ORDINANCE NO. 698

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, ADOPTING THE UNIVERSITY PLACE REGIONAL GROWTH CENTER SUBAREA PLAN

WHEREAS, VISION 2040, the long-range growth, economic and transportation strategy for King, Pierce, Snohomish and Kitsap Counties, envisions a region composed of diverse economically and environmentally healthy communities framed by open space and connected by a high-quality, efficient transportation system; and

WHEREAS, a key goal of VISION 2040 is focusing development in urban growth areas, and directing an increased portion of regional jobs and housing growth that occurs within urban areas into regional growth centers; and

WHEREAS, based on City Council goals adopted in 2009-2010, the City sought Puget Sound Regional Council designation of a Regional Growth Center in University Place; and

WHEREAS, on December 10, 2014 the Puget Sound Regional Council designated a 465-acre commercial, multifamily and mixed use area within University Place as a "Provisional Regional Growth Center"; and

WHEREAS, in order to obtain a non-provisional designation as a Regional Growth Center, the City was required to adopt a Subarea Plan for the Regional Growth Center within two years of provisional designation; and

WHEREAS, in 2016 the Puget Sound Regional Council Executive Board granted a one year extension for the City to submit an adopted Subarea Plan; and

WHEREAS, the City Council adopted a 2015-2016 Council goal to develop a Subarea Plan for the Regional Growth Center; and

WHEREAS, on November 2, 2015 the City Council adopted Resolution 796 establishing the University Place Regional Growth Center Subarea Plan Ad-Hoc Advisory Committee, to develop the project scope, conduct community outreach, develop a draft Subarea Plan and provide recommendations to the Planning Commission; and

WHEREAS, the Ad-Hoc Committee met at key milestones of the planning process and helped to develop the vision and guiding principles for the Regional Growth Center, as well as the Subarea Plan for land use and implementation actions; and

WHEREAS, the Ad-Hoc Committee supported community and stakeholder outreach during the planning process, including two separate series of community and stakeholder workshop sessions that were held in December 2016 and May 2017; and

WHEREAS, the Planning Commission held study sessions on September 6 and 20, 2017 to review the draft Subarea Plan and identify issues that might require further work before recommending the Subarea Plan to the City Council; and

WHEREAS, the City issued a *Determination of Nonsignificance, Incorporation by Reference of Environmental Documents, and Adoption of Existing Environmental Documents* on September 23, 2017 with a 14-day comment period ending October 6, 2017; and

WHEREAS, on September 23, 2017, the City published a *Notice of Public Hearing* in the Tacoma News Tribune for a Planning Commission public hearing to be held on October 4, 2017; and

WHEREAS, on October 4, 2017 the Planning Commission held a public hearing to consider public testimony and, after closing said hearing, recommended approval of the Draft University Place Regional Growth Center Subarea Plan based on the findings and conclusions provided in Planning Commission Resolution 2017-04; and

WHEREAS, the City Council held a study session on October 16, 2017 to discuss and provide comments on the Draft Regional Growth Center Subarea Plan; and

WHEREAS, the City Council held a public hearing on November 6, 2017 to take public testimony and, after closing said hearing, directed staff to prepare an ordinance for Subarea Plan adoption; and

WHEREAS, the University Place Regional Growth Center Subarea Plan divides the Center into three districts, namely the Town Center District, 27th Street Business District and the Northeast Mixed Use District, and

WHEREAS, the Subarea Plan proposes to strengthen the identity, character, and economic development opportunities within each of the three districts through a flexible framework of redevelopment that can be adapted to market conditions, and

WHEREAS, the Subarea Plan includes its own vision statement and guiding principles, consistent with the community's vision and growth management policies as well as those of the region; and.

WHEREAS, the City Council finds the Subarea Plan anticipates the following benefits to the subarea, the larger community and the region overall:

- Increased capacity to accommodate growth in population, housing, and employment, consistent with the region's 2040 Vision and growth targets;
- Enhancements to district and neighborhood character as areas redevelop over time;
- Increases in the variety of housing and employment opportunities in the community, including housing affordable to a broad range of residents;
- Improved economic vibrancy due to increased business opportunities;
- Service and environmental benefits associated with infrastructure improvements, such as better storm water runoff management and treatment;
- Better connectivity throughout the subarea and community as a result of multimodal transportation improvements and future implementation of express bus service connecting to the region's high capacity transit system; and
- Improved livability and health for residents, with more community amenities and services as the population grows including more opportunities to walk and bicycle, contributing to healthy, active lifestyles;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. University Place Regional Growth Center Subarea Plan Adopted. The University Place Regional Growth Center Subarea Plan attached hereto as Exhibit A is adopted by reference.

Section 2. Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 3. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of the Ordinance Summary.

PASSED BY THE CITY COUNCIL ON NOVEMBER 20, 2017

Javier H. Figueroa, Mayor

ATTEST:

Emelita Genetia, City Clerk

APPROVED AS TO FORM:

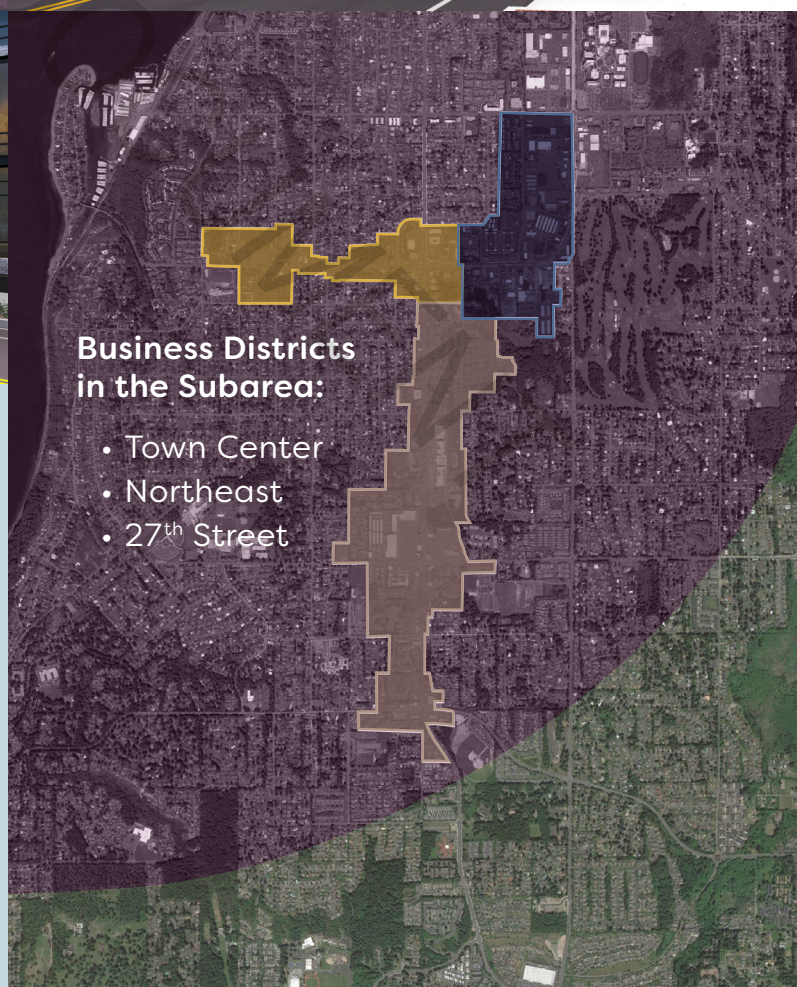
Matthew S. Kaser, City Attorney

Date of Publication: 11/22/17
Effective Date: 11/27/17

REGIONAL GROWTH CENTER SUBAREA PLAN

NOVEMBER 20, 2017

Enhancing Economic Vitality and Livability in the Heart of University Place



Business Districts in the Subarea:

- Town Center
- Northeast
- 27th Street

Prepared for the City of

University Place
WASHINGTON

Prepared by

otak

LELAND CONSULTING GROUP

M:\ORD\2017\298-Exhibit A

Acknowledgements

Ad-Hoc Advisory Committee Members

Yonn Dierwechter, Urban Studies Professor, University of Washington, Tacoma

Jared Kacirk, US Bank

Ron Kent, City of University Place Economic Development Advisory Commission

Patrick Lyon, Sea_Bre LLC

Sandy McKenzie, Windermere Professional Partners Real Estate

Tony Paulson, City of University Place Planning Commission

Chris Platt, City of University Place Economic Development Advisory Commission

Cliff Quisenberry, City of University Place Planning Commission

Jose Rivera, LOGOS Medium Coaching

Sandy Shaffer, UP Rental LLC

Frankie Wallace, Resident

City Staff

Mariza Craig, Assistant City Manager, Community and Economic Development

David Swindale, Director, Planning and Development Services

Jeff Boers, Principal Planner

Becky Metcalf, Program Assistant, Community and Economic Development

Consultants

Otak, Inc.—Mandi Roberts (Principal), Cristina Haworth, and Finis Ray

Leland Consulting Group—Brian Vanneman (Principal)

Table of Contents

List of Figures

Introduction

University Place was incorporated in 1995 based on the community's interest in shaping its own future as an independent City rather than continuing as an unincorporated area of Pierce County. Citizens of the new University Place wanted to develop a strong sense of place, especially in the heart of the community. Shortly after completing the first comprehensive plan of 1998, the town center plan and design standards were adopted in 1999 to achieve this goal.

Responding to tax cuts that reduced revenues in 2002, the City engaged in an effort to jump start town center development, create the sense of place envisioned in the first town center plan, and generate sales tax revenue to support City services. Taking a proactive role, the City developed an Economic Development Strategic Action Plan. The City Council appointed an Economic Development Commission to implement the strategic action plan, which included developing an updated town center plan that provided incentives for development, including a State Environmental Policy Act (SEPA) Planned Action and increases in height and density. The plan envisioned infill development, road construction, and pedestrian improvements to achieve a vibrant, pedestrian-friendly town center with residential uses, shops, and restaurants, anchored by City Hall, the library, and Homestead Park.

As implementation of the town center plan got underway, the City determined there was a need to recognize its regional role for shopping, entertainment, civic engagement, and other businesses and services and the corresponding need to plan for population and job growth. In 2003, Puget Sound Regional Council (PSRC), the metropolitan planning organization for the four-county area encompassing King, Pierce, Snohomish, and Kitsap Counties, began efforts to recognize regional growth centers. Regional growth centers are areas characterized by compact pedestrian-oriented development with a mix of uses, facilities, and services needed to accommodate population and employment growth.

Between 2003 and 2009, University Place played a key role in creating policies, criteria, and a process for designating regional growth centers in Pierce County. During this period, the City established a Regional Growth Center Ad-Hoc Advisory Committee to recommend boundaries for the City's regional growth center and develop a vision, goals, and policies for its implementation. By 2009, the City had adopted the Regional Growth Center in its Comprehensive Plan and was designated as a candidate regional growth center by the County Council.

In 2014, the City of University Place applied to PSRC to officially designate a 481-acre commercial, multi-family, and mixed use area as a regional growth center. The area encompasses the Town Center District, 27th Street Business District, and the Northeast Mixed Use District in the heart of the community. Refer to Figure 1 for a map depicting these districts. "Provisional" status for the regional growth center was granted in December 2014.

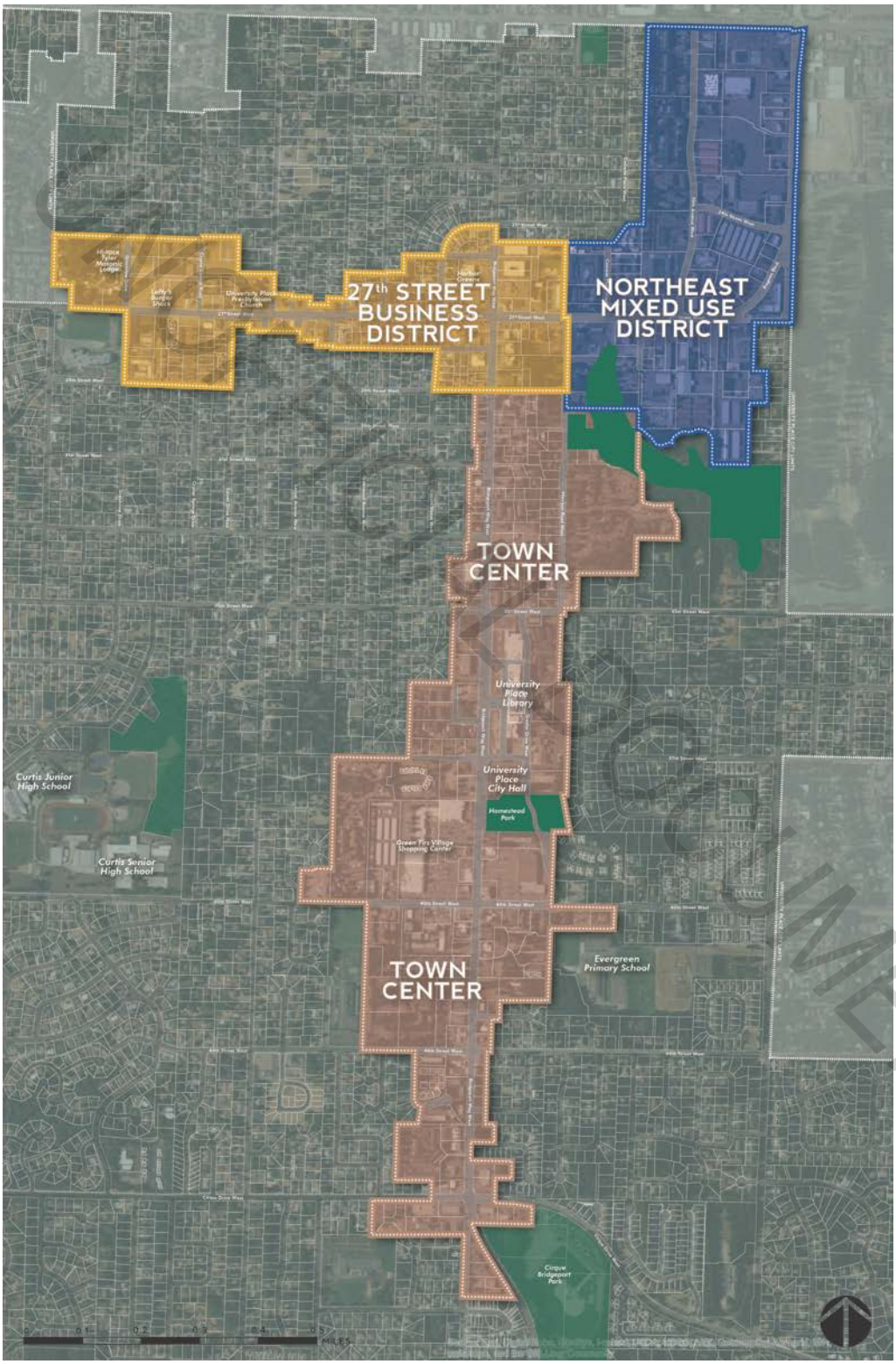
In order to obtain non-provisional designation as a regional growth center, the City is required to adopt a subarea plan. Anticipating this requirement, the City Council identified the development of a Subarea Plan for the regional growth center as a 2015-2016 City Council goal. Further, Policy LU12B of the 2015 Comprehensive Plan update directed the City to develop and implement a subarea plan for the regional growth center, focusing on the three districts.

In 2016, the City retained Otak, an interdisciplinary consulting firm, teamed with Leland Consulting Group, in a competitive process to develop this subarea plan. The plan was formed in collaboration with City staff, the Ad-Hoc Advisory Committee, and with input from property owners, the community, and other stakeholders in workshops and meetings held during the planning process.

The University Place Regional Growth Center Subarea Plan will be instrumental in shaping future development in the three identified districts. The plan is consistent with the community's vision and proposes to strengthen the identity, character, and economic development opportunities within each of the three districts through a flexible framework of redevelopment that can be adapted to market conditions. While the plan sets the course for the future, a specific list of actions will need to be completed in order to fully implement the plan. These actions include zoning amendments, development of specific design standards and provisions integrated into the code, updates to transportation and utility infrastructure improvement plans, planning for increased transit service, coordination with public services providers to address the needs of future population of the subarea as it grows, and other actions.

This subarea plan for the University Place Regional Growth Center is an important first step in establishing a clear vision and framework for how the city's center can continue to grow and transform over time while also retaining the important qualities and assets that make the community a great place to live, work, and play. The subarea plan provides the capacity to increase the regional growth center's population, housing, and employment. An estimated population of 28,064 to 43,024 residents, living in approximately 17,540 to 27,390 housing units could be accommodated in the subarea under the proposed zoning, and an estimated 8,300 people or more could be working in the subarea when fully redeveloped. This would result in approximately 75 to 105 activity units (AU) per acre in the 481-acre subarea. It should be noted that the time frame for full "build-out" of the proposed zoning (when all property would be redeveloped to the proposed building form) is unknown. 100 percent build-out may not occur given that growth and redevelopment is influenced by many factors (market and economic conditions over time, property owners' interests and intentions, physical constraints, etc.). If full build-out were to occur, it would likely be many decades into the future before it is realized. However, even if only 75 percent of the build-out capacity for the subarea is reached, 57 to 80 AU per acre could be accommodated, exceeding the 45 AU/acre planning target for regional growth centers.

Figure 1—The Three Districts of the Subarea



Regional Planning Background

Regional planning for the four county (Pierce, King, Kitsap, and Snohomish) Puget Sound Region is administered through the Puget Sound Regional Council (PSRC). As the regional planning agency, the PSRC has specific responsibilities under federal and state law for growth management, transportation planning, and economic development and is responsible for forecasting population and employment growth for the region, and for monitoring and planning for the growth consistent with adopted plans and policies (https://www.psrc.org/our-work/regional-planning).

By the year 2040, 5 million people are expected to live in the Puget Sound Region. This is an additional 1 million above today's regional population of just over 4 million people. The regional growth strategy for the region, VISION 2040 (https://www.psrc.org/our-work/vision-2040), calls for focusing new housing, jobs, and development in the region's urban growth area and especially within regional growth centers. VISION 2040 also aims to keep rural areas, farmlands, forests, and other resource lands healthy and thriving. Focusing growth in urban areas and reducing sprawl helps to protect these lands.

According to PSRC, "regional growth centers are relatively small areas of compact development where housing, employment, shopping and other activities are in close proximity." Centers are at the core of VISION 2040—the Overarching Goal in the Development Patterns chapter of VISION 2040 summarizes at a high level the region's approach to managing growth, "The region will focus growth within already urbanized areas to create walkable, compact, and transit-oriented communities that maintain unique local character. *Centers will continue to be a focus of development.*" Figure 2 shows the locations of centers throughout the region.

The PSRC differentiates regional growth centers from other local centers by identifying the regional centers as target areas for growth. A key goal of Vision 2040 is focusing development in these centers and attracting an increased portion of regional housing and jobs growth in these urban areas where existing roads, utilities, and services are already available to serve the needs of a growing number of residents and employees. This helps to ensure the effective and efficient development of infrastructure and related public expenditures.

Another key role of the PSRC is to help communities secure federal funding for transportation projects to receive over $240 million in transportation funding each year. The PSRC develops the region's long-range transportation plan, Transportation 2040, designed to improve mobility, provide transportation choices, move the region's freight, and support the region's economy and environment. Regional growth centers receive priority for these funds.

For regional planning purposes, "activity units" are referenced to discern varying densities of growth. Activity units are based on population (one person is one activity unit) and employment (one job is one activity unit). PSRC indicates that the 481-acre University Place Regional Growth Center currently has 19.2 activity units per gross acre, exceeding the 18 activity units/acre required to be considered

for designation. PSRC also shows that University Place grew by 648 people and added 243 jobs between 2000 and 2014. For more about population, housing, and employment statistics in University Place, refer to the Demographics section of this plan.

Regional growth centers are required to allow sufficient capacity through zoning to support a minimum target activity level of 45 activity units/acre. As long as the adopted subarea plan provides sufficient land use capacity in the designated center to ultimately reach or exceed 45 activity units/acre at full build-out, a 20-year growth target for the center that falls below that level of growth is acceptable if the plan explicitly acknowledges the long-range densities planned are consistent with the regional centers designation criteria. Zoning capacity may allow levels of development higher than the 45-activity unit/acre target.

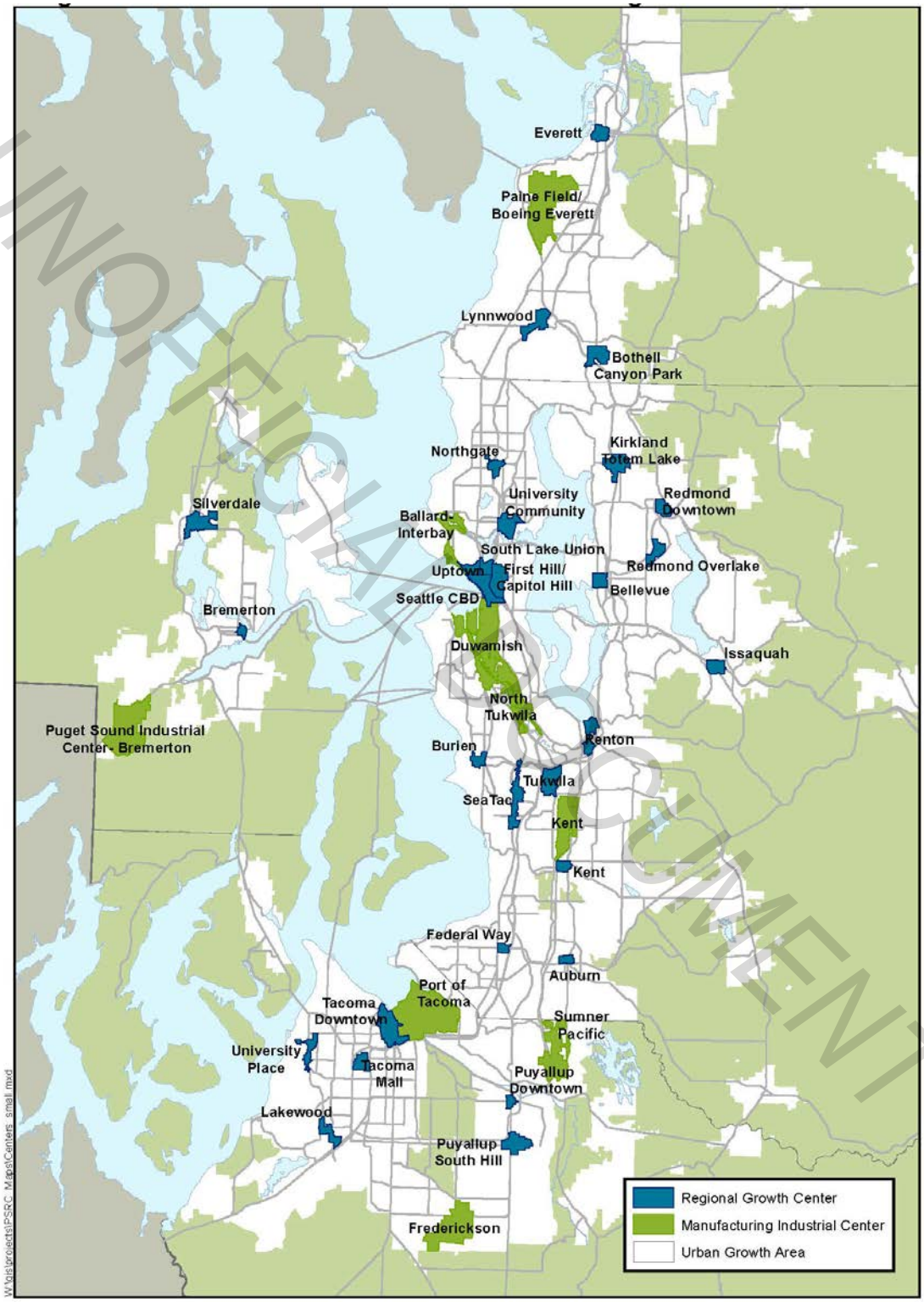
Access to transit is an important factor in the successful function of regional growth centers. PSRC has analyzed that 87 percent of the University Place Regional Growth Center is located within the walkshed (1/4 mile) of major transit routes, although the report also noted that the center is not currently served by high capacity transit (such as bus rapid transit/BRT). Local and regional bus routes currently serve the center, and Sound Transit is planning to extend its Tacoma Link light rail service to Tacoma Community College just north of the subarea as part of the ST3 package of improvements. This could be a precursor to extending high capacity bus rapid transit and/or express bus lines through University Place to connect with light rail in the future.

Anticipated Benefits of Implementing the Subarea Plan

Implementing this Subarea Plan will result in multiple benefits for current and future residents, employees, property and business owners, and visitors of University Place. Benefits to the subarea, as well as to the region overall are anticipated, including the following:

- Capacity to accommodate regional growth in population, housing, and employment, consistent with the region's 2040 Vision and growth targets
- Enhancements to district and neighborhood character as areas redevelop over time
- Increases in the variety of housing and employment opportunities in the community, including housing affordable to a broad range of residents
- Improved economic vibrancy due to increased business opportunities
- Service and environmental benefits associated with infrastructure improvements, such as better stormwater runoff management and treatment
- Better connectivity throughout the subarea and community as a result of multimodal transportation improvements and future implementation of express bus service connecting to the region's high capacity transit system
- Improved livability and health for residents, with more community amenities and services as the population grows and more opportunities to walk and bicycle, contributing to healthy, active lifestyles

Figure 2—Map of Puget Sound Region Centers



Source: Puget Sound Regional Council

Planning Process

The subarea plan was created over a year-long planning process that included close coordination with City staff and an appointed ad-hoc advisory committee, as well as workshop sessions and meetings with stakeholder groups and the community. Figure 3 shows the subarea planning process and key milestones.

Ad-Hoc Advisory Committee

In March 2016, the University Place City Council appointed members of the community who applied for, and expressed interest in, serving on the regional growth center subarea plan ad-hoc committee. The committee met at key milestones of the planning process and helped to develop the vision and guiding principles for the regional growth center, as well as the plan for land use and implementation actions. In addition to advising City staff and the consultant team in the development of the subarea plan, the committee also supported community and stakeholder outreach during the planning process.

