Commercial Mixed Use (CCX), Urban Center Mixed Use (UCX), and Limited Mixed Use (LMX); and
  - PMC 20.52 RR-DRO River Road Design Review Overlay, to be renamed MX-DRO Mixed Use – Design Review Overlay and applied to the South Hill mixed use zones.

Additionally, existing zoning designations will apply within the SHNP. This includes:

- Business Park (MP), Limited Manufacturing (ML), and Public Facilities (PF) zoning designations, primarily located in the east half of the Center; and
- RM-Core, newly applied to all residentially designated parcels throughout the Center.

Detailed description and analysis of each proposed amendment is described on the following pages. Staff recommendations follow each analysis; the Planning Commission recommendation is summarized at the end of the staff report. As adoption of a sub-area plan, state law allows these Comprehensive Plan amendments to occur outside the once per year limitation.

## **City Council Policy Input:**

Following the November 22, 2016, public hearing, staff asked City Council to weigh in on four particular areas within the proposed code amendments, in order to better refine the final proposed code brought for consideration at the January 10, 2017 ordinance reading. These four areas included:

**Allowable uses - PMC 20.31.015:** Drive-through business allowances in the CCX zone.

- Permit drive-through businesses

- Prohibit drive-through businesses
- *Council direction: Permit drive-through businesses*

Height allowances – PMC 20.31.028: Maximum height allowed in the CCX zone (location of South Hill Mall).

- 7 stories permitted outright, no height bonuses allowed, moderate design review
- 14 stories permitted outright, no height bonuses required, minimal design review
- 7 stories permitted outright, up to 14 stories with required height bonuses, extensive design review
- *Council direction: Allow height bonuses to achieve building heights beyond 7 stories; some support was expressed to allow up to 14 stories in a specific, less-obtrusive location within the CCX zone*

Site/Access improvements - PMC 20.31.025 & 20.31.040 (12): On-site pedestrian access – when and where improvements are required:

- Clarification that pedestrian access improvements are based only on the scope and location of project proposal
- Removal of ‘access standards’ table; application of ‘pedestrian access and circulation’ requirements in Performance Standards section of code
- *Council direction: Require pedestrian access improvements, limited to application within scope of project work proposed*

Design review - PMC 20.52.002: Type of standards and level of review applied in CCX zone and to primary Mall structure.

- Apply the Design Review Overlay standards (DRHPB review), but exempt the primary Mall structure
- Maintain existing commercial design review for entire CCX zone, including new buildings, additions, and primary Mall structure
- *Council direction: Require Design Review Overlay in CCX zone, but maintain general commercial design standards for the primary Mall structure*

**At the January 10, 2017, ordinance consideration, the City Council voted 5-2 to approve first reading, subject to a number of amendments to the proposed code sections. These amendments are as follows:**

- **Retain PMC 20.31.010/011/012 relating to master site plan requirements for the CMX zone;**
- **Retain PMC 20.31.032 relating to impervious surface coverage for the RMX zone;**
- **Allow a building height in the CCX zone of 6 stories (75’) permitted outright, up to 10 stories (125’) with the utilization of height bonus options. Buildings utilizing the height bonus options shall be allowed only within two designated locations in the CCX zone (referred to as the SR-512 buffer and the 9<sup>th</sup> St SW corridor);**
- **Exempt the South Hill Mall regional shopping center from one specific aspect of the general commercial design standards in PMC 20.26.300 (3);**
- **Review prior letters from the South Hill Mall and incorporate any “housekeeping” edits as warranted.**

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## *Comprehensive Plan Text Amendments*

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### **Description**

South Hill is designated by the Puget Sound Regional Council (PSRC) as one of the two Regional Growth Centers (RGC) in the City of Puyallup. RGCs are intended to accommodate a larger share of the future growth of the city, which relates to housing and employment. The RGC designation also allows the city to be eligible for grant opportunities, specifically transportation-related grants. This sub-area plan is required by PSRC in order to retain and carry out the RGC designation.

In 2009, framework policies for the South Hill Neighborhood Plan (SHNP) were adopted; however, a formal sub-area plan was not completed. The update to this element finalizes that neighborhood plan to be consistent with VISION 2040 requirements. The adopted Comprehensive Plan's 2030 housing and employment growth allocations specific to the South Hill RGC were updated and used to complete infrastructure analysis for transportation and sewer capacity, and the following background discussion sections were added to the Plan element: capital facilities, housing, and market conditions. In addition, three new mixed-use zoning designations were created to be implemented within the South Hill RGC, consistent with the policy direction. Please see the Municipal Code Amendments and Map Amendments sections of the staff report for more information on those proposed zoning changes.

