



**WORKSESSION
LACEY CITY COUNCIL
THURSDAY, MARCH 19, 2015
7:00 – 9:00 P.M.
LACEY CITY HALL, 420 COLLEGE STREET SE**

AGENDA

- 7:00 UPDATE ON CDBG PROJECTS**
STEVE KIRKMAN, SENIOR MANAGEMENT ANALYST
(PRESENTATION-NO ATTACHMENT)
- 7:45 CAPITAL FACILITIES PLAN-PLANNING COMMISSION**
RECOMMENDATIONS
TOM PALMATEER, MANAGEMENT ANALYST
(ATTACHMENT)
- 8:15 6-YEAR STRATEGIC FINANCIAL PLAN DISCUSSION**
TROY WOO, FINANCE DIRECTOR
(VERBAL REPORT-NO ATTACHMENT)
- 9:00 ADJOURN**



LACEY CITY COUNCIL WORKSESSION March 19, 2015

SUBJECT: 2015 – 2034 Capital Facilities Plan

RECOMMENDATION: Review the 2015 – 2034 Capital Facilities Plan and forward to the March 26, 2015, Council Meeting for adoption with an Ordinance.

STAFF CONTACT: Scott Spence, City Manager *SS*
Scott Egger, Public Works Director *SE*
Rick Walk, Community Development Director *RW*
Tom Palmateer, Management Analyst *TP*
Ryan Andrews, Associate Planner *RA*

ORIGINATED BY: Public Works Department

ATTACHMENTS:

1. [The full text of the Capital Facilities Plan is available here](http://www.ci.lacey.wa.us/city-government/reports-plans/currently-under-review) (towards the bottom of the page):
<http://www.ci.lacey.wa.us/city-government/reports-plans/currently-under-review>
2. [Staff Report to the Planning Commission – January 6, 2015](#)
3. [Planning Commission Agenda for January 6, 2015](#)
4. [Planning Commission Minutes from January 6, 2015](#)

FISCAL NOTE: The Capital Facilities Plan details the City of Lacey’s anticipated public projects with a financial timeline. Funding for public projects are paid for, but not limited to, using current funds, grants, and debt.

PRIOR REVIEW: City of Lacey Planning Commission held a public hearing on January 6, 2015, then took action to endorse the CFP and forward to the City Council with a recommendation to approve the CFP.

BACKGROUND:

Capital Facilities Plans are considered a mandatory element of the city's overall Comprehensive Plan by the Growth Management Act as set forth in RCW 36.70A. A Capital Facility Plan element must show an inventory of existing capital facilities, their locations, and a forecast of the future needs to include locations and capacities. It must show a least a six-year plan that details how the city intends to finance the cost of the facilities consistent with the city's revenue forecast.

This new annual update, the 2015 – 2034 Capital Facilities Plan, includes an Executive Summary, an Introduction, and sections for General Government, Parks, Transportation, Wastewater, Stormwater and applicable Appendices. It updates all capital projects planned in the current 6-year window of 2015 to 2020 and future years to 2034.

The last Capital Facilities Plan was adopted in early 2014. This plan is a minor update to the version adopted in 2014 with only minor changes to project schedules and budgets. Future updates will occur annually and will be completed shortly after the development and adoption of the City's annual budget in order to make them more consistent with each other in terms of budget and project scheduling.

ADVANTAGES:

1. The update to the Capital Facilities Plan will ensure continued compliance with Growth Management Act requirements and will act as a minor update to coincide with the annual budget.

DISADVANTAGES:

1. None.

Please use the following link to open Attachment 1 to the Capital Facilities Plan Staff Report:

<http://www.ci.lacey.wa.us/city-government/reports-plans/currently-under-review>

Note: Scroll down the web page until you find "2015 - 2034 Capital Facilities Plan," and click on the pdf document "2015 - 2034 Capital Facilities Plan, City of Lacey – DRAFT."



PLANNING COMMISSION STAFF REPORT

January 6, 2015

SUBJECT: City of Lacey Capital Facilities Plan 2015 - 2034

RECOMMENDATION: Conduct a public hearing and make a formal recommendation on the proposed City of Lacey Capital Facilities Plan 2015 - 2034.