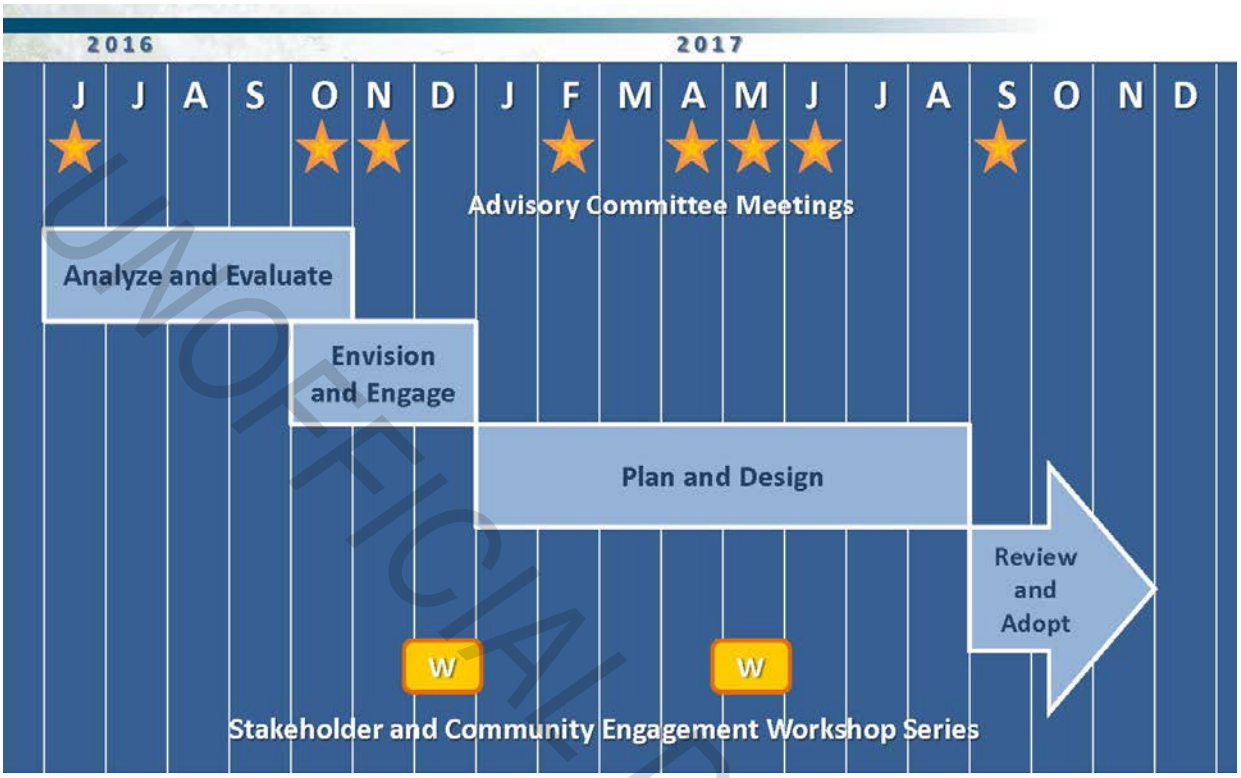
Community and Stakeholder Workshops

In December 2016 and May 2017, two separate series of community and stakeholder workshop sessions were held to gather comments and input related to the subarea plan as it was developed. The December 2016 workshops focused on the vision and guiding principles for the subarea, as well as possible frameworks for growth and economic development. The May 2017 workshop sessions presented growth scenarios, zoning concepts, and illustrative renderings showing how the subarea might look as it redevelops over time.

Collaborative Approach to Working with Existing Property Owners

City staff has been working closely with property owners, business representatives, and developers to identify and support potential opportunities for redevelopment. Opportunity sites will continue to be identified and supported by the City as Plan implementation proceeds. It is important to note that the ideas and concepts shown in this Plan are theoretical. While the Plan provides a vision and land use and zoning framework, development and redevelopment will only occur if private property owners are interested and willing. Ultimately, it will be the property owners and residents of University Place who transform this vision into reality. City staff will continue to support property owners by advising them on development potential, potential developers to contact, design provisions and regulatory requirements, and potential opportunities to aggregate properties with interested neighbors for redevelopment.

Figure 3—Planning Process



Vision and Guiding Principles for the Subarea

VISION 2040 seeks to create a region of diverse, economically and environmentally healthy communities that are framed by open space and connected by a high-quality, efficient transportation system. The vision for the University Place Regional Growth Center is presented below, along with supporting guiding principles. This vision is consistent with and reinforces the region's VISION 2040 growth strategy.

Vision Statement

The University Place Regional Growth Center will continue to transform into a vibrant, walkable regional destination with dense mixed use and transit-oriented development in neighborhoods that offer a variety of housing and employment opportunities, shopping and services, culture, arts, entertainment, and parks. The Plan provides flexibility and capacity for redevelopment and development to occur over time while retaining the character and livability of the community that make it a desirable place to live, work, and play. Development of new businesses and retention of existing businesses, as well as other growth and investment, will broaden employment opportunities and enhance economic vitality, fostering shared prosperity in the community that will benefit existing and future residents in numerous ways.

The subarea's three distinctive districts will take shape over time as:

- Town Center will continue to function as the heart of the community and University Place's civic center with a high concentration of mixed-use buildings (commercial and multi-family residential), public services, offices, and other uses.

- 27th Street Business District will continue to transform into a smaller village setting than the Town Center, with neighborhood-serving local businesses and new multi-family residential and retail uses filling in over time in a highly walkable redevelopment pattern.

- Northeast Mixed Use District will continue to focus on building new employment opportunities in the community, as well as providing entertainment uses, personal services, and businesses that serve surrounding neighborhoods as well as the broader region. There could be an opportunity to integrate forms of live/work housing, studios, lofts, and other types of residences as influenced by market forces.

Guiding Principles for the Regional Growth Center

- Enhance pedestrian connectivity and walkability throughout the regional growth center and within each district, defining key connections and access needs to be provided through redevelopment.
- Create a framework of walkable neighborhoods and districts within the overall regional growth center, oriented around 5 to 10 minute walk times and increased access to transit.
- Work with Pierce Transit and other local partners to increase transit service in the subarea to serve the growing population and employment demands over time, eventually resulting in a viable plan for extension of bus rapid transit (high capacity transit) through the subarea that will connect to light rail transit in the I-5 corridor.
- Work with utility and public service providers as partners to proactively serve growth and redevelopment in the subarea—this includes utility services such as water, sanitary sewer, stormwater management, electricity, gas, and communications, as well as public services such as schools, parks and open space, human services, arts and culture, and health services.
- Improve bicycling mobility and safety throughout the regional growth center both for intra-neighborhood transportation and for increased access to transit. Consider appropriate locations for bike storage and bike rental facilities.
- Provide diverse housing opportunities and choices, affordable to residents of varying incomes.
- Maintain a sense of human scale with redevelopment through attention to architectural character and strong urban design.
- Continue to create a distinctive sense of place through attention to aesthetic and architectural detail and conformance to design standards within the three districts as they transform and grow.

- Foster economic development that strengthens businesses and increases living wage employment opportunities.
- Enhance the economic stability of the City through policies that encourage development that increases the desirability of the community as a place to live and work.
- Provide additional neighborhood parks and recreational opportunities to serve the growing number of residents and employees.
- Strengthen community health through access to fresh foods, as well as safe walking and bicycling routes and trails.
- Promote a strong sense of livability and community through City and community-supported policies and programs.
- Protect and enhance surrounding single family and residential neighborhoods and enhance walking and bicycling access between these areas and the regional growth center.
- Preserve green (landscape, open space, trees, etc.) in the heart of the community and neighborhoods that surround the regional growth center.
- Amend comprehensive plan and zoning designations to be consistent with the adopted subarea plan for the regional growth center.
- Continue to foster strong partnerships and cooperation with supporting agencies involved in serving citizens of University Place, as well as surrounding communities and entities such as the Cities of Fircrest and Tacoma and Tacoma Community College.

Related Comprehensive Plan Policies

University Place Comprehensive Plan Goal LU12 calls for designation of the regional growth center. The Subarea Plan supports and relates to the following Comprehensive Plan policies under that goal:

Policy LU12A

Ensure that development standards, design guidelines, level of service standards, public facility plans, and funding strategies support focused development within University Place's regional growth center.

Policy LU12B

Develop and implement a Subarea Plan for the regional growth center consistent with the Puget Sound Regional Council's Regional Growth Center Plans Checklist. Focus subarea planning on three districts – the Town Center District, 27th Street Business District, and the Northeast Mixed Use District.

Policy LU12C

Develop Comprehensive Plan land use designations, goals, and policies to ensure consistency with the final vision articulated for each of the regional growth center's districts through the subarea planning process.

Policy LU12D

Recognize the regional growth center as such in all relevant local, regional policy planning and programming forums. Through plans and implementation strategies, encourage and accommodate focused retail, office, and housing growth, and a broad array of complementary land uses. Prioritize capital investment funds to build the necessary infrastructure for this Center, including transportation, utilities, stormwater management, and parks. Also, emphasize support for transit use, pedestrians, and bicycling.

Policy LU12E

Leverage local, regional, state, and federal agency funding for needed public facilities and services within University Place's regional growth center. Give priority to this center for transit service and improvements, as well as for other transportation projects that will increase mobility to, from, and within this center.

Policy LU12F

Periodically review development within the regional growth center to identify and resolve barriers to efficient and predictable permitting. Consider City preparation of SEPA review if issues can be addressed on an area-wide basis to resolve barriers.

Policy LU12G

Support effective administration of policies, regulations, and strategies to achieve the goals and objectives of the final regional growth center plan.

Policy LU12H

Apply and implement applicable Comprehensive Plan goals and policies on growth and development in the City's regional growth center, including but not limited to those that address community character, population and employment growth, mixed uses, housing, transportation and utility infrastructure, and urban form.

Policy LU12I

Partner with the business community to promote vibrant, successful mixed use districts within the regional growth center. Collaborate with existing and prospective business owners in each district to develop district-centered plans. Identify a market position or focus for each district and develop marketing materials to promote the district and its businesses.

This subarea plan is consistent with and supports many of the adopted policies in the City of University Place Comprehensive Plan. Refer to the Comprehensive Plan for a full listing of adopted policies.

Existing and Forecasted Population, Households, and Employment in the City and the Subarea

Existing and forecasted population, households, and employment for the City of University Place and for the subarea are presented below. According to the 2010 Census, University Place had a population of 31,144, and PSRC data shows that the City's population grew to 31,720 by 2015, adding 576 people for a growth rate of about 1.8 percent for the five-year period. During the last two years, additional multi-family and single family housing units have added new residents to the City. The statistics below for population, households, and jobs in University Place for 2015 are from the latest available data from PSRC. The Washington State Office of Financial Management reports that for 2017, University Place has a population of 32,610 residents and 14,030 households. Comparing these numbers to the 2015 statistics shows the amount of growth that has occurred in the City in the two-year period. Forecasted population, housing, and employment levels by PSRC, along with the existing (2015) levels are shown in Figures 4, 5, and 6 below.

Figure 4—City of University Place Population (for the City Overall)

Existing	Forecasted (PSRC)			
2015	2025	2030	2035	2040
31,720	38,265	41,956	47,207	53,990

Source: Puget Sound Regional Council

Figure 5—City of University Place Households (for the City Overall)

Existing	Forecasted (PSRC)			
2015	2025	2030	2035	2040
12,779	16,286	17,887	20,200	23,045

Source: Puget Sound Regional Council

Figure 6—City of University Place Jobs (for the City Overall)

Existing	Forecasted (PSRC)			
2015	2025	2030	2035	2040
6,319 (6,694 per 2010 Census)	7,899	8,325	9,322	10,708

Source: Puget Sound Regional Council

Given these forecasts by the PSRC, by 2040 University Place is targeted to grow by an additional 22,270 people in 10,266 households and to add 4,389 jobs. While the 481-acre subarea takes up about 8.9 percent of the total land area (5,478 acres) of the City, most of the employment uses and the highest density residential areas are contained in the subarea. As such, it is anticipated that most of this forecasted growth will occur in the subarea districts of Town Center, 27th Street, and Northeast Mixed Use. Given the current estimate of population, households, and jobs in the subarea shown in Figure 7, these forecasts would represent substantial increases within the next 23 years by 2040. While

these growth levels may not occur by 2040, the Subarea Plan represents a long-term vision for University Place, and the proposed zoning capacity for the subarea will support the forecasted growth targets and beyond, as described later in this Subarea Plan.

Figure 7—Current Population, Households, and Jobs in the Subarea

Subarea Population (2014)	**5,539**
Subarea Households (2014)	**3,558**
Subarea Jobs (2014)	**2,927**

Source: 2014 University Place Regional Growth Center Designation Report

For additional University Place demographic information, refer to the PSRC website, which posts the American Community Survey 5-Year Estimates from the US Census Bureau (https://www.psrc.org/sites/default/files/acsprof11-15_pl_universityplace.pdf) and the City of University Place Comprehensive Plan.

Anticipated Growth Rates and Alignment with Growth Projections

Between 2000 and 2010, the City of University Place overall population grew from 29,933 to 31,144, a 4 percent increase over the decade or an average annual growth rate of just less than 0.4 percent. The estimated 2016 population of the city is 33,288, indicating a six-year growth rate from 2010 of 6.9 percent or slightly above 1.1 percent annually.

The increase in average annual growth over the last six years is consistent with Town Center redevelopment projects and other housing development that is drawing new residents to the community. With adoption of the proposed subarea plan, it is anticipated that employment opportunities will continue to increase with redevelopment.

After decades of little change, employment levels have seen some growth in recent years, as a result of new commercial and retail establishments, such as the Whole Foods Market. The community seeks to increase its economic vitality and the availability of employment opportunities within the community for residents, helping to better balance the ratio of jobs to housing.

The City of University Place Comprehensive Plan, adopted in 2015, includes the following information pertaining to growth targets for population, housing, and employment:

- VISION 2040 regional growth targets call for the City to accommodate a population of 52,000, and employment of 11,450 jobs by 2040.

- In 2011, Pierce County adopted population and housing allocations for 2030 based on regional geographies established in VISION 2040, Washington State Office of Financial Management (OFM) projections, actual growth trends, and regional, county, and city planning policies. These allocations call for the City of University Place to accommodate 8,100 additional people and 5,250 new housing units between 2008 and 2030, for a total population of 39,540 in 18,698 housing units.

According to forecasts by the PSRC, by 2040 University Place is targeted to grow by an additional 22,270 people in 10,266 households and to add 4,389 jobs. Most of this growth would be expected to occur within the regional growth center subarea. The proposed subarea plan provides for this capacity and more, and growth would be expected to continue beyond 2040. While there may be differences between the Pierce County and PSRC allocations for University Place, the PSRC 2040 allocations are referenced by this plan in terms of ensuring that available zoning capacity can support the prescribed growth targets.

Existing Characteristics of the Subarea

University Place is a growing community located between Puget Sound to the west and the City of Tacoma to the north and east. The small town of Fircrest is situated between Tacoma and a portion of University Place at the northeast city limits, and the cities of Lakewood and Steilacoom are located to the south. Existing physical characteristics and attributes of the subarea and the three districts within the subarea are described below and illustrated in the maps on the following pages.

The subarea, which encompasses the Town Center, 27th Street Business District, and Northeast Mixed Use District, is located in the core of University Place, and mirrors the general characteristics of the community overall.

History

Prior to settlement by Euro-Americans, Native American tribes such as the Steilacoom, Nisqually, Squaxin, Puyallup, and Muckleshoot lived in the Puget Sound lowlands of the area. By the mid-1800s, the lumber industry, railroad development, and mining transformed the area, and settlers began building homes and opening local businesses. In the early 1890s, the area was chosen as a potential location for the University of Puget Sound, but due to financial difficulties the college was built in another location. Ironically, there is no university in University Place even though the area continues to be known as University Place to this day. In 1995, University Place incorporated and has transitioned from being a suburban community of unincorporated Pierce County to a growing community with its own regional center over the last twenty years. With the development of the Chambers Creek properties and Chambers Bay Golf Course and the emergence of the Town Center bringing more businesses to the community in recent years, University Place is poised for a vibrant future.

Topography and Views

Rolling topography of mostly western-facing slopes exists throughout the subarea, affording some views to Puget Sound and the Tacoma Narrows Bridge, particularly in the vicinity of the 27th Street corridor. Challenges created by the rolling topographic conditions related to development and walkability are often addressed through creative architectural solutions (such as tuck-under parking, or parking located on the low side of sites). Existing topography is shown in Figure 8.

Hydrology and Surface Water Management

Part of the Chambers—Clover Creek Watershed Resource Inventory Area 12 (WRIA 12), University Place is located in portions of two watersheds, the Chambers Bay and the Tacoma West watersheds. The City of University Place has adopted the King County Surface Water Design Manual (KCSWDM) as its standard for development and level of service.

Land Use and Development

All lands within the subarea have been previously developed in a mix of commercial/retail/business, mixed use, light industry, multi-family, and some single family uses including homes that have been converted to businesses. With implementation of the Town Center Master Plan, University Place is in the midst of redevelopment, with new businesses and multi-family buildings emerging in the heart of the community. Existing zoning classifications in the subarea are shown in Figure 9.

Existing Character of the Subarea and Three Districts

The subarea character varies throughout; each of the three districts in the subarea has its own unique character, as described further below. The existing urban framework of the subarea includes gateways, intersection hubs, and other key features that help to define entrances into the community, transitions between districts, and key nodes of activity.

Town Center

Residents of University Place have been planning and working to implement a true town center for their community since incorporation, and in recent years, the vision has become reality with several redevelopment projects including Whole Foods Market, smaller retail spaces, a branch of the Pierce County Library system, the police station, the headquarters of West Pierce Fire and Rescue, the SEB-developed Clearview 100 mixed use building and the Latitude 47 mixed use building. Additional multi-family over commercial/active use at the ground floor (mixed use buildings) will be constructed in the near future. The Town Center also includes public gathering space and reinforces the sense of a "main street" along Bridgeport Way, in the heart of the community. The Town Center has been the recipient of most new commercial and multi-family development since 2010, with five buildings totaling over 400,000 square feet, reflecting the district's "market readiness." Further, this district currently possesses the tallest buildings of all three districts.

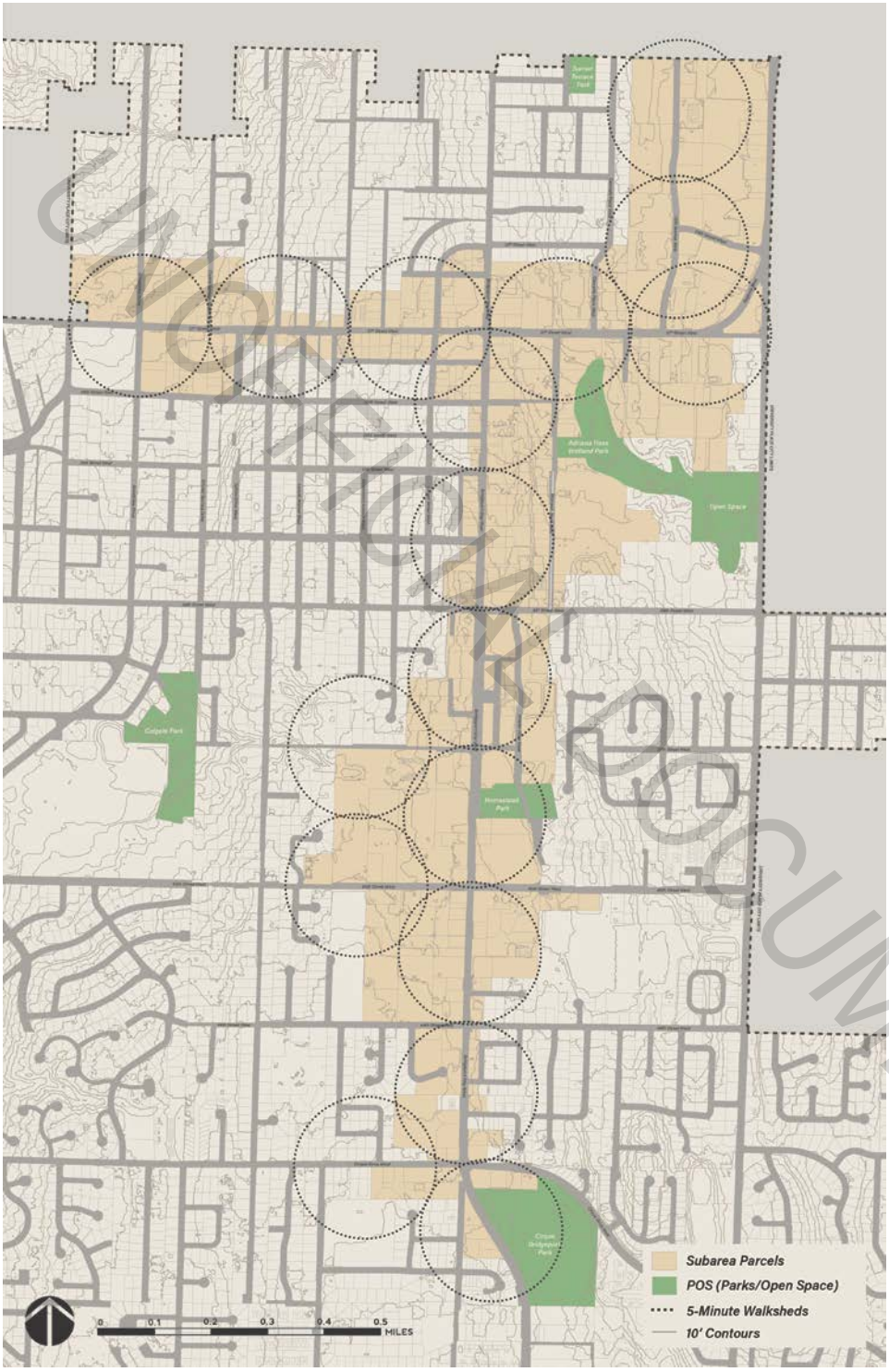
The Town Center is the commercial hub of the community, and also serves regional shopping needs with destinations such as Whole Foods, Trader Joe's, and other popular businesses. The Bridgeport Way and 27th Street West commercial node serves as a de-facto gateway to the Town Center and more intensive commercial uses in this area (even though the intersection is formally located in the 27th Street Business District). With redevelopment, there are newer buildings and emerging architectural styles that contribute positively to the district's character and identity. Mixed use buildings located in the civic core are typically wood frame over concrete podium construction, varying from four to five upper levels over one to two podium levels, and some buildings also have below grade parking levels. The civic core also includes the library, fire station, City Hall campus, and other public uses. Dental and medical clinics exist throughout the area. Intermixed with new development along Bridgeport Way, there are pockets of older homes and lower scale office buildings and businesses. Many of the homes have transitioned into home-based businesses or simply converted to full business use. There are also a number of commercial strip malls and larger businesses surrounded by large surface parking and setback from Bridgeport Way—forms of development that are inconsistent with new Town Center design standards, but grandfathered in place until such time as property owners are interested in and willing to redevelop. The Town Center is emerging as a popular place to live for singles, couples, and families given its central location to University Place schools.

Natural assets in the Town Center include the wonderful Homestead Park with abundant groves of rhododendrons and walking trails, as well as Adriana Hess Park, and other open space areas, along with a wetland complex bordering the northeast area of the district. Newly constructed pedestrian and bicycle infrastructure, along with signalized intersections, transit stops and on-street parking in some locations have changed the character of Bridgeport Way into a more multimodal arterial, yet still a heavily travelled thoroughfare of the city and region. Street trees, decorative street lights, signage, and other amenities have been installed to enhance the character and function of the Town Center and the community as a whole.

27th Street Business District

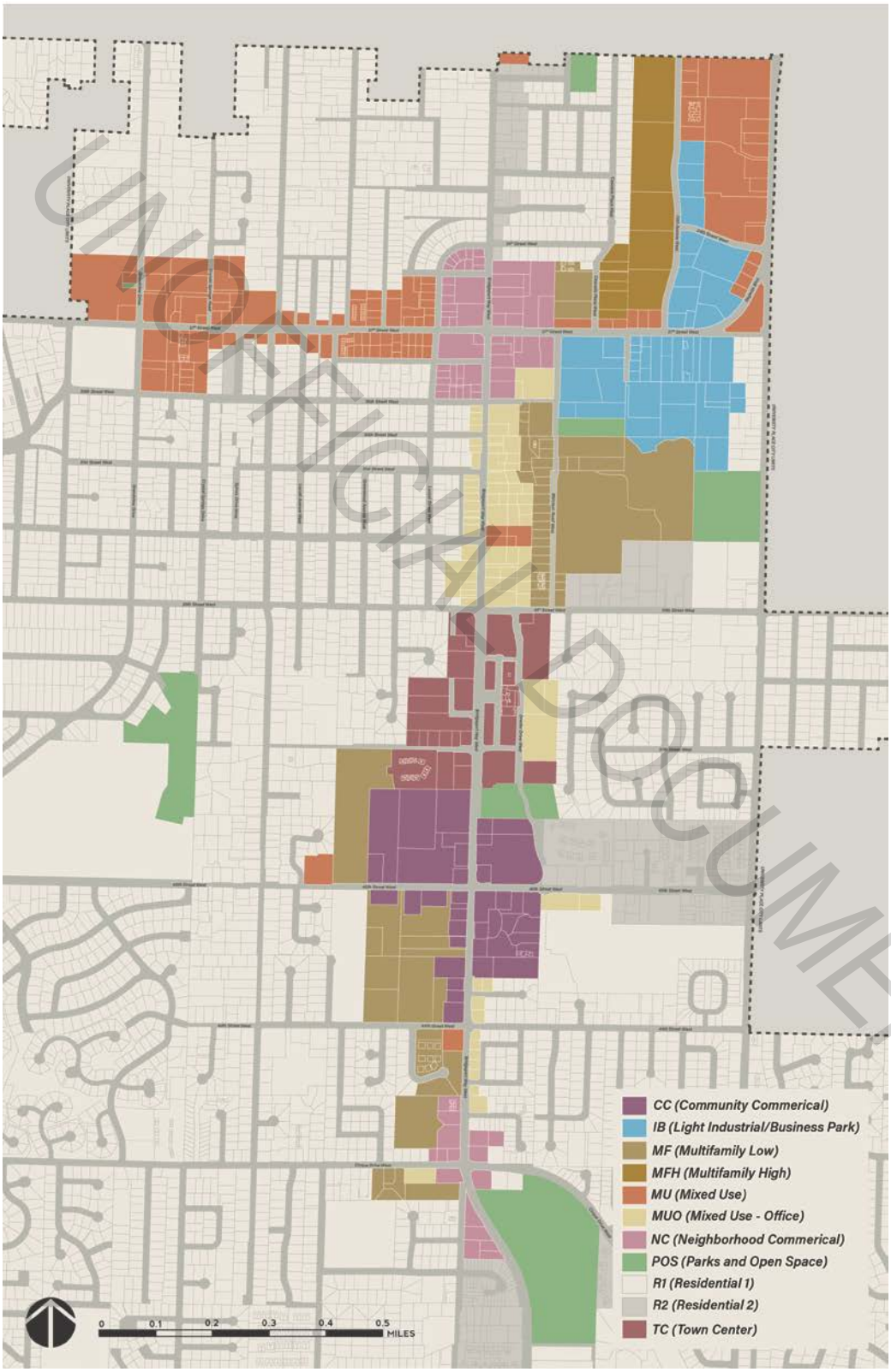
As the home of over 130 businesses in University Place, the 27th Street district provides a link to the area's past, having been a major commercial corridor for the region in previous years. This district nostalgically reaches back to the community's past with many businesses that have long been popular to local and area residents. Although still a major east/west thoroughfare, the area has a home-town feel, a bit removed from the hustle and bustle of Bridgeport Way. The 27th Street Business District Association has been formed to encourage owners of businesses located along 27th Street to address common concerns and affect positive change for an economically vibrant business district that encourages neighborhood friendly businesses.

