Shaping our community together

CITY OF LACEY

LACEY CITY COUNCIL
WORKSESSION

THURSDAY, JULY 21, 2016
7:00 – 9:00P.M.
LACEY CITY HALL – 420 COLLEGE STREET SE

AGENDA

7:00 **COMPREHENSIVE PLAN UPDATE AND 2016 PRIVATE COMPREHENSIVE PLAN AMENDMENT UPDATE**
(PROJECT NO. 15-291)
RICK WALK, COMMUNITY DEVELOPMENT DIRECTOR
(STAFF REPORTS ATTACHED)

8:00 COLLEGE STREET CORRIDOR – OFF SITE VISIT
MOUNTAIN VIEW ELEMENTARY, 1900 COLLEGE ST. SE, LACEY, WA
SCOTT EGGER, PUBLIC WORKS DIRECTOR
(ATTACHMENT)

9:00 **ADJOURN**

LACEY CITY COUNCIL WORKSESSION
July 21, 2016

SUBJECT: **2016 Comprehensive Plan Update**

RECOMMENDATION: **Council briefing on the Planning Commission recommendation for adoption of the 2016 Comprehensive Plan. The City Council is scheduled to take action the on the Planning Commission recommendation to adopt the 2016 Comprehensive Plan at the August 11th City Council meeting.**

STAFF CONTACT: Scott Spence, City Manager
Rick Walk, Community Development Director
Ryan Andrews, Planning Manager
George Smith, Economic Development Coordinator GES
Christy Osborn, Associate Planner

ORIGINATED BY: Community Development Department

ATTACHMENTS:

1. Draft 2016 Comprehensive Plan, including:
   a. Land Use Element
   b. Environmental Element
   c. Economic Development Element
   d. Housing Element
   e. Utilities Element

2. Draft Development Code Amendments

FISCAL NOTE: None.

PRIOR REVIEW: The proposed changes to the Comprehensive Plan began in early 2013 and have been reviewed by the City Council at several points throughout the process.

BACKGROUND:

RCW 36.70A, the Growth Management Act (GMA) requires all cities and counties in the state to conduct a mandatory review and update of their comprehensive plan and

development regulations at least once every eight years. This review is intended to address relevant changes in the GMA and respond to changes in land use and population growth. Lacey is required to update its Comprehensive Plan by June 30, 2016. The Comprehensive Plan includes not only the Lacey city limits, but also the unincorporated portions of the Lacey Urban Growth Area (UGA).

The overall challenge for the community is to implement specific land use strategies to accommodate over 30,000 more people, 13,700 more jobs, and 12,500 new residential units within Lacey and the unincorporated Urban Growth Area in the next twenty years while maintaining our quality of life.

Outreach

Starting in 2013, the City began the process of drafting an update to the Comprehensive Plan to comply with the 2016 statutory deadline. The initial review process by the Lacey Planning Commission involved community outreach conducted under the **Envision Lacey** public participation plan and review of the land use element. The outreach included informational booths and open houses in late 2013 and early 2014, including:

- Military Family Day, September 7, 2013 at Cabela's
- Lacey Community Market, September 14, 2013 at Huntamer Park
- Children's Day, October 5, 2013 at Huntamer Park
- Open house held at Lacey City Hall on October 15, 2013
- Open house held at Lacey Elementary on February 11, 2014

After this initial review, the process was restructured to take a more holistic look at the Plan and include draft changes to the environmental element, utilities element, economic development element, and housing element. This process included reorganizing the Plan to improve clarity, readability, and structure by including core topics and issues; and implementation measures to help define and implement the vision for the next twenty years.

With the release of a revised draft document, phase II of **Envision Lacey** began in the summer of 2015 with public outreach efforts conducted at various community events, including:

- HOA Academy, June 13, 2015 at Lacey Community Center
- South Sound BBQ Fest, July 11, 2015 at Huntamer Park
- Council on the Road, July 16, 2015 at Mountain View Elementary
- Cops, Cars, and Kids, August 1, 2015 at Lacey City Hall
- Children's Entertainment Series, August 4, 2015 at Huntamer Park
- Summers End Car Show, September 19, 2015 at Huntamer Park

Public outreach efforts were also conducted with presentations to various community organizations such as the Kiwanis, Rotary, Lions, the Panorama community, the Jubilee community, Lacey South Sound Chamber, and the Olympia Master Builders. These

presentations coincided with meetings where the Lacey Planning Commission went “on the road” to hold meetings in specific planning areas including two meetings within the unincorporated UGA at Evergreen Forest and Olympic View Elementary schools and one meeting in the Lacey city limits at Horizons Elementary. At these meetings, the Lacey Planning Commission received valuable input and feedback from residents especially concerned with the fast pace of residential growth, job creation, questions about entitled development projects, and transportation concerns.

The draft Plan has now been finalized, the Lacey Planning Commission has held a public hearing, and the plan is ready for adoption by the Lacey City Council later this summer. The completion of the Plan also included the preparation of a draft and final Environmental Impact Statement (EIS) under the provisions of the State Environmental Policy Act. As this is a joint plan, review and adoption is also required by Thurston County for implementation within the unincorporated portions of the Urban Growth Area.

Land Use Element

The Land Use Element addresses the general pattern of land use within the City and provides a framework to guide the City’s overall growth and development. It ensures that an appropriate mix of land uses are available to provide services to the community, provide an array of housing choices and areas to live, protect environmentally sensitive areas, and support the City’s economic goals. The Land Use Element plays a central role in guiding urban land use patterns and decisions for the City. In keeping with various state laws, the City shapes land use patterns primarily by regulatory means, such as zoning, design standards, and critical areas ordinances. The Land Use Element contains goals, policies, and implementation measures to serve the community and works to fulfill the overall vision of improving the quality of life for all residents.

In the twenty years since the first Land Use Element was established under the Growth Management Act, population growth and land use patterns have developed as envisioned by the 1994 Plan. However, several key issues have arisen based on the past 20 years that will need to be considered as we update the Land Use Element. Specifically, in the city limits, the available primary form of residential development will need to be multi-family. Through the end of the first decade of the 2000’s, Lacey received minimal applications for multifamily development. This means that most of the residential development has been single family residential on individual lots. At the current rate of construction, development of all of the single family residential lots will be completed within the next planning horizon.

The analysis of commercial and industrial lands is important to support employment opportunities for the community. An adequate land supply is one of the core components of commercial and industrial development. Employment and land demand projections predict that 13,700 new jobs will be added to the City’s economy by 2035. Projections for land demand indicated that the greatest land use demands for employment will be for retail establishments, personal service providers and other like establishments that need ground-floor commercial space, followed by office and business park space, and warehouse and

industrial flex space. Industrial space is needed for the wholesale trade sector which captures nearly thirty percent of Thurston County's jobs.

The primary policy issues addressed through the update of the Land Use element are reflected in implementation strategies that consider this shift in residential growth and the increasing need for jobs and services, including:

- Amend density and permitted height standards in the Moderate Density and High Density Residential Districts to identify minimum density standards and distinguish development densities between the zones.
- Review development standards for infill development to ensure compatibility between existing and new development.
- Review existing development standards, policies, and uses to address changing demographic and economic needs, including the Business Park District.
- Develop standards and programs complementary to economic development strategies identified in the Economic Development Element.
- Complete the Depot District subarea plan.
- Complete the Golf Club Road subarea plan as Lacey's first neighborhood plan.
- Continue to support the implementation measures identified in existing subarea plans.

The primary issue that the Lacey Urban Growth Area has experienced and will continue to experience a high amount of residential growth. As forecasted, approximately 20,000 new residents will locate in the unincorporated portions of the Urban Growth Area within the next 20 years because of the available vacant land resources. That means the population of the unincorporated UGA is anticipated to exceed the population within the Lacey city limits by the year 2035.

In anticipation of the expected growth in the UGA, the Lacey Planning Commission identified the following key policy issues that will need to be considered as part of this Comprehensive Plan update process:

- Require sewer to all new development to increase density, protect groundwater resources, and ensure land supply is developed to high standards while also requiring those systems that have experienced failure to connect to City sewer.
- Ensure a mixture of housing types for moderate high density, and infill areas.
- Ensure that transportation infrastructure adequately serves existing residents and are improved when necessary to keep pace with growth projections; and provide for a full range of transportation options.
- Ensure that the Martin Way corridor is developed as a vibrant, mixed-use, dense urban center through future sub-area planning efforts and examination of the Mixed Use High Density Corridor zone.
- Explore creating "urban holding areas" within the Pleasant Glade Planning Area and the McAllister Geologically Sensitive Area, which would not be developed until such time that sewer service is available. If development is not likely during the next 20

years, consider removing the property from the urban growth area in conjunction with a public outreach campaign to property owners in these areas.

- Examine "Agriculture" zones within the Urban Growth Area and determine if more appropriate zoning should be put in place for these zones.

Implementation Strategies

The primary focus of the updated Comprehensive Plan is the addition of specific implementation strategies. These strategies identify the specific work program items to implement the Comprehensive Plan and the community vision. Several key implementation measures are being considered for adoption concurrently with the Plan including amendments to current zoning standards.

MD and HD Building Height

In 2008, as part of the residential design review process, the building heights in the Moderate and High Density residential zones were significantly reduced. The primary reason to reduce the height in 2008 was associated with compatibility between existing single-family residential neighborhoods and taller buildings and the premise that a developer could achieve high densities with a 35-foot maximum height through good design. This was also at a time that the primary focus of the City's design review was put on single-family residential and not on multi-family development. However, rather than addressing compatibility issues, the current height standards have limited the types of multi-family development in these zones to garden style apartments. With the current policies reflected in the draft 2016 Comprehensive Plan and the current multi-family market, City policies encourage as many forms of multi-family development as possible. Amending the height requirement will eliminate a barrier in doing so.

Staff has prepared draft regulations (see attached) which would revert the height regulations back to the pre-2008 standards of 40' for Moderate Density and 80' for High Density which would ultimately bring City regulations in line with Comprehensive Plan goals and policies.

Also identified in the draft 2016 Comprehensive Plan is an action item to repeal the standards of LMC 16.20 related to Transition Areas for Multi-Family Development. These standards require large buffers between multi-family projects and existing single-family residential development. These outdated standards are problematic when trying to encourage multi-family development, because it causes large portions of the multi-family property to be subject to dedication for buffers and limits development densities. The transition area compatibility requirements have now been integrated directly into the height standards in the High Density Residential zone (proposed LMC 16.18.040.C.4) that clearly address compatibility through building and site design requirements when taller buildings are proposed in areas with existing single-family residences without the need for large buffers.

Density of Moderate and High Density Zones

With the City's strong single-family residential market over the last 20 years, most of the Moderate (6 to 12 units per acre) and High Density (6 to 20 units per acre) residential areas have been constructed for single-family residential purposes at a density of 6 units per acre. With policies in the 2016 Comprehensive Plan that call for increased densities and the additional variety in housing types, a priority implementation strategy is to increase these densities.

Increasing densities in our land available for development has many benefits including more efficient provision of utilities, services, and infrastructure while supporting multi-modal transportation and preservation of available land resources. In analysis completed for the first draft of the 2016 Comprehensive Plan, staff completed a study related to the various density ranges in the City and Urban Growth Area from a range of 4 units per acre that would accommodate 10,000 people to 16 units per acre which would accommodate almost 50,000 in the next 20 years.

Having available land resources ensures that we are able to accommodate for growth beyond the 20 year planning horizon. The draft regulations propose increasing the Moderate Density Residential zone to 8 to 16 units per acre and the High Density Residential zone to 12 units or more per acre. The goal with the proposed density is to achieve an approximate average of 16 units per acre in these zones.

Community Office Zone

The 2016 Comprehensive Plan identifies an update to the Business Park zone to help further the City's vision and economic development policies. The following is from Chapter 3 of the Land Use Element, which states:

"Commercial development in Lacey has continued at a steady pace but economic development policies and activities need to continue to evolve to ensure that Lacey remains competitive in the marketplace and to expand job opportunities for Lacey residents to live and work in the community. The current development standards contained in the Business Park District are an example of requirements that need to be reviewed and updated. The current business park standards provide for a 1980's style suburban development pattern. Business park development no longer utilizes this style of design and instead is defined by allowances for a mix of uses and flexible space allowances."

Prior to starting on the draft amendments, staff met with Business Park property owners and brokers to discuss their needs in the existing zone. Most had concerns over the inflexibility of the uses allowed in the zone and the additional landscaping and buffering requirements. They also stressed that the office market in Lacey remains soft with an abundance of available space, and that the focus should be on a broad variety of uses within the zone rather than just office space.

The existing Business Park zones are located in Lacey Corporate Center near the intersection of Yelm Highway SE and College Street SE, at the intersection of 31st Avenue

NE and Willamette Drive NE, and at the intersection of Britton Parkway NE and Gateway Boulevard NE. All three of these areas have distinct challenges and needs which can generally be addressed by adding to the flexibility of permitted uses. Over the past several years, much of the Business Park zone in Meridian Campus within northeast Lacey has been re-designated because of the lack of flexibility in the zone and the over-abundance of office space elsewhere in Lacey.

Staff has drafted zoning standards to better reflect the needs of the City's land use and economic development policies while also meeting the needs of property owners. To reflect the proposed changes to the draft standards, the "Business Park" designation has been changed to "Community Office". The following represents the major changes between the existing Business Park zone and the proposed standards in the new "Community Office" zone:

- Revise the intent section to better reflect the revised vision for the zone.
- Increase the flexibility in the uses for the zone, including:
  - Removing and replacing the primary and secondary use allowances with one category (permitted uses).
  - Allow professional services as a permitted use.
  - Allow indoor commercial recreation provided that larger users would be subject to Conditional Use Permit requirements.
  - Allow retail uses only on the ground floor of multi-story buildings.
  - Recognize the benefits of assisted living facilities in this zone by allowing them as permitted uses.
  - Allow multi-family residential subject to the same requirements as Chapter 16.18 High Density Residential.
- Revise the site requirements (lot size, setbacks, etc.) to be consistent with other commercial zones.
- Amend the transitional buffer standards consistent with the standards in the Light Industrial zoning district to require buffering where building bay doors and/or parking areas are adjacent to residential zones.
- Revise parking and landscaping requirements to be consistent with other zones rather than specific to the Business Park chapter.

Within Lacey, there is also a similar "Office Commercial" zone located at the intersection of Judd Street SE and Ruddell Road SE. Because of the similarity between the proposed Community Office zone and Office Commercial, staff is recommending that the proposed Community Office replace both the Business Park and Office Commercial zones.

Environmental Element

Lacey has been a leader in supporting efforts to protect and improve the environment while balancing the numerous goals and policies adopted by the City to help achieve its vision for the future. Environmental stewardship is an integrated part of the City's philosophy. Through policy, incentives, and regulations, Lacey seeks to maintain a healthy, sustainable urban environment, one that meets the needs of today without conceding the needs of

future generations. Over time, the City's environmental strategy is anticipated to produce incremental and cumulative improvements to the functions and values of critical areas and promote sustainable ecosystems within the context of urban development constraints. Lacey weighs the relationships of the various elements of the urban environment in its decision making process.

The Environmental Protection and Resource Conservation Element provides the policy framework that guides implementation measures for protecting and improving Lacey's natural environment. The topics discussed in this element include: Natural Resources Conservation, Critical Areas, Habitat Conservation Areas, Shoreline Master Program, and Environmental Policy.

Included in the Environmental Element is adoption of the *Carbon Reduction and Resiliency Plan* (CR_2 Plan). The Plan provides a road map for Lacey's energy policy and is a progressive program that will be applied in work towards sustainability. The plan sets benchmarks for carbon reduction and looks at sustainability issues. In 2008, the City of Lacey joined Local Governments for Sustainability to reduce greenhouse gas (carbon) emissions and work toward sustainable practices and policies. Lacey began implementing measures to protect air quality and the environment in 2009 based on the plan. As part of the Envision Lacey process, the community selected and prioritized future measures to meet carbon dioxide reduction targets.

The Lacey Planning Commission identified the following key policy issues that will need to be considered as part of the update of the Environmental Element:

- Amend the development code to require a two-hundred foot buffer on all properties abutting Woodland Creek.
- Begin implementation of Phase II of the *Carbon Reduction and Resiliency Plan.*
- Add review criteria to Chapter 16.45, Mineral Extraction District to require an analysis of designating new mineral resource lands in the UGA to determine if significant cost savings can be obtained from using minerals close to their source; the potential for reusing the mined land for other purposes once mining is complete; potential conflicts and impacts to adjacent urbanized areas; and impacts to designated critical areas.
- Re-examine designated agricultural lands for compatibility and intensity of nearby land uses, land values, and availability of public facilities to determine if more appropriate zoning should be put in place.

Economic Development Element

The Economic Development Element is focused on ensuring community prosperity and a healthy economy: an economy that is characterized by quality job creation and retention, and the resources to provide adequate services within the Lacey city limits. This is the first update to the Economic Development Element since the original Element was adopted in 1994.

The Element sets forth goals and policies to build on the community's strengths and opportunities, while mitigating its weaknesses, and potential threats. The goals focus on business retention and expansion: encouraging entrepreneurs to start businesses in Lacey, existing businesses to stay and grow, as well as targeted attraction of new businesses to Lacey. The Element's policies, as well as the implementation measures in the Economic Development Strategy, lay out plans to ensure that Lacey continues to foster an environment where businesses can thrive; where services are ready when needed; and where processes are clear, predictable, fast, and efficient.

Beginning with the state of Lacey's economy, analyzed in 2015 with the *Lacey Community Market Study*, the Element helps to shape the City's economy over the next 20 years. Relating to other elements of the Comprehensive Plan, the Economic Development Element impacts the extent of land development; the composition of land uses; helps to determine utility needs; and influences the City's ability to generate sufficient revenues to provide essential public services and the amenities that citizens need, want, and expect.

Unlike other elements of the Comprehensive Plan, the Economic Development Element does not identify specific implementation strategies. These strategies, however, are articulated through the Economic Development Strategy and further refined in the Economic Development Work Program, and include the following implementation measures:

- Ensuring Lacey's development process remains clear, predictable, timely, and efficient by looking at ordinances, rules, permitting processes, and policies from the perspective of its business customers to avoid creating unnecessary obstacles.
- Ensure that Lacey has an adequate supply of developable, appropriately-zoned land available to meet the various uses needed by Lacey businesses now and in the future.
- Ensure that Lacey has an appropriate level of professional, customer-service oriented, trained, and empowered employees to meet the needs of its customers.
- Concentrate economic development resources on business retention and expansion, and fostering an environment where local businesses and entrepreneurs can thrive.
- Utilize all available economic development tools and resources to encourage new business formation, existing businesses to stay and expand, and out-of-area businesses to locate in Lacey.

Housing Element

Housing conditions have a direct impact on Lacey's quality of life. Residents place a high value on having a safe and comfortable place to live in a home that is affordable and is located in an area that is attractive and conveniently located. Through the **Envision Lacey** process, citizens responded that vibrant neighborhoods that ensure a full range of affordable housing options are important to them. Residents also indicated that new and existing residential neighborhoods should provide a high-quality appearance and function that provide for the day-to-day needs of residents.

Economic forecasts for the planning period indicate an increase of 60,000 jobs in Thurston County with 13,700 jobs in Lacey alone. Job growth will add to the need of accommodating 27,490 additional people within our Urban Growth Area (UGA). The increased number of jobs will add workers, and their families, that need housing. It is projected that a total of 12,220 new homes will be needed in the UGA during the next twenty years. With the continued cost of housing increasing in the Central Puget Sound region, the number of people relocating to our area, and commuting to jobs, is also expected to increase.

While single-family neighborhoods have remained a staple in Lacey, the number and variety of multifamily housing choices have slowly increased in the last several years, including in mixed-use developments. The Comprehensive Plan calls for distribution of a range of housing types to provide for the housing needs of Lacey's full demographic profile. The Plan also proposes the use of compact mixed-use housing forms to provide conservation of buildable land resources and opportunity for a range of housing styles and choices.

It is anticipated that Lacey will continue to transition from a suburban community to a more urban community with a strong employment base. Through careful planning and community involvement, changes and advances in housing styles and development can be embraced by the community. Residents will be able to enjoy an increased connection to their neighborhood and to the community as a whole.

The Housing Element is organized into sections providing a planning context for housing policies, legislative directives, regional cooperation and planning, and community values. The Element also contains a profile of Lacey's existing and projected housing needs, and identifies general and affordable housing issues. The Housing Element is a joint planning document between the City of Lacey and Thurston County. This Element applies to all areas incorporated or unincorporated within Lacey's designated UGA.

Implementation strategies are actions that the City may pursue to further the goals and policies of the Housing Element. These measures are intended to provide guidance for future planning activities.

The Lacey Planning Commission identified the following key policy issues that will need to be considered as part of the update of the Housing Element:

- Participate in ongoing regional efforts to plan for adequate affordable housing for very low, low, moderate, and middle income households consistent with the Countywide Planning Policies.
- Include provisions for reasonable accommodations in planning and building standards that comply with the Fair Housing Act and the Washington Housing Policy Act.
- Include zoning mechanisms and development standards that can increase density in appropriate areas. These mechanisms may include infill development, including reevaluating infill standards for lots in developed neighborhoods; minimum densities

for selected residential zones; zero lot line development; and density bonuses for multifamily and mixed-use developments.

- Consider including incentives for the multifamily tax exemption in other areas of the City, including urban corridor areas, areas served by transit, and designated infill areas.
- Review and update the development standards to include strategies and provisions that encourage affordable housing and provide housing for special needs populations, such as mixed-use development, congregate care facilities, retirement homes, accessory dwelling units, and inclusionary zoning.
- Review the land use permitting process to ensure continued efficiencies in an attempt to not significantly add to development costs.

Utilities Element

The Utilities Element of the Comprehensive Plan is intended to primarily focus on providing information on non-municipal utilities that are supplied by the private sector including electrical, natural gas, cable, and telecommunication services. Utilities provided by the City include drinking water, wastewater, and stormwater. Many of the Lacey's utility programs have adopted their own plans to guide the administration and design of services. This element provides a basic summary of the utility programs which are fully contained in the City's Water System Comprehensive Plan, Wastewater Comprehensive Plan, and Stormwater Comprehensive Plan. The entirety of the Water System Comprehensive Plan, Wastewater Comprehensive Plan, and the Stormwater Comprehensive Plan are added by reference to this element. Provisions for future capital improvements are also included in the Capital Facilities Element of the Plan.

The City's ability to provide long term economic and environmental sustainability depends, in large part, on ensuring adequate utility services and supply. Lacey residents value the protection of City water supplies, lakes, and the Puget Sound. Approaches such as encouraging existing septic systems to connect to City sewer services assist in providing these protections.

The Lacey Planning Commission identified the following key policy issues that will need to be considered as part of the update of the Utilities Element:

- Advance the preparation and implementation of the Comprehensive Reclaimed Water Plan to secure additional water rights for the City.
- Review and update design standards for wireless communication facilities.
- Maintain and update the six-year Capital Facilities Plan on an annual basis to coordinate and schedule utility capital improvements.
- Establish an ongoing retrofit program for aging City stormwater facilities.

Planning Commission Recommendation

The Planning Commission took testimony on the 2016 Update to the Comprehensive Plan in a public hearing held on June 21st. One citizen testified at the hearing and had general

questions about the location of the site-specific rezone and the status of development of the Cuoio Park. At the conclusion of the hearing, the Planning Commission moved unanimously to refer the Plan to the City Council for adoption. The Planning Commission's recommendation was based on the following findings of fact and conclusions of law:

Findings of Fact

General Requirements:

1. The City of Lacey is required to plan under Chapter 36.70A RCW, the Growth Management Act, which contains goals that are intended to guide the development and adoption of county wide planning policies, development regulations and comprehensive plans, which relate to urban growth, rural development, reduce sprawl, transportation, housing, economic development, property rights, permits, natural resource industries, open space and recreation, environment, citizen participation and coordination, public facilities and services, historic preservation, and shoreline management.

2. The City of Lacey is required to review, and revise if necessary, the comprehensive plan and development regulations every eight years as required by 36.70A.130 RCW, the Growth Management Act.

3. The *City of Lacey and the Lacey Urban Area Comprehensive Plan 2016-2035* is a joint land use plan with Thurston County which applies within the city limits and also guides land use in the unincorporated urban growth area (UGA) between the city limits and the boundary of the UGA. This coordination is reflected in the Thurston County County-wide Planning Policies that were updated on November 10, 2015.

4. The Washington State Department of Commerce has developed advisory guidelines on the process and content for required updates to comprehensive plans.

5. 36.70A.215 RCW requires the update of the Buildable Lands Program for Thurston County and cities within it, including the City of Lacey.

6. The update to the Comprehensive Plan utilized data, goals and policies included within regional planning documents and programs including *Creating Places - Preserving Spaces: A Sustainable Development Plan for the Thurston Region, 2013; the Buildable Lands Report 2014, For Thurston County*; and the recommendations of the Urban Corridor Task Force.

Public Participation

7. The City of Lacey established a public participation program in accordance with RCW 36.70A.130(2) that identified procedures and schedules for reviewing and, if needed, revising the comprehensive plan and development regulations.

8. To attract the greatest number and most diverse stakeholders to participate in the comprehensive planning process, the “Envision Lacey” public participation program included: a public information booth at nine different Lacey community events, two community open houses, presentations to more than a dozen community and civic organizations, three Lacey Planning Commission “on-the-road” meetings held in Lacey and the Lacey Urban Growth Area, an informational booth at a Lacey City Council Meeting, six joint Planning Commission/City Council worksessions, presentation to the Thurston County Planning Commission, and more than 20 worksessions with the Lacey Planning Commission.

9. Notice of all amendments to the comprehensive plan and development regulations adopted to fulfill the requirements of RCW 36.70A.130 were sent to the Washington State Department of Commerce at least sixty days before the amendments were adopted, in accordance with RCW 36.70A.106. Their recommendations have been incorporated into this document.

<u>SEPA</u>

10. In accordance with the State Environmental Policy Act (RCW 43.21C) and the Washington Administrative Code (WAC 197-11), the City of Lacey Community Development Department issued a Notice of Scoping and Determination of Significance for a Draft Environmental Impact Statement for the *City of Lacey and Lacey Urban Growth Area Comprehensive Plan 2016-2035*.

11. In accordance with the State Environmental Policy Act (RCW 43.21C) and the Washington Administrative Code (WAC 187-11), the City of Lacey Community Development Department prepared a Draft Environmental Impact Statement (DEIS) and distributed it for a thirty (30) day comment period beginning on April 29, 2016 No comments were received on the Draft Environmental Impact Statement. A Final Environmental Impact Statement

12. In accordance with the State Environmental Policy Act (SEPA) (RCW 43.21C) and the Washington Administrative Code (WAC 197-11) a Final Environmental Impact Statement was issued by the City of Lacey Community Development Department on June 20, 2016.

<u>Land Use Element</u>

13. In addition to considering public input received, the review and development of the land use element included revisiting goals and policies established in the 2003 plan, examining current land use trends, market pressures, demographic data supplied by the Thurston Regional Planning Council (TRPC), and a market analysis conducted by the City.

14. The update to the Comprehensive Plan has been constructed based on framework land use policies identified in the plan and contains goals, policies, and implementation measures to accomplish these actions during the planning period.

15. The Land Use Element recognizes Lacey's continuing transition from a suburban community with limited remaining greenfield development opportunities to a more urban community with more dense development patterns.

16. The update to the Comprehensive Plan is based on growth figures and estimates prepared by the TRPC which estimates the need to accommodate 27,490 additional people within Lacey and the Urban Growth Area within the next twenty years.

17. The Lacey Urban Growth Area contains the highest percentage of septic systems of any UGA in north Thurston County.

Environmental Protection and Resource Conservation Element

18. The Environmental Protection and Resource Conservation Element provides policy framework and implementation measures for protecting and improving Lacey's natural environment; including natural resources conservation, critical areas, habitat conservation areas, shoreline master program, and environmental policy.

19. The Environmental Element includes the adoption of the *Carbon Reduction and Resiliency Plan* (CR_2 Plan) that sets benchmarks for carbon reduction and looks at sustainability issues.

20. Measures have been included in the Comprehensive Plan to address the proliferation of septic systems in the Lacey Urban Growth Boundary and ensure eventual connection to sewer.

21. Key policy issues have been identified in the Environmental Element including buffers on all properties abutting Woodland Creek, implementation of phase II of the *Carbon Reduction and Resiliency Plan*, review of the Mineral Extraction District criteria, and re-examination of designated agricultural lands.

Economic Development Element

22. Economic forecasts, as documented in the *Lacey Community Market Study*, indicate an increase of 13,700 jobs in Lacey in the upcoming twenty year planning period.

23. As part of both the Land Use Element and the Economic Development Element, it is recognized that Lacey will need to have an adequate supply of developable, appropriately-zoned land available to meet the various uses needed by Lacey businesses now and in the future.

24. The Lacey Community Market Study identified economic development opportunities and leakages so Lacey can remain competitive in business recruitment and retention.

25. The economic development element was based on an extensive public engagement process; information developed from the 2015 Market Study; the analysis of Lacey's strengths, weaknesses, opportunities, and threats; best practices nationwide; with input from the Planning Commission and Council.

Housing Element

26. The update to the Comprehensive Plan is based on growth figures and estimates prepared by the TRPC which estimates the need to accommodate 12,220 additional dwelling units within Lacey and the Urban Growth Area within the next twenty years.

27. The Plan provides a planning context for housing policies, legislative directives, regional cooperation and planning, and community values; as well as existing and projected housing needs, and identification of affordable housing issues.

28. The update to the Comprehensive Plan calls for the increase and variety of multi-family housing types, including mixed-use developments, to provide for the housing needs of Lacey's full demographic profile.

Utilities Element

29. The Utilities Element primarily focuses on non-municipal utilities that are supplied by the private sector including electrical, natural gas, cable, and telecommunication services.

30. Utility services provided by the City including drinking water, wastewater, and stormwater have adopted their own comprehensive plans to guide the administration and design of services. These plans and the Capital Facilities Element of the Plan are recognized as elements of the Plan and have been adopted as such.

31. The Utilities Element identified key policy issues regarding utilities including the preparation and implementation of a Comprehensive Reclaimed Water Plan, review and update of design standards for wireless communication facilities, annual maintenance and updating of the six-year Capital Facilities Plan, and ongoing retrofitting for aging City stormwater facilities.

Conclusions of Law

1. The Update is in compliance with the requirements and goals contained in the Growth Management Act RCW 36.70A and the State Environmental Policy Act RCW 43.21C.

2. The City of Lacey has followed its adopted public participation program through the "Envision Lacey" public participation process.

3. The proposed update to the Comprehensive Plan is coordinated and consistent with the adopted *Thurston County County-Wide Planning Policies* as adopted on November 10, 2015.

4. The update to the Comprehensive Plan is consistent with regional planning documents and programs including *Creating Places - Preserving Spaces: A Sustainable Development Plan for the Thurston Region, 2013; the Buildable Lands Report 2014, For Thurston County*; and the recommendations of the Urban Corridor Task Force.

5. To comply with the Growth Management Act, RCW 36.70A, the Comprehensive Plan Update will re-adopt the City of Lacey 2030 Transportation Plan.

6. The primary issues identified in the Land Use Element are reflected in implementation strategies that consider the shift of residential growth and increasing needs for jobs and services.

7. The transition from a suburban land use pattern to a more urban land use pattern will result in a more sustainable community. The Comprehensive Plan stresses the importance of City support of more intensive urban development to support projected housing, commercial, and service needs of the community.

8. The economic element is focused on ensuring community prosperity and a healthy economy characterized by quality job creation and retention; resources to provide adequate services; an adequate supply of commercial and industrial sites, utilities, infrastructure, jobs, and services to meet the needs of the community.

9. As the last of the large greenfields in Lacey will likely be developed in the next 20 year planning period, that commercial and industrial development can sometimes be slow, and that occasionally overheated housing markets can create pressure to rezone large parcels from commercial/industrial to residential, both the land use and economic elements include policies that will ensure that any downzoning to residential must be matched with an equal amount of upzoning to commercial/industrial to provide long term economic opportunities.

10. The Environmental Protection and Resource Conservation Element provides policy framework and implementation measures will protect and improve Lacey's natural environment; including natural resources conservation, critical areas, habitat conservation areas, shoreline master program, and environmental policy.

11. The Housing Element provides policy direction to ensure adequate provisions for projected housing needs for all economic segments in the community.

12. The Utilities Element in conjunction with the Water System Comprehensive Plan, Wastewater Comprehensive Plan, and Stormwater Comprehensive Plan provides policy direction to ensure adequate utility services and supply to provide long term economic and environmental sustainability.

13. The Comprehensive Plan articulates the community vision that accommodates projected growth while also promoting and enhancing the quality of life.

14. The advisory guidelines prepared by the Washington State Department of Commerce for comprehensive plans have been considered in the development of the update to the Comprehensive Plan.

15. All elements of the Comprehensive Plan are coordinated, balanced, consistent, and meet the goals set out under the Growth Management Act, RCW 36.70A.

16. Based on its review of the requirements of RCW 36.70A, the analysis and proposed revisions prepared by staff, and the public comments received, the Planning Commission recommends adoption of the proposed implementation strategies and the amendments to the City of Lacey's development code related to Lacey Municipal Code Title 16 for the Moderate and High Density Zoning Districts, Transition Areas For Multi-Family Development, Business Park District, and the Office Commercial District to more closely align with the community vision.

CITY OF LACEY & LACEY URBAN GROWTH AREA LAND USE ELEMENT

OF THE COMPREHENSIVE PLAN

2016

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EXECUTIVE SUMMARY

CITY OF LACEY & LACEY URBAN GROWTH AREA COMPREHENSIVE PLAN 2016-2035

Located at the southern tip of the Puget Sound, Lacey has grown from rural beginnings into a dynamic community with an eye towards the future. The area now known as Lacey was first settled in 1848. For many years, farming and logging activities dominated the landscape and by 1891 a horse race track, railroad line, station and hotel were constructed. Soon after, in 1903, the Lacey Post Office was established, signifying Lacey's identity.

Slow and steady growth occurred in the Lacey area during the early part of the twentieth century, based primarily on the logging and agriculture industries. The Lacey area experienced a housing boom after World War II due to the community's proximity to Fort Lewis and Olympia, the state's capital. These pressures of growth spurred the incorporation of the City of Lacey in 1966.

The 1970 population of the newly founded City of Lacey was 9,696. In the decades to follow, Lacey continued to experience steady growth and, by the 2010 Census, Lacey had 42,393 residents. Lacey's population has more than quadrupled in the 50 years since incorporation. 2015 estimates show Lacey with 46,020 people and its Urban Growth Area with another 34,210.

WHAT IS THE COMPREHENSIVE PLAN?

The intent of the Comprehensive Plan is to present a clear vision for Lacey's future over the next twenty-year period. A vision that can be easily understood, implemented, and evaluated. The Lacey Comprehensive Plan is actually comprised of a series of documents or elements that, as a whole, provide a consistent policy direction relating to growth and development, transportation, housing, parks, open space, environmentally sensitive areas, public services and other issues. The Comprehensive Plan provides the foundation for adoption of regulations, programs and services designed to implement the plan.

LACEY'S LAND USE ELEMENT

This Land Use Element is the first major update since 2003 and the second major update to the Comprehensive Plan under the State of Washington's Growth Management Act of 1990 (GMA). The Comprehensive Plan is required to be updated every eight years by the GMA. This was accomplished in 2016 and was an opportunity for the City to review the policies and land use decisions established in the 2003 plan against the growth experience of the last 25 years since adoption of GMA. The 2016 update contains the goals and policies to guide how the City will accommodate forecasted growth of the coming twenty years, while maintaining Lacey's vision.

The Lacey Planning Area, which is the area influenced by the City of Lacey & Lacey Urban Growth Area Comprehensive Plan (Land Use Element) consists of approximately 21,295 acres. This area is comprised of the City of Lacey and a portion of unincorporated Thurston County located within the Lacey Urban Growth Area.

Because the Lacey Planning Area encompasses two jurisdictions, this Land Use Element has been developed and adopted jointly with Thurston County.

One of the fundamental tenets of the GMA is that urban services will be provided by municipalities. It follows that GMA presumes that ultimately the entire growth area will be part of the City. Therefore, having consistent development standards is very important. The close partnership between the City and County in developing and implementing this plan is intended to coordinate development and to smooth the transition of services between the incorporated and unincorporated urban areas as annexation is considered. The City of Lacey's authority to implement the plan is limited to its jurisdictional boundary. Implementation of the plan in the unincorporated portions of the UGA is accomplished by Thurston County.

DEVELOPING THE 2016 LAND USE ELEMENT

The 2016 Comprehensive Plan update process began in 2013 through the "Envision Lacey" engagement process with an open house conducted by the Lacey Planning Commission associated with the release of a first draft of the updated Land Use Element. The open house was an opportunity to discuss the initial elements of the update process. To follow up with the open house, outreach was conducted at several community events including Military Family Days, the Lacey Community Market, and Children's Day at Huntamer Park. The Planning Commission also conducted a second open house at Lacey Elementary early in 2014.

- **HOA Academy, June 13, 2015 at Lacey Community Center**
- **South Sound BBQ Fest, July 11, 2015 at Huntamer Park**
- **Council on the Road, July 16, 2015 at Mountain View Elementary**
- **Cops, Cars, and Kids, August 1, 2015 at Lacey City Hall**
- **Children's Entertainment Series, August 4, 2015 at Huntamer Park**
- **Summers End Car Show, September 19, 2015 at Huntamer Park**

After conducting the open houses and community events, the Plan was re-drafted to incorporate community feedback, focus and hone concepts, including refinement of goals and policies, and inclusion of specific implementation items. The updated Plan was then rolled out through Envision Lacey at the following community events:

After the summer 2015 events concluded, presentations on Envision Lacey were given to more than a dozen community organizations including: Rotaries, Lions, Kiwanis, Chambers of Commerce,

Olympia Master Builders, and homeowners associations. These presentations coincided with Planning Commission "on-the-road" meetings that focused review of the Land Use Element specific to the geographic area of the City or UGA in which they were held. The first meeting was on December 1st, 2015 at Horizons Elementary. This covered the area primarily from the Woodland District south to Horizon Pointe within the city limits (Central and Horizons Planning Areas). Additional meetings followed with one specific to the Urban Growth Area east of the city limits held at Evergreen Forest Elementary on January 19th, 2016, and northeast Lacey (Hawks Prairie and Pleasant Glade Planning Areas) held at Olympic View Elementary on February 2nd, 2016.

The Lacey City Council held seven public meetings and work sessions discussing the Planning Commission recommendation prior to adopting the final draft of the 2016 Comprehensive Plan update.

In addition to considering public input received, the review and development of the 2016 Land Use Element included revisiting goals and policies established in the 2003 plan, examining current land use trends, market pressures, demographic data supplied by the Thurston Regional Planning Council (TRPC), and a market analysis conducted by the City.

The Buildable Lands Program in Thurston County provides information for Lacey to answer two key growth-related questions. The first is whether residential development in the urban growth area is occurring at the densities which were envisioned in local land use plans. The second is whether there is an adequate land supply in urban growth areas for anticipated growth in population and employment. The Buildable Land Reports confirmed that the amount of available residential land supply is adequate, although commercial land should be closely monitored to ensure a sufficient supply is available to serve the growing population. This is especially important because municipalities in the state of Washington rely heavily on sales tax revenue as property taxes in and of themselves do not cover the cost of primary residential services such as water, sewer, police, and fire protection. The City also completed the Lacey Community Market Study which identified economic development opportunities and leakages so that Lacey can remain competitive in business recruitment and retention. The Market Study informed the Economic Development Element which had its first update since 1994.

SUMMARY OF CHANGES

After reviewing the progress of growth and development over the first twenty years since Lacey's original GMA plan was adopted, it was found that many of the primary goals and policies are still valid. However, there are some primary adjustments that need to be made to ensure that the community's vision is achieved. This Plan is organized differently than previous versions by identifying specific implementation strategies that will achieve the vision as set forth by the Plan.

URBAN GROWTH AREA

The Lacey UGA remains appropriately sized to accommodate the growing population with an adequate amount of residential-designated land to supply the next twenty years of population

growth. However, in the next twenty years, it is projected that the residential population of the Urban Growth Area will exceed that of the Lacey city limits. Given the amount of residential growth projected for the UGA, the Plan encourages a full range of residential densities, employment, commercial, recreational and civic uses within the UGA. Additionally, the Lacey UGA contains the highest percentage of septic systems of any UGA in north Thurston County. Measures have been included in the Plan to address the proliferation of septic systems and ensure eventual connection to sewer. To minimize financial impacts and complexities of annexation, the Plan identifies the needs through a strategic annexation plan to incrementally annex the unincorporated growth area in a manner that is cost effective for the City, the County, and the citizens.

RESIDENTIAL DEVELOPMENT

To meet the goals of the Housing Element and to provide a diversity of housing types for purposes of affordability and choice, the Plan encourages higher density development, especially in priority areas around corridors and established nodes. Among the priority actions in the Plan is to raise minimum density requirements for Moderate and High Density Residential zoning districts to prevent the over proliferation of single family residential lots within these zones. At the current rate of construction, all of the single family residential lots within Lacey will be developed within the next planning horizon. This means that within the city limits, the focus will be on redevelopment and infill. In the unincorporated UGA, where most vacant land resources are available, greenfield development will continue as large and previously-entitled projects are constructed.

TRANSPORTATION

Lacey's status as a primarily residential community means that a well-connected pedestrian and bicycle network, combined with a convenient high frequency transit service, is vital to connect residents with jobs, shopping, schools and other day-to-day activities. For this reason, the Plan strives to employ land use policies that support higher density residential areas located close to employment, shopping, and entertainment opportunities providing Lacey residents with more opportunities to walk, bicycle, or ride high frequency public transit. Lacey's aim is to not eliminate private automobiles, but to encourage the use of other transportation modes wherever and whenever possible, and ensure that land use policies support this.

ECONOMIC DEVELOPMENT

The Economic Development Element has been updated for the first time since 1994. The Element sets forth goals and policies to build on the community's strengths and opportunities, while mitigating its weaknesses and potential threats. The goals focus on business retention and expansion: encouraging entrepreneurs to start businesses in Lacey, ensuring existing businesses stay and grow, and attracting targeted new businesses. The Element's policies, as well as the implementation strategies in the Economic Development Strategy, lay out plans to ensure that Lacey continues to foster an environment where businesses can thrive; where services are ready when needed; and where processes are clear, predictable, fast, and efficient.

SUBAREAS

The Comprehensive Plan establishes general patterns for future land use, transportation and other infrastructure needs. For more detailed planning on a geographic basis, subarea plans are used as plans for neighborhoods, corridors, special districts and joint planning areas. The adoption and incorporation of subarea plans into the Comprehensive Plan adds greater detail, guidance and predictability to future development. These subarea plans help guide the City's transition to ensure that high quality urban development is achieved. Existing sub-area plans are assisting Lacey's current transition in the Woodland District and Northeast Lacey. Future subarea plans are identified for several areas that could benefit from sub-area planning, including the Depot District, Martin Way Corridor, and the Golf Club Road neighborhood.

ENVIRONMENT

The city of Lacey has been a leader in supporting efforts to protect and improve the environment while balancing the numerous goals and policies adopted by the City to help achieve its vision for the future. This plan continues that vision through an update to the Environmental Element. Priority implementation items in the Environmental Element include enhanced protection of Woodland Creek and the adoption of the City of Lacey's Carbon Reduction and Resiliency Plan (CR_2 Plan) which identifies ways that the City (as an organization and the greater community) can take action to reduce carbon dioxide emissions to 15% below 2005 levels by the year 2020.

CONCLUSION

The 2016 Comprehensive Plan builds on past planning efforts over the last twenty years of implementation of the Growth Management Act and charts a course for the next twenty years. Through the efforts of the citizens of Lacey and the Lacey Urban Growth Area, implementing this Plan will enrich the quality of life by building an inviting and secure community, encouraging a vibrant and diversified economy, and preserving the natural beauty of our environment. Envision Lacey!

A special thank you is extended to the citizens of Lacey for participating and providing comments in the Envision Lacey planning process, and the Lacey Planning Commission for the countless hours of discussion and consideration of comment, data, and information presented to them as they worked through the many issues involved in this planning effort.

I. INTRODUCTION

A. Growth Management Act

Thurston County and its cities were already involved in growth management and comprehensive planning prior to the enactment of the Growth Management Act. During the 1980's Lacey and Thurston County were in the forefront of many growth management-related initiatives including an inter-local agreement in 1983 which established urban growth areas and urban densities, delineated annexation areas, and specified that zoning in the Urban Growth Areas (UGA's) would not be changed when they were annexed. A second phase of inter-local planning was completed in 1988 with another Urban Growth Agreement which identified short and long-term growth boundaries and also established where the cities of Lacey, Olympia, and Tumwater could annex in the county. Additionally, the agreement only allowed cities to extend sewer service into the area within the short term urban growth boundary. Some of these principles were later incorporated into the State's Growth Management Act.

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The Growth Management Act (GMA) is a comprehensive land use law in the state of Washington designed to manage growth. It was passed by the Legislature in 1990 (with an amendment in 1991) in a period of explosive growth in Washington, and the growing concern of its citizens that the state was losing its precious natural landscape to traffic congestion and sprawl. Between 1960 and 1990, the state experienced a 41% population increase, much of it occurring in the unincorporated areas outside of cities. In that same period, Lacey's population more than doubled from 8,860 at the time of its incorporation to 19,279 residents in 1990. With the passage of the Growth Management Act, all urban counties and their cities were required to plan comprehensively and for the future.

GMA has fourteen specific planning goals covering the broad spectrum of components that growth management must address in order to be effective. Lacey adopted its first GMA Plan in 1994, and has subsequently updated and revised the Plan, ensuring that the City complies with these concepts for management of growth under the GMA.

The GMA provides the following goal statements to define its growth management strategy (RCW 36.70A.020):

- **Urban Growth:** Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.
- **Reduce Sprawl:** Reduce the inappropriate conversion of undeveloped land into sprawling low density development.
- **Transportation:** Encourage efficient multimodal transportation systems that are based on Regional priorities and coordinated with County and City Comprehensive Plans.
- **Housing:** Encourage the availability of affordable housing to all economic segments of the populations of this state. Promote variety of residential densities and housing types, and encourage preservation of existing housing stock.
- **Economic Development:** Encourage economic development throughout the state that is

consistent with adopted comprehensive plans, promote economic opportunity for all citizens of the state, especially for unemployed and for disadvantaged persons, promote retention and expansion of existing businesses, recognize regional differences impacting development opportunities, and encourage growth in areas experiencing insufficient economic growth; all must be accomplished within the capacities of the state's natural resources, public services, and public facilities.

- **Property Rights:** Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.
- **Permits:** Applications for both state and local governmental permits should be processed in a timely and fair manner to ensure predictability.
- **Natural Resource Industries:** Maintain and enhance resource based industries, including productive timber, agricultural lands, and discourage incompatible uses.
- **Open Space and Recreation:** Encourage the retention of open space and development of recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks.
- **Environment:** Protect the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.
- **Citizen Participation and Coordination:** Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.
- **Public Facilities and Services:** Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.
- **Historic Preservation:** Identify and encourage the preservation of lands, sites, and structures that have historical and archaeological significance.
- **Shoreline Management:** Per RCW 36.70A.480 Shorelines of the state, the goals and policies of the Shoreline Management Act, as set forth in RCW 90.58.020, are added as one of the goals of the Growth Management Act.

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B. County-Wide Planning Policies

Because growth impacts are not localized between one jurisdiction and the next, an effective growth management effort must cross jurisdictional boundaries and require coordination between multiple governmental and quasi-governmental agencies and departments. In addition, urban growth areas include unincorporated lands and joint planning is required between the County and City. To provide direction on this coordination, GMA has a section that provides the framework for counties and cities to work together through "joint planning" which is to be provided for under "County-wide Planning Policies" (CWPP's) which seek to "establish a county-wide framework from which county and city comprehensive plans are developed…" (RCW 36.70A.210).

CWPP's are intended to provide a process for establishment of joint planning and related policies and basic policy guidance on the range of planning issues jurisdictions face. State law provides a number of provisions detailing the intent and requirements of county-wide planning policies in

section 36.70A.210 RCW. Some excerpts from this section that reflect the intent and focus are:

"…a "county-wide planning policy" is a written policy statement or statements used solely for establishing a county-wide framework from which county and city comprehensive plans are developed and adopted pursuant to this chapter."

"The legislative authority of a county that plans under RCW 36.70A.040 shall adopt a county-wide planning policy in cooperation with the cities located in whole or part within the county…."

RCW 36.70A.210, the section outlining requirements for county-wide planning policies and minimum requirements for those policies, lists the following minimum requirements:

A county-wide planning policy shall at a minimum address the following:

1) **Policies to implement RCW 36.70A.110**
2) **Policies for promotion of contiguous and orderly development and provision of urban services to such development**
3) **Policies for citing public capital facilities of a county-wide or state-wide nature**
4) **Policies for county-wide transportation facilities and strategies**
5) **Policies that consider the need for affordable housing**
6) **Policies for joint County and City planning within urban growth areas**
7) **Policies for county-wide economic development and employment**
8) **An analysis of fiscal impact**

CWPP's were agreed to by local jurisdictions and signed September 8, 1992. They mirror requirements of the GMA and were to provide a blue print for crafting GMA plans. All of the items listed as mandatory elements are covered in Thurston County's CWPP's. In addition, Thurston County has two sections not listed under minimum requirements; Environmental Quality and Process. Under the Process section, the policies outline the procedure to develop population projections and procedures for updating and amending the county-wide planning policies when appropriate.

In 2015, the CWPP's were amended to reflect the vision and principles adopted through a robust regional planning process titled "Sustainable Thurston"—better known as the *Regional Sustainability Plan*. The goals and policies of the plan were integrated directly into corresponding sections within the county-wide planning policies to memorialize and recognize sustainability principles across all jurisdictions.

C. Urban Growth Areas

GMA requires each county and local jurisdiction planning under the Act to designate a specific UGA. As urban growth is confined to a designated UGA, planning for utility, transportation, capital facilities, and other services becomes easier and the cost of providing related infrastructure is more efficient and manageable. Additionally, confining urban growth to a UGA helps conserve rural areas for other purposes, such as resource conservation, agriculture, or timber production.

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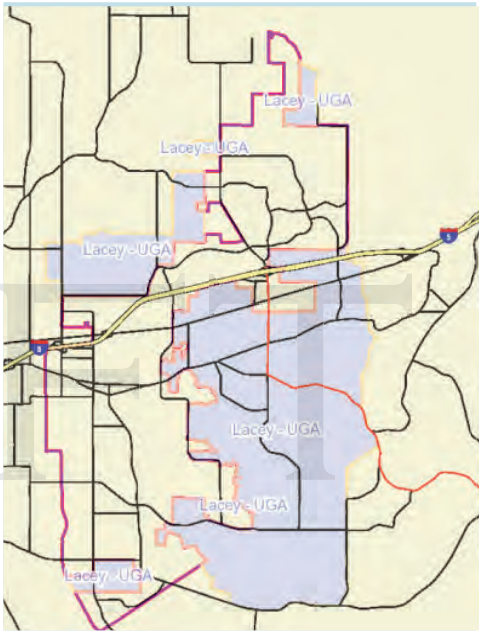
The urban growth boundaries have been utilized by Thurston Regional Planning Council (TRPC) and the city of Lacey, along with other data, to accomplish the vacant lands study and population estimates and projections for growth. The urban growth boundaries are the foundation for implementation of the requirements for GMA planning. Lacey's Urban Growth Area outside of the city limits represents 10,503 acres or 16.4 square miles. The UGA was sized with enough capacity to accommodate growth for the next twenty years and encompass areas already characterized by urban growth. Areas characterized by urban growth include land use types developed prior to 1990 such as strip highway commercial and residential areas developed at a suburban density on septic systems. A majority of this land use type is represented at the edges of the UGA within the Seasons and Meadows planning areas. The size of the UGA also responds to the need to protect groundwater in the southeast portion of the Urban Growth Area within the McAllister Springs Geologically Sensitive Area. Allowing future growth in this area to be served by sewer ensures that City wells in the area are protected from impacts that could occur from an over proliferation of septic systems.



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D. Local and Joint Plans

City of Lacey and Thurston County Land Use Plan for the Lacey Urban Growth Area

Lacey adopted its first Land Use Element under the Growth Management Act in 1994. The 1994 Plan focused on establishing the desirable character, quality, and pattern of physical development of the City and its urban growth area. It specified an appropriate amount and location of various land uses, appropriate densities and intensities, and the timing of land uses in various locations. It also coordinated how Lacey and its urban growth area developed and how necessary infrastructure and capital improvements would be accomplished to serve the growth. The focus of the 1994 Plan also included:

- **Establishment of joint planning with Thurston County and designation of the Lacey Urban Growth Area. The Plan recognized the importance of joint planning and establishment of implementation standards that are consistent in both the City and UGA.**
- **Establishment of Neighborhood Commercial zones throughout the City and UGA to provide day-to-day commercial opportunities within walking distance of all homes.**
- **Designation of mixed-use corridors to provide walkable, transit friendly areas for higher density residential uses with commercial services.**
- **The requirement for a range of residential zones within each planning area to provide housing opportunities for all demographic needs. It also required a mix of development types to avoid concentrated areas of high density housing that might focus low income demographics into one area and lead to neighborhoods with low diversity.**

In 2003, the Land Use Element was reviewed and updated at the ten year mark to verify that the growth projections and land capacity analysis developed in 1994 remained valid and on track with development trends. The 2003 plan also focused on:

- **Maintaining the variety of residential zoning districts to accommodate higher densities while providing a solid mix of housing choice and affordability.**
- **Affirming commercial and residential design policies. Residential design regulations have been subsequently updated to create walkable neighborhoods with varying roof lines and interesting streetscapes that are less dominated with garages. For commercial buildings, ensuring that buildings are being located closer to streets with elevations that are pedestrian friendly and help define the street.**
- **Clarifying policies related to economic development. This included an analysis of the Community Commercial Districts and a focus on diversification of employment opportunities.**
- **Promoting the provisions for active and passive recreational opportunities through a network of parks and open spaces.**

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Sustainable Thurston

In 2011 Thurston Regional Planning Council (TRPC) successfully competed for a Sustainable Communities Program Grant from the Federal Department of Housing and Urban Development (HUD), enabling a multiyear process to develop a regional plan for sustainability - Sustainable Thurston. In the spring of 2011, the city of Lacey together with 29 other jurisdictional, agency and nonprofit partners within Thurston County signed a memorandum of understanding committing to actively participate in the regional planning effort. A task force comprised of representatives of the inter-jurisdictional partners was formed to act as an advisory body to TRPC, oversee the Sustainable Thurston process and present a draft plan to TRPC for adoption.

The task force created a number of subcommittees and panels made up of elected officials, representatives from local jurisdictions, commercial groups, and stakeholders. It also involved significant public participation in the form of community meetings and workshops.

Special committees of the task force were organized by subtopics that fall under the larger scope of "sustainability" such as Economic Development, Housing, Water Infrastructure, Schools and Transportation, Local Food Systems, Land Use, Transportation and Climate Change, Energy, and a number of others. Sustainability goals and policies, including background information and analysis and data developed by the task force, are available to local jurisdictions to consider for implementation according to the need and individual circumstances of local governments and stake holder organizations. While not expected to be mandatory for local jurisdictions, the goals, policies, technical information and strategies identified or developed by the Task Force generally have applicability to Lacey and will be incorporated in Lacey's Comprehensive Plan, as appropriate.

On December 6, 2013, the Thurston Regional Planning Council officially adopted *Creating Places - Preserving Spaces: A Sustainable Development Plan for the Thurston Region* and on February 27, 2014, the Lacey City Council passed Resolution 1007 which stated that the recommendations of the Plan will be integrated into City plans, regulations, and programs.

Urban Corridors Task Force

A focus on the urban corridors is not a new idea. As far back as 1994, Lacey made provision for development along our urban corridors to take advantage of potential higher density and mixed-use. Moderate Density and High Density zones were also located in consideration of arterial corridors and new zones were developed to encourage mixed-use.

The Mixed Use High Density Corridor was developed for Martin Way and a Mixed Use Moderate Density zone was developed and applied to part of Pacific Avenue and Sleater Kinney Road. Much of this early effort followed a study by the Thurston Regional Planning Council (TRPC) and Olympia called "Evolution of a Corridor".

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The Urban Corridors Task Force was a joint subcommittee of TRPC and the TRPC Transportation Policy Board. Between November 2009 and July 2012, the Task Force worked to establish an objective understanding of background conditions along the region's key urban corridors, identify and understand barriers to achieving adopted land use visions, and identify potential opportunities for addressing those barriers. Task Force members looked at the relationship between transportation and land use in these corridors, and worked to understand the market factors that influence the viability of infill and redevelopment projects in this region. The Task Force recommend a suite of measures to help jurisdictions transform this region's premier transit corridor, and to shape its form and location in priority districts. Much of the work related to urban corridors in Lacey will be to analyze the Moderate and High Density Corridor zones and adjust zoning standards and other implementation measures to ensure that the vision for the corridor is being achieved. This analysis will also need be done in close coordination and partnership with Thurston County as much of the Martin Way corridor lies within county jurisdiction.

E. Land Use Regulations

A comprehensive plan means little if it is not implemented. To be successful, the plan must be implemented by the combined efforts of all stakeholders including private developers, residents, civic groups and local government through capital improvements. Many of the plan's goals and policies reflect and recognize this shared responsibility.

The City has created and will continue to develop regulations to ensure that growth and development occurs consistent with the community's values and goals as expressed in the Comprehensive Plan. These regulations include zoning, subdivision, building and environmental codes, and design review guidelines and standards.

F. Capital Facilities and Budgets

As communities grow, new schools, parks, libraries, streets, and additional police and fire services are needed to serve the increasing population. The Capital Facilities Element of the Comprehensive Plan lists the facilities that will be needed over the next twenty years to serve the population which is combined with a Capital Improvement Plan that details when the project will be constructed and financed. The City Council updates this list every year as part of the budget process. In addition

to ongoing needs for repair and maintenance, the list of capital facility improvements includes the projects that will be needed to support growth in conformance with the Comprehensive Plan.

G. The Comprehensive Plan

The Comprehensive Plan establishes the desirable character, quality, and pattern of physical development of the City and its Urban Growth Area. It will specify an appropriate amount and location of various land uses, appropriate densities and intensities, and the timing of land uses in various locations. By reviewing the use of land and timing for development, it will coordinate how Lacey and its UGA develop and how necessary infrastructure such as roads, utilities, and capital improvements are coordinated to serve and support the expected growth.

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If we do not make conscious decisions about our limited land resources, decisions will be made for us. If we are to use our limited resources wisely, we must do more than react to land use issues, we must take positive action to direct our community's future land use and character. The Comprehensive Plan provides direction for achieving the community's goals and common vision by designating the location, timing, and types of uses, while coordinating the elements of the Plan responsible for the provision of necessary infrastructure and services.

This Land Use element, as well as the Housing, Transportation, Capital Facilities and Utilities elements, are continually updated through a joint planning process between Lacey and Thurston County pursuant to requirements of the CWPP's and the knowledge that inter-jurisdictional cooperation is necessary to further the joint land use interests of Thurston County and Lacey citizens. These Comprehensive Plan elements include background information, goals, policies, maps, and other information to guide and inform the city of Lacey and Thurston County governmental actions within the Lacey UGA for the next twenty years.

There are some goals and policies that apply only to the incorporated city of Lacey. Goals or policies applying only to incorporated areas are clearly stated as such by having clear reference to Lacey. These goals and policies do not apply to areas under county jurisdiction, and therefore, the Lacey City Council would not be required to participate in the unincorporated county implementation phases of the Plan.

The list in Appendix II identifies the goals and policies of the Plan that do not rely on an annexation/urban development standards agreement for implementation by the County. Both jurisdictions will strive to implement all portions of the Comprehensive Plan. Future amendments will be coordinated similar to original adoptions.

All other discussions, identified issues, goals or policies are assumed to apply both to the City and the unincorporated UGA. However, many of the policies provide specific guidance for development standards necessary to implement goals identified in the Plan. The City will prepare specific implementing regulations in its zoning code and other development regulations to implement these policies. The County does not intend to prepare implementing legislation for development standards, but instead shall rely on an annexation/urban development standards agreement

between the City and the County to adopt Lacey's implementing legislation, as specified in the joint policies.

H. Elements of the Comprehensive Plan, How They Relate and What They are Designed To Do

The City of Lacey Comprehensive Plan

The Comprehensive Plan is a coordinated development strategy for the city of Lacey. As a whole, the plan establishes the City's vision to proactively guide the growth of the community. Because many factors influence growth, a comprehensive approach is necessary in order to develop a plan that considers topics ranging from land use, transportation, utilities, parks, natural environment and economics. In accordance with the Growth Management Act adopted by the State of Washington, the city of Lacey has developed a Comprehensive Plan consisting of several "elements" as required by the Act, and elements considered optional by the Act. These elements are:

- **Land Use Element**
- **Housing Element**
- **Transportation Element**
- **Environmental Element**
- **Comprehensive Plan for Outdoor Recreation**
- **Water System Comprehensive Plan**
- **Wastewater Comprehensive Plan**
- **Stormwater Comprehensive Plan**
- **Capital Facilities Plan**
- **Economic Development Element**
- **Utilities Element**
- **Public Participation Plan**

As a holistic document establishing the community's vision and how it will grow and evolve, it is paramount that the elements that make up the Comprehensive Plan be balanced, coordinated and consistent. For example, the Land Use Element establishes the land use pattern, density, and intensity that the transportation and utility systems must support. However, the Land Use Element should not create a plan that cannot be physically or financially supported by transportation, utility services, or private investment. Each element must be progressive, proactive, and mutually support the other elements in order for the Comprehensive Plan to guide the community for the twenty year planning horizon in a concurrent and predictable manner. This chapter provides an overview of each Comprehensive Plan element, the key issues, and the consistency and relationship of each element with the other elements.

The Land Use Element

The Land Use Element contains the community vision for the kind of city it aspires to be with the goals and policies that support the community vision. Through the Land Use Element and

associated maps, land is designated for use that the City will need to accommodate growth forecasts. This includes the full range of land use activity necessary to make Lacey a great place to live, work, learn, shop, and play.

The Land Use Element must achieve and maintain desirable land use balances over the twenty-year planning horizon. Balance within this Element must be struck: the balance between people's use of the land and lands left in a natural state; the balance between urban, rural, and resource types of uses; and the balance among different types of uses in the urban and rural areas relative to the demand for such land uses. As such, the Land Use Element acts as a community guide for decisions about when, where, and how future development takes place and where public facilities are located or should be located in the future.

Planning in Lacey has come with challenging constraints. Unlike a new town that can be planned from the start to create the most efficient distribution and form, Lacey incorporated in 1966 as a residential community consisting primarily of single family detached structures on suburban-style lots. At the time of incorporation in 1966, Lacey had a population of only 7,650. Significant population increase over the last several decades has resulted in a population of 47,540 in 2016. The annual population growth rate from 2000 to 2011 was 3.38 percent, well above both the national and state average. This significant rate of growth is projected to continue, with an estimated population of 53,090 by 2035. This does not consider potential annexations of areas of the Urban Growth Area surrounding Lacey, which could significantly increase this number.

Lacey started out as a city with little commercial retail tax base, limited employment base, very little diversity of land use, and was auto dependent. Traditional town planning with street grids was challenging because of Lacey's large lakes that limited regular connections both north to south or east to west. While parts of the older areas have isolated street grids, most of Lacey is composed of suburban designed arterials that serve collectors that generally connect local access streets to residential subdivisions.

Prior to the adoption of the Growth Management Act in 1990, Lacey's land use form and distribution had taken on the classic model of suburban sprawl. The low density residential pattern that had developed in Lacey was not conducive to multimodal transportation. The pedestrian in Lacey had become mostly obsolete, replaced by the automobile as homes were isolated from commercial services and other destination sites. As with many other suburban cities largely developed after World War II in Washington State and across the nation, Lacey's road infrastructure and utilities were stretched to serve the sprawling land form. The wider Lacey's streets became to provide capacity for automobiles, the more automobiles utilized the roads. Suburban development in Lacey had resulted in expensive infrastructure to provide, as well as maintain, over the long term.

With this as an inherited land use form, Lacey began planning under GMA and adopted its first GMA plan in 1994. Land use strategies under GMA were designed to reverse the land use trend

that represented most of Lacey's growth pattern. The basic strategy of GMA is to contain sprawl by requiring urban growth boundaries. Within the UGA, a more efficient, affordable and sustainable land use would evolve through more compact and mixed-use development.

Early local work in Lacey's GMA plan provided opportunities for the vision of a new urban form. Strategies included mixed-use and high density along urban corridors; high density and mixed-use within large tracts of land designated for development such as Village Centers; new subdivision standards that allowed smaller lots throughout the City; designations allowing higher densities; and locating a series of new Neighborhood Commercial and Community Commercial zones located at strategic nodes throughout the area to provide commercial services within close proximity of every neighborhood.

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After two decades of experience under the Growth Management Act, Lacey's residential zones within the city limits are nearly built out, necessitating strategies to target appropriate areas and parcels for infill and mixed-use. Residential land resources within the Urban Growth Area still exist but many are limited in their development potential because of utility and infrastructure needs, critical areas, and are a distance from the existing city limits making annexation difficult.

Commercial development in Lacey continues at a steady pace, however, economic development policies and activities need to continue to ensure Lacey stays competitive in the regional market-place. Additionally, opportunities need to be expanded to make certain Lacey residents can work here, ensuring that Lacey continues to move away from its bedroom community past.

In continuing the evolution to a more urban form, the plan recognizes opportunities for compact, mixed-use development and existing and future sub-area planning efforts within Lacey's Woodland District, within the Lacey Gateway, along Lacey's defined mixed-use corridors, and other nodes with potential to serve as high density, mixed-use, or urban centers. In addition, strategies are introduced to provide commercial services and a greater range of transportation options for existing low density areas to reduce reliance on the automobile. These strategies are expected to provide more functionality in accommodating day-to-day activity, and are expected to achieve a higher measure of sustainability.

To achieve the vision set out in the Land Use Element, updating of development standards will be a priority. This includes development of form-based zoning concepts and updated land use standards. Outstanding design and innovation for successful place-making and designated priority sites and zones with incentives for development will also help ensure that the goals and policies of the Land Use Element are achieved. These strategies should be evaluated for their effectiveness to ensure that the City's vision is being implemented and adjusted accordingly should these strategies fall short of their goals.

The Housing Element

The Housing Element addresses a primary need for any city: shelter. Lacey's vision provides the opportunity for every citizen to have a range of affordable housing options in whatever neighborhood they choose to live.

Housing should ideally be easily accessible to a person's destination site, with a range of transportation options to make the cost of living more affordable. These ideal qualities bring up a range of challenges, including providing an inventory of housing to meet population increases and the form of housing to provide choice to ensure Lacey's neighborhoods are walkable and easily accessible to destination sites. The Plan provides strategies to address these challenges.

The City is expected to increase from a 2015 population of 46,020 to 53,090 by 2035, representing an additional 7,070 people. This will require an estimated 3,730 residential units. Combining Lacey and the UGA, a growth from 80,230 to 107,720 is projected, requiring 12,220 additional units for the anticipated increase of 27,490 residents.

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Demographics of Lacey are expected to change over the coming decades and this will impact housing demand. Today's population over 65 represents about 14.1% of Lacey's population, which is slightly higher than the national average of 12%. This is expected to change to 20% by 2035. Changing demographics bring lifestyle influences. As aging baby boomers retire, many will want to down size and live in areas that are close to services.

The Millennial generation, children born from the 1980's to the early 2000's, bring a new profile with a priority for smaller, more affordable housing close to services and social activity. There is an expected demand for housing similar to traditional neighborhood development (TND) which provides access to services and transportation options, and are walkable.

A difficult challenge for Lacey to overcome will be locating housing within close proximity to places of employment. Lacey's history and development included a number of local employment activities, such as logging and a local plywood plant and State government has always represented a major portion of local employment. The local military base also represents a main demographic for the community, with approximately 5,000 active duty personnel living in Lacey. Most employment locations have been within Lacey's downtown area; the Woodland and Central Business Districts. This area currently has few housing opportunities and is separated from residential areas.

A main strategy of the Land Use Element and the Housing Element is to target the Woodland District, the Urban Corridors, and the Hawks Prairie Business Districts with housing as well as employment opportunities. New strategies in the plan look to locate housing and work areas in close proximity, while encouraging mixed-use development. As part of targeting these areas for additional development, incentives will be used to make it more beneficial to the development community to build within these particular zones through financial incentives and administrative and code advantages. Incentives should target all demographics to provide housing to a range of citizens, including those within lower income groups.

Another issue is choice of housing location within any neighborhood. Past planning efforts have focused on promoting opportunities within any planning area for a range of demographic income profiles. Early plans had residential designations providing for a range of housing styles and density within each planning area. The current update takes this a step further, providing for a range of housing styles and home ownership and rental opportunities within each neighborhood area. Incentives have been developed to provide more housing at a higher density in targeted areas.

The Plan also addresses the issue of cost of housing in concert with the Land Use Element by providing opportunities for compact and small lot housing and a range of techniques to accommodate a higher density that can make it easier for the development community to build more housing for less cost. Land costs have always been the biggest expense in housing development. Being able to get more use on less land can lower land costs per unit substantially.

The Housing Element also looks at providing housing for the homeless, a demographic group that has often been overlooked. The Thurston County Homeless Census documents the number of Lacey citizens without homes. North Thurston Public Schools has documented many homeless children. The new update dedicates an entire section to identifying issues of homelessness, with a range of tools to bring to the table to combat homelessness. Temporary shelter opportunities are identified, as well as addressing the root causes of homelessness and providing alternatives for transition into a permanent housing situation.

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The Transportation Element

The Transportation Element links together transportation and land use planning in Lacey. The City began transportation planning in concert with land use planning under the State Growth Management Act (GMA) in 1994. The primary vision in 1994, and still today, is to achieve and maintain an outstanding quality of life by growing smart as we accommodate projected population growth. This will require Lacey to continue to evolve to a more urbanized environment. As this transition occurs, it is the intent of the Transportation Element to provide the basis for a comprehensive transportation network that serves the transportation needs of the suburban Lacey of today while planning for the needs of an urbanized Lacey of tomorrow. To meet this task, the Transportation Element supports the policies of the City's Land Use Element, with a street system that continues to emphasize a multimodal transportation system supporting all transportation types.

Making the transportation network operate as efficiently as possible has been, and will continue to be, a key goal for the City. As the urban arterial network matures, Lacey will balance mobility and access with access management techniques and improved connectivity throughout the network. Development of a street grid providing drivers alternative routes throughout the City and an interconnected pedestrian network tying together neighborhood destination sites is a priority.