TO: Lacey Planning Commission

STAFF CONTACTS: Ryan Andrews, Planning Manager *RA*
Tom Palmateer, Management Analyst *JP*

ATTACHMENT(S): The full text of the Capital Facilities Plan is available here (towards the bottom of the page): <http://www.ci.lacey.wa.us/city-government/reports-plans/currently-under-review>

**PRIOR COUNCIL/
COMMISSION/
COMMITTEE REVIEW:** None.

BACKGROUND:

Capital Facilities Plans are considered a mandatory element of the city's Comprehensive Plan by the Growth Management Act as set forth in RCW 36.70A. A capital facility element must show an inventory of existing capital facilities, their locations, and a forecast of the future needs to include locations and capacities. It must also show at least a six-year capital improvement plan that details how the city intends to finance the cost of the facilities consistent with the city's revenue forecast.

The last Capital Facilities Plan was adopted in early 2014. This new update—the 2015 - 2034 Capital Facilities Plan is formatted the same as previous versions with an executive summary, introduction, and sections for general government, parks, transportation, wastewater, storm drainage, water and applicable appendices. This plan is a minor update to the version adopted in 2014 with only minor changes to project schedules and budgets. Future updates will occur annually and will be completed shortly after the development and adoption of the City's annual budget in order to make them more consistent with each other in terms of budget and project scheduling.

RECOMMENDATION:

The Planning Commission will conduct a public hearing to take testimony on the update to the Capital Facilities Plan, analyze the testimony, and is requested to refer the Capital Facilities Plan 2015-2034 to the City Council for adoption.

AGENDA
LACEY PLANNING COMMISSION MEETING
Tuesday, January 6, 2015 – 7:00 p.m.
Lacey City Hall Council Chambers, 420 College St. SE

Call to Order: 7:00 p.m.

- A. Roll Call
- B. Approval of Agenda & Consent Agenda Items*
Approval of the December 2 and December 16, 2014, Planning Commission Meeting Minutes

*Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

Public Comments: 7:01 p.m.

Commission Members Reports: 7:03 p.m.

Director's Report: 7:05 p.m.

Public Hearing: 7:10 p.m.

2015-2034 Capital Facilities Plan: Tom Palmateer, Management Analyst; Ryan Andrews, Planning Manager. The Planning Commission will conduct a public hearing on the proposed 2015-2034 Capital Facilities Plan. At the conclusion of the public hearing, the Planning Commission is requested to make a recommendation on the CFP to the City Council.

New Business: 7:40 p.m.

Nomination and Election of Officers for 2015. The Planning Commission will nominate and elect members to serve as chair and vice-chair for 2015.

City Manager State of the City: Scott Spence, City Manager. The City Manager will present to the Planning Commission a report on the state of the city.

Communications and Announcements: 8:55 p.m.

Next Meeting: January 20, 2015.

Adjournment: 9:00 p.m.

12/29/14

CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting
January 6, 2015**

Packets Due: January 2nd

- 1. Nomination and Election of Officers**
- 2. Public Hearing:** Capital Facilities Plan
- 3. Worksession:** City Manager State of the City

**Planning Commission Meeting
January 20, 2015**

Packets Due: January 15th

- 1. Worksession:** Sewer 101 and Septic Summit (Peter Brooks)
- 2. Worksession:** UGA Discussion in preparation for joint meeting

**Joint Meeting of North Thurston
County Planning Commissions
January 29, 2015, 6:00-9:00 p.m.**

- 1. AGENDA TBD**

**Planning Commission Meeting
February 3, 2015**

Packets due: January 29th

- 1. Worksession:** Land Use Framework

12/29/14

Planning Commission Meeting February 17, 2015 Packets due: February 12th	1. Worksession: Land Use Framework
Joint Meeting of City Council and Planning Commission February 19, 2015	1. Comprehensive Plan Amendment Docket 2. Urban Growth Area Discussion
Planning Commission Meeting March 3, 2015 Packets due: February 26th	1. Worksession: Planning Areas: Central and Hawks Prairie
Planning Commission Meeting March 17, 2015 Packets due: March 12th	1. Worksession: Planning Areas: Horizons and Lakes
Planning Commission Meeting April 7, 2015 Packets due: April 2nd	1. Worksession: Planning Areas: Meadows and Pleasant Glade

12/29/14

Planning Commission Meeting
April 21, 2015

1. Worksession: Planning Areas: Seasons and Thompson Place

Packets due: April 16th

Pending items:

- Re-engage Envision Lacey (Apr-Summer)

MINUTES

Lacey Planning Commission Meeting
Tuesday, December 2, 2014 – 7:00 p.m.
Lacey City Hall Council Chambers, 420 College Street SE

Meeting was called to order at 7:00 p.m. by Gail Madden.