Figure 8—Existing Topography and Walkable Distances



Contour lines of the topography; the subarea generally slopes from east to west, toward Puget Sound; circles represent walkable ¼ mile (five minute) radius distances along key corridors to provide a sense of scale.

Figure 9—Existing Zoning in the Subarea



The 27th Street Business District has the smallest average parcel sizes of all three sub-districts at 0.5 acres across all land uses, and 1.6 across commercial and multi-family. Not surprisingly, then, the district also possesses the oldest buildings and has not seen any new development since 2010.

The intersection of Bridgeport Way and 27th Street is the primary commercial hub of the district, while the 27th Street corridor is a busy reach of activity with restaurants, pharmacies, gas stations, a grocery store, and many other businesses. Multi-family and single family housing also exists along the corridor, transitioning to more predominant single family use along connecting streets running north and south from 27th Street. Newly constructed pedestrian and bicycle infrastructure have enhanced the ability to get around other than by motor vehicle in the district. While full improvement of the corridor is still pending, new sidewalks, bicycle lanes, street trees, and signalized crosswalks at intersections have significantly improved connectivity and mobility in the district.

Northeast Mixed Use District

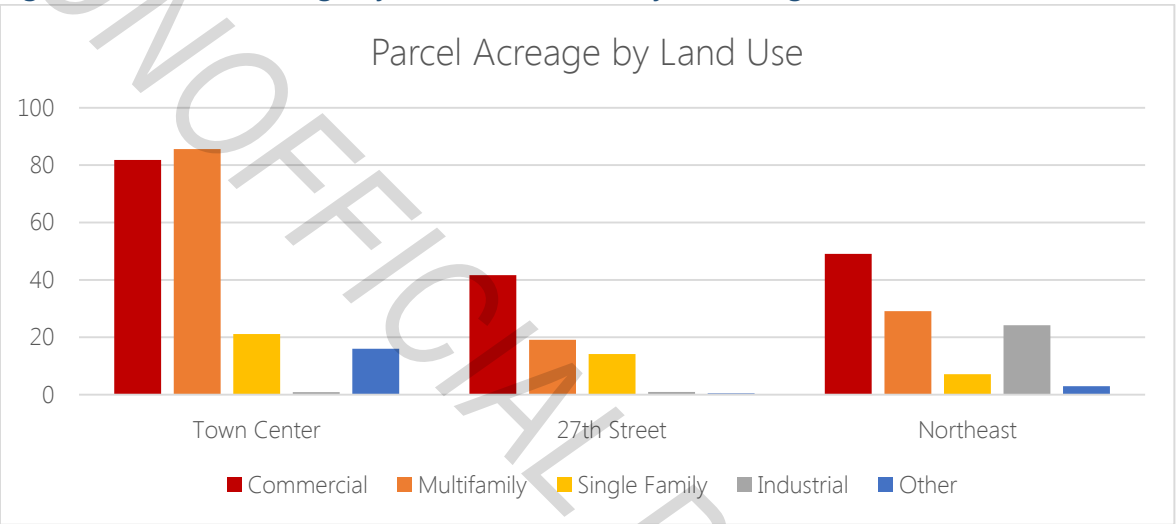
A place of great opportunity, the Northeast Mixed Use District contains a mix of different properties and some areas of older light industrial and business uses that are either stable or in transition, as well as areas of new businesses and development. There has been a focus on entertainment in this district with the bowling alley, movie theater, restaurants, and a mix of long-time businesses and office buildings, light industry properties, and emerging businesses, along with older and newer multi-family developments. Several large parcels, portions of which are vacant and/or underutilized, are poised for redevelopment. Many properties have a high percentage of large unused surface parking area. Examples of existing uses include various businesses and establishments: the plant nursery, storage units and storage yards, and strip commercial centers. Most residential use (multi-family and single family) is located off the main corridors, on adjoining streets to the district. Several opportunity properties have been identified in this portion of the subarea as a result of their perceived development potential.

Tacoma Community College, located just to the north of this district is an important asset under both existing conditions and with future redevelopment. The college provides educational and housing opportunities to the community. This district also benefits from new pedestrian and bicycle infrastructure—new sidewalks, bike lanes, street trees, and intersection improvements, which help with connectivity within the district and in getting people to and from places such as the community college. Sound Transit's ST3 plan calls for extending Tacoma Link light rail service to the college transit center in the future. Also, redevelopment activity in Fircrest, located east of this district, could influence future land uses, and the City of University Place should continue to coordinate with the cities of Fircrest and Tacoma and Tacoma Community College as this plan is implemented over time.

District Land Use Types by Acreage and Land Use Characteristics

As shown in Figure 10 on the next page, the Town Center District has the highest parcel acreage, and is mostly characterized by commercial and multi-family development. The 27th Street Business District is predominately commercial development, as is the Northeast Mixed Use District, which also contains almost all industrial land uses in the regional center. Figure 11 summarizes other land use characteristics in the three districts of the subarea.

Figure 10—Parcel Acreage by Land Use, University Place Regional Center Districts



Sources: Pierce County Assessor & Leland Consulting Group

Figure 11—Existing Land Use Characteristics, University Place Regional Center Districts

	27th Street	Northeast	Town Center
All Land Uses			
Number of Parcels (All Land Uses)	162	92	233
Average Parcel Size (All Land Uses)	0.5	1.2	0.9
Commercial and Multi-family			
Number of Properties	24	28	49
Average Parcel Acreage	1.6	2.3	2.7
Average Building Size (SF)	33,000	39,000	47,000
Tallest Building (Number of Floors)	5	3	6
Average Number of Floors	1.9	1.6	2.3
Average Year Built	1980	1980	1988
New Development (Commercial/Multi-family Residential)			
Total Buildings Since 2000	4	1	11
Square Feet	74,000	28,000	452,000
Total Buildings Since 2010	0	0	4
Square Feet	0	0	287,600

Sources: Pierce County Assessor, Costar & Leland Consulting Group

Transportation

Primary streets within the subarea include Bridgeport Way (between Olympus Drive and the 5200 block), 27th Street (between Mildred Street and Grandview Drive), and Mildred Street (between 19th and 27th). These primary arterials are in various states of improvement, with much of the subarea now completed to current standards with continuous sidewalks and bike lanes. While some segments are still in need of improvement, expansion of street rights-of-way to add lanes is not planned or anticipated. Capacity won't be increased through widening or adding lanes, but rather by improvements to intersections and also by increasing travel by other modes (transit, walking, bicycling, car share, etc.). Connecting collector and local streets are generally in good condition for vehicle use, but often lack sidewalks and bicycle facilities. Due to the suburban patterns of development in past decades, there is a general lack of connectivity between neighborhoods and the Town Center (as a result of dead-end cul-de-sacs and non-connecting streets).

Transit service is provided by Pierce Transit and consists of three primary routes serving the community. Sound Transit's long range plans call for extending light rail via Tacoma Link to the Tacoma Community College Transit Center, just northeast of the subarea. It is anticipated that high capacity transit such as bus rapid transit and/or express service could be extended through University Place to serve the regional growth center and connect to the light rail system in the future with increases in population/households and employment in the subarea.

Utilities

Utility services within the subarea are managed by a variety of service providers:

- Surface Water Management—City of University Place
- Wastewater/Sewer—Pierce County Public Works and Utilities, and City of Fircrest
- Water—City of Tacoma Public Utilities Water Division
- Power—City of Tacoma Public Utilities Power Division
- Communications—Various Providers

Schools

K-12 grades are served by the University Place School District and Charles Wright Academy. Tacoma Community College is located just to the northeast of the subarea. The School District has been actively engaged during the subarea planning process.

Parks and Open Space

Parks and open space facilities are provided by the City of University Place, University Place School District, and Pierce County, as well as the private sector in various neighborhoods and residential developments. The City updated its Parks, Recreation and Open Space Plan (PROS) in 2014.

Other Public and Civic Services

Fire and emergency medical services are provided by West Pierce Fire and Rescue. Police services are provided by Pierce County via a City of University Place contract. Court services are provided by the City of Lakewood via a City of University Place contract. Library services are provided by the Pierce County Library System with a branch library located in Town Center. Municipal facilities are provided by the City. The Tacoma-Pierce County Health Department provides a wide array of services and benefits to the community including health and wellness outreach, as well as information about air quality and environmental conditions, fire and emergency preparedness, and other topics.

Locations of parks, schools, civic centers, and other public services are shown in Figure 12. These locations, along with shopping centers and other destinations, are important places in the subarea that should be well connected to sidewalks/walkable routes, bicycle ways, and transit service.

Real Estate Market Evaluation

Leland Consulting Group (LCG) analyzed key demographic characteristics and real estate market conditions to support the planning process for the University Place Regional Growth Center Subarea Plan. The national and regional context, demographics (regional population growth patterns, household incomes, etc.), and past and projected future types of development are summarized below and on the following pages.

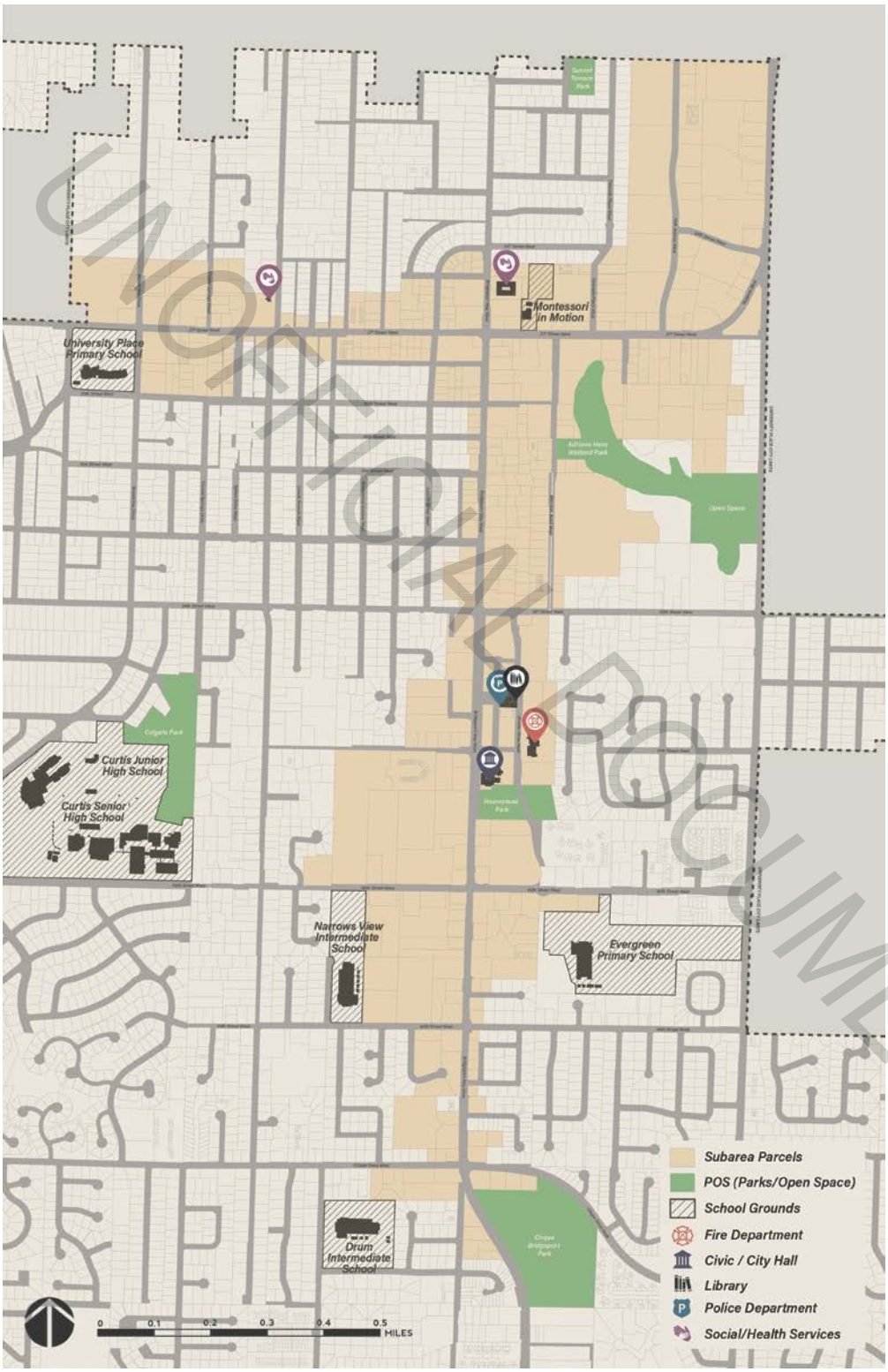
Regional and National Context

Understanding the potential for future development and "placemaking" first requires an understanding of the regional context, in this case, the Puget Sound Region (also known as the Seattle-Tacoma-Bellevue Metropolitan Statistical Area or MSA).

In addition to accommodating 1 million more residents in the region by 2040, PSRC also forecasts the addition of 850,000 additional jobs. The regional growth strategy calls for most of these residents and jobs to be accommodated within centers, and in particular there is a strong interest in bringing more balance in housing and jobs throughout centers and communities of the region, to reduce commute trips and traffic generated regionally and in doing so enhance citizens' quality of life while also improving the environment.

While other cities and regions grow slowly, or even experience job and population losses, Puget Sound is thriving and as a result, growing more rapidly. This rapid growth creates planning challenges (congestion, rising home prices, pace of change, etc.), but also provides opportunities—including the potential for growth and economic revitalization in regional centers such as University Place and other locations.

Figure 12—Parks, Schools, Civic Centers, and Other Public Services

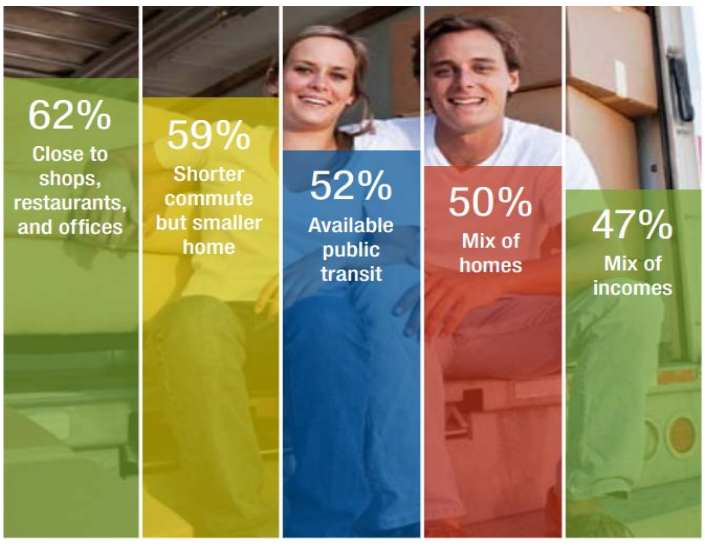


Real estate and economic development literature typically point to the following regional attributes, which should drive ongoing economic vitality for years in the future:

- A global metropolis, with strong economic ties to the Pacific Rim and North America;
- World-class technology, media, and professional service industries, and related job growth;
- Diverse industry base, which includes the above sectors as well as aerospace, manufacturing, and trade;
- Quality of place, including the built environment and natural surroundings;
- Welcoming culture;
- Growing population base, in response to the above conditions; and
- Supply constraints such as water, mountains, and undevelopable forests and wetlands, which means that growth can only be accommodated in some locations.

Figure 13 below shows some of the key findings related to preferences of household residents and their willingness to move to other locations. The figure shows the features they are looking for in a new community. This information is from the "America in 2013" survey conducted by the Urban Land Institute (ULI), a national real estate and urban planning organization that includes a variety of professionals—developers, lenders, brokers, planners, architects, economic development specialists, and others. When the ULI asked households planning to move what they are looking for in their next neighborhood, respondents placed the highest priority on close proximity to shops, restaurants, and offices; and a shorter commute. Public transit is also a priority for more than 50 percent of respondents. Note that some households did not prioritize these neighborhood attributes, and may prefer (for example) rural residences. Nonetheless, the effect of these preferences can be seen in the development patterns of the last decade, as many urban and mixed use neighborhoods have thrived.

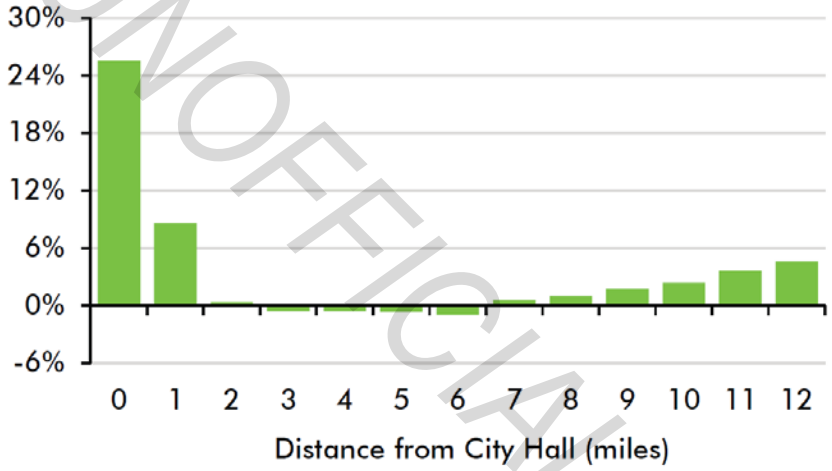
Figure 13—Household Characteristic Preferences among People Who Will Move



Source: America in 2013, Urban Land Institute

Figure 14 below shows the rate of population growth as a function of distance to city halls, for large metro areas nationwide. The extraordinarily rapid population growth in urban locations, typically near city halls, reflects the neighborhood preferences shown above. At least in the areas surveyed by CBRE, population declined slightly in "middle" areas, and grew somewhat in areas far from city hall. The Regional Center can attempt to continue to take advantage of this urban growth trend.

Figure 14—Population Growth, 2000 to 2010, Large Metro Areas Nationwide



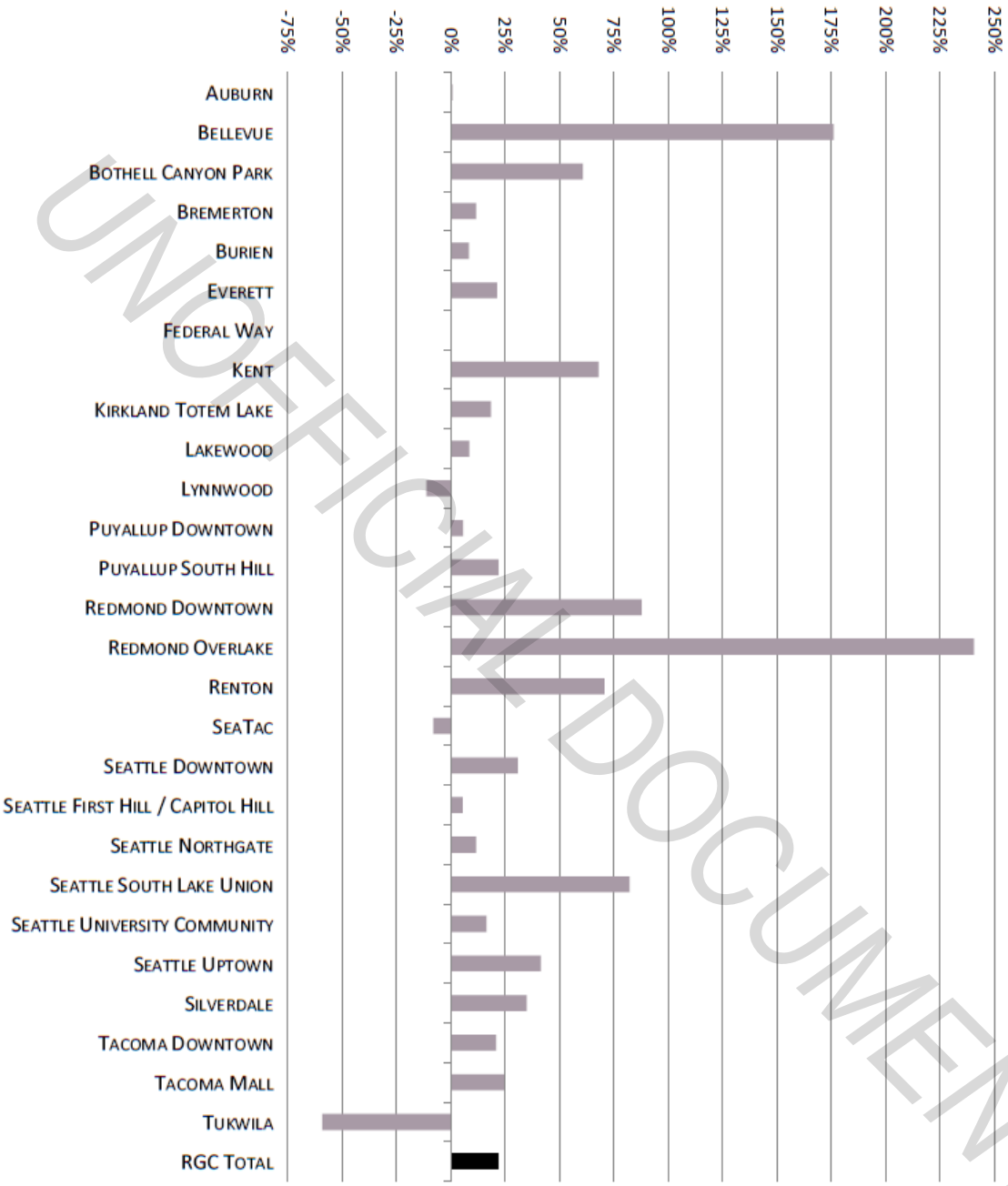
Sources: U.S. Urbanization Trends, CBRE, 2015; U.S. Census Bureau.

Figure 15 shows the population growth rates in Puget Sound's designated "regional growth centers" between 2000 and 2010. A key takeaway of this analysis is that while most regional centers grew at a strong rate (25 percent over 10 years, on average), the growth rate varies widely.

Populations in many centers grew by 10 percent or less over the time period, while a small number of centers experienced explosive growth (e.g., Redmond's Overlake District, Bellevue, and South Lake Union). Development in most or all of the very high growth centers has been driven by technology, media, and professional services employment, which drives demand for new office space, housing, and related services.

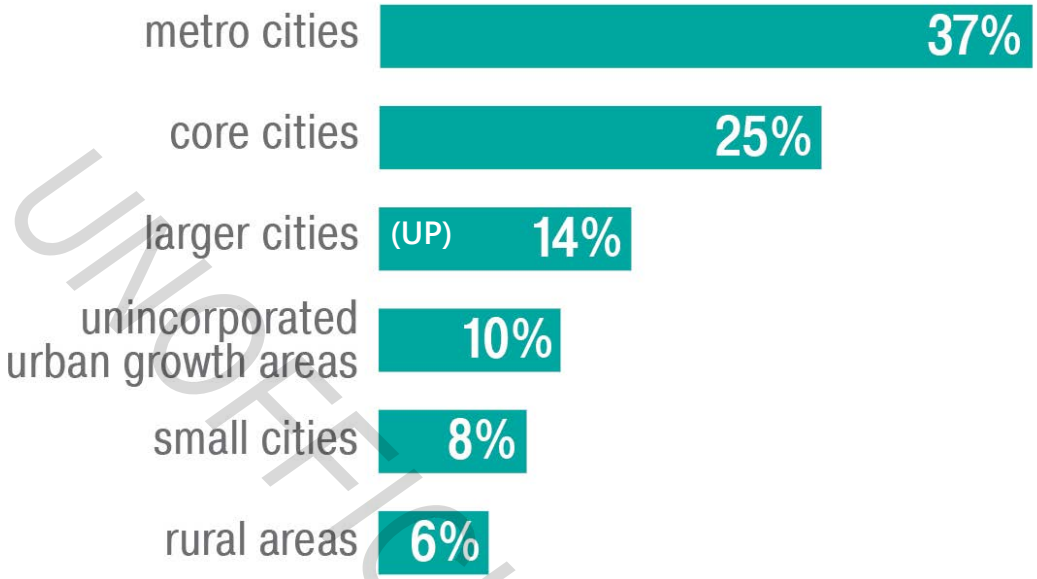
Figure 16 shows the share of regional growth that PSRC projects will be "captured" by various types of geographical areas including cities, unincorporated areas, and rural areas. University Place is defined as a "larger city," a category that is expected to capture 14 percent of all population growth throughout the region. Larger cities, therefore, are expected to grow; but are not expected to capture as large a share of all growth as "metro" or "core" cities. Since University Place as a whole can be expected to grow, the Regional Center, in turn can capture some of this growth.

Figure 15—Population Change in Centers, 2000 to 2010



Source: Puget Sound Regional Council, http://www.psrc.org/growth/centers/

Figure 16—Share of Regional Growth, 2010 to 2040

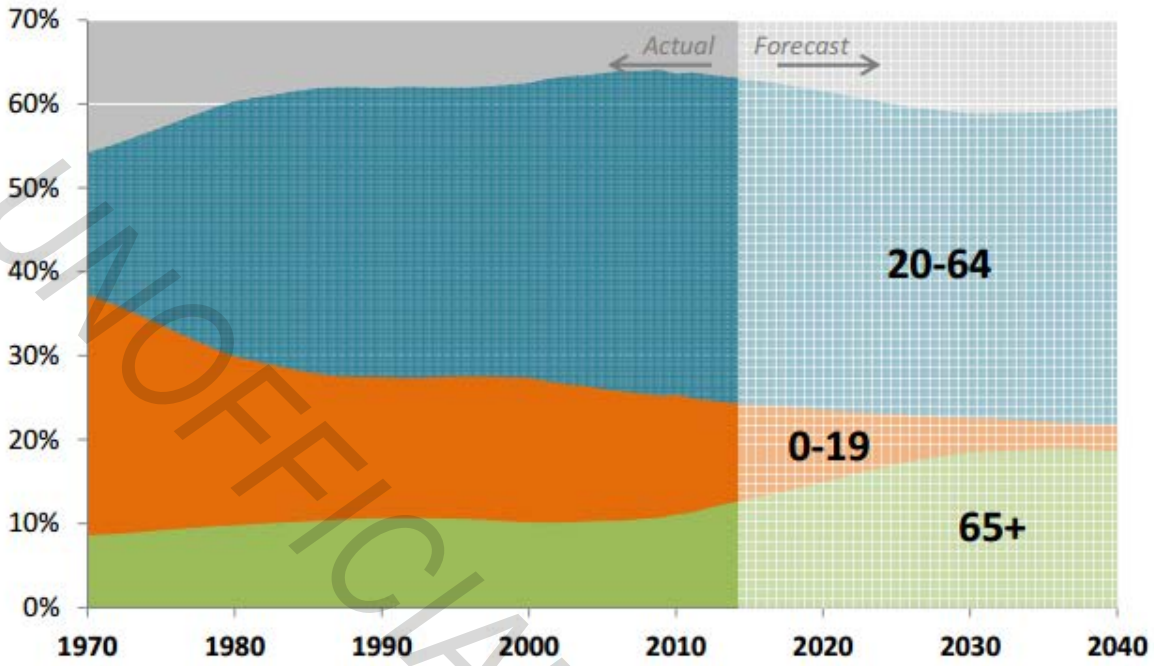


Source: Vision 2040, Puget Sound Regional Council

Figure 17 shows how the age categories of the region's residents are expected to change in the next few decades. The most striking change is in the senior population, aged 65+. The share of this age group, as a percent of all households, is expected to almost double—from about 10 percent in 2010 to nearly 20 percent in 2040. Note as well that this represents a growing senior share of a growing total population. It will be important to plan for older households, in regional centers and other environments. Studies show that while many 65+ households will "age in place," or move outside their current region, the overall residential trend for older households will be towards smaller units and more urban settings, which offer much lower maintenance, access to family and friends, nearby services, and cultural stimulation.