The City has been successful developing and implementing street standards designed to make pedestrian activity and use of bus services more convenient. Requirements for sidewalks, planter strips, and street trees, and pedestrian scaled lighting have improved the pedestrian realm considerably. These efforts will be continued through neighborhood planning activity where residents can identify routes to schools, bus stops, and neighborhood destination sites and suggest pedestrian improvements to make walking safer and more comfortable throughout their neighborhood. Additionally, a future non-motorized transportation plan has been identified as a priority to ensure that the City maintains existing and future plans for safe and convenient pedestrian and bicycle facilities including sidewalks, trails, and street crossings.

Complete streets concepts will be refined and combined with transportation efficient land use policies, coordinated regional Commute Trip Reduction programs, and other demand management strategies. Close coordination with North Thurston Public Schools, Intercity Transit, and other

government agencies will continue to reduce the drive alone rate and encourage other modes of transportation.

Lacey will continue to improve transportation options and efficiency of the transportation network through emerging technology. Intelligent Transportation System (ITS) technologies are improving mobility for transit, pedestrians, and vehicles. Signal technology identified in the 2012 Smart Corridor project will provide additional time for buses that are behind schedule, adjust signal operations by time of day, provide pedestrians a head start in crossing the street at the beginning of signal phases, and identify alternate routes to relieve heavy congestion.

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Sustainability is another emphasis in the Comprehensive Plan and is reflected in the Transportation Element. To help reduce transportation impacts on the environment, street designs incorporate low impact development techniques and Greenroads® style performance metrics. The Plan has provided for charging infrastructure needed to keep pace with emerging technologies like electric vehicles. Charging and alternative fueling stations are incorporated into the roadway design and in major commercial developments. This plan is adaptive and policies will provide the opportunity to respond to innovative approaches in meeting transportation needs and creating a more sustainable position.

The Transportation Element supports refined land use goals and policies and builds on the successes of the last decade in moving the City to a position that is less automobile dependent and is expected to increase the use and efficiency of other transportation options. This has been an emphasis since 1994 but has been problematic as Lacey has a suburban land use pattern that is predominantly single family, detached housing segregated from commercial services. This results in suburban travel patterns dependent upon automobile use.

With over twenty years of implementation of GMA strategies designed to reverse dependence on automobile use and suburban land use patterns, automobiles are still the dominate mode of transportation and suburban development the dominant land use form. Lacey has not had much success in promoting compact development and mixed-use with density necessary to support transportation alternatives. This Plan accommodates the need of existing land use, but supports new policies in the Land Use Element designed to reverse this trend.

The vision for tomorrow is to have a balanced multimodal transportation network that offers convenient transportation options to support Lacey's existing land use and the expected transition under GMA to a more urbanized environment. This Plan reflects complete streets objectives that have an emphasis on use, safety, and efficiency for all travelers. Given current domination of automobile use over other transportation alternatives, the complete streets of the future will necessarily have an emphasis on walkability and development of an urban environment and street network that is more functional and inviting for pedestrians, as well as cyclists and bus ridership. Complete streets will evolve to include mass transit options as the urban landscape and density matures to support its use.

Environmental Protection and Resource Conservation Plan (Environmental Element)

Even prior to the GMA, Lacey has been a leader in environmental stewardship. Lacey has continued

this legacy with cutting edge environmental legislation, including protection of wetlands and critical habitat, and development of urban forest management goals and policies implemented by LMC Chapter 14.32, Tree and Vegetation Protection and Preservation. Environmental legislation covers all required areas under GMA, including resource protection and protection of critical areas, as well as introducing innovative legislation in areas not required by GMA but necessary to achieve the goals of the Comprehensive Plan. The Plan includes a number of new programs including:

- **Shorelines:** The Shoreline Master Program (SMP) provides an incentive strategy for dedication of shoreline access to the public and preserving additional sensitive shoreline areas for public stewardship in exchange for additional development rights or credits.
- **Urban Forest Resources:** Refined urban forest and tree protection goals and policies provide new options for preserving the urban forest canopy and an improved street tree program.
- **Agricultural Resources:** Comprehensive urban agriculture goals and policies have been added into the Environmental Protection and Resources Conservation Plan, implemented by retooling the zoning ordinance to provide for a range of urban agriculture opportunities. This gives Lacey residents better access to fresh food and a more resilient local food system while promoting sustainability.
- **Water Resources and Aquifer Protection:** Significant work for water resources conservation and protection, including mitigation planning for water rights, a new reclaimed water utility, and development of comprehensive stormwater standards designed to enable low impact development and protect aquifer areas.
- **Carbon Reduction and Resiliency (CR_2):** The Carbon Reduction and Resiliency Plan provides a road map for Lacey's energy policy and is another cutting edge program that will be applied in work towards sustainability. This Plan sets benchmarks for carbon reduction and looks at sustainability issues.

Overall, Lacey's Environmental Protection and Resource Conservation Plan, its implementing legislation and environmental policy, continues to be one of the most progressive and effective in the state. **See map of sensitive areas designated as Open Space Institutional on the following page.**

Comprehensive Plan for Outdoor Recreation

The city of Lacey has demonstrated a dedication to parks and recreation activities since its incorporation. Our parks, open spaces, and facilities have made an important contribution to the quality of life experienced by those who live and work in Lacey and the region. Parks help focus the community, provide gathering places, create visual relief, and expand opportunities to interact with one another and our natural environment. Without the benefit of a comprehensive park system, Lacey would be a far less desirable place to live, work, and play.

Lacey is surrounded by exceptional natural beauty. Our lakes, forests and views of Mount Rainier and Puget Sound help create an inviting community identity. Our challenge for the future is to continue to provide adequate access to these community resources by developing a wide range of park facilities. As our community grows and recreational needs increase, we have an obligation to keep pace by providing adequate facilities for our residents. The Comprehensive Plan for Outdoor Recreation provides the City with direction to ensure that adequate facilities are available now and in the future.

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The Comprehensive Plan for Outdoor Recreation describes the long-term plan to address the challenges of providing high quality parks and leisure services in a rapidly growing area. It addresses land acquisition, facility development expansion and renovation, and recreation services required to meet Lacey's current and future needs. The Plan is intended to be a working vision and blueprint to help the City plan for park and recreation improvements.

The scope of the Comprehensive Plan for Outdoor Recreation is not limited to the area within the present city limits of Lacey. The planning area for the purpose of this document is the Urban Growth Area (UGA) for Lacey as adopted in the Land Use Element of the Comprehensive Plan. The UGA has been divided into ten planning areas. These areas are slightly different from those used in the Land Use Element of the Comprehensive Plan. This has been done deliberately in an attempt to draw park boundaries that effectively represent the area in which residents may make casual or frequent park visits. Where the boundaries of the parks planning area correspond to those in the Land Use Element, the same name has been used. Additionally, the Comprehensive Plan for Outdoor Recreation supports the open space requirements of the Land Use Element, identifies goals of private open spaces, and establishes dedication policies.

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As of 2015, the city of Lacey holds approximately 1100 acres of property for parks and open space purposes. **The map on the next page shows parks in Lacey and the UGA and identifies the ten parks planning areas.**

Water System Comprehensive Plan (Water Utility Element)

Water is a precious resource that is an essential requirement of life on this planet and, as such, it is a priority for all living things. In a hierarchy of human priorities, water will be above both food and shelter, as water is more critical to sustaining our life than anything other than breathing.

Because of its importance to the community and growth, it is a component critical to planning under GMA. The purpose of the City's Water System Comprehensive Plan is to provide a long term planning strategy for provision of water to accommodate the long term needs of Lacey and Lacey's UGA. The Water Plan is based upon, and coordinated with, the land use strategies identified in the Land Use Element to provide a coordinated effort to manage growth. Lacey's water system falls under the GMA definition for a utility. As provided under WAC 365-195-800, regulations that impact development must be consistent with the Land Use Element. In this case, the Comprehensive Water Plan must help implement GMA strategies and expectations identified in the Land Use Element.

Across the state, water plans have not always been coordinated with land use plans. In the past, provision of water or other infrastructure to certain areas would often act as a catalyst for growth without comprehensive planning for how other utilities or services might be provided, or what distribution or land form it might result in. Because of this, GMA provides for comprehensive planning of all utilities in concert with a Land Use Element and limits extension of water outside of the UGA except in very limited circumstances.

Expected demand on Lacey's water system is based upon forecasted population growth that Lacey is obligated to service under the GMA. The Water Plan uses information developed in the Land Use Element, considering population growth within particular planning areas and Transportation

Analysis Zones (TAZ's), to provide a plan that supports and will help implement land use planning objectives. The City's water planning is therefore based upon, and is consistent with, the Land Use Element.

Any discussion about water planning also needs to recognize that water plans must satisfy laws designed for protecting public health. Specifically, Lacey's Water Plan must satisfy Department of Health (DOH) regulations, in accordance with Chapter 246-290 of the Washington Administrative Code (WAC), as presented in the Washington DOH regulations for "Group A" Public Water Systems. Regulations under this law deal with issues important to public health, such as water quality. Development of Lacey's Water Plan therefore needs to meet two sets of legislative mandates: smart growth under GMA and health aspects under DOH regulations.

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The water system includes a complex system of infrastructure related to appropriation, transmission, distribution and storage of water. The system includes:

- **Ten different pressure zones**
- **Nineteen groundwater wells**
- **Approximately three hundred and fifty seven miles of pipe**
- **Seven reservoirs**
- **Six booster stations**
- **Thirteen reducing stations**

The plan addresses GMA considerations and health concerns. Management of the system includes:

- **Water demand analysis**
- **Supply analysis**
- **Conservation issues and efficiency**
- **Protection of ground water sources**
- **Treating and testing for water quality**
- **General operations and maintenance**
- **Financial planning for long term stability**
- **Administrative customer service functions to water customers and billing operations**

The Water Plan is updated every six years, when the Plan evaluates the existing system and its ability to meet the anticipated requirements for water source, quality, transmission, storage, and distribution over a twenty-year planning period.

Water system improvement projects have been developed to meet the changing demands of regulatory impacts and population growth, as well as infrastructure repair and replacement. The Plan also identifies planning level costs of the improvement projects and provides a financial plan for funding the projects. **See Lacey's water system map on adjacent page.**

Wastewater Comprehensive Plan (Sewer Utility Element)

Like water coming out of the faucet, we may not always think about or appreciate the complex infrastructure and system of pipes, pump stations and sophisticated treatment facilities required

to carry our wastewater away to be safely treated and recycled into the ecosystem. Like the water system, the Wastewater Plan is subject to both GMA and public health statutes.

Also, like the Water System Plan, wastewater treatment facilities can be a major catalyst to where growth occurs and needs to be coordinated with the Land Use Element. Also, like water, very limited extensions of the sewer utility are allowed beyond the limits of the Urban Growth Area. As such, it is very important wastewater treatment facilities are located and operated to support growth planned under GMA to support community objectives.

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Lacey's Wastewater Plan is based upon forecasted population growth and the location and intensity of land use as identified in the Land Use Element. It is therefore consistent with Lacey's Land Use Element.

Lacey's wastewater utility consists of a collection of:

- **Sewer pipelines**
- **Pump stations to provide pressure necessary to move effluent**
- **STEP (septic tank effluent pump) systems designed to bridge the gap between septic tank drain field systems and sewer**

These systems collect and transport wastewater to LOTT (stands for ***L***acey, ***O***lympia, ***T***umwater and ***T***hurston County) treatment facilities. In addition to basic sewer infrastructure, Lacey recently began a reclaimed water utility. This water utility can be used for non-potable needs to reduce total water consumption. It therefore helps stretch our water resources as a conservation step and another water resource that can be applied to certain uses (such as irrigation for parks and water supplied to flush toilets).

Sewer is a utility designed to enhance public health by providing a means of disposing of sewage effluent as opposed to septic tanks and drain fields that are a concern for ground water contamination of ground water resources. Large areas in the unincorporated UGA currently do not have sewer and rely on septic tank drain fields. **See Lacey wastewater map on adjacent page.**

Stormwater Comprehensive Plan (Stormwater Utility Element)

Rainfall runoff was historically considered a nuisance, and runoff management consisted primarily of reducing the potential flood hazard. In recent decades, the focus has been expanded to include runoff water quality. Stormwater management has shifted toward mitigation of water pollution as stormwater became recognized as the leading cause of pollution in Washington's urban waterways including Puget Sound. While the prevention of flooding and water pollution remains as primary goals, stormwater is now increasingly considered as a resource to be utilized. Currently, stormwater management is shifting away from the old approach of collecting runoff and piping it away to large ponds for disposal, and moving toward providing for pollutant removal and recycling of rainwater via infiltration in small facilities near where it falls. This way, stormwater is a water resource, replenishing groundwater while more closely preserving natural hydrology.

The city of Lacey Storm and Surface Water Utility has stayed on the leading edge of this trend.

However, until recently, the utility has lacked the proactive guidance of a coordinated plan. In 2013, Lacey's first Stormwater Comprehensive Plan (SCP) was completed. This plan will guide the programs and activities of the Storm and Surface Water Utility, ensure compliance with regulatory mandates, and provide accountability to utility ratepayers.

The plan will serve as a long term planning tool for Lacey's Storm and Surface Water Utility. The utility operates and maintains an extensive stormwater collection and conveyance system, including dozens of water quality treatment facilities and infiltration systems. Among our many other activities, the City sweeps streets, responds to hazardous spills, provides outreach and educational services related to water pollution prevention, and administers regulations to ensure that land development projects mitigate their potential flooding or water quality impacts.

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The Stormwater Comprehensive Plan focuses on three primary elements: Stormwater Management Program, Capital Improvement Program (CIP) and a financial analysis for the Storm and Surface Water Utility.

Lacey's Stormwater Management Program (SWMP) encompasses virtually all of our activities and efforts related to rainfall runoff water, which are primarily dictated by the National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit. The permit, first issued in 2007, mandates compliance with increasingly rigorous requirements within specific program components including public education and outreach, public involvement and participation, illicit discharge detection and elimination, controlling runoff from construction and development sites, municipal operations & maintenance, stormwater monitoring, and annual reporting. To ensure Lacey's continued compliance with the permit, the Stormwater Comprehensive Plan summarizes policies and goals, identifies stormwater management program's gaps and needs, and provides recommendations for improvements.

By the end of 2016, the City's NPDES Phase II permit will require mandatory integration of low impact development (LID) techniques into City regulations and design standards. Implementation of these standards will not only be important for NPDES compliance, but will ensure that techniques are used to protect ground and surface water resources.

The objective of the City's SWMP is to meet the following three goals: protect and enhance surface and groundwater resources to provide beneficial uses to humans, aquatic life, and wildlife; manage the storm drainage system to protect public safety and minimize property damage caused by flooding and erosion; and provide adequate funding for the program S through an equitable stormwater utility rate structure.

Capital Facilities Plan

Capital facilities planning is essential to consider financing improvements the Land Use Element has envisioned for the community. Without a means of financing capital improvements, implementation of the plan cannot happen. Lacey's Capital Facilities Plan (CFP) helps Lacey use its limited funds wisely and most efficiently to maximize funding opportunities. The CFP helps the City determine what capital needs priorities and financial opportunities exist to fund needed projects.

Lacey's CFP accomplishes the following objectives:

- **Provides adequate public facilities to serve existing and new development**
- **Reduces the cost of serving new development with public facilities**
- **Ensures that these facilities will be in place when development occurs**

As required by GMA, the CFP contains the following elements:

- **An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities**
- **A forecast of the future needs for such capital facilities**
- **The proposed locations and capacities of expanded or new capital facilities**
- **A six-year plan that will finance such capital facilities within projected funding capacities with funding sources of public money for such purposes clearly identified**
- **A requirement to reassess the Land Use Element if probable funding falls short of meeting existing needs and to ensure that the Comprehensive Plan elements, including the Capital Facilities element, are coordinated and consistent**

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To cover coordination between the elements of Lacey's Comprehensive Plan, Lacey's CFP includes the following sections:

- **General Government**
- **Parks**
- **Transportation**
- **Sewer**
- **Storm Drainage**
- **Water**
- **Reclaimed Water Utility**

The CFP describes the improvements needed in each of these elements, identifies the cost, funding mechanisms, and timing. It is a six-year plan of capital projects that is updated on a regular basis. Lacey plans to dovetail Capital Facility Plan updates with the annual budgeting process so capital improvement and financing questions are considered every year when budgeting decisions are being made.

The GMA requires jurisdictions fully planning under the GMA to include a Capital Facilities element in their Comprehensive Plan. The Capital Facilities element is also required before a jurisdiction can impose GMA impact fees and before imposing certain taxes, such as the real estate excise tax, and to qualify for state funding for capital facilities.

Economic Development Element

The Economic Development Element (Element) is focused on ensuring community prosperity and a healthy economy: an economy that is characterized by quality job creation and retention, and the resources to provide adequate services.

The Element sets forth goals and policies to build on the community's strengths and opportunities, while mitigating its weaknesses, and potential threats. The goals focus on business retention and expansion: encouraging entrepreneurs to start businesses in Lacey, existing businesses to stay and grow, as well as targeted attraction of new businesses to Lacey. The Element's policies, as well as the implementation measures in the Economic Development Strategy, lay out plans to ensure that Lacey continues to foster an environment where businesses can thrive; where services are ready when needed; and where processes are clear, predictable, fast, and efficient.

Lacey is a community of 80,230 residents. Of that, 46,020 live within the city limits, with the rest residing in the Urban Growth Area (UGA.) Given Lacey's proximity to the State Capital and Joint Base Lewis-McChord (JBLM), it is not surprising that government is the number one industry cluster. Approximately 5,200 Lacey residents work in the public sector, which comprises 30% of the workforce in Lacey. The other major clusters are: retail trade 17%; accommodation & food service 11%; and healthcare, finance & insurance, and information technology at 5% each. Manufacturing, which has a high economic impact, represents just 2%, which is below the 3% in Thurston County and well below the 10% rate for the State.

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Looking ahead, by 2035 it is estimated that the Lacey community will have a population of 107,720. Of that, 53,090 will be within the city limits, with the remainder—more than half—in the UGA. Demographically, Lacey—along with the rest of the nation—will grow a little older, and more ethnically diverse. Education attainment will likely remain as a strength. Education achievement may actually improve as legislative actions in response to court cases, and voter initiatives to better fund public schools and reduce class sizes, are implemented. Given Lacey's significant growth in both land area, and population over the last twenty years, the continuing growth that the City will experience over the next twenty years will begin to be characterized by more redevelopment of existing, under utilized sites, and less new development of greenfield sites.

Nearly 40% of the new jobs forecast to be created in Lacey in the next twenty years are concentrated in three sectors that are often lower paying, and that offer few fringe benefits to employees. These include Personal and Repair Services, Food Service and Accommodations, and Retail Trade. Manufacturing jobs, which typically have the highest economic impact, are forecast to grow by only 90 positions by 2035. As a result, a focus of the Economic Development Element is on job recruitment for employers that provide living wages so that Lacey residents can work in the community where they live.

Continued rapid population growth in the Seattle area, and the continuing rapid rise in the cost of living, and enhanced regulations, may create opportunities beyond just normal job growth for Lacey. As available land in the central Puget Sound area becomes scarcer, more expensive, more difficult to assemble into large parcels, and more expensive to develop, opportunities may come to Lacey to increase the percentage of high-economic-impact manufacturing jobs. This would bring the percentage more in line with the rest of the State. These opportunities may be enhanced if the practice of "re-shoring" manufacturing jobs that had once been moved overseas continues to increase. Re-shoring can occur due to transportation costs, or concerns businesses have abroad with political or economic instability, protecting intellectual property, increased labor costs, or increased regulation.

Lacey's collaborative approach to economic development, characterized by a culture of collaboration and partnership with citizens, property owners, developers, and entrepreneurs to minimize obstacles to their success, has been referred to as "the Lacey way." Effective collaboration between the economic development partners, which is so much a part of the culture of the area, is envisioned to continue and may be enhanced further if a Comprehensive Economic Development Strategy (CEDS) is developed to better define roles, responsibilities, and protocols. This effective collaboration between partners has been a hallmark of success and is further reinforced through the Economic Development Element to ensure establishment of new businesses while fostering business retention and expansion.

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II. PROFILE

A. Historical Context

The early history of Lacey is similar in many ways to that of many undeveloped areas in Thurston County, with early dependence on a resource based economy such as farming and logging. Later, development of commerce and industry occurred, particularly after World War II.

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The area now known as Lacey was first settled in 1848 by David and Elizabeth Chambers. Their donation land claim is now located in the modern-day retirement community of Panorama. Isaac Wood settled soon after in 1852, in what is Old Lacey Historic area, and later established a brewery in Olympia. In 1889, a logger named Isaac C. Ellis built a large racetrack and stables on 100 acres of land just west of what is now Homann Drive.[1] The Northern Pacific Railroad, which had agreed to lay tracks into the area when the racetrack was finished, completed the tracks and a station in 1891.[2] The Woodland Station, as it was named, was soon joined by a building originally built as a clubhouse that became the Woodland Hotel. These structures served the many visitors to the racetrack.

Citizens in the area petitioned for a post office.[3] The name of Woodland could not be approved for the post office, as there was already a town named Woodland less than a hundred miles away. It is believed that O.C. Lacey, a local attorney may have suggested his own name for the post office. In 1903, the name of the railroad station was also changed to Lacey.

Farming and logging were the primary occupations in the community. The first mill at Long Lake was established in 1896. Later, the original Union Mill was erected on the northern tip of Long Lake. St. Martin's College, run by the order of the Benedictine Monks, opened its doors the same year.

The first school in Woodland (now Lacey) was built circa 1886 at the northwest corner of Carpenter Road and Pacific Avenue in a 14 x 20 foot building which held six to ten students. Since Woodland was primarily a farming area, the children had to be available to help with harvesting and attended school for only six months out of the year.

In 1892, David Fleetwood sold to the directors of School District #10 an acre of land across Carpenter Road from the original schoolhouse. A new slightly larger school was built on that acre. Like the first building, it had only one room. In 1901, an addition was added to accommodate the growing number of students. By 1912, the school's capacity was not large

1 Deed Book #19, page 334
2 Morning Olympian, May 22, 1891
3 Documents in National Archives, copies at the Lacey Museum

enough so the old building was torn down and a white one-room structure was built. Designed by Jack Griffin, it opened in the spring of 1928 and served as the Lacey School until 1967, when it became the administrative offices of the North Thurston School District. Until 1994, it stood at the corner of Carpenter and Pacific Avenue.

Until World War II, the primary residential neighborhood of Lacey consisted of a small concentration of homes north of Pacific Avenue and west of Carpenter Road, currently known as the Lacey Historic Neighborhood. Individual residences were scattered throughout the rest of the community. After World War II, Lacey experienced a housing boom.

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A major contributing factor to this growth was the community's proximity to Olympia and Fort Lewis, as well as a decline in jobs associated with natural resource based industries. The installation of the private Huntamer Water System, with its low water rates, and the availability of low cost land requiring little or no excavation and clearing, made Lacey a prime area for development. New industries were becoming attracted to the area, starting in 1950 with Lacey Plywood and Continental Can. By 1961, Lacey had its own Chamber of Commerce and in 1963, Panorama City was constructed on 50 acres. Other developments followed rapidly, including the opening of Lacey Village Shopping Center in 1966. By this time, Lacey had grown so tremendously that Pacific Northwest Bell Telephone Company installed a Lacey exchange.

By the mid 1960's, the pressures of urbanization became so great that a change in status of the Lacey area became inevitable. Problems associated with transportation, sewage disposal, utility service, police protection, and other urbanization issues made it clear that only a city could provide the services necessary to fill the needs of the Lacey area. Annexation by the city of Olympia and incorporation as the city of Lacey were seen as the only two viable alternatives in being able to provide these services.

Incorporation efforts of the Lacey area provided much debate and substantial turf issues were involved concerning the loss of a significant portion of the local fire district and the possible absorption or overlapping of the North Thurston School District with the Olympia School District. The local fire district and the local school district played a significant role in determining the direction of the community. In association with the Lacey Chamber, both entities shared the primary responsibility for influencing the community to vote for incorporation.

Review of the growth and development taking place in the Lacey area during the 1950's and 1960's paints a textbook picture of the development of a suburban community. Along with this development came the growing pains that can be expected of young communities experiencing rapid urbanization. Community residents became aware that problems associated with urbanization were arising, but residing in the unincorporated county made addressing these problems more difficult.

During this same time period, it became increasingly evident that the status of Lacey would change. While the sentiment in the Lacey community was primarily anti-city, it became a common belief that there were only two choices for Lacey's future: incorporate or be annexed by Olympia. Robert Cummings described the threat of annexation of the Lacey area to Olympia stating: "Lacey boosters...were catapulted into action sooner than they had expected by a new annexation move...

Non-residents with substantial holdings in Lacey were circulating annexation petitions which would take the heart out of Lacey Market Square, the new rapidly expanding South Sound Shopping Center and most of Lacey's industry."[4] In another article a few days later, Cummings reinforced the inevitability of incorporation or annexation, stating "...the proponents of incorporation say there is no middle ground...unless Lacey incorporates, annexation into the city of Olympia is inevitable...The truth of this argument was indicated on October 7, when a group organized and adopted the name "Lacey Citizens for the Greater Olympia Area"... this group's avowed purpose is to seek annexation if incorporation fails...The arguments attain the highest temperatures over which is the better choice, incorporation or annexation."[5]

The effort for incorporation of the city of Lacey had two powerful allies in the Fire District and the School District, but the alliance would not have been complete without the support of the Lacey business community. Forming a public/private alliance, the Lacey Chamber of Commerce supported the effort, thus becoming a third powerful ally.

The birth of the city of Lacey was due in part to intergovernmental challenges and turf struggles and the first two decades of its existence were a reflection of these relationships. Many had hoped that intergovernmental relationships would strengthen and the city of Lacey and the city of Olympia would work out their differences over time. The first couple of years were particularly trying as the young jurisdiction was immediately met with an annexation by Olympia of a significant portion of business along Martin Way and residential property to the west. Lacey was unsuccessful in stopping the annexation and Olympia still holds a long narrow finger of high revenue commercial property that extends into the heart of the Lacey business community.

Lacey was born and shaped as much by the intergovernmental forces and politics of the time as it was by necessity due to the tide of urbanization and accompanying growth pains. Without the role played by the local Fire District, the North Thurston School District, or the support of the private sector via the Lacey Chamber, the city of Lacey might never have come to be. See Appendix I for reference cited.

4 Cummings, October 12, 1966
5 Cummings, October 14, 1966

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B. Current Land Use Patterns

As discussed in the previous section, Lacey has a heritage as a suburban community. Land use patterns in the city of Lacey reflect this land use form with a series of arterials that pass through the heart of Lacey's downtown and extend through the length of the existing incorporated limits and Lacey's Urban Growth Area (UGA). Since the 1950's, people have moved to the Lacey area and generally commuted to work, primarily to either the Olympia area or Joint Base Lewis-McChord (JBLM). The construction of the interstate highway system in the 1950's and 1960's helped contribute to the ability to commute to other areas more efficiently. This resulted in a dispersed land use typical of suburban communities throughout the country, which have developed at somewhat lower urban densities - below four units per net acre, which is dependent upon the automobile as its primary mode of transportation.

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The Lacey UGA has followed a leap frog development pattern along the major arterials, radiating out from the Olympia urban core. Lacey began developing in what is now identified as the Central Planning Area, with commercial development in the Woodland District and Central Business District area. Commercial development spread along the major arterials of Martin Way and Pacific Avenue. In the 50's and 60's, residential development spread south of Lacey Blvd. and over the next two decades began to move south along Ruddell and College in the same pattern.

In the mid 1990's development was guided by the first Comprehensive Plan, adopted in 1994, completed under the framework of the Growth Management Act (GMA) which designated an urban growth boundary for the City. The GMA requires that the County designate urban growth areas through a collaborative process with the City. The UGA includes the incorporated area of the City, and also includes unincorporated areas adjacent to the City that are large enough to accommodate the forecasted twenty-year population growth of the City. The urban growth boundary is a site-specific line separating an area where urban development densities and a full range of urban services are to be provided.

In 1995, a revised zoning code was adopted implementing the Plan for the Lacey incorporated area. The zoning code, with a few changes to address County issues, was adopted by the County in 1996. This code applied to Lacey's unincorporated growth area. These documents and the urban growth boundary paved the way for development of a number of new subdivisions meeting GMA goals. Subdivisions in the City generally began to be developed with smaller lots, higher densities, design review components, and narrower streets.

A prominent feature in Lacey's development pattern has been the number of lakes and associated wetlands in the urban area that include Chambers Lake, Lake Lois, Hicks Lake, Long Lake, Southwick Lake, and Pattison Lake. Woodland Creek also runs through the city of Lacey watershed area to the Sound. At the far east end of Lacey's growth area is the Nisqually Valley and the north boundary of the urban growth area is Puget Sound. Overall, most of the Lacey area is predominantly flat, adding to the desirability of development.

Railroads also helped to define Lacey's character and growth. The construction of the Northern Pacific Railroad was completed in our area in 1891. The right-of-way ran through the center of Lacey

and Lacey's UGA from east to west and along its southern boundaries northeast to southwest. In 1915, Pacific Avenue was constructed to parallel the railroad tracks. A 2.2 mile stretch of railroad right-of-way through the center of Lacey was purchased by the City and is now the Lacey Woodland trail. The historic Chehalis Western Railroad operated until the mid 1980's. The right-of-way ran north to south, along the western boundary of the City. In the 1990's the former rail line was converted to the Chehalis Western Trail, a regional trail system.

C. Population Projections and Vacant Land Studies

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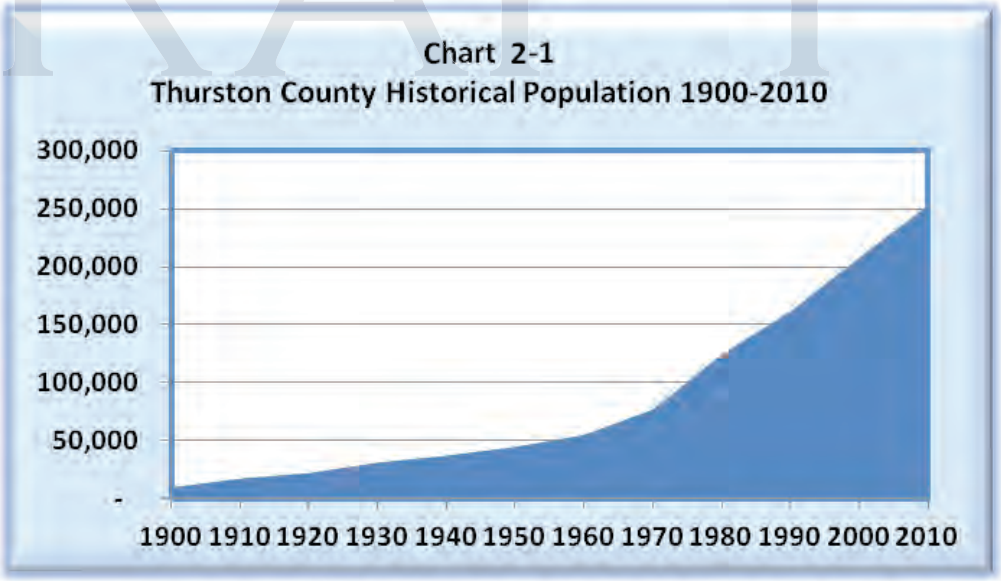
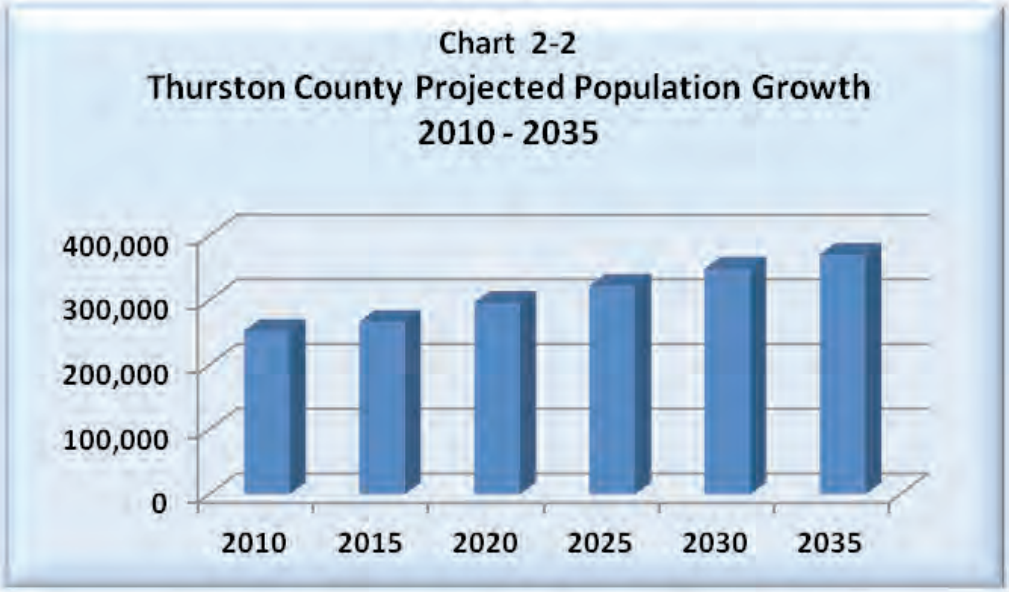
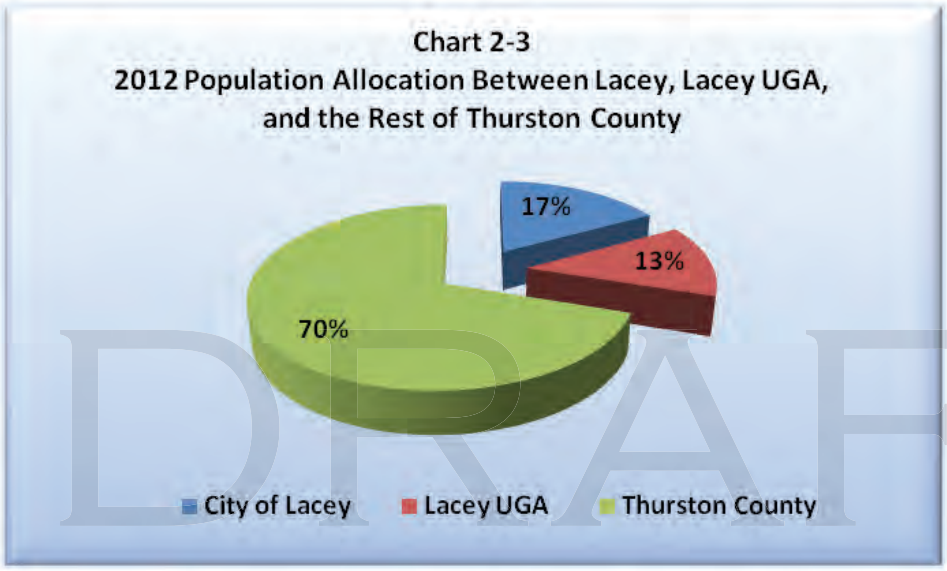
Historical information shows that since 1900, Thurston County's population growth has steadily increased with more dramatic increases starting in the 1960's. Between 1960 and 1970 the average annual growth rate was 4 percent; and by the 1980's, it had reached 6.2 percent. The population continued to grow in the 1990's and 2000's at a relatively steady pace with annual growth rates of 2.9 percent and 2.2 percent respectively (See Chart 2-1).





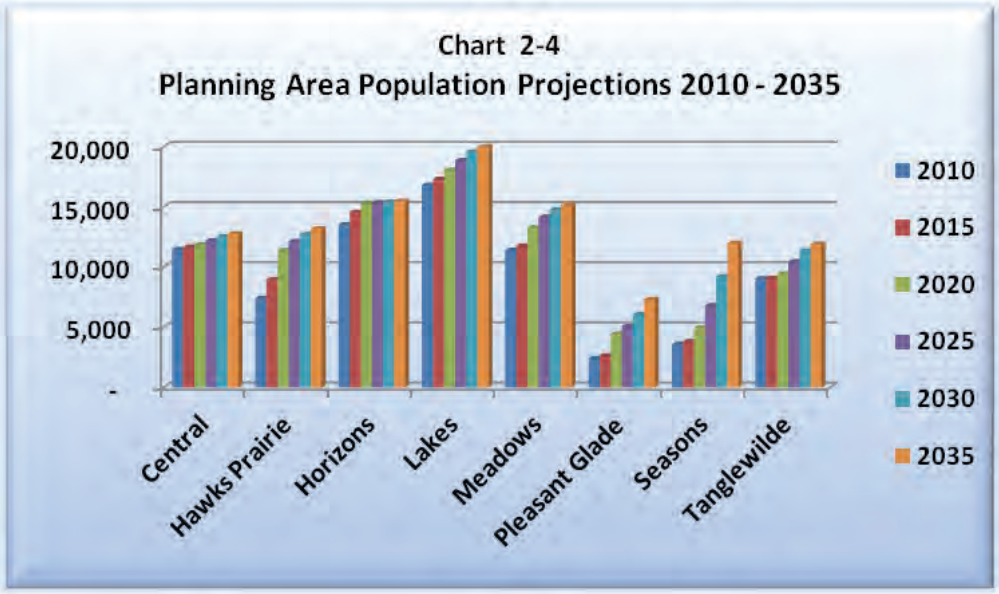
According to the Washington State Office of Financial Management (OFM), this rapid growth is forecasted to continue. Estimates show a growth of population from 252,564 to 370,600 by the year 2035 for Thurston County (See Chart 2-2).



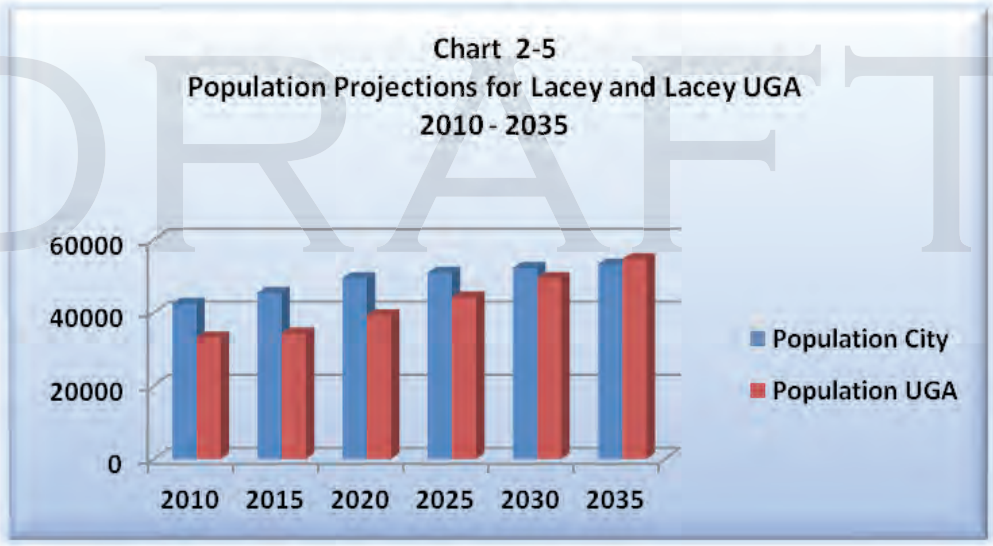
Data indicates that historically the population of the city of Lacey has been around 11 percent of the total Thurston County population. According to the 2010 census, Lacey's percentage of the County population has grown to 17 percent of the overall population. Lacey and its Urban Growth Area account for approximately 30 percent of the population in Thurston County (See Chart 2-3). The percentage of population allocation for Lacey and the UGA are anticipated to remain constant for the twenty-year planning period.

To allocate future population, the City utilized reports prepared by the Thurston Regional Planning Council (TRPC). TRPC's analysis reviewed vacant land resources both in and out of the Urban Growth Area. Findings in the *2014 Buildable Lands Report for Thurston County* were used to chart potential growth areas over the next twenty-year planning period to allocate population increases for each area in five-year increments. The report was also used to determine whether the current adopted growth boundaries have adequate vacant land resources to accommodate anticipated growth over the next twenty-year period.

TRPC prepared an estimate of population growth for each UGA of the County. In addition, TRPC broke population estimates down by Lacey's individual planning areas. These planning areas are based loosely on transportation analysis zones, which derive information from census blocks. The City's



UGA is divided into eight planning areas and population projections have been applied to each of these areas. A profile of these planning areas relating to population growth estimates is shown in Chart 2-4. Under this scenario, Lacey and its UGA are expected to grow from the 2015 population of 80,230 to a total of 107,720 by the year 2035. Residents in the city of Lacey would account for 53,090 people while the population in the growth area is anticipated to contain 54,630 people. These projections reflect an average annual growth rate of 1.72 percent (See Chart 2-5).



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As can be seen in the comparison of planning area growth rates, the most significant growth is anticipated for Seasons, Meadows, Hawks Prairie, and Horizons planning areas. These areas have the most vacant buildable lands and potential for development given past housing trends. Pleasant Glade has ample available land resources, but development limitations such as wetlands, the Woodland Creek corridor, and the unavailability of sewer may require rethinking of much of the area's suitability for inclusion in the UGA. The Woodland and Central Business Districts have potential to accommodate significant growth through employment, redevelopment, and high density multifamily development forms. However, considering vacant land, infilling the Central Planning area may take more time based on market conditions favoring single-family residential development.

Based upon the availability of vacant land, only a small amount of growth was allocated to the Central Planning Area in TRPC's *Population and Employment Forecast* update (2012). Generally, growth was allocated to areas outside the City and within Lacey's UGA that hold the majority of Lacey's buildable land resources. This results in a different land use form and distribution than the alternative that would focus density into the urban core and along urban corridors in a compact, mixed-use development form. The allocations were developed to reflect expected outcomes and to reflect existing zoning and market conditions, as opposed to preferred outcomes or the vision that will be identified in the Plan.

The forecast for population allocation includes a number of considerations. Some of the most important factors include market forces, historical trends, and zoning designations on buildable

land. Buildable land resources in Lacey's UGA are primarily zoned in two zoning districts, the Low Density 0-4 and Low Density 3-6. Areas are also included in the McAllister Geologically Sensitive Area (MGSA) zoning classification. These zoning classifications were designed for a suburban market by providing exclusively for single-family, detached homes on individual lots. Other housing forms are prohibited in these Low Density zoning designations. See Property Development Status map on adjacent page.

In the last decade, over 75 percent of the growth in dwelling units was in the single-family, detached form. This demonstrated a strong market demand for single-family, detached housing in Lacey and the competitiveness of Lacey's buildable land resources and zoning classifications to support this development.

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Given market demands and expected availability of water service to all of Lacey's buildable land resources within the UGA and the fact that the current zoning classifications in the UGA support a suburban development form, the trend for development of single-family detached homes in a suburban development pattern would be expected to continue. Currently, there are several subdivision applications for the Lacey UGA that have been submitted to the county to vest plat applications under lower-density residential zoning.

Population allocation within the UGA, but outside its urban core and mixed-use corridors, has been supported in the allocation forecast given the minimal success of previous efforts to stimulate growth of compact, mixed-use development in these areas. From the time of its adoption in 1994, the Comprehensive Plan provided goals and policies to support urban density and mixed-use in the core and along the Martin Way Urban Corridor. However, market forces, supported by residential zoning designations that require segregated use in a single-family land use pattern and the availability of relatively non-encumbered vacant land, continued to expand Lacey's suburban form. Although gross and net residential densities within the City and the UGA increased after the passage of the GMA and zoning was changed throughout the urban area, recent data shows reversing trends. Gross density is expected to decrease in the planning period due to projects being developed on lands that contain large amounts of critical areas considerations.

Overall, growth accommodated within the City and the UGA has satisfied the general goal of keeping new development in the UGA. To this extent, local GMA strategies have achieved a measure of success. However, development within the City and UGA has continued to be developed in a suburban fashion. Despite past efforts, benefits of development in an urban form that will conserve buildable land resources, support urban services, and provide a full range of housing choices and transportation options have yet to be realized.

Lacey's Central Business Districts, Woodland District, Lacey Gateway and the Martin Way Urban Corridor are thought to have significant development potential if the market and zoning strategies support the preferred alternative land use form. If Lacey is to achieve an urban form and move away from suburban style development, new strategies will be required. To provide additional emphasis on achieving a more sustainable development form, the Plan will bring new strategies to influence market development choices, including incentives that will target particular areas for preferred growth.

The Tanglewilde/Thompson Place area is also largely built out, with only limited area for growth. The Lakes area includes environmentally sensitive areas, which is expected to limit potential for density. However, the Lakes Planning Area is also the largest planning area, and one of the more desirable areas considering its lake amenities, which could contribute to significant population increases in this area.

Overall, the amount of vacant land resources identified within the UGA boundaries supports the earlier assumptions made in 1988, and again in 1994, 2003, and 2007, that the boundaries can accommodate growth for the next twenty-year period. Subsequent studies discussed below further support this finding.

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It also needs to be noted that if efforts to stimulate development in Lacey's core and the urban corridors are successful, population allocations developed in TRPC's 2012 *Population and Employment Forecast* update will need to be adjusted to account for more development in these areas. This would require review of population modeling assumptions made in the Transportation Element and Lacey's Utility Element, as these elements have been developed to provide services based upon the 2007 Population and Employment Forecast, which is fairly consistent with the 2012 update.

D. Land Use

Critical information required for preparation of a land use element includes existing land use and economic data. It is important to know how much property is currently devoted to various types of land uses and where such land uses are located.

The majority of Lacey's commercial land use is located in the Central area, with a large Community Commercial area in the Horizons Planning Area at the corner of College St. and Yelm Highway. There are presently two undeveloped Community Commercial areas in the Hawks Prairie Planning Area at Marvin and Hawks Prairie Roads and on Willamette Drive. There is a large General Commercial zone in the Tanglewilde/Thompson Place and Meadows Planning areas at the Martin Way and Marvin Road interchange. More recently, a significant amount of property has been designated and master planned for commercial development in the Hawks Prairie Planning Area in the Hawks Prairie Business District.

In order to identify existing land uses and future land use needs, the City is utilizing TRPC's 2012 *Population and Employment Forecast* and the 2014 *Buildable Lands Report* . Information from that update are being used to provide a profile of the City and UGA so land use assumptions can be made regarding future land use needs and resources.

To ascertain the forecasted need for different land use types, a jurisdiction should aim for comparable percentages of land to what is currently utilized unless significant shifts in the commercial and industrial bases are anticipated. Based upon this expectation, the vacant land available should be allocated to maintain existing percentages while also providing an adequate inventory of commercial and industrial land to support economic development goals.

E. Vacant Land Resources and Sizing of the Urban Growth Area (UGA)

While the UGA has adequate vacant land resources to accommodate anticipated growth for the next twenty-year period, existing incorporated land, when considered alone, does not. Given the GMA's emphasis on guiding urban development to urban growth areas, an important issue is to determine whether the existing incorporated area can accommodate expected growth and if it can't, how much bigger does the urban growth area boundary need to be? To properly review this issue, a discussion of purpose and intent for establishment of the growth boundary, as well as the background for development of the UGA in north Thurston County, is required.

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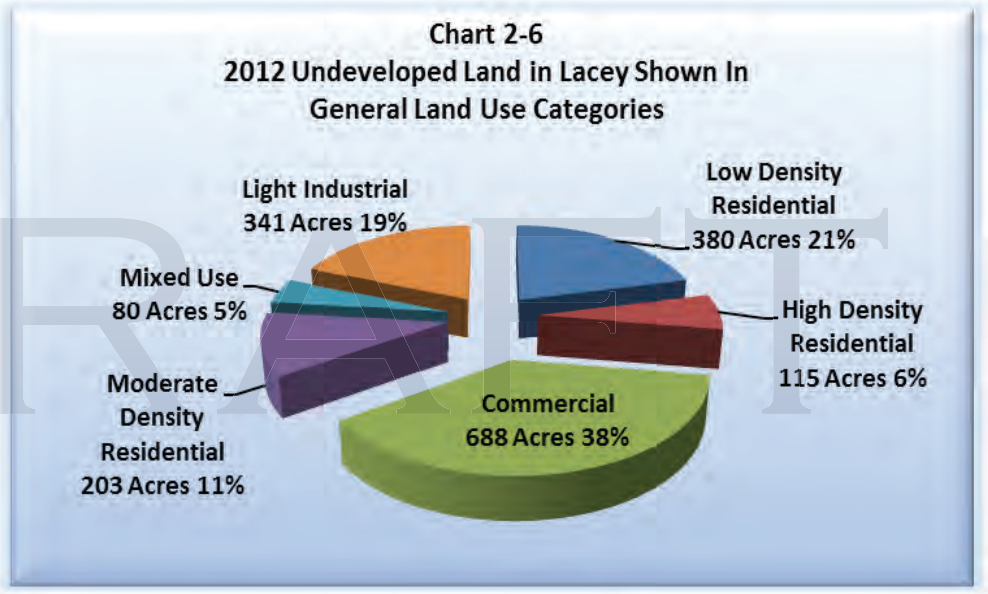
The proposed urban growth areas were established in 1988. The Urban Growth Management Subcommittee of the Thurston Regional Planning Council drew the boundaries based primarily on what areas were already urbanized, considering developed and vested development sites; current and proposed zoning and land use designations; and the regional sewer phasing plan.
The primary emphasis in establishing the growth boundaries was to protect rural resource lands from sprawling development, in particular, those areas with agricultural or forest land resources. In drafting the urban growth area boundaries, agricultural areas and forest areas were protected.

The other major emphasis in drafting the UGA was to consider those properties already developed out to urban densities that were on septic tank and drain field and those areas that had vested projects expected to develop that were going to be on septic tank and drain field. This was of particular concern as the Lacey area is very sensitive considering aquifer protection and is considered at high risk for contamination of groundwater resources that provide 100% of the area's potable water.

If urbanized areas or vested projects are within the UGA, those areas can be serviced with sewer, eliminating a primary cause of potential groundwater contamination. If they are outside the UGA, they will likely not be provided with sewer. An example of this is the McAllister Park development in the Seasons Planning Area which was vested through court action for development of several hundred units on septic tank and drain field. If the UGA was drafted to exclude this development, it could have legally been allowed to develop and build out at full densities on septic tank and drain field. It was to the County and City's benefit to provide sewer to this development to ensure that these units were connected to sewer, as opposed to utilizing septic tank and drain field. This issue was particularly significant since McAllister Park is adjacent to the McAllister Geologically Sensitive Area (MGSA).

After the initial establishment of the growth boundaries, a vacant land study was conducted by TRPC, with assistance by the City, to better identify vacant land resources in the UGA. Subsequent follow up studies were undertaken by Lacey with Thurston County staff. Graphic results of these vacant land studies were shown in the land use map provided in the 1994 Comprehensive Plan. This map also showed the current city limits for graphic representation of vacant lands within the City and the County growth area.

The most recent Population and Employment Forecast refines information provided in these earlier studies and identifies properties inside and outside the City proposed to be designated for residential, as well as other land uses. This report shows that approximately 115 vacant acres in the City were designated for High Density Residential, 203 acres for Moderate Density Residential, and 380 acres for Low Density Residential. Chart 2-6 shows the percentage of buildable acres in Lacey in general land use categories.



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Conversely, Chart 2-7 shows the percentage of developable and undevelopable acres in general land use categories. In the UGA, there are an additional 90 acres of buildable land in High Density, 182 in Moderate Density, 1116 in Low Density, and 589 acres in the MGSA.

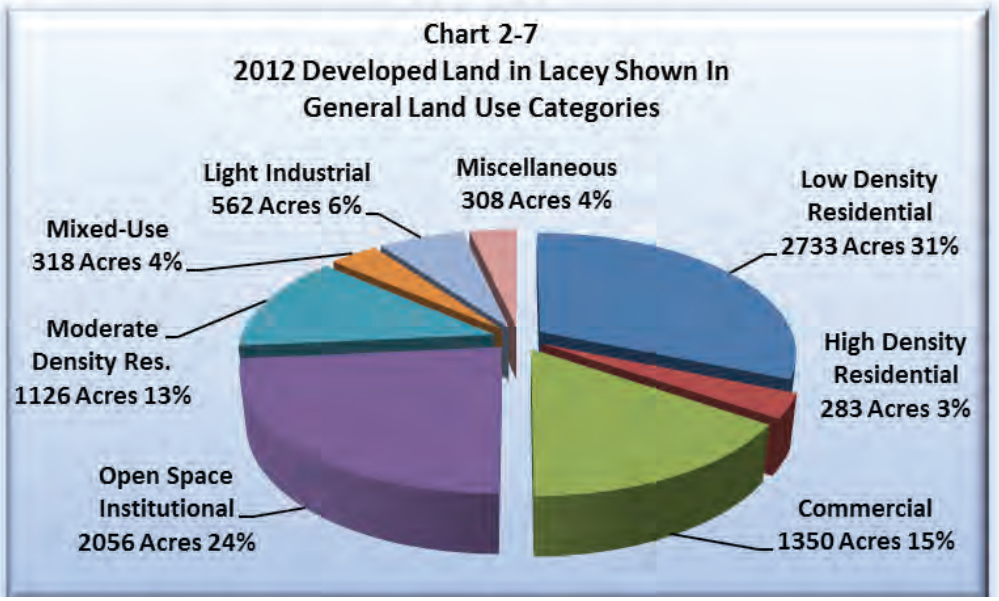

Chart 2-8 displays all of the developed land in specific land use categories and the percentage of total buildable land reserves still available.

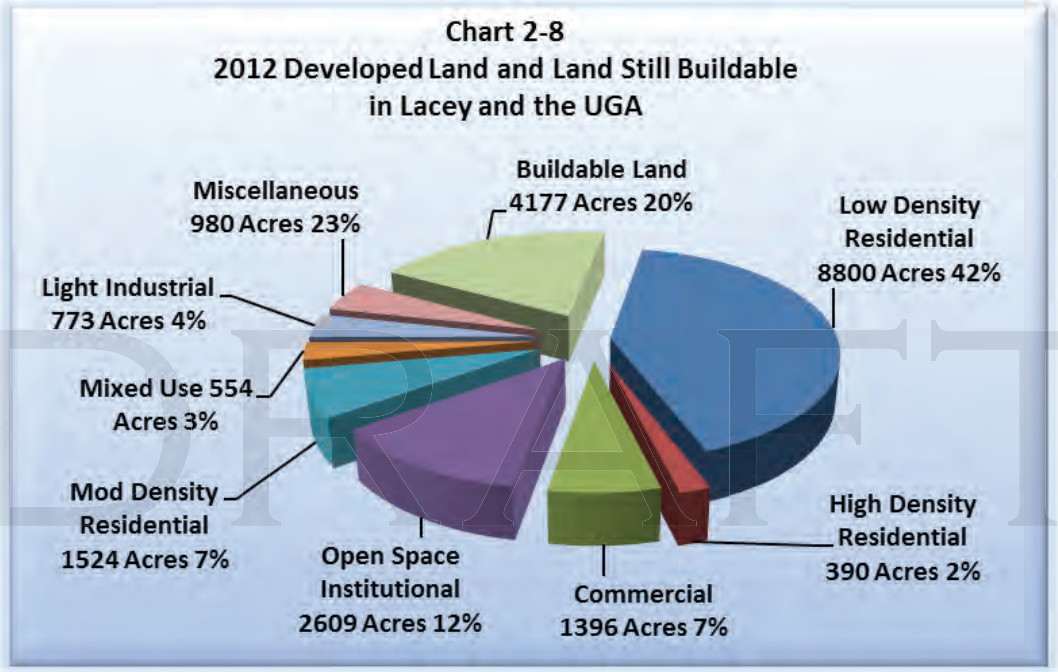

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Table 2-1 shows the number of buildable and developed acres by zoning district in Lacey.

Table 2-1
Developed and Buildable Land Resources in the City of Lacey
Data From the 2012 Thurston Regional Planning Council Land Supply Analysis

	Developed & Undevelopable	Buildable	Total Acres
Business Park	103	134	237
Cemetery	37	-	37
Central Business District	694	102	795
Community Commercial District	75	45	120
General Commercial	218	54	273
Hawks Prairie Business District	210	331	541
High Density Residential	283	115	398
Lacey Historic Neighborhood	70	19	89
Lake	271	-	271
Light Industrial/Commercial	40	2	42
Light Industry	522	339	860
Low Density Residential (LD 0-4)	2,092	319	2,411
Low Density Residential (LD 3-6)	571	42	612
Mineral Extraction	33	-	33
Mixed Use High Density Corridor	61	15	76
Mixed Use Moderate Density Corridor	8	22	30
Moderate Density Residential	1,126	203	1,329
Neighborhood Commercial	14	22	36
Office Commercial	3	-	3
Open Space Institutional	1,442	-	1,442
Open Space Institutional/Park	243	-	243
Open Space Institutional/School	371	-	371
Village (Urban) Center	5	36	41
Woodland District	244	7	251

Table 2-2 shows buildable and developed land resources in both Lacey and the UGA by zoning district.

Table 2-2 Developed and Buildable Land Resources in Lacey and the Lacey UGA Data From the 2012 Thurston Regional Planning Council Land Supply Analysis			
	Developed & Undevelopable	Buildable	Total Acres
Agriculture	63	156	219
Business Park	103	134	237
Cemetery	37	-	37
Central Business District	701	102	802
Community Commercial District	75	45	120
General Commercial	218	54	273
Hawks Prairie Business District	216	331	547
High Density Residential	390	205	595
Lacey Historic Neighborhood	70	19	89
Lake	880	-	880
Light Industrial/Commercial	67	73	140
Light Industry	706	362	1,068
Low Density Residential (LD 0-4)	6,033	795	6,828
Low Density Residential (LD 3-6)	1,670	682	2,352
McAllister Geologically Sensitive Area	1,027	589	1,616
Mineral Extraction	51	-	51
Mixed Use High Density Corridor	215	76	292
Mixed Use Moderate Density Corridor	47	44	90
Moderate Density Residential	1,524	385	1,909
Neighborhood Commercial	29	43	72
Office Commercial	3	-	3
Open Space Institutional	1,615	-	1,615
Open Space Institutional/Park	451	-	451
Open Space Institutional/School	371	-	371
Open Space School	172	-	172
Village (Urban) Center	48	75	123
Woodland District	244	7	251

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Population forecasts completed by TRPC in 2012 provided new numbers for local cities to use in determining growth needs and existing capacity of land resources. Review of these numbers has identified some possible concerns with available capacity given trends of the 2007 market and issues related to limitations of some UGA land resources that are expected to reduce its capacity. Capacity of buildable land resources to meet forecast demands of population is probable, but not certain. To consider capacity, the City considered several growth scenarios.

Recent population figures forecast a population increase of 27,490 persons in the next twenty-year planning period within the city limits and unincorporated Urban Growth Area. Based upon this population projection, Lacey and the UGA would have the need to provide for 12,220 additional housing units by the year 2035. If development were to occur at the current lowest density options

permitted in the code, Lacey would be short of capacity by several thousand units. However, as density increases under options provided within Lacey's zoning code, capacity increases significantly.

Recent data suggests strong demographic shifts that show a growing need for varied housing types and smaller housing. These demographic shifts are guided by the aging baby boomer generation and the Millennials. The Millennial generation is most commonly defined as people born between the 1980's to the early 2000's. In 2013, 14.1 % of the population in Thurston County was 65 years of age and older. By 2035, this number is expected to rise to 20%. The growing elderly population is increasing the number of households with one or two people. The Millennial generation is continuing to finish schooling and entering the work force. This generation is increasingly delaying marriage, having children and home ownership. An increasing number are also delaying obtaining a driver's license and are seeking housing choices in walkable urban areas with easy access to jobs, education, goods and services, and recreational opportunities. Given existing demographic trends, land reserves are expected to be sufficient. If changes are made to the existing code to increase land conservation through such strategies as higher minimum density for certain zones, varied housing types, and more successful incentives to achieve compact development, capacity increases significantly to accommodate growth well into the next twenty-year growth period.

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In evaluating land use and zoning options, it would be wise to think beyond the minimum twenty-year planning period GMA requires. Wise management of land resources could increase Lacey's available land resources significantly, helping to realize the goal to be a more sustainable community.

Lacey accommodated significant growth in the last planning period. Of all the local jurisdictions, Lacey's code was designed to be market friendly by providing options for density and housing choice. The intent of the Plan was to accommodate the needs of the market. In addition, by including a range of innovative and progressive techniques for increasing density for single-family detached development, Lacey provided new and less expensive ways of developing this form of housing.

The 1994 Plan and implementing legislation met objectives for single-family detached development in the last planning period and demonstrated a market resilient code. This strategy met the needs of the previous planning period. However, new goals and objectives need to be developed for conservation and use of land resources and long term sustainability. In addition to providing opportunities and being resilient to market conditions, Lacey needs to ensure development regulations are meeting the current vision, goals, intent, and best practices outlined in the Plan.

It is projected that 60,000 new jobs will be created in Thurston County during the twenty-year planning period. Approximately 95 percent of these jobs will be located in urban areas; with 72 percent of these expected to locate in areas zoned for commercial uses (including mixed-use zoning districts). Eight percent of new jobs are expected in areas zoned for industrial uses, with the remaining 20 percent located in areas zoned for residential uses.

Employment forecasts prepared by TRPC indicate that by the end of the planning period, 18,180 new jobs will be added to the city of Lacey and its Urban Growth Area current job total of 28,940. In 2010, the jobs per capita rate for Lacey was 0.56 compared to Olympia's rate of 1.10 and Tumwater's rate of 1.22. Job projections indicate that the anticipated jobs per capita rate for Lacey will increase to 0.71 by 2035 but will still be below the rates of our neighboring urban cities. Thurston County, as a whole, has more people commuting out of the county to work than into the county. This trend results in a net outbound commute factor. A major factor for this trend is Joint Base Lewis McCord. JBLM is now the second largest employer in the state, with Boeing being the largest. Thurston County has 5,250 resident active duty military personnel living in the county, with the highest percentage residing in Lacey.

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Forecasting the future need for industrial and commercial land is complex. An adequate land supply requires a full range of options to choose from including unimproved land, availability of infrastructure, and existing and vacant buildings. Commercial and industrial land supply is identified by comparing existing land use and zoning. Vacant or partially-used lands in commercial and industrial zones and a portion of land in mixed-use zones are included in the estimate of the land supply for industrial and commercial development. Redevelopable land is a small but growing part of the developable land base. Redevelopment occurs when old or outdated buildings are removed and replaced with new ones or when excess parking areas are removed to allow for additional buildings.

The 2014 *Buildable Lands Report* identified the minimum number of commercial and industrial land needs for the planning period based on dividing employee growth by the average number of employees per acre. It is projected that Lacey and its UGA will need 316 acres of commercial or mixed-use land and 206 acres of industrial lands. Currently, the planning area contains 752 acres of vacant or partially-used commercial or mixed-use zoned land and 253 acres available for redevelopment. The current industrial-zoned land supply that is vacant or partially-used is 436 acres with 76 acres of land available for redevelopment. The available commercial, mixed use, and industrial land supply exceeds the projected need based on current trends. A planned robust effort to focus on economic development and job growth could warrant the need for additional land.

The Plan is intended to identify ways to utilize available buildable lands to the community's best advantage. This will require strategic location of density, land uses, and employment opportunities. As Lacey moves forward, it is the intent to conserve available land resources; provide for economic and job growth; consider which zones can accommodate changes to meet the stated goals and policies in the plan, and define changes that can be made to facilitate a more compact, mixed-use form given the context of existing land use within our community.

III. COMMUNITY VISION

Community Vision – Provide a balance of land use activity that promotes the overall quality of life and protects environmentally sensitive areas to make Lacey a great place to live, work, learn, shop, and play.

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A. Framework and Plan Coordination

Plan Context

The Land Use Element addresses the general pattern of land use within the City and provides a framework to guide the overall growth and development. It ensures that an appropriate mix of land uses are available to provide services to the community, provide an array of housing choices and areas to live, protect environmentally sensitive areas and support the City's economic goals. The land use chapter plays a central role in guiding urban land use patterns and decisions for the City. In keeping with various state laws, the City shapes land use patterns primarily by regulatory means, such as zoning, design standards, and critical areas ordinances. The Land Use Element contains goals and policies to serve the community and works to fulfill the overall vision of improving the quality of life for all residents.

Each element of the Plan is intended to support the other elements to guide the community in a comprehensive and predictable fashion. This chapter addresses the general location, densities, and distribution of land uses within the City. The Land Use Element provides the basis and context for the other elements to guide different aspects of land use and the built environment. This element helps guide the location and capital expenditures related to public services and facilities such as water, stormwater, sewer and roads.

This chapter's goals and policies provide a framework for the overall Plan by guiding the content of the other elements of the implementation of development and design standards. The objective of the land use goals and policies contained in this chapter is to achieve Lacey's vision by preparing for planned growth that will contribute to and enhance the character of Lacey.

The Growth Management Act (GMA) requires that all elements comprising the Comprehensive Plan be internally consistent with each other and consistent with the future land use map, including subarea plans. In order to maintain internal consistency between all elements of the Plan, the goals and policies contained in each element are intended to be mutually supportive and are to be read collectively with specific policies having more significance than more general policies.

Joint Planning

The city of Lacey works to provide leadership and participation in coordinated and consistent planning in the region. The GMA has established processes for local jurisdictions to coordinate land use planning because growth impacts cross jurisdictional boundaries and requires coordination between governmental and quasi-governmental agencies and departments.

Thurston County works in collaboration with local jurisdictions to establish and implement a joint planning process. Each year during Thurston County's annual comprehensive plan docketing process, joint planning activities from each jurisdiction are considered. Each jurisdiction schedules its annual comprehensive land use plan amendments in the unincorporated portions of the Urban Growth Area (UGA) to be able to coordinate updates with the County's schedule. Memorandums of understanding have been adopted with an agreed framework for this process.

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A joint land use plan with Thurston County guides land use in the unincorporated UGA between the city limits and the boundary of the growth area. The City assumes lead responsibility for preparing the joint plan. The plan is jointly adopted by both the City and Thurston County. This joint plan guides land use planning decision making within these areas. Thurston County and area jurisdictions strive to adopt and maintain a compatible level of service standards and facilities and development standards for these areas based on applicable City standards. Thurston County maintains jurisdiction within the unincorporated UGA and implements development regulations through the County land use permitting process.

The City and Thurston County amend and update the Joint Plan as necessary to ensure internal and inter-jurisdictional consistency, and consistency with other elements of the Plan.

County-Wide Planning Policies

To achieve coordinated regional planning efforts, the GMA requires counties and the cities therein to jointly develop a policy framework to guide the development of each jurisdiction's comprehensive plan. These policies are called County-wide Planning Policies (CWPP's). Each local plan is then required to demonstrate that the policies have been followed in the development of their plan. Policy statements for eight subject areas are required to be agreed upon, including:

1) The designation of urban growth areas
2) The promotion of contiguous and orderly development and the provision of urban services to such development
3) Joint county and city planning within urban growth areas
4) The siting of essential public facilities of county or state-wide significance
5) The need to develop county-wide transportation facilities and strategies
6) The need for affordable housing for all economic segments of the population
7) County-wide development and employment
8) Rural areas

Through an intensive technical review process, and the final adoption by the Thurston County Board of Commissioners, compliance with the CWPP's ensures that comprehensive plans are consistent, coordinated, and fit the regional vision of Thurston County. Thurston CWPP's and the Thurston

Regional Planning Council (TRPC) play important roles in Thurston County and its cities' mandates under the GMA.

CWPP's were first agreed to by local jurisdictions in 1992. These policies included two additional non-required sections: Environmental Quality and Process. The Process section outlines the procedures for updating and amending the CWPP's and population projections. Minor modifications were also completed in 1994. The CWPP's were most recently amended in 2015 to reflect the vision and policies adopted as part of the regional "Sustainable Thurston" process. A copy of the CWPP's adopted in 2015 are included as Appendix ____ to this Plan.

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Sustainable Development Plan

Creating Places - Preserving Spaces: A Sustainable Development Plan for the Thurston Region is a result of a two and a half year community conversation and analysis of quality of life issues in this region. A task force comprised of area jurisdictions and agency representatives drafted the plan based on input from residents representing jurisdictions, agencies, organizations, and community groups. The resulting plan is a regional vision of sustainable development that encompasses land use, housing, energy, transportation, food, health, and other interconnected issues. The vision and strategies contained in the plan are intended to guide efforts in the region through 2035. The plan also includes suggested actions and responsibilities to achieve a healthy economy, society, and environment. Goals and policies from the Sustainability Plan were incorporated into related sections within the CWPP's to recognize and integrate sustainability principles in a regional approach.

The City adopted the Plan by resolution in 2014 to use as a resource for providing information, informed actions, and a template for a coordinated approach to sustainable development. The City agreed to participate in continued coordinated partnership opportunities, and to move the plan forward for integration, as appropriate, of relevant actions into local plans, regulations, and programs.

The Buildable Lands Program

Understanding the amount of land available for development provides an indication on where projected growth can locate and how much land will be set aside for environmental protection, parks and recreational uses, and resource lands. The GMA requires cities and counties to develop plans on how they will accommodate growth. Lacey and the cities in Thurston County worked in conjunction with the County and TRPC to establish urban growth areas. The CWPP's are used as the guidelines for this process.

In 1997, the State legislature added a monitoring and evaluation provision to the GMA for six western Washington counties. This provision is referred to as the "Buildable Lands Program" which includes Thurston County and all the cities and towns within. TRPC develops the *Buildable Lands Report*, and updated the report in 2014 to inform the local comprehensive plan updates.

The Buildable Lands Program in Thurston County is required to answer three key growth related questions:

- **Is residential development in urban growth areas occurring at densities envisioned in the local comprehensive plans?**
- **Is there an adequate land supply in the urban growth areas for anticipated future growth in population?**
- **Is there an adequate land supply in the urban growth areas for anticipated future growth in employment?**

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The report represents baseline conditions, or an analysis based on policies and regulations that are adopted by local jurisdictions. The 2014 update did not take into account the strategies and targets developed during the Sustainable Thurston project since they had yet to be implemented by local jurisdictions.

FRAMEWORK LAND USE POLICIES

Policy A: It is the City's overall goal to enrich the quality of life in Lacey for all our citizens by building an attractive, inviting, and secure community. The City will work in partnership with the community to foster community pride, to develop a vibrant and diversified economy, to plan for the future, and to preserve and enhance the natural beauty of our environment. All policies and proposed development code and zoning changes should be reviewed with this goal in mind.

Policy B: Lacey's land use pattern should accommodate carefully planned levels of development that promote efficient use of land, reduce sprawl, encourage alternative modes of transportation, safeguard the environment, promote healthy neighborhoods, protect existing neighborhood character, and maintain Lacey's sense of community.

Policy C: Support efforts for job creation, new livable wage jobs, and promote the diversification of the community's businesses and employment sector.