Planning Commission members present: Gail Madden, Mike Beehler, Carolyn Cox, Paul Enns, Albert de Santis, and Carolyn St. Claire. Staff present: Ryan Andrews, Rick Walk, Christy Osborn, Brandon McAllister, Teri O'Neal, and Leah Bender.

Gail Madden noted a quorum present.

Paul Enns made a motion, seconded by Carolyn St. Claire, to approve the agenda for tonight's meeting. The motion carried. Carolyn Cox made a motion, seconded by Carolyn St. Claire, to approve the November 18, 2014, meeting minutes. The motion carried.

1. **Public Comments:** None.

2. **Commission Member's Report:** None.

3. **Director's Report:**

- Rick Walk noted that the HVAC system is being updated during tonight's meeting.
- Rick informed Planning Commission that the street tree ordinance will go before Council for a work session on January 15, 2015.
- Rick noted that so far we have received six applications for the vacant Planning Commission position. Interviews will be set up in January.

4. **Public Hearing:**

Wetland Buffer Rating System Revisions:

- Christy Osborn explained that Department of Ecology has updated the state wetland ratings system, which requires the City of Lacey to update the wetland chapter of the Critical Areas Ordinance and amend the Shoreline Master Program.
- Christy went over the changes and clarifications that were made.
- Christy stated that the Land Use Committee reviewed the draft and made no changes. The Committee suggested that staff contact Olympia Master Builders to allow them an opportunity to comment. Christy forwarded the draft to OMB, they had no comment.
- Christy noted that she received an email from Carolyn Cox expressing concern about the in lieu fee. Christy explained that the section only allows the City to set up an in lieu program and the establishment of any program would require a separate public process.
- Carolyn Cox thanked staff for considering her comments and for clarifying the section. She stressed the importance of getting it right and noted that other jurisdictions have not done so and had problems arise later as a result.
- Carolyn St. Claire asked about the removal of the state manual and asked if the City complies with Federal or State. Christy explained that the State manual was done away with and the amended chapter makes it clear that we comply with the Federal manual, as has been done for several years.
- No public testimony was given.
- **Mike Beehler made a motion, seconded by Carolyn Cox, to recommend the amendments to Council for adoption. All were in favor. The motion carried.**

5. **Old Business:**

Wastewater Comprehensive Plan:

- Ryan Andrews explained that a public hearing was held on November 4. The City received written comments from Bill Lynn, and Bob Patrick addressed Planning Commission, expressing the concerns of property owners in the area around 15th Avenue NE related to the extension of sewer to the area. The property owners were concerned that installing gravity sewer and lift station in the area would be cost prohibitive for future potential development. Planning Commission agreed to wait one month before making a recommendation to Council.
- Brandon McAllister gave a summary of staff analysis and noted that the Wastewater Comp Plan is intended to be a planning tool and does not attempt to address sewer system design issues on a project specific level.

- Brandon noted that property owners of some existing developments have been allowed to use STEP or grinder pump systems as part of a previous agreement with the City and because of immediate public health concerns for properties adjacent to Woodland Creek.
- Staff has determined that based on the topography and zoning for the area, the best option is a gravity/pump station sewer collection system.
- Bill Lynn addressed Planning Commission. He represents 3's Company LLC and Caliber, and he and his clients appreciate that they were given more time, and hope that Planning Commission will consider their concerns. He explained that this project would be very cost prohibitive and very detrimental to his clients. Sewer connection costs would be so high that it would tie up projects for years. Mr. Lynn noted that latecomers and LID are not good options.
- Steve Hatton addressed Planning Commission. He noted that he had a client who owned property in that area. He suggested that the Comp Plan identify STEP as the preferred sewerage method because the previous client's properties have been divided into various ownerships and makes a gravity system less financially feasible because the capital costs would be borne by individual owners rather than just one larger ownership.
- Chris Cramer with Patrick Harron addressed Planning Commission. He explained that the cost for connections per lot would be estimated at \$10,000 per lot and that it would make the cost so high that it would not be feasible to develop if the area developed out at the minimum density. He estimated that the cost of either STEP or grinder system would be estimated at about half of that cost.
- Ryan stated that even though the initial installation cost for STEP/grinder may be less expensive, the long term operations and maintenance cost would be higher and would be paid by the City through utility rates.
- Carolyn St. Claire pointed out that it is a fact of life that undeveloped areas will eventually be developed. She said Planning Commission should support the decision staff has made.
- Mike Beehler noted that the issues are beyond the scope of Planning Commission's knowledge and may not be appropriate for them to decide.
- Teri O'Neal reiterated that the Wastewater Comp Plan is a planning tool and not intended to address specific projects and the reason this is being considered is because of the comment letter we received. The Plan does not address this specific area in question nor does it address what type of system is appropriate.
- **Carolyn St. Claire made a motion, seconded by Mike Beehler, to recommend the Wastewater Comp Plan to Council. All were in favor. The motion carried.**
- Ryan pointed out that the Plan will go before Council in July along with other Comp Plan updates.