The Regional Growth Center is a good candidate to accommodate 65+ residents. The Regional Center Plan should devote specific consideration to the types of improvements and programs that might make the Regional Center more attractive and hospitable to older households, as this will be one of the most, if not the most, significant demographic change in the next two decades. For example, a range of accessibility improvements may be necessary to accommodate this population.

Figure 17—Age Categories as Share of Population, 2015 to 2040, Puget Sound Region



Source: Puget Sound Regional Council

Generational Trends: Baby Boomers

Surveys by the ULI and other groups indicate that the following are characteristics and preferences of the Baby Boomer generation as they transition into the 65+ age category. Most favor mixed use places that combine a mix of urban and suburban characteristics, like found in the University Place Regional Growth Center.

- Not winding down—rewinding. Many boomers are not looking to retire in the traditional sense, but find new, often part-time sources of income and diversion. Many plan to continue working indefinitely, but on their own terms.

- Living longer, staying more active, mentally and physically. Locations near university campuses—where seniors can walk and attend seminars, classes, and performances—have become one popular location for senior housing.

- "Lock and leave" residences in safe and secure communities where they don't have to worry about high levels of maintenance.

- Neighborhood centers are in; retirement communities focused around golf are out. This may not be the case in all locales—particularly given University Place's proximity to the world class

Chambers Bay course—however, mixed use town centers have overtaken the previous model of retirement communities focused around golf courses as the most desirable "neighborhood amenity" for retirees.

- Urbanity and activity. Today's active seniors (55+) and retirees are seeking to live in compact, walkable, urban areas where they can safely walk, ride bicycles, or take transit to and from shopping, errands, parks, Farmers Markets, and other community destinations. There is less interest in driving, particularly as residents age. Baby boomers also are striving to live healthier, longer lives, so living in communities with trails and access to recreation (fitness centers, pools, golf courses, and other amenities) is important.

Many Baby Boomers are interested in living in walkable, urban areas.

Generational Trends: Generation Y

Generation Y (those now in their 20s and 30s) is the group that has driven the urban apartment development boom over the past decade. While Generation Y has favored more urban locations, their preferences may change as they enter mid-life, get married, and start families. Nonetheless, this generation—which grew up after TV shows like Friends and Seinfeld made cities feel safe—should continue to be comfortable with places that exhibit urban qualities.

Generation Y interests tend to show a preference for renting over owning homes.

Generation Y prefers:

- Renting over owning, particularly in the era when Uber, Lyft, Airbnb, and other "sharing economy" innovations mean that people can take advantage of major assets without having to own them.
- A digital lifestyle. Generation Y depends on smart phones and wireless internet, while they own cars and get drivers licenses at lower rates.
- Quality over quantity, in terms of housing, office space, and other material goods.
- Unique experiences.
- Social, urban environments.
- Diversity of ethnic backgrounds and gender.

Population Growth and Household Income Influences

Figure 18 shows population growth per square mile for 2010 to 2015. This is consistent with the information on regional center growth shown above, and highlights the very high growth in areas such as Bellevue and central Seattle. The Regional Center itself, along with other nearby areas such as Downtown Tacoma and Ruston, has also grown, but not quite as quickly.

The Ruston area offers one model for the Regional Center, as Ruston combines a wide mix of land uses—housing, retail, restaurants, and entertainment—with excellent access to waterfront walkways, waterfront views, and the Point Defiance natural area. This mix is likely to appeal to a range of residents, particularly mid-career professionals and 65+ households. While the Regional Center obviously does not include a waterfront, it does have parks and natural amenities within the city, and has access to the regional trail system (about one mile to the west) with views of Chambers Bay. Both on-site amenities and access to the regional trail system should be enhanced.

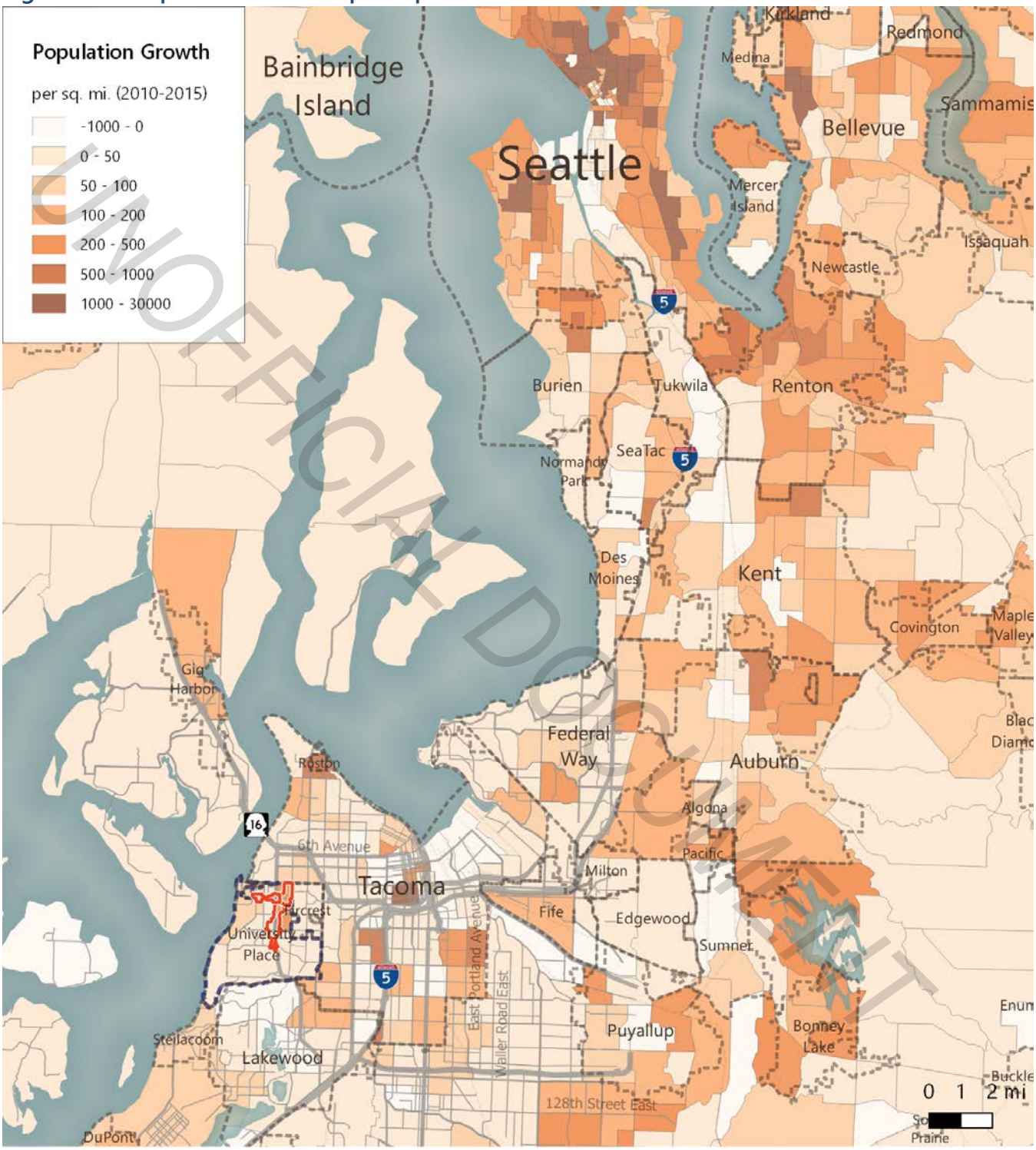
Figure 19 shows that University Place is generally a middle-income community, with some higher income areas on the western edge of the City. There is a concentration of lower-income households towards the north end of the Regional Center. Outside of the Regional Center, higher income households are concentrated along bluff areas with water views (among other areas), while lower income households are concentrated just east, along the I-5 corridor. Real estate developers, including residential and retail developers, will take University Place's identity as a middle-income city into account as they plan their projects. Luxury housing or retail tenants will be rare, while housing and retail targeted to the middle class will be much more common.

Residential and Commercial Development Patterns

Urban Housing / Multi-family

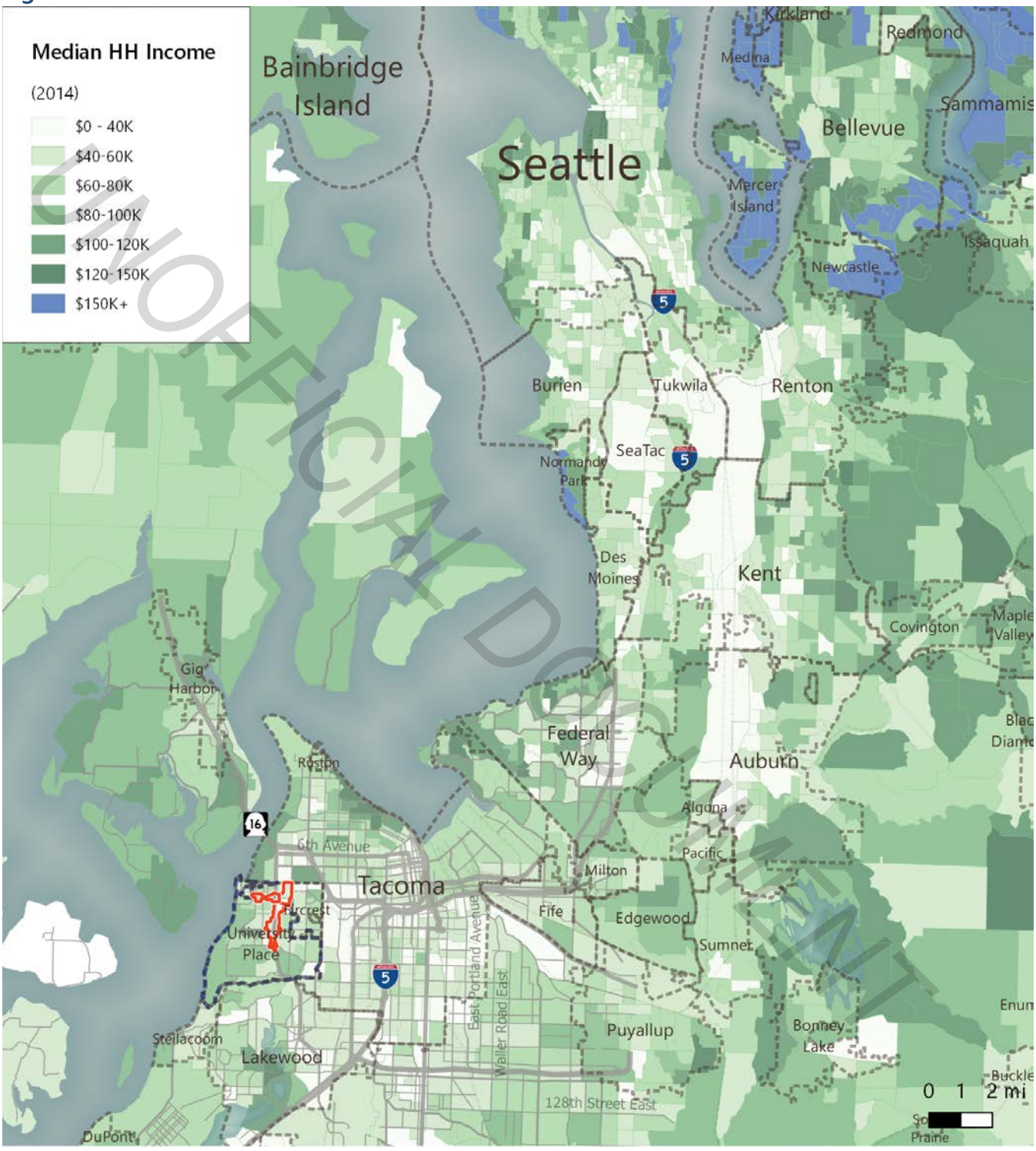
Figure 20 shows multi-family (apartment) projects in University Place and nearby communities. Apartment projects in darker orange were built since 2000; older projects are shown in lighter orange. Two concentrations of recent development are apparent: Downtown Tacoma, and in South Tacoma, near the Tacoma Mall. Both reflect the increasing density of post-2000 development; the projects in Downtown Tacoma in particular reflect peoples' preference for walkable, mixed use, urban places. The Clearview 100 and Latitude 47 projects, both part of the University Place Town Center, are shown on the map, as is the Grandview Senior Living project, towards the northwest edge of the Regional Center.

Figure 18—Population Growth per Square Mile



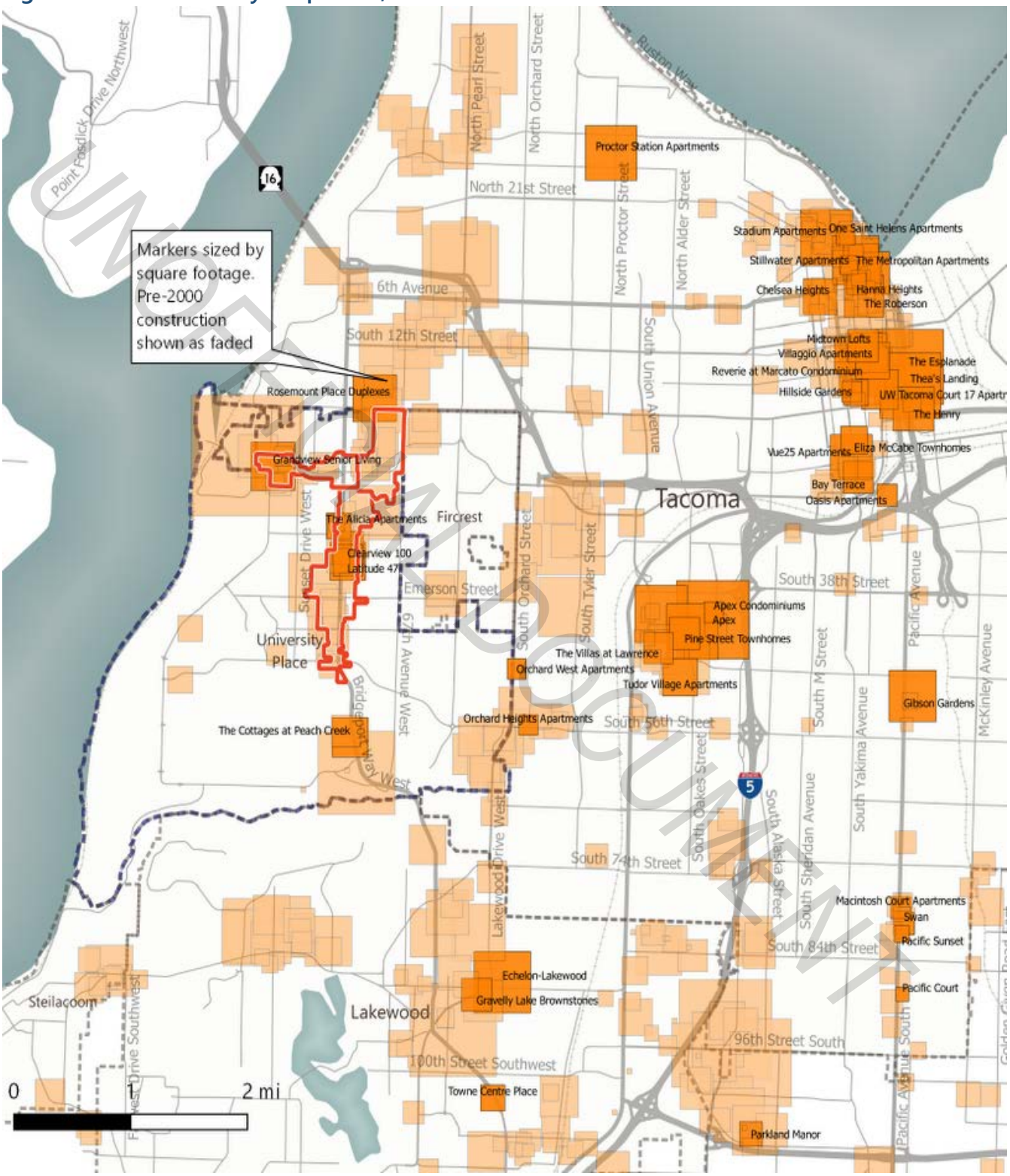
Sources: Environmental Systems Research Institute & Leland Consulting Group

Figure 19—Median Household Incomes



Sources: Environmental Systems Research Institute & Leland Consulting Group

Figure 20—Multi-family Properties, Market Area



Sources: Environmental Systems Research Institute & Leland Consulting Group

Several different housing types are shown below. Clockwise from top left, these are townhouses, mixed use mid-rise, and single-family homes. LCG expects all of these housing types to be in demand in University Place in the coming decade. Housing densities ranging from mid-rise (near the core of the Regional Center) to townhomes (near the edges) will be most appropriate give the vision for the center and development economics (higher density development types typically replace lower density types in redeveloping centers). On key streets throughout the subarea, multi-family housing over mixed use or active use at the street level will enhance vibrancy of each district. With the typical concept that "retail follows rooftops" in mind, it will be important for residential density to increase in the center to support the active uses at street level throughout. It often takes time for these spaces to be fully leased/occupied, in which case it is important that code provisions allow flexibility in how these spaces are used over time. Retail doesn't have to be required, and other active uses such as studio space, offices, and even residential with design treatments to support such use can be viable.

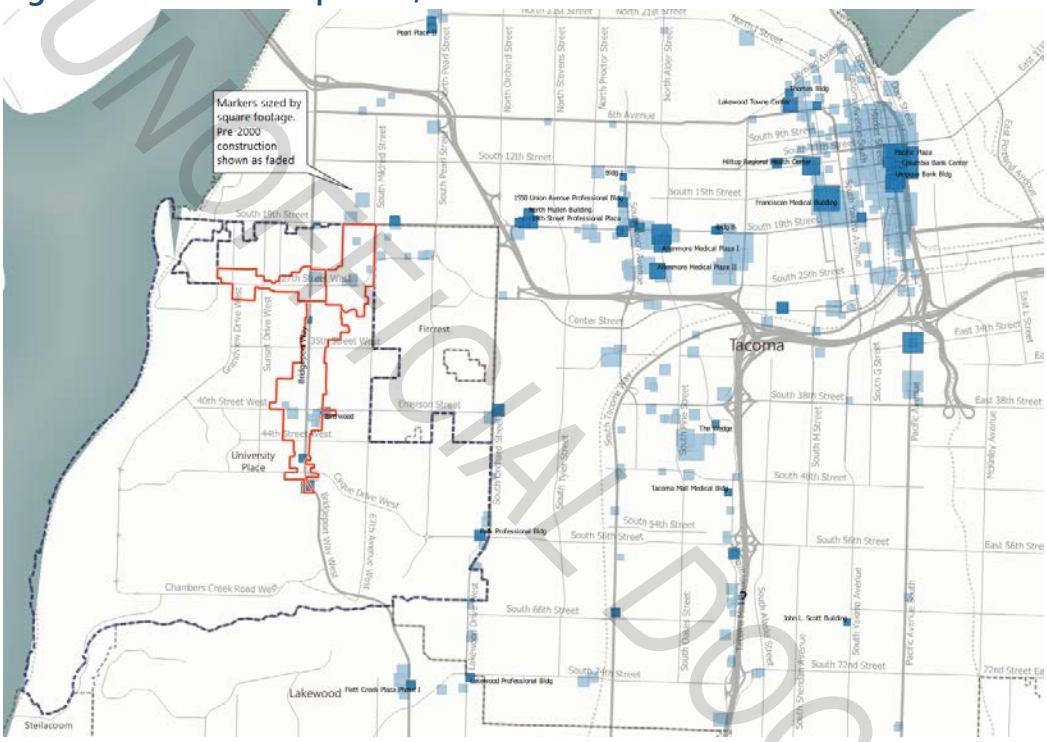
Today's planners are talking a lot about the "missing middle" forms of urban housing that are beginning to be in higher demand as buyers from different generations are seeking different housing options and choices that match ranging levels of affordability and interest. The missing middle includes such forms of housing as townhomes and multiplex units, as well as attached cluster and cottage style developments with smaller homes and shared open spaces/gardens.

Multi-family Housing Examples, Including Mixed Use at the Street Level and "Missing Middle"

Office / Employment

Figure 21 shows office buildings in University Place and nearby areas, including more recent projects built since 2000 (dark blue), and older projects (lighter blue). The size of each box shown below corresponds to the size (square footage) of each office building.

Figure 21—Office Properties, Market Area



Sources: Costar & Leland Consulting Group

Figure 21 illustrates some key takeaways regarding office development:

- When measured by total square footage, most places—including downtowns and regional centers—have seen less total office development compared to multi-family development over the last decade. Urban housing has tended to play a more significant role in mixed use redevelopment projects, and this has been the case in the University Place Town Center and regional centers thus far. LCG expects this trend to continue, as people now require less area to get their jobs done—sometimes a laptop is all that is needed—so office buildings will also tend to be smaller in the future.

- New office development is very location sensitive. Major new projects increasingly are being built in high density mixed use places, particularly downtowns, and adjacent to existing employment clusters such as hospitals. Office developers take the following key criteria into account when deciding whether to build: rental rates (ideally $30 per square foot triple-net or higher), interest

from anchor tenants, proximity to highly educated workforce in surrounding neighborhoods, mixed use environment, and regional workforce access via major transportation and transit infrastructure. Weyerhaeuser's move from a suburban campus in Federal Way to Seattle's Pioneer Square district is one such move; Amazon's well-known expansion in South Lake Union is another.

- Some major employers have bucked the downtown trend, but are still attracted to more active, mixed use campuses. For example, new facilities built by Google (Kirkland) and proposed by REI (Bellevue) are close to walking and biking trails, transit, residential neighborhoods, retail, and restaurants. They are more integrated with their surroundings than the single-use office campuses of the past.

Representative images of new office development trends are shown below: adaptive reuse and creative office space. These office development trends often feature larger amounts of social and collaborative space, and "open office" environments, moving away from uniform cubicles. Co-working space, in which sole proprietors and small companies rent small spaces, is also becoming popular. Such spaces can also be tightly integrated with ground floor retailers.

Such office developments are dense and active, and could be good fits in the Town and Regional Centers. However, they tend to be smaller in scale than past office projects, and usually comprise a smaller amount of total development compared to housing.

Adaptive Reuse and Creative Office Space Examples

Figure 22 shows a representation of the country's changing urban workplace. The left image shows Intel's office space in Hillsboro, Oregon, before a major redesign; the right image shows a more collaborative, open, "alternative" workplace space, after the redesign. Many companies believe this new type of workplace is critical to attracting the best and brightest employees, especially younger, Generation Y workers, who are used to a collaborative, interactive, social, mobile, and less hierarchical work environment.

Figure 22—The Changing Workplace

Source: Intel: "Office Work Space Is Shrinking, but That's Not All Bad," New York Times, January 18, 2011.

Older office designs featured:

- Grey cubes
- Limited natural light
- Limited employee collaboration

New workplace designs feature:

- Smaller work stations
- More area for collaboration
- Mobility, telecommuting encouraged
- Higher employee satisfaction and productivity
- Lower workplace reorganization costs

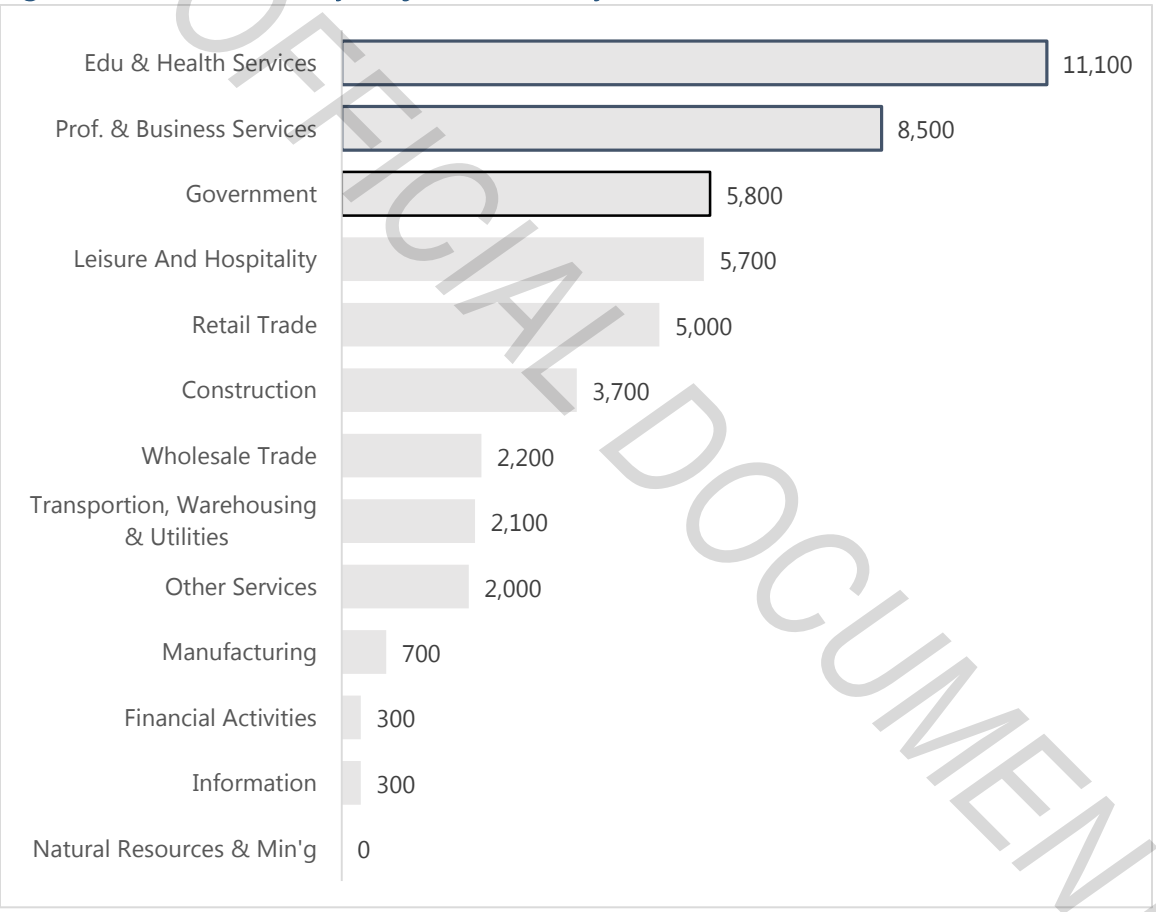
Projected Employment

The University Place Regional Center, along with other major centers in the region, should be competing to capture a significant portion of the region's employment growth. There are three other regional growth centers near University Place: Tacoma Downtown, Tacoma Mall, and Lakewood (and Puyallup Downtown and Puyallup South Hill are also nearby, but farther afield). These centers are likely to be the University Place Regional Center's main competitors for development. As such, it is important to identify which industries are projected to grow (and conversely, decline) to inform future planning efforts and help capture such growth in the regional center.