Policy D: Plan for and promote an economically healthy city center that is unique, attractive, and offers a variety of retail, office, service, residential, cultural, civic, and recreational opportunities.

Policy E: Diverse, affordable, attractive, and stable residential neighborhoods should be encouraged while providing for a variety of housing opportunities.

Policy F: Protect and enhance the quality of the natural environment by protecting and restoring important environmental areas such as shorelines, wetlands, drinking water supplies, urban forests, and the Woodland Creek basin by ensuring development projects meet or exceed established environmental protections, encouraging existing septic systems to connect to City sewer when services are available, and focusing on redevelopment of existing buildings and targeted infill sites.

Policy G: Plan to accommodate a 2035 City population of 53,090 and potential annexations of areas within the UGA.

Policy H: Ensure that street designs encourage all modes of transportation including transit, pedestrians, bicyclists, and automobiles.

Policy I: Emphasize Lacey's role as an environmental steward by conducting City business in a manner that: 1) increases community understanding of the natural environment and participation in protecting it through education and programs; 2) promotes sustainable land use patterns and low-impact development practices, and 3) leads by example in the conservation of natural resources such as energy, water and trees.

Policy J: Continue to support a culture of dialog and partnership among City officials, residents, property owners, the business community, Joint Base Lewis-McChord, and other governmental agencies.

Policy K: Encourage active participation by all Lacey residents in planning for the future of the community.

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PLAN COORDINATION GOALS AND POLICIES

Goal 1: Ensure consistency and coordination between all elements of the Comprehensive Plan, as well as other plans and regulatory land use codes.

Policy A: Establish land use policies that are consistent with, and help implement, requirements of the Growth Management Act.

Policy B: Establish land use policies that are consistent with and implement county-wide planning policies.

Policy C: Integrate the provisions of the Sustainable Thurston efforts in local plans, regulations, and programs, as appropriate.

Policy D: Maintain a joint planning program with Thurston County to foster consistent land use designations and development standards in the incorporated and unincorporated portions of the Lacey UGA. Thurston County shall keep development standards current with those administered by the City of Lacey in accordance with approved agreements.

Policy E: Provide land use policies that are consistent with, and implement all elements of, the Comprehensive Plan, as well as plans and land use regulations referenced by those plans, including the Housing Element; Capital Facilities Plan; Utilities Element; Transportation Element; Environmental Element; Water Comprehensive Plan; Wastewater Comprehensive Plan, Economic Development Element; Comprehensive Plan for Outdoor Recreation; and the Public Participation Plan.

Policy F: Establish land use goals, policies and implementation strategies that give specific guidance on amendments and implementation of development regulations including the zoning code, land division regulations, and design review standards.

B. Residential

The South Sound is one of the fastest growing areas in the state. There are approximately 130,000 jobs in Thurston County and another 60,000 are expected by 2035. These jobs will draw workers and their families who will in turn need housing. An increasing number of people are also expected to move to our area and commute to jobs in the Central Puget Sound region and job centers such as Joint Base Lewis-McChord. The City will also attract retirees and students to area colleges and universities. Lacey is required to plan for providing housing for this expected population through the next planning period ending in 2035.

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Population forecasts for the twenty-year planning period anticipate the need for the City to accommodate an increase of 27,490 persons within the UGA. Due to available land resources, it is projected that approximately two-thirds of this population will locate in the unincorporated portion of the UGA and one-third within the city limits of Lacey. Based on these factors, an additional 12,220 housing units will be needed by the year 2035. If development were to continue to occur at the lowest densities currently permitted in the development code, the City would not be able to provide an adequate capacity of housing units. If permitted densities are increased or minimum densities required, capacity would significantly increase.
The most recent Population and Employment Forecast indicates that within the city limits there is currently more land designated for Low Density Residential development, 380 acres, then there is for Moderate and High Density Residential development combined. In the unincorporated areas of the UGA, 1116 acres are designated as Low Density Residential compared to 90 acres of buildable land designated as High Density and 182 acres designated as Moderate Density.

Evaluation of current land use designations, requiring provisions of public sewer to new development, and zoning standards could assist in prudent management of Lacey's remaining land resources and further the goal of becoming a more sustainable community. It is important to consider that there is a large number of vested subdivisions that have been submitted or preliminarily approved within the city limits and unincorporated UGA. A large majority of these are being developed for single family residential use. Changes to land use designations and zoning standards would not apply to these proposed developments as they would be allowed to proceed under current standards, as required by law.

In the city limits, the available primary form of residential development will need to be multi-family. Through the end of the first decade of the 2000's, Lacey received minimal applications for multi-family development. This means that most of the residential development has been single family residential on individual lots. At the current rate of construction, this means that development of all of the single family residential lots will be completed within the next planning horizon. However, currently in the UGA, significantly more capacity for single family lots still exists. This means that builders could shift to develop single family lots available in the UGA rather than building infill or redevelopment projects in the City. The inclusion of goals, policies and implementation measures that ensure the wise use of available land resources and meet the current vision and intent outlined in the Plan will be essential.

According to information contained in the *Buildable Lands Report*, the average density by building

type for a single family residence is 7.09 units/acre while the average density for apartments/ condominiums is 22.05 units/acre in Thurston County as a whole. Significant increases in densities can be achieved by providing additional opportunities for multifamily development.

Currently, the zoning code defines "multifamily" as two or more living units under the same ownership. Subdivision provisions require a percentage of the development be designated as multifamily development on property greater than 10 acres. However, these requirements do not specify the amount or type of multifamily development that is required. The current standards have had little impact on providing the amount and diversity of housing types previously envisioned in the Plan. A refinement of code provisions will be necessary to better define "multifamily" and the mix of housing types required for a development proposal.

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Infill Development

Since the adoption of the initial Growth Management Act Comprehensive Plan and zoning and development regulations in the early 1990's, there has been a steady increase in residential densities within Lacey's UGA. Gross densities (number of homes divided by total area) climbed to 4.74 units/acre in the unincorporated UGA and 5.23 units/acre within the City by the end of 2009. It is anticipated that this trend in increased densities will decrease in the future due to planned projects being located on lands that contain large amounts of critical areas. Anticipated trends in decreased densities and the lack of available greenfield areas highlight the importance of focusing on infill and redevelopment opportunities to meet future housing demands. Achieved residential densities have been slightly higher in infill areas and are approximately double along corridor areas.

Changing demographics are showing that the aging Baby Boomer (born between 1946 and 1964) population and the Millennial (born early 1980's to 2000's) population are increasingly seeking walkable, urban neighborhoods with smaller homes. Changing demographics will most likely lead to an increase in demand for housing in infill areas and in areas with access to convenient and frequent transit service found along the urban corridor areas. As shifts in demographics and housing preferences occur over the long term, providing a diverse mix of residential housing options will better serve the community as a whole.

The intensity and form of infill permitted in the growth area will have a significant impact on the way housing is provided, the cost and efficiency of utilities and services, as well as the overall character of our growth area. Attention will need to be given when integrating higher density and mixed-use development into existing suburban areas. Input and meaningful public participation will be required to successfully implement infill and redevelopment goals. The intent is to improve opportunities for residents while increasing the quality of life as new development and infill occurs.

Pre-dating the implementation of the GMA, the housing market and zoning emphasized a single family residential building product. Lacey's history as a suburban community with available land made it very attractive for the construction of lower density single family developments. Given that the majority of the existing land use is built out in a suburban form, making a transition to more compact housing forms and mixed-use opportunities will need to consider where this could effectively occur.

Now that the city limits are nearing build out, new growth will be focused in our core areas including the Woodland District and possibly some of our older neighborhoods that have an aging housing stock such as the area between Lacey Boulevard and Panorama (commonly known as the Golf Club neighborhood). Additionally, growth will need to be focused in our nodes and urban corridors. Attached is a map showing various commercial centers and nodes. The nodes (within the City) and the urban corridor are well served by utilities and, with the exception of the nodes located north of I-5, are served by transit.

The City has provided incentives for multifamily development in the Woodland District by adopting a multifamily tax exemption for the area to improve the feasibility of developing multi-family units and stimulate the construction of new market-rate and affordable housing opportunities. Additional opportunities to incentivize increased densities should be explored.

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RESIDENTIAL GOALS AND POLICIES

Residential

Goal 1: Ensure sustainable and wise use of land resources to provide an adequate amount and mix of housing types for the anticipated increase in population.

Policy A: Assign land use designations that will provide for adequate opportunity for increased densities and a diversity of housing types.

Goal 2: Ensure that development regulations meet the current vision outlined in the Comprehensive Plan.

Policy A: Review development code provisions to provide increased density opportunities and better define the stated intent of development standards to meet the goals of the Plan.

Policy B: Achieve a level of design with innovative, creative, and efficient concepts for integration of different land use types that will facilitate development of great places that provide increased opportunities to live, work, and play.

Infill

Goal 1: Adopt zoning strategies that will promote the intensification, densification, and evolution of Lacey's land use distribution and form into a sustainable pattern of high quality urban development.

Policy A: Identify areas to focus infill density and mixed-use concepts based upon potential capacity, built condition, and infrastructure.

Policy B: Development approval criteria should require availability of urban utilities, such as water and sewer.

Policy C: Where compatibility issues can be adequately addressed, allow for a range of densi-

ties and land use types within the same zone to provide opportunities to enhance the character, functionality, and desirability of areas and promote multi-modal transportation options.

RESIDENTIAL IMPLEMENTATION STRATEGIES

1) Amend density standards in the Moderate Density and High Density Residential Districts to identify minimum density standards and distinguish development densities between the zones.
2) Refine the definition of "multifamily" and development requirements in the development standards.
3) Examine incentives and provisions in the development code and amend, where necessary, to increase incentives to achieve increased densities in desired areas.
4) Require sewer to new residential development in the unincorporated portions of the UGA to increase densities and further the wise use of the available land supply.
5) Review development standards for infill development to ensure compatibility between existing and new development.
6) Repeal LMC 16.20 Transition Areas for Multi-Family Development.
7) Raise permitted height standards in Moderate Density and High Density Residential Districts to allow flexibility and add variety for multi-family structures in these zones.

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C. Commercial & Industrial Lands

The goals and policies outlined in the Land Use Element of the Comprehensive Plan cannot be achieved absent a healthy economy. A healthy economy requires a supply of commercial and industrial sites sufficient to meet the community's needs to provide economic opportunity over time. A healthy economy is one that is focused on job creation and providing adequate services while sustaining a high quality of life.

Emphasis will be placed on targeting areas of focus for commercial and industrial uses, job creation, analysis of appropriate development standards, business park zone uses and standards, and discouraging the conversion of industrial lands to residential use. The City will encourage mixed-use buildings, commercial nodes in close proximity to neighborhoods, high density corridors, and mixed-use urban centers in appropriate locations.

History

Prior to World War II, Lacey primarily consisted of a small residential community containing some resource based industries and St. Martin's College. After the war, Lacey experienced an escalation in residential growth due to its proximity to Olympia and Fort Lewis. During this time there was also a decline in resource based industries. The ensuing suburban development pattern during the 1950's and 60's left the City without a designated downtown core area. Commercial land uses were located along Sleater Kinney with the construction of Lacey Market Square and South Sound Shopping Center, Pacific Avenue, and Lacey Boulevard. Access to these commercial areas has been primarily dependent on the automobile.

Since the 1960's, commercial development patterns have tended to follow collector and arterial

transportation corridors along Pacific Avenue, Lacey Boulevard, College Street, and Martin Way. As increased residential development has occurred in areas of the City and UGA, commercial development has followed along the Marvin Road corridor and Yelm Highway.

Commercial

Commercial development in Lacey has continued at a steady pace but economic development policies and activities need to continue to evolve to ensure that Lacey remains competitive in the marketplace and to expand job opportunities for Lacey residents to live and work in the community. The current development standards contained in the Business Park District are an example of requirements that need to be reviewed and updated. The current business park standards provide for a 1980's style suburban development pattern. Business park development no longer utilizes this style of design and instead is defined by allowances for a mix of uses and flexible space allowances.

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Lacey residents possess moderate incomes with slightly more middle income households and fewer high-income earners than the state averages. Lacey's population is growing slightly faster than both the state and the region but has slowed to an annual rate of 2.1%. The growth of housing units continues to exceed the county, region, and state. Currently, there is over 240,000 square feet of vacant space that can be occupied by retail establishments.

The most job growth that is expected to occur is forecasted to be concentrated in three sectors; personal and repair services, food services and accommodations, and retail trade. Nearly 40% of new jobs created during the planning period will be included in these sectors. Jobs associated with these industries often provide lower wages and fewer benefits to employees.

The Lacey Community Market study identified automobile sales and gasoline/convenience store sales as being the two largest sources of retail leakage in the City. Spending on new and used automobiles will account for approximately $62.5 million dollars of retail sales leakage alone. Development standards and uses for commercial, industrial, and mixed-use zones should be re-examined to consider the findings contained in the market study, demographic characteristics, and economic trends.

The City should take the necessary steps to ensure that existing commercial developments are appropriately located and retro-fitted to be more transit oriented and improve pedestrian circulation. As new commercial development is proposed, the City must continue to require well designed site plans that address efficient access, pedestrian circulation and a high quality design aesthetic.

Industrial uses are provided for in the Light Industrial/Commercial (LI-C) and Light Industrial (LI) land use designations. The majority of these use designations are located north of I-5 in the Northeast Planning Area and surrounding properties. Additional Light Industrial/Commercial property is located adjacent to Pacific Avenue. There are two areas of designated industrial lands within the unincorporated UGA.

To strengthen the industrial base in Lacey, a reasonable supply of land is necessary to provide for the envisioned demand and to meet the goals and policies of the Economic Development Element. Manufacturing jobs, which typically have the highest economic impact, are forecast to grow by only

90 jobs during the planning period. The 2% increase in the manufacturing job sector is well below the state average of 10%. Growth in the industrial sector is expected to occur in wholesale trade establishments, adding 1,300 new jobs by 2035.

COMMERCIAL & INDUSTRIAL SUBAREA PLANNING AREAS

Northeast Planning Area

The largest concentration of commercial and industrial development has occurred in the northeast area of the City. The commercial areas located on the south side of I-5 are referred to as the Hawk's Prairie area. The commercial area adjacent to and north of I-5 is referred to as the Gateway area. These commercial areas and some surrounding light industrial areas are the focus of the *Northeast Area Planning Element*. The development of the Northeast Planning area was anticipated by Lacey and subarea planning was completed in the early 1990's when City utilities were being extended through the area. This area is located in what is considered to be one of the most attractive locations available for development along the I-5 corridor due to its proximity to other urban centers, available land, utilities, freeway visibility, access, and projected growth.

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The vision for this area remains to develop the area as "…an aesthetically, attractive, high quality employment center with a moderate mixture of other uses to complement the development…" Building and site design guidelines have been put in place to help shape development patterns in the area. Design standards include buffering, landscaping, signage, height and bulk limitations, pedestrian and vehicular connectivity, and building appearance.

Identified transportation corridors through the area have been largely constructed. The state legislature also approved $72 million dollars of funding to rebuild the I-5 interchange at Marvin Road as part of the 2015 Washington State Transportation Bill. Improvements to this interchange will improve traffic mobility for existing and future development in the area.

Accessibility to transit is non-existent in this subarea and surrounding areas located north of I-5. Currently, Intercity Transit has a Park and Ride lot located on Hogum Bay Road and one bus route that services the lot. Planning and land use regulations for the Northeast Planning Area will facilitate and encourage the use of mass transit and other forms of transportation alternatives to the single occupancy vehicle. To accommodate future transit service, the City has been requiring bus pads at future transit stop locations as a condition of private development approval. This ensures that the support infrastructure is in place once transit is extended to the area. The City will continue to be an active participant in ensuring the Northeast Planning Area is served with regular transit service.

Woodland District

The Woodland District encompasses an area that is considered Lacey's business core. Since this area was largely developed in a suburban fashion after World War II, it has lacked a true sense of identity and the development style of most downtown urban areas. This area has served as a regional retail and employment area for the last fifty years. Planning for this subarea began in the 1990's, producing the first subarea plan, the *Downtown 2000 Plan*. The plan sought the development of the area with a mix of uses with increased densities that was vibrant and supported transit

and a diverse population. Many public and private projects were implemented that were envisioned in the plan.

At the conclusion of the first decade of 2000, private development in the Woodland District was severely impacted by the national economic downturn and the downsizing and relocation of several state offices. Over 240,000 square feet of office space became vacant. In 2011, the City began efforts to re-examine the goals of the previous planning efforts. An action-based strategic plan has been developed for this area to guide revitalization and private investment. The plan identifies the need for public gathering spaces, multi-modal transportation infrastructure and form-based development regulations. Several key implementation actions are underway or have been completed, including the development of a form-based development code. The code is intended to serve as an incentive to realize the vision of the area as the "downtown" core of the community. Ongoing efforts by the public and private sectors will be critical to the successful transformation of this area.

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Priority Nodes & Corridors

Lacey's Central Business Districts and the Martin Way Urban Corridor are thought to also have significant commercial development potential if the market and zoning strategies support a more urbanized form. Development strategies must be implemented to help influence market development choices, including incentives to target preferred areas for commercial and industrial growth. A small amount of growth is anticipated in other areas of Lacey through natural redevelopment and infill that is provided for under the Comprehensive Plan and zoning. The City will be challenged for continued funding to provide excellent services, amenities, and infrastructure to meet future needs.

The Martin Way Corridor from Carpenter Road to Galaxy Drive has been identified as a prime location for redevelopment by the TRPC Urban Corridor Task Force, based on the age of existing buildings, utility availability, and transit service. Planning for this area would need to be done in conjunction with Thurston County due to shared jurisdiction.

The Depot District is the area around the future City owned train depot museum. This area includes the Pacific Avenue and Lacey Boulevard Corridors and surrounding areas. Once the construction of the new depot museum and other infrastructure improvements are completed, subarea planning efforts would greatly aid this area.

Some older commercial and neighborhood shopping centers are experiencing high vacancies and are grappling to meet changing market conditions. Alterations in the retail market will require smaller shopping centers' land use mix and urban form to be updated to keep them healthy and attractive to shoppers and private investment. In some areas, it may be appropriate to support a wider mix of land uses to facilitate overall development where there is less demand for traditional retail.

Joint Base Lewis-McChord

Joint Base Lewis-McChord (JBLM) plays a noteworthy economic role in Thurston County and particularly, the city of Lacey. Direct impacts from operations at the base are substantial, including the purchase of goods and services from local communities. It is estimated that approximately 5,000 active-duty military reside in Lacey with an equal share of veterans. The South Sound Military

and Communities Partnership estimates JBLM personnel residing in Lacey collectively account for a payroll of $216.6 million with approximately $50 million in added economic activity.

Separating service members represent a unique workforce development opportunity of skilled workers into the labor force that may create opportunities to expand regional industry clusters. The City is positioned to serve as the area for new business because it serves a high percentage of this workforce and also offers high quality commercial and industrial property in Hawks Prairie, Gateway, and other parts of the City.

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COMMERCIAL & INDUSTRIAL LAND SUPPLY AND DEMAND

The analysis of commercial and industrial lands is important to support employment opportunities for the community. An adequate land supply is one of the core components of commercial and industrial development. Ninety-five percent of new jobs will locate in the urban areas of Thurston County. Within these urban areas, it is expected that over seventy percent of them will locate in areas zoned for commercial and mixed-use.

The 2014 the *Thurston County Buildable Lands Report* projects that approximately 60,000 new jobs will be created in Thurston County within the next planning period. Of those new jobs, 14,087 will be located in Lacey and 4,093 will be located in Lacey's UGA. Forecasting future need for industrial and commercial land is complex. To determine the minimum amount of land new jobs will require, two factors are evaluated; the number of employees per building square feet, and the average building square foot floor to area ratio (FAR). Employees per building square feet are determined by the average number of employees based upon the use type of the building. The average FAR looks at how much total land area is required for commercial and industrial buildings, including parking, stormwater facilities, and landscaping.

Commercial and industrial land use forecast for additional land needs for the planning period have been identified by the *Buildable Lands Report* for Lacey and its UGA. The minimum number of acres needed for commercial or mixed-use development is 316 acres; 206 acres are needed for industrial development. These acreages do not take into account the need for special uses that may arise over the planning horizon.

Future employment and land demand projects for the City have been refined in the *Lacey Community Market Study, 2015*, prepared by Wahlstrom and Associates. The study indicates that an additional 298 acres will be needed for commercial, office, and business park development and 185 additional acres will be needed for industrial land uses during the planning period. The land demand projections contained in the market analysis have been divided into specific land use categories and include institutional uses as a separate use.

Employment and land demand projections in the study predict that 13,700 new jobs will be added to the City's economy by 2035. Projections for land demand indicated that the greatest land use demands for employment will be for retail establishments, personal service providers and other like establishments that need ground-floor commercial space, followed by office and business park space, and warehouse and industrial flex space. Industrial space is needed for the wholesale trade

sector which captures nearly thirty percent of Thurston County's jobs.

A healthy land supply requires a full range of options for potential business use. These options include unimproved land, land with infrastructure already available, and existing and vacant buildings.

COMMERCIAL & INDUSTRIAL GOALS AND POLICIES

Goal 1: Designate an adequate supply of land for high quality commercial uses based on appropriate site characteristics, community needs, and adequacy of facilities and services.

Policy A: Existing core commercial and mixed-use areas, including urban corridors and nodes, should be the primary focus for commercial development, redevelopment, and infill opportunities.

Policy B: Provide for a compatible mix of housing and commercial uses in appropriate locations that enables people to walk to employment and shopping.

Policy C: Provide neighborhood commercial zones near residential areas to provide opportunities for neighborhood shopping and services with pedestrian accessibility.

Policy D: Provide for a full range of uses to support the development of Lacey as a high quality and attractive regional commercial center in designated core commercial areas.

Policy E: Review existing land use designations and standards and revise as necessary to provide for projected and desired job opportunities and uses.

Goal 2: Create vibrant, integrated and well-designed commercial districts in designated areas in the community.

Policy A: Utilize the City's design review standards to encourage clustered commercial and mixed-use development rather than strip commercial development in urban corridors and nodes.

Policy B: Prioritize and develop subarea plans for commercial and mixed-use areas to promote redevelopment and infill efforts to define and strengthen sustainability, character and aesthetics in these areas.

Policy C: Urban design standards along Lacey's arterial entrance corridors should provide a sense of positive identity, visual interest, and high quality gateways to the City.

Goal 3: Encourage and promote the development of high quality industrial development.

Policy A: Designate an adequate supply land for high quality industrial uses based on appropriate site characteristics, anticipated need, and adequacy of facilities and services.

Policy B: Develop specific criteria for considering the conversion of industrial lands to residential

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lands to safeguard an adequate supply of industrial lands for future economic viability.

Policy C: Review land use policies and standards to implement the goals, policies, and objectives contained in the Economic Development Element.

Policy D: Prioritize industrial development which adds to the tax base, provides family-wage jobs, and diversifies and strengthens our local economy.

Policy E: Utilize subarea planning to help guide the development and redevelopment of planned industrial areas.

Policy F: Industrial uses should be located, designed, built, landscaped, operated, and maintained to ensure compatibility with nearby land uses.

Policy G: Industrial areas should be located where they are adequately served by necessary utilities and transportation routes and where adverse impacts can be mitigated.

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COMMERCIAL & INDUSTRIAL IMPLEMENTATION STRATEGIES

1) Evaluate existing commercial and industrial land use designations and provide additional areas to meet the land demand projections for the planning period.

2) Consider developing subarea plans and form-based code provisions for identified priority commercial and mixed-use high density corridor areas.

3) Review existing development standards, policies, and uses to address changing demographic and economic needs. The Business Park District should be included in this review.

4) Adopt review criteria for proposed conversion of industrial land to residential land. Adopted review criteria shall include safeguards for an adequate supply of industrial land for future use.

5) Develop standards and programs complementary to economic development strategies identified in the Economic Development Element.

D. Subareas

Since incorporation, Lacey has been undertaking a unique transition from a suburban bedroom community to an urban community where residents can live and work in close proximity. Through this transition, the community's desire has been to enhance Lacey's character as derived from its unique physical location, important natural features, neighborhoods, and commercial nodes. As the City grows, development standards, as identified in the Comprehensive Plan and implemented by a variety of private and public development projects, improve the visual character of the built environment and assist in the City's transition.

The Comprehensive Plan establishes general patterns for future land use, transportation and other infrastructure needs. For more detailed planning on a geographic basis, subarea plans are used as plans for neighborhoods, corridors, special districts and joint planning areas. The adoption and incorporation of subarea plans into the Comprehensive Plan add greater detail, guidance and predictability to future development. These subarea plans help guide the City's transition to ensure that high quality urban development is achieved. Two such subarea plans apply within Lacey: The *Woodland District Strategic Plan* and the *Northeast Area Planning Element*.

Woodland District Strategic Plan

The Woodland District Strategic Plan is an action-oriented subarea plan that seeks to enhance Lacey's business core as a place to live, shop, gather, learn and play. Largely developed after World War II, Lacey's core has lacked a sense of identity and is not a "downtown" in the traditional sense; however, the area has been a consistent regional retail and employment center for over fifty years. Planning for the Woodland District began in the mid 1990's as the city of Lacey grappled with the area's identity, culminating in adoption of the *Downtown 2000 Plan*, which established design guidelines and development standards for the area. The *Downtown 2000 Plan* envisioned the Woodland District as a vibrant and prosperous place that encouraged density and a mix of uses, supported transit, and provided for a diverse population. The vision set forth in the *Downtown 2000 Plan* has been implemented in a variety of private development projects as well as various City projects.

In 2008, as a result of a downturn in the financial markets and a downsizing and relocation of State office complexes, private investment in the Woodland District ceased and 240,000 square feet of office space became vacant. With the assistance of an appointed steering committee, the City began the 2011 "Downtown Refresh" to re-examine the goals of the *Downtown 2000 Plan*. The committee validated the vision but understood that the area needed a jumpstart. Upon completion of the Downtown Refresh, the City, in partnership with the Thurston Regional Planning Council, received a grant through the federal Department of Housing and Urban Development (HUD) to develop the *Woodland District Strategic Plan*, an action-based strategic plan for the area to guide future revitalization and development of private investment, public places, and transportation infrastructure.

The *Woodland District Strategic Plan* offers an innovative solution for the area by combining an urban design framework and vision with an action-oriented strategy, all based on market realities. The urban design framework vision, goals and policies are detailed in graphic and written form which provides the policy basis for the subarea plan. Detailed urban design recommendations provide the regulatory background for a form-based code, which will guide future revitalization and development of streets, public places and private development. These recommendations help support the action plan which outlines twenty-five key actions designed to implement the Woodland District goals and policies. These actions are integrated to provide the necessary framework and incentives to catalyze investment and development, and were developed as an integrated set to be leveraged together so that each will result in multiple benefits in order to realize the District's vision over a ten-year period. Finally, all of these are supported by a market analysis that details current and future conditions related to retail/commercial, housing, service, and hospitality markets. The market analysis also contains three pro forma which ensure a development's rate of

return and ensures that the City's vision is in line with market realities.

The *Woodland District Strategic Plan* was adopted on July 25, 2013. Since adoption, as a result of community stakeholder buy-in, the strategic plan has been a living document with several key implementation actions completed or underway, including adoption of the multifamily tax exemption for the area to improve development feasibility and to stimulate the construction of new market-rate and affordable housing opportunities.

An additional implementation measure includes development of a form-based code for the district. The form-based code will create a "place-based" regulatory system that will clearly illustrate the District's desired form and character for both the private and public realm. The code would serve as an incentive to attract new investments and produce a cohesive neighborhood characterized by great places.

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Northeast Area Planning Element

The *Northeast Area Planning Element* was adopted in July of 1992 and was one of Lacey's first subarea plans. It applies to 970 acres in northeast Lacey and was completed when City utilities were being extended into the area through a utilities local improvement district (ULID). Extension of utilities, combined with the area's proximity to Interstate 5, made the time right to develop a plan for the area that was expected to experience a high rate of growth.

The City desired to create a subarea plan for the area so that it could "…develop as an aesthetically attractive, high quality employment center with a moderate mixture of other uses to complement the development…" In fact, the term "gateway" that is now associated with this area was coined in the subarea plan which states, "The area serves as a "gateway" to the city of Lacey, the Capitol area, and to the Nisqually River Basin/Valley."

The subarea plan suggested transportation corridors and a mixture of land uses which helped guide future development of the area. Transportation corridors have now largely been constructed and include what are now Britton Parkway, Gateway Boulevard, and Galaxy Drive. The mixture of land uses led to the development of the Hawks Prairie Business District. The *Northeast Area Planning Element* identified the need for design guidelines including a strong arterial and gateway design framework for development, site and building design guidelines. These guidelines apply today and are helping to shape development patterns in the area. Some of the first buildings around the intersection of Marvin Road and Britton Parkway have implemented these design requirements.

Future Subarea Plans

There are other strategic locations around the City where development of a subarea plan would be a useful tool in both placemaking and revitalization. Future subarea plans could include priority nodes and corridors that could benefit from the identification of strategies to help kick start private and public investment.

The first priority area for future subarea planning efforts would be the area known as the "Depot District" (insert Depot District Map here). The Depot District is the area around the future City owned train depot museum. The area includes the Pacific Avenue and Lacey Boulevard corridors

and the area in and around these corridors. In the early 2000's, Pacific Avenue and Lacey Boulevard were converted to one-way streets. Since that time, private investment in the District has slowed. With the future construction of the depot museum and public investments made to the area, the area could benefit from subarea planning efforts to aid in revitalization. Any subarea plan would also need to consider accessibility to adjacent neighborhoods that are in close proximity to the district.

Another priority area that could be a potential future subarea plan would be along the Martin Way corridor from Carpenter Road to Galaxy Drive. This area shares jurisdiction with Thurston County, requiring that any future subarea planning for this area would need to be a joint project between jurisdictions. Regionally, this area is a prime location for redevelopment as identified by the Urban Corridor Task Force convened by TRPC, based on the age of buildings, utility availability, and transit service. This would be a prime area for a future form-based code and that could be completed under a re-examination of the Mixed Use High Density Corridor zoning district.

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The area south of Lacey Boulevard near Golf Club Road would be a prime candidate for the City's first neighborhood-oriented subarea plan. This area contains much of the City's oldest housing stock built in the 1940's and 50's on large lots to serve mill workers associated with the nearby Union Mill. It is well served by utilities and transit and is in close proximity to services; however, the area lacks pedestrian-oriented transportation options and any notable architectural character. These factors, also combined with High Density and Moderate Density Residential zoning, mean that it will be a priority area for future infill development and would make it a priority area for future subarea planning.

SUBAREA GOALS AND POLICIES

Goal 1: Use subarea plans to assist in Lacey's transition from a suburban to urban community.

Policy A: Subarea plans shall guide development that recognizes the identity and character of individual subareas while also effectively transitioning them to more urban uses.

Policy B: Use subarea plans to implement placemaking techniques to provide interest, identity, complementary character, compatibility, and sense of place for each subarea. The use of innovative techniques, such as form-based codes or other methods, shall be considered to achieve placemaking objectives.

Policy C: Subarea plans shall strive to provide for a broad range of uses including commercial, office, institutional, parks, and a diverse mix of housing types.

Policy D: Utilize subarea plans to identify and prioritize future public investments.

Policy E: Continue to support the existing subarea plans for the Woodland District and the Northeast Area Planning Element while also supporting future efforts to develop subarea plans for the Depot District, Martin Way corridor, and Golf Club Road neighborhood.

SUBAREA IMPLEMENTATION STRATEGIES

1) Complete the Depot District subarea plan.
2) As part of the review of the Mixed Use High Density Corridor zone jointly with Thurston County, consider developing a subarea plan and form-based code for the Martin Way area between Carpenter Road and Galaxy Drive.
3) Complete the Golf Club Road subarea plan as Lacey's first neighborhood plan.
4) Continue to support the implementation measures identified in existing subarea plans.

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E. Urban Growth Area

The City's Urban Growth Area (UGA) was established in 1988—before the Growth Management Act. In 1988, the regional Urban Growth Management Subcommittee of the Thurston Regional Planning Council drew the boundaries based primarily on what areas were already urbanized, considering developed and vested sites, current and proposed land use designations, and the R*egional Sewer Phasing Plan* (insert aerial photo from this time period to show the development pattern). In 1993, under GMA, the 1988 boundaries were used to establish the UGA. Because this boundary was used, Lacey adopted a growth boundary that was equally as large as the city limits and included property from the easterly city limits to the Nisqually Bluff and south to the McAllister Springs Geologically Sensitive Area. Property around Pleasant Glade Elementary was also included. The reasoning for such a large UGA is described in the City's 1994 Land Use Element which states:

> "As best can be determined, the existing urban growth boundaries properly consider the full range of needs and resources in the planning area. UGA boundaries reflect consideration of existing urban and vested development currently outside the City on septic tank and drainfields. Boundaries also reflect the task of stopping sprawl to protect County resources of agricultural, timber and environmentally sensitive areas. And boundaries also provide room for a full range of housing options and some competition to help affordable housing goals and policies…At expected build out (at least required minimum densities), we should be able to comfortably accommodate the next 20 years of growth."

The unincorporated UGA largely grew out of pre-existing development patterns of the 1950's and 60's. Neighborhoods such as Tanglewilde, Tanglewilde East, Thompson Place and the Seasons, which developed at suburban densities but with sub-standard utilities, were included in the UGA because they were at the boundary of Lacey's corporate limits. Other areas such as McAllister Park were included in the UGA because of vested development that allowed for larger lots at the periphery of the UGA. Other properties were included because of environmental sensitivity, including Woodland Creek and associated wetlands in the Pleasant Glade Planning Area, and the McAllister Springs Geologically Sensitive Area for the protection of groundwater. This is memorialized in the 1994 Land Use Element:

> "The other major emphasis in drafting of the boundaries was to consider those properties already developed out to urban densities that were on septic tank and drainfield and those areas that had vested projects expected to develop that were going to be on septic tank

and drainfield. This was of particular concern, as the Lacey area is very sensitive considering aquifer protection, and is considered at high risk for contamination of groundwater resources, resources that provide 100% of the area's potable water."

In the twenty-plus years since the UGA was established under the Growth Management Act, several key issues have risen. A primary issue is that most of the larger greenfield development sites in the City have been developed. Maps (insert reference figure #'s here) show the developments that have been entitled (land use permitting approval granted) or are in the entitlement process. Most of the existing residential property within the city limits is either currently entitled or built on, meaning that development within the City in the next twenty years will move from greenfield development to redevelopment and infill. Although there are many entitled projects within the UGA, there is more capacity in the UGA to handle future greenfield development than within the city limits. This means that it may be easier to develop these greenfield sites in the UGA than doing redevelopment or infill in the City and ultimately pushes much more development to the UGA in the next planning horizon. Population estimates prepared by the Thurston Regional Planning Council also suggest that the rate of residential growth in the UGA will outpace that of the city limits (insert population estimate statistics).

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Another issue is annexation of the UGA into the city limits. The Growth Management Act distinguishes an urban growth area as the area that is planned for annexation and incorporation into the city limits in the next twenty years. However, for Lacey, this is a unique challenge because much of the development immediately adjacent to the city limits was developed in the 1960's and largely contains sub-standard infrastructure including septic systems. As part of a regionally convened septic summit, this issue has been investigated and found that the Lacey UGA contains proportionally the highest contamination risk for combined groundwater and surface water in all of Thurston County (insert combined septic risk maps). In order to remedy this, these older developments will need to be connected to municipal services at a high cost to those who connect. As newer developments occur, they will also need to connect to City sewer. If these older residential areas with sub-standard infrastructure were annexed into Lacey, the resources needed to bring these areas up to current infrastructure and health standards would be beyond the financial capacity of the City, despite property tax or other tax revenues associated with annexation.

The development that is occurring on the periphery of the UGA is connected to City services and is being developed at higher single family residential densities. In order for the City to annex the newly developed areas on the periphery, older sub-standard areas would have to be annexed as well. To minimize financial impacts and complexities of annexation, a strategic annexation plan should be developed that identifies a strategy to incrementally annex the unincorporated growth area in a manner that is cost effective for the City, the County, and the citizens. The annexation strategy would also look at potential methods to incentivize annexation, including annexation agreements and potential upzones to properties upon annexation and/or funding opportunities for septic conversions, and a full economic analysis to ensure that the cost of serving the area does not outstrip the tax revenue generated.

As the UGA continues to build out, two areas continue to see relatively little development, including the area north of Pleasant Glade Elementary and most of the McAllister Geologically Sensitive Area.

These areas have seen little development in the last twenty years primarily because of the cost associated with extending sewer service. Unless sewer service can be reasonably accommodated in the next twenty years, the City should consider removing those areas not sewered, or immediately adjacent to sewered areas, from the UGA. Should they be removed from the UGA, they should be put in an "urban reserve" designation so that no further residential development can occur until such time that these areas are part of an urban growth area. Additionally, both the McAllister and Pleasant Glade areas contain the majority of existing "Agriculture" zoning districts. Lacey should consider re-designating these zoning districts to an "urban holding area" so that they are precluded from developing until rezoned and/or sewer is available.

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In the UGA, much like within the city limits, the primary form of residential development within the last twenty years has been single-family residential detached units. Within the UGA, approximately 1200 units are entitled for future development (insert residential development map and entitlement table); however, none of those units are multifamily. To meet the goals of the Housing Element and to provide a diversity of housing types for purposes of affordability and choice, the City should examine ways to encourage higher density development, especially in priority areas around corridors and established nodes. Among the actions to consider would be raising minimum density requirements for Moderate and High Density Residential zoning districts to prevent the over proliferation of single family residential lots within these zones. Also, Lacey should examine programs that can provide financial incentives to achieve the desired development in priority locations.

The UGA is also generally considered residential in nature. Except for the Martin Way corridor, and some limited neighborhood commercial-scale opportunities, there are little or no job generating economic development opportunities in the UGA. Goals and policies should be put in place to ensure a diversification of employment opportunities in the UGA so residents can work, live, shop and play all within close proximity. For the Martin Way corridor, policies should build on those established by Thurston Regional Planning Council's Urban Corridors Task Force to facilitate high density, mixed-use development along the urban corridor and centers. The City should also focus on Joint Base Lewis-McChord and the influence the Base has on the UGA by providing the types and locations of amenities for those that live in the area and travel to the Base on a regular basis.

URBAN GROWTH AREA GOALS AND POLICIES

Goal 1: Use UGA boundaries under the Growth Management Act to guide growth, prevent sprawl into the rural areas, conserve land resources, and promote land use distribution for the efficient provision of urban services and utilities.

Policy A: Use UGA boundaries as focus for designation of urban densities, to avoid sprawl into rural areas and provide logical service and utility planning.

Policy B: Maintain designated growth area boundaries that meet the following criteria:

1) *Contain areas characterized by urban growth*
2) *Are served by, or planned to be served by, municipal utilities*
3) *Contain vacant land near existing urban areas capable of serving urban development*

4) *Are compatible with the use of designated resource lands and critical areas*
5) *Follow logical boundaries*
6) *Consider citizen preferences*
7) *Are of sufficient area and planned density to permit the growth that is projected to occur in succeeding twenty-year period*

Policy C: UGA boundaries shall only be amended in accordance with the Growth Management Act, county-wide planning policies and other applicable law.

Policy D: Develop and implement a range of strategies to facilitate urban densities within the City and UGA boundary.

Policy E: Explore designating "urban holding areas" specifically within the Pleasant Glade and McAllister Geologically Sensitive Area, which would not be developed until such time that sewer service is available. Should development in this area not be anticipated during the next twenty-year planning horizon, the City should consider removing the property from the urban growth area as a future work program item in conjunction with a robust public outreach campaign.

Policy F: Re-designate the existing Agriculture zoning districts to an "urban holding area" so that they are precluded from developing until rezoned and/or sewer is available.

Policy G: Encourage performance-based designs or planned unit developments (PUD's) or planned residential developments (PRD's) to cluster land uses and increase opportunities to implement LID techniques.

Goal 2: A full range of residential densities, employment, commercial, recreational and civic uses shall be located based upon the UGA boundaries and the availability of roads, utilities and services, and environmental limitations. Development within the Urban Growth Area shall provide a diversity of housing types and high quality development. Infill areas should be the primary areas where growth within the city limits and UGA areas are encouraged.

Policy A: Locations for the highest density development will generally be identified along major arterials and corridors to maximize transportation opportunities and provision of utilities and services.

Policy B: Infill and redevelopment should be prioritized around existing neighborhood centers, recognized nodes, and the urban corridor in areas served by City utilities and transit.

Policy C: Consider incentive programs to encourage development around existing neighborhood centers, recognized nodes, and the urban corridor in areas served by City utilities and transit.

Policy D: Zones designed to permit high and moderate residential density should accommodate a mix of housing types from small lot single family to multifamily uses. These zones should have provisions to ensure they are not dominated by any one type of housing style. To achieve this, the City should consider raising minimum density requirements and/or require a mix of housing types for large projects within these zones.

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Policy E: All new development in the Urban Growth Area shall be served by sewer.

Policy F: Require septic systems that have failed to connect to City sewer within a specific distance of an existing sewer line.

Policy G: Ensure that development standards and road/street level of service standards within the Urban Growth Area conform to the standards of the City of Lacey.

Goal 3: Encourage a land use distribution that provides convenience for residents in accomplishing day-to-day tasks in close proximity to residential areas.

Policy A: Encourage residential densities high enough to support, and within walking distance of, basic retail, support services, and areas of employment.

Policy B: Provide a mix of uses in close proximity to neighborhoods to enhance their character, functionality, and desirability, and reduce the dependency on the automobile. Encourage, where feasible, mixed-use concepts that integrate commercial uses within the same building as residential uses, with commercial uses on the ground floor.

Policy C: Continue to use the village center concept, identified in previous Land Use Elements, as a strategy to achieve a mix of uses. Ensure that the commercial areas associated with the village center are developed to provide basic retail services and employment opportunities in close proximity to residents.

Goal 4: Achieve a mix of uses along designated arterial corridors that are walkable and transit oriented.

Policy A: Continue to participate in the Urban Corridor Task Force and incorporate strategies applicable and appropriate to Lacey that facilitate high density mixed-use development along the urban corridor and centers.

Policy B: Apply different mixes of commercial and high density residential land uses along the Martin Way corridor based upon sensitivity to existing uses so they may be integrated into the long term vision.

Policy C: Maintain the health and vitality of existing business along Martin Way, by accommodating the continued operation of existing auto-dependent uses that do not meet the intent of the mixed-use high density corridor. Have requirements, as well as incentives, for gaining compliance over time as applications are made for expansion or improvements of non-compliant auto-dependent uses.

Policy D: Street frontage improvements are prioritized by the City and County with input from property owners and the public. Prioritization is to be based in part on available funding mechanisms that will include, as appropriate, City/County/community funds, grants, requirements for building permits, Local Improvement Districts, Business Improvement Districts, TDR/incentive program bonuses, or any other combination of funding.

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Policy E: The City and County shall support coordination of a joint project to improve the Martin Way corridor especially related to pedestrian safety improvements.

Policy F: Provide for a mixed-use arterial corridor zone encouraging moderate density residential development and new commercial development opportunities along portions of Sleater Kinney Road and Pacific Avenue. Mixed moderate density corridors should take advantage of marketing opportunities provided by the surrounding planning area and adjacent neighborhoods. Commercial uses permitted should include a range of office, service, and retail activities. Selections should reflect the corridor's marketing opportunities and compatibility with the neighborhood in which the corridor is located.

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Policy G: Use the 1993 study conducted by Thurston Regional Planning titled, "Evolution of a Corridor – From Auto-Oriented Arterial to High Density Residential Corridor"*, and recommendations from the Urban Corridors Task Force, dated 2011, as guides to modify the mixed-use arterial zone and accompanying standards.*

Policy H: Consider form-based codes, or other design tools if applicable, to further objectives of the corridor for integration with existing uses, mixed-use opportunities, compact development, higher density, social interaction, affordable housing and other desired characteristics.

Policy I: Mixed-use areas will benefit from buildings organized along the street to facilitate pedestrian use.

Goal 5: The City should strategically pursue annexations in accordance with the Annexation Policies of the Lacey City Council adopted June 9, 2011.

Policy A: The City should analyze future potential annexation areas and prioritize them accordingly. Any prioritization report should identify that any annexation the City pursues is optional and doesn't make the identified annexation a requirement.

Policy B: Annexation applications should include a full analysis of each area including a financial feasibility to ensure City services delivered to the area are reimbursed through either property or sales tax revenue.

Policy C: Annexations should be approved for properties on City sewer or, once developed, will be served by City sewer.

Policy D: Priority areas for annexation would be those that are contiguous to the existing city limits and are developed consistent with City standards and are connected to sewer.

Policy E: Consider incentivizing priority undeveloped properties in the UGA to annex into the city limits through upzoning or other measures.

Goal 6: Ensure a diversification of employment opportunities in the UGA so residents can work, live, shop and play all within close proximity.

Policy A: Develop and implement strategic goals and plans that support and promote diversity of employment opportunities.

Policy B: Work with the providers of higher education to ensure that education programs are matched with in-demand skills.

Policy C: Work with Joint Base Lewis-McChord to ensure that the housing, business, and recreation needs of those who are associated with the base are being met.

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URBAN GROWTH AREA IMPLEMENTATION STRATEGIES

1) Consider raising minimum density requirements and/or require a mix of housing types for large projects within the Moderate and High Density Residential zoning districts to ensure they are not dominated by any one type of housing style.
2) Review the Mixed Use High Density Corridor zone along Martin Way. The City and County Planning Commissions should review and update the zoning code for the corridor, specifically focusing on facilitating a mix of uses on larger parcels, a mix of uses within the corridor and identifying strategic parcels for more intensive study.
3) Consider re-designating the "Agriculture" zoning district to an "urban holding area" so that Agriculture zones are precluded from developing until rezoned and/or sewer is available.
4) Explore designating "urban holding areas" specifically within the Pleasant Glade and McAllister Geologically Sensitive Area, which would not be developed until such time that sewer service should be available. Should development in this area not be anticipated during the next twenty-year planning horizon, the City should consider removing the property from the UGA in conjunction with a robust public participation campaign.

F. Transportation and Land Use

Transportation planning is intricately tied to land use and the pattern of development that evolves as an urban area grows. A transportation system includes various travel modes, such as pedestrian, bicycle, bus, automobile, freight truck, marine vessels, railroads, and airplanes. A multi-modal transportation network includes and connects all of these different travel modes in an effective and efficient manner, including connections within and between modes.

The city of Lacey strives to provide, manage, and maintain a safe, well-connected, and efficient multi-modal City-wide transportation network. The ability for people to travel safely and efficiently, using various means of transportation, contributes to the high quality of life that Lacey residents enjoy.

Two documents act as a blueprint for Lacey's transportation system. The first, *The Regional Transportation Plan* (RTP), provides an overall analysis of how transportation will work in the region over a twenty year time frame and supports coordination among jurisdictions. It also acts as an important tool in meeting state and federal transportation requirements, ensuring continued funding from these sources. The RTP identifies those projects and issues that change the way traffic flows

throughout the region, complementing the local planning that makes the roadway network function within each jurisdiction. The second document, the *City of Lacey 2030 Transportation Plan*, is the City's long-range plan for developing its transportation system in the future. The Plan defines a coordinated and innovative approach to various modes of transportation in a manner that efficiently maximizes the mobility of people and goods within Lacey.

Lacey's status as a primarily residential community means that a well-connected pedestrian and bicycle network, combined with a convenient high frequency transit service, is vital to connect residents with jobs, shopping, schools and other day-to-day activities. For this reason, Lacey is striving to employ land use policies that support higher density residential areas located close to employment, shopping, and entertainment opportunities providing Lacey residents with more opportunities to walk, bicycle, or ride high frequency public transit. Lacey's aim is not to eliminate private automobiles, but to encourage the use of other transportation modes, wherever and whenever possible, and ensure that land use policies support this.

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Lacey's residential community past is currently seen in our City's transportation patterns. A majority of residents commute to job centers around our region, including state offices in Olympia and Tumwater, JBLM, and to Tacoma and points north. This commute pattern puts a strain on City transportation infrastructure, particularly in the morning and evening peak commute times. In working with the City's regional partners, including Thurston County's regional transit agency, Intercity Transit, options for commuting are provided. These options include standard bus service, van share, ride share, and commuter bus services. Other technologies such as Intelligent Transportation System (ITS) technologies improve signal operations to improve efficiency. These are all important in connecting family-wage jobs with Lacey residents.

The strain on City transportation infrastructure could be mitigated by connecting Lacey residents with destination sites and jobs closer to home. The Land Use Element outlines a strategy that encourages mixed-use buildings, commercial nodes in close proximity to neighborhoods, high density corridors, and mixed use urban centers that will provide residents with more opportunities to walk, bike, or ride transit for short trips for employment and/or convenience.

Lacey is well-connected with pedestrian-oriented transportation options; and as the City grows and develops these options will continue to improve. Current development standards and policies also require that multi-modal improvements be constructed upon property development. As identified in the *2030 Transportation Plan*, improvements to pedestrian facilities are vital to ensure that a mix of transportation modes are utilized, including the importance of safe crossings in accordance with the Lacey City Council's adopted policies on pedestrian crossings and the development of a future bicycle and pedestrian plan.

The City is committed to encourage alternative modes of transportation through adoption and implementation of private development standards that require bicycle racks, provide convenient and safe pedestrian facilities on private property, and ensure that parking is "right-sized" by not requiring more minimum parking than is necessary to support the use.

Transportation planning within the Lacey UGA is provided by Thurston County as articulated

through the Thurston County Transportation Plan. Growth projections analyzed in this Land Use Element shall be consistent with Thurston County's Transportation Plan. It is a priority that transportation infrastructure within the UGA serve existing needs while also planning to serve future needs given the expected pace of growth. This is reflected in the CWPP's which require that Lacey and Thurston County coordinate plans to ensure that development standards are consistent and compatible between jurisdictions related to street level of service standards. Public transportation projects also need to be coordinated across jurisdictions to meet the multi-modal transportation needs of today and tomorrow.

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Intercity Transit serves the Lacey and UGA with standard transit service. Regular service includes 15 minute headway service along Martin Way, regular 30 or 60 minute service to Lacey area neighborhoods and regular service between the Olympia and Lacey Transit Center located at the intersection of Golf Club Road and 6th Avenue in the Woodland District. Intercity Transit also provides paratransit service (Dial-A-Lift) to residents who, because of disability, are not able to ride transit service. Intercity Transit is also a partner in Lacey's efforts in promoting alternate methods of commuting to work in compliance with the State's Commute Trip Reduction Act.

Intercity Transit provides a vital service to Lacey residents and employers; however, portions of Lacey are not currently served by transit. Over the last twenty years, northeast Lacey (the area north of I-5 in the Hawks Prairie Planning Area) has seen the addition of approximately 3,000 new residential units and 4.8 million square feet of non-residential construction. This growth will continue over the next twenty years with an additional 1,680 residential units and an additional 4.4 million square feet of non-residential construction. Yet, given the amount of past growth and future projected growth, this area remains unserved by transit. The City has been assisting Intercity Transit to develop options to connect employment providers in the area and residential neighborhoods with transit. As the City nears build-out in this area, it is a priority for Lacey that Intercity Transit serves this area with regular transit.

As Lacey transitions to a more urban community, a safe, well-connected, and efficient multi-modal transportation system will be vitally important to support a high quality of life.

TRANSPORTATION AND LAND USE GOALS AND POLICIES

Goal 1: Enhance the function, safety and appearance of Lacey's streets.

Policy A: Ensure coordination with the Transportation Element of the Comprehensive Plan, the Thurston County Transportation Plan, and the Thurston Regional Transportation Plan.

Policy B: Implement a complete and interconnected transportation network through implementation of development guidelines and policies.

Policy C: Streets shall be a modified grid pattern that terminates in other streets, where feasible. Alleys shall be utilized in residential and mixed-use development.

Policy D: Discourage cul-de-sacs where topography allows. Encourage well-connected streets in new

and existing neighborhoods.

Policy E: Right-of-way and pavement width shall be the minimum necessary to provide for the safe use of vehicles, public transit, bicycles and pedestrians.

Policy F: Ensure coordination with Thurston County regarding transportation in the Urban Growth Area. Ensure that development standards and road/street level of service standards within the UGA conform to the standards of the City of Lacey.

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Goal 2: Support land use policies and plans to allow densities and a mix of uses that reduce the number and length of vehicle trips. Increase the opportunity to use public transportation and non-motorized modes of travel.

Policy A: Provide incentives for new development located within ¼ mile of Intercity Transit served corridors. Development incentives could include, but are not limited to, density increases, increased square footage, additional building height, transportation mitigation fee adjustments, and parking requirement incentives.

Policy B: Encourage land development proposals to utilize the full capacity of the existing multi-modal transportation system, especially transit and non-motorized modes.

Policy C: Ensure that destination sites, including job centers, commercial areas, office complexes and other economic development generators are connected with multi-modal transportation options.

Policy D: Encourage land use policies that support destination sites where uses are close enough together that consumers, customers and other users can access each use without need of an automobile.

Goal 3: Prioritize and encourage bicycle and pedestrian trips by providing a safe, well-connected, and convenient bicycle and pedestrian circulation network throughout the City.

Policy A: Support the adopted 'Pedestrian Crossing Policy' requirements that consider the installation of marked crosswalks at uncontrolled intersections and mid-block locations as part of public project design, general roadway evaluation and/or review of land use applications.

Policy B: Develop a pedestrian and bicycle plan to inventory existing facilities, identify deficiencies, and identify capital improvements.

Goal 4: Ensure that private development projects, including subdivision and commercial/retail project design, facilitate measures to improve multi-modal transportation.

Policy A: Support optional minimum on-site parking requirements to ensure that parking is "right sized" especially in areas where significant on-street parking exists or in areas well served by other transportation modes.

Policy B: Require pedestrian-friendly building design within commercial nodes and along corridors. Parking lots serving mixed-use and commercial developments should be located to the rear or sides of buildings.

Policy C: Private development projects shall provide bicycle parking and a site design that will accommodate transit.

Goal 5: Support Intercity Transit's efforts to meet the transportation needs of all segments of the community by providing a high quality, safe, convenient, accessible, and cost effective transit service as an attractive alternative to the single occupancy vehicle.

Policy A: Continue to recognize transit's economic development role in the Lacey community by connecting residents to jobs and other day-to-day activities.

Policy B: Encourage Intercity Transit to extend regular bus service to northeast Lacey in order to serve and connect growing residential, commercial, and industrial development. In the interim, support the development of innovative techniques and methods to provide service including shuttles, vanpools, and carpools through partnerships between the City, Intercity Transit, TRPC and the private sector.

Policy C: The City will take an active involvement in Intercity Transit's planning process, including any updates to route planning and schedule structure.

TRANSPORTATION AND LAND USE IMPLEMENTATION STRATEGIES

1) Develop regulations and codify requirements for street connectivity (Street Connectivity Ordinance).
2) Develop a pedestrian and bicycle plan to inventory existing facilities, identify deficiencies, and identify capital improvements.
3) Continue to request that Intercity Transit extend regular bus service to northeast Lacey to serve and connect growing residential, commercial, and industrial development.

G. Parks and Open Spaces

The City of Lacey takes pride in the ability to provide residents and visitors with access to a wide range of public parks and open spaces. Parks, open spaces, and facilities are an important contribution to the quality of life experienced by those who live and work in Lacey. The community's well maintained facilities include neighborhood parks within walking distance of all residents, community parks distributed across the service area, linear parks, plazas, open spaces that support wildlife habitat and community facilities, and extensive trail systems.

As Lacey's population continues to grow, there is an increased need for additional park acreage, trail miles, and facilities. The Comprehensive Plan for Outdoor Recreation serves as the framework for providing park and recreational facilities to residents and visitors of Lacey and its surrounding UGA.

This plan is updated every five years in order to assess the goals and objectives contained in the plan. The plan divides the entire Lacey UGA into ten planning sectors which encompass different geographic features. All of the planning areas have some form of important habitat that contains a variety of wildlife typically associated with wetlands, lakes, streams, and forest areas. The plan provides an inventory of all public and private parks and recreational facilities, as well as special features, conditions, and limitations that could affect future park land acquisition development.

The City's Comprehensive Plan for Outdoor Recreation established a level of service (LOS) standard of five development acres of park land per one thousand people. The LOS is considered the most accurate way to assess need for additional land and park development. Analysis results indicate a need for neighborhood and community parks, and special purpose facilities. These special purpose facilities include public access to fresh and saltwater and an off-leash dog area. Minimum guidelines have been identified for each type of park and amenities vary depending on the size of park, topography, service goals and community input.

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The Comprehensive Plan for Outdoor Recreation contains an action program that identifies prioritized projects that reflect acquisition and development goals. Acquisition of sites is prioritized first by acquiring special sites or facilities where limited or rare opportunities exist for access to water, special use properties (historical, habitat, etc.) and athletic fields. Acquisition of community park lands and neighborhood parks are prioritized in descending order. The development of both community and neighborhood parks is identified as the second priority in the action program.

Since 1990, the City has been collecting a 1% utility tax for the acquisition and development of parks and open spaces. The City has acquired parks, trails, and open space through dedication, donation, partnership, state grants, and City funds.

The City currently has 1061.3 acres of public parks, trails, and open space. The most recent acquisition of park land was in 2011 when the City acquired 405.5 acres for the future development of Cuoio Park. The North Thurston Public School District provides an additional 659 acres of land for park and recreational facilities and activities.

There are currently 1,870 acres of open space land in private ownership in the City's UGA boundary. Developers of the residential areas within Lacey are currently required to dedicate ten percent of development as open space. The majority of these private lands are developed with pocket parks and trails which have been developed in association with residential subdivisions and are maintained by their respective home owners associations. These areas are intended to serve the recreational demand of the immediate residential development and are not open for public use.

As future population increases in the incorporated City and within the UGA, the demand for, and use of, existing parks and open space will occur. In order to meet that demand, the City will need to acquire and develop park and open space amenities. Due to the existing lack of parks in the unincorporated portions of the UGA, its residents use parks within the city limits. Currently, the only County park facility within Lacey's UGA is the Regional Athletic Complex, which is a joint City/County park.

The City has many sensitive areas within its current boundaries and growth area that play an important role in the health of our environment. These include Woodland Creek, six fresh water lakes (Pattison, Hicks, Long, Southwick, Chambers Lake, and Lake Lois), saltwater shoreline on Puget Sound, and many wetland areas.

The Woodland Creek system flows through three major lakes in Lacey and then on to Henderson Inlet. The wetlands associated with Woodland Creek and Lacey's lakes encompass hundreds of acres and provide critical habitat to local fish and wildlife populations. Acquisition of property along the Woodland Creek corridor and its associated wetlands and natural areas, as well as restoration and protection measures, has been identified as a priority by the City. Lacey recently completed a major regional stormwater retention and treatment facility to reduce stormwater runoff into the creek. The City is working with the regional Stream Team to eliminate invasive species, plant thousands of native trees and shrubs in the upland areas, mark storm drains, and install bag dispensers for pet waste pickup. City development regulations also require a buffer of 200 feet from the creek.

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PARKS AND OPEN SPACES GOALS AND POLICIES

Goal 1: The land use policies should complement and help implement requirements of the City of Lacey Comprehensive Plan for Outdoor Recreation, Regional Trail Plan, and land use regulatory requirements for the provision of open space.

Policy A: Continue to require open space for residential and commercial development.

Policy B: Link pedestrian and bicycle pathways with greenways, priority habitat sites, wetlands, and open space between neighborhoods. Open space shall be designed into a project from the outset, with sizable and meaningful pieces set aside. It shall not be left to the end, using only those restricted and small spaces that are left over. It should be designed in conjunction with school and community sites whenever possible and should provide a focus for neighborhood activity.

Policy C: Coordinate land use policies with open space requirements contained in the critical areas provisions.

Policy D: Open space shall be designed to define our community, create outdoor spaces, protect wildlife habitat and the natural environment, and create public and civic spaces.

Policy E: Require means to ensure perpetual maintenance of wetlands and priority habitat sites for passive recreational opportunities.

H. Utilities and Capital Facilities

UTILITIES

Long term economic and environmental sustainability is influenced in large part by the ability to ensure adequate utility services and supply. The City endeavors to provide coordinated, cost effective utility services that consider economic, social and environmental implications.

The Utilities Element contains a summary of the major non-municipal utilities that are supplied by the private sector, including electric, natural gas, cable, and telecommunications services. The Utilities Element also provides a basic summary of the utility programs currently operated and managed by the City including, drinking water, wastewater, and stormwater. The City is planning on including a fourth public utility system for reclaimed water.

Electric & Natural Gas

Puget Sound Energy (PSE) currently provides electric and natural gas services for the City and its UGA. PSE plans for future facilities and infrastructure for a ten-year planning period based on anticipated future needs using forecast analysis zones. The zones are areas identified and analyzed on future population and employment predictions. This planning is coordinated with the Thurston Regional Planning Council and is based on information contained in *The Profile*. PSE serves the current and anticipated future demand for electric and natural gas services for the UGA.

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Telecommunications

The telecommunication industry is very dynamic and continuously changing. Cellular telephone services are regulated as a utility of convenience; therefore, they are not required to provide service on demand. Zoning provisions regulate the co-location of facilities and require the demonstration of need for locating new cellular towers. Land line telephone service is still considered a necessity; therefore, providers must provide phone facilities on demand. During the next twenty-year planning period it is anticipated that wire line telephone service demands will continue to decrease.

Cable Services

The City maintains a non-exclusive franchise agreement with Comcast of Washington to provide cable and internet services to the residents of Lacey. Properties that lie within the unincorporated portions of the UGA are covered under Thurston County's franchise agreement.

CAPITAL FACILITIES

Capital facilities planning is an integral element of a comprehensive plan. Infrastructure investments support economic development and have long term impacts on a community. The GMA requires inclusion of capital facilities as a mandatory element of the comprehensive plan. The Capital Facilities Plan includes an inventory of existing public capital facilities, a forecast of future needs for such facilities, proposed locations and capacities of expanded or new capital facilities, a six-year plan to finance the needed facilities and funding, and an analysis of the City's financial capacity to utilize the funding sources identified. The GMA also requires concurrency in which jurisdictions are required to have capital facilities in place and readily available when new development occurs or a service area population grows. If the facilities are not in place, a financial commitment must be made to provide the facilities within six years of the initial need.

Capital Facilities Plan

The Capital Facilities Plan is considered an element of the City's Comprehensive Plan and is a product of separate but coordinated comprehensive planning documents, each focusing on a specific type of facility such as sewer, water, stormwater, parks, and transportation. The twenty-year

plan was updated in 2015 to address general government facilities in which the City is either the primary provider or a significant provider. Facilities must be planned years in advance to assure availability, determine location, costs, and how they will be paid for.

Facilities must be of sufficient capacity to serve the service area population or new development without decreasing service levels below locally established minimum standards, known as levels-of-service (LOS). The City of Lacey is projected to receive an increase of an additional 27,490 people within its growth area by 2030. The plan demonstrates how facilities have been planned to accommodate this growth. Priority projects for general government facilities and funding sources for the 2015 - 2020 funding period include the New Depot Museum Facility, Jacob Smith House Parking and Pavilion, Senior Center Expansion, Gateway Project, and Historic City Hall and Museum. Additional projects have been identified beyond the six-year financing period.

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The City adopts comprehensive plans for the water system, wastewater, and stormwater and provisions for the future capital improvements for these systems which are included in the Capital Facilities Element of the plan. The GMA requires these plans to be consistent with the Land Use Element in order to implement the strategies and provisions contained in the Element.

Domestic Water

The City owns and operates a system for domestic water that provides for the transmission, distribution, and storage of domestic water. The Retail Water Service Area (RWSA) encompasses the majority of the City boundary and expands into the UGA. The RWSA does not currently include existing group “A” and “B” water systems. It is the intent of the City to serve the full RWSA and UGA in the future. The City also coordinates services and planning with the cities of Olympia, Tumwater and Thurston County PUD.

The expected demand on the water system is based upon forecasted population growth within planning areas and transportation analysis zones. It is updated every six years to evaluate the existing system and its ability to meet anticipated needs over a twenty-year planning period. The City secured new water rights that will allow the development of additional sources of supply that will be needed to meet future system demands. The City plans to work towards securing additional long term rights, utilize reclaimed water, and develop sources of supply to allow for the extension of the service boundary area to mirror the City’s UGA.

Wastewater

The City’s existing wastewater system service area is approximately 13,800 acres in size. The Budd Inlet Treatment Plant and the Martin Way Reclaimed Water Plant collection systems are owned and operated by the ***L***acey-***O***lympia-***T***umwater-***T***hurston County Clean Water Alliance (LOTT). Reclaimed water produced by LOTT is available for use by the City and may be used for irrigation, dual plumbed buildings, environmental enhancement projects, and other non-potable uses. The policies contained in the City’s Wastewater Comprehensive Plan are intended to prepare for wastewater needs until 2032.

Stormwater

The first Stormwater Comprehensive Plan for the City was completed in 2013 and is intended to guide the City's stormwater utility programs and projects. A primary purpose of the plan is to maintain consistency with local, state, and federal regulations, charge equitable stormwater utility rates, and support the goals and policies in the Land Use Element. The City of Lacey became the first city in Washington to adopt a "zero effect drainage discharge" ordinance to allow for modified standards for projects with no increase in effective impervious surfaces and provided for the use of innovative low impact development (LID) methods. The City is currently working to incorporate mandatory LID best management practices, where feasible, by reviewing and revising its development related codes, rules, and standards.

Lacey is in the process of establishing a reclaimed water utility that will include a defined service area. A comprehensive reclaimed water plan will be prepared to guide the use of reclaimed water for non-potable uses, water rights mitigation, and irrigation demands. The utilization of reclaimed water will become increasingly important.

Public Schools

The North Thurston Public Schools (NTPS) is the largest district in the county and serves the Lacey UGA and additional students within their service boundary. The district educates over 14,000 students each year and enrollment is expected to increase to over 19,000 students by 2034. Each year the district adopts a six-year capital facilities plan which is included as an appendix to the *Capital Facilities Plan*. The district currently contains thirteen elementary schools, four middle schools, and four high schools. All NTPS facilities, including school buildings, playing fields, and swimming pools, are used by a wide range of community groups throughout the year.

The district coordinates planning for current and future school facilities with regional planning efforts and the City. State funding also has a significant impact on school capacity. In addition to state and local funding, the district negotiates Voluntary Mitigation Agreements with residential developers. The funds paid for under these agreements are used to pay for projects reasonably related to, and benefiting, the development, facilities to serve the development, or projects necessary to mitigate for potentially significant impacts of the development.
In 2014, a $175 million dollar capital facilities bond measure was passed by citizens in the district. The district is in the process of designing and constructing an additional middle school, facility conversion for an additional elementary school, and making improvements to existing school facilities. The district is also focusing efforts on locating early childhood services at elementary school facilities. Based on projected and entitled residential development, the district is considering revisions to its school attendance boundaries.

Library

Public Libraries play an important role in the well-being of the community by affording everyone access to materials and services that enhance quality of life and support lifelong learning. The City has had library services and facilities available to the community since it was first incorporated. In 1976, citizens voted to unite five counties, including Thurston, into one library district, the Timberland Regional Library (TRL). The citizens of Lacey voted to be annexed into the district in 1982. The

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current library is located adjacent to City Hall and the City is responsible for providing and maintaining the library building and grounds.

Planning is necessary to ensure adequate library facilities are available to meet current needs as well as future needs in the years to come. Goals and policies for library facilities have been identified in coordination with the Lacey Library Board to guide efficient planning and provide for adequate library facilities.

UTILITIES AND CAPITAL FACILITIES GOALS AND POLICIES

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Goal 1: Ensure that existing utility customers, and future customers, are adequately served by water, sewer, and stormwater utility services that consider both growth demand projections and asset management.

Policy A: Provision of utilities shall be consistent with policies of the Land Use Element, further the intent of GMA strategies, and be consistent with county-wide planning policies.

Policy B: All proposed development should be analyzed for anticipated impact on utilities and services, either as an element of the site plan review, subdivision review, or as a part of the environmental impact assessment.

Policy C: Preference should be given to providing adequate public facilities to the following:

- ***Settled areas and existing customers, rather than extending new services to sparsely settled or undeveloped areas.***
- ***Incorporated land before serving un-incorporated areas. Sewer extension shall be encouraged in areas needing ground water protection or surface water protection or in areas with existing residential, commercial, or industrial uses operating with failing systems.***
- ***Extension of water utility service beyond the City's established water service area should only be done in cases of failing water service or water quality problems. Utility line extensions to directly serve new customers should be wholly funded by private parties through ULID's or as a development requirement.***

Policy D: The City plans to provide urban utility services within its UGA consistent with planning policies in the City's Water and Wastewater Comprehensive Plans. As such, the City will support local efforts and facilitate the connection of existing septic systems to City sewer where feasible.

Policy E: Residential and commercial development utilizing septic tanks for sewage disposal which have sanitary sewer laterals readily available shall be required to hook up to sanitary sewer when the system fails, needs replacement, or requires major repairs. The City will work cooperatively with the Health Department to maximize onsite sewage system design compatibility with the City's sewer system and minimize the problems associated with transition to sewer.

Policy F: The Reclaimed Water Utility Element shall define a reclaimed water service area where

the City will make reclaimed water available for irrigation and other uses for the responsible use of reclaimed water.

Water Resources

Goal 1: Ensure the long term protection and preservation of both the quality and quantity of groundwater and surface waters for all uses.

Policy A: Ensure that policies, requirements, and standards promote compliance with the Federal Clean Water Act and source water protection provisions of the Safe Drinking Water Act.

Policy B: Regularly review and update City of Lacey requirements, standards, and Water, Wastewater and Stormwater Comprehensive Plans as needed to reflect best available science and applicable state and federal regulations.

Policy C: Participate in regional efforts to protect surface and ground waters, the development of reclaimed or other multi-jurisdictional water supplies, and in identifying groundwater and watershed protection areas.

Policy D: Promote the use of reclaimed water as a strategy and priority for the conservation of water resources given the water resource challenges facing Lacey and Lacey's goals for long term sustainability.

Policies for Low Impact Development:

Policy E: Promote public open spaces for the installation of Low Impact Development Best Management Practices (LID BMP's), including bioretention facilities and permeable pavement. Include public education elements in LID BMP's in open spaces.

Policy F: Preserve environmental quality by taking into account the land's suitability for development, and directing intense development away from critical areas and soils with good infiltration potential for stormwater management.

Policy G: Encourage the use of LID techniques and BMP's within setbacks and buffers where appropriate.

Policy H: Encourage the use of permeable paving surfaces for parking lots, sidewalks, driveways, alleys, and low-use roadways.

Library Facilities

Goal 1: Have adequate, high quality library facilities to support library services that meet the current and future needs of the Lacey Community.