### **Analysis**

Title 18, which governs Comprehensive Plan procedures, does not contain specific findings for approval of sub-area plans. Therefore, findings for approval of this update are based on compliance with PSRCs VISION 2040, and more specifically, their Reporting Tool for Center Plans. This reporting tool establishes a checklist of various issues or topics that are to be addressed within a center plan: Vision, Environment, Land Use, Housing, Economy, Public Services, and Transportation. Staff has developed the SHNP to be consistent with the requirements included in the PSRC checklist.

In addition, the Washington State Growth Management Act (RCW 36.70A) requires that Comprehensive Plans are internally consistent. This means that this sub-area plan for South Hill must be consistent with other elements of the City's Comprehensive Plan. In this case, staff has used consistent growth projections for the Transportation Element, updated and adopted as part of the 2015 Comprehensive Plan update process, and the Sanitary Sewer Comprehensive Plan, adopted by the City Council on September 13, 2016.

### **Staff Recommendation**

Staff recommends the City Council find that the proposed amendments to the Comprehensive Plan, adopting the South Hill Neighborhood Plan, is consistent with the Washington State Growth Management Act requirements (RCW 36.70A) and the Puget Sound Regional Council VISION 2040, and recommends approval of the proposed update.

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## *Comprehensive Plan Map Amendments*

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### **Description**

As described within the above Text Amendments section, this Comprehensive Plan update involves completion of the South Hill Neighborhood Plan (SHNP). In order to fully implement the vision and policies of that plan, amendments are proposed to both the land use and zoning designations of a majority of parcels within the South Hill Regional Growth Center. Proposed map amendments are summarized in the following table:

<b>Existing Land Use Designation</b>	<b>Proposed Land Use Designation</b>	<b>Proposed Zoning Designation</b>
Auto-Oriented Commercial	Mixed Use Commercial, Limited Commercial	Community Commercial Mixed Use (CCX), Urban Center Mixed Use (UCX), Limited Mixed Use (LMX)
Business/Industrial Park	No change	No change
Light Manufacturing/ Warehousing	No change	No change
Limited Commercial	No change	Limited Mixed Use (LMX)
Low Density Residential	High Density Residential	RM-Core
High Density Residential	High Density Residential, Limited Commercial	RM-Core, Limited Mixed Use (LMX)
Moderate Density Residential	High Density Residential	RM-Core
Public Facilities	No change	No change
Open Space/Public Park	No change	No change

The land use and zoning designation amendments are proposed to allow and encourage high density residential and mixed use commercial development within the South Hill RGC. This is a vital component of implementing the SHNP, as a key characteristic of a Regional Growth Center is accommodation of a higher percentage of the city's share of the region's growth. This shift in zoning to allow for a greater intensity and mix of residential and commercial uses is necessary to implement both the City's vision for the South Hill RGC, as well as meet our expectation of accommodating much of the population and employment growth that is anticipated to occur over the next twenty years and beyond.

Four zoning designations are being newly applied within the South Hill RGC. Three of these zones (CCX, UCX and LMX) are entirely new mixed-use zones being established; they are described and analyzed in the Municipal Code Amendment section on page 7. The fourth zoning designation, RM-Core, is a high density multi-family residential zone that is already established in the Municipal Code and currently applied only in the Downtown RGC. The proposed map changes would apply this high density residential zone to all residentially zoned properties (single- or multi-family) within the South Hill RGC.

For further description of the use allowances and property development standards established within the new mixed-use zoning designations, please refer to the next section, Municipal Code Amendments.