Figure 23 shows projected industry job growth through 2024 for Pierce County. Education and health services, professional, technical and business services, and government (typically white-collar jobs, but

also three of the currently dominant industries in the County) are expected to see the most growth, while service industry jobs (leisure and hospitality and retail) are also expected to see significant growth. Industrial-oriented jobs, such as manufacturing, wholesale trade, and transportation, warehousing, and utilities are expected to see the least growth, but are also unlikely to significantly feature in PSRC's designated regional growth centers—these industries are instead more likely to generate jobs in PSRC's manufacturing industrial centers (the Port of Tacoma is the closest industrial center to University Place). Figure 24 shows sub-industry projected job growth over the same 2014-2024 period.

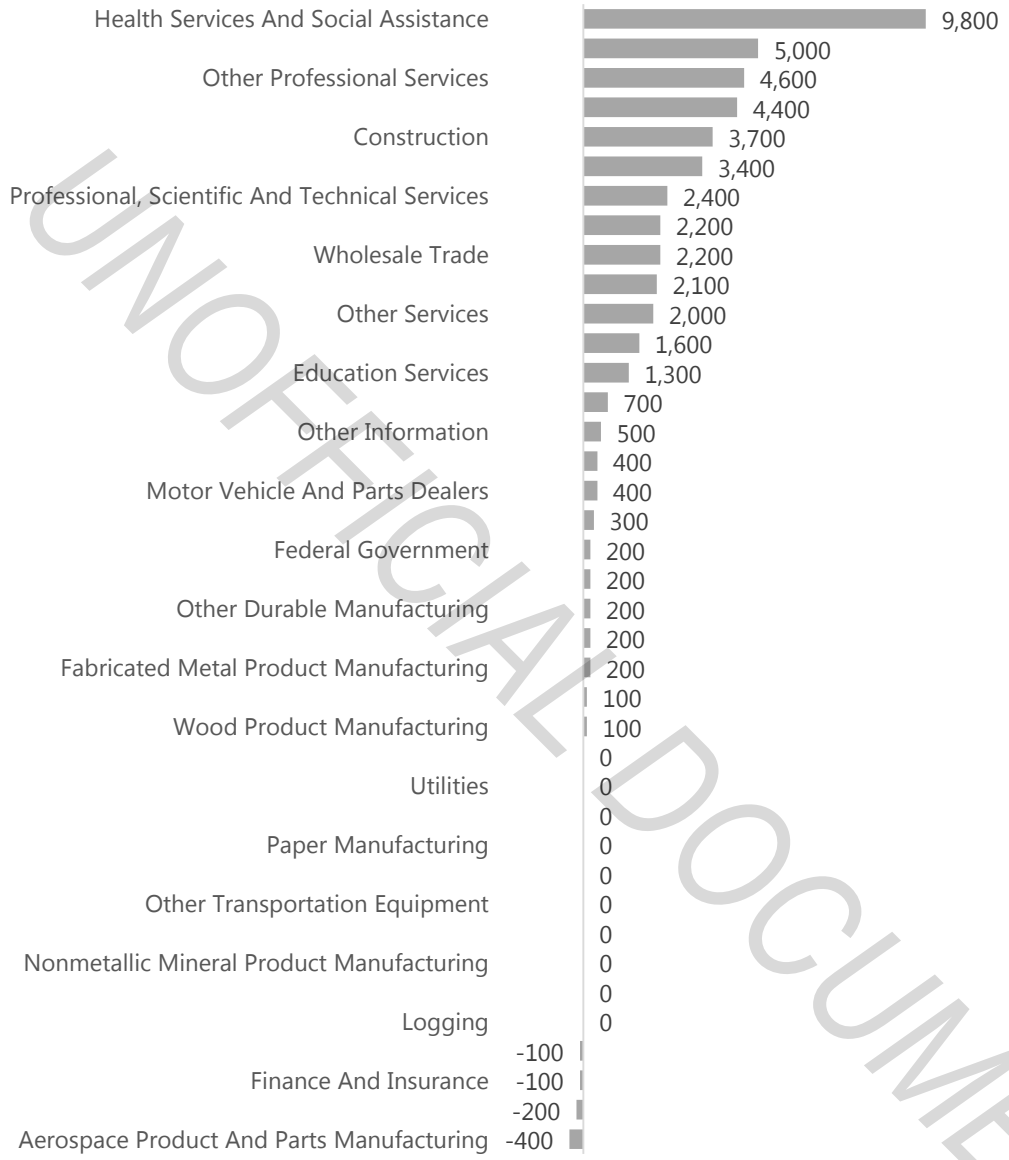
Figure 23—Pierce County Projected Industry Job Growth, 2014 to 2024



Sources: Employment Security Department/LMPA & Leland Consulting Group

Pierce County is projected to add 47,400 jobs from 2014 to 2024. Over half of these jobs are projected to be in only three industries: education and health services, professional and business services, and government. These three industries are those that typically have a high utilization of office space, and are also increasingly choosing to locate in more urban locations. As such, University Place may be able to capture a significant proportion of this projected employment growth in its subarea districts.

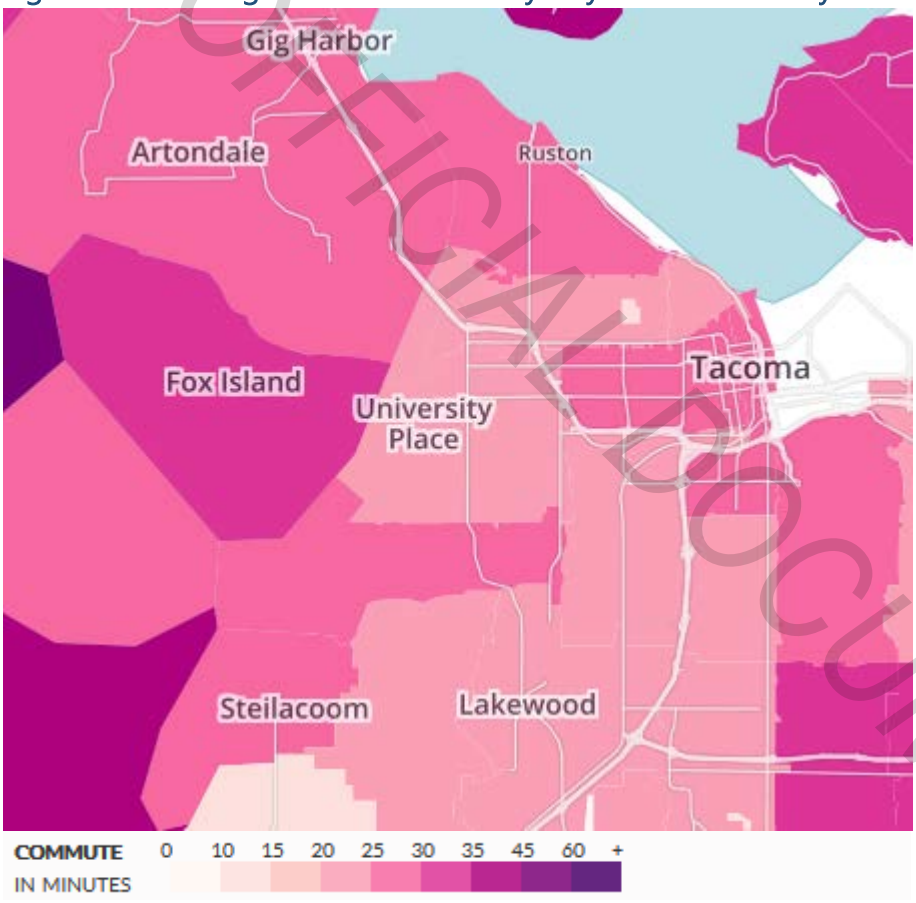
Figure 24—Pierce County Sub-Industry Projected Job Growth, 2014 to 2024



Sources: Employment Security Department/LMPA & Leland Consulting Group

Another important consideration is providing employment opportunities in proximity to where people live—*within* the community. This balance of housing and jobs in communities and regional growth centers can improve quality of life by reducing commute times and related household costs. Figure 25 shows the average commute time by City in the Pierce County area. The average commute time for University Place residents is 24.7 minutes (approximately 10 miles). Bringing more jobs to the community can reduce this average commute time and distance. Additionally, the more people can ride transit, bicycle, or walk to and from work because they live in proximity, the less overall vehicle miles traveled in the region, reducing traffic congestion and related impacts.

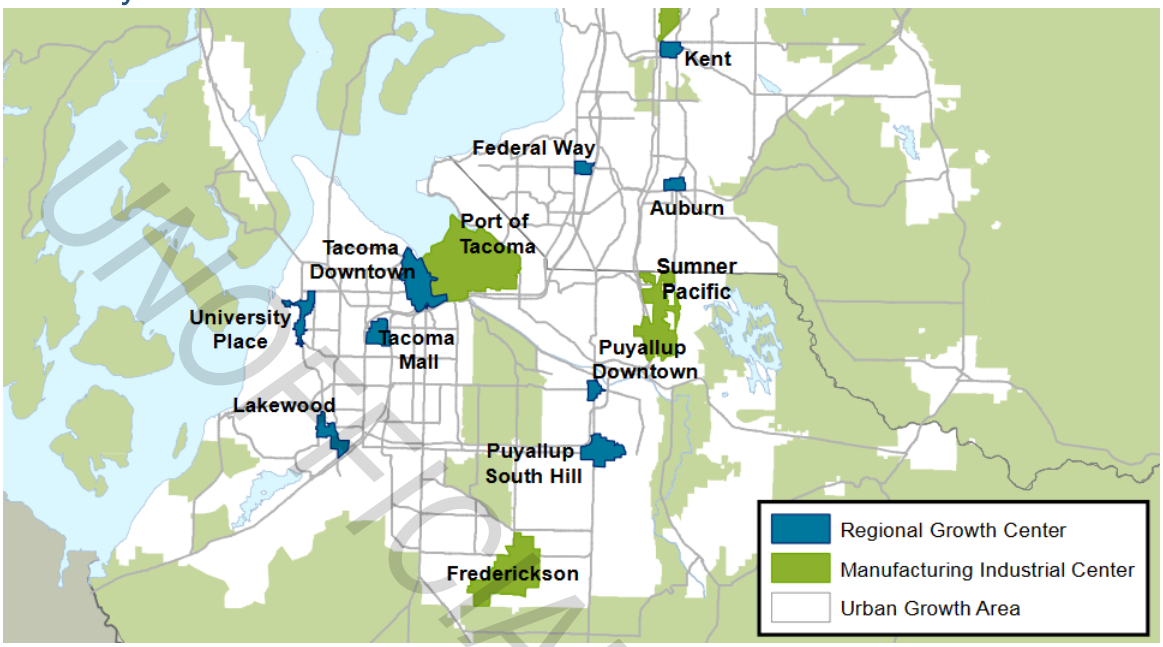
Figure 25—Average Commute Time by City in Pierce County



Source: WYNC

Proximity to manufacturing/industrial centers, focus areas for employment, is shown in Figure 26. The nearest manufacturing/industrial center to University Place is the Port of Tacoma, approximately ten miles to the northeast.

Figure 26—Regional Growth Centers and Manufacturing/Industrial Centers in Proximity to University Place



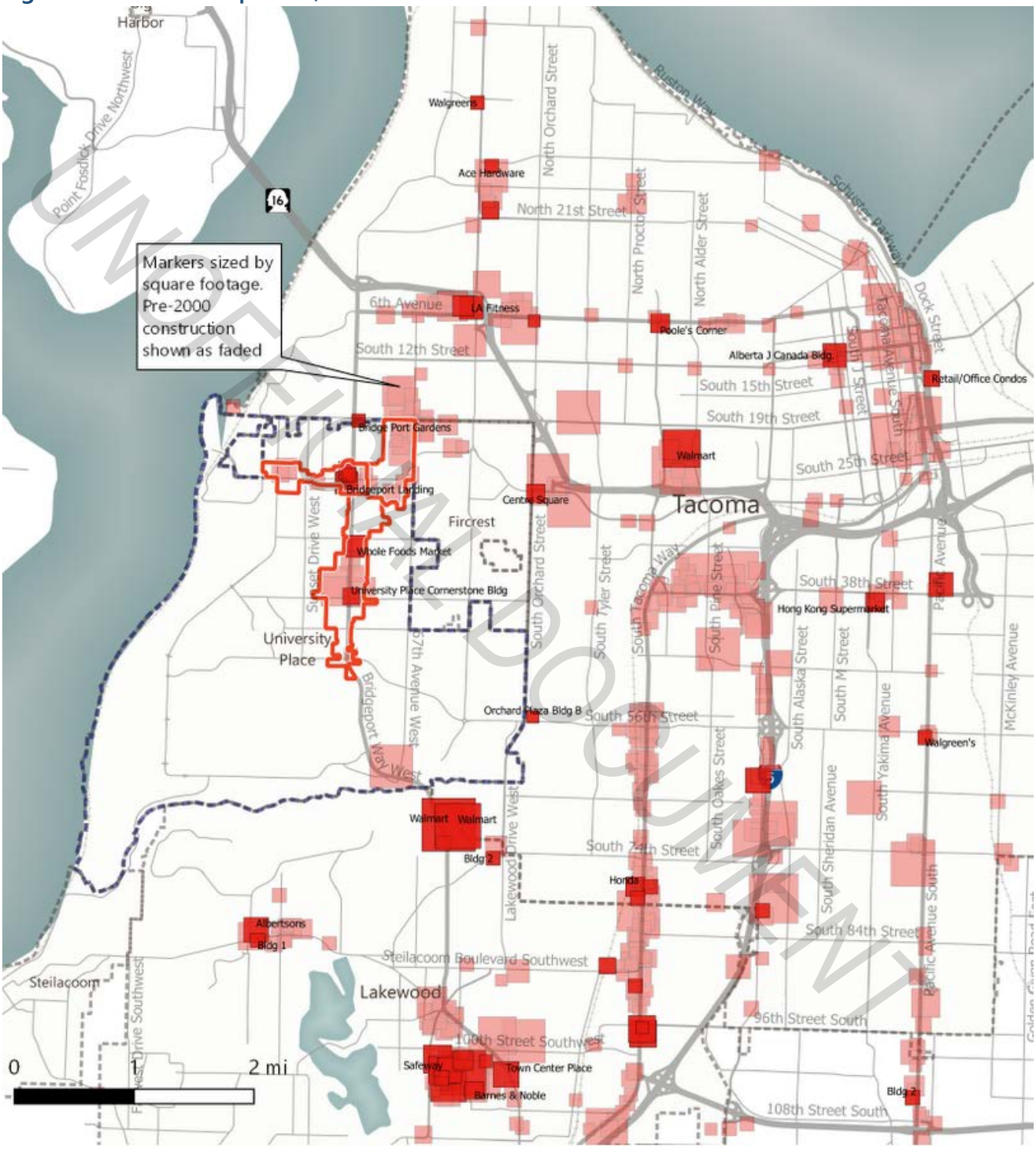
Source: Puget Sound Regional Council

Retail

Figure 27 shows retail buildings in University Place and nearby areas, including more recent projects built since 2000 (dark red), and older projects (lighter red). The size of each box shown below corresponds to the size (square footage) of each retail building. Like office development, retail development has been slow to recover from the recession, when vacancies were high and rents decreased significantly. While consumer spending has bounced back, retail development has been slow because of the increasing role of online shopping (with fast delivery and easy return policies) and the "overhang" of high vacancies in many retail centers that take time to fill.

Goods and services that can't be bought as easily online—particularly food, drink, groceries, "experiential" tenants such as yoga, massage, and fitness—have done well, while commodity retailers—most bookstores, video, appliance, and similar—have struggled. Within town and regional centers, most retail is "pulled in" as a small part of a mixed use project in which the dominant use may be housing, office, or healthcare. The retail at the University Place Town Center is one example. Because of University Place's location—set back from I-5 and Highway 16—it will tend to be a less desirable location for large format-retail such as fashion, and power-center retailers (e.g. Home Depot, Best Buy). These retailers tend to locate in places with the best regional visibility and accessibility, usually either central city downtowns, or along major freeways. Figure 28 shows the types of retailers that tend to be growing and declining nationwide.

Figure 27—Retail Properties, Market Area



Sources: Costar & Leland Consulting Group

Figure 28—Retail Market Outlook

Type	*Growing*	*Declining*
Food	- Grocery (all but mid-priced and traditional) - Fast Casual Restaurants - Food Halls/Artisanal Markets - Upscale Dining - Truck to Bricks	- Grocery (mid-priced unionized and local/regional traditional) - Casual Dining - Priced Out Urban Dining - Underperforming Fast Food Establishments
Apparel	- Luxury Stores - Outlets - Fast Fashion[1]	- Mid-priced Apparel - Children's Apparel - Mid-priced Shoe Stores
Miscellaneous	- Sporting Goods - Fitness/Health Clubs - Medical Users - Clicks to Bricks[2] - Tax Services - Convenience Stores - Check Fashion	- Dollar Stores - Pet Supplies - Consumer Electronic - Office Supplies - Bookstores - Toy Stores - Video Stores - Shipping/Postal Stores - Drug Stores - Retail Bank Branches
Home related	- Home Improvement/DIY - Home Furnishings - Furniture Stores	

Source: Cushman & Wakefield, Retail Update Presentation, 2015

1 Lower cost clothing retailers that focus on current fashion trends

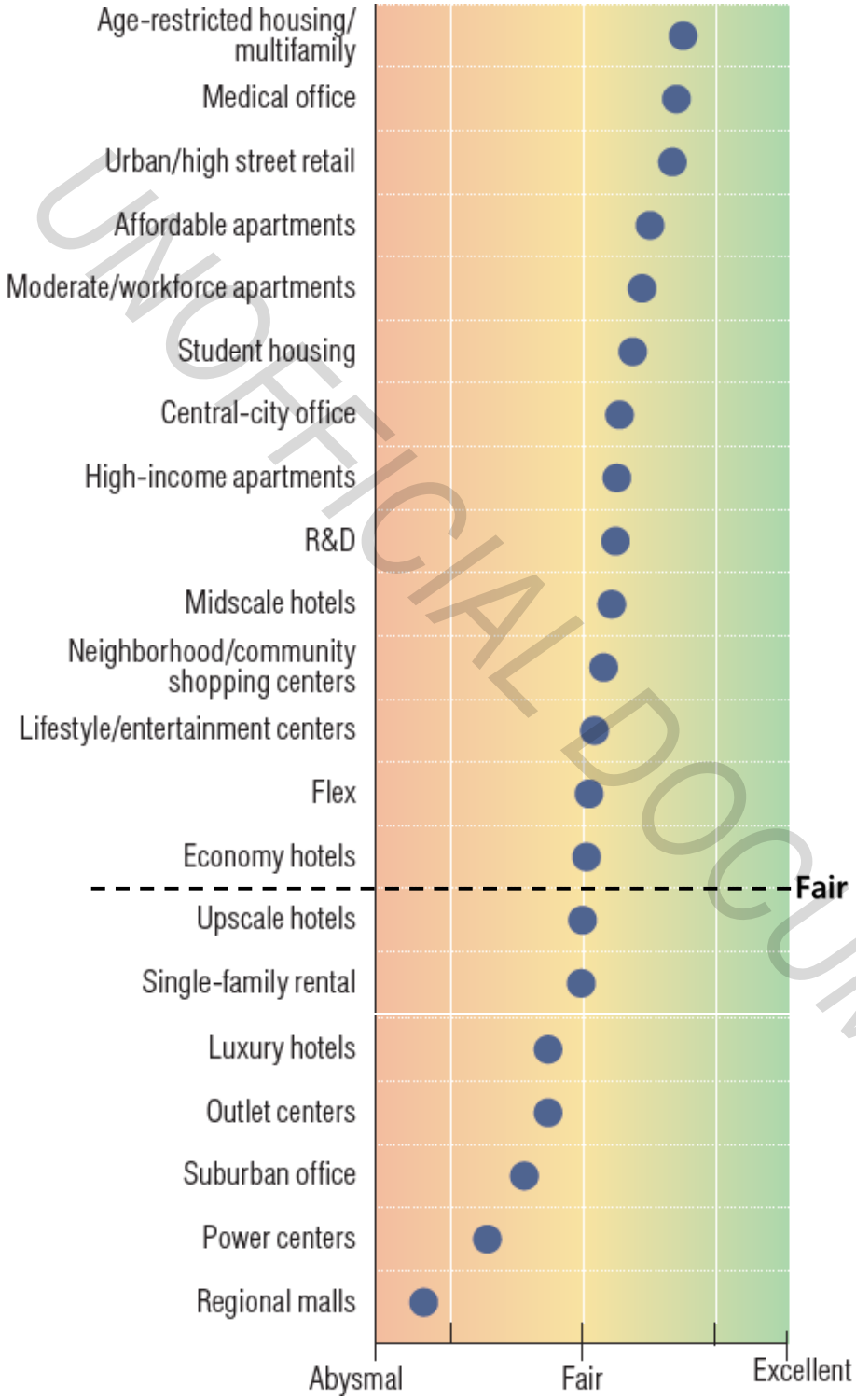
2 Technology start-ups; online retailers that open physical stores

General Development Considerations

Figure 29 shows the ULI's "development prospects" forecast for 2017. While this is a relatively short-term forecast (i.e., for several years, rather than the 20-year time horizon of this work), it is a good general barometer for the type of development that the private sector will be looking to build.

The most promising development prospects, per ULI, are multi-family properties (including age-restricted, affordable, luxury and student housing), medical and central city office, urban/high street and neighborhood retail, economy and midscale hotels, and lifestyle centers. Traditional suburban building formats, such as suburban office, power centers, outlet centers, and regional malls, are given the least favorable development prospects by ULI.

Figure 29—Development Prospects by Type, Urban Land Institute, 2017



Sources: Urban Land Institute & Leland Consulting Group

Placemaking—the Neighborhood as the Amenity

"Placemaking"—capitalizing on a location's distinctive natural, built, and cultural features in order to make a place that residents and visitors have an emotional connection to—is a critical part of any great regional or town center. Some of the ingredients of placemaking that have made other places successful and memorable are shown below. While these ingredients create personal connections to place, they can also be of tremendous value to developers, commercial tenants, and others in the real estate business, because they create additional financial value and increase the chance that potential customers will come to a regional or town center.

Characteristics of great places that are attractive to residents

Some placemaking elements that could be a good fit for University Place are listed below. The regional center should be a "distillation" of the identity and brand of the City as a whole. The features that attract residents and visitors to the City should ideally be present in the regional center. For example, the wine-growing culture present throughout the Walla Walla region is particularly vibrant in downtown Walla Walla, through tasting rooms, restaurants, culinary stores, and more.

Cultural opportunities focused around Chambers Bay, new Town Center activities, and the emerging strength of the hometown at the center of the University Place lifestyle are characteristics that can help to influence placemaking and the sense of place in the subarea. Other opportunities include:

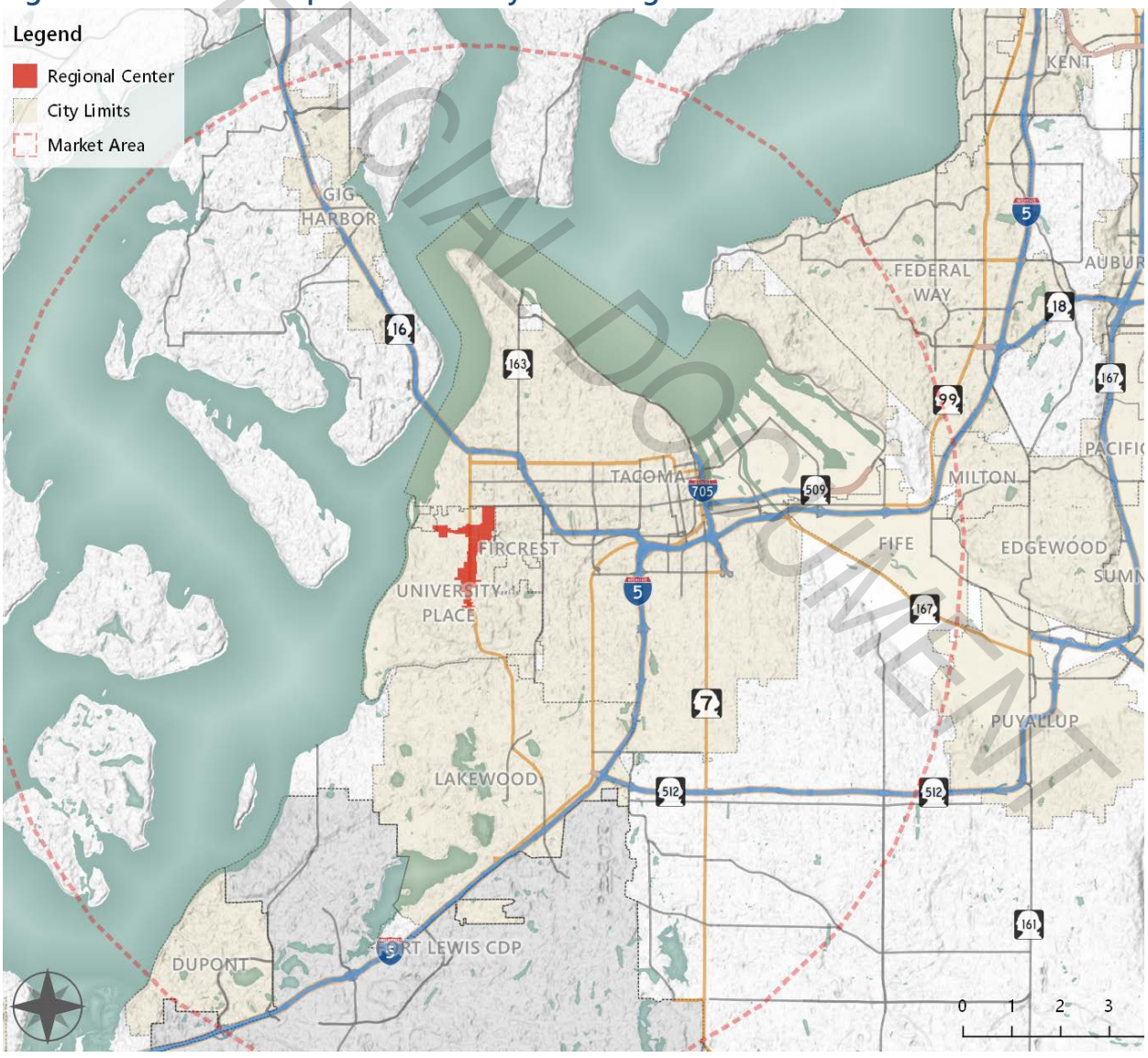
- Bike and pedestrian trails and infrastructure, and access to trails located to the west
- Open space, and access to open space and waterfront views
- Events and festivals
- Family-friendly retailers and events
- Golf oriented retailers and services
- Arts focus
- Other stores, businesses, institutions, and events that reflect special elements of University Place

Development Forecast

Methodology

This section of the subarea plan provides a forecast of real estate development in the University Place Regional Center and surrounding market area. The market area is defined as a 10-mile radius from the center of University Place, which equates to a 20- to 30-minute drive time to or from the Regional Center (the average commute time for University Place residents is 24.7 minutes). The map below (Figure 30) shows the location of the University Place Regional Growth Center in relation to surrounding cities in the region and the 10-mile market area.