Policy A: The City, based on recommendations from its Library Board, will plan in conjunction with the Timberland Regional Library to:

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- *Evaluate the current library facility available to Lacey citizens for determining space needs*
- *Recommend a sustainable facility to meet current and future demand*
- *Evaluate the ability to build on existing infrastructure as an alternative to new construction for recommended service needs*
- *Encourage extension of library services to all members of the Lacey community*
- *Plan to be able to provide high quality, accessible library facilities to meet future needs*
- *Evaluate appropriate sites for future library facilities*
- *Evaluate the needs of Lacey citizens for expanded facilities*

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UTILITIES AND CAPITAL FACILITIES IMPLEMENTATION STRATEGIES

1) Incorporate stormwater LID best management practices and LID principles by reviewing and revising development related codes, rules, and standards to comply with the Stormwater Management Manual and the National Pollutant Discharge Elimination (NPDES) Phase II permit requirements.

2) Prepare a comprehensive reclaimed water system plan to guide the future construction of a reclaimed water distribution system to serve Britton Parkway and future main street corridors and to secure additional water rights for the City.

3) Continue to coordinate planning with the Lacey Library Board and library district to determine appropriate facilities to meet future needs.

I. Essential Public Facilities

Essential public facilities are public or privately owned and operated facilities that are typically difficult to site. The major component in the identification of a public facility is whether it provides, or is necessary to provide, a public service and whether it is difficult to site. State law recognizes these facilities to include airports, state education facilities, state or regional transportation facilities, correctional facilities, solid waste handling and sewage facilities, substance abuse and mental health facilities, and secure community transition facilities. Essential public facilities that are being planned for by state agencies are required to be identified by the Office of Financial Management.

The *Thurston County-Wide Planning Policies* contains adopted criteria for the siting of essential public facilities. It guides the local process for identifying and siting county-wide and state-wide facilities that have a potential for impact beyond jurisdictional boundaries. These criteria were used to guide the adoption of the City's standards.

The City's zoning standards provide for the siting of essential public facilities through the conditional use permitting process. The City's definition of essential public facilities mirrors the state definition and also includes the siting of communication towers and antennas. The permitting process classifies these facilities as a type one, type two, or type three facility, depending on the scale of the project. The zoning code contains a required review analysis for type one and two facilities and increased notification requirements to ensure early public notification and provide for timely public

involvement. Additional standards have been identified for sexual offender secure community transition facilities to mitigate the unique concerns of this use.

Public & Institutional Uses

The City recognizes the value of providing adequate public facilities to serve the residents of Lacey. Public and Institutional use designations are identified on the land use map to protect and preserve areas that are devoted to existing and future use for civic, cultural, and educational facilities. These facilities provide for the social needs of the community and enhance the community as a desirable place for human growth and development. Recognized public and institutional uses include governmental buildings such as city halls, police stations, fire stations, schools and colleges, hospitals, community and recreational facilities, churches, libraries and museums. Additional uses include areas for passive or active recreation such as parks, greenways, and open space.

The Lacey Parks and Recreation Department operates a number of facilities that provide venues for events, programs and classes. These facilities include the Lacey Community Center, Jacob Smith House, Lacey Senior Center, Lacey Museum, and the performance stage at Huntamer Park.

Development standards are in place to provide opportunities and facilities for the various activities and needs of a diverse community. These standards take into account both the environmental impact of a proposed use and appropriate design standards. Additional development standards include parking, landscaping and storm drainage.

The City works closely with many community partners to provide adequate facilities for the community including the North Thurston Public Schools, Saint Martin's University, South Puget Sound Community College, Fire District 3, and the Timberland Regional Library. Capital Facilities Planning efforts are also coordinated to assess existing facilities and plan for future facility needs.

ESSENTIAL PUBLIC FACILITIES GOALS AND POLICIES

Essential Public Facilities

Goal 1: Minimize impacts associated with the siting of essential public facilities and provide appropriate standards for facilities that will protect neighborhoods and the community.

Policy A: Maintain consistency with CWPP's and state law for the siting requirements associated with essential public facilities.

Policy B: Continue to provide for essential public facilities through the conditional use permitting process to provide for meaningful review, early public input, impacts to critical areas, and mitigation of probable significant adverse impacts.

Policy C: Encourage planning and coordination between jurisdictions to site community transitional facilities to meet state requirements for bed ratios for Thurston County that meet state guidelines and address siting issues throughout Thurston County.

Public & Institutional Uses

Goal 1: Provide public and institutional land use to meet social needs of the community.

Policy A: Promote Lacey's Community Center and encourage supporting community activities to develop around it.

Policy B: Recognize the Saint Martin's University Campus Master Plan as the guideline document for campus development.

Policy C: Continue to work with Saint Martin's and South Puget Sound Community College as community partners to maximize academic and social opportunities that these resources make available to enhance the quality of life and higher educational achievement for Lacey citizens. Planning should take advantage of these educational and social resources and emphasize these opportunities as a focal point and destination site for the Lacey community.

Policy D: Coordinate planning efforts with Timberland Regional Library to provide adequate library facilities to serve the community and provide for life-long learning opportunities.

Policy E: Coordinate public and institutional land use needs with capital facilities planning.

Goal 2: Facilitate a close working relationship with North Thurston Public Schools and other educational organizations to provide the highest possible quality school service to Lacey and the UGA.

Policy A: Work with North Thurston Public Schools to facilitate school district planning, siting and design for elementary and middle schools to be a focal point for neighborhood activities. Design and site high schools that serve multiple neighborhoods to best accommodate and serve larger community areas.

Policy B: Review development projects for impact to schools and require mitigation of identified impacts. Mitigation may include dedication of property for school sites, development of school or school related improvements, payment of impact fees, other techniques necessary for mitigation, or a combination of the above.

Policy C: Ensure all developments within the sphere of influence of a school provide a design with features that support transportation options for traveling to the school site.

J. Health & Human Services

The built environment has an impact on the health of our community. Walkable and multimodal communities are known to have healthier residents compared to communities that have land use patterns that require the use of an automobile. Neighborhoods with poor access to healthy food choices, such as fresh produce, display more obesity and chronic illness than those where access to fresh food is convenient. Understanding how the design of the built environment influences health

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concerns, and promoting design that is beneficial, will aid in a healthier and more livable community. Integration of health considerations into the Land Use Element will assist in coordinating efforts to implement approaches that promote physical activity.

The Growth Management Act encourages the consideration of planning approaches that increase physical activity. Many of the recommended approaches are integrated in the goals and policies that are located throughout the Comprehensive Plan. Goals and policies that will increase physical activity that are contained in the Plan include:

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- **Providing for higher intensity residential and mixed-use land use designations**
- **Higher intensity development along corridors served by transit services**
- **Supporting linear parks and shared use paths**
- **Interconnected street networks**
- **Supporting bicycle, pedestrian and multimodal transportation systems**
- **Provisions have been added to the zoning code to provide for urban agricultural uses providing for fresh food sources on single family residential lots for a family's personal use; urban vegetable gardens for community use; and, small commercial farm activity located in areas appropriately zoned for this type of use.**

HEALTH AND HUMAN SERVICES GOALS AND POLICIES

Goal 1: Work to achieve a safe, active, and healthy lifestyle for Lacey citizens through community planning and design.

Policy A: Provide opportunity for a distribution of land use types located within planning areas and within walking distance to one another to encourage walking and minimize the need for automobile use.

Policy B: Design neighborhoods to promote bicycling and walking to encourage these active and healthy lifestyles choices.

Policy C: Prioritize safe routes for capital improvements such as sidewalks, planter strips, street trees, traffic calming, and other pedestrian improvements. Consider incentives for infill development to add off site traffic calming and other pedestrian amenities for designated safe routes.

Goal 2: Work to achieve a community where residents have convenient access to healthy food, clean water, and affordable shelter.

Policy A: Provide opportunities for housing development to serve Lacey's full demographic spectrum, including a full range of housing choices designed to meet life stage needs of those demographics.

Policy B: Provide opportunities to integrate housing into core areas and arterial corridors where services and transportation options can be provided.

Policy C: Provide healthy food choice opportunities by design including opportunities for urban farming, and convenient access to grocery stores and farmers markets.

Policy D: Support environmental measures to protect critical/sensitive and resource areas and provisions for clean air, water, and soil for overall community health.

HEALTH AND HUMAN SERVICES IMPLEMENTATION STRATEGIES

1) Review land use designations to provide for an adequate supply of mixed-use and higher density development patterns.
2) Review street standards to require the connection of street and pedestrian systems, where feasible.

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CITY OF LACEY & LACEY UGA PLANNING AREAS

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LAND USE CENTRAL PLANNING AREA

I. PROFILE OF CENTRAL PLANNING AREA

A. Location

The Central Planning Area is located in the center of Lacey and generally encompasses the area of the city limits upon Lacey's incorporation in 1966. All of the Central Planning Area is located within the incorporated limits of Lacey. It is bounded by Interstate 5 on the north, the Chehalis Western Trail and the Olympia city limits on the west, 39th and 37th Avenue to the south, and Carpenter Road to Alanna Drive to Ruddell Road on the east. It abuts Pleasant Glade Planning Area to the north, Horizons Planning Area to the south, and the Tanglewilde/Thompson Place and Lakes Planning Areas to the east.

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B. Character and Functional Relationship to City

The Central Planning Area is characterized as the oldest area of the City. It has the majority of the City's developed commercial land base and contains the majority of the Central Business District (CBD) including the Woodland District. It has the oldest Lacey residential neighborhood in the Lacey Villas (better known as the Lacey Historic Neighborhood), and the oldest homestead area in the City which is now the Panorama community. Saint Martin's University is located in the Planning Area and was first established in 1895.

The Central Planning Area's primary function is serving as the central commercial core; however, the Planning Area also has an extensive residential base, which includes a significant amount of affordable housing opportunities in the form of older residential units, primarily of the 50's and 60's vintage. Additionally, it contains the City's primary special needs housing community at Panorama. The Central Planning Area also has one of the City's largest developed parks in Wonderwood Park.

C. Acreage

The planning area includes approximately 2,530 acres. Of this amount, a large percentage of property is developed. Larger acreages do exist but are mostly contained in critical areas such as the Woodland Creek corridor and Chambers Lake or is property owned by Saint Martin's Abbey and associated with Saint Martin's University.

D. Population

As of 2015, the estimated population of this planning area was 11,640. Population growth and allocation projections anticipate the population in the Central Planning Area by the year 2035 will be 12,770 persons, with an anticipated 1,130 residential units added to this planning area in the next twenty years.

E. Land Use - Current

In 2015, there are a total of 5,422 dwelling units in the Central Planning Area with approximately half of those being single family and half being multifamily. Over the next twenty years, it is anticipated that over 75% of the housing units added in the Central Planning Area will be multifamily located primarily in the Woodland District. The remainder will be single family added through infill within existing neighborhoods.

Over 2.5 million square feet of commercial buildings (2.654 million sf) have been constructed in the Central Planning Area. The commercial property in the Planning Area serves as a regional hub for retail and other services including South Sound Center, Lacey Market Square, Martin Village, the Central Business District properties between Lacey Boulevard and Pacific Avenue and those CBD parcels along Martin Way. Most commercial property has been developed in this planning area, therefore, it is expected that most development associated with commercial properties will be in the form of redevelopment to higher intensities over the next twenty years.

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F. Subareas

Woodland District

The Woodland District Strategic Plan was a year-long subarea planning process that sought to enhance Lacey's business core as a place to live, shop, gather, learn and play. Largely developed after World War II, Lacey's core had lacked a sense of identity and was not a "downtown" in the traditional sense; however, the area has been a consistent regional retail and employment center for over 50 years. Planning for the Woodland District began in the mid 1990's as the city of Lacey grappled with the area's identity. This planning culminated in adoption of the Downtown 2000 Plan, which established design guidelines and development standards for the area. The Downtown 2000 Plan envisioned the Woodland District as a vibrant and prosperous place that encouraged density and mix of uses, supported transit, and provided for a diverse population. The vision set forth in the Downtown 2000 Plan has been implemented in a variety of private development projects, as well as various City projects.

In 2008, as a result of a downturn in the financial markets and a downsizing and relocation of State office complexes, private investment in the Woodland District ceased and 240,000 square feet of office space became vacant. With the assistance of an appointed steering committee, the City began the 2011 "Downtown Refresh" to re-examine the goals of the Downtown 2000 plan. The committee validated the vision but understood that the area needed a jumpstart. Upon completion of the Downtown Refresh, the City received a grant through the federal department of Housing and Urban Development (HUD) to develop the Woodland District Strategic Plan, an action-based strategic plan for the area to guide future revitalization and development of private investment, public places, and transportation infrastructure.

The Woodland District Strategic Plan combines an urban design framework and vision with an action-oriented strategy all based on market realities. The urban design framework vision, goals and policies are detailed in graphic and written form, which creates the policy basis for the subarea

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plan. Detailed urban design recommendations provide the regulatory background for a form-based code, which will guide future revitalization and development of streets, public places and private development. These recommendations help support the action plan which outlines 25 key actions designed to implement the Woodland District goals and policies. These actions are integrated to provide the necessary framework and incentives to catalyze investment and development, and were developed as an integrated set to be leveraged together so that each will result in multiple benefits in order to realize the District's vision over a ten-year period. Finally, all of these are supported by a market analysis that details current and future conditions related to retail/commercial, housing, service, and hospitality markets. The market analysis also contains three pro forma which ensure a development's rate of return and ensures that the City's vision is in line with market realities.

The Woodland District Strategic Plan was adopted on July 25, 2013. Since adoption, as a result of community stakeholder buy-in, the strategic plan has been a living document with several key implementation actions completed or underway.

Implementation measures identified in the plan that have been completed to date include the City Council's adoption of the multifamily tax exemption for the area to improve development feasibility and to stimulate the construction of new market-rate and affordable housing opportunities. South Puget Sound Community College has completed a $7.5 million construction project to convert a former state-leased office complex into the new Lacey campus of South Puget Sound Community College. Located across 6th Avenue from the Intercity Transit center, the campus will serve as a destination for an estimated 10,000 people per year for use as both a community college and for contracted training programs.

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Contained within the Action Plan is a strategy important to both the vitality of the District and the City of Lacey—establishment of a business and entrepreneurial center. South Puget Sound Community College, in partnership with the Thurston EDC and the City, has developed a business and entrepreneurial center in the District. This places the College's business, technology and workforce training programs, and the business support services of the Thurston EDC in one location assisting entrepreneurs to launch and build successful companies and provide skilled labor to support business attraction, retention, and expansion programs. The center will also help early stage entrepreneurs grow through a variety of support services and facilities in a professional working environment. The focus will be on creating new family-wage jobs which will help spark the region's economic recovery and facilitate reinvestment in the Woodland District.

An additional implementation measure includes development of a form-based code for the district. This implementation measure is currently underway and will create a "place-based" regulatory

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system that will clearly illustrate the District's desired form and character for both the private and public realm. The code would serve as an incentive to attract new investments and produce a cohesive neighborhood characterized by great places.

The Woodland District Strategic Plan has set the stage for infill, redevelopment and new development and has an innovative and action-oriented approach to ensure that this area will be a vital place to live, shop, gather, learn and play.

Depot District

A future subarea plan for the area commonly known as the "Depot District" is a priority for development in the short term. The plan would be centered on the area between the Pacific Avenue and Lacey Boulevard roundabouts zoned Central Business District 5. The subarea would also include the adjacent residential neighborhoods including the Lacey Historic Neighborhood and the residential neighborhood between the Lacey Post Office and Lacey Elementary. The anchor of the "Depot District" is the future Train Depot Museum project under development. This public investment will include the future City museum, outdoor gathering spaces, interpretive information, and trailhead to the Lacey Woodland Trail. The public investment in a historically-accurate structure will dovetail with a local neighborhood planning effort to provide an opportunity to define the character and encourage private investment into the surrounding area.

Golf Club Road Neighborhood Plan

A need for a future neighborhood-oriented subarea plan has been identified for the area designated as the "Golf Club Road" neighborhood. This is generally the area south of Lacey Boulevard between the westerly city limits and College Street, south to 22nd Avenue. The area contains some of Lacey's oldest housing stock on larger-sized lots; and the infrastructure serving the area has capacity to serve additional units. Close proximity to services makes it an attractive neighborhood for more intensive development. The area is served by transit; however, much of the area lacks sidewalks and pedestrian connections necessary to make transit convenient. A future subarea plan would show how additional density could be achieved while prioritizing infrastructure improvements related to sidewalks and pedestrian connections.

Golf Club Road is also an important north/south link connecting residential areas to nearby commercial areas and services. As projects have been developed along the Golf Club corridor over the past years, frontage improvements have generally been deferred to a later date. The subarea plan should analyze the completion of Golf Club Road by the City and those property owners who have deferred the requirement to improve pedestrian amenities and to potentially catalyze private investment in the area.

G. Density Characteristics

The planning area's density is stabilized and not expected to change significantly over the next twenty-year period with the projected addition of 1,130 new residential units. Most of the existing housing stock consists primarily of older homes being constructed in the 40's, 50's and 60's. The overall density of the area is typical of an older suburban community, with typical lot sizes ranging

from 5,000 square feet to 10,000 square feet, for an overall density including open space of between 4 and 8 units per net acre. The oldest residential area in Lacey, the Lacey Historic Neighborhood, has a significantly different character with large lot sizes, primarily one acre and larger.

Of the 1,130 new residential units projected for this planning area, most will be accommodated in the Woodland District. According to a market study completed by Property Counselors for the Woodland District Strategic Plan, by the year 2030 the projected number of additional multifamily units is anticipated at 740 to 1,056. At this level of development, it would be anticipated that the remaining 74 to 390 units will be accommodated in existing neighborhoods elsewhere within the planning area.

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New residential development will consist of teardown and rebuilding of older housing stock, infilling older neighborhoods containing larger lot sizes with the capacity to handle additional units, and redevelopment and infill within the Woodland District. In 2008, Sixth Avenue Place became Lacey's first truly mixed-use building with 101 multifamily residential units and a retail frontage.

Within the Woodland District, the Woodland District Strategic Plan identifies the area for significant public and private investment to make the area more desirable from a residential standpoint. Additionally, the multifamily tax exemption program enacted by the City will incentivize multifamily development by reducing property taxes associated with multifamily units between 8 and 12 years after project construction. The Woodland District Strategic Plan also identifies a future affordable housing strategy as a work program item to provide a variety of housing in the District for a range of household types and income levels such as seniors, students, local employees and low and moderate wage workers. The strategy would also support the multifamily tax exemption program to oversee compliance with the affordability requirements of the program.

H. Parks/Open Space

Recreational opportunities within the Central Planning Areas include Huntamer Park, Wonderwood Park (community park), Homann Park (community park), Chambers Lake Natural Area and Brooks Park, (neighborhood park). Pocket parks include the two Plaza Parks adjacent to the Lacey Market Square shopping center and the Lacey Civic Plaza adjacent to South Sound Center. The Central Planning Area has 3.86 acres of park land per 1000 residents. The parks in this area provide a variety of outdoor recreational opportunities that are both passive and active. There are baseball fields, soccer fields, tennis courts, basketball courts and playground equipment. Several of the parks include trails (paved and dirt).

I. School Facilities

The only North Thurston Public Schools operated school within the Central Planning Area is Mountain View Elementary. Middle and high school students in this planning area are served by Chinook Middle and North Thurston High School located in the Pleasant Glade Planning Area to the north.

As previously stated, Saint Martin's University is at the center of the planning area and is a private

university established in Lacey in 1895. In 2010, Saint Martin's Abbey developed a comprehensive master plan and development agreement to guide future campus development, including guidelines for the construction of future buildings, roads, infrastructure, parking areas and landscape and open space areas. Both the master plan and development agreement were adopted by the Lacey City Council on February 25, 2010. The master plan and development agreement is an important tool to guide the future development of the St. Martin's property.

In 2015, South Puget Sound Community College completed a $7.5 million construction project to convert a former state-leased office complex into the new Lacey campus of South Puget Sound Community College. Located across 6th Avenue from the Intercity Transit center, the campus will serve as a destination for an estimated 10,000 people per year for use as both a community college and for contracted training programs.

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J. Streets, Trails, and Connections

College Street SE, Sleater Kinney Road, Carpenter Road, Ruddell Road, and Golf Club Road are the main north-south transportation corridors in the Central Planning Area. The Lacey Boulevard/ Pacific Avenue one-way couplet and Martin Way are the primary east-west corridors. Interstate 5 runs east-west through the planning area with full access provided at exit 108 off of Martin Way. Off-ramps from I-5 also connect to Sleater Kinney Road.

In 2009, the College Street Improvements Final Report was developed to identify strategies to improve College Street from Lacey Boulevard south to 37th Avenue SE. College Street provides a primary north-south link for automobiles, transit, pedestrians, and bicyclists from South Thurston County to Interstate 5. The corridor contains a heavy number of vehicles per day (estimated at 32,000 per day by the year 2020). However, the corridor also provides local access to many homes fronting the street, an elementary school, and access to local streets and collectors. The College Street Improvements Final Report identifies a series of improvements to be developed to enhance conditions for all modes of transportation throughout the corridor. The first improvements identified in the report are slated for construction in the short term with the roundabout at 22nd Avenue.

The Central Planning Area is well connected with the regional trail system. The Chehalis Western Trail runs the length of the planning area along the western border. The Chehalis Western runs north-south and connects as far north as Woodard Bay and as far south as Rainier. The Lacey Woodland trail runs east-west between Pacific Avenue and Lacey Boulevard. The trail connects to the Olympia Woodland Trail to the west which terminates near the Capitol Campus and terminates at the Woodland Creek Community Park on the east. Both the Chehalis Western and the Lacey Woodland Trails are former rail corridors that were part of the rails-to-trails conversion program. The Interstate 5 trail runs parallel to I-5 east-west and connects between downtown Olympia, terminating at the Department of Ecology Headquarters building.

K. Resource Designations

There are no agricultural or mineral extraction sites designated of long-term commercial significance within this planning area. However, there is currently an active mineral extraction site near depletion, which would be expected to convert to some other use in the near future. This site is located along Carpenter Road in the extreme northeast portion of the planning area, adjacent to the Thompson Place subdivision.

L. Environmentally Sensitive Area Designations

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This planning area includes Chambers Lake and Lake Lois, as well as a good portion of the Woodland Creek Corridor and associated wetlands. These are designated as environmentally sensitive and have specific protection requirements as delineated in the *City of Lacey Environmental Protection and Resource Conservation Plan*. Most of the planning area, as with most of the City, is also designated as a sensitive area for aquifer protection.

Special mention needs to be made of the property adjacent to and east of Woodland Creek and west of Carpenter Road between I-5 and Martin Way. This property has areas of environmental sensitivity because of Woodland Creek, its associated wetlands, and steep slopes. It is questionable whether portions of these properties are developable because of these environmental limitations. Because of noted sensitivities, the majority of the properties have been designated Open Space Institutional, based upon our most recent environmental inventories. In 2006, the Lacey City Council confirmed (as part of a private rezone and comprehensive plan amendment application) that the Open Space Institutional designation was appropriate for this area given the environmental sensitivity analysis.

II. ANALYSIS

Given that this planning area is the oldest area of Lacey and is mostly developed, the development within the next two decades will be primarily through redevelopment. Subarea planning is an important aspect of redevelopment and implementation of the City's vision in the Central Planning Area. Subarea plans provide more detailed planning, guidance, and predictability for residents, businesses, and for applicants of a development project. Subarea planning also ensures that development is high quality and well integrated into existing built areas. Implementation of the Woodland District Strategic Plan and development of the future Depot District Plan and Golf Club Road Neighborhood Plan should be the highest priority in this Planning area.

In 2004, as the result of neighborhood concerns over the creation of infill lots where homes were being placed in what was once the backyard of an existing home, the City Council enacted regulations to prohibit this type of development. Essentially, new lot size requirements were enacted for parcels less than one acre in size that prohibited redevelopment—specifically related to lot size width requirements along public streets. Since then, new lot creation in our older neighborhoods, especially in the Golf Club Road neighborhood, has stopped even though this area has land

availability, utility capacity, is served by transit, and is in close proximity to services. The City should reexamine the de facto prohibitions on infill in this area given its strategic location and age of the neighborhood. Standards should remove focus on lot layouts and more on design requirements related to privacy and architectural design.

The uses within the Central Business District zones (CBD 4, 5, 6 and 7) are listed according to a table associated with the manual on Standard Industrial Classification (SIC code). These tables are often confusing and can be difficult to administer. The City should examine the tables associated with the CBD zones and simplify them. Also, uses should be analyzed to ensure that they still meet the City's vision, including but not limited to: more allowances for multifamily residential development, higher permitted residential densities, more flexibility of uses, and compatibility requirements between commercial and residential.

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III. GOALS AND POLICIES CENTRAL PLANNING AREA

Goal 1: Provide for a healthy and vigorous core area as a destination commercial center and central urban hub for the City.

Policy A: Implement the Downtown 2000 Plan and the Woodland District Strategic Plan.

Policy B: Develop and implement a subarea plan for the Depot District.

Policy C: Review and update standards of the Central Business District on a regular basis to maintain a competitive place in regional retail economy while maintaining a quality level of development.

Policy D: Continue to strive for proper transition of the Central Business District with surrounding residential zones with closer pedestrian ties to residential areas.

Policy E: Consider the Central Planning Area as a focus for the location of cultural activities.

Goal 2: Maintain quality and function of existing residential areas in the Central Planning Area.

Policy A: Acknowledge historical character and value of the Lacey Historic Neighborhood as a unique housing resource. Continue to require special development standards for Lacey Historic Neighborhood that recognize and preserve historical values and neighborhood character while allowing reasonable infill and development.

Policy B: Acknowledge character and value of older residential neighborhoods adjacent to the Central Business District as an affordable housing resource.

Policy C: Develop and implement a subarea plan for the Golf Club Road Neighborhood.

Goal 3: Provide opportunities for infill in the Central Planning Area.

Policy A: Maintain the liberal policy on accessory residential units while maintaining quality and character of neighborhood through performance standards and design review.

Policy B: Provide opportunities for duplexes, triplexes and quadraplexes to locate in lower density neighborhoods as infill mechanisms which enhance neighborhood character by requiring exceptional and rigorous design requirements.

Policy C: Provide opportunities for single-family cluster housing on smaller lot sizes than the underlying zone with exceptional and rigorous design requirements to maintain quality and character of neighborhood areas.

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Goal 4: Provide an exceptional transportation network that interconnects all uses with the Central Business District including employers, retail establishments, parks, and neighborhoods.

Policy A: Encourage emphasis on interconnection of pedestrian corridors and development of pedestrian opportunities throughout the Central Business District and outlying residential areas. Specifically, the Golf Club Road corridor should be improved to full City standards to link pedestrians in residential areas with businesses and services.

Policy B: Work towards interconnection of parks, pedestrian-oriented centers, and residential pedestrian systems.

Policy C: Provide safe pedestrian crossings to encourage walking and pedestrian access.

Policy D: Require pedestrian-friendly building design in areas where foot travel is likely and encouraged. Pedestrian-friendly building design may include buildings oriented towards adjacent regional trails.

Policy E: Ensure that parking areas are "right sized" for the use they are intended to serve while supporting optional minimum requirements should less than the minimum number of parking stalls be desired by an applicant.

IV. IMPLEMENTATION STRATEGIES

1) Continue to support the implementation of the Woodland District Strategic Plan and the 25 prioritized action items.

2) Develop and implement the Depot District and Golf Club Road Neighborhood subarea plans.

3) Identify target areas and strategies to accommodate projected residential development. Strategies shall include encouraging infill development on larger lots by establishing new standards related to minimum lot size, lot width, etc., while ensuring compatibility between existing and new development. Also support existing and future subarea planning efforts; continue a liberal policy on accessory dwelling units, and utilize City supported incentives such

as the multifamily tax exemption program.

4) Examine and simplify the Central Business District table in the Lacey Municipal Code to ensure that they meet the City's vision, including but not limited to: more allowances for multifamily residential development, higher permitted residential densities, more flexibility of uses, and compatibility requirements between commercial and residential.

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LAND USE HAWKS PRAIRIE PLANNING AREA

I. PROFILE OF HAWKS PRAIRIE PLANNING AREA

A. Location

The Hawks Prairie Planning Area includes the northeast portion of the Lacey Urban Growth Area. It is bounded on the north by Puget Sound, Meridian Road on the east, Interstate 5 to the south and Carpenter and Marvin Roads to the west. It abuts Pleasant Glade Planning Area to the west and the Tanglewilde/ Thompson Place and Meadows Planning Areas to the south. Most of the Hawks Prairie Planning Area is located within the Lacey city limits.

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B. Character and Functional Relationship to City

The Hawks Prairie Planning Area is the planning area with the most potential for economic development. It has extensive vacant land resources and has historically served a wide range of uses, including single-family residential development, commercial development, and industrial development. In 1992, the Meridian Campus planned community and adjacent Hawks Prairie Planned Community were approved. Together they comprise 1,870 acres and represent a full range of land uses. In the last fifteen years, the residential components of both of these communities have largely been developed.

In the early 1990's, a special Northeast Area Plan was completed by the City which included another significant portion of the planning area that was not included under a previously approved master plan. The chief emphasis of this plan and follow up work throughout the decade has been the Hawks Prairie Business District. This area includes almost 500 acres of property with convenient I-5 access and visibility. The City has worked diligently to promote and advance plans for this area to build out as a major commercial center. The area is known as the Lacey Gateway Town Center.

Historically, this area has been planned as the City's industrial area. Over the decades dominant industrial uses included the Olympia Cheese Factory, Ameron Pipe manufacturing facility, Lakeside Industries gravel crushing operations, and the Thurston County Waste and Recovery Center. The Ameron Pipe manufacturing company and the Olympia Cheese factory closed, but many new industrial activities have been established primarily related to warehousing and distribution. These include the Target distribution center, the Home Depot distribution center, Spring Air Mattress Company, and Trader Joe's distribution center.

Currently, this planning area's primary function could be characterized as a mix of residential and light industrial uses. Now that these areas have been largely constructed, the future land use trends will be for commercial services to serve these new residential areas and job centers.

C. Acreage

The Hawks Prairie Planning Area includes approximately 4,635 acres of property. Of this, approximately 660 acres are available for residential development with 410 acres of lower density residential (Low Density Residential 0-4, Low Density Residential 3-6) and 250 acres of higher density (Moderate or High Density Residential). 970 acres are available for commercial and industrial purposes with 670 acres of industrial (Light Industrial and Light Industrial/Commercial) and 300 acres of commercial (Hawks Prairie Business District, Community Commercial, Neighborhood Commercial, Business Park).

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D. Population

As of 2015, the estimated population of this planning area was 9,490. Population growth and allocation projections anticipate the populations in the Hawks Prairie Planning Area by the year 2035 will be 13,170 persons, with an anticipated 1,680 residential units added in the next twenty years. The majority of residential units are anticipated to be located in the incorporated portion of the planning area.

E. Land Use – Current

In 2015, there are a total of 3,820 dwelling units in the Hawks Prairie Planning Area with approximately 93% of those being single family and 7% being multifamily. Over the next twenty years, it is anticipated that approximately 75% of the housing units added in the Hawks Prairie Planning Area will be single-family residential. This number may be reduced with completion of the Lacey Gateway Town Center and the associated multifamily residential units. Additionally, a priority work program item to increase the minimum density of Moderate and High Residential zoning districts will preclude these areas from developing as single-family residential.

Over 4.8 million square feet of commercial buildings (4.884 million sf) have been constructed in the Hawks Prairie Planning Area. Most of the building square footage is related to distribution and warehousing, including the Target Distribution Center at over 2 million square feet and the Home Depot Distribution Center at 750,000 square feet. Smaller warehouse uses are located in Meridian Campus and within the Light Industrial/Commercial zones around Hogum Bay and Marvin Roads. Recent commercial development includes Cabela's which will anchor the future Lacey Gateway Town Center and development around the intersection of Marvin Road and Britton Parkway, including the Providence Medical Center. According to the City's market analysis, this planning area will continue to see more non-residential construction in the future, including an anticipated 4.4 million square feet of non-residential construction over the next twenty years.

F. Subareas

Northeast Area Plan

The *Northeast Area Planning Element* was adopted in July of 1992 and was one of the City of

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Lacey's first subarea plans. The *Northeast Area Planning Element* applies to 970 acres in northeast Lacey and was completed when city utilities were being extended to the area through a utilities local improvement district (ULID). Extension of utilities, combined with the area's proximity to Interstate 5, made the time right to develop a plan for the area that was expected to experience a high rate of growth.

The City desired to create a subarea plan so that it could "…develop as an aesthetically attractive, high quality employment center with a moderate mixture of other uses to complement the development…" In fact, the term "gateway" that is now associated with this area was coined in the subarea plan which states, "The area serves as a "gateway" to the City of Lacey, the Capitol area, and to the Nisqually River Basin/Valley."

The subarea plan suggested transportation corridors and a mixture of land uses which helped guide future development of the area. Transportation corridors have now largely been constructed and include what are now Britton Parkway, Gateway Boulevard, and Galaxy Drive. The mixture of land uses lead to the development of the Hawks Prairie Business District. The *Northeast Area Planning*

Element identified the need for design guidelines including a strong arterial and gateway design framework for development, site and building design guidelines. These guidelines apply today and are helping to shape development patterns in the area. Some of the first buildings around the intersection of Marvin Road NE and Britton Parkway NE have implemented these design requirements.

The *Northeast Area Planning Element* was the framework document that has shaped the Hawks Prairie Area over the past two decades. However, it is now in need of revisions and updating to reflect growth and to ensure that future development plans align with the community's vision.

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G. Density Characteristics

The primary residential form in the Hawks Prairie Planning Area is single-family residential. Older development (pre-1990's) primarily consists of single-family residential homes on large lot sizes of approximately 1/4 acre. All of the single-family residential development at that time was on septic tank and drain field. In the 1990's the City provided sewer to this area through a major Local Improvement District (LID). With sewer, more intensive development has taken place with residential lots ranging from 3,000 to 7,500 square feet. Multifamily development will occur in the designated multifamily parcels in Meridian Campus and in the Hawks Prairie Business District—Business Commercial areas.

H. Parks/Open Space

This planning area has two dedicated City parks: a 24 acre and a 5 acre neighborhood park site, both dedicated to the City as part of the Meridian Campus Planned Community. The Meridian Neighborhood Park site was developed in 2007.

In 2011, the city of Lacey purchased 407 acres of pastoral and forested land in the northwestern section of Lacey, adjacent to the future Pleasant Glade Park. The property was purchased for several purposes: future active and passive community park; open space preservation; water rights mitigation; natural storm water filtration; protection of water quality in the Woodland Creek watershed; preservation of wildlife habitat corridors; and the potential for fisheries enhancement. This property is relatively undisturbed, with minimal prior residential development. It possesses significant wetlands and creek frontage on Woodland, Fox and Eagle Creeks, abundant native plant communities with relatively few invasive plants, and a serene character. 203 of the 407 acres total ownership is located within the unincorporated portion of the urban growth area and is currently designated for residential purposes. The remaining 204 acres is located in the rural unincorporated county. The City should consider re-designating the property, considering its long-term use for park and open space purposes, and work with Thurston County to rezone it appropriately.

I. School Facilities

North Thurston Public Schools has one school in the planning area, Salish Middle School, located in the Meridian Campus Planned Community. Additional planned schools include an elementary

school in Meridian Campus, an elementary school associated with the Hawks Prairie Planned Community, and a future middle/high school complex located west of Marvin Road. The future middle/high school site was added to the urban growth area in 2014 so that City utilities may be extended. It is expected that these school sites will be utilized for new school construction as the planning area builds out.

J. Streets, Trails, and Connections

Marvin, Hogum Bay, and Meridian Roads are the primary north-south transportation corridors in the Hawks Prairie Planning Area. Britton Parkway, Willamette Drive, 31st Avenue, and 41st Avenue are the primary east-west corridors. Interstate 5 runs east/west through the southern portion of the planning area with full access provided at exit 111 off of Marvin Road. Transportation planning in the Hawks Prairie Planning Area has been a focus because the area was, until recently, relatively undeveloped and existing street systems needed to be redeveloped to handle anticipated volumes. Connection of corridors to create a modified grid system and redevelopment of older sub-standard streets will continue to be a priority.

The William Ives Trail runs from Meridian Road west to Willamette Drive through the wildlife corridor within Meridian Campus Planned Community. An unnamed trail runs along the northern portion of the Hawks Prairie Planned Community industrial area adjacent to 41st Avenue and was installed with the development of the Hawks Prairie 111 Corporate Park. When the property to the west develops, it will continue this trail westerly to Marvin Road. Installation of this portion will create a trail connecting between Marvin and Meridian Roads.

K. Resource Designations

There are gravel mining and processing activities in this planning area along Carpenter Road. As these pits are mined out, they will be converted to other uses.

The Thurston County Waste and Recovery Center (WARC) is a solid waste recovery and transfer facility within the planning area. This use provides a much needed service for the County. This 140 acre site has been utilized since the mid 1940's. Refuse fill areas have reached capacity and are closed; however, the site is used for waste collection/transfer, composting, recycling, household hazardous waste, etc. Those uses are anticipated to continue indefinitely.

L. Environmentally Sensitive Area Designations

This planning area has a number of environmentally sensitive areas, primarily wetlands, which are generally small and spot the planning area. Additionally, there are environmentally sensitive bluffs along Puget Sound waterfront. These areas are designated as environmentally sensitive and have specific protection requirements as delineated in the City of Lacey Environmental Protection and Resource Conservation Plan.

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II. ANALYSIS

The Hawks Prairie Planning Area has more potential than the other planning areas for new development because of available vacant land resources; availability of utilities, including sewer and water; and proximity to Interstate 5 to points north including Joint Base Lewis-McChord and Pierce and King Counties.

Nowhere is this potential more evident than the 200 acre property immediately adjacent to Interstate 5, commonly known as the Lacey Gateway Town Center. The cornerstone of the development will be a mixed-use town center as envisioned by the City's past planning efforts. The 120 acre Town Center site will consist of both a destination retail component and an intensely developed mixed-use district with commercial, retail and residential uses. Up to 500 residential units are anticipated with Gateway Town Center. All development within the Town Center will be designed to enhance the pedestrian experience and provide plentiful and intuitive pedestrian amenities and connections. It is expected that the current concept will be built in phases and could take five to ten years or more to build out, largely dependent on market factors.

Much of the residential areas designated in the planning area have been developed in the last fifteen years. This includes the Hawks Prairie Planned Community which has developed into a mixture of age restricted (Jubilee) and non-age restricted (Edgewater) single-family residential. In the Meridian Campus Planned Community, a majority of the single-family residential has been constructed and plans to complete the remaining multifamily parcels subject to a recent development application. This new residential base has required additional services including parks and schools, which have been integrated into these developments. The first phase of the Meridian Community Park has been constructed at the intersection of Willamette Drive and Campus Glen Drive; a future neighborhood park site in Campus Highlands will serve growing populations. School construction has also started in this planning area with construction of Salish Middle School. North Thurston Public Schools anticipates the next school construction project to be an elementary school located in Meridian Campus. Commercial services, however, have been slow in coming to these areas. Areas are adequately zoned for commercial uses, including Community Commercial zones in Meridian Campus and at the intersection of Marvin and Hawks Prairie Roads. Additionally, Neighborhood Commercial sites are located within Meridian Campus and the Hawks Prairie Planned Community. These areas are ready for development and, when the market can support them, will provide the commercial services residents in this planning area desire.

The Hawks Prairie Planning Area is a local hub for light industrial development. In the last fifteen years, this has mostly included warehouse and distribution development as a result of retailers' changing needs to get products to consumers, proximity to ports, and proximity to Interstate 5. In the early 2000's several national retail chains located their distribution centers within this planning area which caused concern with the City Council regarding job density and transportation impacts associated with these facilities. These concerns resulted in several changes to regulations, including an initial moratorium and several regulations seeking to limit the overall square footage of these buildings. In 2015, the City Council removed the building square footage requirement, provided that the design standard requirements would remain the same, specifically, the requirement to have the larger building as part of a multiple building complex. Analysis provided with the request

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showed that northeast Lacey has the capability of supporting four more buildings of 500,000 square feet or larger, based on the proposed amendment. The Council also reiterated the importance of design review related to these buildings as well as the strict compatibility requirement when adjacent to residential areas.

Many of the primary corridors within the planning area are converted county roads—Marvin, Hogum Bay, Hawks Prairie, and Meridian Roads. These corridors are old "farm to market" roads that were built to bring goods to commercial areas within the Lacey area. Most of these corridors have gaps in improvements where areas lack sidewalks, bike lanes, and other pedestrian improvements and are not sized to handle the ultimate build-out of the area. However, the City has undertaken projects to upgrade the corridors to handle the development of the area, as the result of a condition of private development projects, through use of development-funded mitigation fees, and through obtaining public grants for public improvement projects to close these gaps. Additionally, gaps still exist in the overall "modified grid" that will complete the transportation system in this planning area. Specifically, gaps in corridors still exist for 31st Avenue, the completion of Campus Glen Drive, and extension of Gateway Boulevard to the north. A priority for the planning area is to upgrade the major transportation corridors to accommodate growth and multimodal transportation opportunities, while also completing the overall grid of corridors which ultimately would provide more options in how people travel through the planning area.

Intercity Transit provides a vital service to Lacey residents and employers; however, the Hawks Prairie Planning Area lacks regular transit service. Over the last twenty years, the Hawks Prairie Planning Area has seen the addition of approximately 3,000 new residential units and 4.8 million square feet of non-residential construction. This growth will continue over the next twenty years with an additional 1,680 residential units and an additional 4.4 million square feet of non-residential construction. Yet, given the amount of past growth and future projected growth, this area remains unserved by transit. The City has been assisting Intercity Transit to develop options to connect employment providers in the area and residential neighborhoods with transit. As the City nears build-out in this area, it is a priority for Lacey that Intercity Transit serves this area with regular transit.

III. GOALS AND POLICIES HAWKS PRAIRIE PLANNING AREA

Goal 1: The Hawks Prairie Planning Area shall develop consistent with the vision provided in Lacey's Northeast Area Plan and associated design requirements.

Policy A: The goals and policies adopted in Lacey's Northeast Area Plan are considered applicable to the entire Hawks Prairie Planning Area and are hereby referenced and adopted in this document.

Policy B: Ensure that the Northeast Area Plan is updated on a regular basis to reflect existing and future development patterns.

Goal 2: Recognize the planned community approvals for the Hawks Prairie and Meridian Campus Planned Communities.

Policy A: Allow implementation of uses as designated in the Master Plans.

Policy B: Any significant change to the planned communities will require an amendment to the master plan.

Policy C: A fifty foot minimum buffer of existing vegetation or park site shall be retained along Marvin Road where the Hawks Prairie Planned Community borders on residential zoning districts. The buffers shall be measured from the edge of the property line.

Goal 3: Support the Hawks Prairie Area as a local hub for light industrial development and employment center.

Policy A: Support building square footages that encourage a broad range of users provided that appropriate requirements for multiple building complexes, design review, and compatibility with adjacent residential areas are addressed.

Goal 4: Improve transportation infrastructure in the planning area through improvement of existing corridors and the completion of corridors identified in the City of Lacey Transportation Element.

Policy A: Ensure consistency between the Land Use Element and both the City of Lacey Transportation Element and the Thurston County Transportation Element.

Policy B: Support the improvement of transportation corridors, particularly emphasizing multimodal transportation opportunities.

Policy C: Encourage Intercity Transit to extend regular bus service to northeast Lacey to serve and connect growing residential, commercial, and industrial development. In the interim, support the development of innovative techniques and methods to provide service, including shuttles, vanpools, and carpools, through partnerships between the City, Intercity Transit, TRPC and the private sector.

IV. IMPLEMENTATION STRATEGIES

1) Complete an update to the Northeast Area Plan to reflect existing and future development patterns.

2) Amend density standards in the Moderate Density and High Density Residential Districts to identify minimum density standards and distinguish density intensities between the zones.

3) Continue to request that Intercity Transit extend regular bus service to northeast Lacey to serve and connect growing residential, commercial, and industrial development.

4) Consider re-designating the Cuoio Park property, considering its long-term use for park and open space purposes, and work with Thurston County to rezone it appropriately.

LAND USE HORIZONS PLANNING AREA

I. PROFILE OF HORIZONS PLANNING AREA

A. Location

The Horizons Planning Area is located in the southwestern portion of the city of Lacey and its Urban Growth Area. It is bounded by the Chehalis Western Trail along its west boundary and the Burlington Northern Railroad right-of-way along the south. It abuts the Central Planning Area to the north at 37th Avenue on the west side of College Street and at 31st Avenue on the east side of College, and along 34th Avenue immediately west of Ruddell Road. The Horizons Planning Area abuts the Lakes Planning Area along Ruddell Road from 34th Avenue south to the Yelm/Ruddell Road intersection where it shares Yelm Highway as a common boundary south to the Burlington Northern Railroad right- of-way (see Horizons Planning Area map).

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B. Character and Functional Relationship to City

The Horizons Planning Area is characterized as a newer area of the City, with the majority of the development having occurred since the City began planning under the GMA. The area has developed with a number of diverse projects including cluster housing, townhouses, and mixed use developments. A number of these projects were master planned under the provisions for village (urban) centers, which allows mixed density neo-traditional residential development, commercial uses, common open spaces and community and public uses.

The Horizon Pointe and Summerwalk developments both include a range of development densities and housing types with commercial components. The Lacey Corporate Center was originally envisioned as a business park development with a high density residential component and accessory commercial uses. The southeastern portion of the property was re-designated for community commercial uses with a master plan and development agreement as part of the Crossroads development. This commercial area, as well as the surrounding commercial development along Yelm Highway, serves as the central commercial hub for the Horizons Planning area.

All of the Horizons Planning Area, with the exception of Capitol Golf Club Estates and Chambers Estates, are located within the incorporated limits of the city of Lacey. The exceptions noted above are located within Lacey's Urban Growth Area and are served by the City with water services. These developments are surrounded by the corporate limits of the City, with the exception of the western boundary of Chambers Estates which directly borders Thurston County. Lacey has plans to prepare an annexation study for this area to determine if this area should be annexed into the City.

This planning area is intended to serve a number of functions for the City. Functions include affordable housing, low and medium density residential uses, community and public uses, business park development, and neighborhood commercial use. The community commercial zone located along Yelm Highway serves the Horizons Planning Area, as well as adjacent planning areas and outlying

communities that are served by the highway. There are also designated neighborhood commercial areas along College Street and adjacent to the Horizon Pointe development that are intended to serve the neighboring areas.

C. Acreage

The planning area includes approximately 1,767 acres of property. There are some additional areas available for future single-family and multifamily development. There is also limited area for commercial and business park use. Much of the remaining single-family development areas have vested subdivision applications or are in the process of completing phased development of the project.

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D. Population

The 2015 population of this planning area was estimated at 14,510 persons. Population growth and allocation projections anticipate the population in the Horizons Planning Area by the year 2035 will be 15,460 persons, an increase of 950 persons during the twenty-year planning period. An additional 930 housing units are expected during this period as well. The planning area experienced it greatest amount of growth after the City began planning under the GMA. There is limited potential for infill and redevelopment in the planning area.

E. Land Use – Current

There were a total of 6,103 dwelling units in the Horizons Planning Area in 2015. Approximately 60% of these dwellings are estimated to be single-family units, and 40% are multifamily units. Over the next twenty years, it is anticipated that approximately 2/3 of the dwellings built will be single-family homes and 1/3 will be multifamily units. The current residential density of the area is 3.4 units per acre.

Commercial land use in the Horizons Planning Area is limited to a large community commercial node located at the northwest, northeast and southwest corners of Yelm Highway and College. This commercial area extends down the north side of Yelm Highway in the front of the Summerwalk Village (Urban) Center property. The Community Commercial designation of the Summerwalk development has been recently developed with a neighborhood Walmart Center and adjacent retail establishments. These businesses are intended to provide services for the surrounding neighborhoods, as well as the regional area. The Community Commercial zone includes approximately 79 acres and has a small number of sites remaining to be developed.

Horizons Planning Area also includes the Lacey Corporate Center located at the NW corner of College Street and Yelm Highway. This development includes property designated for Business Park, commercial, and residential use. 32 acres of the southeast corner of the development was re-designated to a Community Commercial zone called Lacey Crossroads. Lacey Crossroads was designed as a “Main Street” style shopping center with retail and commercial buildings fronting on

interior streets to enhance the layout and overall pedestrian experience. There has been development completed in the business park portion of the project, including multifamily development. However, the zoning provisions for business park development currently call for a campus type development style that is no longer desired by the development community and is not particularly suited to this area. The development requirements for the Business Park District are recommended to be reviewed to determine if changes need to be made to the development standards or if another land use designation is more appropriate in this area.

Approximately 230 acres of property south of Capitol Golf Club Estates has been developed as Horizon Pointe which was Lacey's first designated Village Center. This project is nearing completion with the development of the final 69 lots. The Horizon Pointe development is the single largest development in this area with over 1,300 lots. The portion of the project that is designated as Neighborhood Commercial has not been developed at this point. The property north of Capitol Golf Course, across Yelm Highway, has an approved master plan called Summerwalk. Portions of this property have been developed for residential and commercial uses. The final phases of residential development have been approved and are moving toward completion.

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F. Density Characteristics

The character of the planning area has evolved over the last twenty years and contains a significant variety of housing types and land use. This area has some remaining larger single-family lots and small single-family lots that are approaching 3,500 square feet. The area also has an ample supply of apartment complexes and several townhouse developments.

At one time, the majority of the Horizons Planning Area in the incorporated city limits was designated with a Moderate Density residential designation. In the late 1980's a rezone was accomplished for much of the area, designating the area north of 45th Ave. and east of College St. as Low Density for development of single-family residential structures at four units per net acre. As a result of this rezone, multifamily development has been limited to those areas designated as Moderate or High Density under the 1994 Plan. Those areas are located primarily along College Street which is intended to create a corridor to accommodate transit.

In the 1980's and early 1990's, single-family development on lot sizes of 5,000 square feet or larger was the predominant land use pattern in the north portion of the planning area. The exception is a sizeable area with several mobile home parks developed at higher densities west of College Street and along 37th Avenue. The adoption of the 1994 Comprehensive Plan promoted higher densities, smaller lot sizes, and re-designating significant portions of the area as Moderate Density. Since that time, the area has developed at somewhat higher densities on average, with lot sizes ranging from 3,700 to 5,000 square feet. More recent subdivision development in the Moderate Density areas have taken advantage of the active market for affordable single-family homes and the development standards which have allowed single-family homes on lots approaching 3,700 square feet.

G. Parks/Open Space

The Horizons Planning Area contains Rainier Vista Community Park, which is a 40+ acre multipurpose community park that serves as the central recreational focus for this portion of the city of Lacey. Park facilities in this planning area also include William A. Bush Park and Horizon Pointe Park. A portion of the Chehalis Western Trail runs parallel along the western boundary of the planning area and includes the 67th Avenue trailhead.

The City also owns the historic Jacob Smith House in the Lacey Corporate Center. The home was constructed prior to the Civil War and is the oldest home in Lacey. The structure, and surrounding three acre grounds, is now used as a community facility for weddings, receptions, seminars and retreats. A number of other smaller open spaces developed during subdivision approvals are scattered throughout the zone and are reserved for park/open space purposes through subdivision conditions. Additionally, the Chehalis Western regional trail borders the west boundary of this planning area.

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H. School District Facilities

There are three schools within the Horizons Planning Area. There is the Komachin Middle School located along College Street, Chambers Prairie Elementary located adjacent to Yelm Highway and Ruddell Road, and Horizons Elementary south of Yelm Hwy and west of Rainier Road. A construction bond passed by the district in 2014 included facility upgrades to Komachin Middle School. Phase I of these improvements began in 2015. There are currently no other school improvements anticipated in this planning area as part of the 2015-2021 North Thurston Public Schools Capital Facilities Plan. The district recently completed school boundary changes to balance enrollment and increase capacity at most schools.

I. Streets

Yelm Highway SE and 37th Avenue SE are the primary east-west transportation corridors in the Horizons Planning Area. 37th Avenue/Mullen Road comprises a portion of the northern border of the planning area. College Street is the primary north-south corridor serving the area. All of these roadways are designated as Arterials in the city of Lacey *2030 Transportation Plan*. The portions of College Street and Yelm Highway have the highest projected traffic volumes in the planning area.

Future street widening and improvement projects are identified in the City's *Transportation Improvement Plan* and are completed based on need and funding. Widening and pedestrian improvements are anticipated for 37th Avenue from College Street west to the city limits and portions of Yelm Highway.

The planning area is connected to the regional trail system. The Chehalis Western Trail runs the length of the planning area along the western border. The trail runs north-south and on the far north connects Woodard Bay to its southern extent at the city of Rainier. The Chehalis Western Trail is a former rail corridor that was constructed as part of the rails-to-trails conversion program.

J. Resource Designations

There are no agricultural or mineral extractions sites designated of long-term commercial significance within this planning area. A number of sites still are forested or have significant trees that fall under the jurisdiction of Lacey's tree protection ordinance. There are also sites designated as open space/agricultural for taxation purposes through the Thurston County Assessor's Office.

K. Environmentally Sensitive Area Designations

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There is a site around Chambers Lake and a site adjacent to Southwick Lake that has been identified as wetland sensitive areas. A number of localized sites have been identified with geologically sensitive slopes within the planning area. Most of the planning area, as with most of the city of Lacey, is designated as sensitive for aquifer protection. The City also has some major well sites in the area with wellhead protection zones.

There has been some documentation of the presence of the Mazama Pocket Gopher on some sites in the southern portion of the planning area. Several subspecies of the gopher have been listed as "threatened" by the U.S. Fish & Wildlife Service. Special measures have been put in place by the Service to assist in the protection on these species.

II. ANALYSIS

The character of the planning area has been formed in part by development that has occurred after the adoption of the first Comprehensive Plan adopted under the provisions of the GMA. The area includes attractive single-family residential neighborhoods, a number of multifamily projects, as well as affordable housing projects and zero lot line cluster housing projects. A number of mobile home parks also exist in this planning area, providing another affordable housing resource for the City. The primary function of this planning area has been to provide residential areas for a full range of housing options.

The intersection of Yelm Highway and College St. is the site of a large Community Commercial District and the Lacey Corporate Center that effectively serves as a community and regional function for provision of commercial services. Commercial development in this area primarily began in the 1980's and has been incrementally added to over the years. The Community Commercial areas adjacent to College Street and Yelm Highway not only serve residents in the planning area but a large part of the southern portions of the City, as well as surrounding cities and rural areas. Neighborhood commercial areas along College Street and adjacent to the Horizon Pointe development have been slower to develop.

The recent economic recession had an impact on residential and commercial development in this area by slowing the pace of residential and commercial growth. Many of these projects that had been put on hold are now being completed. Continued development of the Business Park District in the Lacey Corporate Center has been slow. The development standards for this zoning district

were adopted in the 1980's. Since that time, the construction of business park developments have dramatically changed from locating these uses outside of core areas in a campus like setting to the desire to be located in a more urban environment that is near amenities used by the employees such as restaurants, shopping, and recreational facilities. The Business Park District needs to be reviewed to determine if amending the provisions would provide for appropriate standards for business park use or if another land use designation is warranted.

Demographic and housing information for the planning period indicated that there is some potential for additional residential and commercial development in the planning area. Due to the age of the majority of housing stock in the area, there is limited potential for infill and redevelopment opportunities. Changes to the regional transportation plan in the late 90's for major transportation connections designated Yelm Highway as the major east-west connector in this area. Traffic through the crossroads intersection has continued to increase as the development of the planning area and surrounding communities have grown. Development in the planning area needs to continue to consider possible impacts to sensitive wellhead protection areas.

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Annexation of the Capitol Golf Club Estates and Chambers Estates should be reviewed based on criteria established by the City Council for inclusion into the city limits. These properties are currently the only remaining areas in the planning area that are not part of the city of Lacey. The Chambers Estates development contains an airstrip that should continue to be considered and accommodated as a private small aircraft airport in this area. As new plats have been approved in this area, stipulations have been required in covenants and on the face of plats alerting new buyers to the airport's presence.

Continued coordination of multimodal and pedestrian facilities needs to occur throughout the planning area to serve this area and promote successful urban mixed-use development.

Map XX shows proposed land use conforming to recommendations of this plan.

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III. GOALS AND POLICIES HORIZONS PLANNING AREA

Goal 1: Continue to encourage the development of a range of residential types, providing opportunity for high density residential development along arterials with transitions to existing low density residential development.

Policy A: Undeveloped property along College, Yelm, Ruddell, and Rainier Road should be zoned for moderate or high density residential development.

Policy B: Support infill development in higher density areas primarily around existing neighborhood centers, recognized nodes, and urban corridor areas.

Policy C: Encourage a full range of higher density residential uses, including single-family zero lot line developments, townhouse units, mixed residential use, planned residential developments and multifamily apartments.

Policy D: Pay careful attention to blend different land use types to minimize potential land use conflicts while maintaining walkability as a priority.

Goal 2: Provide for coordinated interconnection of new residential and commercial development emphasizing pedestrian, bicycle and mass transit opportunities.

Policy A: Require interconnections of streets, pedestrian trails and greenbelts with adjacent projects and properties unless there are apparent safety issues.

Policy B: Require access easements through private streets and apartment complexes to ensure an interconnection between adjacent properties and local collectors and arterials.

Policy C: Require exceptional pedestrian linkage and pedestrian, bicycle and mass transit improvements throughout the residential and commercial areas.

Goal 3: Provide convenient access to neighborhood commercial zones throughout the planning area with emphasis on pedestrian opportunities.

Policy A: Retain strategic sites within the planning area for neighborhood commercial activities, providing neighborhood commercial activities within walking distance of all neighborhood areas.

Policy B: Pay particular attention to integration of neighborhood commercial sites to ensure the site is compatible with and complements and serves local neighborhood uses.

Policy C: Neighborhood commercial zones should be designed and sited to serve neighborhood needs, as opposed to serving a larger community base or capturing the motoring public.

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Goal 4: Maintain the local character of the Horizons Planning area by ensuring high quality aesthetic standards similar to the Lacey Corporate Center vision. Review the Business Park District to analyze development standards and the land use designation for its appropriateness in the planning area.

Policy A: Continue to require that retail development in the Lacey Corporate Center designated as Community Commercial adhere to special design and development conditions similar to those contained within the approved Crossroads Master Plan and Development Agreement in place.

Policy B: If the area currently designated as Business Park District is approved for re-designation or development standards are amended, maintain design standards and development conditions that consider impacts to existing and adjacent developments.

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IV. IMPLEMENTATION STRATEGIES

1) Review the Business Park District designation in the Lacey Corporate Center to determine if changes need to be made to the development standards or if another land use designation is more appropriate in this area.

2) Assess the viability of annexing Capitol Golf Club Estates and Chambers Estates based on the annexation criteria adopted by the City Council and the opportunity to convert the area to public sewer.

3) Encourage the development of a citywide bike and trails plan that ensures linkages to commercial centers and transit opportunities.

4) Update implementation codes to ensure blending of different types of land uses.

5) Support commercial development and completion of remaining commercial properties in the College Street/Yelm Highway area.

6) Support infill development in the 37th /College and 45th/College areas by preparing conceptual master planning of these areas.

LAND USE LAKES PLANNING AREA

I. PROFILE OF LAKES PLANNING AREA

A. Location

The Lakes Planning Area includes those neighborhoods significantly influenced by Hicks Lake, Long Lake, Pattison Lake and Southwick Lake. It is delineated by the Burlington Northern Railroad right-of-way on the north, Marvin Road on the east, Alanna Drive and Ruddell Road on the west, Yelm Highway and Cate Farm on the south. Approximately half of the Lakes Planning Area is within the Lacey city limits.

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B. Character and Functional Relationship to City

The Lakes Planning Area is characterized as Lacey's most environmentally sensitive area containing those immediate environs influenced by our major lakes. The primary function of the Lakes Planning Area is residential, with only a very small portion of developed land use allocated to commercial uses. Commercial uses are limited to a small Neighborhood Commercial zone at the corner of Carpenter and Mullen Roads, another at the corner of Ruddell Road and Yelm Highway, a number of light industrial commercial uses at the northwestern tip of the planning area on the north side of Carpenter Road, and the International Paper facility adjacent to and north of Long Lake.

Overall, the planning area provides a mix of residential housing with some of the highest value homes in Lacey located along the shorelines of area lakes as well as apartment complexes and mobile home parks serving affordable housing needs.

C. Acreage

The planning area includes approximately 4,317 acres with approximately 1,950 acres within the city limits. Approximately 285 acres are still available for development, primarily located along the eastern portion of the planning area and east of Long Lake. Most of this property, however, lacks sewer service.

D. Population

As of 2015, the estimated population of this planning area is 17,360. Population growth and allocation projections anticipate the populations in the Lakes Planning Area by the year 2035 will be 20,000 persons with an anticipated 1,170 residential units added in the next twenty years. Approximately 2/3 of the residential units are anticipated to be located in the unincorporated portion of the planning area with the remainder to be located in the city limits.

E. Land Use - Current

In 2015, there are a total of 6,806 dwelling units in the Lakes Planning Area with approximately 80% of those being single family and 20% being multifamily. Over the next twenty years, it is anticipated that approximately 80% of the housing units added in the Lakes Planning Area will be single family. Approximately 300,000 square feet of commercial space is located in the Lakes Planning Area. This space is primarily located north of Carpenter Road in the Light Industrial/Commercial zoning district and associated with the International Paper facility on Union Mills Road. Two small neighborhood commercial areas—one at the intersection of Mullen and Carpenter Roads and the other at the intersection of Ruddell Road and Yelm Highway make up the area's only other commercial uses.

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F. Density Characteristics

The primary residential form in the Lakes Planning Area is single-family residential on larger lots of approximately 1/4 acre, much of which has been constructed for utilization of septic tank and drain fields. This has significantly limited the potential density and has also resulted in much of the planning area being zoned Low Density Residential 0-4 units per acre. Several newer subdivisions have been developed on smaller lots and are mostly served by STEP (Septic Tank Effluent Pump) or grinder systems. Higher density residential has occurred where areas of gravity sewer are available, including along Ruddell Road, the northern portion of Carpenter Road, areas north and east of Long Lake, and within the Lakepointe subdivision.

G.Parks/Open Space

Recreational opportunities within the Lakes Planning Area include four designated public park sites owned by the city of Lacey, a number of private open space areas within subdivision developments, three public boat launch areas, and the County Fairgrounds.

Public park areas include Long Lake Park off of Carpenter Road, Wanschers Park west of Hicks Lake, and Thornbury and Lakepointe Parks both designated as neighborhood parks. The public boat launches are owned by the State and include sites adjacent to Wanschers and Long Lake Parks and a site on the east side of Pattison Lake.

The City has obtained several properties in this planning area as the result of property dedications through subdivision or other means for open space purposes and protection of area lakes and wetland complexes. The most recent dedications to the City were associated with the Southlake and Southwick Lake Estates subdivisions. The City should continue the policy of property dedication as a condition of development along lakes and wetland complexes in this planning area.

H. School Facilities

There are five public elementary schools in this planning area, including Lakes Elementary on Mullen, Woodland Elementary on Carpenter, Evergreen Forest Elementary on Marvin, Seven Oaks

Elementary off Mayes Road and Lacey Elementary on Homann Drive. There is one magnet middle school in the area on 54th Avenue, Aspire Middle School for the Performing Arts. Timberline High School on Mullen Road is the one high school in this planning area.

I. Streets, Trails, and Connections

Ruddell Road, Carpenter Road and Marvin Road are the primary north-south transportation corridors in the Lakes Planning Area. Yelm Highway and Mullen Road are the primary east-west corridors.

There are no regional trails within the planning area; however, there are several walking paths and neighborhood connections throughout the Lakes Planning Area.

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J. Resource Designations

There are no agricultural or mineral extraction sites designated within this planning area.

K. Environmentally Sensitive Area Designations

The planning area is centered on Hicks, Long, Pattison and Southwick Lakes and their associated wetlands. The uses along these lakes and their wetlands are regulated by the applicable Shoreline Master Program and critical area regulations. A major issue affecting the lakes is the proliferation of septic systems around them. As gravity sewer is spotty in the planning area (and are mostly STEP systems), most of the developed areas around the lakes are on individual septic systems. These septic systems and the associated leeching into adjacent water bodies have created water quality issues frequently resulting in warnings related to blue/green algae blooms. The City should make these areas a priority for sewer service to prevent septic system related water quality issues.

Portions of this planning area are within the McAllister Springs Geologically Sensitive Area and have specific requirements for groundwater protection.

II. ANALYSIS

The Lakes Planning Area has an extensive number of single-family residences and it is anticipated this will be the primary use that would continue through the next planning horizon. Sewer is a high priority in this planning area because of the environmentally sensitive properties. Presently, most sewer in this planning area is in the form of Septic Tank Effluent Pump (STEP) systems connected to single-family residences. The primary method of sewage treatment around the planning area's lakes is septic systems with drain fields. These systems have caused water quality issues in area lakes and often result in blue/green toxic algae warnings in the late summer. Consistent with the policies of the Shoreline Master Program, a priority for the area should be extension of sewer to lots around area lakes which would also provide the opportunity for smaller lot sizes and clustered developments removed from environmentally sensitive areas.

The emphasis in this planning area should be to protect and enhance the environmentally sensitive areas and try to utilize environmental amenities. This could be accomplished through the provision of waterfront park areas and interconnecting trails and pedestrian systems designed to afford the public the opportunity of enjoyment of environmental amenities. Opportunity exists for extensive interconnection of pedestrian trails and sidewalk systems along existing undeveloped environmentally sensitive areas if standards are in place to require proper interconnections at the time of development.

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The Environmental Protection and Resource Conservation Plan and regulations require proper buffering and dedication of environmentally sensitive properties to the City as development occurs on adjacent ownership. The opportunity exists to provide interconnecting habitat corridors with environmentally sensitive resources and to provide interpretive nature trails on the outer edge of such areas to provide the public the opportunity to enjoy these resources. Hicks and Southwick Lake provide the best opportunity for this, with an opportunity to provide a trail along the west side of Hicks Lake and along the entire perimeter of adjacent wetland areas south of Hicks Lake. Key dedications can also be obtained around Southwick Lake, which will provide an opportunity for a trail system along the south side of Southwick Lake as adjacent properties develop.

The area is weak on provision of commercial services. However, this is appropriate given the environmental restrictions and land use patterns which currently exist. The planning area does have two small neighborhood commercial areas, one at the northeast corner of the Ruddell and Yelm Highway intersection, and one at the corner of Carpenter and Mullen Road intersection. These two neighborhood commercial sites can serve the southern portion of the planning area. The intersection of Carpenter and Mullen Roads will be improved with a future planned roundabout which will also reduce the amount of Neighborhood Commercial zoning due to the right-of-way needs. Proximity to the Central Business District will provide services to the north end of the planning area. The area is limited for economic development opportunities; however, at the north end of Long Lake is the International Paper facility which is an important job provider in the Lacey area.

The McAllister Geologically Sensitive Area in the southeastern corner of the planning area has seen little development in the last twenty years, primarily because of the cost associated with extending sewer service. Unless sewer service can be reasonably accommodated in the next twenty years, the City should consider removing those areas not sewered, or immediately adjacent to sewered areas, from the UGA. Should they be removed from the UGA, they should be put in an “urban reserve” designation so that no further subdivision of residential lots can occur until such time that these areas are part of an urban growth area.

Since much of the unincorporated area is directly adjacent to the Lacey city limits, opportunities do exist for future annexation. Priority areas for annexation would be around area lakes where higher assessed valuation would provide more property tax income associated with annexation and would help offset provisions of additional City services associated with serving the annexed area. Most of the properties around area lakes, however, are un-sewered and would be a potential liability should sewer service be extended to these areas.

Many of the primary corridors within the planning area are converted county roads—Carpenter, Mullen, Kagy and Marvin Roads. These corridors are old "farm to market" roads that were built to bring goods to commercial areas within the Lacey area nearly 100 years ago. Since that time, most of these corridors have had minimal improvements. They lack sidewalks, bike lanes, and other pedestrian improvements and are not sized to handle the ultimate build-out of the area. Most of these unimproved corridors are also within Thurston County's jurisdiction. A priority for the planning area is for both the city of Lacey and Thurston County to upgrade the major transportation corridors to accommodate growth and multimodal transportation opportunities.

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III. GOALS AND POLICIES LAKES PLANNING AREA

Goal 1: Protection of environmental resources in this planning area shall be a priority.

Policy A: Require development to work around environmentally sensitive areas and take advantage of and promote environmental resources as an amenity.

Policy B: All development shall be sensitive to protecting environmentally sensitive areas.

Policy C: In balancing competing goals and interests, the City shall weigh in favor of strict application of environmental regulations and public access requirements in this planning area.

Goal 2: Interconnect all environmentally sensitive areas providing uninterrupted wildlife corridors and pedestrian interpretive trails.

Policy A: Each development with wetlands and habitat sites shall be required to work towards providing interconnected environmentally sensitive areas with adjacent properties.

Policy B: Where wetlands, habitat conservation areas, or other sensitive or resource lands exceed five acres in size or are contiguous with adjacent wetlands, the City may provide the option for dedication in conjunction with development of such sites to ease the burden and responsibility of maintenance of such sites by homeowner associations. The City would actively maintain and provide for such sensitive lands for the benefit of the homeowners of the development, as well as the community at large.

Policy C: Habitat studies shall pay particular attention to interconnection of wildlife corridors and impact of development on adjacent environmentally sensitive areas.

Policy D: Each development shall pay particular attention to providing public pedestrian opportunities around environmentally sensitive areas, providing an extensive interconnecting pedestrian trail system throughout the Lakes Planning Area.

Policy E: Interpretive trails shall be designed to interconnect all residential areas, as well as environmentally sensitive areas.

Goal 3: Maintain existing moderate and high density housing opportunities along major arterials with convenient access to transit where no impact to environmentally sensitive areas will occur.

Policy A: Maintain areas for medium density development opportunities along Ruddell Road.

Goal 4: Improve infrastructure in the planning area particularly related to sewer and transportation.

Policy A: Consistent with the policies of the Shoreline Master Program, extension of sewer service shall be prioritized around lakes to protect water quality.

Policy B: Ensure consistency between the Land Use Element and both the City of Lacey Transportation Element and the Thurston County Transportation Element.

Policy C: Ensure that the various transportation elements identify strategies to improve corridors to meet growth projections.

Policy D: Support the improvement of transportation corridors, particularly emphasizing multimodal transportation opportunities.

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IV. IMPLEMENTATION STRATEGIES

1) Study and analyze the cost benefit of designating "urban holding areas" within the McAllister Geologically Sensitive Area, which would not be developed until such time that sewer service should be available. Should development in this area not be anticipated during the next twenty-year planning horizon, the City should consider removing the property from the urban growth area, in conjunction with a robust public participation campaign.