### **Analysis**

The proposed application of the High Density Residential (HDR) land use and implementing RM-Core zoning designation is consistent with the policies of the South Hill Neighborhood Plan and Land Use element designation criteria, as demonstrated in the following policies:

**SH-5** *High Density Residential neighborhoods are established because of proximity to arterials, compatibility with adjacent land uses and the vision of the South Hill area as an Urban Center.*

**SH-5.1** *Setbacks and landscaping should be used to ensure increased compatibility with less intensive land uses.*

**SH-5.2** *Monitor housing growth for the South Hill RGC and periodically reevaluate the adopted zoning standards to ensure they facilitate growth projections.*

**SH-5.3** *Incentives and standards should be adopted to ensure that higher density development is livable, permanent, and contributes positively to the vision of the South Hill neighborhood.*

#### **Land Use Designation Criteria – HDR:**

*High density multi-family housing types providing economical and alternative housing choices that help transition between low density residential and employment or commercial areas.*

- *Areas capable of being serviced with high capacity urban services and facilities concurrently with development*
- *Adequate and efficient traffic circulation*
- *Should have collector and arterial access and be in proximity to mass transit corridors*
- *May be used for areas in proximity to employment or retail commercial areas as a transitional use*
- *Should not be applied to areas adjacent to single-family residential areas without an intervening transitional land use or buffer*

In addition, the proposed application of the Mixed Use Center (MUC) land use and implementing CCX, UCX, and LMX zoning designations are consistent with and necessary to implement the policies of the South Hill Neighborhood Plan and Land Use element designation criteria, as demonstrated in the following goals:

**SH-1** *The most intensive mixed-use designation in South Hill allows the highest height limits and is intended to accommodate commercial uses with a regional draw.*

**SH-2** *The moderate mixed use designation allows a significant commercial component where standards to ensure pedestrian-oriented design are emphasized, and the constraints of large format retail are acknowledged and accommodated.*

**SH-3** *The least intensive mixed-use designation emphasizes moderate density residential, office and neighborhood-serving pedestrian retail emphasis.*

#### **Land Use Designation Criteria – MUC:**

*Designate areas within sub-areas (i.e. River Road, South Hill) where concentrations of compact, infill redevelopment of intermixed uses are desired.*

- *Should be applied to areas where compact infill redevelopment opportunities may be facilitated or desirable in order to further the overall goals and policies of sub-area plans*
- *Areas requesting new application of this designation should generally be contiguous with or provide a critical link to existing sub-area boundaries*
- *This designation is intended to implement the goals and policies of the City's sub-area plans, which emphasize compact, pedestrian-scale mixed-use redevelopment connected by multi-modal transportation systems*

### **Staff Recommendation**

Staff recommends the City Council find that these amendments are consistent with PMC 18.40.071, applicable RCWs and Puget Sound Regional Council's Center checklist and recommends approval of the proposed Land Use and Zoning map amendments in order to implement the South Hill Neighborhood Plan text amendments.

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## *Municipal Code Amendments*

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### **Description**

- 1) Amendments to PMC 20.31 Mixed Use to establish the Community Commercial Mixed Use (CCX), Urban Center Mixed Use (UCX), and Limited Mixed Use (LMX) zoning standards; and
- 2) Modification of PMC 20.52 Mixed Use (formerly River Road) Design Review Overlay to also apply to South Hill mixed use zones.

#### *PMC 20.31 MX Mixed Use*

The proposed South Hill Neighborhood Plan (SHNP) establishes three levels of mixed use designations, recommended to implement the land use vision for the South Hill Regional Growth Center. This has resulted in the development of three new mixed use zoning designations: Community Commercial Mixed Use (CCX), Urban Center Mixed Use (UCX), and Limited Mixed Use (LMX).

The purpose and description of these zoning designations are as follows:

- The Community Commercial Mixed Use zone (CCX) is intended to be the most intensive mixed-use designation in South Hill, allowing the highest height limits and is intended to accommodate commercial uses with a regional draw. This zone district is established to apply to the area encompassing the South Hill Mall and adjacent parcels, bounded by 9th Street SW, SR 512, Meridian and 39th Ave. S. A full range of uses including residential, office, lodging, and retail uses should be encouraged in this designation.
- The Urban Center Mixed Use zone (UCX) is intended to allow a significant commercial component where standards to ensure pedestrian-oriented design are emphasized, and the constraints of large format retail are acknowledged and accommodated. Encourage and accommodate the greatest range of uses within this designation, including high-density residential, pedestrian oriented retail, large format retail and multi-story office.
- The Limited Mixed Use zone (LMX) is intended to emphasize mixed-use, multi-story residential and office development and accommodates smaller-scale stand-alone retail development.