Figure 30—Locator Map and University Place Regional Center Market Area



Sources: Puget Sound Regional Council, Pierce County, and Leland Consulting Group

Growth Rates

Figure 31, the table below, summarizes development growth rates per sector from 2000 through 2016 for the University Place Regional Center, the City of University Place, and the 10-mile Market Area.

Figure 31—Existing Development Annual Growth Rates, University Place Regional Center, 2000-2016

Annual Growth Rate	*Office*	*Retail**	*Housing*	*Ind.*	*"Other"*	*Avg.***
UP Regional Center	1.36%	0.20%	0.59%	0.00%	0.00%	0.72%
City of University Place	2.05%	-0.04%	0.46%	0.53%	n/a	0.82%
10-mile Market Area	0.70%	0.42%	0.76%	1.24%	n/a	0.63%

Sources: Costar and Leland Consulting Group

** Retail data is unavailable pre-2006, so the annual growth rate is calculated on 10 years of data.*

*** Average is for Office, Retail, and Residential only. With "Industrial" and "Other," the average for the regional center is 0.43%.*

Key Takeaways from Analysis of Growth Rates Include the Following:

- On average, development in the regional center has grown faster than the 10-mile market area but slower than the City, largely driven by the rapid development of office in the overall City and the presence of industrial development outside the regional center.

- Residential growth has been slow but relatively consistent in the regional center, City, and 10-mile market area, with growth rates between 0.5 and 0.8 percent. In the regional center, there were three properties built between 2000 and 2016, adding just under 300 dwelling units to a base inventory of 2,400 units. Residential is currently the predominant land use in the regional center.

- The office sector is growing significantly faster within both the City of University Place and the regional center than any other sector. This growth was due to the construction of five office buildings, which added over 100,500 square feet to a base inventory of 360,000 square feet. Further, office growth in the market area is significantly slower, indicating that regional office has been clustering within City of University Place and the regional center.

- The retail market has been stagnant, with most development occurring in the wider market area instead of the regional center. In fact, the City of University Place saw negative growth in the retail sector between 2000 and 2016, despite positive growth in the regional center. Within the regional center, there was only 70,000 square feet added to a base inventory of about 1.1 million square feet between 2000 and 2016. It is worth noting that although the retail sector experienced near-zero growth, it remains one of the predominant land uses in both the regional center and the overall City (second only to residential).

- There were no new industrial and "other" (which include hospitality, sports and recreation, healthcare, and specialty uses) properties added to the base 2000 inventory in the regional center. Additionally, the industrial sector and those considered "other" have the least building square footage in the regional center with only 160,000 square feet and 290,000 square feet of space, respectively. With that said, there are significantly more industrial buildings within the regional center than in and adjacent to the rest of the city, with 18 versus 6 buildings. Industrial buildings within the regional center are, on average, smaller than those in the rest of the city, with the 18 buildings averaging 7,000 square feet and the 6 other buildings in the city or adjacent to it averaging about 20,000 square feet. Of the 6 other buildings, 3 are located in Narrows Marina (of which two are significant in size), and the other 3 are clustered around Custer and Lakewood Road just southeast of University Place in the City of Lakewood (with only one of these being significant in size).

Future Development

This section provides an estimate of the total development square footage per sector that may be built in the regional center over the next 20 years. It is important to note that these estimates do not take into account the overall feasibility of development, such as spatial limitations or property availability for redevelopment, and should only be considered as potential trends or guidelines based on certain growth rates.

PSRC produces a "*baseline*" and "*vision*" series for their regional and small area forecasting.[1]
For the baseline growth rate scenario in this analysis, we use the PSRC *baseline* growth rate for the market area (10-mile radius) for all development types. For context, at an average annual growth rate of 0.78 percent at the PSRC *baseline* level, the market area would see population growth increasing from 565,683 in 2010 to 728,299 in 2040.

For the medium growth rate scenario, this analysis uses PSRC's *vision* growth rate for the City of University Place. We assume that the regional center will capture a significant amount of development within the City limits, and this rate reflects a moderate capture rate.

For the high growth rate scenario, we use PSRC's *vision* growth rate for designated regional growth centers within the Puget Sound Region. PSRC has designated these centers as locations of the region's most significant business, governmental, and cultural facilities and are planning for growth. These centers have been deemed to be central places with a mix of uses and activities connected by

[1] The *Baseline* series projects future growth strictly as a function of historical trends (and land constraints), while the *vision* forecast is intended to be reflective of the policies of the constituent local governments (though still a realistic, regionally-controlled growth total).

efficient transportation. The *vision* growth rate for these centers is assumed to reflect an aggressive capture rate for the University Place regional growth center, as shown in Figure 32, below.

Figure 32—Projected Development Annual Population Growth Rates, 2017-2037

Average Growth Rates	*Baseline CAGR (MA Base)*	*Medium CAGR (UP Vision)*	*High CAGR (RGC Vision)*
Office, Housing, & "Other"	0.81%	1.88%	2.79%
Retail*	0.32%	0.76%	1.12%

Sources: Puget Sound Regional Council & Leland Consulting Group
**Retail growth rates have historically been about one-third as fast as area population growth, and therefore a lower rate is warranted*

In order to calculate realistic projections, the baseline growth rate scenario for the 20-year planning period (0.81 percent) should be similar to the historical (2000 to 2016) average development growth rate for the University Place Regional Growth Center, as this represents the "business-as-usual" scenario. As such, the average annual growth rate across office, retail, and housing development from 2000 to 2016 is almost equal to the projected baseline growth rate scenario shown in the table above.

For retail, the situation is not as straightforward. Between 2000 and 2016, retail development grew only one-third as fast as residential development. As densities increase in the regional center it is likely that retail development will marginally increase, so for retail a growth rate 40 percent of residential growth rate is used. As such, the projected growth rates (baseline, medium and high) are likely to be about 40 percent of the growth rates for office, residential, and "other".

Forecasts should also be used and implemented within the context of past and existing development trends.[2] Past development trends will indicate which growth rate is more likely. For example, retail is forecasted to add another 440,000 square feet to its existing inventory under the "high" growth rate scenario, yet the last 17 years has seen relatively little development, so it is more likely that the baseline scenario will be appropriate. Similarly, the office sector has experienced significant development activity over the past 17 years, with a growth rate of over three percent, so the "high" growth rate may be more likely.

[2] Development forecasts for each sector are based on the same growth rates (with the exception of retail, which is 60 percent lower), as discussed earlier in this report, and the forecasts apply these growth rates to the existing inventory square footage (as of the end of 2016).

Summary of Forecasted Development

As shown in Figures 33 and 34 below, development projections at the baseline level are relatively modest. The medium and high levels, however, will increase total development square footage in the regional center by an average of 39 to 62 percent.

Figure 33—Forecasted Development Summary Table, University Place Regional Center, 2017-2037

	Residential (units)	*Residential (sf)*	*Office (sf)*	*Retail (sf)*	*Other (sf)*	*Total (sf)*
2017 Inventory						
Existing	2,613	2,674,482	448,525	1,104,486	290,032	4,517,525
2037 Total						
Base	3,065	3,137,413	526,161	1,177,501	340,234	5,181,310
Medium	3,810	3,899,257	653,926	1,285,448	422,852	6,261,483
High	4,531	4,637,213	777,685	1,378,980	502,879	7,296,757
Net New						
Base	452	462,931	77,636	73,015	50,202	663,784
Medium	1,197	1,224,775	205,401	180,962	132,820	1,743,957
High	1,918	1,962,731	329,160	274,494	212,847	2,779,231

Source: Leland Consulting Group

Figure 34—Total Increase in Development Square Footage

	% Increase: 2017 to 2037
Base	15%
Medium	39%
High	62%

Source: Leland Consulting Group

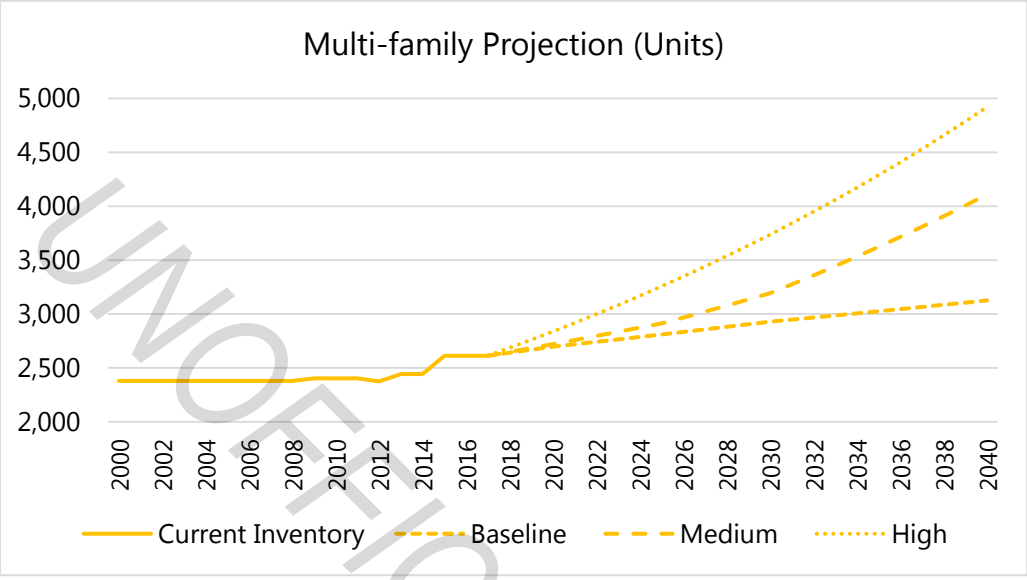
Residential Development

The housing sector experienced no development activity until 2009, and has since added 294 units, increasing its inventory of multi-family units by over one-tenth (a growth rate of 1.2 percent). Looking ahead, the housing sector may be most likely to follow the medium growth rate scenario. Figure 35 shows the forecasted projection for multi-family housing in the region.

Office Development

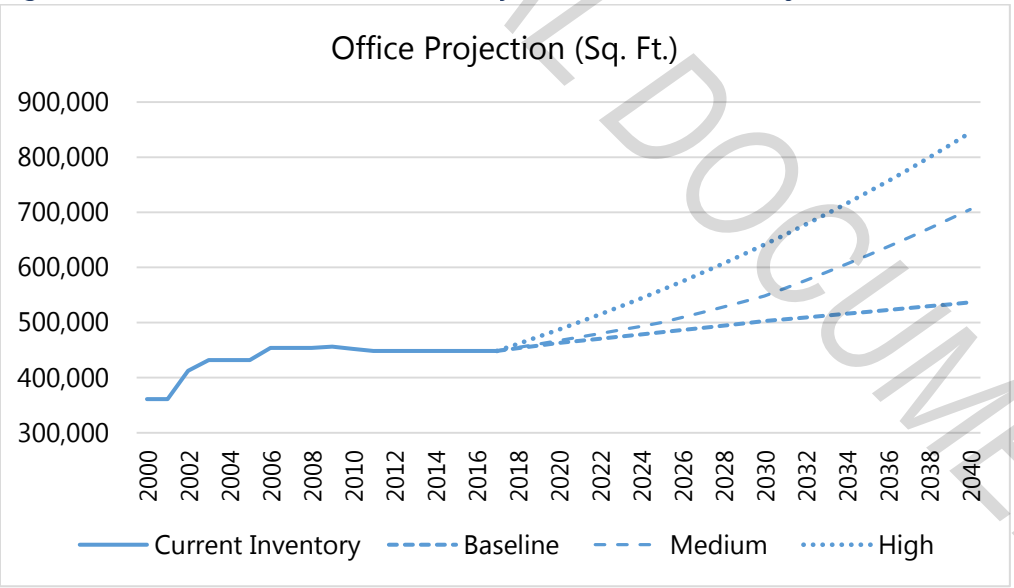
The office sector experienced significant development activity between 2000 and 2008 and, while development activity has been sparse since the recession, the regional center should see increased rates of office development as other development types, particularly housing, increase. Medical and central city office will likely be the more dominant office building type. Figure 36 shows the forecasted projection for office use.

Figure 35—Multi-family Historical Inventory and Forecasted Projection



Sources: Costar, Puget Sound Regional Council, and Leland Consulting Group

Figure 36—Office Historical Inventory and Forecasted Projection



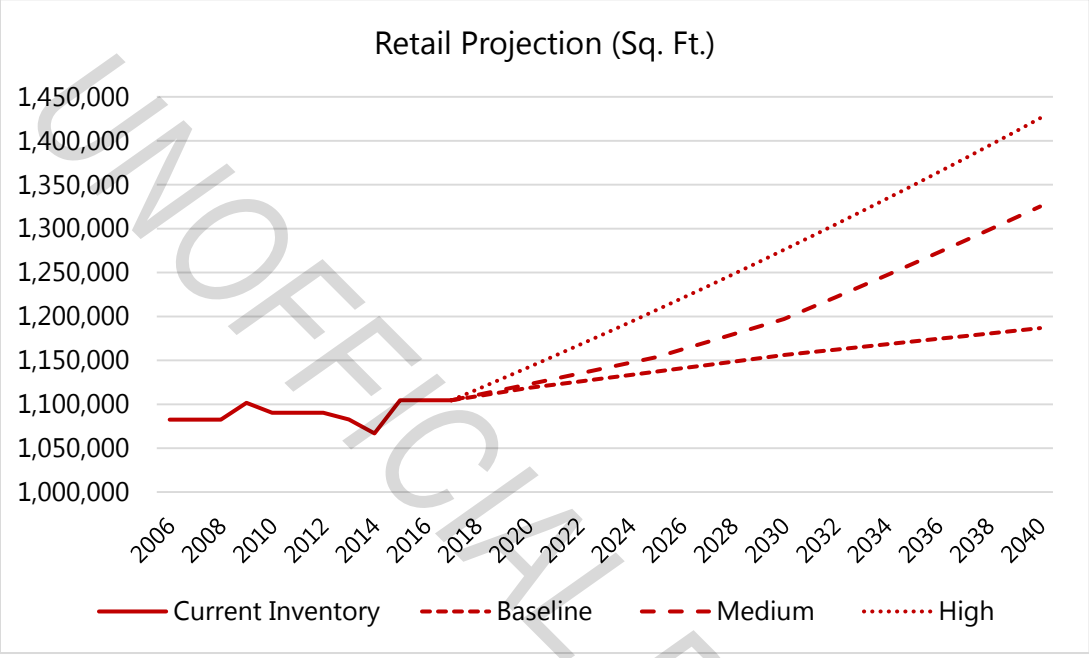
Sources: Costar, Puget Sound Regional Council, and Leland Consulting Group

Retail Development

The sheer volume of retail square footage may be the reason for the lack of new retail development. In fact, the total number of retail properties actually declined between 2006 and 2017. As such, additional square footage will likely be in the form of infill and/or rehab development and more closely follow the baseline growth rate projection. With that said, the rate of development may

increase at a later date. Figure 37 shows the historical inventory and forecasted projection for retail in the region.

Figure 37—Retail Historical Inventory and Forecasted Projection



Sources: Costar, Puget Sound Regional Council, and Leland Consulting Group

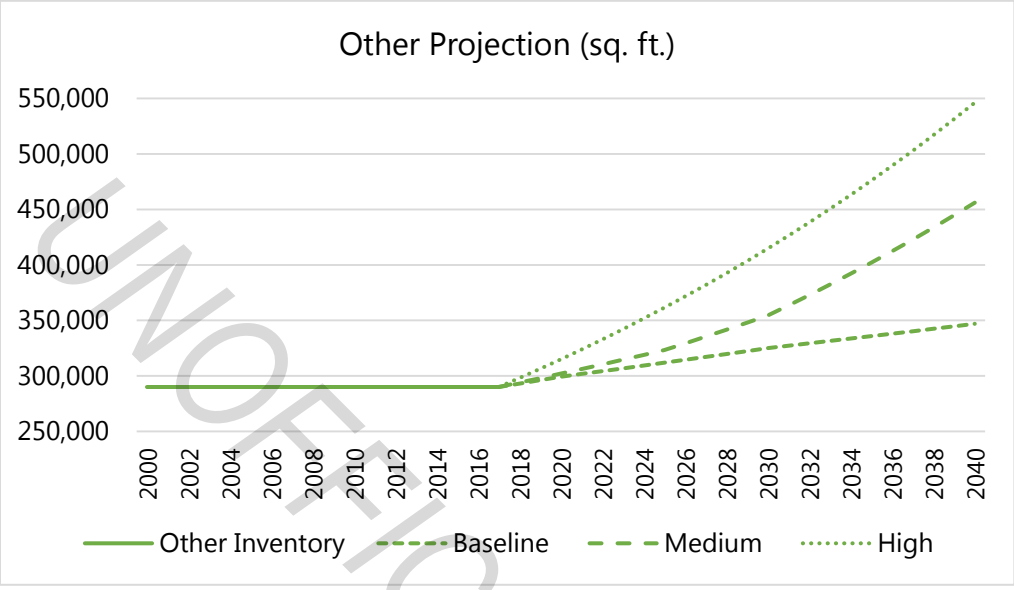
"Other" Development

The "other" property projection is more complicated, as it includes a range of property types, including hospitality, sports and recreation, healthcare, and specialty. While there have been no new buildings, increased housing and employment will increase demand for certain complimentary building types, particularly hospitality and healthcare. Figure 38 shows the forecasted projection for these other types of uses in the region.

Market Cycles

The actual pace of development will be "lumpier" than the development forecast figures shown above. The development industry operates in cycles as illustrated below, beginning in a downturn or recession, then moving to recovery, expansion, and hypersupply (an overbuilt market). Essentially, when a market becomes overbuilt or over-supplied, developers halt building for some time.

Figure 38—"Other" Historical Inventory and Forecasted Projection



Sources: Costar, Puget Sound Regional Council, and Leland Consulting Group

The great recession, officially between 2007 and 2009, is one example of market cyclicality, as overbuilding in the single-family home market, along with diminishing household resources and demand, caused a rapid decline in single family home production among other economic impacts. Another example is shown below: according to Figure 39, IRR (a commercial real estate appraisal and services firm), believes that the Puget Sound Region multi-family housing market is in a rapid expansion phase, and could head into hypersupply sometime soon. That said, the pace of improvement in the Pierce County market overall is expected to continue to increase as neighborhoods surrounding downtowns and centers contribute to the renaissance with strong interest in housing; including new multi-family geared toward professionals working in the CBD (as indicated in Kidder Mathews' 2017 Real Estate Market reports). It is possible that real estate development will go through another downturn in the next few years; in any case, a downturn is likely during at least one point in the 20-year time frame for this study. Nonetheless, the long-term dynamics described in this report should remain reliable.

Figure 39—Puget Sound Region Multi-family Market Cycle

Source: Integra Realty Resources

Real Estate Market Conclusions and Recommendations

The University Place Regional Growth Center, which consists of three distinct sub-districts, is well placed to capture a significant portion of the demand driven by high growth projections for population and employment in the region. Scenarios developed by PSRC project that population and jobs in the University Place market area will grow by between 0.8 and 2.8 percent annually through 2037. Therefore, the question is not whether University Place and the Regional Center will grow, but rather how much and what form this growth will take.

The regional center has already seen significant development which will likely continue given the strong market conditions in the Seattle metropolitan area. Building the identity of the three districts will enable each to be successful. Each district should focus on placemaking, enhance the existing strengths and assets (discussed earlier in this report), and ensure future development is in keeping with the City's overarching goals and community principles.

University Place's existing demographic and socioeconomic conditions support continued development of multi-family housing, and to a lesser degree, employment and general commercial development.

New commercial development should focus on high growth industries, such as healthcare and education services and professional and business services, while also maintaining focus on housing and supportive retail uses.

Office and Employment

New office and employment development should focus on high-growth industries, such as healthcare and education services, technology, and professional and business services. Office spaces that emphasize adaptive reuse, a mixed use environment integrated with multi-modal transportation and surrounding neighborhoods (e.g., Google and REI), "co-working," and "creative" office have been the most successful in recent years, and will be the best fit for University Place. These spaces are the most likely to attract business owners who are already in University Place, or would consider moving there. Nonetheless, office and employment development is likely to be somewhat slower than it has been in past decades, as employees require less space and can work remotely (from home), and new employment development is focusing in the downtowns of the region's largest cities. The planning team projects demand for between 78,000 and 329,000 square feet of office space over the next 20 years.

Housing

As stated above, the University Place market area is expected to continue to grow, and the planning team projects demand for between 450 and 1,900 new housing units in the regional center over the next two decades. This demand will come from a variety of demographic sources, which University Place should plan proactively to attract.

- Young people, including Generation Y. Generation Y, now in their 20s and 30s, have shown a strong propensity to living in mixed use and urban locations. This is expected to continue, even as Generation Y begins to start families and look for larger housing units that accommodate kids.

- Baby Boomers will make up an increasing share of the population and many will be looking for low-maintenance, "lock and leave" housing that is easily accessible to a variety of amenities including retail, restaurants, social opportunities, and healthcare.

Given the community's safe, high quality environment and successful Town Center, the University Place Regional Center has a great foundation on which to market itself.

Leveraging the Strengths and Special Attributes of University Place

University Place and the Regional Center should be known for and can leverage its strengths and "competitive differentiators" in attracting sectors of the market. These are the special qualities that potential residents, business owners, or visitors either are already aware of, or could be cultivated further to make people aware of them. For the City of University Place, these include:

- Chambers Bay Golf Course
- Sweeping views of Puget Sound and the Chambers Creek Regional Park
- Parks and trails, overlooking Puget Sound, and in other locations throughout the community
- Easy access to major regional destinations including downtown Tacoma, regional retail destinations on I-5, and recreation to the west
- Access to healthy foods, shopping, and public services
- A quality, family-oriented community considered to be a great place to live
- Quality school district
- Access to medical, dental, and other health services
- Safety

Great downtowns and regional centers are a "distillation" of the best-loved and most unique aspects of the larger community. For example, downtown Walla Walla contains a concentration of wine tasting rooms and restaurants featuring products from the area. University Place's Regional Center should likewise celebrate, showcase, and promote aspects of the City's identity, such as:

- Family friendly retailers, restaurants, events, and festivals
- Good pedestrian and bicycle access to Soundview Drive and other locations with views of Puget Sound
- Retailers that provide golfing gear and clothing, and restaurants that can serve groups after they leave the course

In addition, the following commercial categories are growing, and present good opportunities for the Regional Center given the City's demographics and character:

- Convenient, Casual Restaurants
- Food Halls, Artisanal Markets, and Food Trucks
- Sporting Goods
- Fitness/Health Clubs
- "Neighborhood Scale" Healthcare Providers
- Fast Fashion (Lower Cost Clothing Retailers that Focus on Current Fashion Trends)

Recommendations specific to each district follow.

Town Center District

The Town Center District is the heart of the regional center. It possesses almost all the major recent commercial development, including grocery stores, banks, general merchandise, and service-based retail. Multi-family properties are also prevalent in the Town Center District, providing immediate demand for the surrounding commercial uses. The district possesses the largest parcel sizes and has opportunities for new or infill development, particularly mid-rise mixed use properties.

27th Street Business District

Of the three districts in the University Place Regional Center, the 27th Street Business District is generally the most established and built out with neighborhood-serving local businesses. Development opportunities should fit the scale of this district and generally smaller parcel sizes, and will likely include "missing middle" housing types (e.g., townhouses and duplexes), low-rise (three to four story) apartments, and neighborhood serving employment and retail.

Northeast Mixed Use District

The Northeast Mixed Use District is the most mixed in terms of land use. It is currently home to a variety of retail, rental housing, and industrial development. There are a number of large and underutilized properties. These attributes offer both opportunities and challenges. They may offer opportunities for large-scale redevelopment and change, such as office/employment campuses and mixed use residential-over-retail projects. However, developers are most attracted to districts with an already-established sense of place, like the Town Center. In the Northeast district, the City should be opportunistic; wait for and react to private sector development proposals; improve pedestrian, bicycle, and transit connections to the other two districts; and be aware that one or more of the large underutilized parcels could be a good fit for a major employer or mixed use developer.

Proposed Zoning and Urban Form

A new framework for zoning and urban form is proposed to support implementation of the vision for the subarea and each district, the guiding principles, and applicable Comprehensive Plan policies. Figure 40 depicts the new zoning map for the subarea. It should be noted that the proposed zoning seeks to guide the building form and height in each category and provide more flexibility related to the types of specific uses that could be redeveloped as discussed in more detail below.

Zoning Categories

The new zoning categories proposed for the subarea districts encourage a vibrant mix of land uses and compact urban form along key corridors and surrounding activity hubs through redevelopment over time. The zoning categories also provide the ability for the City to allow a more flexible framework of land use growth that can adapt to market conditions over time. There are fewer categories proposed than currently exist. This will help to clarify the desired type of redevelopment and streamline the development approvals process, while also encouraging best practices in design and development. The City's current zoning framework will need to be updated to integrate these categories and existing use tables will need to be adapted as part of this process.

The proposed zoning is designed to maximize density and urban form along Bridgeport Way in the Town Center core and at key nodes throughout the subarea, while at the same time providing lower-height zoning categories that transition back from the core area to surrounding neighborhood zoning. The four new zoning categories are described below.