2) Complete an annexation study for the unincorporated portion of the planning area around Long Lake and the northern portion of Pattison Lake.

LAND USE MEADOWS PLANNING AREA

I. PROFILE OF MEADOWS PLANNING AREA

A. Location

Meadows Planning Area is delineated by I-5 on the north, the Nisqually Bluffs representing the growth boundary on the east, the Burlington Northern Santa Fe (BNSF) Railroad right-of-way on the south, and Marvin Road on the west. The Meadows Planning Area abuts the Tanglewilde/ Thompson Place Planning Area to the west and the Seasons Planning Area to the south.

With the exception of a portion of commercial areas adjacent to and east of Marvin Road, a portion of the Martin Way Mixed Use Corridor, and River Ridge High School in the northwest portion of the planning area, all of the Meadows Planning Area is within unincorporated Thurston County.

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B. Character and Functional Relationship to City

The Meadows Planning Area is characterized primarily as a residential area, with a suburban development pattern. Most of the residential development that has occurred in this area was sized to accommodate on-site septic tank and drain field systems. There is an area of commercial at the intersection of I-5 and Marvin Road, spotted commercial uses along Martin Way and some neighborhood commercial uses along Pacific Avenue. The Hawks Prairie commercial area has developed into a major retail and service area that serves not only the planning area but the regional population.

The planning area provides a mix of residential housing, with a notable amount of mobile home parks, single-family residential structures, and some duplex and multifamily development in Tanglewilde East in the northern part of this planning area. Considering the residential balance, more emphasis could be placed on multifamily and duplex opportunities in this planning area. Currently, there are very few designated areas for multifamily development.

C. Acreage

This planning area includes approximately 2,256 acres. Of this, approximately 365 acres are located in the Lacey city limits. Approximately 400 acres are currently available for development within the Meadows Planning Area.

D. Population

The 2015 population of this planning area was estimated at 11,610. Population growth and allocation projections anticipate the population in the Meadows Planning Area by the year 2035 will be 15,140 persons. According to TRPC projections, there will be approximately 1,460 residential

units added to this planning area by the year 2035. See section on Housing for housing forecasts and illustrations. Increasing densities over existing zoning designations or actions encouraging high density would extend the vacant land resources and increase potential densities in the planning area.

E. Land Use - Current

The majority of land use in this planning area is residential, encompassing approximately 87% of the developed land use. Commercial land use accounts for approximately 6%.

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A small portion of the planning area was included in the sub-area plan for the *Northeast Planning Area Element* completed in 1992. This area included properties adjacent to and east of Marvin Road from I-5 to the north, to the northern boundary of the Hawksridge subdivision. The plan identified this area as general commercial adjacent to Marvin Road with public facilities and moderate density residential to the east of these commercial areas. This area has developed as part of the Hawks Prairie commercial district with major retailers such as Costco and Home Depot and smaller retail and commercial uses. This commercial area was identified to serve the planned residential communities and additional residential growth in the surrounding UGA.

The Martin Way corridor contains a Mixed Use High Density Corridor designation and has seen increasing demand for development of properties. Many of the properties within the incorporated area of the City have been developed or are in the development process. There is some opportunity for further development along this corridor and redevelopment potential of some properties to higher intensities over the next planning period.

F. Density Characteristics

The primary form of development in the Meadows Planning Area is single-family residential units on suburban lot sizes because of the necessity to accommodate septic tank systems. Most of the lots in this planning area are therefore 1/4 acre or more in size, resulting in a density of developed acres of less than four units per net acre. Sewer has been extended into the planning area from the south as a result of development of projects in the Seasons Planning Area and the Madrona Subdivision. Sewer has also been extended into the area from the north as a result of development of River Ridge High School and designated commercial areas in the north.

The historic absence of sewer along with market conditions accounts for the absence of significant multifamily areas. There are two designated multi-family areas within this planning area. One is located in Tanglewilde East, where a large open space area serves as a community drain field area.

G. Parks/Open Space

Recreational opportunities within the planning area include two public schools and the Regional Athletic Complex (RAC). The RAC is a regional park with community park elements. The park is 97.4 acres in size and is a joint venture with Thurston County Parks and Recreation and the Public

Facilities District. The park consists of soccer, softball and baseball fields, basketball courts, picnic areas, play areas and associated facilities. Twenty-six acres of undeveloped property lies west across Marvin Road and is located in the Tanglewilde/ Thompson Place Planning Area. A 4.39 acre piece of property was purchased by the City on the southeast corner of the Marvin Road and Steilacoom Road for possible uses that would complement the RAC.

There are no neighborhood parks in the planning area. The two schools sites, Meadows Elementary and River Ridge High School, currently assist in serving these needs and together contain multi-purpose court, gymnasiums, playfields and playgrounds, and an indoor pool. The RAC also provides neighborhood park amenities and trail connections for convenient pedestrian and bicycle access from adjacent residential areas.

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There are also numerous open space areas in common ownership in subdivisions. Most notably, there is a large area in Tanglewilde East, significant open space and green belts throughout the Meadows, a large park site in Madrona Park and a large open space area in Evergreen Terrace.

H. School District Facilities

The North Thurston School District owns and operates two schools within this planning area including Meadows Elementary, located in the Meadows subdivision, and River Ridge High School located off Martin Way. Middle School students in this area are served by Nisqually Middle School, which is located in the adjacent Tanglewilde/Thompson Place Planning Area. The school district currently owns a ten acre piece of property in the Madrona Park area off of Wakeman Drive that can be utilized for a possible elementary school site.

I. Streets, Trails, and Connections

Marvin Road is the primary north-south transportation corridor in the Meadows Planning Area. Most of Marvin Road within the planning area is part of the state highway system (Highway 510). Duttterow Road and Deerbrush Drive have been joined to provide a north-south corridor from Martin Way in the north to Pacific Avenue in the southern portion of the planning area. Martin Way, Pacific Avenue, and Steilacoom Road are the primary east-west corridors. Interstate 5 forms the northern boundary of the planning area and provides access to Marvin Road via Exit 111.

J. Resource Designations

This planning area contains resource designations and a mushroom farm that is currently designated for residential use in anticipation of redevelopment in the future. The mushroom farm is located at the northeast corner of Marvin and Steilacoom Roads. This farming activity has been in operation for a number of years, predating subdivision development around it. In recent years as residential development has occurred, the mushroom farm has been the target of complaints based on the significant odors generated as a result of composting at the site. The site is considered of local agricultural significance, but not state-wide significance.

Two parcels along Marvin Road have also been actively farmed for years. In the 1990's, the owners requested an agricultural designation so they could continue the agricultural activity. This property is currently surrounded by residential subdivisions to the north, east and west and a neighborhood commercial area to the south. In addition to the agricultural properties, the County also owns a gravel pit on Steilacoom Road. This pit is considered of long term significant use and has been designated as such until this area is ready to transition to another use.

K. Environmentally Sensitive Area Designations

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This planning area has some significant wetland areas, most notably in the southern area along portions of the BNSF Railroad right-of-way. There is a small section of important White Oak habitat located in the southwestern portion of the planning area which provide significant habitat for various birds and small animals. There is also a stream and ravine drawing out of the southeast corner of the Meadows subdivision. Additionally, this area has some geologically sensitive areas regarding slopes along Nisqually Bluffs at the easternmost end of the planning area which provides important habitat for birds and animals living in the Nisqually Delta Wildlife Refuge area.

II. ANALYSIS

The Meadows Planning Area is predominantly single-family residential, but the commercial area of the northwestern portion of the planning area has been expanded and has taken on a regional emphasis.

There are some remaining undeveloped resources designated Mixed Use High Density Corridor (MHDC) along Martin Way. This designation provides the opportunity for existing commercial properties to redevelop and new commercial activities to develop as mixed uses. This designation is a continuation of the MHDC from the Tanglewilde Planning Area. Land uses in the Meadows Planning Area of the Martin Way corridor were designated to transition away from strip commercial auto-oriented development into higher density and non-vehicle oriented uses. An exception was made to accommodate food and general merchandise stores where the design of site can be integrated to serve the local pedestrian traffic and be compatible with adjacent land uses. This zoning district should be re-examined to ensure that the vision is still valid for this corridor. Implementation measures should be reviewed in consideration of the recommendations by the Urban Corridors Task Force in 2012 and the desire to improve residential densities in a mixed use land form.

The area also has the potential to explore additional opportunities for commercial services considering the Martin Way corridor and proximity to the I-5 Marvin Road intersection. Enhancements to the I-5 interchange at Exit 111 will improve access to the area and advance the area's appeal as a regional draw. Due to the long term need of providing for desired commercial uses at the intersection of Marvin Road and Steilacoom Road, and increasing land use compatibility issues with the mushroom farm, an annexation and land use study would be beneficial to determine the highest and best use for these properties while recognizing the mushroom farm as a valued regional resource. Continue to support the existing Neighborhood Commercial area along Pacific where neighborhood commercial uses exist and the urban center at the Pacific and Marvin Road intersection.

Sewer has been a high priority in this planning area because areas have been identified that have a high proportion of groundwater contamination potential due to soil characteristics and proximity to groundwater resources. Existing urbanized areas and projected development further the need to extend sewer into the remaining portions of this planning area.

III. GOALS AND POLICIES MEADOWS PLANNING AREA

Goal 1: Continue to pursue the evolution of the existing Martin Way commercial corridor into an attractive high density mixed-use corridor.

Policy A: Use the "Evolution of a Corridor" and the recommendations of the Urban Corridor Task Force developed by the Thurston Regional Planning Council as a guide for redevelopment of Martin Way in this area.

Policy B: Evaluate the policies and implementation measures for the portion of the Martin Way corridor in the planning area to ensure that the vision remains valid and implementation measures reflect the vision.

Policy C: Work on pedestrian connections to the corridor for surrounding residential neighborhoods and the high school.

Goal 2: Accomplish coordinated multi-modal transportation planning in this area with Thurston County and other area transportation partners.

Policy A: Support the improvement of transportation corridors that provide adequate mult-modal transportation opportunities.

Policy B: Require interconnections of streets, pedestrian trails and greenbelts with adjacent projects and properties. Pay particular attention to interconnection of the Urban Center site and interconnections to wetland, habitat corridors, park sites and school sites.

Policy C: Require exceptional pedestrian linkage between residential and commercial areas.

Goal 3: Encourage development of the Urban Center at the corner of Marvin and Pacific.

Policy A: Continue to promote a range of mixed residential uses, the planned school site, and limited neighborhood commercial use in the Urban Centers designed to serve this planning area.

Policy B: Require proper integration of the Urban Center with surrounding developed and undeveloped properties. Integration should emphasize pedestrian connections, streetscape, trails, open space, the planned school site and logical transitions and blending of land uses of different intensities.

Goal 4: Encourage development of a range of residential types, with emphasis on providing additional medium and high density opportunities in area served by sewer.

Policy A: Continue to support the designation of areas along arterial and collector streets for medium and high density to support multi-modal transportation opportunities and efficient use of available land resources.

Policy B: Pay careful attention to creating effective transitions between new developments of higher density and existing low density development.

Policy C: Recognize the importance of providing this urbanized area with sewer and encourage provision of sewer to built-out residential neighborhoods, in this area.

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Goal 5: Protect natural resources in this planning area.

Policy A: Continue to provide protections to environmentally sensitive areas, including critical aquifer recharge areas.

Policy B: Consider designating "urban reserve areas" or "urban holding areas" for designated Agriculture districts until adequate utilities and services are provided to allow for urban densities.

IV. IMPLEMENTATION STRATEGIES

1) In conjunction with Thurston County, re-examine the Mixed Use High Density Corridor designation for the planning area to ensure that the vision is in line with the community's vision and consistent with the Urban Corridor Task Force recommendations and that implementation measures reflect the vision.

2) To promote mixed-use residential development along the Martin Way transit corridor, consider a range of incentives that fit the vision of the corridor, such as development bonuses, multifamily tax exemption programs, and planned action programs.

3) Study and analyze the cost benefit of designating "urban reserve areas" or "urban holding areas" for designated Agriculture districts until adequate utilities and services are provided to allow for urban densities.

4) Consider the preparation of an annexation and land use study to determine the highest and best uses for properties at the intersection of Marvin Road and Steilacoom Road to address long term land use compatibility issues and highest and best uses for these properties, while recognizing the mushroom farm as a valued regional resource.

LAND USE PLEASANT GLADE AREA

I. PROFILE OF PLEASANT GLADE PLANNING AREA

A. Location

The Pleasant Glade Planning Area is located in the northwestern portion of the city of Lacey and its Urban Growth Area. The planning area is located north of I-5, west of Carpenter Road and Draham Road, and east of Sleater Kinney Road. The Pleasant Glade Planning Area is located north of the Central Planning Area and west of the Hawks Prairie Planning Area.

The majority of the Pleasant Glade Planning Area is unincorporated. Approximately one third of the planning area is within the city of Lacey.

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B. Character and Functional Relationship to City

This planning area has historically been almost exclusively residential, with the exception of approximately 102 acres designated as Central Business District in the southeast corner of the planning area. The commercial area is adjacent to and east of College Street and adjacent to and north of I-5.

In the 1990's, property located east of and adjacent to Sleater Kinney Road was designated as Mixed Use Moderate Density Corridor. The intent of this zone is to provide some opportunity for local commercial services and retail functions. The proximity of Lilly Road and the Hospital also includes the potential to expand medical service activities under this designation. A daycare center has been constructed to the north of North Thurston High School and proposed commercial use has been approved by the City but has not been constructed to date. The majority of the development that has occurred in this area has been multifamily and moderate density development.

Commercial services located along Martin Way and in the Central Business District are the closest commercial services for residents of this planning area.

The planning area provides a mix of residential housing, with a number of single-family houses, duplexes, several apartment buildings, manufactured home parks and scattered manufactured homes.

C. Acreage

This planning area includes approximately 1,373 acres. There are approximately 441 acres available for single-family, multifamily, and commercial development. There are a few subdivisions that have received preliminary approval within the city limits portion, with the number of lots ranging from 28 to 57. There are also some vested subdivisions in the unincorporated portion of the UGA.

D. Population

The population at approximately 2,620 in 2015. Roughly 40% of the population is within the incorporated portions of the planning area with the remaining 60% located within the unincorporated area. Population growth and allocation projections anticipate the population of the Pleasant Glade Planning Area by the year 2035 will be 7,300 persons. According to TRPC projections, by 2035 there will be approximately 2,020 additional housing units expected. See section on Housing for discussion of housing forecasts and illustrations.

Some of the areas currently designated for residential development are encumbered by environmentally sensitive areas or have been purchased as future park land. The extension of sewer into parts of the planning area will also be necessary to realize the highest and best usage of land resources.

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E. Land Use - Current

There were a total of 980 dwelling units in the Pleasant Glade Planning Area in 2015. Approximately half of the units are single-family dwellings, one fourth multifamily dwellings and one fourth manufactured homes.

The southwest portion of the planning area is designated for commercial use. This area has been primarily developed with a mixture of commercial uses aimed at the traveling public and consists of hotels, restaurants, and convenience services. The commercial area currently contains private school uses. Only about thirty percent of property in the Central Business District has been built out.

The majority of land in this planning area is residential, encompassing approximately 70% of the developed land use. There is also an extensive amount of wetlands within the area, as well as the Woodland Creek Corridor and associated wetlands. Review of the zoning data indicates an extensive amount of undeveloped vacant land remains in the low density residential category, and some of the commercial property contained within the Central Business District is also available for development.

F. Density Characteristics

The primary land use form in the Pleasant Glade Planning Area is residential units. Older residential uses were completed with septic tank/drain field systems. Some newer development has been completed with sewer provided by the city of Olympia and the city of Lacey. Woodland Creek Estates has been converted to a STEP sewer system. Newer subdivisions in the area have been required to extend sewer service to the property. Lot sizes in the area have been limited because of the unavailability of sewer, as well as proximity to environmentally sensitive areas.

G. Parks/Open Space

This planning area has two parks owned by the City: Pleasant Glade Park and Greg J. Cuoio Community Park. Pleasant Glade is a neighborhood park of 31.75 acres and was acquired in 2002. This park features a small pond and over 2,100 feet of Woodland Creek frontage. Minor improvements to the park were completed in 2015 to allow for public access. Future low-impact improvements are proposed for the park based on a concept plan and forest management plan.

The City purchased 407 acres of pastoral and forested land adjacent to Pleasant Glade Park in 2011 for a future active and passive community park. This park is intended to provide for open space preservation, water rights mitigation, natural storm water filtration, water quality protection in the Woodland Creek watershed, wildlife habitat corridors, and the potential for fisheries enhancement. The park contains significant wetland areas with creek frontage on Woodland, Fox and Eagle Creeks, native plant communities, and relatively few invasive plants. A portion of the site is leased for hay field management to assist with vegetation management. Master and management planning is planned for future park improvements. Portions of the park are split between the Pleasant Glade and Hawks Prairie Planning areas. Approximately half of the property is located within the unincorporated urban growth area, with the remainder in the unincorporated county. The property is currently designated for low density and some moderate density development. Re-designation of this property should be considered due to its anticipated use for park and open space.

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There are four public schools in the planning area; Pleasant Glade Elementary School, Chinook Middle School, South Sound High School, and North Thurston High School. Together the schools provide many opportunities for active recreation including gymnasiums, fields, tennis courts, playgrounds, basketball courts, a running track, indoor pool, and classrooms. Northwest Christian Academy, a private school, has classrooms, football/soccer field, tennis courts and over 60 acres of open space. Pleasant Glade Elementary is the site of a summer lunch program that also includes recreation and educational activities offered by the Lacey Parks and Recreation Department.

H. School District Facilities

The North Thurston Public School District has North Thurston High School, South Sound High School, Chinook Middle School and Pleasant Glade Elementary School in this planning area. North Thurston High School and Chinook Middle School are located adjacent to each other and are between College and Sleater Kinney, just south of 6th Avenue. South Sound High School is an alternative choice high school that works with students 14 to 20 years of age who have struggled in traditional school settings and could be considered “at risk” of not completing high school. Pleasant Glade Elementary School is on Abernethy.

The planning area also includes two private educational institutions, Northwest Christian High School and Community Christian Academy. The high school serves approximately 200 students and Community Christian Academy includes facilities to serve preschool to 8th grade students.

I. Streets, Trails, and Connections

Sleater Kinney Road, College Street NE, and Carpenter Road NE provide the primary north-south transportation corridors in the Pleasant Glade Planning Area. 15th Avenue NE is the primary east-west roadway.

The planning area is connected to the regional trail system. The Chehalis Western Trail runs along the western border. The trail is a former rail corridor that was constructed as part of the rails-to-trails conversion program. The trail is owned and maintained by Thurston County.

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J. Resource Designations

There are no agricultural or mineral extraction sites designated in this planning area. However, several land owners have property designated in open space tax designations for tax purposes through the Thurston County Assessor.

K. Environmentally Sensitive Area Designations

This planning area has significant wetland areas and contains the Woodland Creek corridor, which also has associated wetlands. These areas have protection requirements as delineated in the City's critical areas regulations. Protection of wetlands and riparian areas impacts the placement and density of adjacent development. Properties abutting Woodland Creek are designated as environmentally sensitive areas due to proximity to the creek and adjacent wetland areas. While much of the Woodland Creek riparian area is included in the proposed Cuoio Community Park, this area should be considered to be re-designated for Open Space Institutional Designation. Properties located adjacent to Woodland Creek and its associated wetlands are also within the jurisdiction of the Shoreline Master Program.

Significant areas of geological sensitivity regarding steep slopes are also found here. Due to the environmental sensitivity of this area it is critical that sewer be required for future development of the planning area.

II. ANALYSIS

Pleasant Glade Planning Area is primarily residential and it is anticipated that this would be the primary use that would continue to dominate in the future. While there is extensive property for development, a significant amount of vacant property lies adjacent to wetlands and will have limitations for development. The arterials of Sleater Kinney and 15th Avenue provide the opportunity for some moderate, high, and mixed-use density development. The extension of sewer service is necessary to realize the highest and best uses for the properties in the growth area, while also protecting environmentally sensitive areas. Until sewer service can be extended to the northwest portion, consideration of designating it as an "urban reserve area" or "urban holding area" should be given to protect environmentally sensitive areas and allow for urban densities.

A mixed-use designation adopted along Sleater Kinney, with the ability of providing commercial services, should be retained Although commercial uses have been slow to develop, medical activities and support services could be established due to its proximity to hospital facilities and Olympia's Lilly Road medical services designation.

Because of the significant number of single-family residences on septic tank and drain field and the significant amount of environmentally sensitive areas, sewer is a high priority for this planning area. Sewer will provide the opportunity for undeveloped parcels to develop with smaller urban-sized lots and eventually provide the opportunity for hook-up to existing development in the area.

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Emphasis should be to protect and enhance environmentally sensitive areas and try to utilize environmental amenities. This can be accomplished through the provision of wildlife and pedestrian corridors and interconnecting trails designed to afford the public the opportunity to enjoy the natural environment. Opportunities exist to provide interconnecting habitat corridors. The purchase of over 400 acres for the future Greg J. Cuoio Community Park provides the public future access to recreational and natural resource opportunities. Lacey currently has a policy to not develop park property until it is incorporated into the City. This property should be considered for possible annexation in order to realize the public use of this site.

This planning area currently provides an appropriate balance of residential uses, considering the environmental sensitivity of the area and the absence of sewer.

While the area contains a section of the Central Business District, it is weak on neighborhood supporting commercial services. The opportunity for mixed-use development along a portion of Sleater Kinney provides the flexibility for local professional and medical services, which would strengthen the area's commercial base.

III. GOALS AND POLICIES PLEASANT GLADE PLANNING AREA

Goal 1: Protection of environmental amenities in this planning area is of paramount concern.

Policy A: Require development to work around environmental amenities and create developments that take advantage of and promote environmental resources as an amenity.

Policy B: Provide increased development protections to Woodland Creek, such as extending the required 200 foot buffer to all portions of the creek.

Policy C: In balancing competing goals and interests, the City shall weigh in favor of strict application of environmental regulations in this planning area.

Policy D: Require the extension of public sewer for new development and to support the future connection of existing non-sewered development.

Goal 2: Provide opportunities for moderate and high density housing along major arterials with convenient access to potential transit, designating "urban reserve areas", and annexing areas for public use where appropriate.

Policy A: Maintain existing areas for moderate and high density development opportunities along arterials of Sleater Kinney and 15th Avenue contingent on provisions for public sewer.

Policy B: Study and analyze designating the northwest portion of the planning area as an "urban reserve area" or "urban holding area" until sewer service can be extended..

Policy C: Consider the annexation of the Greg J. Cuoio Community Park property for the future completion for public access.

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Goal 3: Maintain the existing Mixed Use Moderate Density zone along a portion of Sleater Kinney, including medical use and supporting services.

Policy A: Maintain the designation of a portion of Sleater Kinney for Mixed Use Moderate Density.

Policy B: The design and use theme for the Mixed Use Moderate Density uses in this planning area should include medical opportunities resulting from the close proximity of hospital facilities and the adjacent Olympia medical services designation.

IV. IMPLEMENTATION STRATEGIES

1) Consider re-designating the Greg J. Cuoio Park property for its long term use for park and open space purposes and work with Thurston County to rezone it appropriately.

2) Study and analyze designating the northwest portion of the planning area as an "urban reserve area" or "urban holding area", which would not be developed until such time that sewer service is available.

3) Extend the required 200 foot buffer area to all portions of Woodland Creek.

LAND USE SEASONS PLANNING AREA

I. PROFILE OF SEASONS PLANNING AREA

A. Location

Seasons Planning Area is bounded by Tacoma Rails Capital Line and the Meadows Planning Area on the north, Old Pacific Highway (510) and Meridian Road on the east, Yelm Highway on the south and Marvin Road and Lakes Planning Area to the west. All of the Seasons Planning Area is currently in the unincorporated Urban Growth Area.

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B. Character and Functional Relationship to City

The Seasons Planning Area is primarily residential in nature with varying densities. Parcel sizes range from approximately 80 acres to smaller residential lots in suburban style plats. There are many 5, 10 and 20 acre pieces remaining in this area, primarily south of the Burlington Northern Santa Fe (BNSF) railroad right-of-way that crosses the planning area from east to west. The majority of the area south of the rail line is primarily located in the McAllister Springs Geologically Sensitive Area. Development has been minimized in this environmentally sensitive area due to the requirement of sewer for lot sizes less than five acres and increased water quality standards for the protection of aquifer sensitive areas. The character is thus described as ranging from rural to suburban.

Overall, while there are examples of affordable housing in the planning area, most of the housing in this area has middle to upper income values. These home values are due in part to the lack of diversity in the housing stock and larger parcel sizes. There are a small number of individual manufactured home sites and a very small amount of multifamily development.

Of all the planning areas, it is probably the least balanced, composed almost entirely of single family residential structures and limited agricultural use. There are no commercial or industrial uses in this planning area. There are four properties that are designated for Neighborhood Commercial use. Three of these properties are located at the intersection of Mullen and Marvin Roads, and one is located in the SE corner of the planning area. The properties located at Mullen and Marvin Roads have yet to be developed for commercial purposes. The area located on Yelm Highway provides a very small area of commercial use. Residents in this area rely on commercial services outside the planning area.

While measures are in place to implement the joint planning of the Seasons Planning area, as this area is located outside of the incorporated limits of the City, land use policies and decision making is within the jurisdiction of Thurston County.

C. Acreage

This planning area includes approximately 2,371 acres. Of this amount, it is calculated that approximately 1,022 acres are available for development. The areas available for future development are primarily located south of the BNSF rail line in the McAllister Springs Geologically Sensitive Area.

D. Population

The population of this planning area in 2015 is estimated at 3,800. Population growth and allocation projections anticipate the population in the Seasons Planning area by the year 2035 will be 11,990 persons. Significant growth in this area has been projected based on past housing trends and the availability of vacant buildable land supply. According to Regional projections, there will be approximately 4,650 housing units by the year 2035. All of these units are anticipated to be located in the unincorporated portions of the urban growth boundary. See section on housing for discussion of housing forecasts and illustrations.

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E. Land Use - Current

In 2015, there were a total of 1,339 dwelling units in the Seasons Planning Area, with over 98% of those being single-family residential units.

The majority of land in this planning area is zoned for residential use, which currently encompasses over 88% of the developed land. Another category represented is resource production, accounting for 10%. The large percentage in resource production is due to the Department of Natural Resource's tree farm on the southeastern edge of the planning area and some landowners taking advantage of open space or open space forestry taxation laws.

The northwest portion of the planning area contains two areas adjacent to Marvin Road that are designated for Moderate Density development. This zone allows for densities ranging from six to twelve units an acre.

There are properties in the planning area that are designated as Open Space /Institutional. The majority is in the ownership of the North Thurston School District and is intended for possible future school sites. There is also property located adjacent to McAllister Creek that provides increased protection to this environmentally sensitive area and is intended for a future community park.

A substantial amount of residential subdivision proposals have been submitted or approved over the previous planning period. The number of lots contained in these proposals has ranged from a relatively small amount to a substantial number, as was approved in the Oak Tree Preserve subdivision which includes 1,040 residential lots proposed to be built out in phases.

F. Density Characteristics

The land use ranges from suburban 1/4 acre lot sizes to 80 acre undeveloped parcels. The primary residential form in the Seasons Planning Area is suburban subdivision style lots with lot size ranging from 1/4 of an acre to 2 acres. There are a number of larger acreages that remain either undeveloped or with one single-family residence.

Previously, there was no sewer which accounts for the larger suburban to rural lot sizes that are served by individual septic tank and drain fields. The majority of plats approved in this planning area have been developed with public water and on-site septic systems. The McAllister Park development was vested through court action to allow several hundred units to be developed on septic tank and drain fields. This area was included in the UGA to ensure that these units were connected to sewer. The recent approval of the Oak Tree Preserve subdivision also requires sewer. The provision of public sewer allows an average lot size of approximately 5,400 square feet for this development.

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G. Parks/Open Space

This planning area has one undeveloped public park site under control of the city of Lacey, the proposed McAllister Community Park, a site of approximately 60 acres. The future park site identified in the City of Lacey Comprehensive Plan for Outdoor Recreation includes a portion of McAllister Creek and its associated wetland area that will be protected for passive recreational use. The park property is located next to a future school site. The park and school will share facilities for both community recreation and student needs. Several private open space areas have been developed as open space for subdivisions. The park plan also identifies the need for the acquisition of additional neighborhood park property as this area develops.

H. School District Facilities

There are no school district facilities within this planning area. However, the Evergreen Forest Elementary School borders the planning area just to the west of Marvin Road and Woodland Elementary School is approximately one mile to the west.

The North Thurston School District currently owns three separate parcels that are proposed as future school sites when development warrants additional educational facilities.

I. Streets, Trails, and Connections

Marvin Road is the primary north-south transportation corridor in the Seasons Planning Area. Mullen Road and the Yelm Highway are the primary east-west corridors.

There are no regional trails within the planning area; however there are neighborhood trails and connections that have been developed.

The Seasons Planning area includes two rail lines. The BNSF rail line slices from east to west through the planning area. This rail line continues to be used for freight and passenger services. A portion of the northeast planning area boundary includes a railway branch line that provides freight service for Union Mills to St. Clair. This line is operated by Tacoma Rails Capital Division.

J. Resource Designations

A resource designation site at the southeast end of this planning area is the Department of Natural Resources tree farm, which comprises 110 acres. During review of agricultural resources for long-term commercial significance, this site was not designated. However, the site was zoned as Agriculture to allow the continued resource use of the property. Discussion of areas currently designated as Agriculture has recommended the possible inclusion of these areas in an urban reserve that precludes development until they are rezoned or sewer is available.

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K. Environmentally Sensitive Area Designations

This planning area has several environmentally sensitive area designations. These are wetland areas by Pattison Lake, along the northern boundary by the Burlington Northern Railroad right-of-way and in the northeast section in close proximity to McAllister Springs. In addition to the wetlands, there are eagle habitat sites along the southeast perimeter of Pattison Lake and identified White Oak habitat areas.

The McAllister Springs Geologically Sensitive Area (MGSA) also occurs in this planning area and includes approximately 500 acres of land. This designation has specific requirements for groundwater protection. Groundwater protection is a critical concern, as this area is sensitive considering the protection of the aquifer and the high risk for contamination of groundwater resources that provide 100% of the area's potable water. The MGSA designation requires the density of one unit per five acres in much of the planning area without provisions for sewer.

II. ANALYSIS

Current land use in the Seasons Planning Area is predominantly single-family residential development. It is anticipated that single-family use will continue to be the leading development type in the future. While there is existing capacity for additional development, the planning area, with the exception of some portions located in the northern section, is currently unsewered. The McAllister Springs Geologically Sensitive Area is of great concern and significantly inhibits potential growth of the area south of the BNSF rail line until sewer is available. The protection of the aquifer is critical in this area due to the high risk for contamination of groundwater resources that provide the north county UGA's with potable water. Continued protection of McAllister Creek and designated habitat areas should remain a priority.

The area south of the BNSF located in the MGSA has seen little development over the last planning period. Development has been limited due to the cost associated with providing urban sewer

service. Unless sewer can be reasonably accommodated in the next planning period, this area should be included in an "urban reserve" or "urban holding area" designation so that no further residential development can occur until such time as sewer is available. The area designated as Agriculture should also be considered for an "urban holding area" so it is precluded from developing until it is rezoned and/or sewer is available.

An issue in the planning area has also been locating commercial services to serve neighboring areas. A Neighborhood Commercial designation was adopted for properties located at the intersection of Mullen and Marvin Roads and the southeast corner of the planning area adjacent to Yelm Highway. To date these areas have not been developed for commercial use, so the planning area is still without commercial services, with the exception of a very small Neighborhood Commercial zone at the corner of Yelm Highway and Meridian. These areas should continue to be designated for future neighborhood commercial use which will be warranted once density increases to support additional commercial uses to serve this area. The planning area has limited economic development opportunities.

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Development in this area is primarily low density and the zoning provides minimum opportunity for increased densities. As sewer is extended to serve more areas, opportunities for providing for higher densities could be realized along Marvin, Mullen, 58th and Yelm Highway. These areas should be considered for greater density development to occur over the long term when provisions of adequate services and utilities can be made available.

Due to the distance of the planning area from the current Lacey city limits, it is unlikely that opportunities for annexation exist. Planning areas to the north and west that are adjacent to existing incorporated areas should be prioritized for annexing into the City.

The vehicular transportation corridors serving the Seasons Planning area are within Thurston County's jurisdiction. These transportation corridors have had minimum improvements to them and are not sized to adequately serve the future development of this area. As the planning area continues to build out, issues with adequate transportation facilities will continue to be exacerbated. Joint capital planning with Thurston County and identified system improvements are necessary to improve these corridors to the capacities needed to provide multimodal transportation opportunities and support identified future growth.

III. GOALS AND POLICIES SEASONS PLANNING AREA

Goal 1: Provide appropriate provisions to allow the Seasons Planning Area to adequately provide for long term growth while protecting environmentally sensitive areas.

Policy A: Continue to provide development protections to the McAllister Springs Geologically Sensitive Area until such time as utilities are available, road infrastructure is adequately developed and other criteria identified in the plan are satisfied.

Policy B: Study and analyze the cost benefit of designating "urban reserve areas" or "urban holding

areas" in the MGSA and designated Agriculture districts so they are precluded from developing until they are appropriately rezoned and adequate utilities and services are provided to protect groundwater resources and allow for urban densities.

Goal 2: Accomplish coordinated multimodal transportation planning in the Seasons Planning Area with Thurston County and other transportation partners.

Policy A: Support the improvement of transportation corridors that provide adequate multimodal transportation opportunities.

Policy B: Coordinate street layout to ensure adequate connections exist throughout the planning area and require development taking place to conform to planned street connection requirements.

Policy C: Provide coordinated interconnection of residential and commercial development emphasizing pedestrian and multimodal opportunities.

Policy D: Require interconnections of streets, pedestrian trails and greenbelts with adjacent projects and properties. Pay particular attention to interconnections to wetland and habitat corridors, park sites, and school sites.

Goal 3: Over the long term, encourage development of a range of residential types, with emphasis on providing additional moderate and high density opportunities.

Policy A: Maintain areas along Marvin Road for moderate density development as sewer becomes available. Review areas along Mullen, Yelm Highway, and 58th for moderate density development as sewer becomes available. Moderate and High Density zones should be planned to provide transitions to existing low density residential development.

Policy B: Encourage a full range of residential uses when adequate facilities and services are available to serve them.

Policy C: Pay careful attention to creating effective transitions between new developments of moderate density and existing low density development.

IV. IMPLEMENTATION STRATEGIES

1) Study and analyze the cost benefit of designating "urban reserve areas" or "urban holding areas" within the McAllister Springs Geologically Sensitive Area and designated Agriculture areas, which would not be developed until such time that sewer service is available.

2) Consider providing for increased development densities in areas along Marvin, Mullen, 58th, and Yelm Highway once full public utilities and services can be provided.

LAND USE TANGLEWILDE/THOMPSON PLACE PLANNING AREA

I. PROFILE OF TANGLEWILDE/THOMPSON PLACE PLANNING AREA

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A. Location

The Tanglewilde/Thompson Place Planning Area is located just east of the Central Planning Area, bordered by I-5 on the north, Marvin Road on the east, Burlington Northern Railroad and Union Mills Road on the south and Carpenter Road generally on the west. It abuts the Hawks Prairie Planning Area on the north, the Meadows Planning Area on the east, the Lakes Planning Area on the south and the Central Planning Area on the west. Most of the Tanglewilde/ Thompson Place Planning Area is located outside of the incorporated limits of the city of Lacey.

B. Character and Functional Relationship to City

The Tanglewilde/Thompson Place Planning Area is comprised principally of two older established neighborhoods dating from the late 50's and early 60's, the Tanglewilde Planned Unit Development and Thompson Place. These two developments built out at suburban densities, with average lot sizes of approximately 10,000 square feet. Both Tanglewilde and Thompson Place are served by Thurston PUD No. 1 water and individual septic systems. These neighborhoods provide an established, traditional, and affordable housing stock that serve a high number of active and retired military from JBLM.

The planning area also includes approximately 250 acres of commercial property both along Martin Way and west of Marvin Road. In the last ten years, a majority of the General Commercial property located around Martin Way/Marvin Road has been developed. Significant commercial capacity still exists along Martin Way in mostly redevelopment opportunities.

The Tanglewilde/Thompson Place Planning Area also contains Woodland Creek Community Park and the Lake Lois Habitat Reserve, two important recreational and cultural facilities.

C. Acreage

This planning area includes approximately 1,918 acres of property. Of this, approximately 400 acres are located in the Lacey city limits. Approximately 270 acres are undeveloped or categorized as underdeveloped (greater than 1 acre in size and not built to permitted density). Most of the undeveloped property is located near the intersections of Pacific, Steilacoom and Marvin Road and are designated for Moderate or High Density Residential. However, some of this property contains known occurrence of Mazama pocket gopher which may limit development potential.

D. Population

As of 2015, the estimated population was 9,100. Population growth and allocation projections anticipate the populations in the Tanglewilde/Thompson Place Planning Area by the year 2035 will be 11,900 persons, with an anticipated 1,320 residential units added in the next twenty years. The residential units are anticipated to be located in the unincorporated portion of the planning area.

E. Land Use - Current

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In 2015, there are a total of 3,747 dwelling units in the Tanglewilde/Thompson Place Planning Area with approximately 71% of those being single family and 29% being multifamily. Over the next twenty years, it is anticipated that approximately 2/3 of the housing units added in the Tanglewilde/Thompson Place Planning Area will be multifamily located primarily along the Martin Way Corridor and in the Moderate and High Density zoning districts. The remainder will be single family added through infill within existing neighborhoods.

Over 1.4 million square feet of commercial buildings (1.440 million s.f.) have been constructed in the Tanglewilde/Thompson Place Planning Area. The commercial property in the Planning Area serves as a local hub for retail and other services including a Wal-Mart Superstore, Hawks Prairie Mall, the Landing at Hawks Prairie, and the Mixed Use High Density Corridor properties along Martin Way which contains a WinCo grocery store and many smaller retail establishments. Most commercial property has been developed in this planning area; therefore, it is expected that most development associated with commercial properties will be in the form of redevelopment to higher intensities over the next twenty years.

F. Subareas

Martin Way

A future subarea plan for the Martin Way corridor is a priority for development in the short term. The plan would be centered on the area between Carpenter Road and Galaxy Drive and would also include the adjacent residential neighborhoods including Tanglewilde and Thompson Place. As part of Thurston Regional Planning Council's report dated July 2012 from the Urban Corridor Task Force, the recommendation was to further refine the corridor district (in this case the Mixed Use High Density Corridor district) to focus innovative development strategies encouraging private investment opportunities in corridors where transit, walking, and biking are viable alternatives to driving. Since much of this area of the Martin Way Corridor covered under a future subarea plan would be within Thurston County, this would need to be a project completed in a partnership between the County and the city of Lacey. The subarea plan could also lead to a future form-based code which would help better define the desired character of the corridor, as well as be a regulatory incentive for private investment.

INSERT MARTIN WAY CORRIDOR MAP

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G. Density Characteristics

The primary residential form in the Tanglewilde/ Thompson Place Planning Area is single-family residential on larger lots of approximately 1/4 acre, much of which has been constructed for utilization of septic tank and drain fields, which has significantly limited the potential density. However, approximately 1/3 of the developed land area is also multifamily. Additional new residential development will be limited to a small number of remaining green field sites and redevelopment along the Martin Way corridor, including the projected addition of 1,310 units along the corridor.

H. Parks/Open Space

Recreational opportunities within the Tanglewilde/Thompson Place Planning Area include the Woodland Creek Community Park (which includes the Lacey Community Center and the Virgil S. Clarkson Senior Center), Lake Lois, and Bucknell Field. This planning area has three older private parks associated with the Tanglewilde/Thompson Place neighborhoods, including a 5.2 acre park with a community recreation center, swimming pool, tennis courts, and outdoor basketball court. The private parks are owned and maintained by private corporations that are comprised of neighborhood residents.

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I. School Facilities

North Thurston Public Schools owns and operates three schools in this planning area, including Lydia Hawk Elementary School within the Tanglewilde neighborhood, Olympic View Elementary School within the Thompson Place neighborhood and Nisqually Middle School at the corner of Marvin and Steilacoom Roads.

J. Streets, Trails, and Connections

Carpenter Road and Marvin Road are the primary north-south transportation corridors in the Tanglewilde/Thompson Place Planning Area. Most of Marvin Road within this planning area is part of the state highway system (Highway 510). Martin Way, Pacific Avenue and Steilacoom Road are the primary east-west corridors. Interstate 5 runs east-west through the northern portion of the planning area with full access provided at exit 111 off of Marvin Road.

A portion of the City's trail system connects to the Tanglewilde/Thompson Place Planning area. The Lacey Woodland trail runs along the southern edge and connects to the Woodland Creek Community Park. This trail runs east from the park and eventually connects to the Olympia Woodland Trail and terminates near the Capitol Campus.

K. Resource Designations

There are no agricultural or mineral extraction sites designated of long-term commercial significance within this planning area. However, there is one site slightly less than 40 acres located along Marvin between Pacific Avenue and the railroad right-of-way that is actively farmed and is currently designated with Agriculture zoning.

L. Environmentally Sensitive Area Designations

This planning area includes portions of Lake Lois and the Woodland Creek corridor and associated wetlands that run from Lake Lois to the northern tip of Long Lake. These areas are designated environmentally sensitive and have specific protection requirements as delineated in the City of Lacey

Environmental Protection and Resource Conservation Plan. There are some known occurrences of Mazama Pocket Gophers in this planning area, including the undeveloped city of Lacey-owned property at the intersection of Marvin Road and Pacific Avenue.

II. ANALYSIS

The residential portions of this planning area include areas in unincorporated Thurston County that were urbanized in the 1960's. The Tanglewilde and Thompson Place neighborhoods are extensively built out with single-family residential units on lots of 1/4 acre, with little opportunity for additional development until sewer service is extended to the area. The majority of undeveloped residential property in this planning area is near the intersection of Pacific Avenue and Marvin Road, which was designated for a higher density to promote the Transportation Plan's goal for densification along major arterials.

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Martin Way has historically developed as a strip commercial area. Over the last twenty years, this area was designated as Mixed Use High Density Corridor with the intent to provide an opportunity for high density redevelopment designed under the "Evolution of a Corridor" concept developed by Thurston Regional Planning (and re-affirmed by the Urban Corridors Task Force in 2012) for higher densities that support a mix of uses. The best alternatives for increasing density and providing commercial services within the planning area are along the Martin Way corridor; however, as the Mixed Use High Density Corridor designation is more than twenty years old, the zoning district needs to be re-examined to ensure that the vision is valid and that the implementation measures accurately reflect the vision.

Within the City limits, the General Commercial zone around the intersection of Martin Way and Marvin Road has fully developed within the last planning period for regionally-oriented commercial uses. Improvements to the Interstate 5 interchange, including addition of a slip ramp in the early 2000's, have made this a good area for automobile-oriented uses and regional access. Additional future improvements at Exit 111 will improve access to the area and improve the area's attractiveness as a regional retail draw.

As part of the regional Septic Summit, both Tanglewilde and Thompson Place have been identified as areas that have a high proportion of groundwater contamination potential due to a high number of septic systems within close proximity. These neighborhoods have some of the highest groundwater contamination risk in north Thurston County. Programs need to be put in place including, but not limited to, financing programs, regulations and connection requirements. Private investment by property owners needs to occur to ensure that these neighborhoods are converted to City sewer.

As this planning area is adjacent to the existing City limits on three sides, it is often part of community discussion about future potential annexation. While the commercial property associated with the unincorporated portion of Martin Way is attractive from a property tax and potential sales tax standpoint, it has not developed to the same standards as that portion within the City. Additionally, the adjoining neighborhoods of Tanglewilde and Thompson Place have substandard infrastructure and issues with existing septic systems. These factors make the Martin Way corridor in this area

less than desirable to annex. A full annexation study of this area would be beneficial to identify and weigh the issues associated with future potential annexation.

III. GOALS AND POLICIES TANGLEWILDE/THOMPSON PLACE PLANNING AREA

Goal 1: Continue to promote the implementation of the evolution of Martin Way into an attractive, high-density, and mixed-use corridor.

Policy A: Use the "Evolution of a Corridor" study and the recommendations of the Urban Corridor Task Force developed by the Thurston Regional Planning Council as a guide for redevelopment of Martin Way.

Policy B: Recognize that viable auto-related uses exist along Martin Way that should be allowed to mix with other uses to maintain a healthy business environment.

Policy C: In development of the mixed use corridor, pay particular attention to ensuring compatibility with adjacent low density residential areas.

Policy D: Ensure that pedestrian connections are provided connecting the corridor to surrounding residential neighborhoods.

Goal 2: Promote the Mixed Use Moderate Density zone along portions of Pacific Avenue with emphasis on office and professional services to support this planning area.

Policy A: Support portions of Pacific Avenue that are undeveloped, or with opportunities for redevelopment, with a Mixed Use Moderate Density zone.

Policy B: The use and design theme developed for the Mixed Use Moderate Density zone should emphasize opportunities to provide the commercial service needs serving residents within this planning area.

Goal 3: Promote the extension of sewer service throughout the planning area.

Policy A: Recognizing the importance of providing this urbanized area with sewer, encourage provision of sewer to residential neighborhoods in this area, including Tanglewilde and Thompson Place.

Policy B: Support the creation of a long term interjurisdictional strategy to facilitate conversion from septic to sewer.

IV. IMPLEMENTATION STRATEGIES

1) In conjunction with Thurston County, complete a subarea plan for the Martin Way corridor area between Carpenter Road and Galaxy Drive.

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2) In conjunction with Thurston County, re-examine the Mixed Use High Density Corridor designation to ensure that the vision is in line with the community's vision and consistent with the recommendation of the Urban Corridor Task Force to ensure that the implementation measures accurately reflect the vision.

3) Complete an annexation study for the unincorporated portion of Martin Way between Carpenter Road and Galaxy Drive including the adjoining Tanglewilde and Thompson Place subdivisions.

4) Provide assistance in developing a septic conversion program for the Tanglewilde and Thompson Place subdivisions.

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Thurston County

COUNTY-WIDE PLANNING POLICIES

November 10, 2015

These policies were adopted by the Board of County Commissioners on September 8, 1992. They were ratified earlier by each of the seven cities and towns within Thurston County. Those seven cities and towns are Lacey, Olympia, Tumwater, Bucoda, Rainier, Tenino and Yelm. On August 2, 1993, representatives of Thurston County and the seven cities and towns met to clarify intent of policies 1.2 and 1.3 and to affirm long and short term Urban Growth boundaries established in 1988 around Olympia, Lacey and Tumwater. In 2002, policies were amended to be consistent with RCW 36.70A.215 ("Buildable Lands Program"). In 2015, the policies were amended to incorporate foundational principles and policies from Creating Places, Preserving Spaces, A Sustainable Development Plan for the Thurston Region, December 2013.

Background: The Growth Management Act calls for the faster growing counties and cities within their borders to undertake new planning to prepare for anticipated growth. New parts are to be added to the Comprehensive Plans of these counties and cities, and those plans are to be coordinated and consistent. The framework for this coordination are county-wide planning policies, developed by each county, in collaboration with its cities and towns. These are Thurston County's county-wide planning policies which will be used to frame how the Comprehensive Plans of Thurston County and the seven cities and towns will be developed and coordinated.

TABLE OF CONTENTS

I. General Policies 3
II. Urban Growth Areas 4
III. Promotion Of Contiguous And Orderly Development, Provision Of Urban Services, And Protection Of Rural Areas 6
IV. Joint County And City Planning Within Urban Growth Areas 8
V. Siting County-Wide And State-Wide Public Capital Facilities 9
VI. Analysis Of Fiscal Impact 10
VII. Economic Development And Employment 11
VIII. Affordable Housing 12
IX. Transportation 13
X. Environmental Quality 15
XI. County-Wide Policies Which Establish A Process To Develop Future Policies 16

I. GENERAL POLICIES

(Adopted November 10, 2015)

1.1 Balance our needs today with those of future residents, to protect and enhance quality of life and in recognition that each generation is a trustee of the environment for succeeding generations.

1.2 Preserve and promote awareness of our historic, cultural, and natural heritage.

1.3 Develop new ways to cultivate and support respectful civic engagement and participation by residents, and public, private, and nonprofit businesses and organizations, encouraging choices and offering information that contribute to individual, household, and community health and well-being.

1.4 Break down institutional barriers to communication and cooperation, fostering open communication and transparent processes that encourage community-wide participation.

1.5 Think broadly, regionally, and globally – act locally. Acknowledge the interdependence of communities both within and external to our region, recognizing the impacts of our region upon the world, as well as the impacts of the world upon our region.

1.6 Translate vision to policy and act on adopted local plans and policies. Consider the effects of decisions on achieving this vision, while balancing individual property rights with broader community needs and goals.

1.7 Monitor progress and shift course when necessary. Use meaningful, easy-to-understand methods to measure progress on key objectives. Respond and adapt to future social, economic, and environmental challenges.

1.8 Partner across topic areas and jurisdictional boundaries. While supporting local decision-making, encourage regional and cross-jurisdictional coordination, communication, and cooperation that increase our capacity to make decisions for the common good across jurisdiction boundaries.

1.9 Build and maintain distinct communities, preserving and enhancing the character and unique identities of the existing urban, suburban, and rural communities in a way that protects what matters most, while offering additional opportunities to improve on what can be better.

1.10 Meet basic human needs of clean water and air, healthy food, adequate housing, quality education, public safety, and equal access, regardless of socio-economic status.

1.11 Support education, employment, commercial opportunities, cultural, social, and recreational opportunities in appropriate places and at a scale that supports community health and well-being.

1.12 Champion energy efficiency and renewable energy strategies that contribute to energy independence, economic stability, reduced climate impacts, and long-term household and community health.

1.13 Protect the natural environment while acknowledging the interdependence of a healthy environment and a healthy economy.

1.14 Provide for adequate active and passive recreational opportunities.

II. URBAN GROWTH AREAS

(June 5, 1992, Adopted September 8, 1992, Amended November 10, 2015)

2.1 Urban growth within Thurston County is to occur only in designated urban growth areas.

2.2 The boundaries of designated urban growth areas must meet the following criteria:

a. Contain areas characterized by urban growth.
b. Be served by or planned to be served by municipal utilities.
c. Contain vacant land, or under-developed land with additional capacity, near existing urban areas that is capable of supporting urban development.
d. Be compatible with the use of designated resource lands and critical areas.
e. Follow logical boundaries.
f. Consider citizen preferences.
g. Be of sufficient area and densities to permit the urban growth that is projected to occur in the succeeding twenty-year period.

2.3 Amendments to the urban growth boundaries must use the following process:

a. Cities and towns will confer with the county about boundary location or amendment.
b. Proposed boundaries are presented to the Urban Growth Management (UGM) subcommittee of Thurston Regional Planning Council, which makes a recommendation directly to the Board of County Commissioners.
c. Following a public hearing, the Board of County Commissioners designates the boundaries and justifies its decision in writing.
d. Cities and towns not in agreement with the boundary designation may request mediation through the State Department of Commerce.
e. At least every 10 years, growth boundaries will be reviewed based on updated 20-year population projections.
f. Appeals of decisions made through this process are per the State Growth Management Act, RCW 36.70A.

2.4 Expansion of the Urban Growth Boundary must demonstrate consistency with:

a. All of the following criteria:
   i. For South County jurisdictions: the expansion area can and will be served by municipal water and transportation in the succeeding 20 years. South County jurisdictions must demonstrate that the expansion can be served by sewage disposal measures that provide for the effective treatment of waste water in the succeeding 20 years.
   ii. For North County jurisdictions: the expansion area can and will be served by municipal sewer, water, and transportation in the succeeding 20 years.
   iii. Urbanization of the expansion area is compatible with the use of designated resource lands and with critical areas.
   iv. The expansion area is contiguous to an existing urban growth boundary.
   v. The expansion is consistent with these County-Wide Planning Policies.

b. One of the two following criteria:

   i. There is insufficient land within the Urban Growth Boundary to permit the urban growth that is forecast to occur in the succeeding 20 years; or

   ii. An overriding public interest demonstrating a public benefit beyond the area proposed for inclusion would be served by moving the Urban Growth Boundary related to protecting public health, safety and welfare; enabling more cost-effective, efficient provision of sewer or water; and enabling the locally adopted Comprehensive Plans to more effectively meet the goals of the State Growth Management Act.

2.5 Reduction of the Urban Growth Boundary must demonstrate consistency with all of the following criteria:

a. Sufficient land will remain within the reduced Urban Growth Boundary to permit the urban growth that is forecast to occur in the succeeding 20 years.

b. The reduced Urban Growth Boundary will include cost-effective sewer and water and transportation service areas, as applicable for each urban growth area.

c. Reduction of the Urban Growth Boundary is compatible with the use of the designated resource lands and with critical areas.

III. PROMOTION OF CONTIGUOUS AND ORDERLY DEVELOPMENT, PROVISION OF URBAN SERVICES, AND PROTECTION OF RURAL AREAS

(August 19, 1992, Adopted September 8, 1992, Amended November 10, 2015)

3.1 Concentrate development in urban growth areas and protect rural areas by:

a. Accommodating the county's growth first and foremost in the urban growth areas and ensuring that development occurring in rural areas is rural in character.

b. Encouraging infilling first within those parts of the urban growth areas that are:

i. Already characterized by urban growth that has adequate existing public facilities and service capacities to serve such development,

ii. Second, in areas already characterized by urban growth that will be served adequately by a combination of both existing public services and facilities, that are provided by either public or private sources, and

iii. Third, in the remaining portions of the urban growth areas.

c. Phasing urban development and facilities outward from core areas.

d. Establishing mechanisms to ensure average residential densities sufficient to enable the county as a whole to accommodate its 20-year population projection.

e. Limiting growth in rural areas to prevent sprawl and the overburdening of rural services, maintain rural character, and protect the natural environment.

f. Prohibiting urban net densities in rural areas.

g. Designating rural areas for low intensity, non-urban uses that preserve natural resource lands, protect rural areas from sprawling, low-density development and assure that rural areas may be served with lower cost, non-urban public services and utilities.

h. Where urban services and utilities are not yet available, requiring development to be configured so urban growth areas may eventually infill and become urban.

i. Considering innovative development techniques.

3.2 Coordinate Urban Services, Planning, and Development Standards through:

a. Maximizing the use of existing infrastructure and assets, and leveraging the value of these in building vital, healthy, and economically viable communities.

b. Making public investments that further multiple community goals, target identified priorities, and leverage additional investment.

c. Considering both economies of scale and long-term maintenance cost when investing in infrastructure.

d. Providing and maintaining municipal services (water, sewer, solid waste, public safety, transportation, and communication networks) in a sustainable, and cost-effective manner.

e. Coordinating planning and implementation of policies regarding urban land use, parks, open space corridors, transportation, and infrastructure within growth areas. Developing compatible development standards and road/street level of service standards among adjoining jurisdictions.

f. Developing, and ensuring the enforcement of, agreements between Thurston County and the cities and towns within its borders, that ensure development occurring within unincorporated urban growth areas is consistent with city utility and storm water planning and conforms to the development standards and road/street level of service standards of the associated city or town.

g. Phasing extensions of urban services and facilities concurrent with development and prohibiting extensions of urban services and facilities, such as sewer and water, beyond urban growth boundaries except to serve existing development in rural areas with public health or water quality problems.

h. Identifying, in advance of development, sites for schools, parks, fire, and police stations, major storm water facilities, greenbelts, open space, and other public assets. Acquisition of sites for these facilities shall occur in a timely manner and as early as possible in the overall development of the area.

3.3 Cooperate on annexations in order to accomplish an orderly transfer of contiguous lands within growth areas into the adjoining cities and towns. Cooperate on developing a streamlined and efficient process for annexation, while maintaining appropriate environmental review.

3.4 Provide capacity to accommodate planned growth by:

a. Assuring that each jurisdiction will have adequate capacity in transportation, public and private utilities, storm drainage systems, municipal services, parks and schools to serve growth that is planned for in adopted local comprehensive plans; and

b. Protecting ground water supplies from contamination and maintaining ground water in adequate supply by identifying and reserving future supplies well in advance of need.

IV. JOINT COUNTY AND CITY PLANNING WITHIN URBAN GROWTH AREAS

(August 19, 1992, Adopted September 8, 1992, Amended November 10, 2015)

4.1 Thurston County and the cities and towns within its borders will jointly plan the unincorporated portions of urban growth areas.

4.2 Each city and town will assume lead responsibility for preparing the joint plan for its growth area in consultation with the county and adjoining jurisdictions.

a. The lead city or town and the county will jointly agree to the level and role of county involvement at the outset of the project, including the role of each jurisdiction's planning commission.

b. A scope of work, schedule and budget will be jointly developed and individually adopted by each jurisdiction.

c. The process will ensure participation by area residents and affected entities.

4.3 The jointly adopted plan or zoning will serve as the basis for county planning decisions and as the pre-annexation comprehensive plan for the city to use when annexations are proposed.

4.4 Each joint plan or zoning will include an agreement to honor the plan or zoning for a mutually agreeable period following adoption of the plan or annexation.

4.5 Nothing in these policies shall be interpreted to change any duties and roles of local governmental bodies mandated by state law; for example, statutory requirements that each jurisdiction's planning commission hold hearings and make recommendations on comprehensive plans and zoning ordinances.

V. SITING COUNTY-WIDE AND STATE-WIDE PUBLIC CAPITAL FACILITIES

(June 5, 1992, Adopted September 8, 1992, Amended November 10, 2015)

5.1 Cooperatively establish a process for identifying and siting within their boundaries public capital facilities of a county-wide and state-wide nature which have a potential for impact beyond jurisdictional boundaries. The process will include public involvement at early stages. These are facilities that are typically difficult to site, such as airports, terminal facilities, state educational facilities, state or regional transportation facilities, state and local correctional facilities, solid waste handling facilities, and in-patient facilities including substance abuse facilities, mental health facilities, and group homes.

5.2 Base decisions on siting county-wide and state-wide public capital facilities on the jurisdiction's adopted plans, zoning and environmental regulations, and the following general criteria:

a. County-wide and state-wide public capital facilities shall not have any probable significant adverse impact on lands designated as critical areas or resource lands; and

b. Major public facilities that generate substantial traffic should be sited near major transportation corridors.

VI. ANALYSIS OF FISCAL IMPACT

(August 19, 1992, Adopted September 8, 1992, Amended November 10, 2015)

6.1 Develop financing methods for infrastructure which minimize the taxpayer's overall burden and fairly divide costs between existing and new development.

6.2 Cooperatively explore a method to mitigate the fiscal impact on county government of annexation of significant developed commercial and industrial properties.

6.3 Cooperatively explore methods of coordinating financing of infrastructure in urban growth areas.

VII. ECONOMIC DEVELOPMENT AND EMPLOYMENT

(June 5, 1992, Adopted September 8, 1992, Amended November 10, 2015)

7.1 Encourage an economy that is diverse, can adapt to changing conditions, and takes advantage of new opportunities.

7.2 Support the recruitment, retention, and expansion of environmentally sound and economically viable commercial, public sector, and industrial development and resource uses, including the provision of assistance in obtaining funding and/or technical assistance.

7.3 Provide in comprehensive plans for an adequate amount of appropriately located land, utilities, and transportation systems to support desirable economic development. Create and maintain regulatory certainty, consistency, and efficiency.

7.4 Acknowledge and look for opportunities to engage with regional economic drivers such as state government, the Port of Olympia, and Joint Base Lewis-McChord. Coordinate economic development efforts as well with other jurisdictions, the Economic Development Council, Chambers of Commerce, and other affected groups.

7.5 Build a vital, diverse, and strong local economy, including job opportunities that support community and household resilience, health, and well-being, by:

a. Supporting workforce training and offering opportunities for education and entrepreneurial endeavors.
b. Supporting creativity, arts, and culture.
c. Providing opportunities for a range of business types to succeed.
d. Emphasizing policies that support locally owned businesses including home-based, entrepreneurial, and nonprofit business and organizations.
e. Encouraging the development of local services for food, clothing, and other basic human needs.
f. Nurturing urban and rural agricultural and food-oriented businesses.
g. Protecting resource lands.
h. Encouraging the utilization and development of areas designated for industrial use, consistent with the environmental policies in these county-wide policies.
i. Connecting economic health with personal health and well-being and the advancement of environmental health.
j. Adding incentives for businesses to demonstrate their environmental sustainability including reduction in greenhouse gas emissions.

VIII. AFFORDABLE HOUSING

(August 19, 1992, Adopted September 8, 1992, Amended November 10, 2015)

8.1 Increase housing choices to support all ranges of lifestyles, household incomes, abilities, and ages. Encourage a range of housing types and costs that are commensurate with the employment base and income levels of jurisdictions' populations, particularly for low, moderate and fixed income families.

8.2 Accommodate low and moderate income housing throughout each jurisdiction rather than isolated in certain areas.

8.3 Explore ways to reduce the costs of housing.

8.4 Establish and maintain a process to accomplish a fair share distribution of affordable housing among the jurisdictions.

8.5 Work with the private sector, Housing Authority, neighborhood groups, and other affected citizens, to facilitate the development of attractive, quality, low and moderate income housing that is compatible with the surrounding neighborhood and located within easy access to public transportation, commercial areas and employment centers.

8.6 Regularly examine and modify policies that pose barriers to affordable housing.

8.7 When possible, provide assistance in obtaining funding and/or technical assistance for the expansion or establishment of low cost affordable housing for low, moderate and fixed income individuals and families.

IX. TRANSPORTATION

(*April 30, 1992, Adopted September 8, 1992, Amended November 10, 2015*)

9.1 Increase transportation choices to support all ranges of lifestyles, household incomes, abilities, and ages.

9.2 Increase opportunities for riding transit, biking, walking, ridesharing, allowing and encouraging flexible work schedules, and teleworking.

9.3 Encourage efficient multi-modal transportation systems that are based on regional priorities and are coordinated with county and city comprehensive plans.

a. Local comprehensive plans will consider the relationship between transportation and land use density and development standards.

b. Local comprehensive plans and development standards should provide for local and regional pedestrian and bicycle circulation.

c. Improved transit service will be based on Intercity Transit's plans, informed by and consistent with the regional transportation plan and local comprehensive plans.

d. Transportation Demand Management plans and programs required by State law will be implemented as a key part of the region's transportation program.

e. Improvements to the regional road network will be consistent with local and regional transportation plans.

f. The regional transportation planning process is the primary forum for setting county-wide transportation policy.

9.4 The transportation element of each jurisdiction's comprehensive plan will be consistent with the land use element of that jurisdiction's comprehensive plan.

9.5 The transportation element of each jurisdiction's comprehensive plan will include level of service standards for all arterials and transit routes and services. Each jurisdiction will coordinate these level of service standards with all adjacent jurisdictions. Transit level of service standards will be consistent with Intercity Transit policies.

9.6 Each jurisdiction's transportation element will include an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions.

9.7 The transportation elements of comprehensive plans adopted by Thurston County and each city and town in the county will be consistent with the Regional Transportation Plan adopted by Thurston Regional Planning Council, in accordance with the provisions of the Washington State Growth Management Act.

9.8 The Regional Transportation Plan adopted by Thurston Regional Planning Council will be consistent with the land use elements of comprehensive plans adopted by Thurston County and the cities and towns within Thurston County and with state transportation plans. To ensure this, the Regional Transportation Plan will be reviewed and updated, if necessary, at least every two years for consistency with these plans.

9.9 All transportation projects within Thurston County that have an impact upon facilities or services identified as regional in the Regional Transportation Plan will be consistent with the Regional Transportation Plan.

9.10 Local and regional transportation plans will consider maritime, aviation, and rail transportation as an integral link to the area's regional transportation needs.

X. ENVIRONMENTAL QUALITY

(*August 19, 1992, Adopted September 8, 1992, Amended November 10, 2015*)

10.1 Recognize our dependence on natural systems and maintain a balance between human uses and the natural environment.

10.2 Establish a pattern and intensity of land and resource use that is in concert with the ability of land and resources to sustain such use, reduce the effects of the built environment on the natural environment, conserve natural resources, and enable continued resource use, through:

a. Land-use and transportation plans and actions that encourage compact development and concentrate development in urban growth areas.
b. Retrofitting existing infrastructure to reduce impacts of the built environment on the natural environment.
c. Planning for the amount of population that can be sustained by our air, land, and water resources without degrading livability and environmental quality.
d. Minimizing high noise levels that degrade residents' quality of life.

10.3 Protect the soil, air, surface water, and groundwater quality, including through:

a. Reducing dependence on the use of chemicals and other products that pollute and, when their use is necessary, minimizing releases to the environment.
b. Ensuring adequate clean water is available to support household and commercial needs while sustaining ecological systems through conservation, balancing of uses, and reuse.
c. Protecting ground and surface water and the water of the Puget Sound from further degradation by adopting and participating in comprehensive, multi-jurisdictional programs to protect and monitor water resources for all uses.
d. Protecting and enhancing air quality.

10.4 Take action to conserve resources, increase use of renewable resources and decrease dependence on non-renewable resources by:

a. Reducing energy consumption and reliance on nonrenewable energy sources.
b. Encouraging the reuse and recycling of materials and products, and reduction of waste to the maximum extent practicable.

10.5 Acknowledge that changing weather and climate patterns will impact the human, natural, and built environments and plan for impacts such as increased wildfire, flooding and sea-level rise.

10.6 Protect and restore natural ecosystems, such as, forests, prairies, wetlands, surface and groundwater resources, that provide habitat for aquatic and terrestrial plants and animals.

10.7 Provide for public access to natural resource lands, while ensuring that uses and economic activity which are allowed within those lands are sustainable.

10.8 Provide for parks and open space and maintain significant wildlife habitat and corridors.

10.9 Where outdoor lighting is necessary, design the lighting to minimize the light pollution.

XI. COUNTY-WIDE POLICIES WHICH ESTABLISH A PROCESS TO DEVELOP FUTURE POLICIES

(August 10, 1992, Adopted September 8, 1992, Amended July 1, 2002, Amended November 10, 2015)

11.1. Process to determine and assure sufficiency of Urban Growth Areas to permit projected urban population:

a. The state Office of Financial Management (OFM) growth management planning population projections for Thurston County will be used as the range of population to be accommodated for the coming 20 years.

b. Within the overall framework of the OFM population projections for the County, Thurston Regional Planning Council will develop countywide and smaller area population projections, pursuant to RCW 36.70A.110 and based on current adopted plans, zoning and environmental regulations and buildout trends.

c. A review and evaluation program pursuant to RCW 36.70A.215 ("Buildable Lands Program") will be established. The evaluation and subsequent updates required under the Buildable Lands Program will follow timelines in the RCWs, subject to availability of State funding. This evaluation may be combined with the review and evaluation of county and city comprehensive land use plans and development regulations required by RCW 36.70A.130 (1), and the review of urban growth areas required by RCW 36.70A.130(3).

i. In the event of a dispute among jurisdictions relating to inconsistencies in collection and analysis of data, the affected jurisdictions shall meet and discuss methods of resolving the dispute.

ii. Nothing in this policy shall be construed to alter the land use power of any Thurston County jurisdiction under established law.

iii. Because inclusion of this policy is as a result of state mandated legislation, implementation of this policy shall be commensurate with state funding.

d. The Thurston Regional Planning Council will review the smaller area population projections to assure that the 20-year population is accommodated county-wide, and that urban growth areas are of sufficient area and densities to permit the projected urban population.

11.2 These county-wide policies will be reviewed upon the request of four jurisdictions.

11.3 Under the State Growth Management Act, authority for making changes to County-Wide Planning Policies (CWPPs) lies with counties. The State Growth Management Act also states that counties are required to consult with the cities and towns within its borders regarding changes to the CWPPs. It is the role of the Thurston Regional Planning Council Urban Growth Management (UGM) Subcommittee to be the vehicle for this jurisdictional consultation process in Thurston County. Amendments to the Thurston County County-Wide Planning Policies must use the following process:

a. Proposed amendments are to be reviewed by the UGM Subcommittee, which consists of a representative from the City Council of each of the cities and towns in Thurston County and a representative from the Board of County Commissioners.

b. Technical assistance will be provided to the UGM Subcommittee by jurisdictional Planning Directors or their designated representatives.

c. It is the responsibility of the UGM Subcommittee members to coordinate with their respective Councils regarding amendments to the CWPPs and to do so prior to the UGM Subcommittee making its recommendation on the amendments to the Board of County Commissioners.

d. The UGM Subcommittee will make a recommendation on the amendments to the CWPPs directly to the Board of County Commissioners.

e. The Board of County Commissioners will hold a public hearing on the amendments to the CWPPs. This public hearing would allow Cities and Towns within Thurston County an opportunity to comment directly to the Board of County Commissioners on the amendments.