Sign Ordinance Update:

- Ryan Andrews noted that a public hearing was held on November 18. Planning Commission decided to give further consideration to the comment letter from the Wig Property Group. Ryan went through the draft ordinance and discussed changes that were made at the request of Wig Properties and Planning Commission.
 - Rick noted that it has been suggested that the City develop, in conjunction with the Lacey Chamber and local businesses, a best practices document to have available at the front counter to aid business owners by discussing the challenges regarding the permit process, signage, location, etc.
 - Carolyn St. Claire said the new ordinance is much better than the old one.
 - Gail Madden commended Ryan for all the work he's done on the ordinance.
 - Ryan noted that the Sign Ordinance Committee and the consultant did a great job.
 - **Paul Enns made a motion, seconded by Carolyn Cox, to forward the Sign Ordinance to Council. All were in favor. The motion carried.**
 - Carolyn Cox said Ryan did a great job addressing the Wig Property comments.
6. **Communications and Announcements:** Ryan informed Planning Commission that Peter Brooks will give a presentation regarding sewer and the Septic Summit in the near future.
 7. **Next meeting:** December 16, 2014.
 8. **Adjournment:** 8:50 p.m.

MINUTES

Lacey Planning Commission Meeting
Tuesday, December 16, 2014 – 7:00 p.m.
Lacey City Hall Council Chambers, 420 College Street SE

Meeting was called to order at 7:00 p.m. by Gail Madden.

Planning Commission members present: Gail Madden, Carolyn Cox, and Carolyn St. Claire. Staff present: Ryan Andrews, Christy Osborn, and Leah Bender.

Gail Madden noted there was not a quorum present.

Minutes will be approved at the next meeting.

1. **Public Comments:** None.
2. **Commission Member's Report:** None.
3. **Director's Report:**
 - Ryan Andrews noted that applicants for the vacant Planning Commission positions will be interviewed on Monday.
4. **Old Business:**
 - Land Use Element Framework:**
 - Ryan Andrews noted that Planning Commission has already reviewed chapters one and two of the Land Use Element.
 - Ryan went over chapter three and explained that staff is proposing the elimination of chapter three by reorganizing, consolidating, and incorporating it into chapter one.
 - A suggestion was made to switch the order of the first two paragraphs of chapter three, section A.
 - There was a discussion about what formats the final document will be available in. Ryan said hard copies of the plan will be available, and as a .pdf format on the website. Currently the LMC is managed by Code Publishing, and it is possible that the Comp Plan may also be managed that way in the future.
 - Ryan explained that chapter four, public participation, may be removed and added as an appendix to the document for better flow and readability. Some concerns were expressed that in doing so it would make the chapter seem less important. Staff explained that the public participation element is used by other departments and is not strictly a planning document. As an appendix, it is more readily available to the other departments, more easily updated, and incorporated into other plans.
 - Christy Osborn went over the proposed framework for the land use element. Staff proposes modifying the structure to include adding an Executive Summary; Chapter 1 Introduction; Chapter 2 Profile; incorporate Chapter 3 Growth Management Act into Chapter 1; remove Chapter 4 and include as an appendix; merge chapters 5, 6, and 7, and rearrange the content.
 - Ryan pointed out that the plan will be on the agenda for the joint Planning Commission/Council meeting.
 - There was a discussion about annexation. Ryan noted that staff has begun an annexation study of the Capital City area. The study is not yet completed, but shows very little in the way of revenue generating properties if the area is annexed into the city. Staff noted that Council is very supportive of annexations.
 - There was a discussion about the innovative techniques from Chapter 6. Ryan noted that each section will have a discussion/introduction, will identify the goals and policies, and set out strategies. Innovative techniques will be integrated into each topic.
 - It was suggested that more focus be placed on development in the UGA, and that a procedure be put in place to list areas that are more desirable to annex.
 - A suggestion was made to organize principles so that similar sections are grouped together to make the plan more cohesive and make the format more logical.
 - Ryan noted that future chapters will be brought to Planning Commission as they are completed.
5. **Communications and Announcements:** None.
6. **Next meeting:** January 6, 2015.
7. **Adjournment:** 8:05 p.m.