Mixed Use Residential (MUR)-75

The Mixed Use Residential (MUR)-75 zoning category is proposed for the Town Center District and the 27th Street District. MUR-75 would allow a 75-foot height limit for buildings, which is generally seven stories of development. Building types such as five wood frame stories over a two-level concrete podium or five wood frame stories over a single-level podium, similar to what has recently been constructed in Town Center, could be developed. Other types of construction that exceed the 75-foot height limit also are possible. For example, the Town Center zone currently allows buildings up to 120 feet in height within portions of the Village at Chambers Bay. Similarly, the replacement MUR-75 zone may be crafted to accommodate heights in excess of 75 feet, up to a 120-foot-height, where conditions warrant an increased height. The form of development under MUR-75 would generally be mixed use with a focus on residential in the top floors with active uses at the ground floor level. On main streets, such as Bridgeport Way and 27th Street, it would be anticipated that the ground floor level would support retail, office space, and other active uses, while on other street frontages, the ground floor levels could be designed to support residential. The anticipated density range for development of this form would be 60 to 100+ units per acre (gross).

Mixed Use Residential (MUR)-45

MUR-45 is proposed throughout the subarea (within all districts), and similar to MUR-75 focused on residential mixed use, but at a 45-foot maximum building height. This height typically supports construction of four-level wood frame building (or other construction type). The form of development would generally be mixed use with a focus on residential in the top floors with active uses at the ground floor level. On main streets, ground floor levels would support retail, office space, and other active uses, while on other street frontages, the ground floor levels could be designed to support residential. The anticipated density range for development of this form would be 40 to 60+ units per acre (gross).

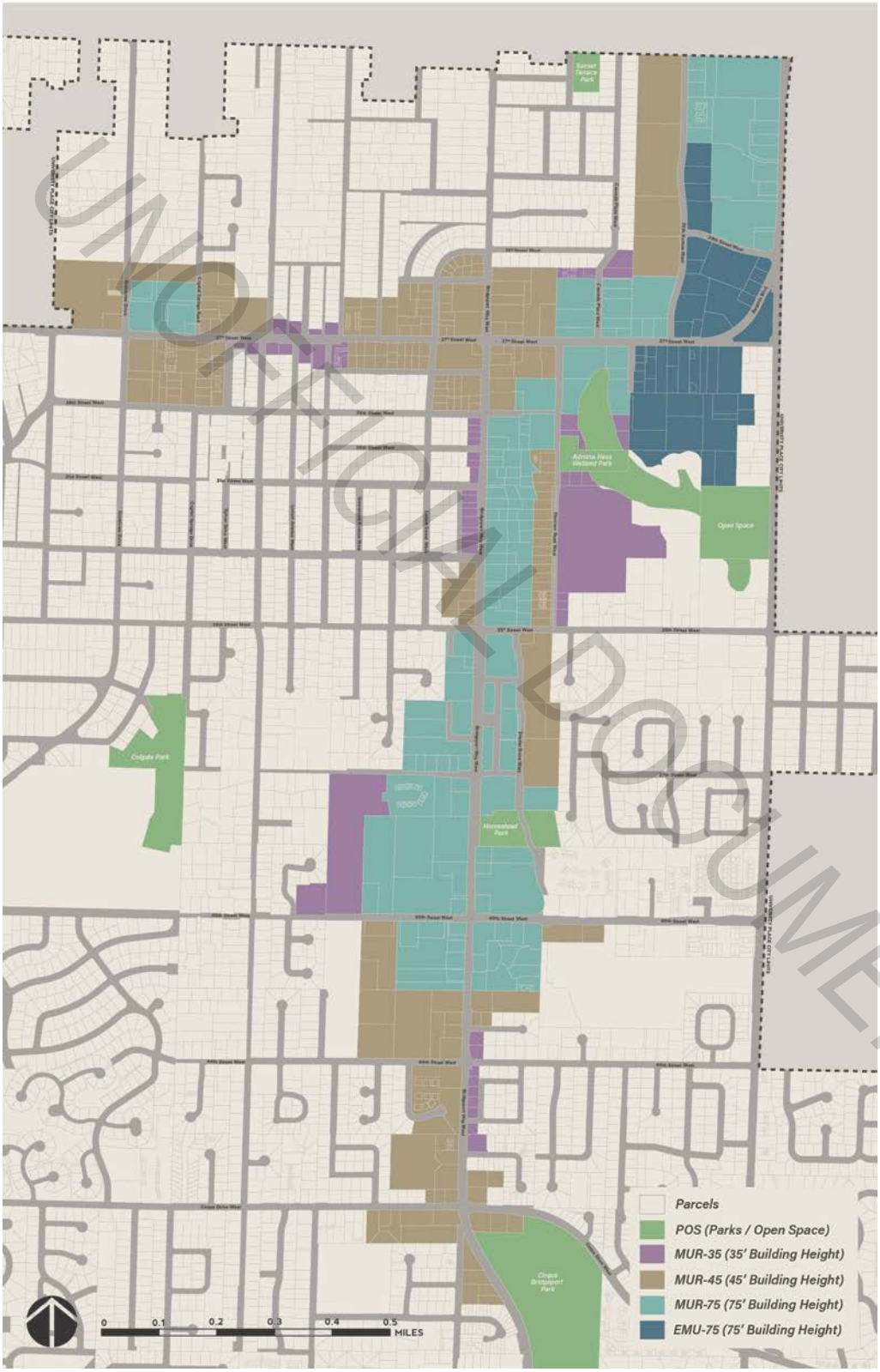
Mixed Use Residential (MUR)-35

MUR-35 is proposed throughout the subarea (within all districts), and is focused on residential mixed use at a 35-foot maximum building height. This height typically supports construction of 3-level wood frame building (or other construction type). The form of development would generally be mixed use with a focus on residential in the top floors with active uses at the ground floor level. On main streets, ground floor levels would support retail, office space, and other active uses, while on other street frontages, the ground floor levels could be designed to support residential. The anticipated density range for development of this form would be 30 to 40+ units per acre (gross). Other development types of attached housing (townhouses, clustered housing, etc.) that have lower density levels may be appropriate in this category, depending on location, and could be considered to fulfill the "missing middle" housing demand.

Employment Mixed Use (EMU)-75

The Employment Mixed Use (EMU)-75 category is proposed only in the Northeast Mixed Use District, where there is a desire for an ongoing focus on employment uses such as various types of businesses, offices, light manufacturing, light industrial, flex-tech, crafts industrial, start-ups, and other employment uses, along with commercial and retail and compatible forms of residential (such as lofts or live/work units). The EMU category allows a maximum height limit of 75 feet, but within the EMU zone redevelopment can be one and two story buildings as long as there is an employment focus that brings an increased number of jobs to the community. Allowing buildings greater than 75 feet in height may be considered during the plan implementation phases (i.e. zoning or district planning efforts).

Figure 40—Proposed Zoning and Urban Form



Land Areas per Zoning Categories in Each District and Overall

Figure 41, below shows proposed zoning categories and the assigned land area for each category within each district.

Figure 41—Land Areas per Zoning Categories in Each District and Overall

Location	Total Size (Gross Acres)	MUR-75	MUR-45	MUR-35	EMU-75
Town Center District	210.62*	88.73	77.73	44.16	
27th Street Business District	79.85*	5.51	70.07	4.27	
Northeast Mixed Use District	115.06*	40.20	28.41	4.31	42.14
Subarea Overall	**405.53***	**134.44**	**176.21**	**52.74**	**42.14**

*Note: these calculations do not include parks, open space, roadway rights-of-way, or other land areas that would not be subject to redevelopment. As such, the total acreage of the subarea is 481 acres, while the total acreage of area that could be redeveloped according to the proposed zoning is 405.53 acres.

Comprehensive Plan and Zoning Amendments

While the subarea plan is consistent with and supports the City's adopted Comprehensive Plan and policies, the new zoning classifications will require amendment of the Comprehensive Plan map and designations. The City's Zoning Code (Title 19 of the Municipal Code) also will need to be amended to include the new zoning categories, remove no-longer-applicable categories, and integrate new design and development standards and provisions to support the proposed zoning.

Opportunity Sites and Redevelopment Concepts

The City has identified a number of potential opportunity sites for redevelopment throughout the subarea. These are locations where redevelopment may be more poised to happen in the near to mid-term due to a number of factors:

- Current status of property (may be vacant or in transition)
- Land utilization (improvement to land value ratio)—see Figure 42
- Owner's interest in potential redevelopment
- Location and characteristics of the site and surrounding area

Improvement to land value ratio, as shown in Figure 42 is a measure of the existing utilization of property. The ratio is calculated by dividing the value of the improvements (or building space) by the total value of the property (land + improvements). So typically, the more building space (or "improvements") on the property or "land", the higher the utilization and the higher the ratio. As you can see in the figure, the more developed properties have a higher improvement to land value ratio.

The urban framework plan for the subarea (depicting identified opportunity sites) is shown in Figure 43. It should be noted that other opportunity sites may become known in the future in addition to those mapped to date. The City will work with property owners to review these sites and identify the opportunities and possibilities for redevelopment based on the adopted subarea plan.

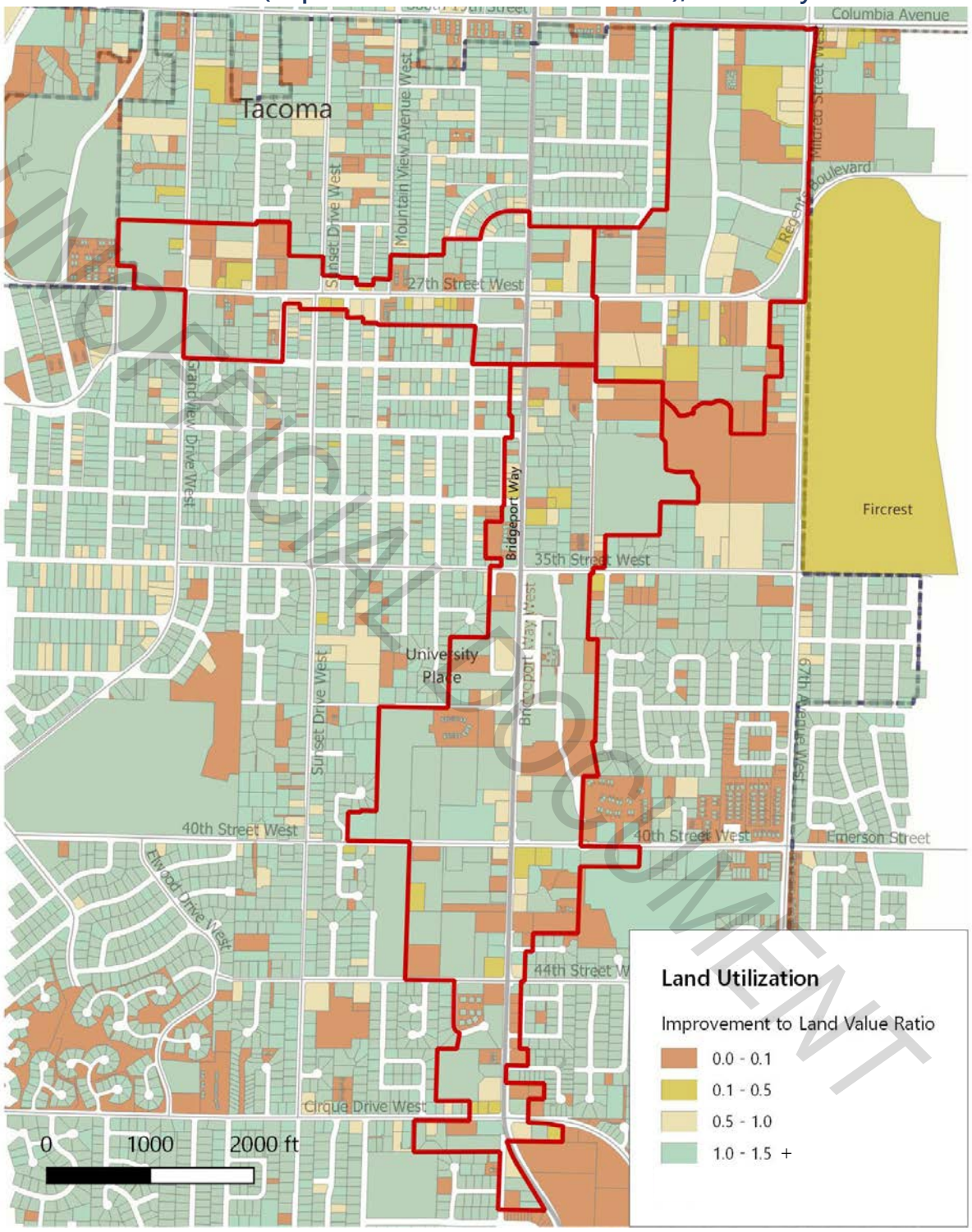
The urban framework plan also illustrates primary and secondary activity nodes, as well as opportunities to create features such as gateway treatments, locations for public art, greenway and trail connections, and other amenities with redevelopment in the subarea districts.

Redevelopment Concept Illustrations

Concept illustrations have been created to show how the proposed urban form could look when implemented in various locations in the subarea. These illustrations are conceptual graphic depictions of desired character, as well as the scale of potential redevelopment. Actual redevelopment plans for various properties may vary from the concepts shown, but the concepts provide visualizations related to what can be expected with future building height and form. Refer to Figures 44 through 49 for these illustrations.

University Place Town Center
Source: HBB Landscape Architecture

Figure 42—Land Utilization (Improvement to Land Value Ratio), University Place



Sources: Pierce County Assessor & Leland Consulting Group

Figure 43—Urban Framework Plan and Development Opportunity Sites

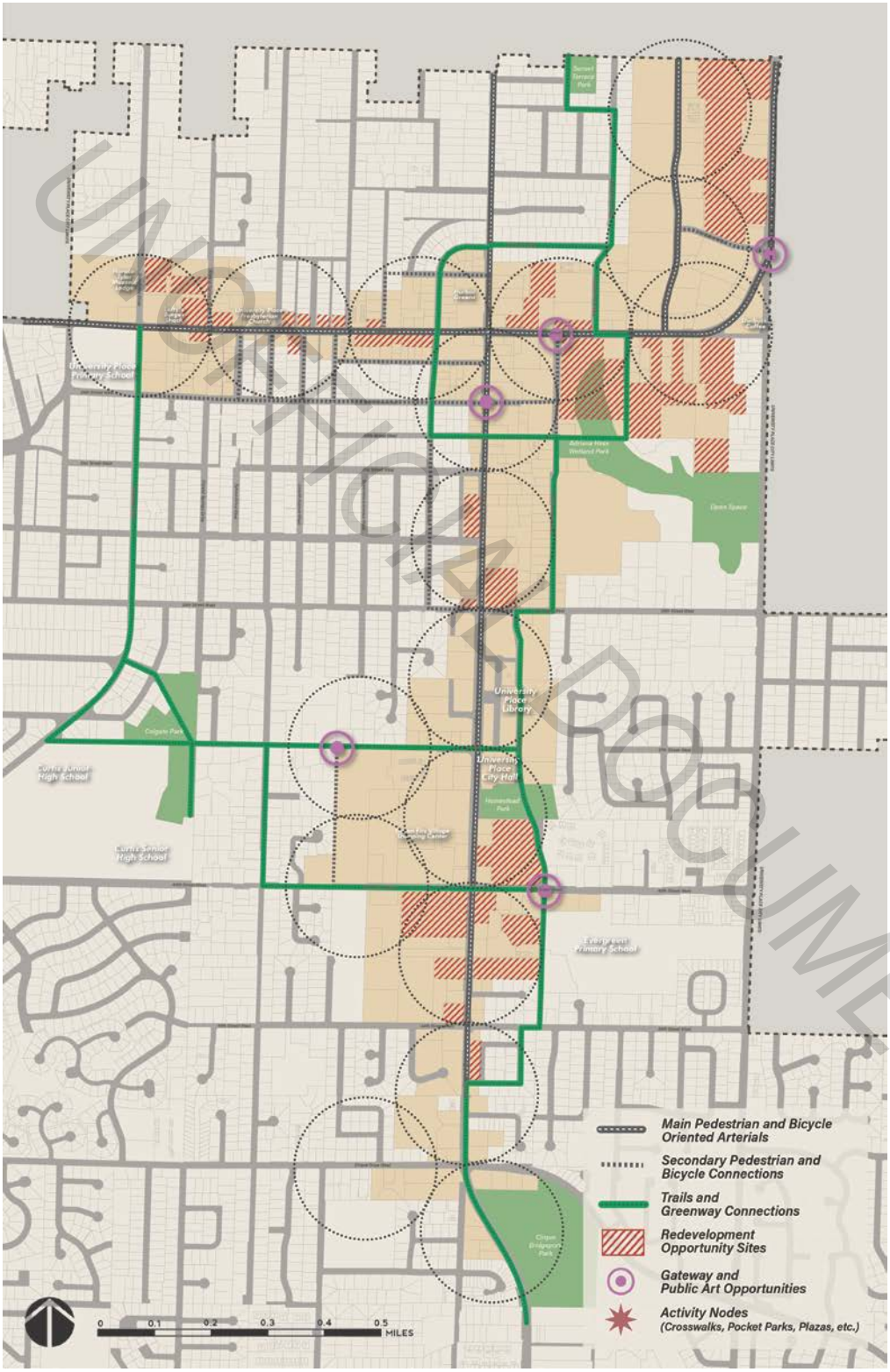


Figure 44—Town Center Mixed Use—MUR-45 in the Vicinity of Bridgeport Way and 44th Street West (Residential, Office, and Active Ground Floor Uses)

A conceptual representation of MUR-45 in Town Center illustrating four-story buildings (3 over 1) with a mix of residential and office use as well as townhomes transition back toward the single family neighborhoods—ground floor active uses located at street grade, such as commercial, retail, professional services, studios, and other uses, activate the street to create a vibrant district with strong multimodal connections (including transit) while maintaining a livable community feel.

Figure 45—Town Center Mixed Use Residential—MUR-75 in the vicinity of Bridgeport Way and 33rd Street West

A conceptual representation of MUR-75 in the Town Center, illustrating an activated mixed-use core at night, with ground floor storefronts, restaurants, and markets and condominiums and apartments above—wide sidewalks, street trees, pedestrian lighting, and modern but contextually appropriate architecture create the distinct Town Center character while also providing equitable access to jobs, goods, and services.

Figure 46—Assisted Living/Senior Apartments—MUR-75 in the Vicinity of 27th Street West and Grandview Drive

A conceptual representation of MUR-75, and the actual design concept for the proposed SHAG housing development, illustrating a senior living complex anchoring a commercial node at the intersection of 27th Street West and Grandview Drive—this will bring a major character change to the neighborhood, which has been predominantly lower scale businesses, but also will boost retail, restaurants, shopping, and other commerce in the vicinity of the facility; attractive streetscapes with continuous sidewalks, accessible facilities, bike lanes, signalized crossings for pedestrians, street trees, furnishings, lighting and other amenities will enhance equitable access to the district's businesses and services. There may be opportunities to integrate the City's senior center with services offered at the proposed senior housing facilities at 27th and Grandview.

Figure 47—"Missing Middle" Urban Form with Transitions to Neighborhoods—MUR-45 and MUR-35 in the Vicinity of 27th Street West and Locust Avenue

A conceptual representation of MUR-45 and MUR-35 in the 27th Street Business District illustrating a mixture of existing detached single family homes, with new modern townhouses and three and four story multi-family or mixed use buildings—sidewalks and bike lanes connect the neighborhood, providing equitable access to public spaces, transit, and other services, as well as shopping and civic locations.

Figure 48—"Live/Work" Lofts and Flex Space in the EMU-75 Zone of the Northeast Mixed Use District, Vicinity of 69th Street West

A conceptual representation of EMU-75 in the Northeast Mixed Use District illustrating live/work units, lofts, and flexible work spaces for business, office, and retail uses; while the focus of use in the EMU-75 would be on employment, the ability to integrate residences will bring 24-7 activity to the district with more "eyes on the street," and increase economic vibrancy—live/work and flex spaces allow artists, tradespeople, and small business start-ups to combine uses into one space, generating financial freedom to invest in company growth and job creation; multi-modal infrastructure connects the employment-based district to surrounding residences and services, creating a strong, localized economy and livable community.

Figure 49—Employment Uses and Office Redevelopment in the EMU-75 in the Vicinity of 69th Street West

A conceptual representation of the EMU-75 zoning classification in the Northeast Mixed Use District illustrating office and employment urban form, along with neighborhood walkability; not everyone has to drive to the office—residents can walk, bicycle, and take transit in this conceptual representation.

Proposed Densities and Growth Targets

The proposed densities and the related estimated household and population estimates are shown for each zoning category and each district in the subarea, as well as for the subarea overall in Figures 50 and 51. A summary of the estimated build-out projections is provided in Figure 52. Build-out is a theoretical concept that represents the full potential of development/redevelopment in the subarea—if every parcel were to be redeveloped to the proposed zoning form/height. These estimates assume full build-out of the proposed zoning which, if achieved, would occur in future decades, likely longer than the next twenty years. It may be that build-out does not fully occur, but the subarea plan and proposed zoning classifications provide the capacity to accommodate this level of growth in the subarea no matter what the pace of growth may be.

Figure 50—Zoning to Density Range Calculations at Build-Out for Three Districts

Location	Size (Gross Acres)	MUR-75 (60 to 100 DUs per Acre)	MUR-45 (40 to 60 DUs per Acre)	MUR-35 (30 to 40 DUs per Acre)	EMU-75 (10 to 20 DUs per Acre)
Town Center District	210.62 Acres	88.73 Acres	77.73 Acres	44.16 Acres	0 Acres
Population at Build-Out		8,518 to 14,197	4,975 to 7,462	2,120 to 2,826	0
Households at Build-Out		5,324 to 8,873	3,109 to 4,664	1,325 to 1,766	0
Jobs at Build-Out		1,719	1,506	855	0
27th Street Business District	79.85 Acres	5.51 Acres	70.07 Acres	4.27 Acres	0
Population at Build-Out		529 to 882	4,484 to 6,727	205 to 273	0
Households at Build-Out		331 to 551	2,803 to 4, 204	128 to 171	0
Jobs at Build-Out		107	1,357	83	0
Northeast Mixed Use District	115.06 Acres	40.20 Acres	28.41 Acres	4.31 Acres	42.14 Acres
Population at Build-Out		3,859 to 6,432	1,818 to 2,727	207 to 277	1,348 to 2,023
Households at Build-Out		2,412 to 4,020	1,136 to 1,705	129 to 172	843 to 1,264
Jobs at Build-Out		779	550	83	1,264

Figure 51—Zoning to Density Range Calculations at Build-Out for Subarea

Location	Size (Gross Acres)	MUR-75 (60 to 100 DUs per Acre)	MUR-45 (40 to 60 DUs per Acre)	MUR-35 (30 to 40 DUs per Acre)	EMU-75 (10 to 20 DUs per Acre)
Subarea Overall	**405.53 Acres**	**134.44 Acres**	**176.21 Acres**	**52.74 Acres**	**42.14 Acres**
Population at Build-Out		**12,906 to 21,510**	**11,277 to 16,916**	**2,532 to 3,375**	**1,348 to 2,023**
Households at Build-Out		**8,066 to 13,444**	**7,048 to 10,573**	**1,582 to 2,110**	**843 to 1,264**
Jobs at Build-Out		**2,604**	**3,413**	**1,022**	**1,264**

Figure 52—Summary of the Theoretical Build-Out Capacity of the Subarea

Total Population at Build-Out	**28,064 to 43,024 people**
Total Households at Build-Out	**17,540 to 27,390 households**
Total Jobs at Build-Out	**8,303 jobs**
Activity Units (AUs): 36,367 to 52,128 **AUs/Acre Capacity for 481 Acre Subarea: 75 to 105 AUs/Acre**	

Population estimates are based on a ratio of 1.6 persons per household, the recommended ratio by Puget Sound Regional Council to use in calculating multi-family generated population in centers. Estimated jobs generated at full build-out also are shown and are based on a baseline estimate average of 19.37 jobs/acre for the MUR zoned land area and 30 jobs/acre for the EMU zoned land area.

Density ranges are shown because the proposed zoning provides flexibility for redevelopment, so some projects may have higher densities than others in each category. It should be noted that these build-out estimates include existing and future population, household, and employment levels in total.

In summary, given the above calculations, approximately 28,064 to 43,024 total people would be expected to be living in the subarea at full build-out of the proposed zoning (population) in approximately 17,540 to 27,390 total households. Approximately 8,303 total people would be expected to be working (employment/jobs) in the subarea at full build-out.

In total, the subarea plan capacity would provide build-out capacity for 36,367 to 52,128 total activity units (people living and working). Given the total gross land area of the subarea of 481 acres, this

would provide growth capacity for approximately 75 to 105 activity units (AU)/acre in the future, compared to today's estimate of 19.2 AU/acre.

Build-out is theoretical and influenced by many factors, including but not limited to property owner preferences, market factors, and transportation and transit facilities and services, and the availability of other infrastructure and public services to accommodate growth over time. While full build-out is possible decades into the future, it is also possible that it may not be fully achieved. The proposed zoning provides the capacity for growth, exceeding the growth targets assigned to the regional growth center by PSRC. So even if full build-out does not occur, there is a high likelihood that the growth targets will be achieved. Even if only 75 percent of the build-out capacity for the subarea is reached, 57 to 80 AU per acre could be accommodated, exceeding the 45 AU/acre planning target for regional growth centers.

Zoning over the full subarea geography maximizes redevelopment capacity, opportunity, and flexibility. Properties can be redeveloped over time as opportunities arise in specific areas and with specific sites, incrementally progressing toward bringing the full vision for the subarea to reality.

The proposed subarea plan will increase the community's capacity for a variety of multi-family housing types as well as employment, consistent with and exceeding existing targets for the next twenty years. However, the annual pace of growth is not likely to increase substantially over levels of recent years. While the proposed zoning provides the opportunity for growth, methods to support and catalyze redevelopment will help to encourage growth over time.

Enhancing Community Character as the City Grows

The Community Character Element of the Comprehensive Plan considers and provides goals and policies for:

- People and Public Places
- Events and Community Buildings
- View Corridors, Entrances, and Landmarks
- Buildings and Site Design
- Street and Pathway Linkages
- Urban Forest Management
- Streetscape Landscaping
- Residential Character
- Historic Resources

All of these provisions are applicable to the subarea, and implementation of the subarea plan should continue to protect, reinforce, and enhance these elements of community character with ongoing growth and redevelopment.

As the City works to update zoning code provisions and related building and community design standards as an outcome of this planning process, the guiding principles of this plan and Comprehensive Plan goals and policies will continue to provide a strong foundation for preserving and enhancing community character.

Transportation, Infrastructure, and Public Services and Facilities Available to Serve Growth

Transportation—Enhancing Streets to Improve Connectivity and Mobility for Pedestrians, Bicyclists, and Motorists

The Comprehensive Plan goals and policies call for a multimodal transportation network that serves increasing demand for, and desire to use, other forms of transportation in addition to the automobile. Transit, ride-sharing, bicycling, and walking, as well as driving of personal vehicles are increasingly in the mix of choices of existing and new residents in University Place. Especially with the growth projected in the subarea, it will be important to mitigate the potential for increased traffic by improving mobility options by other modes—transit, bicycling, and walking.