#### *PMC 20.52 MX-DRO Mixed Use Design Review Overlay*

The SHNP also includes policies related to future building design and site orientation. To implement those policies, the existing PMC 20.52 River Road Design Review Overlay is proposed for modification as the Mixed Use Design Review Overlay, to apply more broadly to the South Hill mixed use zones described above in addition to properties within the River Road Corridor to which it already applies.

### **Analysis**

PMC 20.91.010 requires that any action amending Title 20 Zoning Code shall be principally based upon the consistency of such amendment with the goals, objectives, and policies of the comprehensive plan. The proposed implementing code language for the Mixed Use (CCX, UCX, and LMX) zones and the Mixed Use Design Review Overlay district are consistent with the policies of the South Hill Neighborhood Plan, as demonstrated in the following policies:

#### *PMC 20.31 MX Mixed Use:*

##### CCX

*SH-1 The most intensive mixed-use designation in South Hill allows the highest height limits and is intended to accommodate commercial uses with a regional draw.*

*SH-1.2 Encourage a full range of uses including residential, office, lodging, and retail uses.*

*SH-1.4 Discourage additional stand-alone large format retail development, unless included as part of a mixed-use project.*

#### UCX

*SH-2 The moderate mixed use designation allows a significant commercial component where standards to ensure pedestrian-oriented design are emphasized, and the constraints of large format retail are acknowledged and accommodated.*

*SH-2.1 Apply to areas primarily composed of large parcels located on arterials that are highly accessible and other areas currently dominated by retail uses or where larger developments can be accommodated.*

*SH-2.2 Encourage and accommodate the greatest range of uses, including high-density residential, pedestrian oriented retail, large format retail and multi-story office.*

#### LMX

*SH-3 The least intensive mixed-use designation emphasizes moderate density residential, office and neighborhood-serving pedestrian retail emphasis.*

*SH-3.1 Apply in locations that can accommodate high density residential development, where large retail uses are not appropriate or likely because of parcel size, patterns of ownership, proximity to other uses or access and traffic issues and sites that are particularly well suited to implement the vision of improved pedestrian orientation for South Hill.*

*SH-3.2 Emphasize mixed-use, multi-story residential and office development and accommodates smaller-scale stand-alone retail development.*

#### Urban Form

*SH-7 The South Hill Center has a dynamic mix of uses that both complement one another to create a place where people can live, work, shop, and recreate and also strengthens the area as a regional draw for shopping and employment.*

*SH-9 An urban form has been established that encourages pedestrian activity and transit use by increasing connectivity within the street and pedestrian networks, integrating amenities such as street trees, public spaces, etc., minimizing conflicts between cars and people, and strengthening the relationship between buildings and the street.*

*SH-9.1 A maximum setback should be established for buildings in order to ensure that buildings are built up to the sidewalk, thus contributing to activation of the sidewalk and a more pedestrian-oriented urban form.*

*SH-9.2 Parking areas should be located behind, within, or to the side of buildings where feasible in order to strengthen the building-street relationship and minimize the visual impact of such areas.*

The CCX, UCX, and LMX zone districts are intended to implement the adopted vision: that the South Hill neighborhood, subject to the new zone districts, will become a pedestrian-oriented mixed-use destination center, accommodating jobs and housing for the community and the region. The zones will allow for a mix of uses on development sites with minimum residential densities, and specifically promote multi-story development and the accommodation of a variety of users and transportation modes.

PMC 20.52 MX-DRO Design Review Overlay

*SH-9.3 Emphasize and enhance the relationship between the building and the street through design standards that address transparency, blank walls, weather protection, lighting, primary entrances, signage, and site amenities.*

*SH-11.3 Encourage building design that reduces building bulk and scale, increases visual interest and provides direct access to the street.*

*LU-25 Development and design standards result in a character of the Regional Growth Centers that is distinct from other commercial areas of the City*

The SHNP also includes the above policies related to future building design and site orientation. To implement those policies, the existing PMC 20.52 River Road Design Review Overlay is proposed for modification as the Mixed Use Design Review Overlay, to apply more broadly to the South Hill mixed use zones described above in addition to properties within the River Road Corridor to which it already applies.

**Staff Recommendation for PMC 20.31 and 20.52**

Per PMC 20.91.010, staff recommends the City Council find that the proposed code amendments to PMC 20.31 and 20.52 are consistent with the Comprehensive Plan policies established in the Land Use Element and proposed South Hill Neighborhood Plan as outlined above and recommends approval of the proposed code amendments.