PLANNING COMMISSION STAFF REPORT

January 6, 2015

SUBJECT: City of Lacey Capital Facilities Plan 2015 - 2034

RECOMMENDATION: Conduct a public hearing and make a formal recommendation on the proposed City of Lacey Capital Facilities Plan 2015 - 2034.

TO: Lacey Planning Commission

STAFF CONTACTS: Ryan Andrews, Planning Manager *RA*
Tom Palmateer, Management Analyst *JP*

ATTACHMENT(S): The full text of the Capital Facilities Plan is available here (towards the bottom of the page): <http://www.ci.lacey.wa.us/city-government/reports-plans/currently-under-review>

**PRIOR COUNCIL/
COMMISSION/
COMMITTEE REVIEW:** None.

BACKGROUND:

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RECOMMENDATION:

The Planning Commission will conduct a public hearing to take testimony on the update to the Capital Facilities Plan, analyze the testimony, and is requested to refer the Capital Facilities Plan 2015-2034 to the City Council for adoption.

MINUTES

Lacey Planning Commission Meeting
Tuesday, January 6, 2015 – 7:00 p.m.
Lacey City Hall Council Chambers, 420 College Street SE

Meeting was called to order at 7:00 p.m. by Gail Madden.

Planning Commission members present: Gail Madden, Carolyn Cox, Cathy Murcia, Mike Beehler, Paul Enns, and Carolyn St. Claire. Staff present: Ryan Andrews, Rick Walk, Tom Palmateer, Brandon McAllister, and Leah Bender.

Gail Madden noted a quorum present.

Carolyn St. Claire made a motion, seconded by Paul Enns, to approve the agenda for tonight's meeting. All were in favor, the motion carried. Mike Beehler made a motion, seconded by Carolyn Cox, to approve the minutes of the December 2 and December 16, 2014, meetings. All were in favor, the motion carried.

1. **Public Comments:** None.
2. **Commission Member's Report:** None.
3. **Director's Report:** None.
4. **Public Hearing:**
 - 2015-2034 Capital Facilities Plan:**
 - Ryan Andrews gave some background information and introduced Tom Palmateer.
 - Tom Palmateer informed Planning Commission that the Capital Facilities Plan will now be updated annually.
 - Tom explained that since the last Plan update, only minor changes have been made to project schedules and budgets.
 - No public testimony was given.
 - **Carolyn Cox made a motion, seconded by Cathy Murcia, to recommend the Plan to Council for adoption. All were in favor, the motion carried.**
5. **New Business:**
 - Nomination and Election of Officers for 2015**
 - **Carolyn St. Claire nominated Gail Madden as Chair. All were in favor, the nomination carried.**
 - **Carolyn Cox nominated Mike Beehler as Vice Chair. All were in favor, the nomination carried.**
 - City Manager State of the City**
 - City Manager Scott Spence presented the State of the City to Planning Commission.
 - Scott informed Planning Commission about an upcoming Listening Session from 10 a.m. to 12 noon, January 21, 2015, at McGavich Conference Center.
 - Scott discussed the Woodland District Strategic Plan and said that he is very proud to see the results that have come from all the time and effort that has been put into creating the Plan.
 - Scott talked about the Lacey Veteran's Center which opened in October 2014.
6. **Communications and Announcements:** Staff mentioned the upcoming Joint Council worksession on January 15; the street tree ordinance and sign ordinance are on the agenda.
7. **Next meeting:** January 20, 2015.
8. **Adjournment:** 8:30 p.m.