RESOLUTION NO. 15209

A RESOLUTION AMENDING THE THURSTON COUNTY, COUNTY WIDE PLANNING POLICIES TO INCORPORATE CHANGES RESULTING FROM THE CREATING PLACES – PRESERVING SPACES: A SUSTAINABLE DEVELOPMENT PLAN FOR THE THURSTON REGION, AND TO PROVIDE FOR OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, Thurston County is required to plan under Chapter 36.70A RCW, the Growth Management Act (GMA), which contains thirteen goals that are intended to guide the development and adoption of county wide planning policies, development regulations and comprehensive plans, which relate to urban growth, rural development, reduced sprawl, transportation, housing, economic development, property rights, permits, natural resource industries, open space and recreation, environment, citizen participation and coordination, public facilities and services, and historic preservation; and

WHEREAS, Thurston County conducts planning activities in accordance with Chapter 35.63 RCW, Planning Commissions; and

WHEREAS, the GMA requires that counties subject to the GMA adopt countywide planning policies (CWPPs) and further requires that these policies be developed with the cooperation of the municipalities within the county (RCW 36.70A.210(2)); and

WHEREAS, CWPPs are written policy statements that provide the framework and foundational policies for developing and adopting county and city comprehensive plans and development regulations, and for ensuring that city and county comprehensive plans are consistent as required in RCW 36.70A.100; and

WHEREAS, in order to address the requirements of GMA, Thurston County first adopted CWPPs in 1992, and revised them in 2002; and

WHEREAS, in December 2013 the Thurston Regional Planning Council (TRPC) adopted *Creating Places – Preserving Spaces· A Sustainable Development Plan for the Thurston Region* (Sustainable Thurston) and pledged to integrate sustainability into decision making processes to enhance quality of life, foster economic vitality, and protect the environment; and

WHEREAS, in April 2014 the Board of Thurston County Commissioners approved Resolution 15009, accepting the plan; and

WHEREAS, the Sustainable Thurston plan identified a need to update the CWPPs as a priority action to meet sustainability priority goals and targets; and

WHEREAS, the Urban Growth Management (UGM) Subcommittee of TRPC is identified as the vehicle for jurisdictional consultation on changes to the CWPPs and includes representatives from the cities of Lacey, Olympia, Tumwater, Yelm, Rainier, Tenino, and Bucoda as well as a representative from the Board of Thurston County Commissioners; and

WHEREAS, the UGM subcommittee met five times throughout 2014 and 2015 to discuss incorporating the foundational principles and policies of the Sustainable Thurston plan into the CWPPs; and

WHEREAS, the UGM Subcommittee also identified recommended amendments to the CWPPs that strengthen language to limit suburban development in rural lands, enforce development standard agreements among jurisdictions, develop a streamlined process for annexations, eliminate out-of-date references, clarify language, and improve formatting; and

WHEREAS, in January 2015 the UGM Subcommittee voted to forward their recommendation to the Board of County Commissioners; and

WHEREAS, the draft CWPPs were submitted to the Washington State Department of Commerce on August 28, 2015 for review and comment and a receipt of such is on file with the Thurston County Department of Resource Stewardship; and

WHEREAS, Thurston County issued a determination of non-significance on September 17, 2015 for the proposed amendments to the Thurston County, County Wide Planning policies in accordance with SEPA (Chapter 43.21C RCW); and

WHEREAS, on October 20, 2015 the Board of County Commissioners held a public hearing to hear testimony on the proposed amendments to the CWPPs, having given 20 days' notice; and

WHEREAS, after considering the proposed revisions and considering public testimony received at the October 20, 2015 public hearing, the Board of County Commissioners determined the proposed changes to the CWPP to be necessary for the preservation of the public health, safety, and general welfare of Thurston County residents.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THURSTON COUNTY, AS FOLLOWS:

SECTION 1. ADOPTION OF CHANGES. In accordance with the provisions of this resolution, the Board of County Commissioners hereby amends and adopts the amended County Wide Planning Policies as recommended by the UGM Subcommittee, and as set forth herein, in Attachment A.

SECTION 2. SEVERABILITY. If any section, subsection, sentence, clause, phrase or other portion of this resolution or its application to any person is, for any reason, declared invalid, illegal or unconstitutional in whole or in part by any court or agency of competent jurisdiction, said decision shall not affect the validity of the remaining portions hereof.

SECTION 3. EFFECTIVE DATE. This resolution shall take effect immediately upon adoption.

ADOPTED: 11-10-15

ATTEST:

Clerk of the Board

BOARD OF COUNTY COMMISSIONERS
Thurston County, Washington

Chair

APPROVED AS TO FORM:

JON TUNHEIM
PROSECUTING ATTORNEY

Rick Peters
Deputy Prosecuting Attorney

Voted No
Vice-Chair

Sandra Romero
Commissioner

APPENDIX ___ LAND USE ELEMENT

Using Buildable Land Resources and Providing for Infill in a Compact, Mixed-Use Development Form

Discussion:
a. Density:

Suburban development in the context of development in the United States was facilitated because of the mobility of the automobile. Suburban areas rely on the automobile for transportation. Because of this mobility and our zoning tools that organize different land uses into different zones, land use in suburban areas is generally organized into different areas of the suburb requiring travel between one area and the other that is not a walkable distance. This is different than traditional urban areas where different uses were in walking distance to one another, or the concentration of people (higher density) permitted use of other transportation options like mass transit, or both. To understand density a short explanation may be helpful.

Density identifies the intensity of development or people over a specified area. In Lacey's code it is used in a residential context to measure the number of housing units per acre. However, it can also be used to measure the number of employees per acre (employee density) when considering intensity of development in employment zones. The higher the density is in an area the higher the intensity of land use.

A higher density generally requires more support for utilities, services, and infrastructure and is generally associated with an urban area. Very low density areas will not have the same utility, service or infrastructure needs and are generally associated with rural areas. Suburban describes a use of land that is in between urban and rural. Suburban development is on the edge of urban areas and represents density somewhere in between urban and rural.

The problem with a suburban land use form is it is inherently inefficient in the provision of services, utilities, and road infrastructure and particularly considering its dependence on automobile travel. While there have always been suburban areas throughout the history of civilized man, the domination of suburban form to other forms of land use is new with the invention and use of the automobile.

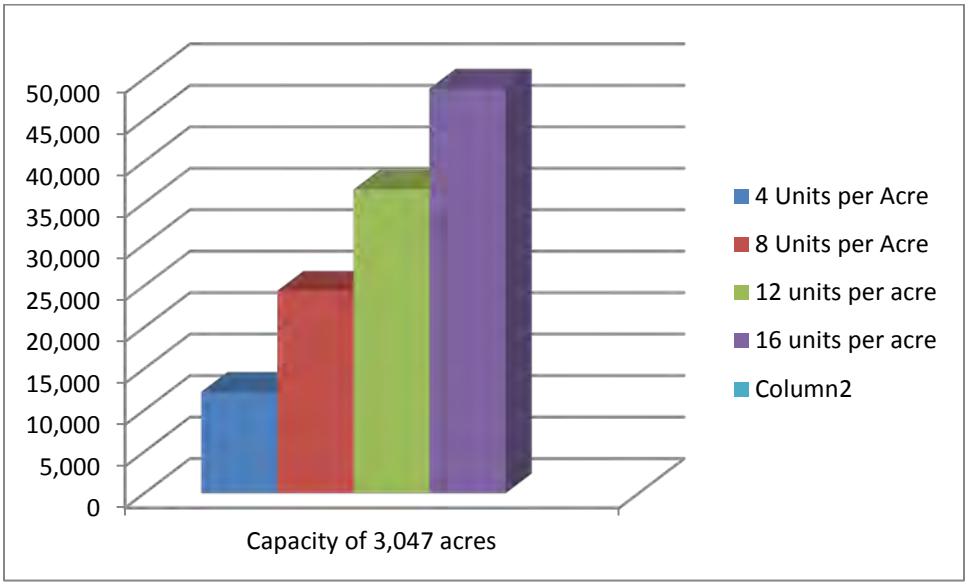
Given economic and energy costs to support, suburban development as the prominent land use form is not sustainable. An underlying purpose of GMA and smart growth is for suburban cities to make an evolution to a more urban form where economies of scale provide more efficient provision of utilities, services, and infrastructure to serve the growing population. An urban form with adequate density and mixed-use will provide people transportation alternatives to walk or use mass transit opportunities to perform day-to-day tasks. This requires a higher density of

people as well as a rich mix of land use within walking distance to one another that is not typically available in a suburban area.

In looking at land use patterns and form there are a number of advantages compact, mixed-use development can give Lacey over the suburban, low density, segregated land use pattern we now have. Once a density of 8-12 units per acre is achieved, mass transit options become economical and a mix of use provides destination sites within a walkable distance to homes and pedestrian travel becomes feasible.

There will also be an opportunity for a wider range and mix of housing, which can provide more affordable housing options for a wider demographic range. In addition, road infrastructure and urban utilities and services are less expensive to provide and maintain. Finally, compact development conserves land resources for natural resource production like agricultural use and for use for future generations and is more sustainable. We know segregating land use into separate zones does not work to achieve the same efficiencies compact, mixed-use development can provide.

To illustrate the land conservation issue, the following simple scenarios have been developed considering the use of buildable land resources and density alternatives; see Chart below.



At the time of this writing Lacey has approximately 3,047 acres of buildable land in a range of zoning designations from Agricultural to High Density Residential. Also see demographic figures in Chapter II.,Chart 4-1 displays the different capacity of available resources under several average density scenarios. As can be seen, density makes a difference for conservation of

land. An average density for all of the buildable land going forward at 16 units per acre would have four times the capacity as an average density of 4 units per acre. Instead of land in the growth area lasting one additional twenty-year planning period, it could last for several.

The above illustration is not given to suggest all development should be 16 units per acre because a range of housing forms is necessary to provide alternatives and choice in the housing market. Additionally, site limitations related to both natural and infrastructure limitations of the built environment are expected to limit what some areas can accommodate. Finally, consumer preferences, desired housing form, and community character need to be considered to determine the right density alternative. However, it would be desirable to have an average density that provides the most conservation of land possible with density focused in appropriate areas.

b. Density and Compact, Mixed-Use Growth and the 1994 Original GMA Plan: The idea of facilitating compact, mixed-use development is not new to this update. The original 1994 plan had provisions to encourage smart growth models. Lacey provided the opportunity for change and set the stage by providing a code to encourage what Lacey wanted to have happen. At the same time it provided flexibility for density and provision of different housing forms.

Most new provisions were options the development community could take advantage of, but with the exception of minimum densities, for a few of the zones that were set very low, most new provisions for land development were not mandatory.

Concepts introduced into the Plan and zoning code in the early 1990's provided for significant increases in density and a mix of uses through a variety of techniques including small lots, the Village Center concept, up zone of properties along major transportation corridors, and providing mixed-use opportunities along Martin Way and parts of Sleater Kinney Road and Pacific Avenue.

The 1994 Plan also recognized the need to link commercial services with residential areas. Being too late to facilitate mixed commercial use in built out neighborhoods, the next best objective was to provide neighborhood commercial designations within closer proximity to residential areas. To accomplish this, the 1994 Plan established new neighborhood commercial sites throughout the City and UGA. This provided some limited commercial land resources within walking distance to every neighborhood.

c. Activity Over the Last Two Decades and Lessons Learned: In the years that followed the original 1994 GMA Plan and the subsequent updates, the development community used much of these new opportunities. All of the Village Center designated properties have developed and

many new subdivisions have developed with small lots significantly increasing the number of homes per acre over previous development trends.

However, the general distribution of land use did not change and the type of housing being developed was still almost exclusively single family detached homes on individual lots, with the exception of a few townhome developments.

One negative aspect of this was those zones designed to accommodate higher urban density and provide for multifamily housing form, the High and Moderate Density zones, were developed with a single family detached product.

Between 1994 and the time of this update there has been very little multifamily development and no mixed residential/commercial development, even though the code provided opportunities for this in several zones. Even the Village Center developments which were designed to provide a mix of housing and commercial uses ended up having the uses segregated into different areas of the development and all of the Village Centers have yet to see the commercial areas develop.

Considering the success of neighborhood commercial designations, some have developed, but many have not. This is primarily the result of financing and market issues. Banks generally need a certain threshold of "roof tops" within a certain radius before they will consider a commercial store a viable project. The surrounding low density zones do not allow development of enough density to provide the number of roof tops for which banks are looking.

It might be expected actual commercial development will lag behind the residential component. This would be expected until the density is increased to support those services. The density of our residential areas needs to be greater to support commercial use. The following table (McPherson and Haddow 2011) considers thresholds generally expected to support commercial use.

Typical Population Thresholds for Public Facilities (McPherson and Haddow 2011)

Local shops/corner store	800 – 1,000 dwellings
Neighborhood activity centre (small shops, community centre)	1,200 – 4,000 dwellings
Larger activity centre (small and large shops, offices)	4,000 – 10,000 dwellings

Here again, Lacey has the low density dispersion pattern working against the provision of urban development. To achieve these densities, even to successfully support the corner store local shops model, will require significant densification beyond Lacey's typical 4 units per acre. That

will only provide 640 units within the ¼ mile walking radius. To support what is expected to provide a variety of commercial use, the density would need to double.

Lacey generally needs a better mix of uses throughout the neighborhoods that, by design, will promote an active lifestyle (walking) and provide destination choices and shopping opportunities within walking distance of homes. However, there is only so much that can be done to provide lifestyle alternatives within a suburban community and existing suburban homes will continue to make up a majority of Lacey's residential land use inventory for years to come. Planning strategies will need to accommodate what exists and promote fundamental changes for new housing inventory moving forward.

d. Questions to Ask: In looking at change and establishing an urban density, there are a number of planning techniques applied with the first GMA plan that were designed to facilitate a higher density and more urban form. All have relied on zoning and what the zones allow or prohibit. Fundamental to this has been Lacey's zones designed for residential use and what the zones allowed for density and housing form.

Going into the Plan update, we have two zones that designate areas for low density residential. One zone only permits residential single family detached development at 0 to 4 units per acre (LD 0-4). The second zone allows a minimum of 3 units per acre to a maximum of 6 (LD 3-6). The second zone is also designed primarily for single family detached development but provides some opportunity for duplex and townhome development. Neither of these low density zones provide for commercial use except for home occupations.

It is important to state that both of these zones prohibit the density and use the City needs under smart growth concepts; compact development and mixed-use. Also, these low density zones represent the majority of our buildable land resources, over 60%. The vast majority of buildable land is located within the UGA. Almost all of the land resources in these zones in the City is developed.

The City also has two zones designed for a higher density residential component. The Moderate Density Residential zone (MD) designates a minimum of 6 units per acre with a maximum of 12, and the High Density Residential zone (HD) designates a minimum of 6 with a maximum of 20 or higher. Neither of these zones allow for a commercial component. In the last market the allowance for density as low as 6 units per acre contributed to land resources in these zones being used for single family detached development at the minimum density.

The City also has a few zones that will allow a mix of uses. Commercial and mixed-use zones generally refer to the Moderate and High Density designations for density allowances. The Mixed Use High Density Corridor allows a mix of uses and density from 12 to 20+ units per acre. The Mixed Use Moderate Density Corridor allows mixed-use and density between 8 to 12 units per acre.

There are several density/zone considerations facing Lacey in this update including:

- Are the density ranges applied to each of the zones still appropriate for what the City needs to achieve under GMA considering capacity for anticipated population we need to accommodate?
- Which areas should higher population densities, building incentives, and mixed-use concepts be focused to get the most potential for success and to take advantage of available supporting services?
- Are existing residential zones appropriately crafted considering what we know about the cost to support suburban land use form and our goals going forward for conservation of land resources, compact development, mixed-use, and sustainability?
- Are the density ranges applied to each of the zones still appropriate for what the City needs to provide considering housing numbers and form?
- Are the density ranges applied to each of the zones still appropriate for what the City wants to accomplish under principles of the livable city, walkability, transportation choices, affordable housing, and provision of utilities and services?
- Do zones provide the right opportunities for mixed-use to serve the commercial and service needs of neighborhoods?

e. Linking Density to GMA Buildable Lands Requirements and Sustainability: Under GMA there is a requirement for counties and cities to inventory buildable land to determine buildable land resources available to accommodate expected population growth over the current twenty-year planning period. Many considerations play into this effort.

The buildable land analysis studies development that could occur based upon the amount of vacant lands, sensitive areas, and areas with infill potential. This analysis also includes the zoning potential of property to estimate density based upon past trends. Finally, planners consider trends, planning goals, and market assumptions.

The results of the last buildable lands review of 2007 showed Lacey with adequate land resources to accommodate growth for the twenty-year planning period. New allocations by Thurston Regional Planning Council, based upon expectations for current zoning designations, supported this earlier finding in 2010. Analysis was based on likely population growth and allocation of population under existing land use designations based upon past trends.

Population forecasts completed by Thurston Regional Planning Council in 2012 provided new numbers for local cities to use in determining growth needs. Capacity review by Lacey staff has identified some concerns with available capacity given trends of the 2007 market. Previous buildable land and capacity analysis assumed some development of higher density and compact development forms, particularly within designations designed for those uses. However, the last market demonstrated Lacey's zones did not develop in a high density capacity.

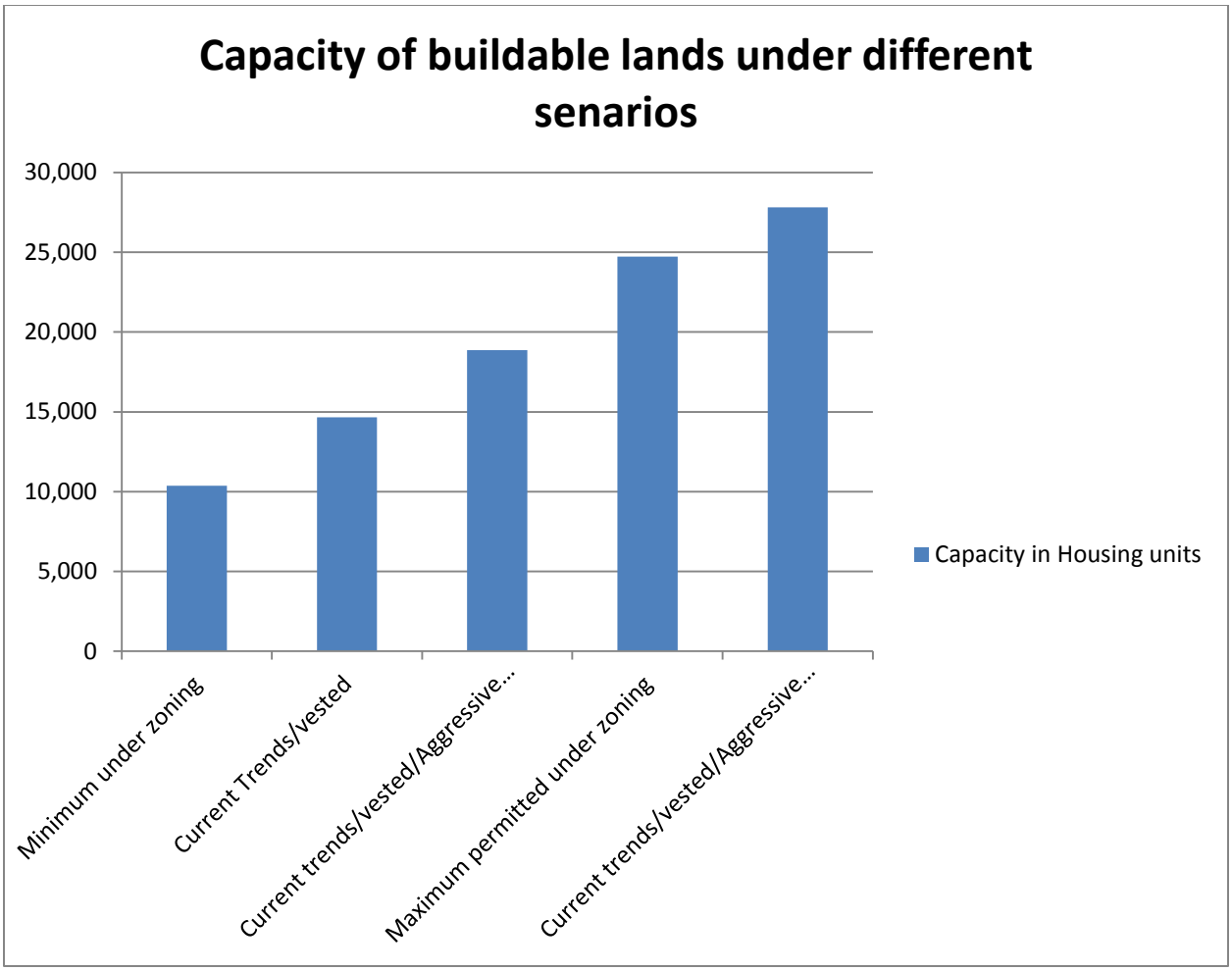
Development taking place within these zones tended to be used for low density single family development on individual lots to satisfy the market demand for this form of housing.

Another concern is some of the buildable land capacity used in the analysis has included land within the Seasons planning area that is now thought to be problematic for provision of sewer and may not be well suited to urban growth without significant financial expenditures to provide sewer. This area also overlays the McAllister Geologically Sensitive Area and cannot safely be developed without sewer for protection of ground water.

Discussion has considered removal of parts of the Seasons Planning Area from the UGA and replacement of capacity in other areas more suited for provision of urban services, perhaps as an expansion of the Hawks Prairie Planning Area. Until resolution of this issue, land capacity should not consider this area as developable area at urban density unless the expectation is to replace it with suitable land by expansion of another part of the UGA.

At this time, the thought is land resources in these areas might be used at the end of the next twenty-year planning period as land becomes more valuable and it becomes economical to use it. However, it is not expected to be usable over the short term.

Capacity of buildable land resources to meet forecast demands of population is probable, but not certain, based on environmental limitations in the Seasons and Pleasant Glade planning areas and previous growth trends. To illustrate this, we have several growth scenarios that are described below and illustrated in the following chart.



The first alternative is build out in the lowest density capacity allowed under zoning. This assumes a density of 3.5 units per acre in the 0-4 Low Density zone; a density of 3 in the Low Density 3-6 zone and McAllister Geologically Sensitive Area zone; a density of 6 units in both the Moderate and High Density zones; and no residential development in the mixed-use zones or the CBD. Under this scenario we have the capacity for 10,364 housing units.

In the second alternative, Lacey builds out at an average density on remaining land consistent with vested projects proposed that are already in the pipeline and a "most likely" scenario based on past trends. This includes a mixture of low density forms and higher density multifamily development. This alternative provides the capacity for 14,662 housing units.

The third alternative builds out as in the second scenario using vested projects and past trends as a guide, but considers an aggressive approach to zoning changes in the Moderate and High Density zones to require multifamily housing opportunities and a density reflective of the zone's intent. This assumes all Moderate and High Density designations build out at 12 or 20 units per

acre respectively. It also assumes residential development occurs in the mixed-use zones for an overall average of 6 units per acre. This scenario offers a capacity of 18,866 housing units.

The forth scenario looks at what the most density could be if all property was used to its maximum capacity under existing zoning. This scenario yields a count of 24,723 housing units.

The fifth scenario takes an aggressive approach to retooling all of the residential zoning designations, including the existing Low Density zones to reflect values for more compact development and mixed-use. This scenario considers a new minimum density of 8 units per acre for the existing Low Density and MSGSA properties that do not already have vested projects. As in scenario three, buildable lands with vested projects are assumed to build out in the capacity of the vested project. As in scenario three, this scenario also assumes a maximum density for the Moderate and High Density zones, but increases the minimum permitted density in the Moderate Density zone to 14 units per acre. It also assumes all property in the mixed-use zones will develop with a mixed-use concept including residential development to minimum residential density permitted; 8 or 12 units per acre, respectively. This scenario has a potential capacity of 27,812 units.

Recent population figures forecast a population increase of 32,176 persons in the next twenty-year planning period. Based upon a household size for Lacey of 2.4 persons per household, Lacey will have the need for 13,406 housing units by the year 2035.

If development occurs at the density in scenario one, buildable land would not be sufficient to accommodate the expected population growth. It would be short of capacity by over 3,000 housing units. The unsuitability of some lands within the UGA could exacerbate this shortfall. If development uses land resources in the capacity permitted, including compact, higher density housing forms, the land resources will likely be sufficient under all of the other scenarios.

Lacey accommodated significant growth in the last up-market period. Of all the local jurisdictions, Lacey's code was designed to be market friendly by providing options for density and housing choice. The thought being whatever the market needed Lacey could accommodate the need. In addition, by including a range of innovative and progressive techniques for increasing density for single family detached development, Lacey could accommodate new and less expensive ways of providing this form of housing. Generally, this is considered good and has earned Lacey a reputation for working with the development community and citizens to provide opportunity for land development while achieving City objectives.

Measured by these objectives, Lacey has been highly successful and in 2006, at the height of the housing market, accounted for 80% of all new housing starts in Lacey, Olympia and Tumwater; Lacey 1,443, Olympia 225 and Tumwater 118.

The 1994 Plan and implementing legislation met objectives for single family residential detached development in the last planning period and demonstrated a market resilient code. This was good for the time period. However it does not meet goals being developed in the new plan for best conservation and use of land resources. In addition to providing opportunities and being resilient to market conditions, Lacey needs to ensure development regulations are meeting current intent and best practices.

Review of our land use distribution after the last market boom indicates new development intensified density within an overall suburban form without achieving a density needed to support urban services or improving what needs to come with the density for a sustainable land use pattern; commercial services, mixed use, walkability, and other transportation options besides automobiles. It could be provisions made for commercial services in the Hawks Prairie planning area will become successful as density matures in the area. But, this may require additional infill before land use objectives will be realized.

Given available land resources and projected population demands, we also need to consider how zoning meets GMA requirements for accommodating growth. Under GMA, jurisdictions need to determine they have enough capacity to accommodate expected growth. Where it determines capacity is not sufficient to accommodate growth, the UGA can only be expanded after a jurisdiction demonstrates that it is utilizing all reasonable tools to accommodate the growth in an urban capacity. GMA anticipates compact development forms and density that support urban services. Lacey's low density land use zones and the current land use distribution have not been successful in achieving compact, mixed-use development forms and, in fact, the majority of buildable land resources zoned in a low density capacity prohibit it.

In this update the City should review ways to utilize available buildable lands to its best advantage. This will require strategic location of density and innovative development that brings more than density alone into infill areas. As we go forward we need to ask, how can we conserve land to be more sustainable, which zones can accommodate density increases, and what changes can we make that can facilitate change to a more compact, mixed-use form given the context of existing land use within our neighborhoods?

f. <u>Considerations for Changes to Land Use Designations</u>: The objective of this plan is to provide for the support of the existing suburban land use pattern but not to encourage more of the same suburban development form and distribution. It is the intent to promote infill development within developed neighborhoods that can reduce current shortcomings.

In existing predominantly single family neighborhoods, this could include:

- Expansion of neighborhood commercial zoning.
- Code changes that will allow a higher density with a greater range of housing forms and mixed-use opportunity, provided it is appropriate to the context of the neighborhood in which it is proposed.

This second option will require fundamental changes for evolution of Lacey's zoning districts to a more form-based approach.

If we want to facilitate change, our zoning code needs to provide the opportunity for change where it has the possibility to occur. Most of the City of Lacey is developed, but much of the UGA is undeveloped. The undeveloped areas in the UGA are predominantly zoned as low density designations. In these areas, if a landowner wanted to do a mixed-use project with a higher density and a range of housing forms it would be prohibited. The existing low density zones prohibit anything other than single family detached units.

There are several ways of approaching the evolution of our zoning to allow the form and distribution of growth we want to see. One approach is to change the zoning designations of property that are currently undeveloped to a zone that would allow a more intensive use. This would provide the opportunity for more density, or more commercial use, but would retain the general methodology of requiring segregation of land use types under the existing code land use designations.

Another approach would be to retool the zones to do what we would like them to do; allow compact, mixed-use development forms. This retooling would need to recognize the single family detached (SFD) areas and uses that have established, but should move beyond to allow evolution of our land use form. This would likely be a form of "smart code" to do what smart codes are designed to accomplish; provide for a mix of uses and density appropriate in an urban context.

To allow what Lacey would like to see develop, our residential zones could evolve by amending existing density and use limitations. All of the retooled zones could allow a mix of residential and commercial uses. The main differences between the zones could be the intensity of urban use that would be targeted for development. Depending on how aggressive the City wants to be, the standards could be set to allow a range of density the way it does now, or it could require a set amount for each zone.

Because of the sensitivity of the public to changes in zones in which they live, new development opportunities could rely upon a neighborhood planning process to identify infill parcels within

already developed neighborhoods, the techniques acceptable for development, and what form it would need to take. The neighborhood planning process could be used to match infill tools and density to the context of the neighborhood and link education and understanding of the importance of GMA concepts with public participation. This would be important to provide a bridge for integration of smart growth concepts into developed suburban neighborhoods.

Also, considering the impacts of integration and change, it is important to remember that since 1987 land divisions have adopted protective covenants that would generally prohibit anything other than what is currently in the land division; single family detached units. Changes would need to accept these developments without offering changes or threatening the stability of their land division. But new provisions should offer opportunity for change down the street, as redevelopment occurs on a site that is not in a modern land division, or new development is planned on a vacant parcel.

The standards applied within the zones could result in a land-use form more consistent with smart growth requirements. Coupled with changes to the Land Division ordinance, it could be very effective in evolving our land use form and at a minimum opportunity for the right type of growth as we move forward. The most important change that should be considered under this approach would be what density to require.

Changes to the more intensive zones could be the most straight forward. Here we are dealing with zones that already provide for a higher density and multifamily development. In these zones we might set a base density expectation as a minimum, and a maximum density threshold could be set at what is permitted now, with the ability to suspend the cap in favor of incentive credits the developer can accumulate.

This would basically allow whatever density the site might support, given site limitations and infrastructure that is available, if the developer uses our incentive programs. This would provide new opportunity for the developer, and for the most part maintain the status quo for land use rights and opportunity. Except, we have eliminated the opportunity of filling the zone up with SFD uses with a density that does not meet urban objectives. In code form this might look something like the following:

Zone	Density Required
Urban	12 to 20 units per acre*

* Provided density may be increased to what the site can support through incentives under the transfer of development opportunities program or any other applicable bonuses and incentives.

New provisions should also allow mixed commercial use with a design component that would ensure proper integration.

For the current low density zones, standards could be crafted to require new land divisions to provide for a mix of housing and a minimum density. It could also provide the opportunity for mixed commercial use. For instance, standards could be required to provide a baseline density of 12 units per acre (a target urban density to support transit) and would require a land division to accommodate a mix of uses.

New provisions in the zoning sections could also provide for density beyond what we allow now and mixed-use to rely on validation in a neighborhood plan. This would require neighborhood planning to take place before new density and use provisions would be permitted in individual neighborhoods. This would ensure residents have the opportunity to consider standards, target properties, and design issues that would be used to allow such projects to be approved.

Change would have the greatest applicability within the UGA because of where our undeveloped land resources are and less so in the City as most Low Density Residential land resources are already developed. However, changes could also have some limited applicability in the City.

While this has applicability as a tool to encourage a transition to a more urban landscape throughout the City and the UGA, there is only expected to be limited opportunity for infill with mixed-use and higher density in areas developed with single family subdivisions. Staff expects planning efforts will need to rely on other strategies to provide the mixed-use, walkable, and transit oriented development opportunities that smart growth requires.

For this, Lacey's mixed-use corridors, its Central Business District zones, and the Hawks Prairie Business District zones will likely provide the most opportunity for new housing with mixed commercial opportunities. Given land use resources, opportunity for redevelopment, current mix of uses, and opportunity for integration with surrounding uses, these zones hold the most promise.

g. Other Zones: While zones such as the Mixed High Density Corridor and the Hawks Prairie Business District or the CBD zones may have the most potential to develop in a land-use form matching the requirements of smart growth, we need to remember that for over two decades these zones have had provisions that allow the type of development we are trying to encourage.

Facilitating development in these areas is challenging for a number of reasons. The land use form we would like to see to achieve is compact development in multistory mixed-use buildings. This form of land use is currently viable for areas in King County and Pierce County that have

progressed to a higher level of urbanism, but demand and expertise to build this type of product is lagging in suburban areas like Lacey. The top two obstacles to moving new smart growth development forms forward in Lacey will be limitations of the local housing market and local building expertise.

First, the local housing industry is not equipped to make a major transition to a new housing form and distribution. Second, the market, even under the best of conditions, will not readily support the significant change needed to fully embrace smart growth without a corresponding change in consumer demand.

Even with these challenges these zones have the most potential for change; These zones still provide the best opportunity to achieve smart growth objectives. Innovative zoning applications, such as form based zoning, can most easily be applied in these areas for significant density and permitted use changes.

Because of the potential, this Plan puts an aggressive focus on the mixed-use corridors that already contain the framework for transition, as well as the Central Business District zones and the Hawks Prairie Business District. The High Density Residential and Moderate Density Residential zones could also be included for a more aggressive approach without much difficulty.

h. Infill Along Mixed Use-Corridors: Issues for development of the corridors was a task taken on by the Urban Corridors task force. The task force provided a set of recommendations for local jurisdictions to look to in resolving the disconnect between what the original GMA plans provided for and what little actually happened to implement the vision. In moving forward, Lacey will integrate ideas from the Urban Corridor Task Force with Lacey's development codes, as well as other incentive programs. As the market matures for this product, it is the intention of Lacey to be prepared to provide land resources and a code that can facilitate implementation of this development type.

Of all the infill and density techniques discussed, focusing on Lacey's mixed-use corridors has the greatest potential for making the transition to achieve smart growth objectives. There are a number of advantages of focusing density along the corridors.

First, the corridors already contain a mix of uses and standards promoting higher density and mixed-use. This will only require minor refinement of existing codes. This will involve less code work and staff time than developing changes to accommodate infill in other zones. It is also expected to face less resident and land owner opposition.

Second, a recent regional task force focusing on these corridors came out with recommendations that support the use of the corridors for the type of uses we are looking at; high density residential use, mixed commercial use, and transit oriented development.

Third, necessary services and utilities and transit options are either already available or more practical for development along these corridors. Transit options in particular, like light rail, would only be practical with the type of land use pattern and density that could most easily be achieved along these corridors.

Forth, the corridors are strategically located, centralized, and connect key land use area components of Lacey; The Central Business District and the Hawks Prairie Business District.

Lacey should use these advantages in the 2016 update and emphasize the corridors as a main strategy to increase density, expand housing choices, increase mixed-use opportunities, and develop a walkable, transit oriented zone. This should include significant density opportunity integrated with incentive programs, form-based zoning focusing on design and form over use, and emphasis on place-making to attract and retain residents and business uses. Techniques suggested by the Urban Corridor Task Force will also be reviewed for applicability to Lacey.

i. Centralized Zones; CBD and Gateway: Like Lacey's Mixed Use Corridors, Lacey's CBD and the new Hawks Prairie Business District have significant potential to implement smart growth concepts. Lacey's CBD already has height allowances (up to 250 feet in some districts) that can provide significant growth capacity as density becomes marketable and vertical development becomes more economical.

Challenges in the CBD include creating destination sites and attracting residents with a range of housing opportunities, a walkable downtown interface for residents and downtown amenities and activities.

The Hawks Prairie Business District is well on its way in promoting smart growth with a main anchor that is a state tourist attraction (Cabelas) and preliminary master plan and adopted development standards. The vision includes a walkable downtown environment, mixed-use including multistory, multifamily development forms (townhomes, and condominiums), other uses and activities conducive to a planned "lifestyle" development, and a civic presence (still to be determined). Continued emphasis on both the CBD and the HPBD should be considered priority for the 2016 update.

j. Location Determinants in Consideration of Efficient and Orderly Growth: The answer to sustainable growth is not as simple as selecting a target density. Density needs to come with services to be

supported. Location will play a key role in where intensive land use should be planned given market preferences, availability of services, and utilities and land use compatibility considerations. Lacey and Lacey's UGA is spread out over a large area (32 square miles). Areas of the UGA with the most capacity include the Season's planning area. Most of the Season's planning area is over two miles to commercial services. Sewer and water have been extended to the edges of the Season's planning area, but will require significant investment to develop service for the full area.

Before land use development takes place in this outlying area of Lacey's UGA, where commercial services and transportation options are not available, there is a logic in trying to focus development where it can be served by all of the utilities and services urban growth requires. To accomplish this intent, development should be targeted for the inner areas of the City to facilitate growth where it can be provided with a full range of urban amenities, utilities, services, and transportation options, and where homes will be within walking distance of commercial shopping opportunities and employment centers.

Considering expansion into the outer areas of the UGA, once development has infilled areas of the City with compact high density mixed-use development that can provide opportunities for an active urban lifestyle, growth could be planned to extend further out in an orderly and economically supportable fashion.

If this is the objective of the City, there are two questions that need to be answered. One, what strategies can be used to require growth to infill before extending to areas that do not have commercial services and utilities at this time? And two, what development opportunities should be available for landowners in the UGA over the interim period before it is ready for urban development?

Considering the first question there are a number of options Lacey can consider including:

1) Remove area from the UGA that does not have the capability to provide commercial services, transportation options other than the automobile, and sewer and water utility. This would be difficult given expectations of landowners in areas that would be dropped out of the UGA. It also brings up issues of how Lacey could satisfy needs for accommodating projected population. Lacey would need to demonstrate area remaining would be adequate to provide housing for over 30,000 people. Is it reasonable to assume this could all be accommodated through forms of compact, mixed-use development?

2) Create a short and long term growth boundary to facilitate orderly and economic development when urban services can be provided. It is a viable option that would be a direct response to the concerns of orderly, focused development in the right areas at the right time. If the City requested the County to do this, we could expect push back from property owners in the UGA.

Reestablishing short term boundaries would be difficult given expectations of landowners; also see discussion on short term UGA boundaries in Section 3.k. of this chapter.

3) Provide a set of performance standards that must be satisfied before development can occur. A publication by the Victoria Transport Policy Institute called *Smart Growth Reforms*, suggests several criteria to determine whether a project reflects "location efficient development principles". Several of these reflect location determinants that could be used as performance standards including:

Is it located within a half mile of quality public transit?
Is it located near commonly used services such as grocery stores and schools?
Is it pedestrian friendly?
Does it have a minimum density of 15 units per acre?

Lacey could adopt performance standards similar to these that are designed to ensure development will achieve Lacey's land use objectives for being walkable and provided with necessary services and utilities specifically:

Commercial shopping and services within walking distance.
Bus service or transit within walking distance (1/2 mile).
Sewer and water availability.
Can be designed to be walkable with destination sites covering the full range of day-to-day needs.
A development plan demonstrating meeting objectives for the items listed above.

While this approach seems logical, it would be complex to implement and would be expected to generate some push back from landowners in the UGA.

4) Lacey could consider a combination of 2 and 3 above using a short term UGA with performance standards for extension. This could be tailored to land use objectives and be crafted to allow both Lacey and the County to be involved in decisions to extend the boundary during joint planning. This seems logical, but would also get complex.

5) An option always available would be to determine that the way development has occurred is fine and to continue using existing policies and standards in regulation of development of the remaining buildable land resources. However, this would continue the suburban development form that is not achieving current land use objectives. Because this option would provide easy access to resources for more of the same development that was popular in the last market, it would likely facilitate, and the

development community would likely favor, development in the outlying UGA as opposed to development of infill in the core areas.

Considering the second question regarding development potential in the interim, Lacey should provide options for land owners if long term land use objectives can be satisfied. At this point how to craft provisions to allow this is not important. If the City decides to take this direction, implementing legislation to facilitate this can be developed once the Plan goals and policies are in place. To provide an idea of how this might work, the following example provisions are provided.

Options might include the following type of standards:

For parcels less than 40 acres:

- Provided utilities or water and sewer can be made available, allow interim development in a fashion that will facilitate infill when higher density can be supported with commercial services and transportation options. For this, a reserve parcel and clustering could be utilized similar to what has been done in the MSGSA providing a low density development option clustered in an urban form. This strategy should include features designed to facilitate the type of development Lacey wants to promote over the long term including:
- Total reserved parcel(s) allocated for future development should include no less than 75 % of the ownership.
- Property developed over the interim period should be limited to 25% of the parcel size.
- Development permitted over the interim period may use any housing form.
- Development allowed over the interim period should be limited to a density of 8 units per acre and cannot count property within the reserve parcel for density credit.
- Planning should provide for expectations of future density and mixed residential use with a street grid layout at pedestrian scale (blocks 300 feet in width or less) including alleys and future connections to adjacent properties.
- If the property is adjacent to a collector and 10 acres in size or larger, property fronting the collector should be reserved for mixed residential development at density necessary to support efficient transit (15 units per acre). Property reserved for this purpose should be a minimum of 50% of the parcel size.

Note: these standards were given for illustrative purposes only. Code language would require additional review and consideration.

k. <u>The Idea of Short and Long Term Growth Boundaries</u>: Prior to 1994 and adoption of the first GMA plans, Lacey's draft plan had both short and long term growth boundaries. The idea was to force growth into centralized portions of the City or UGA before locating development at the edge. This has the advantage of orderly growth that can be managed by provision of utilities and

services in the City and core areas first before spreading out into the long term growth area where utilities and services will be more expensive to develop and provide. Once the short term boundary fills in, it can be expanded in a logical manner out to areas Lacey wants to see develop next.

While it held promise, Lacey was not the entity paying to expand sewer. The development community is adding sewer as it develops properties. From this standpoint, if a developer is willing to provide the sewer and other utilities and build them to our standards, the thought was they should be able to do it in whatever time frame is economic for them to make it work as long as it is a property somewhere in the UGA. This would usually depend upon the market and would correspond to provision of housing to satisfy a market need.

In addition, there were issues with where the line for a short term boundary should be drawn. Justifying where the long term boundaries should be was based upon enclosing existing developed areas to provide sewer to properties developed on septic tank drain field, avoiding areas where there was limited opportunity to provide utilities and where there were resource land or environmental sensitive considerations. These issues were easily identifiable. However, the short term boundary was more problematic. The implication was someone could be across the street from the short term boundary where land had been developed to urban density and be told they needed to wait ten years before the boundary would be extended while infill occurred inside the short term boundary.

At the time, avoiding sprawl outside one boundary seemed good enough and had validity from the science of protecting ground water by provision of sewer to areas inside the UGA. The short boundary didn't. In fact, a short term boundary could result in additional development on septic tank drain field inside the long term UGA, pending expansion of the short term boundary to provide sewer.

Looking at this issue today, a short term boundary, coupled with aggressive minimum density requirements for new development and a prohibition on new development on septic tank drain fields, would force infill into inner areas of the City and UGA in a more compact product. It would also prevent sprawl to the outside edges of the growth area until the central areas were at an urban density. However, this scenario would likely face challenges from land owners in the long term growth area seeking short term use of their property. It would also be very complex trying to justify exactly where a new boundary should be to cause infill to occur in select areas.

l. <u>Density Allowances and Integration with Incentive Strategies</u>: Concepts for linking density with incentive strategies are being developed in the form of transfer of development opportunities program. These programs need to factor in market considerations to achieve a

workable, balanced land use strategy. Programs also need to work for the development community while achieving public objectives. If density thresholds are simply adopted without consideration of market and how they can be integrated with incentive programs, incentive programs designed to increase density could be expected to fail.

m. Density and Sensitive Areas: To be consistent with goals developed for envi-ronmentally sensitive areas, minimum density requirements have excluded any property con-taining wetlands, steep slopes, or other environ-mentally sensitive areas. The strategy has been to provide for single family, large-lot subdivisions around wetlands that are not constrained by minimum density requirements. A twenty-acre site with ten acres of wetlands only needs to build the minimum densities based on the upland area. This allows average sized lots and does not force multifamily structures.

However, this is a strategy Lacey should review with this update. While protection of environmentally sensitive areas is the top priority, large lots with single family structures may not be the best way to protect these areas, or the best way to provide access opportunities for the general public. Clustering with attached housing may be less intrusive considering environmental impact, can provide more density towards GMA objectives, can ensure more consistent maintenance of common property fronting sensitive areas, and can provide more opportunity for public access to sensitive land resources.

Access to these resources could include both opportunities for public dedication of access sites and public park area, as well as providing for more homes fronting open space associated with sensitive area amenities. For instance, instead of having the view of a preserved wetland area and the buffer area monopolized by a few private homes, a multifamily complex could provide views for many residents and the open space along the sensitive area could be developed with a public trail for access to the general public.

n. Property Without Sewer and Minimum Density: A problem identified over the last decade with the minimum density strategy has been areas not being able to obtain minimum densities because of the lack of sewer. The answer to this in the 1994 Plan has been to allow only a portion of the prop-erty to develop in a cluster configuration with community drain field. This leaves a reserve parcel that can be more intensively developed when sewer becomes available.

This reserved parcel approach has allowed some use of the land over the short term that might not otherwise have been able to develop and it preserves the ability to gain minimum densities over the long term. Lacey's growth area has had a couple of examples of this. However, this is something that should be reviewed. Generally development on septic tank drain fields is not considered good. Particularly as most of Lacey's City and UGA is in close proximity to lakes and sensitive ground water areas. It may be a better idea, considering environmental protection as well as providing for an orderly growth, to require growth in areas that are served by utilities before expanding out to areas that are not, even if the area is within a UGA.

Another issue has been areas where soils have been identified with significant limitations ren-dering higher minimum densities impractical. These areas have generally been identified and adjusted with alternative designations where necessary.

o. The Urban Center Concept: This idea promotes specific areas for providing the full range of urban uses at higher density. In developing this technique, it was thought the concept would allow significantly higher densities, perhaps ap-proaching up to 20 units per acre, with an opportunity to walk to commercial services. However, the Village Centers that have been planned and developed under Lacey's zoning have only been successful in increasing densities modestly. Three Urban Centers have been developed to date; one in the unincorporated growth area and two within the City in the Horizons Planning Area. One center approached 9 units per acre, but others have only achieved up to 6 units. This may be a result of the market and what developers consider for their customer base.

Commercial/mixed-use applied to these developments is still pending. Instead of providing mixed and commercial use, internal zoning adopted with the plans have tended to fall victim to segregation of land use types similar to what would be expected under different zoning classifications. Market issues and bank lending policies have also worked against development of designated urban center commercial sites.

Commercial areas in these developments have generally been relegated to non centralized areas that are not convenient to residents of the urban center or competitive with drive to areas given current market demands. As of 2013, in all cases commercial areas in Urban Centers are undeveloped and waiting for a market.

Except for bus service that is available to both of the Urban Centers located in the Horizons planning area, residents of the Urban Centers are still in a situation that requires use of an automobile to shop and go to work.

While these zones have not developed with commercial use to date, area is still reserved for commercial use in each developed Urban Center. This can be considered a future resource for commercial development that can help provide the urban services residential areas need. As density increases over time with infill, development of these commercial sites may become feasible.

p. Density by Up Zone of Properties: A technique utilized in 1994, and with the 2003 update was up zone of properties. This provides a higher zoning designation allowing more density. This can include the full spectrum; from up-zoning existing developed properties for higher densities as such properties are rede-veloped, to targeting only vacant land for higher density development. If developed properties are up zoned, it may take years for them to redevelop. Redevelopment of higher densities may be inconsistent with protective covenants on already existing developed properties and signifi-cant opposition from neighborhood groups would be expected.

Another issue to consider is the impact on incentive programs; particularly those programs relying on transfer of development opportunities (TDO's); see discussion under TDO programs below and discussion under the Innovative Techniques chapter for incentive programs. If the base line density allowance is set too high with an up-zone of property, it could ruin the market for the use of incentives.

If up zone of property provides all of the density potential the market will support, there will be no need to utilize incentive programs and there will be no market for TDO's. Zoning should support incentive programs and ensure there is a viable market for incentive programs to work. This can be done by setting the baseline density at a level necessary to accommodate standard development, but also to provide some opportunity for incentive strategies to be marketable.

q. Transfer of Development Opportunities (TDO) and Other Incentive Programs: Incentive programs providing increased density for infill based upon implementation of concepts identified as a priority for the community is a strategy being developed for the 2015 update. These would include zoning provisions outlining optional and more attractive development standards tied to some performance expectations for the development. This could also include TDO programs trading zoning incentives such as increased density for purchase of TDO credits allowing higher density. TDO credits will be tied to an identified public priority such as protection of resource lands, incentives to provide public access to shorelines of the state, provisions for affordable housing, dedication of land for a park site, school site, park and ride or other public need; see Innovative Techniques chapter regarding incentive programs.

Transfer of Development Rights (TDR's), specifically for agricultural areas, is a technique gaining popularity and cur-rently being provided for in all of the zoning codes of local jurisdictions. It is being imple-mented and administered by Thurston Regional Planning. It is a technique with promise for pro-tecting agricultural land in the Nisqually Valley. It is a promising technique for protecting speci-fied areas (preservation zones), while at the same time providing the owner of protected properties an opportunity to sell development rights to developers with property in "receiving zones".

TDR's can also be very com-plex, administratively difficult, and there must be a demand for high density in the designated receiving zones. Over the last eight years there has only been one transfer right registered for the agricultural program and none have successfully been marketed. This is probably the result of the overly generous density allowances permitted under the original GMA plans in the early 1990's. In original GMA Plans density permitted in most zones exceeded what the market would support. As a result, many developments never approached allowed density, and were actually below what was permitted. When this is the case, there will be no market for incentives that cannot offer something of value to the development community.

As part of the 2015 Plan update, this concept is being expanded to a number of land use scenarios as an incentive technique. New ideas for making TDR's and TDO's marketable and

integrating incentive provisions into the zoning code to support the programs are expected to breathe new life into TDR value and use; see the Innovative Techniques Chapter regarding incentive programs for a more detailed discussion on this topic.

It should also be mentioned that the term "development right" infers a right to develop that may not be valid. The concept of zoning is based upon planning and organizing the community's land use to provide a livable, prosperous city for all the residents. This is done by defining where and at what intensity various uses can be accommodated. Land owners do not have the right to develop anything they want on their property because some activities might have adverse impacts to adjacent land owners and the community. For this reason, comprehensive plans and zoning provide development permissions for authorized uses that create opportunity for urban development based upon a community vision developed through inclusive citizen participation processes.

To assume someone who owns a property has a "right" to develop it to what he/she thinks is the highest and best use ignores the properties context to the surrounding community. Considering use of any property in a vacuum, without context to the surrounding land use is contrary to the concept of comprehensive planning and the use of zoning to provide development opportunities in the best interest of the community.

A better term to use in implementing this concept might be "development opportunities", to indicate everyone has a right to use their property, but the use must depend on those development opportunities provided according to the community's plan. The Plan will necessarily consider compatibility and functionality with surrounding land use, availability of public infrastructure and cost to the community to maintain, and sound environmental policy protecting natural resources through wise environmental stewardship over the long term. The Plan will also represent social inclusiveness through the public process used for its adoption.

r. Planned Residential Developments (PRD): The Growth Management Act requires the Land Use Plan to have a section on "Innovative Tech-niques" and lists Planned Unit Developments (PUD's), Planned Residential Developments (PRD's) and clustering as techniques that should be considered.

The current PRD section of the City zoning code allows small density bonuses for develop-ing a project as a PRD. To qualify as a PRD, significantly more open space is required, as well as certain recreation amenities not normally found in conventional developments. A PRD allows greater flexibility in design, allowing the clustering of units to protect valuable site charac-teristics and provides flexibility from most nor-mal zoning requirements to allow for innovative projects.

However, after the original GMA Plan that provided generous density allowances, there have been no PRD's proposed. This was likely a direct result of the density allowances satisfying the market for increased density.

s. Smaller Single Family Residential Lots: The 1994 Plan provided an opportunity for significantly reduced size lots with design review to consider small lot issues, such as privacy and streetscapes. Developments designed with smaller lots have had no problem marketing houses, indicating there is a great demand for smaller lots. This technique has been very successful in allowing higher density single family development in a more compact form.

While this may significantly increase the density of a subdivision, it lacks the density and land use variety necessary to claim the benefits of a truly urbanized area. In fact, it can be argued it only increases the impacts of suburban development by maintaining and exacerbating the impacts of automobile dependence. It also is not as efficient in using land resources as more innovative forms of attached housing, such as townhomes. Attached housing with good design can use the space lost in a side yard for an enhanced internal design with extra living space.

However, there is still a strong market for small lot detached homes. Allowing smaller lots has applicability to development under a number of scenarios and should be continued.

t. Housing Programs as a Strategy for Promoting Infill Opportunity and Increasing Density: Inclusionary zoning is a technique whereby a certain portion of newly developed residential units are set aside for low to moderate income and/or disabled residents. If the developer sets aside a predetermined number of units then he/she will be permitted a density increase for market rate units. This technique was provided for in the 1994 Housing Plan. While this opportunity was overlooked for the first decade of the Plan given the generous density allowances provided throughout the residential zoning designations, it is a concept recently given new life as the market for density has begun to mature with zoning caps remaining at original GMA levels. Between 2008 and 2010, several developers looked at this strategy as a potential way to reach density levels for multifamily products that needed to achieve higher density than the underlying zoning would permit. Unfortunately, the market correction and climate during this time have made it difficult to market any housing products, and the market for compact development with density beyond that provided under standard zoning designations still remains largely untested in this area.

u. Accessory Dwelling Units: Accessory dwelling units (ADU's) are generally created out of extra space that is available in a single family residence. Detached units that are limited in size and designed to be compatible with the main unit may be utilized as well. The City has permitted accessory dwelling units since before imple-mentation of the Plan in 1994. This has been a successful technique for allowing extra den-sity and greater choice for residential housing opportunities. The technique has not been utilized to a great extent by build-ers doing spec homes because it is a specialized market, but it has been utilized by the individual home owner when it is advantageous to meet various needs at a particular time in their lives. This technique can serve a variety of roles.

One benefit of ADU's is the provision of a unique rental opportunity not otherwise available; small units in a single family residential location. Many singles, couples, elderly, or disabled would like a small single family unit with minimal maintenance requirements. The ADU performs this role. Rental services say there is a very high demand for this type of unit.

Some jurisdictions limit ADU use to relatives or require the owner to live in the main unit to prohibit an absentee landlord. It is important to note, that to make this strategy practical, the units need to be available for use by anyone. Use of an ADU should not be limited to family members and landlords should not be required to live on site. Otherwise, the technique becomes a very limited market and enforcement of restrictions becomes very difficult. There is no justification for putting restrictions on residency of the land lord or who can reside in the units.

There is no reason to expect that a single mother needing an affordable small unit that is unrelated to the family living in the main home will have more impacts living in the unit than a single mother of the family living in the main home. There is no justification for expecting a person who lives off site and rents the unit will cause more impact than someone living on the property renting the unit. There can be bad examples either way. The jurisdiction's involvement should be limited to setting forth the design and use expectations and applying it consistently and fairly to all persons.

Some of the impacts of this type of use in a single family neighborhood can include in-creased traffic and parking. There may also be a minor destabilizing social factor of perceived interruptions to the quality of life in the tradi-tional single family neighborhoods. As we allow these types of units to be placed in single family neighborhoods, we need to regulate the size of the units, the exterior appearance of the structure, and off-street parking. Conditions developed for implementation of this strategy have generally worked well over the last two decades and should continue.

v. <u>Examining Issues Associated with Mixed-Use Concepts</u>:
Form: The term mixed-use development can refer to several different forms that all provide for both commercial and residential use in the same proximity. This can include:

One building accommodating both uses.
A site development that has separate buildings for both commercial and residential use.
A land division with both commercial and residential components on different lots.

Generally, the preferred model and more traditional approach is both uses contained in the same structure, with the commercial uses on the ground floor and residential use on upper stories. However, the benefit of mixed-use is to get both residential and commercial use in close

proximity to make transportation between one and the other easier. Designed properly, any of the three forms of mixed-use can achieve the same objectives.

Regulation: Codes differ in how regulation of mixed-use is applied, if it is allowed at all. Conventional codes often did not permit it at all because of the same concerns and approach to land use that resulted in segregated land use zones in a suburban framework. However, there is a growing understanding of the benefits mixed-use has and codes implementing smart growth concepts have provisions allowing mixed-use.

Lacey implemented its first mixed-use concepts in the 1980's in development of the Business Park zone. In this zone provisions were made for both an employment area and a residential component to provide for both work and living in the same area.

Mixed-use opportunities were expanded in the original GMA Plan in 1994, with additional mixed-use zones being created. Three new zones were developed to specifically promote mixed-use; The Mixed Use High Density and Mixed Use Moderate Density zones and the Village Center (called Urban Center in the existing zoning code). Lacey also amended several other commercial zones in the 1990's to allow a limited mix, such as a proprietor with a shop and a residence on the second story in the same building.

The Business Park zone was an example of a cautious approach to mixing uses and contains requirements for very large buffers between the employment area and the residential areas of the zone. The mixed-use corridors developed in 1994 took a more flexible approach with standards that would allow for both commercial and residential uses in the same building, on the same lot or on different lots within the same development. The idea was to allow flexibility for innovative and creative design as long as a concept would work.

The mixed-use zones also have a number of incentives designed to add value to sites and provide more development opportunity. Density increases over the 20 units per acre cap is allowed when the project includes a percentage of affordable housing. Density increase can also be achieved through TDR's and other incentive bonuses Lacey provides.

However, it should be noted the underlying density cap is already more density than the local market requires and incentive programs have been ineffective in adding economic incentive to development. Unfortunately, there has also been a very limited local market for multifamily development for the past two decades. This has likely had an impact on the ability of these zones to facilitate moderate or high density residential developments.

Going Forward: An emphasis of this Plan update is to support and enhance opportunity for mixed-use development. This will include support and ideas for enhancing zones that currently accommodate mixed-use, as well as looking at new provisions to allow mixed-use in zones that currently don't. Intent will be to provide mixed-use in an appropriate form given the context of existing land use throughout Lacey and Lacey's UGA.

Support and enhancement of opportunities in existing zones will focus on the Mixed Use Moderate and Mixed Use High Density zones by considering recommendations of the Urban Corridors Task Force and by increasing incentive opportunities. Efforts will also focus on the CBD area to encourage residential development and the Lacey Gateway area to ensure design of new development meets expectations for a balance of both commercial and residential use organized and distributed to facilitate a range of housing choices, transportation alternatives, and an emphasis on walkability.

New techniques to increase mixed-use opportunity throughout Lacey and the UGA will include looking at mixed-use options in existing residential zones. Mixed-use introduced into these zones with the right design elements and consideration of the neighborhood context would enhance neighborhood opportunities for accommodating day-to-day activities.

CITY OF LACEY
ENVIRONMENTAL PROTECTION AND RESOURCE CONSERVATION ELEMENT
OF THE LACEY COMPREHENSIVE PLAN
2016

ENVIRONMENTAL

Community Vision - To preserve and enhance the natural environment to reflect the quality of life associated with the Pacific Northwest.

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A. Introduction

The quality of life in the Pacific Northwest is often equated with the quality and richness of our natural environment. Protecting the environment depends on the community taking coordinated actions to minimize harmful impacts and enhancing the environment. Protecting the environmental resources in our community not only promotes a high quality of life but also encourages private investment in the community.

As the City matures and additional growth occurs, available green-field areas will become limited and available land supplies will increasingly contain environmentally sensitive areas. Urban environmental concerns will continue to be a priority for the community. Public investment in the urban environment, efficient use of land supply and resources, enhancement of the urban ecosystem, and minimizing adverse environmental impacts will assist in nurturing a healthy, sustainable environment.

The city of Lacey has been a leader in supporting efforts to protect and improve the environment while balancing the numerous goals and policies adopted by the City to help achieve its vision for the future. Environmental stewardship is an integrated part of the City's philosophy. Through policy, incentives, and regulations, Lacey seeks to maintain a healthy, sustainable urban environment, one that meets the needs of today without conceding the needs of future generations. Over time, the City's environmental strategy is anticipated to produce incremental and cumulative improvements to the functions and values of critical areas and promote sustainable ecosystems within the context of urban development constraints. Lacey weighs the relationships of the various elements of the urban environment in its decision making process.

The Environmental Protection and Resource Conservation Element provides the policy framework that guides implementation measures for protecting and improving Lacey's natural environment. The topics discussed in this element include: Natural Resources Conservation, Critical Areas, Habitat Conservation Areas, Shoreline Master Program, and Environmental Policy.

B. Natural Resources Conservation

The Growth Management Act (GMA) (Act) requires jurisdictions to prevent urban conversion of agricultural, timber, and mineral resource lands of long-term commercial significance. In general, the guidelines for the classification and designation of natural resource lands of long-term

significance indicate that these resource lands should be located beyond the boundaries of urban growth areas (UGA). Local jurisdictions are instructed to avoid including resource lands in UGA's because the designated purposes of these lands are incompatible with urban densities. However, local jurisdictions have been given guidelines to allow for existing and ongoing resource management operations of long-term significance to continue.

State law requires that notices be listed on all plats, short plats, development permits and building permits issued for development on, or within 500 feet of designated resource lands.

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AGRICULTURAL LANDS

The conservation and protection of agricultural lands has been a long standing priority in Washington State due to the economic significance it plays in our economy as a whole and the ability to provide healthy food choices as an important public health issue. As such, the designation of agricultural lands within an UGA poses significant conflicts due to the proximity of urban development and development pressure because of higher land values. The primary intent of these urban areas is to provide for urban densities with urban services and to allow for the transitioning of properties to urban use.

Agricultural Lands of Long-Term Commercial Significance

The GMA recognizes the importance of agricultural lands to the state and nation and the conflicts that can arise between urban and agricultural uses with unplanned growth. The Act requires local jurisdictions to identify and conserve agricultural lands of long term significance as part of the comprehensive planning process. The Act also recognizes that agricultural lands of long term commercial significance should not be designated within UGA's unless a transfer or purchase of development rights has been enacted by the county and other designation guidelines could be met.

There are no properties designated as agricultural lands of long-term commercial significance in the current city limits or UGA. An analysis was completed that concluded that there was no property which should be classified as long term prime farm land. The criteria used to formulate this conclusion included: the availability of public facilities and services, tax status, relationship to urban growth boundary, predominant parcel size, intensity and land use settlement patterns, land values under alternative uses, and prime agricultural soils.

Local Regulatory Framework

There are four properties in the unincorporated portion of the growth area that are designated as Agricultural. The Agricultural (A) District designation is intended to serve as a place holder for existing agricultural properties located in the UGA pending the need for transition to other urban uses. This designation provides for the production of crops and livestock on areas of agricultural land with greater than twenty contiguous acres. These designated Agricultural lands should be re-examined for compatibility and intensity of nearby land uses; land values; and availability of public facilities to determine if more appropriate zoning should be put in place.

The city of Lacey works in conjunction with Thurston County to implement a Transfer of

Development Rights (TDR) program for agricultural lands. In 1995, the first TDR program in the state was established in Thurston County to allow owners of property designated Long-Term Agriculture (LTA) in rural areas to gain credit for unused development rights. These development rights can be sold and transferred to properties in an urban area to allow increased densities in specific areas. The goal of the program is to preserve farmland while allowing owners to realize the economic value of their land's development potential.

In the city of Lacey and its unincorporated UGA there are four zones that are receiving areas for TDR credits; they are the Mixed Use Moderate Density Corridor (MMDC), Mixed Use High Density Corridor (MHDC), Moderate Density Residential (MD) and the High Density Residential (HD). This program has not been utilized in Lacey's UGA since the establishment of the TDR program due to unfavorable market conditions, including the desire for increased densities. The program has been employed in other areas of the county, primarily transferring rights from south Thurston County to the city of Tumwater.

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In 2011, the City adopted regulations to accommodate urban agricultural activities. The intent of the Urban Agriculture zone is to develop opportunities for a range of agricultural activities at a level and intensity that is compatible with Lacey's neighborhoods. The range of activities and use are dependent on lot size and design standards and range from personal use on individual single-family lots or common property for community agricultural use. Small commercial urban farms are provided for as well. Urban agricultural activities managed in a responsible way, with thoughtful consideration to compatibility and urban density can provide many benefits. These benefits include providing fresh produce, additional food choices, economic opportunities, a more sustainable life-style, and rich and varied neighborhoods.

URBAN FOREST RESOURCES

Forest lands are an important resource for Washington State both in terms of economics and in terms of environmental protection. From an environmental perspective, proper management of forested areas is important to protect wildlife habitat, provide open space, reduce the potential for erosion, storm and flood damage, protect water quality and produce oxygen from carbon dioxide.

Commercial Forest Lands

The GMA requires cities and counties to classify and conserve resource lands, including forest lands. Guidelines to designate forest lands of long-term commercial significance recognize that these lands are located outside urban areas, suburban areas, and rural settlements. Long-term forest lands are lands primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for production. Historically, there have been conflicts between harvesting of trees for commercial purposes and preservation of trees for other benefits. Commercial timber harvesting considerations and urban development patterns tend to conflict. Based on the designation guidelines, there are no designated forest lands of long-term commercial significance in Lacey's UGA.

Urban Forest Management Plan

Lacey has been regulating the protection of trees and vegetation since the mid 1970's. Policy direction for protecting trees, vegetation, and landscape were subsequently directed by the adoption in 1985 of City of Lacey Urban Beautification Project and the Environmental Protection and Resource Conservation Plan in 1994.

During the early 2000's, an accelerated rate of private property development began to occur in areas with second growth forest species on site and appeared heavily forested. Since the intensity of development was causing nearly all the trees to be removed from development sites, the City started receiving more complaints from citizens about removal of trees. In 2006, the Lacey Urban Forestry Plan was adopted consistent with the vision Council had for balancing intense urban development with maintaining a forested character the City currently possesses.

An update to the Lacey Urban Forestry Plan was recently adopted by the Council with the goal of updating the plan every five years for needed revisions to technical data as well as addressing design and administration issues associated with implementation of the plan. The overall goal is to manage City trees to improve canopy cover and the aesthetic and physical benefits of trees to a community, while protecting infrastructure from tree damage. The management plan provides detailed goals and policies and makes recommendations for preservation, protection, restoration, species selection, design, planting, and citizen involvement.

MINERAL RESOURCE LANDS

The GMA recognizes the importance of mineral resource lands that contain gravel, sand, and other valuable metallic resources. The GMA requires local jurisdictions to designate mineral resource lands that are not already characterized by urban growth and that have long-term commercial significance for extraction of minerals. Mineral resources are in fixed supply and occur in very specific areas. Maintaining the ability to extract these materials for a variety of uses such as construction of roadways, the production of other materials, landscaping materials, and water filtration is a necessity. The recovering and processing of these resources can be costly depending on the location and environmental and land use protections put in place.

The consideration of designating mineral resource lands in the UGA is an exception to natural resource lands typically being located outside of the boundary. However, mineral extraction activities are typically associated with numerous nuisance characteristics that can have impacts on activities normally associated with urbanized areas. Residential, commercial, and other light industrial activities can have significant land use conflicts with mineral extraction activities. Any designation of new mineral resource lands in the UGA would be required to go through a thorough analysis to determine if significant cost savings can be obtained from using minerals close to their source; the potential for reusing the mined land for other purposes once mining is complete; potential conflicts and impacts to adjacent urbanized areas; and impacts to designated critical areas. Designating new mineral resource sites within the Lacey UGA would be difficult based on the existing urban development pattern in place.

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Designation of Mineral Resource Lands

The Department of Natural Resource (DNR) maintains maps and records of all existing surface mining permits. Local governments must approve mine sites and the subsequent use of the site. The DNR is responsible for ensuring that reclamation follows completion of surface and underground mining. The DNR has the exclusive authority to regulate mine reclamation and approve reclamation plans. All permitted sites are required to have reclamation plans. Based on records in the DNR database, there are currently four active surface mining sites within Lacey and Lacey's UGA. Table 1 lists these known sites.

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TABLE 1

MINERAL RESOURCE SITES				
10958 - Torden Thomsen	Steilacoom Mine	S18, T18, R01E (In UGA)	13 acres	Sand/Gravel
12168 - Miles Sand & Gravel	South Pit	S10, T18, R01W (Inside City)	72.5 acres	Sand/Gravel
10385 - Miles Sand & Gravel	North Pit	S10, T18, R01W (Inside City)	65 acres	Sand/Gravel
10938 - Lakeside Industries	Lacey Pit	S9&10, T18, R01W (Inside City)	12 acres	Sand/Gravel

Three of the surface mining sites are located within city limits and one is located in the unincorporated portion of the UGA. The mineral resource permitted to be extracted from all sites is sand and gravel.

The lifetime of a mine is variable and dependent on market conditions; mining activity may increase or decrease at any given time. The DNR inspects mining sites every one to two years to ensure that the site's activities have remained within the area and depth allowed by the permit and to oversee reclamation of mined areas.

Development Standards

Development regulations have been put in place in the Lacey Municipal Code to acknowledge the existence of existing mineral extraction activities and provide for the future use of these sites once these sites are no longer mined. These provisions are also intended to protect adjacent areas from adverse effects of extraction activities as well as protect the resource site from conflicting uses. The Steilacoom Mine and the Lacey Pit are located in the Mineral Extraction (ME) zone which allows for activities related to mineral extraction. This designation will remain in place until such time as these properties are ready to transition from mineral resource use. The Miles Sand and Gravel North Pit is designated as Hawks Prairie Business District-Business Commercial (HPBD-C); and the Miles Sand and Gravel South Pit is designated as Central Business District 6 (CBD-6).

Any notices specific to mineral resource lands must state the possibility of an application being made for mining related activities, like blasting, crushing, recycling, stockpiling, transporting, and washing of minerals.

C. Critical Areas

The GMA requires cities and counties to adopt regulations for the protection of environmentally critical areas, which include wetlands, aquifer recharge areas, fish and wildlife habitat conservation areas, frequently flooded areas, and geologically hazardous areas. These regulations are required to be periodically reviewed every eight years and brought up to date with any changes in the GMA and other relevant changes. Goals and policies contained in the plan are used to inform the content of development regulations in order to reduce the potential for impacts on the environment from changes in land use and development. Detailed analysis on impacts of future development is evaluated on a project basis through implementation of the Wetland Protection regulations and the State Environmental Policy Act (SEPA) during the development review process.

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BEST AVAILABLE SCIENCE

GMA requires jurisdictions to use Best Available Science (BAS) in revising or adopting policies and regulations related to critical areas to protect the functions and values of these areas. State agencies have published suggested guidance materials to assist in identifying BAS for critical areas protection. In addition, other scientific information that is directly applicable to the community is used. Utilization of BAS is also central to recovery efforts required under the Endangered Species Act (ESA). The process to ascertain and identify pertinent BAS for the community assists in policy and regulatory decision-making.

Lacey's natural environment is composed of a variety of soils, waterways, vegetation, and geologic features. Some areas of the City have physical features that are compatible with development of variable intensities while other areas have challenges or are incompatible. The City regulates land use and development activities to protect certain critical areas as well as protect the public health, safety, and welfare.

WETLANDS

Wetlands are designated critical areas that are an integral feature of the City's urban landscape and local hydrologic cycle. In their natural state, wetlands provide many valuable social and ecological services such as controlling flooding and stormwater runoff; protecting water resources; providing areas for ground water recharge; preventing shoreline erosion; providing habitat areas for many species of fish, wildlife, and vegetation; and providing open space areas.

Wetlands and their buffer areas are valuable natural resources with development constraints due to flooding, erosion, soil liquefaction potential, and septic disposal limitations. Buffer areas surrounding wetlands are essential to maintain and protect wetland functions and values. Urbanization in the watershed diminishes the function of individual wetlands. Considerable acreage of these natural resources has been lost or degraded by draining, filling, excavating, building, or other acts incompatible with the stewardship of such areas.

Each wetland provides various beneficial purposes dependent on the wetland type functions. Larger wetlands and those hydrologically associated with lakes and streams have comparatively more important function in the watershed than smaller, isolated wetlands.

Wetland Protection Measures

To ensure the protection of these areas, the City has adopted regulations to avoid or minimize damage to wetland areas. These protections require activities not dependent upon a wetland location to be located away from wetlands and their associated buffer areas. The stated purpose of the Wetlands Protection Ordinance is to achieve no net loss of wetlands by requiring restoration or enhancement of degraded wetlands or creation of new wetlands to offset losses that are unavoidable. The long-term goal of the City is to increase the quantity and quality of Washington's wetland resource base. The provisions for wetlands are reviewed and updated as required as relevant data and information becomes available.

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Three mapping sources are utilized to show the appropriate delineations of wetland areas within the city of Lacey. The Lacey Land Use and Zoning Map has an overlay zone showing environmentally sensitive areas; the National Wetlands Inventory maps; and the Department of Natural Resources Water Typing maps. These maps are used as indicators of possible wetland sites. Precise designation and delineation of wetlands must rely on field surveys at the time of review of individual sites initiated by development proposals.