The City has been successful in funding and implementing major transportation improvement projects for arterial streets, including improvements on Bridgeport Way, 27th Street, and various intersections. As redevelopment occurs along these main thoroughfares in the subarea, street improvements will continue to be realized. The City will continue to maintain the transportation level of service (LOS) policies adopted in its Comprehensive Plan, which are summarized below. (Transit LOS policies and recommended service level increases are described in the next section.)

- The City has adopted a LOS D for most arterial streets and LOS E for Quality Service Corridors.
- Planned capacity and circulation roadway improvements, including intersection improvements are identified in the 2015 Comprehensive Plan (page 6-43) and are in various stages of implementation.
- The non-motorized network is an important emphasis of the Comprehensive Plan, with several proposed improvement projects listed that will increase pedestrian and bicycle mobility throughout the community and improve access to and from the subarea. Refer to pages 6-47 through 6-51 of the Comprehensive Plan.
- With the planned improvements in the Comprehensive Plan, the arterial street network in the subarea will largely be built to current standards. Proposed non-motorized improvements will greatly increase pedestrian and bicycle mobility and connectivity, but more non-motorized improvements may be

needed to serve future growth on collector and local neighborhood streets as redevelopment occurs. Developer funding of these types of improvements would be expected as part of future projects. This need should be considered in the next round of transportation improvement/capital facilities planning after adoption of the subarea plan.

- The City should review code provisions to ensure that transportation LOS requirements for both motorized and non-motorized travel will continue to be met with updated transportation and capital facilities planning over time and through a combination of developer funding, capital funding, grants, and other resources.

Transit Service and Facilities

With the additional growth and redevelopment projected for the subarea, it is anticipated that the motorized and non-motorized network will continue to be built out to current standards. Public transit will serve an increasingly important role in the mobility of the community and in connecting people to the broader regional transportation system as the community grows.

EXISTING TRANSIT SERVICES

Public transit services are provided by Pierce Transit via four fixed bus routes (2, 51, 52, and 53) and paratransit shuttle services (contracted through First Transit). Paratransit shuttle services cover an area generally defined as within three quarters of a mile of a fixed route. Pierce Transit also offers vanpool, special use van, and rideshare programs. The fixed route service connects the community with the Tacoma Community College (TCC) Transit Center, just north of the subarea, as well as the Lakewood Transit Center via South 19th Street and Bridgeport Way West. Route 51 connects the community to Tacoma's Proctor District, and the Lakewood Sounder commuter rail station via S. Orchard Street. Route 52 connects the Narrows Plaza neighborhood with the adjacent TCC Transit Center and the Tacoma Mall Transit Center via Regents Boulevard through Fircrest and various arterials in Tacoma. Route 53 provides access to the TCC Transit Center and the Tacoma Mall Transit Center via 67th Avenue West, 27th Street West, Grandview Drive, 40th Street West, and S. Orchard Street, eventually terminating in downtown Tacoma. Route 53 also provides access to the vicinity of the South Tacoma Sounder commuter rail station via S. Orchard Street and S. 66th Street, although the bus route alignment is three blocks south of the station. Buses serving these routes accommodate both bicycles and wheelchairs.

Regional transit service is provided by the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit. Sound Transit's Regional Long Range Plan guides the development of the region's high capacity transportation (HCT) system. Sound Transit continually updates the long range plan to serve the needs of the rapidly growing region. Sound Transit services in Pierce County currently include regional express bus (which currently extends to the TCC Transit Center, just north of the subarea), Sounder commuter rail (accessible to University Place residents via local bus routes to the Lakewood station), and Link light rail, currently focused in downtown Tacoma.

More information about existing transit services is available on pages 6-33 through 6-36 of the Comprehensive Plan.

PLANNED TRANSIT SERVICE IMPROVEMENTS
With the adoption of this subarea plan, it will be important for the City to continue to work closely with Pierce Transit and Sound Transit on serving the increasing demands of the University Place Regional Growth Center for both local and regional transit services and facilities. Evaluation of upgrading the current express bus service with a full bus rapid transit line and extending the service further into University Place (from current terminus at TCC Transit Center) is recommended.

Utilities

Water

Tacoma Water, a division of Tacoma Public Utilities, is the primary provider of water service to the community, where it serves over nine thousand customers. The primary water supply comes from the Green River in King County and local wells. With planned improvements cited in the Comprehensive Plan (pages 8-14 through 8-16), adequate water supply and service is anticipated to be available in line with future growth and redevelopment. Individual developer projects will improve connections and services to meet their needs, while the City continues to work with Tacoma Public Utilities to monitor long term growth and demand and update service and facility planning as needed.

Sanitary Sewer/Wastewater

Sanitary sewer (wastewater) services are provided through the City of University Place's franchise agreement with Pierce County Public Works and Utilities. POLICY CF6D states that the City will work through this franchise agreement to ensure that sewers are available within 300 feet of all properties within the next 20 years, enabling individual property owners to extend a sewer line to their properties for a reasonable cost.

With redevelopment and new development projects as part of implementing this subarea plan, it is anticipated that projects will connect, upgrade, and improve sanitary sewer facilities as may be needed to serve their individual needs. At the same time, the City will work with Pierce County to continue to monitor the overall, concurrent service demands of the community and update long range planning as needed in the future to serve long term growth.

Surface Water Management

Located in the Chambers-Clover Watershed Resource Inventory Area (WRIA 12), University Place is located within two of the area's watersheds—Chambers Bay and Tacoma West. Within each of these two watersheds, there are several sub-watersheds.

The City has adopted the King County Surface Water Design Manual (KCSWDM) as its standard for development and level of service. Future new development and redevelopment in the subarea will be required to comply with the manual's requirements and standards.

Given the potential demand for surface water storage capacity related to requirements to release flows to levels that would be consistent with pre-existing forested conditions, provision of either infiltration or detention facilities will be ongoing requirements for development and redevelopment, along with low impact development treatments as part of redevelopment and development projects (such as pervious pavements, rain gardens and biofiltration planters, green roofs, and other techniques). Considering the potential for a regional stormwater facilities plan that covers collective storage demand for portions of the subarea would be advisable with ongoing surface water management planning. Regional detention facilities could serve the needs of multiple projects. If developed through grants or capital funding, these investments can help to catalyze new development and redevelopment in the subarea. Water quality needs could continue to be met by individual projects, while water quantity needs are served by the regional facilities.

Power/Energy

Electricity is provided to the subarea by Tacoma Power, a division of Tacoma Public Utilities. The Comprehensive Plan states that Tacoma Power does not currently anticipate the need for development of new substations or major line replacements within University Place. The addition of a large commercial or industrial load in the area may require development of additional new facilities.

Natural gas is provided to the subarea by Puget Sound Energy (PSE). PSE plans for and extends services to new customers on an ongoing basis.

Individual development/redevelopment projects will extend electricity and natural gas services as needed to serve the demand of new customers, who then will pay for these services.

The City should continue to coordinate with Tacoma Power and PSE to review the potential build-out demand of this subarea plan, anticipated growth rates over time, and to determine the need for potential future service and facility improvements.

Communications

Customer-based communications, television, and cable services are offered by a number of providers, including CenturyLink (phone), seven cellular phone companies, Click!, a division of Tacoma Public Utilities (television), and Comcast (cable/internet). These service providers continually coordinate with the City to anticipate geographic demand and then extend the services to paying customers. With the adoption of the subarea plan, the City will continue to coordinate with these providers, to notify them of planned zoning and potential build-out growth as a result of plan adoption.

Solid Waste Management

Planning for solid waste service is addressed in the City's Comprehensive Plan, as well as the Pierce County Solid Waste Plan. Two private service providers – University Place Refuse and LeMay Enterprises (dba Lakewood Refuse) collect waste in the community, which is transported to and handled by the Pierce County disposal system. Both companies have franchise agreements with the City that run through 2025. The City will continue to coordinate with these service providers and update franchise agreements in the future. The City will share the adopted plan for the regional growth center with the service providers for their reference for future service planning.

Schools—K-12 and College Level

Primary and secondary public school services (kindergarten through twelfth grade) are provided within the subarea by the University Place School District. The Charles Wright Academy provides private education. Existing inventory and capacity of school facilities is described in the Comprehensive Plan (pages 7-23 through 7-26). Projections for the student population and demand for new facilities based on existing capacity will need to be calculated and analyzed as a result of adoption of the subarea plan. The pace of growth is anticipated to be similar to that addressed in the current Comprehensive Plan and the School Districts long range planning; however, built-out growth may add more long term student population than currently anticipated, so this will need to be adequately planned for over time.

Parks, Trails, and Open Space

An abundance of parks and open space areas are an important part of University Place's distinctive character and high quality of life. The availability of parks and open space help meet the recreational, social, and cultural needs of the community while also encouraging physical activity and promoting social and mental wellness.

The Comprehensive Plan includes goals and policies that encourage the ongoing provision of facilities such as parks, open space, pedestrian and bicycle improvements, and trails to accommodate active living in the community and encourage health and well-being. Policy LU10A states, "Reserve portions of the City's limited remaining undeveloped land for public use including parks, play areas, and bike and walking trails. Encourage developers to set aside land for recreational use through incentives and other mechanisms. As the population grows, provide additional space in both residential and business neighborhoods for visual relief, outdoor recreation, and the enjoyment of natural features."

With the anticipated growth rate over the next twenty years and beyond, it will be important for parks, open space, and trails to be an integral part of redevelopment projects. The City's 2015 Parks, Recreation, and Open Space (PROS) Plan addresses the anticipated needs for the coming years, but with adoption of the subarea plan, it will be important for the City to revisit parks and open space needs with the next PROS Plan update. With new development and redevelopment, it is anticipated that new parks and public amenity spaces will be created for the community to serve the growing population. In addition to these facilities, it will

be important for the City to consider potential public investment in park space to serve the regional growth center over time. Neighborhood parks will be in especially high demand for use by new residents and employees.

Other Community Facilities and Human Services

As stated in the University Place Comprehensive Plan, a well-functioning community depends on the availability and equitable access to a variety of community facilities and human services. In addition to the availability of safe drinking water, adequate wastewater collection, sustainable stormwater management, schools, and parks, the community also needs adequate and equitable access to police, fire and emergency, health, library, arts, cultural arts and activities, and other services that are essential for community safety, and security, as well as social and cultural vibrancy. Human services may also include the availability of childcare services, food assistance and access to health food, medical and dental care, counseling, and transitional shelter. The Comprehensive Plan includes goals and policies to ensure the adequate provision of these services as the community grows over time.

The Town Center district of the subarea houses many of these important services, including the University Place Library, located in the Civic Building on Market Square, and City Hall, located at Windmill Village.

The City will continue to coordinate with these service providers and share the adopted plan for the regional growth center so that all agencies and organizations can reference potential growth projections and the types of new development and redevelopment anticipated in order to be able to adequately plan to serve future demands and needs.

Plan Implementation through Private Investment, Revenues, and Capital Project Funding Sources

Service delivery to support implementation of the University Place Regional Growth Center Subarea Plan will be improved over decades through various methods and financial resources. These methods and resources will originate from many sources, including direct private investment in facilities as a result of development and redevelopment, property tax revenue generated from new development, sales and use tax revenue generated by new customers, fees for utility and other services, capital project funding from the City, and state and federal grants. As the City of University Place and other agencies that provide public and utility services update their service delivery plans in the coming years, they may reference this subarea plan and other plans developed by the City in determining and prioritizing capital facility and service needs.

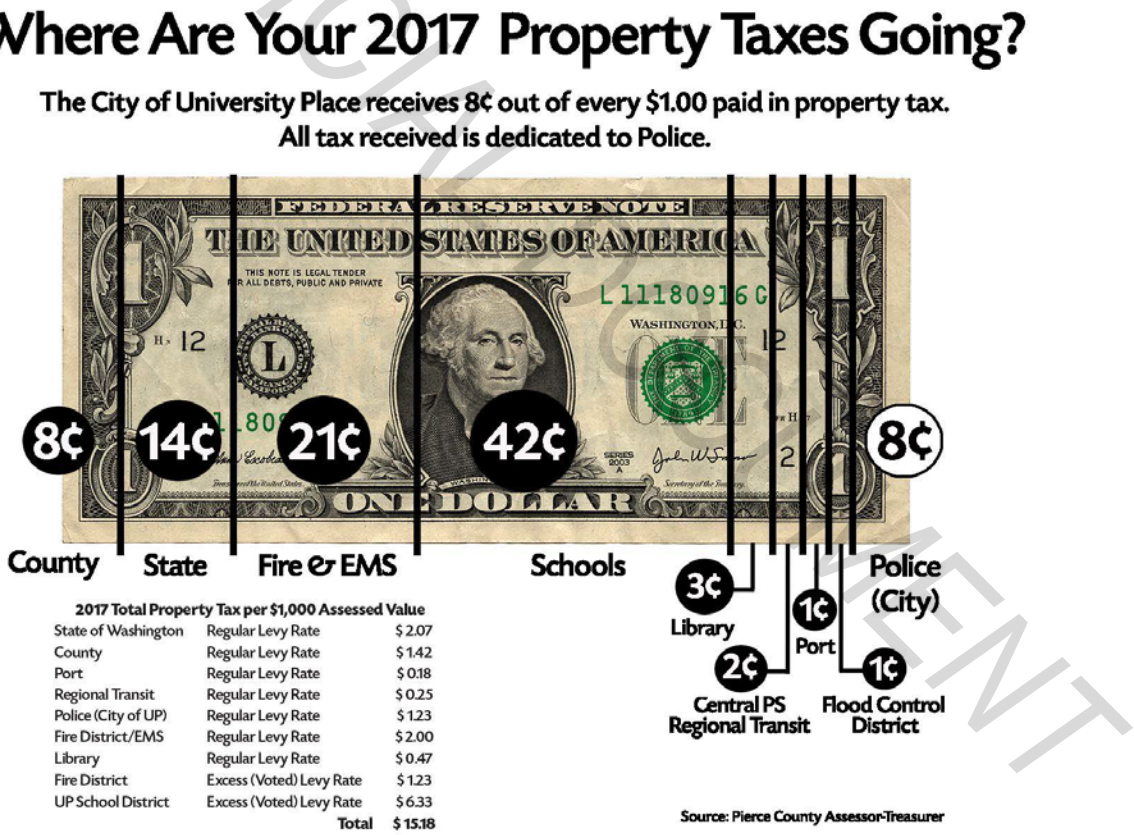
With regard to the City, the City has a variety of revenue sources. The City has the ability to impose a variety of other use specific taxes (such a hotel/motel tax), or use restricted taxes (such as franchise

and impact fees). However, the most important and flexible of the City's revenue sources are property tax, sales tax and utility taxes. The City's 2017 tax rates are as follows:

Property Tax	$1.23 per $1,000 in assessed value
Sales Tax	0.84% of sale price
Utility Tax	6% of sale price

As shown in Figure 53, the City only receives approximately 8% of the total property tax paid by property owners, and all of the City property tax revenue has been dedicated by City policy to City public safety expenditures.

Figure 53—2017 Revenue Allocations from Property Taxes Paid by City of University Place Property Owners



The table shown below in Figure 54 shows in broad terms an approximation of the average property, sales and utility tax revenue that the City currently receives from particular types of uses within the City.

Figure 54—Approximate Current Average Property, Sales, and Utility Taxes in the City

Uses	Property Tax	Sales Tax	Utility Tax	Total
Commercial				
Big Box Retail	11,434	200,000	25,548	236,981
Strip Center	3,447	-	-	3,447
Stand-alone Retail	1,104	10,000	711	11,814
Class A Office/ Professional Services	984	3,000	711	4,695
Bank	1,232	1,000	711	2,943
Restaurant	844	15,000	711	16,555
Fast Food Restaurant	1,059	15,000	711	16,770
Medical	1,079	100	711	1,890
Light Industrial	298	3,000	-	3,385
Residential				
Single Family	446	-	246	691
Multi-family	185	-	246	430
Condo	306	-	246	552

The foregoing table provides a review of existing uses within the City, based on readily available resources. For purposes of this cursory analysis, local tax revenue for particular retailers and residential developments was considered. Data from the County Assessor's Office on average development sizes and values was utilized for purposes of computing estimated property tax revenue. The analysis looked at specific representative retailers within the City for estimates on sales tax revenue. And, the analysis looked at County averages by use for utility tax revenue. Every retailer or development is different, and every location is different. As a result, this information should be viewed within that context.

An estimated sales tax or utility tax was not included for strip centers because those tax revenues are typically generated by the specific tenants/uses within the strip center. Utility tax revenue was not estimated for light industrial because utility usage will vary dramatically by specific industrial use. And, the analysis did not estimate sales tax revenue for residential uses. While residential uses are

generally not thought of as generating sales tax, with the implementation of destination based retail taxation, online purchases has become a significant source of sales tax revenue. In fact, as a largely suburban city with limited retail development, one online retailer has become one of the City's largest sources of sales tax revenue.

Conducting an analysis of the economic impact to the City of various new development typologies within the Subarea is a complex process. Professional studies look not only at the direct tax generation for particular uses, but also the relationship between those uses and supporting uses. Particularly with regard to retail uses, they also are able to obtain expensive proprietary information on average revenues, regionally and nationally. But in the end, the resulting conclusions remain highly dependent on a variety of factors that are not easily generalized.

As the City evaluates specific development proposals within the Subarea, as shown in Figure 55's summary of implementation strategies, the City will develop more appropriate tools to identify potential revenues to support capital facility projects and service delivery.

Whole Foods Market in the Village at Chambers Bay
Source: Whole Foods Market

Strategic Action Plan to Support Implementation

Implementing the vision for the University Place Regional Growth Center will require strategic actions that build on the guiding principles and applicable Comprehensive Plan policies. Ongoing planning in compliance with the Washington State Growth Management Act (GMA) will be an important part of serving the growth as it occurs in the subarea over the decades. With this ongoing planning, there will be opportunities to review and evaluate level of service (LOS) standards, update transportation improvement and capital facilities plans, and work with other agencies to update their plans for service to the area. Background information related to facilities and services, areas for investment, and opportunities for catalyzing redevelopment, along with various recommended strategic actions to support plan implementation are summarized in Figure 55.

Figure 55—Strategic Action Plan Summary Table

ACTIONS FOR IMPLEMENTATION WITHIN THE NEXT YEAR
Amend the University Place Comprehensive Plan Map • Revise the Comprehensive Plan to support the proposed zoning for the Subarea Plan; new land use categories may be needed to support the proposed zoning classifications and clearly delineate the three subarea plan districts, and the land use map will need to be updated to align with the proposed zoning categories of MUR-35, MUR-45, MUR-75, and EMU-75. • The Zoning title of the Municipal Code will need to be updated to include the new zoning categories and removal of existing zoning categories that are no longer necessary. Along with these updates, the City will integrate new zoning provisions and design standards to further encourage and support the desired framework of redevelopment in the subarea.
Revise the Zoning Code • Update the Zoning Code to include the new classifications, collapsing multiple existing classifications into the four proposed for the subarea; update provisions of the code to support the desired form of redevelopment/development under the new classifications. The use tables in the Zoning Code will need to be updated and realigned with the new zoning classifications. It should be noted that this work will involve some restructuring of the existing code and a considerable level of effort by City staff and the Planning Commission. • Other provisions of the zoning code may need to be updated, such as parking and front setback/build-to line requirements to support the desired urban form. Examples of other provisions to be updated include the following: o Reduce parking requirements with transit-oriented development located on transit served corridors. o Integrate requirements for transition elements (building height step downs, side setbacks) to mitigate building height and bulk adjacent to residential neighborhoods.

- Emphasize pedestrian, bicycle, and transit-oriented development and encourage connectivity, as well as safe and attractive pedestrian connections to adjacent neighborhoods, block pass through areas, public spaces/plazas, and active street frontages.
- Integrate incentives (such as height and bonus density) for projects that include additional public amenities and other desired features.
- Encourage attractive streetscapes with trees and landscaping (low maintenance, drought tolerant/low water use).
- Any other pertinent provisions that can be realistically updated within the timeframe.

Develop a Strategic Economic Development Toolbox

- Construct a strategy concerning the judicious use of economic development tools and incentives to accelerate, facilitate and leverage private and public resources to implement the redevelopment of subarea districts. The toolbox of strategies, tools, and incentives should include:
  - Both public and private roles in development
  - Potential financial and creative financing tools to incentivize private property development
  - Implementation of necessary public infrastructure for anticipated growth
  - More detailed market analysis to determine trends, competition and potential businesses that could fill market niche and community needs
  - Collaborative approach and partnerships with other public stakeholders (TCC, Fircrest, City of Tacoma, schools)
  - Creating a tool to determine comprehensive development potential as it relates to future revenues (property tax, impact fees, sales tax)

ACTIONS FOR IMPLEMENTATION WITHIN THE NEXT ONE TO THREE YEARS

Specific Master Plans and Design Guidelines for Each of the Subarea Districts

- Create a specific redevelopment master plan and design guidelines for the 27th Street Business District working with property owners and potential developers of the area.

- Create a specific redevelopment master plan and design guidelines for the Northeast Mixed Use District.

- The core area of the Town Center district is already recently redeveloped or is under construction; however, a master plan for remaining areas of the Town Center District should be prepared, along with design guidelines to support the desired urban form and character for the district.

- The master plans and accompanying design guidelines for each district should address the following:
  - Anticipated new street grids/frameworks and potential building form within the grids/framework
  - Desired street cross sections and conceptual plans for public and private roadways for the

new mixed use districts to achieve planning principles

- Possible locations and strategies for creating neighborhood parks, pocket parks, and public spaces as part of master planning for each district
- Streetscape and public space design guidelines; street tree and landscape guidelines
- Desired mixed use architectural character
- Parking layout preferences
- Pedestrian-friendly active street frontages
- Strengthening connections to/from schools, parks, and other community destinations; strategies for creating safe and attractive connections to/from surrounding residential neighborhoods; concept sketches for large block connectivity plans (such as for Narrows Plaza and other areas)
- Develop mode split goals per Vision 2040 and Regional Growth Center planning requirements and guidelines.
- Potential opportunities for bike share stations and implementing a program to promote bicycling to and from key locations, particularly in the Town Center
- Shared parking opportunities with mixed use development, which can reduce individual on-site parking quantity requirements
- Electric vehicle charging stations
- Flexibility for ground floor uses that emphasize activity at the street level and that don't always have to be retail use (exercise/yoga studios, art galleries, professional offices, etc.)
- Desired architectural character, showing examples of preferred styles, materials, colors, and design techniques
- Height and bonus density provisions and examples of how these can be achieved
- Incentives for low impact development and green building elements such as green roofs, rooftop gardens, energy and water use conservation, and other sustainable design features; the integration of these features in new development brings a market advantage due to the high desirability of homes and businesses in the region with green building elements
- A regional/subregional plan for stormwater management, which could include regional detention facilities in the district as an incentive to reduce on-site development of facilities thereby maximizing space for redevelopment; a system of latecomers' fees and grant funding could help offset the costs of capital development of regional detention facilities; note that the master plan should identify potential locations for these facilities based on soil conditions, property ownership and configuration, topography and drainage patterns and other features
- Strategies for creating and reinforcing a unique identity and brand image for each district
- Opportunities to create gateways and wayfinding within each district to build identity and character
- Market potential and differentiators for each of the districts, and include strategies for

marketing and promoting the districts for redevelopment
  - Integration of public art
  - Lighting, safety, and security standards
  - Strategies for phasing of redevelopment and supporting redevelopment with public funded infrastructure improvements
  - Specific ideas and locations of catalyst projects including public/private partnership opportunities in each district, in addition to those already implemented in the Town Center
  - Financing and funding options

- Once each master plan and set of guidelines is completed, another round of updates to the Zoning Code likely will be needed to integrate more specific new zoning provisions and design standards for each district developed through the master planning process.

Planned Action Ordinances

- Consider adopting Planned Action Ordinances, supported by State Environmental Policy Act (SEPA) compliant environmental analysis, for each district to help streamline the SEPA process and expedite redevelopment activity. Infill Development Ordinances could be considered for smaller scale site areas poised for redevelopment.

School District, Parks, Transportation, Transit, and Utility Systems Plans and Capital Improvements Planning

- Ongoing systems and facilities planning work under the responsibility of the City and other agencies and entities will need to be updated as well to support ongoing long-term implementation of the Subarea Plan, including but not limited to:
  - School District Master Plan/Facilities Planning (University Place School District)
  - Parks, Recreation, and Open Space (PROS Plan, City of University Place)
  - Stormwater Master Plan (City of University Place)
  - Water Service Planning (Tacoma Water, a Division of Tacoma Public Utilities)
  - Sewer/Wastewater Master Plan (Pierce County Public Works and Utilities under a franchise agreement with the City of University Place)
  - Transportation Master Plan (City of University Place); focus on improving active transportation in the subarea and connectivity to transit
  - Transit Service Plan (Pierce Transit; Sound Transit)
  - Solid Waste Planning (Pierce County Solid Waste Plan, City of University Place Comprehensive Planning; service providers: University Place Refuse and LeMay Enterprises dba Lakewood Refuse)
  - Power/Electricity/Energy (Tacoma Power, a Division of Tacoma Public Utilities for electricity and Puget Sound Energy for natural gas)
  - Communications (CenturyLink, Click!, Comcast, others)

• Review Code provisions to ensure transportation levels of service are met with updated planning. • Based on the outcomes of the above planning, the City's Capital Improvement Plan and Transportation Improvement Plan will need to be updated to support implementation of the Subarea Plan. Prioritize needed capital improvements to support redevelopment in the three districts in sync with master planned phasing.
ONGOING ACTIONS
• Continue to coordinate with property owners to advise them about development/redevelopment potential and process.
• Continue to coordinate with developers, and to recruit and foster a diversity of businesses and employment uses to the districts, in keeping with the desired character and identity of each.
• Apply the Zoning Code and design guidelines to development/redevelopment projects as proposed in the subarea.
• Continue to activate and enhance the Town Center with public events and activities year-round.
• Support business owners and residents in creating special events and activities in the 27th Street Business District and Northeast Mixed Use District to reinforce the emerging land uses and culture of each area.
• Continue to support redevelopment with capital budget and grant funded public works improvements (streets, pedestrian and bicycle facilities, intersections, utilities, stormwater/low impact development, parks, etc.).
• As part of capital improvement planning, pursue grant funding through the Department of Ecology for regional stormwater facilities and allocate funding as appropriate through capital budgeting; implementation of regional stormwater facilities will need to be supported by detailed feasibility analysis with geotechnical evaluation of the areas targeted for potential facilities followed by detailed design and modeling.
• As part of capital improvement planning, consider public investment needs in park space to support growth over time in the subarea and consistent with the master planning for each district; integrate this into the next update of the PROS Plan.

otak

www.otak.com

11241 Willows Road NE, Suite 200
Redmond, WA 98052

M:\ORD\2017\298-Exhibit A