Woodland Creek Basin

Woodland Creek serves as the primary natural drainage way through Lacey that is the culmination of a chain of connected lakes that flow from one to the other through wetlands. The Woodland Creek drainage system discharges into Puget Sound at Henderson Inlet. Woodland Creek is a major freshwater stream draining into Henderson Inlet and has a total length of approximately eleven miles. Several springs and smaller creeks feed into Woodland Creek.

The creek does not meet water quality standards due largely to issues with fecal coliform bacteria. Sources of these bacteria are from septic systems, animal waste, and other pollutants such as fertilizer. The creek is on the Department of Ecology's 303d list of impaired waters for water quality standards for fecal coliform, dissolved oxygen, and temperature. A TMDL (Total Maximum Daily Load) has been adopted to address fecal coliform in the creek. The TMDL's identify appropriate control actions to meet water quality standards. As such, the City cannot add to the amount of fecal coliform in the stormwater system. To address water quality treatment and flow control of stormwater runoff, Lacey has constructed nine regional stormwater facilities since 1991. Three of these regional facilities address stormwater from Woodland Creek. Ongoing measures are being implemented to continue to improve the water quality of the creek.

In 2006, Lacey joined with Thurston County and LOTT Wastewater Alliance to commission a study to estimate the amount of fecal coliform bacteria and nitrate pollution coming from various sources in an area along Woodland Creek and to identify feasible options for reducing the pollution. The City and Thurston County have been pursuing projects based on this recommendation including Woodland Creek Estates sanitary sewer project, Tanglewilde stormwater project, and the Aquifer Recharge Enhancement Area project in Woodland Creek Community Park.

Provisions have been included in the Lacey Historical Neighborhood zoning district that requires development and uses bordering Woodland Creek maintain a two-hundred foot natural buffer from the ordinary high water mark on both sides of the creek. Uses in the buffer area are limited to natural open spaces, trails, passive recreational activities, streets, and utility services. Pretreatment of stormwater runoff directed to the creek is also required to mitigate water quality impacts. Due to the high level of concern with water quality issues in the Woodland Creek Basin, this buffer area requirement should be extended to other zones bordering the creek.

FLOOD HAZARD PROTECTION

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Flood plains and other areas subject to flooding perform important hydrologic functions and may present a risk to persons or property. Lacey's streams and lakes are subject to flooding during periods of heavy rainfall. Protection of life and property during flood events is a critical part of the City's duty to the public's safety.

The GMA recognizes the impact flooding can have on jurisdictions and requires the classification of such areas and the provision of standards to protect the public safety. Local jurisdictions are required to classify, at a minimum, the 100-year flood plain designations of the Federal Emergency Management Agency and the National Flood Insurance Program.

Flood Control Regulations

Flood control and floodplain management regulations seek to identify floodplains, develop local controls over land uses in flood prone areas, prepare plans to eliminate or mitigate human health risks and property damage from future floods, and manage flood events as they occur. Many state regulations are based on federal regulations, and many local regulations are based on state and federal regulations. State statutes are periodically amended to strengthen and coordinate flood hazard management activities.

Three principal state statutes address flood hazard management activities:

1) Flood Control by Counties (RCW 86.12) – Originally enacted in 1907, this statute authorized the levy of taxes and eminent domain to control or prevent flood damage. The bill expanded the role of counties in developing and adopting comprehensive flood hazard management plans. While counties are responsible for basin plan management, a participatory process with cities is required.
2) Floodplain Management (RCW 86.16) – This statute integrates local and state regulatory programs to reduce flood damage and protect human health and safety. The state program requires that local flood-prone jurisdictions adopt a flood damage prevention ordinance based on standards in the National Flood Insurance Program (NFIP). State regulations go beyond federal standards by prohibiting new or substantially improved residential construction in designated floodways.
3) State Participation in Flood Control Maintenance (RCW 86.26) Program (NFIP) – This statute is administered by the state Department of Ecology through the Flood Control Assistance Program (FCAAP). Local governments participating in the NFIP and meeting state requirements are eligible for matching funds for certain facilities and to develop comprehensive flood control management plans.

Lacey has been participating in the flood insurance program since 1980. The City has a flood protection ordinance as a chapter in the Lacey Municipal Code based on the federal NFIP. The basis for establishing areas of special flood hazard are those that are identified by the Federal Insurance Administration in a scientific and engineering report entitled The Flood Insurance Study for Thurston County, Washington and Incorporated Areas, Oct. 16, 2012. This report, with accompanying flood insurance rate maps (FIRM), is used as the best available information for flood hazard identification. As new data and information become available, the City works to update these regulations.

CRITICAL AQUIFER RECHARGE AREAS

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Lacey and the Thurston region have done extensive study on identification and protection of underground aquifers located in northern Thurston County due to these aquifers being the sole source of drinking water for over 100,000 people. Groundwater protection is a particular concern in Thurston County as nearly 100% of the County's domestic, industrial, and agricultural water supplies rely on groundwater. Lacey is a member of the Northern Thurston County Groundwater Advisory Committee, which reports to the Department of Ecology. The committee oversees the development of technical data, the Northern Thurston County Groundwater Management Plan, and citizen involvement in ground water protection.

The hydrology of northern Thurston County indicates it is susceptible to contamination. Many of the surface deposits are sands and gravels that water and contaminates can move through easily. The water table is also close to the surface in places. The area of northern Thurston County has been designated as a groundwater management area and includes a total of 232 square miles. The groundwater management area boundaries were set with the goal of protecting the entire groundwater system within the hydrogeological boundaries of the northern Thurston County region.

According to studies, the groundwater management area contains a fairly distinct and hydraulically isolated mass of groundwater that does not receive water from the Cascade or Olympic Mountains or other distant locations. While streams and lakes provide a significant amount of groundwater recharge, rainfall is by far the primary source of water for the replenishment of the aquifer system.

In some areas there are a few soils and subsurface particles that contaminates can bind to easily. In many areas there are no confining layers between higher and lower aquifers so they are considered vulnerable. The degree of susceptibility varies throughout the groundwater area depending on the geologic characteristics of the subarea. A contaminate source must be present to pollute groundwater. Once groundwater is contaminated, it is difficult to clean up and the cost may be prohibitive.

Aquifer Recharge Areas Classified

The GMA requires the classification of recharge areas for aquifers according to the vulnerability of the aquifer. Vulnerability is the combined effect of hydrogeological susceptibility to contamination and the contamination loading potential. High vulnerability is indicated by land uses that contribute contamination that may degrade groundwater and hydrogeological conditions that facilitate degradation. Low vulnerability is indicated by land uses that do not contribute contaminants that degrade ground water and those conditions that do not facilitate digression.

Aquifer Recharge Regulations

Chapter 14.36, Critical Aquifer Recharge Areas Protection, contained in the Lacey Municipal Code outlines provisions for the protection of critical aquifer recharge areas and wellhead protection areas. The provisions contained in this chapter will be reviewed and updated based on best available science and technical guidance provided by the Washington State Department of Ecology that has become available since it was last reviewed and amended in 1999.

Critical aquifer recharge areas are rated by category based on the soil series listed in the Thurston County Soil Survey. The regulations contained in the code apply to aquifer sensitive areas listed as Category I or II, wellhead areas, or those areas that meet the stated criteria set forth in the protection measures. Interagency coordination with the Thurston County health officer is completed when an application is submitted requesting authorization of activities within an aquifer sensitive or wellhead protection area.

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GEOLOGICALLY SENSITIVE AREAS

Geologically sensitive areas are those which are susceptible to erosion, landslides, earthquake and other geological events which pose a threat to public safety. At issue is the proper location and design of commercial, residential and industrial development to remove or reduce incompatibility with underlying geology.

Some geological hazards can be mitigated by proper engineering design or modified construction so that risks to health and safety are acceptable. However, when technology cannot reduce risk to acceptable levels, building in geologically sensitive areas shall be avoided.

Classification of Geologically Sensitive Areas

The GMA recognizes the significant hazard to the public health and safety from geologically hazardous areas. The Act requires jurisdictions to classify and designate geologically hazardous areas, including erosion hazard, landslide hazard, seismic hazard, and areas subject to other geological events.

Chapter 14.37 of the Lacey Municipal Code outlines provisions for Geologically Sensitive Areas Protection. Areas in Lacey that are prone to one or more of the following hazards are defined as geologically sensitive:

- **Erosion Hazard Areas**
- **Landslides Hazard Areas**
- **Seismic Hazard Areas**
- **Other geologically hazardous areas not mapped but meet the criteria of geologically sensitive areas, such as hillside areas having slopes of fifteen percent or greater.**

The City utilizes mapping as a guide to the general location and extent of geologically sensitive areas including Geologically Sensitive Areas Map; the Lacey Urban Growth Area Zoning Map; and the Soil Survey of Thurston County Washington. A qualified professional geotechnical engineer is

required to perform geologically sensitive area determinations. Coordination with other agencies, such as the U.S. Department of Agriculture Soil Conservation Service and other state and local agencies having jurisdiction or expertise in geologically sensitive areas, provides them the opportunity to comment on applicable development proposals.

In conjunction with the Thurston County Department of Emergency Management and twenty six area jurisdictions, the city of Lacey participated in the preparation of the Natural Hazards Mitigation Plan, September, 2009. Risk assessments for major natural hazards that threaten the Thurston Region and effective mitigation strategies are contained in the plan. Local governments are required to adopt a federally approved hazard mitigation plan in order to be eligible to apply for, and to receive, federal mitigation assistance program grants. These plans must be updated every five years. Each entity is responsible for implementation of their individual mitigation initiatives based on funding availability and entity priorities.

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The Thurston region frequently experiences damage from natural hazard events such as earthquakes, landslides, severe storms, flooding, wildfires, and to a lesser extent volcanic eruptions. Natural disasters occur when people, property, and infrastructure are vulnerable or directly exposed to the effects of natural hazards.

As available developable land becomes more costly and difficult to locate in the urban growth area, properties that are encumbered with development limitations experience increased development pressures. Verifying the location and extent of environmentally sensitive areas prevents adverse impacts and protects public health and safety. Since the current development regulations for geologic sensitive areas were established for the City, additional knowledge and protection measures have been developed. The current development regulations and mapping resources for these areas should be reviewed and refined as necessary.

McAllister Springs Geologically Sensitive Area

The McAllister Springs area has been designated as a geologically sensitive area. Chapter 16.10 of the Lacey Municipal Code contains measures to protect the McAllister Springs Sensitive Area by provision of sewer and the application of strong water quality standards for residential uses. Residential densities are determined based on sewer availability. Additional environmental performance standards are also required to minimize surface water runoff and diversion, prevent soil erosion, and promote the aesthetic character of the community.

D. Habitat Conservation Areas

Preservation of fish and wildlife habitat is critical to the protection of suitable environments for animal species and in providing a desired quality of life for the community. The conservation of habitat entails active land management for maintaining species within their preferred habitats and accustomed geographic distribution. Isolation of sub-populations creates susceptibility to predation, dislocation, and inadequate food supplies. Habitat protection does not require the protection of all individuals of all species but it does require that land use planning be sensitive to the priority of saving and protecting animal-rich environments.

As salmonid fish species have been deemed to play an extremely important role in the ecosystem and are important cultural resources, jurisdictions must give special consideration to conservation and protection measures necessary to preserve or enhance anadromous fisheries[1].

CLASSIFIED FISH AND WILDLIFE HABITAT

The GMA requires the classification of seasonal ranges and habitats which are critical to the survival of endangered, threatened, and sensitive species. Habitats and species of local importance must be classified, including areas designated as priority habitats or priority species by the Washington Department of Fish and Wildlife (WDFW).

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A listing of fish and wildlife habitat conservation areas to be protected by the state and the Lacey Municipal Code include:

- **Areas with which state or federally designated endangered, threatened, and sensitive species have a primary association;**
- **Habitats and species of local importance**
- **Commercial and recreational shellfish areas;**
- **Kelp and eelgrass beds, herring and smelt spawning areas;**
- **Naturally occurring ponds under twenty acres and their submerged aquatic beds that provide fish or wildlife habitat, including those artificial ponds intentionally created from dry areas in order to mitigate impacts to ponds;**
- **Waters of the state, including lakes, rivers, ponds, streams, island waters, underground waters, salt waters and all other surface waters and watercourses within the jurisdiction of the state of Washington;**
- **Lakes, ponds, streams, and rivers planted with game fish by a governmental or tribal entity;**
- **State natural areas preserves and natural resource conservation areas; and**
- **Land essential for preserving connections between habitat blocks and open spaces.**

There are currently 20 habitat types, 155 vertebrate species, 41 invertebrate species, and 11 species groups currently in the Priority Habitats and Species (PHS) List. These constitute approximately 17% of Washington's vertebrate species and fauna. Mapping of these priority areas was initiated in 1990 and is updated as information becomes available. These species and habitats may occur in areas not presently known due to lack of information or mobility. Site-specific surveys may be necessary in some cases. Species and habitats are mapped by county. Species distribution maps depict where each priority species is known to occur as well as where habitat primarily associated with the species exists.

Priority habitats are identified based on attributes that are unique or have significant value to many species. Priority species are identified and mapped based on three separate criteria: state listed and candidate species; vulnerable aggregations; and species of recreational, commercial, and/or tribal importance. Species are often considered a priority only within limited habitats such as

1 RCW 36.70A.172(1)

breeding areas or within areas that support a relatively high number of individuals. If species are so rare that any occurrence is important in land use decisions, then the priority area would be determined to be any occurrence.

DETERMINATION OF HABITAT CONSERVATION AREAS

All areas of Lacey meeting one or more of the designated fish and wildlife habitat conservation areas are subject to the development regulations contained in Chapter 14.33, Habitat Conservation Areas Protection, in the Lacey Municipal Code. Several mapping sources can be utilized to determine the approximate location and extent of habitat conservation areas in the City, including the Environmental Protection and Resource maps and zoning maps; the Department of Fish and Wildlife Priority Habitat and Species maps; the Department of Natural Resources Official Water Type Reference maps; and Anadromous and Resident Salmonid Distribution maps contained in the Habitat Limiting Factors.

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The exact location of habitat conservation areas is required to be determined during the review of development proposals by the performance of a field investigation applying specific habitat or species recommendations of the WDFW for the completion of a management plan. A critical areas report and the recommendations provided by the Department of Fish and Wildlife in its publication, "Management Recommendations of Washington Priority Habitats and Species," should be followed.

ENDANGERED SPECIES ACT

The primary goal of the Endangered Species Act (ESA) is the recovery of listed species to levels where protection under the ESA is no longer necessary. Through a listing program, the U.S. Fish & Wildlife Service (USFWS) determines whether to add a species to the Federal list of endangered and threatened wildlife and plants. Listing affords a species the full range of protections available under the ESA, including prohibitions on killing, harming or otherwise "taking" a species.

Listings for state or federal threatened or endangered species identified in Thurston County include: bull trout, chum salmon, steelhead, Marbled Murrelet, Oregon spotted frog, spotted owl, streaked horned lark, orca, Mazama pocket gopher (four subspecies), and the Taylor's Checkerspot butterfly. Some of these species, such as the Oregon spotted frog have no known occurrence in the Lacey UGA.

As part of a broader effort to preserve the native prairie ecosystem of the South Puget Sound area, the USFWS recently listed several species as threatened or endangered under the ESA. These listings include the four subspecies of the Mazama pocket gopher, the Taylor's Checkerspot butterfly, and the streaked horned lark.

There are no known areas in the UGA where the Taylor's Checkerspot butterfly has been identified. At present, there has been a sighting of a single streaked horned lark in the Hawk's Prairie area and areas in the unincorporated portion of the UGA where field surveys have confirmed the existence of the pocket gopher. In the unincorporated portions of the UGA, Thurston County has conducted

field surveys with the USFWS during the permitting process and is completing a Habitat Conservation Plan (HCP) for prairie habitat and species. The HCP will outline a series of methods that will be used to regulate activities listed under the ESA. Due to the limited occurrence of these species within the incorporated portions of the City, each development proposal will be evaluated on a case by case basis.

PERFORMANCE STANDARDS

The code outlines minimum performance standards for alterations to conservation areas and provides for conditional approvals of activities allowed within or adjacent to a habitat conservation area or its buffers to minimize or mitigate any potential adverse impacts.

Additional performance standards for specific habitats such as endangered, threatened, and sensitive species; anadromous fish; wetland habitats; and riparian habitat areas are also identified. A variety of standards are employed for protecting habitats and species including: erosion and stormwater controls, setbacks and buffers around streams, wetlands and shorelines, and best management practices.

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E. Shoreline Master Program

The foundation for shoreline management in Washington State is the Shoreline Management Act (SMA) (RCW 90.58) which was ratified by voters in 1972 based on a citizen initiative submitted to the legislature. The standards for local policies and regulations are embodied in the Shoreline Master Program Guidelines for managing, accessing and protecting shorelines. The SMA has three broad policies outlined in state law which includes

- **Protect the environmental resources of state shorelines**
- **Promote public access and enjoyment opportunities**
- **Give priority uses that require a shoreline location**

Local SMP's are required to be reviewed by the state Department of Ecology to insure compliance with state law.

LOCAL REGULATORY FRAMEWORK

The City of Lacey Shoreline Master Program (SMP), adopted on September 8, 2011 is the local mechanism for carrying out Shoreline Management Act. The SMP includes goals, polices, and regulations based on shoreline types and uses that is crafted to meet the needs of the City and also meet state laws and rules. State law has designed a partnership between local jurisdictions and the Department of Ecology as co-regulators of designated shorelines of the state. Lacey's SMP is required to be reviewed at a minimum of every eight years, and if necessary revised for compliance with applicable laws and regulations and the comprehensive plan.

The City has authority over shorelines within its municipal boundaries. Those shorelines within the city of Lacey and its UGA have been inventoried and found to meet criteria for lands within the jurisdiction of the SMP. These shoreline areas are as follows:

Marine Waters:

- **Nisqually Reach**

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Lakes:

- **Chambers Lake**
- **Hicks Lake**
- **Long Lake**
- **Pattison Lake**
- **Southwick Lake**

Streams and Floodplains:

- **Woodland Creek**

The jurisdiction of the master program is defined as lands which extend landward two-hundred feet from the ordinary high water mark of "shorelines of the state," which includes all "shorelines" and "shorelines of statewide significance" as defined by state law. These areas are defined as having special economic and environmental value. These areas include marine waters; lakes larger than twenty acres in size; streams where the mean annual flow is twenty cubic feet per second; all of the 100 year flood plain within the associated shorelands; those wetlands which are in proximity to either influence or are influenced by the stream; and lands within a river delta flood plain not protected from flood waters by flood control devices.

The approximate shoreline jurisdiction and shoreline environment designations are delineated on the city of Lacey Shoreline Master Program Map. For the purposes of coordination of shoreline requirements with general land use regulations and the Comprehensive Plan, the shoreline designations are also shown as an overlay on the Comprehensive Land Use and Zoning Map.

The SMP contains four different shoreline environment designations: aquatic, natural, urban conservancy, and shoreline residential. These designations are used to differentiate between areas whose features imply differing objectives regarding their use and future development. Each of these designations has a stated purpose, designation criteria, and management policies that are intended to protect and manage the unique characteristics and resources of the different areas.

Goals & Policies (From SMP)

The goals and policies of an approved SMP are considered to be an element of the City's Comprehensive Plan. In 2003, the state legislature linked updates to local shoreline plans with the GMA.

The goals and policies contained in the city of Lacey SMP are incorporated by reference into this Comprehensive Plan.

F. Environmental Policy

CARBON REDUCTION AND RESILIENCY (CR_2)

The Carbon Reduction and Resiliency Plan provides a road map for Lacey's energy policy and is a progressive program that will be applied in work towards sustainability. The plan sets benchmarks for carbon reduction and looks at sustainability issues. In 2008, the city of Lacey joined Local Governments for Sustainability to reduce greenhouse gas (carbon) emissions and work toward sustainable practices and policies. Lacey began implementing measures to protect air quality and the environment in 2009 based on the plan. Selecting and prioritizing future measures are intended to take place during the second phase of the Envision Lacey process.

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TACOMA SMELTER PLUME

The Tacoma Smelter Plume is a 1,000 square mile area contaminated with arsenic and lead. Asarco's former copper smelter in north Tacoma released arsenic, lead and other heavy metals into the air for over 100 years. The wind carried these pollutants and they settled on surface soils across parts of King, Pierce, and Thurston Counties including northeast Lacey. Arsenic and lead are toxic metals and exposure can increase the risk of certain health problems. Arsenic and lead are not easily absorbed through the skin; however, working in the soil can increase the risk of accidentally swallowing soil and breathing dust. In 1983, the smelter site itself became a superfund site and cleanup of the surrounding area began.

In northeast Lacey, within areas identified by the Washington State Department of Ecology as areas being potentially over safe levels for arsenic, development projects are required to conduct soil sampling and remedy any contamination above safe levels (above 20 parts per million). The cleanup of these development sites are conducted through the Department of Ecology's Voluntary Cleanup Program (VCP). Through the VCP, cleanup options for contaminated sites may include:

- **Excavation and removal of contaminated soil.**
- **Mixing or tilling.**
- **Capping in place with soil or pavement.**
- **Consolidation and capping where soil is moved to one spot for capping.**

GOALS & POLICIES

Resource Lands and Critical Areas

Goal 1: Development shall protect, conserve and complement natural resources and environmentally sensitive areas and promote sustainability.

Policy A: Development shall be consistent with the Environmental Element, the provisions contained in the Lacey Municipal Code and sustainability goals and objectives contained in the Comprehensive Plan.

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Resource Lands

Goal 1: Accommodate designated natural resource lands within the urban growth area in compliance with the stated intent of goals, policies and land use designations contained in the Comprehensive Plan.

Policy A: Allow for the continued use of designated agricultural and mineral lands in areas that currently provide for such products until such time these properties are ready to transition to urban uses.

Policy B: Ensure that land uses proposed adjacent to designated resource lands are compatible with such activities and appropriate buffers and regulations are in place.

Policy C: Accommodate appropriate urban densities within the urban growth area that comply with identified goals, policies and development standards to help ease development pressure on areas outside the growth boundary.

Agricultural Lands

Goal 1: Accommodate existing designated agricultural uses within the urban growth area over the short term and support the preservation of agricultural areas of long-term significance outside the urban growth area.

Policy A: Accommodate urban agricultural activities with sensitivity to urban density and land use compatibility issues.

Policy B: Support urban agricultural activities to provide fresh produce to encourage a healthy lifestyle; additional food choices; economic development opportunities; a more sustainable lifestyle; and urban neighborhoods with variety and interest.

Policy C: Periodically review the established design standards for urban agricultural activities to ensure that they do not compromise the livability of neighborhoods nuisance levels that could degrade the quality of life for surrounding residents.

Forest Lands

Goal 1: Recognize and protect suitably located non-commercial urban forest resources within the

urban growth boundary and support the protection of commercial forestry activities of long-term commercial significance outside the urban growth boundary.

Policy A: Implement and refine, when needed, the provisions contained in the Urban Forest Management Plan and Chapter 14.32 LMC, Tree and Vegetation Protection and Preservation.

Goal 2: Achieve and maintain a vibrant, healthy, and diverse urban forest in Lacey and Lacey's urban growth area consisting of both native and non-native landscape components to improve canopy cover and the aesthetic and physical benefits of trees while protecting infrastructure from tree damage.

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Policy A: Base decisions on the preservation of trees and revegetation upon the requirements for individual development sites. Ensure that zoning classification considers criteria necessary for maintaining healthy, safe tree stands.

Policy B: Create and maintain a street tree program that takes advantage of indigenous trees, provides a coordinated and deliberative approach on preferred deciduous street tree species, and provides diversity of species, interest, and aesthetic quality. Promote the use of indigenous and drought-tolerant species, where appropriate.

Mineral Lands

Goal 1: Recognize Lacey's existing designated mineral resource lands while minimizing nuisance to adjacent urban uses.

Policy A: Existing mineral extraction sites in Lacey's urban growth area should be designated as such upon annexation if the site is being used for mineral extraction.

Policy B: Require a land use analysis for the designation of new mineral resource lands in the UGA that considers costs savings, urban reuse of the property, impacts to adjacent areas, and impacts to designated critical areas.

Critical Areas

Goal 1: Incorporate a systems perspective into policy, regulatory, and service decisions, recognizing the interrelationship of people, nature, and the economy.

Policy A: Recognize that Lacey's quality of life is one of its competitive advantages and promote economic growth that maintains and enhances this quality of life.

Policy B: Continue to recognize the requirement for, and substantial benefit of, incorporating the use of "best available science" in the overall management of critical areas and natural resource protection.

Policy C: Continue to preserve and protect significant environmental features including unique wetlands, shorelines, hillsides, and habitat areas to support wildlife and protect surface and groundwater resources.

Wetlands

Goal 1: Work to achieve no net loss of wetland resources and increase the quality and quantity of these resources.

Policy A: Utilize and amend, when necessary, Lacey's wetland protection measures to ensure protection of Lacey's wetland resources.

Flood Hazard Protection

Goal 1: Protect Lacey's citizens and property from flood hazards.

Policy A: Utilize and amend, when necessary, Lacey's flood hazard protection measures to minimize flood hazard impacts to life and property.

Policy B: Continue to participate in the National Flood Insurance Program to minimize risk of flood hazard.

Policy C: Utilize drainage and erosion control standards to respond and mitigate drainage problems.

Critical Aquifer Recharge Areas

Goal 1: Protect the quality and manage the quantity of groundwater resources.

Policy A: Seek to prevent groundwater contamination by protecting groundwater resources through various implementation measures.

Policy B: Strive to assure that proactive measures are taken to protect water quality from degradation and promote corrective actions in areas where degradation has occurred so that the net effect is an improvement of ground and surface water quality.

Policy C: Continue to implement adopted standards to regulate land uses within sensitive aquifer areas and well head protection areas.

Geologically Sensitive Areas

Goal 1: Protect the health and safety of the community and property to avoid the adverse impacts of erosion, landslide, and other geologic hazards.

Policy A: Mitigate geological hazards by proper engineering design and modified construction techniques when risk to health and safety are deemed acceptable. When technology cannot reduce risk to acceptable levels, development in geologically sensitive areas shall be avoided.

Policy B: Review and refine development regulations and mapping resources for geological sensitive areas as additional resource information becomes available.

Policy C: Continue to recognize the McAllister Springs area as geographically sensitive and require

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environmental performance standards to protect water quality, prevent soil erosion, and minimize surface water runoff and diversion.

Habitat Conservation Areas

Goal 1: Provide consideration, protection, and effective management of Lacey's habitat conservation areas.

Policy A: Utilize information and recommendations from the Department of Wildlife in classifying and designating priority habitats and species.

Policy B: Provide habitat for wildlife by maintaining a system of interconnected stream and trail corridors, shorelines, open spaces, vegetated LID facilities, and parks in areas of high habitat value.

Policy C: Continue to work with area resource partners to identify priority projects for habitat restoration projects.

Policy D: Continue to work with the U.S. Department of Fish & Wildlife to provide adequate mitigation, when required, for listed threatened and endangered species and habitat within the urban growth area.

Carbon Reduction and Resiliency (CR2)

Goal 1: Work to reduce greenhouse gas (carbon) emissions and work toward sustainable practices and policies.

Policy A: Work to conduct City operations in a manner that provides quality municipal services to the community while encouraging resource conservation and reducing adverse environment impacts.

IMPLEMENTATION STRATEGIES

1) Amend the provisions in Chapter 14.32 LMC, Tree and Vegetation Protection and Preservation and other applicable development standards as necessary to reflect updated goals and policies contained in the Lacey Urban Forest Management Plan.

2) Amend the development code to require a two-hundred foot buffer on all properties abutting Woodland Creek.

3) Begin implementation of Phase II of the Carbon Reduction and Resiliency Plan.

4) Add review criteria to Chapter 16.45, Mineral Extraction District, to require an analysis of designating new mineral resource lands in the UGA in order to determine if significant cost savings can be obtained from using minerals close to their source; the potential for reusing the mined land for other purposes once mining is complete; potential conflicts and impacts to adjacent urbanized areas; and impacts to designated critical areas.

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5) Re-examine designated agricultural lands for compatibility and intensity of nearby land uses, land values, and availability of public facilities to determine if more appropriate zoning should be put in place.

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CITY OF LACEY
ECONOMIC DEVELOPMENT ELEMENT
OF THE LACEY COMPREHENSIVE PLAN
2016

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ECONOMIC DEVELOPMENT

Community Vision – Lacey has a strong and healthy economy that provides economic opportunities for all citizens; generates sufficient revenues to ensure the provision of essential public services; and makes Lacey a great place to live, work, learn, shop, and play.

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ELEMENT CONTEXT

The Economic Development Element (Element) is focused on ensuring community prosperity and a healthy economy: an economy that is characterized by quality job creation and retention, and the resources to provide adequate services. A healthy economy requires a supply of commercial and industrial sites, utilities, infrastructure, jobs, and services sufficient to meet the community's needs and to provide opportunity over time.

The Land Use Element of the Comprehensive Plan addresses the City's goal to enrich the quality of life in Lacey for all citizens by building an attractive, inviting, and secure community. Part of that goal is to develop a vibrant and diversified economy. The Economic Development Element supports that effort by providing guidance on the quantities and types of non-residential land uses that will be needed, at mileposts along the way, over the next twenty years.

The Economic Development Element is one of three documents that address economic development efforts in Lacey. The other two documents are the Economic Development Strategy (Strategy), which is Appendix 1 of this document, and the Economic Development Program Work Plan (Work Plan). Unlike other elements in the Comprehensive Plan, the implementation measures for the Economic Development Element are not contained within the Element itself; they are contained in the Strategic Plan. The Element communicates values, vision, and sets forth goals and policies. The Strategy lays out how the policies contained in the Element will be accomplished. The Work Plan explains the concrete steps that will be taken, and the tactics used, to carry out the Strategy. While none of the three documents is completely static, the Strategy will evolve more quickly than the Element, and the Work Plan will adjust more quickly than the Strategy.

Beginning from the state of Lacey's economy, analyzed in 2015, the Element helps to shape the City's economy over the next twenty years. Relating to other elements of the Comprehensive Plan, the Economic Development Element impacts the extent of land development; the composition of land uses; helps to determine utility needs; and influences the City's ability to generate sufficient revenues to provide essential public services and the amenities that citizens need, want, and expect.

EFFECTIVE COLLABORATION

Lacey's approach to working with citizens, businesses, business owners, and entrepreneurs—its "customers"—is to minimize obstacles to their success. This approach, sometimes referred to as "the Lacey way," has served the City and its stakeholders well.

The city of Lacey coordinates its economic development efforts with a number of economic development community partners. These include public sector, private sector, and non-profit economic development organizations. Not all partners collaborate on all projects. Occasionally some partners may find themselves in competition with other partners in certain circumstances. This can happen when working with a business where two or more sites, in different Thurston County cities, might be under consideration. The more likely scenario for a competitive situation would be when a business that will generate large amounts of sales tax is seeking a site. Please refer to Exhibit 1, Organizations Providing Economic Development Services in Thurston County.

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While there is County-wide collaboration, there is currently no Comprehensive Economic Development Strategy, also known as a CEDS. A CEDS is a strategy-driven plan for regional economic development, normally developed at a county or regional level. A CEDS is required by the Economic Development Administration (EDA) of the U.S. Department of Commerce for grants, or funding for the establishment of revolving loan funds. While Lacey and Thurston County are not considered economically distressed, and therefore not eligible for EDA funding, the development of a CEDS would help to formalize, on a county/regional level, which partners provide which services, protocols for working together, and where to most effectively focus scarce resources.

LACEY IN 2015

Strengths

Lacey's abundance of strengths fall into seven areas, and three thematic groups: collaboration, leadership, and stability; demographics and workforce; and location and value.

Collaboration, Leadership, and Stability

- Lacey's elected officials, management, and staff collaborate effectively with citizens, one another, community partners, and with businesses.
- The extensive network of community partners also collaborate effectively with one another, which provides a number of essential economic development services.
- Lacey enjoys stability and strong leadership.
- The combination of collaborative approach, strong leadership and stability lead to processes that are clear, predictable, fast, and inexpensive: qualities sought and valued by businesses.
- Among the economic development services provided by the City's partners are the Federal Foreign Trade Zone, the Federal Historically Underutilized Business (HUB) Zone, the Center for Business and Innovation, and a variety of business financing programs.
- The Federal Foreign Trade Zone spurs economic output and job creation in the local area by delaying or eliminating the payment of tariffs on materials and goods brought in from

abroad for further processing in the Zone.

- The HUB Zone attracts businesses and jobs into areas where businesses have been disadvantaged, and assists those existing disadvantaged businesses by helping them to qualify for bonus points when competing for federal contracts.
- The Center for Business and Innovation provides a full range of services to entrepreneurs and businesses.
- Business financing programs are essential to ensure that businesses have access to the capital they need to grow and create jobs. This is especially critical for early stage businesses that may not yet qualify for traditional bank financing.

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Demographics and Workforce

- The demographics in the city of Lacey are favorable for economic development.
- Because many of its citizens work for the State, or at Joint Base Lewis-McChord (JBLM), Lacey residents enjoy good earnings, benefits, and purchasing power.
- The nature of the work for the State, and at JBLM, requires a highly skilled and knowledge-based workforce, so education attainment is high.
- The highly skilled and educated workforce employed by the State and JBLM is a source of pride for the community and contributes to the positive social fabric.
- Particularly with Lacey citizens who are in the military, Lacey has a large contingent of citizens in a younger demographic.
- Lacey has a large group of active retirees, particularly at the Panorama and Jubilee communities. Both groups are among the wealthiest citizens in Lacey, and in the upper income and wealth range on a nationwide basis. Both groups add to Lacey's social stability.

Location and Value

- The value that Lacey represents to businesses and citizens, that helps to attract economic development activity, is a high quality of life with a low cost of living, and low barriers to entry.
- Besides the quality of life characteristics enjoyed by residents already discussed, Lacey's location offers proximity to the urban centers of Seattle and Portland, but without the urban problems and high costs.
- Lacey offers businesses room to expand and grow.
- Lacey's location attracts skilled workers by offering beautiful surroundings, access to mountains, Puget Sound, the Pacific Ocean, and Olympic National Park: the sixth most visited national park in the U.S.[1]
- Lacey's strategic location along the I-5 corridor between Seattle and Portland is a strength. This location provides good access to Amtrak, SeaTac Airport, Portland International Airport, and the Ports of Olympia and Tacoma.
- Another location advantage is Lacey's mild climate, combined with relatively inexpensive electricity, which helps keep power costs manageable for businesses.
- Lacey's mild climate means few storms or other weather events to disrupt economic activity.
- Appropriately-zoned and developable sites on which to locate businesses are still available in Lacey, due largely to forward thinking land planning in the 1990's.

Weaknesses

Lacey's weaknesses fall into five broad categories: collaboration, location, transportation, legislation, and lack of financial resources. Just as Lacey's strengths are interconnected, so are its weaknesses, with lack of financial resources connected to all of them.

Collaboration

- Despite the strengths of strong committed leadership, and effective collaboration among partners, lack of financial resources allows weaknesses to remain.
- As was discussed under the heading "Effective Collaboration," there is no CEDS for the Lacey area, either at the county or regional level.
- There is no EDA-recognized Economic Development District encompassing Lacey.
- Neither the City, nor the Economic Development Council (EDC), have the financial resources to staff a dedicated formal full-time Business Retention and Expansion visitation program (BRE), nor a robust and sharable database/contact management program to maintain information on the businesses operating in the community. The reason this matters is that 98% of new jobs in a community result from expansion of existing businesses, or start-up of new businesses, with only 2% of jobs resulting from attraction of businesses from other locations.[2] A formal BRE program would make it more likely that businesses would stay and grow here, rather than being lured away elsewhere.
- There is no local provider of the U.S. Small Business Administration (SBA) Microloan program. This directly impacts the job-creating newer, smaller businesses, because they often cannot yet qualify for bank financing.

Location

- Despite the many strengths afforded to Lacey by its location, its many beautiful lakes do lead to some of the lack of interconnectedness of its roads, slowing commerce.
- Proximity to Olympia and Tacoma preclude Lacey from attracting some retailers that generate large amounts of sales tax revenue, exacerbating lack of financial resources.
- More missed opportunity than weakness, Lacey lacks a commercial waterfront. Its lakefront land is privately owned residential property with limited land reserved for parks. Lacey's only waterfront on Puget Sound is restricted to private use.

Transportation

- While funding made available in 2015 for widening of I-5 through JBLM and improvements to the Marvin Road Interchange will improve traffic flow on I-5, it will take until 2023 for all of the proposed work on I-5 to be completed.
- Lack of public transportation to the employment centers in northeast Lacey is a problem for businesses in the area, and their employees. Intercity Transit attributes this lack of service to lack of financial resources.
- Traffic on surface streets could be improved with further enhancement to traffic signal synchronization, additional right turn lanes, and realignment of some intersections. These

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delays negatively impact commerce, quality of life, and the environment.

- More a missed opportunity than a weakness, Amtrak's station location and schedule precludes use of the train for intercity commuting between the core area of Lacey to Tacoma or Seattle.

Legislative

- Legislative weaknesses include federal, state, and local laws, rules, and regulations.
- Lacey's economic activity is sensitive to fluctuations in federal/defense spending that impact JBLM, such as sequestration.
- Until just recently, political conflicts at the state level and lack of financial resources delayed wage increases for state employees for several years. This impacted economic activities, sales tax, and contributed to a lack of financial resources in Lacey.
- Until just recently, the legislature and the Governor were unable to agree on transportation funding. This delayed improvements to I-5, as well as the Marvin Road Interchange for several years, negatively impacting transportation in Lacey.
- At the local level, our current development rules, and lack of large undeveloped parcels with freeway frontage, discourage high sales tax generating businesses, such as recreational vehicle and boat dealerships, from locating on sites that would meet their needs in Lacey. This also contributes to lack of financial resources.
- At the local level, our current development rules preclude the development of large "travel center/truck stop" gas station/convenience stores that could generate substantial sales tax, and reduce retail leakage and sales tax leakage in this category.
- High water connection and traffic fees are an impediment to development of full-service sit down restaurants.
- The timing of the payment for water connection fees can make multifamily residential development too expensive, limiting workforce housing, weakening Lacey's workforce availability and strength, and further exacerbating lack of financial resources due to the loss of sales tax revenue on the construction materials.
- Legislative restriction at the state level, plus lack of financial resources at both the state and local level, has contributed to high vacancies, underutilized, and poorly maintained buildings in the Woodland District, particularly along Pacific Avenue.
- The departure of many state offices during the Great Recession worsened an already deteriorating office and retail market.
- The lack of financial resources to financially engage in public-private partnerships, and the legislative restriction from using tax increment financing (TIF) to provide a higher level of public services or amenities, is a serious weakness to the overall economic development of the City.

Opportunities

- Lacey's opportunities derive from its strengths. Lacey's demographics and highly skilled workforce have the potential to benefit new, new-to-the-area, and expanding businesses.
- As highly skilled members of the military exit the service, these individuals bring their skills with them; and many chose to remain in the area due to its high quality of life and relatively low cost of living.

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- Some of these individuals are also entrepreneurial. Due to the effective collaboration between the partners, including the operation of the Center for Business and Innovation, assistance will help these budding entrepreneurs get their businesses launched successfully.
- An under utilized resource in Lacey is the HUB Zone, which can provide qualifying small businesses bonus points when bidding on federal contracts.
- Another opportunity, due to Lacey's good demographics, is the absence of some higher end retailers in Thurston County. As these retailers move into markets with smaller populations, our demographics begin to match their requirements. At this time, Thurston County does not have a true high quality lifestyle shopping center appropriate to house such businesses. The undeveloped land adjacent to Cabela's could—if developed soon enough, and in the right style—capture that missed market opportunity.
- Lacey's location, demographics, and available land may present an opportunity to attract luxury car dealerships that are not currently present in Thurston County. While the urbanized area of Thurston County is too small in size and in population to support two dealerships representing the same car company, there are still a number of luxury car companies not represented in the market. Many of these now sell aspirational models that compete on price with many of the car companies that already have dealerships in Thurston County.
- The combination of all of Lacey's strengths creates significant opportunities to cement relationships with Lacey's businesses and entrepreneurs to ensure that the businesses stay in the area and take advantage of all the opportunities the area offers, and to expand and create jobs. These relationships between the businesses, entrepreneurs, the City, and the partners; and the relationships these businesses have with their vendors, suppliers, strategic partners, and their customers, afford opportunities for retention, expansion, job creation, and business attraction to the area.

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Threats

While not existing as current weaknesses, there are a number of threats that hold the potential to cause harm to the community, its citizens, its businesses, and its economic well being. The threats to Lacey are external. None of the threats can be prevented. However, by preparing for them, we can lessen their consequences.

- While Lacey is largely spared major weather events that cause long term damage, destruction, or disruption to commerce, there are other natural disasters that can impact us, including earthquakes or volcanic eruption.
- Of similar potential consequence is terrorism. In addition to the human suffering and damage, any of these could severely harm Lacey's economy and its businesses.
- Lacey is not a one-industry town, but JBLM's economic impact on Lacey and its citizens is significant. Lacey must remain flexible and resilient in the case of operational downsizing or expansion at JBLM.
- The presence and preservation of threatened and endangered species presents a challenge for habitat management and development in Lacey.
- One other potential threat would be negative media attention to areas immediately outside of the City, such as violent protests in Seattle and Olympia that might tarnish Lacey's image.

2015 Market Study

In early 2015, the City engaged a consultant to prepare a Market Study (Study) to be used to inform the Economic Development Element, the Land Use Element, the Economic Development Strategy, and the Economic Development Work Plan. The Study (Exhibit 2) was an in-depth look at Lacey's economy in 2015, and a look ahead over the next twenty years. The Study included an inventory of built space by type, including vacancies; job growth projections; projections of land use demand by type; and the creation of a complete inventory of businesses operating in the City. Also included was information on retail leakage, based on the City's 2015 city limits, that could be used in retail recruitment and to reduce sales tax leakage.

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The typical method for measuring retail leakage is to compare 100% of the retail sales within a city to 100% of the purchasing power of that city's residents. While retail sales in Lacey were available, determining the purchasing power of City residents was a problem due to the city of Lacey's boundaries. The City is spread over three zip codes and 16 census tracts, none of which is exclusively within the city limits. A larger issue is identifying the purchasing power of the residents within the total Lacey market area, rather than just those within the boundaries of the city limits. Depending on the type of goods being purchased, the market area might be as small as the immediate neighborhood or as large as a multi-county region.

A cursory review of the Study shows that, using data approximating the Lacey city limits, the City enjoys a net retail capture led by grocery stores, discount stores, warehouse stores, superstores, and home centers. This seems to contradict comparative sales tax information from the State of Washington Department of Revenue that has historically shown that Lacey lags Olympia, Tumwater, and many other Washington cities in per-capita sales tax collection. This contradiction necessitated further analysis, in the form of the Supplement to the Market Study (Exhibit 3), to look at three factors: geographic, retail versus taxable sales, and retail mix.

Expanding the geographic area to reflect Lacey's retail catchment area, including 100% of the residents for all census tracts touching Lacey, plus the city of DuPont, more closely matches the Lacey market. This includes areas where the closest stores selling goods routinely purchased by area residents are located in Lacey. Based on that larger area, some very large sales tax opportunities become obvious: automobiles and gas stations with convenience stores. Both of these potential sources of sales tax are discussed elsewhere under the "Strengths, Weaknesses, Opportunities, Threats Analysis" (SWOT). The potential for automobile sales is cited as an opportunity. The impediments to develop large-scale gas stations with convenience stores are cited as a weakness.

Not all retail sales in Washington are taxable. With few exceptions, groceries are not taxed. In Lacey, grocery stores account for nearly $200 million in annual retail sales. More than half of the $120 million annual sales at Lacey's warehouse clubs and superstores are groceries, trimming another $60 to $70 million of taxable sales from Lacey's retail sales.

As discussed under "Opportunities" in the SWOT analysis, looking at the retail mix we currently have in place, the size and demographics, Lacey's retail catchment area, and the Thurston County retail catchment area, the purchasing power exists to attract higher-end merchants than we have currently. However, the market lacks suitable sites for those stores that generally prefer open air malls and lifestyle centers with a high level of amenities.

Market Characteristics

In 2015, Lacey is a community of 80,230. Of that, 46,020 live within the city limits, with the rest in the Urban Growth Area (UGA.)[3] Given Lacey's proximity to the State Capital and JBLM, it is not surprising that government is the number one industry cluster. Approximately 5,200 Lacey residents work in the public sector, which comprises 30% of the workforce in Lacey. The other major clusters are: retail trade 17%; accommodation & food service 11%; and healthcare, finance and insurance, and information technology at 5% each. Manufacturing, which has a high economic impact, represents 2%, which is below the 3% in Thurston County, and well below the 10% rate for the State.[4]

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The unemployment rate is the percentage of people unemployed but looking for work, compared to the total number of both employed, plus the number unemployed, but looking for work. Unemployment numbers are based on where the person lives, not where the jobs are located. A person living in Lacey, and working in Olympia would be counted among Lacey's employed. If their job was eliminated, they would count among Lacey's unemployed. A person living in Olympia but working in Lacey would not count in Lacey's numbers whether their job continued in Lacey, was eliminated, or moved to another city.

There is some seasonality to Lacey's unemployment rate, with the highest level of unemployment occurring in the first quarter of the calendar year, and bottoming out in the fourth quarter. This seasonality has been largely unchanged over the last 10 years. Please see Table 1, which follows. Due to this seasonality, useful comparisons over time must be made either same month to same month, or annual to annual.

Table 1—Seasonality of Unemployment in Lacey

	(Average 2005-2014)	
Month	Unemployment Rate	% Month/Year
January	7.4	105%
February	7.7	108%
March	7.4	104%
April	7.0	98%
May	7.2	101%
June	7.0	99%
July	6.9	97%
August	7.0	99%
September	6.9	97%
October	6.8	96%
November	6.8	96%
December	6.9	98%
Average for all months & all years	7.1	

Source: Bureau of Labor Statistics

During stable and expanding periods of the economic cycle, Lacey's unemployment rate tends to be higher than both the State of Washington and the national average. This tendency is reversed early in an economic contraction due to Lacey's high number of public sector employees. This tendency is shown very clearly in Table 2, which follows. When the full impact of the Great Recession hit the rest of the economy in 2008-2010, the impact on unemployment in Lacey was delayed due to the effect of Lacey's public sector-employed citizens. This same factor delays employment recovery in Lacey since expansion of public sector employment also tends to lag economic recovery.

Table 2—Comparison of Unemployment Rate in Lacey to Washington and U.S.

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2005-2014 Average Unemployment Rate Compare				% Lacey Rate to:	
Year	Lacey	WA	US	WA	US
2005	5.5	5.5	5.1	100%	108%
2006	5.2	4.9	4.6	106%	113%
2007	5.1	4.5	4.6	113%	111%
2008	5.4	5.4	5.8	100%	93%
2009	7.6	9.2	9.3	83%	82%
2010	9.2	10	9.6	92%	96%
2011	8.9	9.2	8.9	97%	100%
2012	8.6	8.1	8.1	106%	106%
2013	8.2	7	7.4	117%	111%
2014	7.1	6.2	6.2	115%	115%

Source: Bureau of Labor Statistics

The high percentage of retail trade employment in Lacey matches the level of retail businesses in the City. Lacey has 21 retail stores that are considered "big box." These include: Best Buy, Burlington, Cabela's, Costco, Fred Meyer, Home Depot, Kohl's, Lowes, Marshalls, Michaels, Office Depot, Office Max, Petco, PetSmart, Safeway (3,) Sears, Shopko, Target, and Wal-Mart Super Center.

Retail is a major component of Lacey's built commercial space, comprising 2.2 million square feet of Lacey's current inventory of commercial space. Another 240,000 square feet of retail space is currently vacant. While most of this space is comprised of small spaces in a variety of retail strip centers, there are concentrations in the South Sound Center, the Fred Meyer-anchored shopping center, and a large vacant grocery store. The remainder of Lacey's built commercial space follows.

Table 3—Inventory of Built Commercial Space

271,000 square ft.	Lodging facilities
222,000 square ft.	Full service restaurants, pizza, take-out, and fast food
178,000 square ft.	Self-storage
128,000 square ft.	Arcades, cinemas, fitness clubs, and a small casino
125,000 square ft.	Professional services establishments

Source: City of Lacey Market Study 2015 - These numbers do not include space exclusively used for offices, such as those occupied—or formerly occupied—by the State of Washington in Woodland Square Loop.

LACEY FROM 2020-2035

By 2035, it is estimated that the Lacey community will have a population of 107,720. Of that, 53,090 will be within the city limits, with the remainder—more than half—in the UGA. Please see Table 4, which follows.

Table 4—Population Forecast Cities & UGA's 2015-2035

Population Forecast Cities & UGA's 2015-2035						
Jurisdiction		2015	2020	2025	2030	2035
Lacey	City	46,020	49,360	50,850	52,170	53,090
	UGA	34,210	39,250	44,140	49,350	54,630
	Total	80,230	88,610	94,990	101,520	107,720
Olympia	City	51,020	55,160	60,750	65,630	68,410
	UGA	11,920	12,690	13,280	14,310	15,990
	Total	62,940	67,850	74,030	79,940	84,400
Tumwater	City	19,100	22,930	25,800	28,440	30,100
	UGA	6,550	7,910	9,820	11,710	12,790
	Total	25,650	30,840	35,620	40,150	42,890
Rest of County	Total	95,580	108,600	117,560	126,990	135,590
Grand Total	Total	267,400	295,900	322,200	348,600	370,600

Source: Thurston Regional Planning Council

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The following section relied extensively on the Market Study. While the recent past is not necessarily an accurate predictor of the future, the Market Study attempted to use data from a variety of credible sources to develop projections of what could be expected over the next twenty years. Naturally, the farther into the future projections are made, the greater the number of possible variables can influence the actual outcomes. The Market Study and the Economic Development Element both acknowledge that extraordinary events, including wars, natural or man-made disasters, or dramatic technological changes, can invalidate the projections used.

SWOT Analysis (2020-2035)

Most of the strengths, weaknesses, opportunities, and threats discussed under "Lacey in 2015," appear to remain valid. Demographically, Lacey—along with the rest of the nation—will grow a little older, and more ethnically diverse. Education attainment will likely remain a strength. Education achievement may actually improve as legislative actions in response to court cases, and voter initiatives to better fund public schools and reduce class sizes, are implemented.

Effective collaboration between the economic development partners, which is so much a part of the culture of the area, will likely continue, and may be enhanced further if a CEDS is developed to better define roles, responsibilities, and protocols. Effective collaboration between the partners can also help protect Lacey's economic well-being from the natural and man-made disasters described

in "Lacey in 2015" by providing disaster preparedness/business resiliency training to ensure businesses are better able to survive a disaster, and to develop plans, beforehand, to collaborate on recovery after any disaster.

Continued rapid population growth in the Seattle area, their continuing rapid rise in the cost of living and enhanced regulations, may create opportunities beyond just normal job growth for Lacey. As available land in the central Puget Sound area becomes scarcer, more expensive, more difficult to assemble into large parcels, and more expensive to develop, opportunities may come to Lacey to increase the percentage of high-economic-impact manufacturing jobs, to bring the percentage more in line with the rest of the State. These opportunities may be enhanced if the practice of "re-shoring" manufacturing jobs, that had once been moved overseas, continues to increase. Re-shoring can occur due to transportation costs, concerns businesses have abroad with political or economic instability, protecting intellectual property, increased labor costs, or increased regulation.

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Market Conditions (2020-2035)

Table 5—Job Growth by Industry Sector through 2035

Sector	Job Growth
Personal and Repair Services	2,100
Food Service & Accommodations	2,000
Government	1,600
Wholesale Trade	1,300
Retail Trade	1,200
Health Care	1,100
Broadcasting & Telecommunications	800
Professional & Business Services	800
Other	700
Construction	600
Finance & Insurance	500
Administrative Support	500
Education (private)	500
Total	13,700

Source: 2015 City of Lacey Market Study

Nearly 40% of the new jobs forecast to be created in Lacey are concentrated in three sectors that are often lower paying and offer few fringe benefits to employees. These include Personal and Repair Services, Food Service and Accommodations, and Retail Trade. Manufacturing jobs, which typically have the highest economic impact, are forecast to grow by only 90 positions by 2035. Manufacturing jobs are included in the above table under "other."

Commercial opportunities in the Hawks Prairie Business District could substantially increase City revenues in the form of new retail, property and B&O Tax. Depending on the type and composition of development, this could help to offset the nearly $124 million annual retail leakage from automobile sales and gasoline/convenience store sales.

As part of the development of the 2015 Market Study, data on current employment by sector was used in conjunction with an inventory of all of the non-residential built space to determine the amount of floor space utilized per employee by sector. This was compared to industry averages available from a variety of sources. Using that information and projected employment growth by sector, a projection of built space was created and is presented here:

Table 6--Land Demand Projections in the City of Lacey Through 2035

Building Space (B) expressed in thousands of sf; Land (L) expressed in acres. Numbers may not total due to rounding

Type of Space	2013 Baseline		Projected Demand 2013-2020		Projected Demand 2020-2025		Projected Demand 2025-2030		Projected Demand 2030-2035		Total Projected Demand 2013-2035	
	B	L	B	L	B	L	B	L	B	L	B	L
Ground Floor Commercial	2,890	265	885	81	580	53	625	57	625	57	2,715	249
Office or Business Park	1,371	79	261	15	189	11	201	12	201	12	852	49
R&D/Flex	64	4	24	2	16	1	16	1	16	1	72	5
Manufacturing/ Industrial	1,496	137	512	47	280	26	304	28	304	28	1,400	129
Warehouse & Storage	351	54	108	17	54	8	54	8	54	8	270	41
Institutions	800	37	150	7	100	5	100	5	100	5	450	21
Total	6,972	576	1,940	168	1,219	104	1,300	111	1,300	111	5,759	493

Source: 2015 City of Lacey Market Study

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Given Lacey's significant growth in both land area and population over the last twenty years, the continuing growth the City will experience over the next twenty years will begin to be characterized by more redevelopment of existing, under utilized sites, and less new development of greenfield sites.

GOALS AND POLICES

Lacey's approach to economic development, characterized by a culture of collaboration and partnership with citizens, property owners, developers, and entrepreneurs to minimize obstacles to their success, has been referred to as "the Lacey way." The following goals and policies have been developed to maintain this culture and realize the City's vision.

Goal 1: <u>Lacey Values a Thriving and Sustainable Business Environment</u>—Lacey believes that land uses, environmental stewardship, job creation, and a thriving economy are inextricably linked. By maintaining a high quality of life for citizens, Lacey attracts a skilled workforce, which attracts the quality job-creating businesses needed for a thriving economy.

Policy A: Lacey recognizes the positive impact that businesses provide to citizens, to the economy, and the provision of financial resources necessary to provide essential public services.

Policy B: Ensure Lacey's development process remains clear, predictable, timely, and efficient, by

looking at ordinances, rules, permitting processes, and policies from the perspective of its business customers to avoid creating unnecessary obstacles.

Policy C: Ensure Lacey provides timely, adequate and accurate information so that landowners, developers, and businesses are able to make investment decisions.

Policy D: Ensure Lacey continues to improve and streamline necessary processes to provide excellent, efficient, and effective service to its customers.

Policy E: Balance the needs of businesses with the needs of its citizens.

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Goal 2: Lacey is Business Ready—The economic needs of Lacey's citizens are met because Lacey is prepared to meet the needs of all of its business customers.

Policy A: Ensure an adequate supply of developable, appropriately-zoned land is available to meet the various uses needed by Lacey businesses now and in the future.

Policy B: Ensure that Lacey has an appropriate level of professional, customer-oriented, trained, and empowered employees to meet the needs of its customers.

Policy C: Ensure Lacey has adequate, reliable, affordable, and user-friendly utilities and infrastructure to meet the needs of businesses in Lacey, now and in the future.

Policy D: Ensure that street designs encourage all modes of transportation, including transit, pedestrians, bicyclists, automobiles, and trucks/commercial vehicles.

Policy E: Work with partners to ensure that all areas of the City are appropriately served by public transit, based on where citizens live, work, learn, shop, and play.

Policy F: In the event of a disaster, natural or man-made, Lacey will take positive steps, as soon as possible, to do everything it can to help businesses reopen.

Policy G: Be proactive in ensuring that Lacey is ready to meet its business customers' needs by the time the needs arise.

Goal 3: Lacey Collaborates Effectively—Lacey continues to work collaboratively with partners and on its own, to retain, encourage expansion, and attract quality businesses to Lacey that will provide quality jobs; goods and services; generate sufficient revenues to ensure the provision of essential public services; and to make Lacey a great place to live, work, learn, shop, and play.

Policy A: Continue to work collaboratively with partners through frequent contact to foster relationships with partners, stay current, and adjust to changes in partners' services and needs.

Policy B: Work with the EDC and other partners to determine what opportunities, if any, the area is missing due to a lack of a CEDS. Lacey will work with the partners to develop a CEDS if appropriate.

Policy C: Strengthen partnerships with educational institutions, including South Puget Sound Community College (SPSCC), St. Martins University, and North Thurston Public Schools.

Policy D: Strengthen partnerships with the Port of Olympia and Pacific Mountain Workforce Development Council.

Policy E: Work with partners to attract businesses to locations where they will be successful.

Policy F: Continue to support a culture of dialog and partnership among City officials, residents, property owners, the business community, the military, community partners, and other governmental agencies.

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Policy G: Concentrate economic development resources on business retention and expansion, while fostering an environment where local businesses and entrepreneurs can thrive.

Policy H: Maintain a joint planning program with Thurston County to foster consistent land use designations and development standards, as well as transportation corridors—for both residents and commerce—in the incorporated and unincorporated portions of the Lacey Urban Growth Area (UGA).

Goal 4: Lacey is Ethical—The city of Lacey is an ethical organization, and its economic development efforts are carried out in an ethical manner.

Policy A: Economic development efforts will be carried out in keeping with the city of Lacey's Code of Ethics (Exhibit 4,) the International Economic Development Council (IEDC) Code of Ethics (Exhibit 5,) and the American Institute of Certified Planners (Exhibit 6) Code of Ethics.

Policy B: Projects will be treated in a consistent manner based on policies set by Council.

Policy C: Implement the City's vision, without sacrificing standards, ensuring that all landowners and developers are treated fairly and equitably, and based on the unique needs of the project and site.

Goal 5: Lacey Invests Wisely in its Future—Lacey "incents" businesses to start-up, locate, and expand in Lacey by having a strong economy; suitable available locations, utilities, and infrastructure; a highly skilled workforce; and by making the City's process to get and stay in operation clear, predictable, fast, and inexpensive.

Policy A: Utilize all available economic development tools and resources to encourage new business formation, existing businesses to stay and expand, and out-of-area businesses to locate in Lacey.

Policy B: When needed for projects that will enhance the City's vision, use incentives as part of a targeted strategy that will create value, create better, long-term results, and/or to cure a particular problem or competitive weakness.

Policy C: In the instances when incentives are used, the incentive will be based on the concept of

"gain share", meaning that the incentive earned and paid to the qualifying business represents a portion of revenues that the City has already collected, and would not have collected had the business not located/expanded within Lacey.

Policy D: To the extent that incentives are used, they will be focused to also achieve both smart-growth and economic development objectives, by helping to make redevelopment of existing sites already served by infrastructure, public transit, and near worker housing, more financially competitive with development of greenfields.

Policy E: Review and adjust all fees regularly to ensure that fees are appropriate; fair; balance smart growth goals with business needs; encourage investment; and foster business creation, retention, expansion, and attraction.

Policy F: Encourage local education institutions to partner with economic development organizations and businesses to promote custom workforce training.

Policy G: Encourage greater collaboration between local education institutions, JBLM, economic development organizations, and businesses.

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Citations

[1] National Parks Conservation Association Most Visited National Parks in 2014 available at http://www.npca.org/exploring-our-parks/visitation.html accessed June 11, 2015.

[2] Jed Kolko, *Business Relocation and Hometown Jobs, 1992-2006*, San Francisco: Public Policy Institute of California), 2010 as cited in 2015 City of Lacey Market Study.

[3] Thurston Regional Planning Commission Population Estimates and Forecast 2010-2035 available at **http://www.trpc.org/DocumentCenter/Home/View/1415**, accessed September 18, 2015.

[4] 2015 City of Lacey Market Study.

Thurston County Economic and Community Development Matrix

Exhibit-1 Organizations providing Economc Development Services in Thurston County

Type of Organization	Organization Name	Employment Services							Life Skills								Industry Knowledge						Professional Networking				Continuing Education		Invsmt & Empl. Recruitment				Business Retention						Market Expansion & Development							Intnl Trade	Entrepreneurial Network Development						
		Career Counseling	Resume Building	Mock Interviews	Personal Promotion	Civilian Language	Skills Translation	Work Socialization	Planning, Goal Setting	Clothing Assistance	Housing, Transpo & Healthcare	Job Coaching, continued support	Youth & Education	Life Skills	Business Hierarchy	Market Reality	Business Research	Local Job Mkt Knowledge	Business Networking	Job Connections	Internship, Fellowship, Contracts, On Job Trng	Employer Interface	Degree Programs	Skills Certification	Workforce Development	Business Recruitment	Business Retention	Main Street Program	Non-Profit Support	Buy Local	Government Contract Assistance	Business Expansion	Tourism Promotion	Energy Efficiency	Agricultural Developments	Infrastructure Development Funding	Contracted Training for Employees	International Development	Business Planning	Business Mentoring	Finance Assistance	Access to Capital	Investors Network / Micro Loan	Self Employment Assistance	Entrepreneurial Development
Govt and Veteran Resource Centers	Joint Base Lewis-McChord (JBLM) Soldier for Life	○	●	○	●	●	●	○	●	○	●	○		●	○	●			○	●	○	●	○	○																								○	○
	City of Lacey Veteran Assistance Center	●	○	○	○	○	●	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																								○	○
	Washington State Department of Veteran Affairs	○	○	○	○	○	○	○	●	●	●	○							○	●	○		○	○																								○	○
	Governor's Veterans Affairs Advisory Committee	○	○	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																								○	○
Chambers of Commerce	Grand Mound - Rochester Chamber of Commerce												●				○		●							○	○			●		●	○																	○
	Lacey Chamber of Commerce	○	○	○	○	○	○	○	○	○	●	○	●	○	○	●	○	●	○	○	○	○	○	○		○	●			●		●	○					○		○						○	○
	Tenino Area Chamber of Commerce												●				○		●							○	○			●		●		○														○
	Thurston County Chamber of Commerce	●	●	●	●	●	●	○	○	○	●	○	●	○	●	●	●	●	●	●	○	●	○			●	○	●	○	●	○	●	○	●	○	○	○	○		●	○	○				●
	Thurston Chamber Business Incubator																○										○	●					●							●	●	○					●
	Tumwater Chamber of Commerce												●				●		●								●	●		●	●	●	●	●	●					●	●						●
	Yelm Area Chamber of Commerce	○	○	○	○	○	○	○	○	○	○	○	●	○	○	●	○	●	●	○	○	○	○	○	○	○	●	●	○	●	●	●	●	●	○	○	○	○	●	●	○				○	○
Academic Institutions	New Market Skills Center												●						○	○	●			●	●							○															○
	Saint Martin's University (student)	●	●	●	●			●	●			●	●		●	●	●	●	●	●	●	●	●	●	●	○	○				○							●								●
	South Puget Sound Community College (student)	●	●	●	●			●	●	●		●	●		●	●	●	●	●	●	●	●	●	●	●	○	●		●			○					●		●	○						●
	South Sound Council												●				○								●	○	○																				
	The Evergreen State College (student)	●	●	●	●			●	●			●			●	●	○	●	●	●	●	●	●	●	●	○	○		○			○			○			●								●
Associate Development Organization	Thurston Economic Development Council (EDC)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	●	●	●	●	●	○	○	○	○	○	●	●	○	○	○	●	●	○	●	●	○	○	●	●	●	○				○	●
	Thurston Energy															●	●	●	●	○	○	○			●		●				○	●		●	○		●	○	○	○	●					○
Entrepreneur Training	Business Resource Center (BRC)/Washington Center for Women in Business (WCWB)	○	○	○	●	○	○	○	●	○	○	●	○	○	○	●	●	●	●	○	○	○			●		●		○	○	○	○		○	●		●		●	●	○				●	●
	Enterprise for Equity	○	○	○	○	○	○	○	○	○	○	●	○	○	○	○	○	○	●	○	○	○	○	○	○		○		●	●	○	○	○	○	●	○	●		●	○	●		●		●	●
	Service Corps of Retired Executives (SCORE)	○	○	○	○	○	○	○				●		○		●	●	○	○	○	○	○	○	○	○		●					●		○	○				●	●	○					●
	Washington Small Business Development Center (WSBCD)	○	○	○	○	○	○	○	○	○	○	●		○	○	○	●	○	○	○	○	○	○	○	○		●					●		○	○				●	●	○					●
Employment Assistance	Morningside	●	●	●	●	●	●	●	●	○	○	●		●	●	●		●	●	●	●	●	○	○																						○	○
	Private Employment Agencies	●	●	●	●	●	●					○			●	●		●	○	●	●	●			○	○	○																			○	○
	Thurston County WorkSource	●	●	●	○	○	●			○	○	○		○	○				●	●	○	○	○	○	●	○											○				○			○	○
Veteran Assistance Agencies and Associations	American Legion	●	○	○	○	○	○	○	○	○	○	○		○	○	○		○	●	●	○	●	○	○																									
	Association of the U.S. Army (AUSA)	●	●	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																									
	Military Officer's Association of America (MOAA)	●	●	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																									
	Pacific Mountain Workforce Development Center	●	●	●	●	●	●	●	●	●	●	●	●	●	●	○	○	●	●	●	●	○	○	○	●	○	●		○			○					●									○	●
	Camo 2 Commerce	●	●	●	●	●	●	●	●	●	●	●		●	●	○		●	●	●	●	○	○	●	●																				○	○
	Rally Point 6	○	○	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○	○																							
	Thurston County Veterans Coalition	○	○	○	○	○	○	○	○	○	○	●		○	○	○		○	○	○	○	○	○	○																									
	Veterans of Foreign Wars (VFW)	○	○	○	○	○	○	○	○	○	○	●		○	○	○		○	○	○	○	○	○	○																									
	Wounded Warriors	●	●	●	●				●		●	●		●		●		●	●	●	○	●	○																									
General Resources	Olympia Downtown Association												○			○	○	○	●						○	●	●	●	○	●	○	○	○	○	○	○	○	○	○	●	○			○	○
	Port of Olympia																									●	●	○				●	○		○	●		●								
	Sustainable South Sound																										○		○	●				○												
	Thurston Regional Planning Council												●																			○				●										
	Timberland Regional Library												●			●	●	●	●							○	○		●	●	○	○	●	●	○	○	○		●	●	○			○	●
	United Way of Thurston County												●						●																				○	●	●				
	Visitor & Convention Bureau												○				●		●							●	●	○	○	●		●	●		●			●		○					●

Provides Direct Service, budget to provide	●	
Provides Supporting Service/Referral	○	
Does not apply		(blank)

Lacey Community Market Study
FINAL REPORT

August 2015

Prepared by

WAHLSTROM & ASSOCIATES

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TABLE OF CONTENTS

1. SUMMARY OF FINDINGS AND REPORT ORGANIZATION 3

ORGANIZATION OF REPORT 6

2. COMMUNITY AND REGIONAL DEMOGRAPHIC TRENDS 7

3. LACEY'S ECONOMIC SETTING 10

3.1 Business Inventory 10

3.2 Inventory of Built Commercial Space 12

3.3 Employment by Industry in Lacey and the Region 15

3.4 Employment Growth Trends 17

4. EMPLOYMENT AND LAND DEMAND PROJECTIONS 21

4.1 Employment by Industry Projections 21

4.2 Land Demand Projections 23

5. RETAIL LEAKAGE ANALYSIS 25

5.1 Inventory of Occupied Retail Space 25

5.2 Retail Sales Earnings 25

5.3 Spending Leakages 26

6. ECONOMIC DEVELOPMENT OPPORTUNITIES 31

6.1 Opportunities and Barriers to Lease and Start a New Business in Lacey 32

6.2 Feasible Commercial Uses for the Existing Building Stock 32

6.3 Business Recruitment Strategies 34

APPENDIX A: Report Table

1. SUMMARY OF FINDINGS AND REPORT ORGANIZATION

Key findings and results to this report are summarized below. The Appendix includes data tables that describe Lacey's demographic characteristics, economic trends, and the projected demand for land and business space.

Demographics

- Lacey's demographic characteristics are similar to Thurston County and the State of Washington in terms of growth trends, age distribution, level of educational attainment, cultural diversity, and other socioeconomic characteristics;
- Lacey residents are moderate income with slightly more middle-income households and fewer high-income earners than the State;
- Household incomes experienced severe decline during the great recession with incomes dropping by $12,000 per household after adjusting for inflation. Incomes have recovered during the past five years and climbed back up to the same level as 2000. It is important to note that Thurston County and the State experienced similar patterns of income losses during the recession, followed by a recovery of household income since 2010.
- Lacey has a somewhat higher unemployment rate (7.5 percent) and lower labor force participation rate than the State and County;
- Lacey's population is growing slightly faster than both the region and state, due to its less severe decline during the great recession.

Business Inventory

- 1,013 business establishments are located within Lacey's City Limits. Arts, entertainment, accommodations, and food services account for 28 percent of the establishments, with national and regional chain stores comprising about half of the food and personal service establishments;
- The body of the report describes the number of firms in each sector, and a list of every establishment doing business in the City is included in Appendix B.

Built Space Inventory

- The City of Lacey has 3.6 million square feet of built commercial space with nearly 2.2 million square feet occupied by retail establishments;
- The remainder of Lacey's built commercial space includes:
  - 222,000 square feet of full-service restaurants, pizza, take-out, and fast food establishments;
  - 220,000 square feet of lodging facilities;
  - 178,000 square feet of self-storage;

- 128,000 square feet occupied by arcades, cinemas, fitness clubs, and a small casino;
- 125,000 square feet of professional service establishments.

- The inventory also includes 240,000 square feet of vacant space that could be occupied by retail establishments.

Employment by Industry Characteristics

- Lacey's private and public sector employers generate 16,900 jobs;
- The City has a weak manufacturing job base that is primarily comprised of food, beverage, and furniture manufacturing;
- The wholesale trade sector is very strong capturing nearly 30 percent of Thurston County's jobs;
- Retail trade is a significantly larger share of Lacey's economy (17 percent of all jobs) than it is in Thurston County or the entire State;
- Approximately 36 percent of Thurston County's finance jobs are located in Lacey.

Employment Growth Trends

- Lacey's economy has consistently out-performed the regional and State economy since 2000;
- Employment growth was faster in Lacey than the surrounding region during time periods of strong growth—2001 to 2007, and since 2010;
- Lacey's loss of jobs was less severe during the great recession than was the loss of jobs in the region and the state.

Employment and Land Demand Projections

- Lacey can anticipate that 13,700 new jobs will be added to the City's economy by 2035. On average, Lacey's economy should expand by 620 jobs per year;
- The projected new jobs will generate a demand for 2.8 million square feet of new ground floor commercial space by 2035;
- An additional 850,000 square feet of new office and business park space will be needed along with 1.5 million square feet of industrial and flex space and 270,000 square feet of warehouse and storage space.

Retail Sales Leakages

- Lacey's 140 retail establishments anchored by 10 big-box establishments earn nearly $870 million of sales;
- Lacey's big-box anchor stores have become a regional shopping destination with sales earned greatly exceeding the market area residents spending of $370 million at commercial stores;
- $62.5 million of spending leakages on new and used automobiles may be plugged.

Economic Development Opportunities

- Lacey's economic development opportunities are primarily constrained by the lack of manufacturing establishments throughout Thurston County, which are driven by technological innovation that generate strong economic and employment multipliers through value added activities.
- Health care and government are Lacey's two relatively weak economic sectors, compared to Thurston County.
- Lacey's barriers to growth are subtle, complex and directly related to the absence of a downtown or a central gathering place for people and civic activities.
- Lacey has 240,000 square feet of vacant commercial space that could be occupied by retail and other commercial establishments. The larger vacant spaces that range in size between 11,000 square feet and 42,000 square feet are too poorly located to successfully attract regional serving retail, which makes attracting new retailers to the vacant spaces very difficult given the absence of spending leakages.
- The City should consider allowing some of the larger vacant sites to be redeveloped for housing or a mix of uses; a vacant site in the Martin Village shopping center could be subdivided and reused for more arcades, a fun center or a food court; The City should encourage new investors to acquire and redevelop the South Sound Shopping Center for a mix of uses with less land used for parking and more intensive floor area ratios. Other large sites along the Lacey Blvd. and Pacific Avenue corridor could be reused for general commercial space.
- Smaller vacant commercial spaces that average only 1,800 square feet in size could be promoted through a local tour that can generate some interest from home based businesses or individuals local looking for new commercial or live-work space.
- The City should encourage a new commercial real estate product to be developed in the Gateway area that is designed as a walkable Lifestyle or Factory Outlet Center. If planned and designed properly, a new lifestyle factory outlet center at the Gateway could attract additional regional customers.
- The City of Lacey should consider alternatives to "old school" economic development approaches that offer incentives to reduce the costs of doing business thereby entering into a race to the bottom with neighboring communities. Alternative approaches to consider include establishing a business expansion and retention program; encouraging a mix of smart growth uses in a single location that includes transit hubs, housing and commercial services, and; creating a website that will match business prospects with Lacey's available business sites.
- The City should also consider allowing fulfillment centers that distribute on-line retail sales, which require at least 1 million square feet of space. Lacey's excellent I-5 access can offer corporations an ideal location for new fulfillment centers serving the Puget Sound region.

ORGANIZATION OF REPORT

This report documents nearly six months of work. Below is a brief explanation of each section of the report.

Section 1 Summarizes the findings and organization of this report.

Section 2 Describes the community and regional demographic trends, including population, and household and income characteristics of Lacey and the surrounding market area.

Section 3 Describes Lacey's economic setting, including an inventory of existing business establishments, an inventory of built commercial space within each commercial area of the City, a description of employment by industry within the City limits and the surrounding region, and an analysis of past employment growth trends.

Section 4 Projects the growth of employment and the demand for new business space and land in Lacey through 2035.

Section 5 Describes the capture of retail sales, consumer spending, and leakages that may be captured.

Section 6 Summarizes Lacey's economic development opportunities and provides suggestions on taking advantage of the City's location to capture a larger share of the market opportunities.

2. COMMUNITY AND REGIONAL DEMOGRAPHIC TRENDS

Lacey's demographic characteristics share similarities with Thurston County and the State of Washington. However, Lacey is growing slightly faster than both the three-county I-5 corridor region and State, due to its less severe decline during the great recession.

The local and regional demographic characteristics are described below with detailed tables contained in Appendix A. The demographic information is purchased from Claritas, which uses the U.S. Census American Community Survey as the data source.

Population Growth Trends

Lacey's 2.8 percent annual population growth rates between 2000 and 2010 far exceeded growth rates in Thurston County, the region,[1] and the State of Washington. Though they have slowed, Lacey's growth rates continue to exceed the County, region, and State since 2010.

Nearly 20,000 housing units have been developed in the City of Lacey, which amounts to about 17 percent of Thurston County's housing units. The number of Lacey's housing units expanded at a 3.1 percent annual rate between 2000 and 2010. Since 2010, annual population growth rates have slowed to 2.1 percent, but the growth of housing units continues to exceed the County, region, and State of Washington.[2]

Age Characteristics

The age characteristics of Lacey's residents are very similar to Thurston County, the region, and the State of Washington. Lacey residents are slightly younger than the average Thurston County resident: about 38 years compared to about 40 years. However, the difference is minimal, and the region and State both have average ages of about 38. Approximately 26 percent of Lacey residents are 55 years or older, compared to 29 percent of Thurston County residents and 27 percent in the region and State.[3]

Educational Attainment

Lacey and Thurston County residents are similar to the State as a whole in attainment of bachelor's or advanced college degrees (29 percent, 31 percent and 32 percent, respectively). The region has a slightly lower rate of higher education degrees (25 percent). Conversely, 7 percent of Lacey adults, and 6 percent in the County, did not finish high school, a lower rate than the State as a whole and than the region (with 10 and 9 percent respectively).[4]

---

[1] Region includes the three contiguous I-5 counties of Thurston, Pierce, and Lewis.

[2] Appendix Table A-1 describes the population and housing unit growth trends between 2000 and 2015.

[3] Appendix Table A-2 describes the age characteristics among the residents of Lacey, Thurston County, and the surrounding region, 2015.

[4] Appendix Table A-3 describes the formal education completed among the adult (25 and older) residents of Lacey, Thurston County, and the surrounding region.

Language Spoken at Home

Sixteen percent of Lacey residents do not speak English at home with 8 percent speaking an Asian language, 4 percent Spanish and 3 percent other languages. Eleven percent of Thurston County residents do not speak English at home as do 14 percent in the three-county I-5 corridor region. The State has a higher rate of language diversity with 19 percent of residents that do not speak English at home.[5]

Labor Force Participation

A review of the current unemployment and labor force participation data shows some characteristics that distinguish Lacey from Thurston County and the region. Lacey's 7.5 percent estimated unemployment is nearly a percentage higher than Thurston County's 6.6 percent unemployment rate (2014 annual average).[6] It is significant to note that 60 percent of Lacey residents (16 years of age and older) participate in the labor force compared to 64 percent in Thurston County. The reasons for a lower labor force participation rate are likely due to a combination of factors that includes the establishment two retirement communities along with a higher percentage of young U.S. military retirees that have been attracted to the community and the relatively large number of service members stationed at JBLM who have larger families and children living at home who choose to reside in Lacey.[7]

Travel Time to Work

Lacey's employed residents have an average commute of 27 minutes to work each way. The average travel times to work are similar for residents of Lacey, Thurston County and Washington State. Very few of Lacey's employed residents have commutes of less than 15 minutes to work, and 11 percent of Lacey's workers engage in long distance commuting that extends beyond 45 minutes of travel time.[8]

[5] Appendix Table A-4 describes the primary languages spoken at home among residents age 5 and over in Lacey and the surrounding region, 2014.

[6] The Thurston County and State of Washington monthly unemployment rates continued to decline in 2015, but the State does not report any Lacey-specific data. Lacey estimates utilize 2010 U.S. census data.

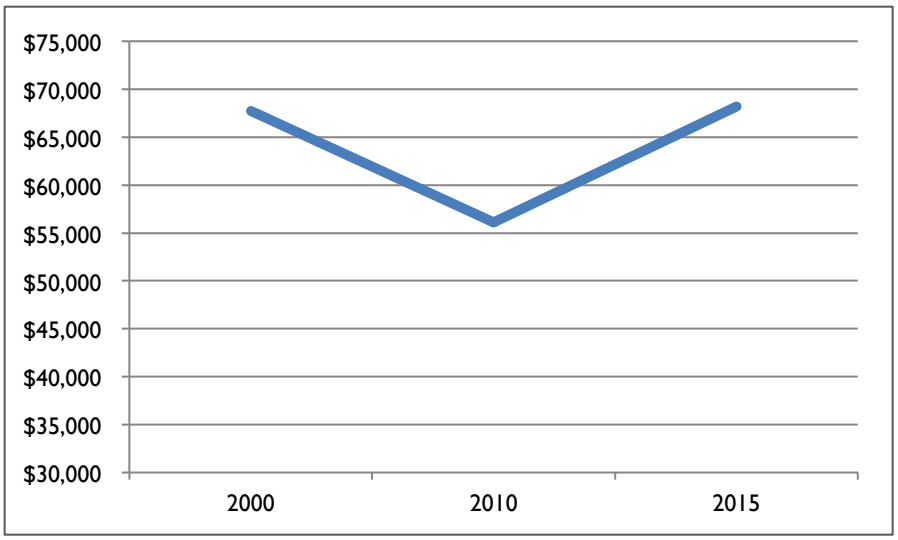
[7] Appendix Table A-5 describes the labor force characteristics in Lacey and the surrounding region.

[8] Appendix Table A-6 describes commuter travel time to work in Lacey and the surrounding region.

Income Trends and Distribution

Figure 1 illustrates the economic impact of the great recession on household income and spending capacity. Lacey's average household incomes collapsed from $67,700 in 2000 to $56,100 in 2010 (adjusted for inflation and measured in $2014). Incomes have experienced strong gains since the recession, but they are barely back to the 2000 income levels. At present, the average Lacey household generates $68,200 per year of income, which is about 93 percent of the average income earned by Thurston County households, and 86 percent of the $78,800 of income earned by the average Washington State household.[9]

Figure 1 – Average Household Income Trends in Lacey, 2000 to 2015



Note: Data adjusted for inflation and measured in $2015

The income distribution data indicates that Lacey's household incomes are nearly identical to income distribution patterns throughout Thurston County and the I-5 corridor. However, the data does show that Lacey has a higher percentage of middle-income households that earn between $50 and $100,000 (38 percent) than is the case throughout the State of Washington (32 percent). Lacey also has a lower percentage of high-income earners (5 percent) than is the case throughout the State (11 percent).[10]

[9] Appendix Table A-7 describes the average household income trends in Lacey and the surrounding region between 2000 and 2015. Reported incomes are adjusted to inflation and measured in $2015.

[10] Appendix Table A-8 describes income distribution among households in Lacey and the surrounding region.

3. LACEY'S ECONOMIC SETTING

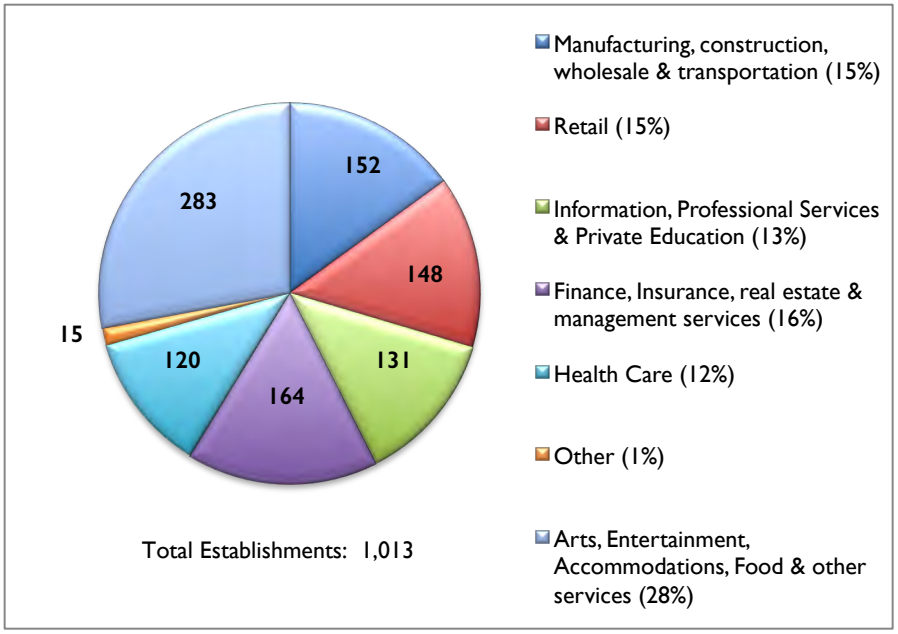
This section of the report provides an analysis of the current economic base and historical trends. It includes an inventory of private sector business establishments, an inventory of built commercial space, a description of the local and regional economic base, and an analysis of past job growth trends that will influence Lacey's future economic growth.

The establishment information within this section of the report is purchased from InfoUSA with Wahlstrom & Associates checking for the accuracy of the location and NAICS code of each establishment. The data rely on lenders' requirements for individual establishments to report employment, sales, and other business information to Dun & Bradstreet or directly to private lenders.

3.1 Business Inventory

An inventory of 1,013 business establishments located within the Lacey City Limits is summarized in Figure 2 below.[11] Following are pertinent observations about Lacey's business community.

Figure 2 – Lacey Business Establishments by Type, 2015



[11] The full list of businesses is included in Appendix B. InfoUSA is the primary data source, but every business was checked with Google search to ensure each is located within the City limits and is not a home-based business. Non-profit organizations, churches, fraternal associations, public schools and other government agencies are not included on this list.

Food and Personal Service Establishments

Food or personal service establishments comprise 28 percent of Lacey's business inventory. National and regional chain stores make up about half of the 283 food and personal service establishments that employ more than 50 workers each. Establishments that employ 50 or more workers include Hawks Prairie Casino, Ram Restaurant & Brewery, Red Robin Burgers, McDonald's, Applebee's, and the Golf Club At Hawks Prairie. In general, each small, independent food and personal service establishments employ fewer than five workers.

Finance, Insurance, and Real Estate

Lacey's economy includes 164 establishments in the business of finance and other related fields. The inventory includes well-known national corporations that employ a small number of workers at each branch office. Financial establishments that employ 50 or more workers each include: Anchor Bank, Access Information Management, First Citizens Bank, Twinstar Credit Union, and America's Credit Union.

Construction, Wholesale Trade, Manufacturing, and Transportation Establishments

Fifty-nine construction companies are located in Lacey, among many other home-based construction businesses. One large firm (Sunset Air) employs approximately 200 workers but all other construction establishments employ 35 or fewer workers each.

Forty-three business establishments located in Lacey engage in the wholesale trade of a wide range of products including food, pharmaceuticals, electrical equipment, and other materials. Wholesale establishments employing more than 50 workers each include the Alarm Center, International Paper, Trader Joe's, Shipwreck Beads, and Summit Fence Company. Eight of Lacey's wholesale establishments earn more than $50 million of sales per year. In addition to the jobs these large revenue-producing firms provide directly, they also generate strong economic multipliers through the local and regional economy.

Thirty-three manufacturing establishments are located in Lacey, including 10 that are engaged in producing food and beverages. The largest manufacturer is IP Callison & Sons, a producer of mint oils and flavors that employs nearly 100 workers. The remaining manufacturers employ fewer than 40 workers per establishment. In addition, two of Lacey's manufacturing establishments earn more than $10 million of sales per year, and the remaining thirty or so establishments are not high-revenue producing businesses.

Retail Establishments

Many brand name national and regional chains have established store locations to take advantage of Lacey's excellent location along the I-5 corridor. The Wal-Mart Supercenter, Cabela's, Safeway, Costco, Fred Meyer, Lowe's, Sears, Home Depot, and Best Buy each generates more than $30 million of sales per year. Shopko, the Wal-Mart Neighborhood Center, Harley-

Davidson, Burlington Coat Factory, QFC, PetSmart, Kohl's, Marshalls, and Walgreens each generates between $8 million and $30 million of sales. This leaves Lacey with 65 retail establishments that generate between $1 million and $8 million of sales with between 5 and 35 employees each. The remaining 64 smaller retail establishments, most of which are locally-owned, each generates less than $1 million per year of sales revenue.

While national and regional chain stores bring badly needed tax dollars, studies have shown they take their revenue out of the communities where stores are located leaving a small percentage to be re-circulated through the local economy. In contrast, locally-owned stores have difficulty competing against the national chains but their sales are re-circulated through the economy, and they generate strong economic multipliers.

Information, Professional Services, and Private Education

Lacey has 16 establishments engaged in broadcasting, telecommunications, or data processing. Xerox, which operates a call center in Lacey, is the sole large information industry establishment that employs 1,000 workers.

A diverse mix of 88 professional service establishments located in Lacey includes architects, attorneys, accountants, photographers, computer design and related services, engineers, management consultants, veterinarians, and a mix of other professional establishments. Transaction Networks Services, a global supplier of data communications, is Lacey's largest professional service firm and employs nearly 200 people.

More than 20 private education providers that do business in Lacey include fine arts schools, parochial schools, pre-K education centers, private colleges, and sports education centers such as a martial arts school. Saint Martin's University is the largest private education employer with approximately 290 workers. No other education establishment employs more than 30 workers.

Health Care

Lacey has a mix of 120 health care establishments including emergency centers, child care facilities, chiropractors, dentists, home health, optometrists, physicians and physical and occupational therapists. The Providence Regional Cancer Center is the single large employer creating approximately 100 jobs.

3.2 Inventory of Built Commercial Space

The City of Lacey has an estimated inventory of 3.6 million square feet of built commercial space with nearly 2.2 million square feet occupied by retail establishments plus 240,000 square feet of vacant commercial space. The remainder of Lacey's built commercial space is summarized below. Wahlstrom & Associates collected the estimates of built commercial space by walking and driving every commercial area of the City.

- 222,000 square feet occupied by full-service restaurants, pizza, take-out, and fast food establishments;
- 220,000 square feet occupied by visitor lodging facilities;
- 178,000 square feet occupied by self-storage;
- 128,000 square feet occupied by arcades, cinemas, fitness clubs, and a small casino;

- 125,000 square feet occupied by business and professional service establishments that offer storefront services such as tax preparation and investment assistance.

There are 240,000 square feet of vacant space that could be occupied by retail establishments. The 8.2 percent vacancy rate includes a former Albertson's supermarket and five other large spaces that collectively account for 135,000 square feet of Lacey's commercial vacancies. Another 58 commercial vacancies average 1,800 square feet in size.

The built space data are displayed in Appendix Table A-9, and are organized and sorted into five subareas as described below.

Hawks Prairie District

The Hawks Prairie District extends across I-5 to include Cabela's and the new business space being developed in that area. But the majority of the 1.24 million square feet of commercial space have been developed along the Marvin Road corridor that extends from I-5 to Martin Way.

The corridor functions as Lacey's primary commercial area anchored by Home Depot, Costco, the Wal-Mart Supercenter and Best Buy. These large retailers are well positioned to capture the spending among regional customers, although there are competitive stores elsewhere in Lacey, Tumwater and Olympia. The corridor also attracts local residents who shop at Safeway, use the L.A. Fitness Center or patronize the local, small local casino. The Harley-Davidson dealer has a lock on the local motorcycle sales market given that the nearest competition is in Fife. Other significant uses along the Marvin Road corridor include:

- The Best Western and Days Inn, which bring visitors to the area;
- Between 15 and 20 restaurants and fast food establishments;
- Nearly 15 commercial banks and check cashing establishments;
- Three schools and child care facilities.

The Hawks Prairie District has 22,000 square feet of vacant commercial space, accounting for a 2.2 percent vacancy rate. The area includes seven vacant commercial spaces with an average size of 3,000 square feet are available for new tenants. The largest vacant space in the corridor is 5,400 square feet.

Martin Way Corridor

The Martin Way corridor that extends between Carpenter Road and the College Street intersection where the Lacey City limits are contiguous with Olympia's City limits is bifurcated by I-5 with on-ramps, off-ramps and a Park & Ride lot located along Martin Way. The corridor includes 192,000 square feet of occupied retail space that is anchored by the Regal IMAX theatre, the Burlington Coat Factory and Shopko, all of which are located within the Martin Village Shopping Center. Vacancies include one large 27,000-square-foot space within the Martin Village Shopping Center, and three other vacant spaces scattered along the corridor that average size of less than 3,000 square feet in size. The Martin Way corridor has a 12.9 percent vacancy rate.

A cluster of visitor lodging facilities is the corridor's other significant feature. The Comfort Inn, La Quinta, Quality Inn, and Super 8 have all established facilities that accommodate overnight visitors and help retain visitor spending within the area.

Woodland District

The Woodland District is a large, square-shaped area that is bounded on the north by Interstate 5, on the east by the Olympia City Limits, on the south by Pacific Avenue and Lacey Boulevard, and by College Street on the west. The area includes 872,000 square feet of built business space plus additional pure office space located between College and Golf Club Road.

Nearly 70 percent of the 573,100 square feet Woodland District's occupied commercial retail space is located within the South Sound Shopping Center, which is anchored by Kohl's, Marshalls, Sears, Target, and Michaels Crafts. Other Woodland District retail stores that occupy more than 10,000 square feet of space include Fred Meyer, PETSMART, Rite Aide, Tuesday Morning and Office Depot. Forty-nine smaller retailers that occupy and average of 2,300 square feet per store that absorbs the remaining 114,000 square feet of the Woodland District's commercial retail space.

The Woodland District has also attracted 38 full-service restaurants, fast food, and food take-out establishments that occupy nearly 50,000 square feet of space. Tax preparers, accountants, investment advisors, and other professional establishments that serve the general public occupy 39,000 square feet. Commercial banks and other lending establishments occupy 37,000 square feet, and visitor lodging occupies 32,000 square feet.

Twenty-five commercial vacancies comprise 71,000 square feet that could be occupied by retail establishments. The vacant space includes a large 24,000-square-foot vacancy in the South Sound shopping center, an 11,000-square-foot former supermarket, and a scattering of 23 smaller vacancies that average less than 1,300 square feet. The Woodland District has a 9.5 percent vacancy rate. Property owners and realtors often have a challenging time finding tenants to occupy the small spaces.

The Woodland District also includes a large inventory of pure office space, much of which was occupied by State government agencies. The State relocated many offices during the past few years leaving the Woodland District with 240,000 square feet of vacant office space.[12] The data enclosed in this report does not estimate the supply of built office space, nor does it update the supply of vacant office space in the Woodland District or elsewhere in the City.

Pacific Avenue Corridor (Between College and Carpenter)

The Pacific Avenue corridor (west of College Street) is a mixed-use area with 578,000 square feet of built commercial space and 106,000 square feet of space occupied by retail establishments. A 42,000-square-foot Safeway supermarket located at the intersection of Pacific Avenue and Carpenter Road is the area's sole large retail establishment.

Other significant uses that have located along the Pacific Avenue corridor include 125,000 square feet of self-storage; nearly 66,000 square feet of business and professional

[12] Data collected from the Woodland District Strategic Plan. 2014

service establishments; 39,000 square feet of fitness clubs and exercise studios; and 35,000 square feet of restaurants, fast food, and take-out food establishments.

Approximately 100,000 square feet of commercial space along the Pacific Avenue corridor are vacant, which translates into a 27.5 percent vacancy rate. The vacant space includes a 42,000-square-foot former supermarket that has been boarded up for a number of years, which conveys an appearance of blight and deterioration that discourages successful retail attraction efforts. An additional sixteen vacant spaces averaging 3,500 square feet account for the remaining 58,000 square feet of vacant space.

College and Yelm Highway Intersection

The College Street and Yelm Highway intersection is comprised of three shopping centers, one at each of three corners of the intersection, with the Capitol City Golf Club located at the fourth corner. Approximately 439,000 square feet of commercial space have been developed in this area, including 324,000 square feet of retail shopping space. The area also includes 32,000 square feet of restaurant, fast food, and food take-out places. In addition:

- A new mixed-use development anchored by a 140,000-square-foot Lowe's Home Improvement Store is located at the northwest corner of the intersection;
- A Safeway-anchored shopping center is located at the northeast corner of the intersection, and a new Wal-Mart Neighborhood Store-anchored shopping center is being developed along Yelm Highway immediately east of the Safeway center;
- An established shopping center anchored by QFC and Rite Aide is located on the southwest corner of the intersection.

The area includes nine vacant spaces that average less than 1,500 square feet. The 13,200 square feet of vacant space translates into a very low 3.2 percent vacancy rate.

3.3 Employment by Industry in Lacey and the Region

Appendix Table A-10 displays detailed employment by industry data for the City of Lacey, the Lacey market area and Thurston County.[13] The information describes jobs that are located within each jurisdiction piecing by together a variety of data sources, including InfoUSA, the Thurston Regional Planning Council, the Washington Employment Security Department, and the City of Lacey. Below are some observations about the detailed employment by industry data.

- Lacey's private and public sector employers generate 16,900 jobs;
- Lacey captures 12 percent of Thurston County's manufacturing employment, which is less than Lacey's 19 percent share of total County employment. Also noteworthy is that manufacturing employment is very low in both Lacey and Thurston County (2 percent) while manufacturing accounts for 10 percent of the State's total job base;
- Food, beverage, and furniture manufacturing account for 220 of Lacey's 330 manufacturing jobs;

[13] Lacey market area includes zip codes 98503, 98513 and 98516.

- Lacey captured 29 percent of Thurston County's wholesale trade employment and 25 percent of the County's retail employment. Retail trade is a significantly larger share of Lacey's economy (17 percent of all jobs) than it is in Thurston County or the entire State;
- Lacey captured 38 percent of Thurston County's information sector employment, which includes broadcasting, telecommunications, and data processing;
- Approximately 36 percent of Thurston County's finance jobs are located in Lacey;
- Health care employment comprises 5 percent of Lacey's job base compared to 13 percent of Thurston County's job base. Lacey's under-representation of health care services may be caused by the lack of hospitals and residential care facilities in the City;
- Lacey has captured 25 percent of Thurston County's food services employment and 31 percent of personal and repair services employment;
- Lacey's economy is heavily weighted by government employment that accounts for 30 percent of all jobs, to be expected given the City's proximity to the State Capital.

Figure 3 below shows employment by industry in Lacey compared to Thurston County and the State of Washington in 2013. The baseline information combines the InfoUSA data of private businesses located within the City Limits with the government employment data published by the Thurston Regional Planning Council.

Figure 3 – Employment by Industry in Lacey, Thurston County, Region, and Washington State, 2013

Industry Sector	Lacey	% Total	Thurston	% Total	Washington	% Total
Construction	600	3%	3,280	3%	128,170	5%
Manufacturing	330	2%	2,680	3%	279,570	10%
Wholesale trade	640	4%	2,220	2%	121,890	4%
Retail trade	2,900	17%	11,710	12%	313,260	11%
Transportation & warehousing	170	1%	1,400	1%	81,820	3%
Information	1,140	7%	2,070	2%	103,890	4%
Finance & insurance	800	5%	2,520	3%	89,210	3%
Real estate & rental & leasing	210	1%	1,030	1%	43,290	2%
Professional, scientific & technical services	740	4%	4,980	5%	169,840	6%
Management of companies & enterprises	4	0%	230	0%	38,460	1%
Admin, support, waste mgt, remediation services	370	2%	2,330	2%	135,970	5%
Educational services	570	3%	1,610	2%	37,940	1%
Health care and social assistance	920	5%	13,090	13%	331,330	12%
Arts, entertainment & recreation	350	2%	2,550	3%	43,420	2%
Accommodation & food services	1,840	11%	7,940	8%	224,340	8%
Other Private services	170	1%	3,960	4%	129,570	5%
Government	5,150	30%	36,480	36%	518,950	19%
Totals	16,900		100,080		2,790,920	

Data Sources: U.S. County Business Patterns; InfoUSA; Thurston Regional Planning Council; Washington State Employment Security Department and the City of Lacey
Analysis: Wahlstrom & Associates

3.4 Employment Growth Trends

A review and analysis of past employment trends is a common method used to anticipate future growth and economic development opportunities.[14] However, the national economy has been on a boom and bust roller coaster since the turn of the century, which means that an analysis of the long-term growth trends will yield limited information about future economic development opportunities. Instead, the growth trends data are segmented into three time blocks, consistent

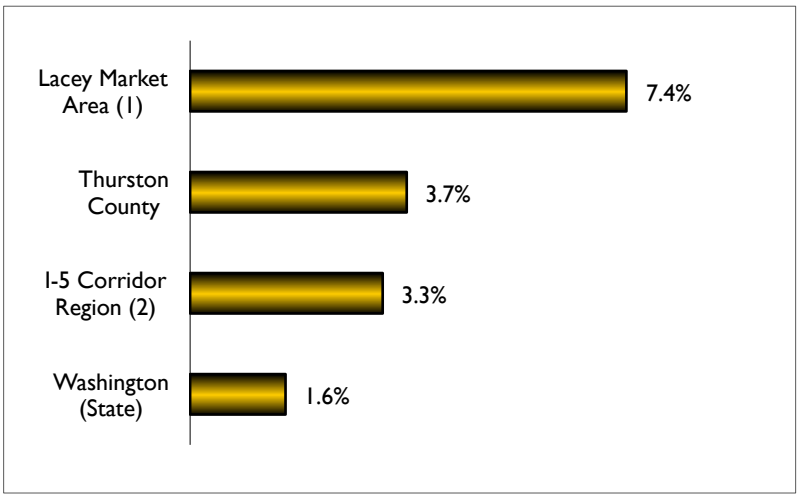
[14] Appendix Tables A-11 to A-15 summarize the employment growth trends in the State, region, County, and the Lacey market area between 2001 and 2013.

with the state and national economic boom and bust cycles as described below. U.S. County Business Patterns is the data source for the information below.

Post Dot-Com Bust (2001 – 2007)

The dot-com bubble, also referred to as the information technology bubble, was an historic financial event that occurred between 1997–2000 and climaxed with the NASDAQ closing at 5,049, a value that did not recover until this year (2015). The Internet boom that collapsed by early 2001 left the national and State economies with a loss of wealth, and halted steady income gains that households experienced during the 1990s, reflected in Figure 4 below.

Figure 4 – Annual Growth Rates of Private Sector Employment Trends in Lacey and the Region, 2001 – 2007



Data Source: U.S. County Business Patterns
Notes: (1) Lacey market area includes zip codes 98503, 98513 and 98516
(2) I-5 corridor region includes the Counties of Thurston, Pierce and Lewis

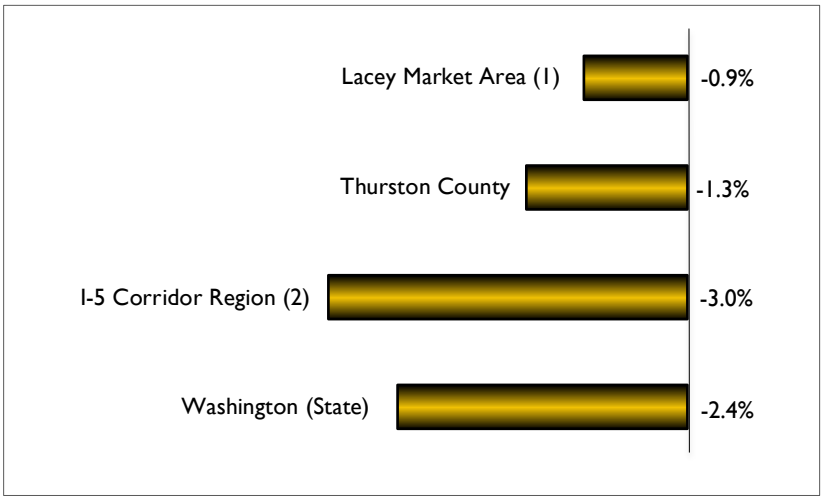
The dot-com bust continued through 2003 but the economy slowly recovered through 2007 with nearly 230,000 new jobs added to Washington State's economy. During the seven-year period after 2001, Washington State's economy expanded at a rather anemic 1.6 percent annual growth rate. In comparison, the three I-5 corridor counties expanded employment at a much more robust 3.3 percent growth rate. Thurston County employment expanded at a 3.7 percent annual growth rate.

Employment within the Lacey market area was booming during this time period, expanding at a 7.4 percent annual growth rate. Between 2001 and 2007 nearly 1,700 new jobs were added to Lacey's retail trade sector, more than 900 jobs were added to health care, and more than 700 jobs were added to the accommodation and food services sector.

Great Recession (2007 – 2010)

The great recession led to the loss of 8.7 million U.S. jobs, which resulted in a 10 percent unemployment rate and a 5.1 percent contraction of the national GDP. The recession also collapsed incomes by nearly $3,900 per household, which all but wiped out income gains made between 1996 and 2010. Figure 5 below shows the impact on employment in the Lacey area during this time period.

Figure 5 – Annual Growth Rates of Private Sector Employment Trends in Lacey and the Region, 2007-2010



Data Source: U.S. County Business Patterns
Notes: (1) Lacey market area includes zip codes 98503, 98513 and 98516
(2) I-5 corridor region includes the Counties of Thurston, Pierce and Lewis

Approximately 172,000 jobs were lost in the State of Washington during this three-year time period, which amounted to a 2.4 percent annual rate of job loss. The construction industry accounted for the loss of nearly 58,000 jobs. The other hard hit sectors included manufacturing (33,700 jobs lost), health care (27,800 jobs lost), administrative support (27,400 jobs lost), retail (24,200 jobs lost) and finance (23,200 jobs).

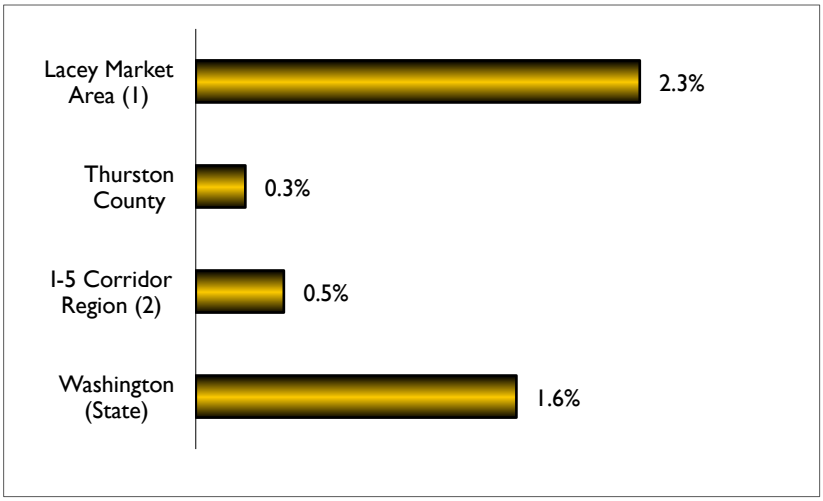
The great recession had less adverse impacts on Thurston County relative to the State and nation. Thurston County lost approximately 2,600 private sector jobs between 2007 and 2010, which amounted to softer a 1.3 percent annual rate of decline. The construction industry accounted for nearly 60 percent of Thurston County's lost jobs. Manufacturing lost more than 600 jobs; corporate management lost 560 jobs; and arts, entertainment and recreation lost 460 jobs. The remaining job losses were spread throughout other industry sectors.

The Lacey market area suffered a net loss of 500 jobs during the great recession years and the rate of job loss was less than 1 percent per year. The largest losses occurred in management (470 jobs lost), construction (350 jobs lost), retail (250 jobs lost) and administrative support (200 jobs lost). The job losses were counterbalance by job gains in other services (290 new jobs); health care (280 jobs); professional and technical services (200 jobs); and arts, entertainment, and recreation (140 jobs).

Post Recession Recovery (2010 ongoing)

The Washington State economy added 116,000 new private sector jobs between 2010 and 2013, which amounts to a 1.6 percent annual growth rate. The largest gains were among the professional and business service sector (32,900 jobs), manufacturing (26,000 jobs), and lodging and food services (16,900 jobs). Washington State's construction industry continued to loose 3,000 jobs while the remainder of the economy rebounded.

Figure 6 – Annual Growth Rates of Private Sector Employment Trends in Lacey and the Region, 2010 – 2013



Data Source: U.S. County Business Patterns
Notes: (1) Lacey market area includes zip codes 98503, 98513 and 98516
(2) I-5 corridor region includes the Counties of Thurston, Pierce and Lewis

Thurston County's economy remained relatively stagnant with 480 new jobs added between 2010 and 2013. Job losses occurred in the administrative and support services sector (845 job lost), other services (460), and professional services (410). The 1,600 new health care jobs was the primary driver of Thurston County's job gains.

The Lacey market area added nearly 1,400 new jobs since 2010, which more than tripled the new jobs generated in Thurston County. Essentially, Lacey added jobs at a 2.3 percent annual growth rate while the remainder of Thurston County lost jobs. Lacey's largest job gains were in information services (680 new jobs), lodging and food services (460), wholesale (330), administrative support (250), and manufacturing (240).

4. EMPLOYMENT AND LAND DEMAND PROJECTIONS

The employment and land demand projections in this report build upon the projections published by the State of Washington, and have been adjusted to account for Lacey and Thurston County's strong growth trends relative to the State.[15] Lacey's private and public sector employers employed 16,900 workers in 2013, which is a healthy number of jobs for 17,900 households established within the City limits.[16] Essentially, Lacey attracts more commuting workers into the City versus Lacey residents that counter-commute to work outside of city limits. Below are some additional observations about Lacey's economic base.

- Lacey's economy is reliant on public sector employment that generates 30 percent of the jobs in the City. The high percentage of public sector employment is to be expected given the City's proximity to the State capital;
- Retail trade is a larger share of Lacey's economy (17 percent of all jobs) than it is in Thurston County or the entire State (12 and 11 percent respectively);
- Health care employment is under-represented, accounting for 5 percent of Lacey's employment compared to 13 percent of Thurston County's job base;
- In Lacey and Thurston County, the manufacturing sector accounts for 2 percent of all jobs, while manufacturing accounts for 10 percent of the State's total job base.

4.1 Employment by Industry Projections

Based on the employment projections displayed in Figure 7, Lacey can anticipate that 13,700 new jobs will be added to the City's economy by 2035.This means that on average, Lacey's economy should expand by 620 jobs per year, although future growth will include time periods of strong economic growth and other time periods where growth is stagnant or in decline.

The projections methodology is based on assumptions that the Washington State Employment Security Department projections are accurate; that Lacey's economy will continue to expand more rapidly than the State; and that retail employment will expand consistent with the Thurston Regional Planning Council's population growth rates for the Lacey UGA. Projections after 2023 do not account for external events such as unanticipated wars, natural disasters, financial upheavals, or significant technological changes.

The industry sectors that are anticipated to generate the largest number of new jobs in Lacey are described below.

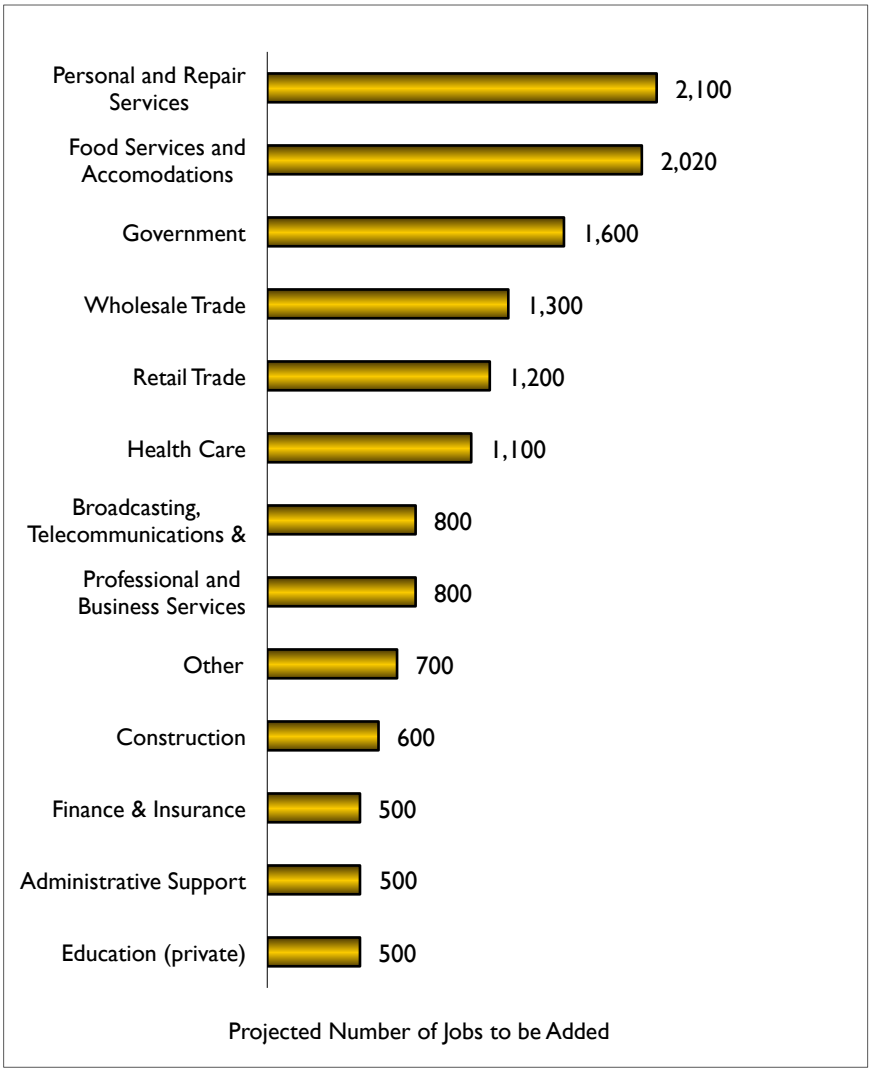
- Approximately 2,100 new low-wage paying personal and repair service jobs likely will be added to Lacey's economy by 2035, which amounts to 100 new jobs per year;

[15] See 2014 Employment Projections published by the Washington State Employment Security Department.

[16] Appendix Table A-16 provides employment projections for the City of Lacey from 2013 to 2035.

- The food services and lodging sectors are projected to add 2,000 new jobs by 2035, or 190 new jobs per year;
- Public sector employment should add 1,600 new jobs by 2035, despite the on-going budget cuts and struggles for public sector resources. The projected growth of 70 new jobs per year includes all levels of federal, state, and local government including the public schools;
- Wholesale trade establishments that take advantage of Lacey's excellent I-5 location are expected to add 1,300 new jobs by 2035, or 60 new jobs per year;
- Retail establishments that serve an expanding number of people and households in the Lacey area likely will add 1,200 new jobs by 2035, 50 jobs per year;
- If Lacey can capture a larger share of the regional health care employment, health care services can be expected to add another 1,100 jobs;
- Professional and technical services are expected to add 800 new jobs;
- The information sector, which includes broadcasting, telecommunications, and data processing, should add 800 new jobs.

Figure 7. Projection of Job Growth by Industry Sector in Lacey, 2013 to 2035



4.2 Land Demand Projections

Estimates of the demand for new business space, including the amount of land that Lacey should reserve for future business use, flow directly from the employment by industry projections. The resulting land demand projections use information published by the Urban Land Institute to sort and convert employment by industry data into employment by land-use categories. Employment density data published by the National Association of Office and Industrial Parks estimate the projected land demand consistent with land use descriptions below.

- Retail establishments, personal service providers and other establishments that need ground floor commercial space for walk in customers;
- Office and business park space, which may be single- or multi-story buildings;
- Research and development flex space, which most attractive to technology and start-up businesses;
- Manufacturing and industrial space that can vary in quality and the amount of space dedicated to outdoor storage;
- Warehouse and storage space with large open areas and possible outdoor uses;
- Institutions that include City Hall, hospital complexes, and similar facilities.

Figure 8 below converts the data on Lacey's 16,670 employees into land-use categories that occupy 6.97 million square feet of space. The allocation of employment by land use is summarized below.

- Nearly 5,800 employees occupy 2.89 million square feet of ground floor commercial space;
- About 4,600 employees occupy 1.37 million square feet of formal office or business park space, much of which is located in the Woodland District;
- Approximately 2,400 workers occupy 1.9 million square feet of warehouse, industrial, and flex space, most of which is located in the Hawks Prairie area;
- About 3,200 employees work in 800,000 square feet of institutional space, which includes land uses such as City Hall, St. Martin's University, public schools and hospital complexes;
- 700 jobs are located in open space areas that include golf courses, outdoor recreational establishments, landscaping and garden establishments, and other business establishments with small buildings and with a large percentage of their sites used for outdoor storage.

Figure 8 – Employment by Land Use in the City of Lacey, 2013

Building Type	Employment by Building Type	Building S.F. per Employee (1)	Total SF	FAR (1)	Acreage
Ground Floor Commercial Space	5,780	500	2,890,000	0.25	265
Office or Business Park Space	4,570	300	1,371,000	0.40	79
R&D /Flex Space	160	400	64,000	0.35	4
Manufacturing/Industrial	1,870	800	1,496,000	0.25	137
Warehouse & Storage	390	900	351,000	0.15	54
Institutions (2)	3,200	250	800,000	0.50	37
Outdoor Uses with No Buildings	700				
Totals	16,670	440	6,972,000		576

Data Sources: U.S. County Business Patterns; InfoUSA; Thurston Regional Planning Council; Washington State Employment Security Department; Urban Land Institute; National Association of Office and Industrial Parks
Analysis: Wahlstrom & Associates
Note: (1) Floor Area Ratio (FAR) and building square footage per employee are assumed based on research in other similar communities
(2) Includes schools, hospitals, and other institutions

The projections of new demand for business space and land that should be reserved for growth through 2035 are based on the previously described employment by industry projections, which anticipate that 13,700 new jobs will be added to Lacey's economy during the next 20 years. Accommodating these workers will require almost 6 million square feet of new space by the year 2035, assuming that Lacey continues to outperform the regional and state economy, that the area is not hit by unexpected financial or natural disasters, and that growth is not constrained by a lack of buildable land. Given these assumptions, the demand for land and built space that Lacey can anticipate through 2035 is summarized below, with detailed data provided in Appendix Table A-17.

- The City can expect to absorb an additional 2.8 million square feet of new ground floor commercial space, of which may have already be developed as of mid-2015, as the baseline data are from 2013;
- An additional 850,000 square feet of new office and business park space will be needed for business uses;
- Nearly 1.5 million square feet of industrial and flex space will be in demand, which should be sufficient to absorb 270,000 square feet of warehouse and storage space.

5. RETAIL LEAKAGE ANALYSIS

The City of Lacey's fiscal resources are highly dependent on sales tax revenues, and Lacey is working hard to attract new stores, encourage new shopping center investment, and transform underperforming sites into more desirable destinations for people. The retail leakage analysis will inform City staff, community leaders, and stakeholders about Lacey's market potential to attract new commercial businesses. The analysis will also provide the Comprehensive Plan update with important information about the opportunities to attract and expand commercial services.

5.1 Inventory of Occupied Retail Space

Retail establishments occupy approximately 2.2 million square feet of built commercial space. The most significant retail sectors are summarized below with detailed information found in Table A-18 of Appendix A.[17] Data were collected by Wahlstrom & Associates by walking and driving each commercial area in the City.

- Costco, Target, the Wal-Mart Supercenter, Shopko, and Sears occupy nearly 700,000 square feet, accounting for one-third of Lacey's occupied retail space;
- Home Depot, Lowes, and other building material stores have absorbed 274,000 square feet of space;
- Food and beverage stores anchored by Safeway, QFC, and the Wal-Mart Neighborhood Center absorb 270,000 square feet. This does not include Costco where food products account for 54 percent of sales, nor does it include the Wal-Mart Supercenter where food products account for 56 percent of all sales;[18]
- Sporting goods, hobby, and toys and game stores anchored by Cabela's and Michaels Crafts absorb nearly 245,000 square feet of space;
- Burlington Coat Factory, Kohl's, Marshalls, and a few small independent apparel retailers occupy 145,000 square feet of space.

5.2 Retail Sales Earnings

Nearly every brand name national and regional chain has established a Lacey store location. The Wal-Mart Supercenter, Cabela's, Wal-Mart, Safeway (Yelm Highway), Costco, Fred Meyer, Lowe's, Sears, Home Depot and Best Buy all generate more than $30 million of sales per year. Shopko, the Wal-Mart Neighborhood Center, Harley-Davidson, Burlington Coat Factory, QFC, PETSMART, Kohl's, Marshalls and Walgreens generate between $8 million and $30 million of sales. This leaves Lacey with 65 retail establishments that generate between $1 million and $8 million of sales with between 5 and 35 employees each. The remaining 64 smaller retail establishments, most of which are locally owned generate less than $1 million per

[17] Appendix Table A-18 provides an inventory of occupied retail space in Lacey by commercial district.

[18] See Wal-Mart and Costco 2014 10K reports submitted to the Security and Exchange Commission.

year of sales revenue.[19] In total, Lacey's retail establishments earn $874 million of sales, not including sales from restaurants, bars, fast food, or wholesale establishments engaged in business-to-business transactions.

Ninety percent of the sales information was collected from InfoUSA. In cases where Info USA withholds data for reasons of confidentiality, Wahlstrom & Associates estimated sales earnings using 10K reports that public corporations are required to submit to the Securities and Exchange Commission. Below is a summary of the sales performance among Lacey's key retail sectors.

- Food store sales account for $301.7 million or nearly one-third of the City's total retail. This figure includes the sales earned by three Safeway stores, a QFC, a Fred Meyer, the Wal-Mart Neighborhood Center, and eleven other small grocery and convenience stores. Estimated sales also accounts for food sales from Costco and the Wal-Mart Supercenter;
- Home Depot, Lowe's, and other building materials stores earn approximately $133 million of sales;
- General merchandise stores that generate $131 million of sales include Target, Big Lots, and Dollar Tree. The Wal-Mart Supercenter and Costco also earn between 40 and 50 percent of their sales from general merchandise items;
- Cabela's and 14 other sporting goods, hobby, toy, and game stores earn $89 million of sales;
- The Burlington Coat Factory, Kohl's, Marshalls, and smaller stores earn $51 million of sales.

5.3 Net Spending Leakages

Lacey's 148 retail establishments anchored by anchored by a wide variety of national and regional chain stores earn approximately $885 million of sales from customers that reside throughout Thurston County and from the neighboring I-5 corridor communities in Pierce and Lewis County. Essentially, Lacey's retail establishments earn far more sales than can be supported by the residents of Lacey. With the exception of Safeway and Lowe's, the anchor stores are located near the Marvin Road interchange, the Martin Way interchange or the Sleater-Kinney interchange with easy access to Interstate 5.

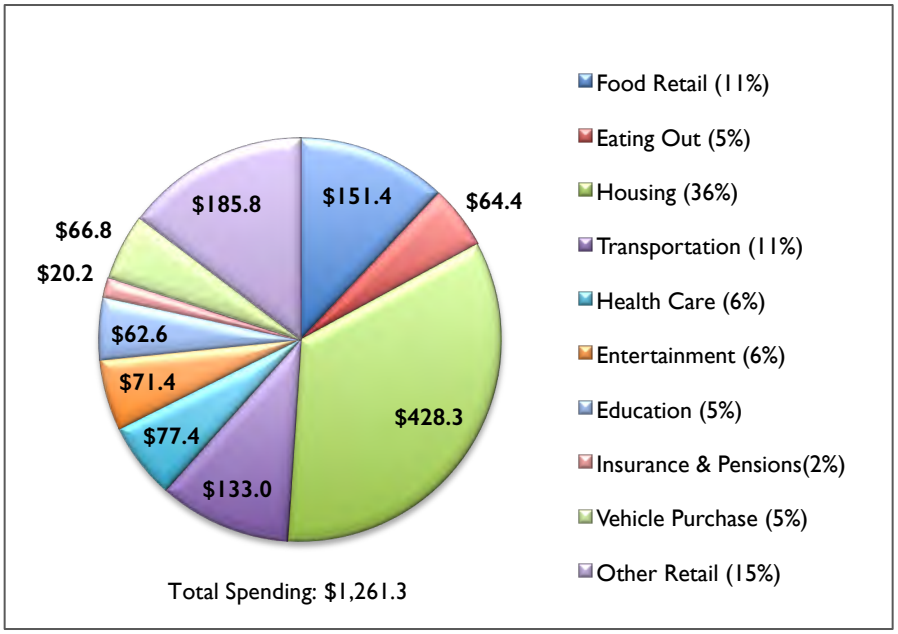
The Lacey market area that extends into unincorporated Thurston County includes 21,100 households.[20] The City of Lacey has 18,500 households that earn an average income of $68,200, which translates into a total earned income of $1.26 billion. Household spending estimates are based on the 21,100 households in the market area. They are derived from consumer spending surveys published by the U.S. Bureau of Labor Statistics combined with the 2013 Census of Retail Trade data to convert spending on products into spending by specific types of retail stores. Figure 9 below shows how Lacey's household income is allocated.

[19] Source: InfoUSA and corporate 10K reports.

[20] The market area includes the City of Lacey and the surrounding unincorporated areas of Thurston County defined as census tracts: 112, 113, 114. 115. 116 and 123.

- $151.4 million is spent at food retail stores not including eating out establishments;
- $64.4 million is spent at restaurants, bars, fast food and other food take out establishments;
- $66.8 million is spent to purchase various types of motor vehicle;
- $185.8 million is spent at retail stores or on Internet sales for a wide variety of consumer items;
- The remaining expenditures are on housing ($428 million), transportation ($133 million), health care ($77 million), entertainment $71 million, and a handful of other sectors.

Figure 9 – Lacey Household Expenditures Before Taxes, 2015



Note: Spending in $Millions

Figure 10 below provides detailed information about net spending leakages and the level of net regional capture of sales among certain store types in Lacey. The net calculations recognize that we live in a dynamic regional economy with large movements of people and goods around Lacey, Olympia, Thurston, DuPont, Tacoma and other smaller communities.

Essentially, $62.5 million of new and used automobile spending is leaking out of Lacey along with $26.6 million of spending at gas stations or travel centers. However, no other significant spending leakages are available to be captured. In contrast, sales earned by Lacey's retail establishments greatly exceed the $370 million of the available consumer spending within the Lacey market area. Below is a summary of the net regional spending being captured by Lacey's retail establishments.

- Electronics stores anchored by Best Buy capture $26.6 million of regional spending;
- Building materials stores anchored by Lowe's and Home Depot capture more than $70 million of regional spending;

- Seven supermarkets capture $144 million of regional spending;
- Sixteen clothing stores anchored by Kohl's, Marshalls, and Burlington Coat Factory capture $23.9 million of regional sales;
- Sporting goods stores anchored by Cabela's capture $70.9 million of regional spending;
- General merchandise stores anchored by Costco and Wal-Mart capture nearly $190 million of regional sales.

Figure 10 – Spending by Lacey Area Households Compared to Sales Captured by Lacey's Retail Establishments, 2015

Store Category	Household Spending (1)	Sales Earned (2)	Spending Leakages (3)	Regional Capture (4)
Automotive Group				
Automobile Dealers	$62,480,000	$0	$62,480,000	$0
Other Motor Vehicle Dealers	$4,284,000	$21,895,000	$0	$17,611,000
Auto parts & Tire Shops	$7,227,000	$16,887,000	$0	$9,660,000
Furniture & Home Furnishings				
Furniture Stores	$4,464,000	$11,860,000	$0	$7,396,000
Home Furnishings	$3,799,000	$3,323,000	$476,000	$0
Electronics & Appliance Stores				
Household Appliance	$1,399,000	$1,638,000	$0	$239,000
Consumer Electronics & Software	$8,011,000	$34,565,000	$0	$26,554,000
Building Materials				
Home Centers	$11,729,000	$64,732,200	$0	$53,003,200
Paint & Wallpaper	$762,000	$2,262,000	$0	$1,500,000
Hardware	$1,805,000	$2,209,000	$0	$404,000
Other Building Materials	$10,167,000	$30,715,000	$0	$20,548,000
Nursery, Garden Center & Farm Supply	$740,000	$0	$0	$0
Food & Beverage Stores				
Supermarkets & Other Grocery	$46,495,000	$190,872,000	$0	$144,377,000
Convenience	$2,368,000	$17,574,000	$0	$15,206,000
Specialty Food	$1,823,000	$0	$1,823,000	$0
Beer, Wine & Liquor	$3,945,000	$2,026,000	$1,919,000	$0
Health & Personal Care Stores				
Pharmacies & Drug	$20,817,000	$24,082,000	$0	$3,265,000
Cosmetics, Beauty Supplies & Perfume	$1,229,000	$0	$1,229,000	$0
Optical Goods	$958,000	$3,606,000	$0	$2,648,000
All Other Health	$1,626,000	$516,000	$1,110,000	$0
Gasoline Stations				$0
Gasoline stations with Convenience Stores	$42,451,000	$15,869,000	$26,582,000	
Clothing & Accessories Stores				
Clothing	$14,869,000	$38,739,000	$0	$23,870,000
Shoe	$2,475,000	$7,555,000	$0	$5,080,000
Jewelry	$2,501,000	$4,443,000	$0	$1,942,000
Luggage & Leather Goods	$186,000	$0	$186,000	$0
Sporting Goods, Hobby, Book & Music Stores				
Sporting Goods	$3,662,000	$74,586,000	$0	$70,924,000
Hobby, Toy & Game	$1,636,000	$6,751,000	$0	$5,115,000
Sewing, Needlework & Piece Goods	$1,089,000	$0	$1,089,000	$0
Musical Instruments & Supplies	$1,524,000	$649,000	$875,000	$0
Book & Music	$1,467,000	$852,000	$615,000	$0
General Merchandise				
Department Stores (not discount)	$11,451,000	$69,698,000	$0	$58,247,000
Warehouse Clubs & Superstores	$34,724,000	$121,215,600	$0	$86,491,600
Other General Merchandise	$10,940,000	$54,385,000	$0	$43,445,000

Figure 10 continued on next page

Figure 10 continued

Miscellaneous Stores				
Florists	$678,000	$1,137,000	$0	$459,000
Office Supplies & Stationary	$1,896,000	$7,905,000	$0	$6,009,000
Gift, Novelty & Souvenir	$1,395,000	$1,978,000	$0	$583,000
Used Merchandise	$1,198,000	$6,059,000	$0	$4,861,000
Pet Supplies	$1,231,000	$19,783,000	$0	$18,552,000
Other	$4,098,000	$2,127,000	$0	$0
Non-Store Retailers and Internet sales				
Non-Store Retailers and Internet sales	$33,040,000		$0	$0
Total	**$368,639,000**	**$862,493,800**		

Data Sources: Bureau of Labor Statistics Household Spending Surveys, U.S. Census of Retail Trade, InfoUSA and Corporate 10k reports
Analysis: Wahlstrom & Associates
Notes: Column (1) Measures total consumer spending by store type among Lacey area residents that live in census tracts: 112, 113, 114, 115, 116 and 123
Column (2) Utilizes data from InfoUSA and Corporate 10K reports
Column (3) Measures Net Spending Leakages by Store Type
Column (4) Measures the Net Amount of Sales Captured by Lacey retailers among Consumers that live outside of the Lacey market area

6. ECONOMIC DEVELOPMENT OPPORTUNITIES

Lacey's economic development opportunities are primarily constrained by the lack of manufacturing establishments throughout Thurston County. Manufacturing activities, many of which are driven by technological innovation, attract investors and entrepreneurs who generate strong economic and employment multipliers through value-added activities. Instead, Thurston County's economy is heavily skewed toward government employment, which is to be expected given the State Capitol's location in Olympia. The remaining sectors of Thurston County's economy look very similar to the State of Washington with the barriers to growth directly related to the performance of the national and state economy.

Lacey's balanced economy has captured exactly 17.2 percent of Thurston County's jobs and housing units within the City limits, which means that the City has a perfect one to one jobs/housing ratio with no net commute to employment centers elsewhere. Unfortunately, the strong components of Lacey's economy that are listed below generate a high percentage of low-wage jobs.

- Fifty-five percent of Thurston County's information sector jobs are located in Lacey. This sector is anchored by a single call center that employs approximately 1,000 workers.[21]
- Lacey has captured 28 percent of Thurston County's wholesale trade jobs, which take advantage of the community's excellent I-5 access.
- Lacey has become a regional shopping destination that has captured 25 percent of the County's retail jobs.
- Chain store restaurants combined with independent ethnic restaurants have become regional destinations that allow Lacey to capture 23 percent of Thurston County's food service and accommodations jobs.

Health care and government are two relatively weak economic sectors that pay relatively good wages but capture employment shares that are significantly below the 17.2 percent of total Thurston County jobs captured in Lacey. Only 7 percent of the County's health care jobs, and only 14 percent of government jobs are located in Lacey. A smaller share of total government employment makes sense given that Olympia is the State capital and the principal location for State government jobs.

[21] The information sector includes establishments engaged in producing, distributing, transmitting, or processing data. Information establishments include traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries; telecommunications industries; web search portals, data processing industries, and the information services industries.

6.1 Opportunities and Barriers to Lease and Start a New Business in Lacey

The City of Lacey has earned a reputation of being easy to work with and supportive of more business activity. Landowners, businesses, and developers that were interviewed consistently complimented the business climate and friendly regulatory environment created by City Staff and elected officials.

Instead of regulatory constraints, Lacey's barriers to growth are subtle, complex, and directly related to the absence of a downtown or a central gathering place for people and civic activities. The demographic shifts of recent years have created a large pool of young people who are seeking more walkable urban environments with less dependence on driving. Within that context, the City is working to transform the Woodland District into a smart growth location with a higher density of housing, jobs, and local services that will also attract more residents and commerce. Unfortunately, it may take years to accomplish a successful retrofit of the Woodland District.

One land-use regulation that the City may consider is a change in the 500,000 square foot building size limitation for new development. Fulfillment centers that distribute on-line retail sales—a relatively new real estate product—require a minimum of 1 million square feet of space. Amazon has located a fulfillment center in nearby DuPont and all major corporations are establishing new fulfillment centers to manage on-line sales. Lacey's excellent I-5 access can offer corporations an ideal location for new fulfillment centers serving the Puget Sound region.

6.2 Feasible Commercial Uses for the Existing Building Stock

Lacey has 240,000 square feet of vacant commercial space that could be occupied by retail and other commercial establishments. Six vacancies range in size from 11,000 square feet to 42,000 square feet. In general, the larger vacant spaces are too poorly located to successfully attract region-serving retail, which makes attracting new retailers to the vacant spaces very difficult given the absence of spending leakages. Potential reuses of the larger sites are described below.

The Woodland District has one 11,200 square foot vacancy that was built to be a grocery store but was converted into State offices before becoming vacant. The site has become an obsolete retail space that lacks good access and visibility. The City should consider allowing the site to be redeveloped for housing or a mix of uses that would attract residents to the live within walking distance to other commercial services. The Woodland District has a significant inventory of additional vacant office space that was formerly occupied by the State, but lacks the private sector demand to reuse in the short-term. The supply of vacant office space within the Woodland District is unknown and not included in this market study.

The Woodland District's South Sound Shopping Center includes a 24,000 square foot vacancy that is very difficult to fill because the building depth does not match the needs of prospective tenants. The property owner's ongoing leases with Sears and Target constrain reusing this vacant space, and the owner is not willing to make significant changes to the facility that will increase density and encourage more mixed uses. The City should encourage new investors to acquire and redevelop the entire shopping center for a mix of uses with less land used for parking and more intensive floor area ratios.

A 27,000 square foot vacancy is available in the Martin Village shopping center, which is anchored by Shopko, Burlington Coat Factory and Regal Theaters. Perhaps the vacant space can be subdivided and reused for more arcades, a fun center or a food court, which would enhance the area as a family entertainment destination. Martin Village is a stand-alone commercial center that is not visible to freeway traffic; its poor location is not attractive for corporate retailers that depend on attracting regional customers.

The Lacey Blvd. and Pacific Avenue corridor includes three large vacant spaces described below.

- A 16,100 square foot vacant space is located along Ruddell Road, between Lacey Blvd. and Pacific Ave. A second nearby 14,700 square foot vacant space is located between Lacey Blvd and Pacific Ave, just north of the Lacey traffic circle. The two sites would best be reused for general commercial space because they are not well located to attract regional customers.

- A vacant 42,000 square foot grocery store located on the corner of Pacific Avenue and Carpenter Road is the most visible sign of blighted commercial property in Lacey. The lack of spending leakages leaves this neighborhood-serving site without any obvious uses. The City should consider allowing the site to be redeveloped for residential or a mix of other uses.

Another 58 commercial vacancies that account for 135,000 square feet of vacant commercial space average only 1,800 square feet in size. The City should consider partnering with the Chamber or other business groups to organize a local tour that can generate some interest in the vacant spaces from home-based businesses or individuals local looking for new commercial or live-work space. This approach that has been successful elsewhere can inform potential business tenants and entrepreneurs about the existing available vacancies, their assets, and possible uses.

6.3 Business Recruitment Strategies

The City of Lacey should consider alternative approaches to business expansion and recruitment efforts. A typical or “old school” economic development approach is to proactively contact and deliver promotional materials to footloose companies that are seeking business sites. The recruitment effort often includes an offering of business incentives that will reduce the costs of doing business, thereby making a community more attractive as a business location. This approach often places communities in direct competition with each other in a race to the bottom to find locations with the lowest cost of doing business. Below are some alternative approaches the City can consider.

Establish a Business Retention and Expansion Program

The City could focus on assisting locally owned businesses to expand and thrive in the regional economy. Existing research shows that local companies generate much higher economic multipliers than do national chain stores, which quickly transfer their value-added revenue out of the community. A survey and/or site visit could identify specific business expansion barriers that individual establishments must overcome. Potential barriers include lack of business management expertise, marketing and branding deficiencies, lack of access to capital, improved workforce training or other similar barriers. Expanded revenues and the creation of new jobs could be accomplished through a partnership between the City, the Thurston EDC, other non-profits and the business community.

Continue New Smart Growth Initiatives in the Woodland District

The City should continue its efforts to create a more dense and walkable environment that transforms the Woodland District into a desirable place to work, live, and be entertained. A continued focus on new smart growth initiatives may take a long period of time, but has a high likelihood of making Lacey more attractive for the young, creative class.

Create a Website of Available Business Sites

The City's existing website provides no information about sites that may be available for new commercial and industrial business space. Companies seeking sites want as much information as possible in advance of any visit to the area. They want to know about vacant land, zoning, access to infrastructure services, and an inventory of vacant buildings on the market for new business tenants. The City should consider using scarce economic development funding to add this capacity through the City's existing website, or a new economic development website that includes information about sites. This link provides some ideas about what such a service can look like: http://www.gisplanning.com/Products/zoomprospector.html.

Encourage the Creation of a New Commercial Real Estate Area at the Gateway

The City should encourage the Gateway to be developed for commercial retail and other mixed uses. However, successful development will require developing a new real estate product that departs from the big box retail format that was developed along Marvin Road. The City should consider allowing the property owners to develop either a lifestyle center or a factory outlet center within the Gateway District. A lifestyle center mixes retail, entertainment, food and perhaps housing into a walkable commercial area. A factory outlet center could be modeled after the Woodburn Premium Outlets located just south of Portland. A factory outlet center primarily consists of retail stores that offer a product mix and format that is distinctly different from Lacey's established retail stores. If planned and designed properly a new lifestyle of factory outlet center at the Gateway could attract additional regional customers.

APPENDIX A: REPORT TABLES

Table 1

Demographic Trends in the Lacey area and the surrounding region, 2000 to 2014

				Growth		Average Annual Growth Rates	
City of Lacey	2000	2010	2015	2000 to 10	2010 to 14	2000 to 10	2010 to 14
Population	32,280	42,390	46,120	10,110	3,730	2.8%	2.1%
Households	12,910	16,920	18,490	4,010	1,570	2.7%	2.2%
Housing Units	13,580	18,390	19,980	4,810	1,590	3.1%	2.1%
Thurston County							
Population	207,360	252,260	267,950	44,900	15,690	2.0%	1.5%
Households	81,630	100,650	107,580	19,020	6,930	2.1%	1.7%
Housing Units	86,660	108,180	115,210	21,520	7,030	2.2%	1.6%
I-5 Corridor Region [a]							
Population	976,360	1,122,940	1,179,110	146,580	56,170	1.4%	1.2%
Households	368,580	430,310	454,080	61,730	23,770	1.6%	1.4%
Housing Units	393,150	467,610	491,870	74,460	24,260	1.7%	1.3%
Washington							
Population	5,894,120	6,724,540	7,083,350	830,420	358,810	1.3%	1.3%
Households	2,271,400	2,620,080	2,770,330	348,680	150,250	1.4%	1.4%
Housing Units	2,451,070	2,885,680	3,039,620	434,610	153,940	1.6%	1.3%

Data Sources: Claritas, U.S. Census and the American Community Survey Estimates
Analysis: Wahlstrom & Associates
Notes: [a] Includes the Counties of Thurston, Pierce and Lewis
Numbers are rounded

Table 2

Population By Age in Lacey, Thurston County and the surrounding region, 2015

Population Estimates	Age < 18	Age 18-34	Age 35-54	Age 55-64	Age 65 +	Total	Average Age
City of Lacey	11,470	11,170	11,380	4,850	7,250	46,120	37.9
Thurston County	59,280	60,180	70,110	37,220	41,160	267,950	39.6
I-5 Corridor Region [a]	278,140	275,530	309,940	152,680	162,830	1,179,120	38.3
State of Washington	1,609,250	1,649,650	1,883,950	932,350	1,008,150	7,083,350	38.8
Percent Distribution by Age Group							
City of Lacey	25%	24%	25%	11%	16%		
Thurston County	22%	22%	26%	14%	15%		
I-5 Corridor Region [a]	24%	23%	26%	13%	14%		
State of Washington	23%	23%	27%	13%	14%		

Data Sources: Claritas, U.S. Census and the American Community Survey Estimates
Analysis: Wahlstrom & Associates
Notes: [a] Includes the Counties of Thurston, Pierce and Lewis
Numbers are rounded

Table 3
Educational Attainment among the residents of Lacey, Thurston County and the surrounding region
(Adults age 25 and older), 2015

	Not HS Graduate	HS Graduate, Some College or Associates Degree	Bachelor's degree	Professional or Advanced Degree	Total
City of Lacey	2,110	19,750	5,660	3,210	30,730
Thurston County	11,930	115,520	34,920	22,330	184,700
I-5 Corridor Region [a]	69,320	523,620	125,150	71,620	789,710
State of Washington	468,970	2,817,760	971,250	546,260	4,804,240
Percent Total					
City of Lacey	7%	64%	18%	10%	
Thurston County	6%	63%	19%	12%	
I-5 Corridor Region [a]	9%	66%	16%	9%	
State of Washington	10%	59%	20%	11%	

Data Source: Claritas and the U.S. Census American Community Service
Analysis: Wahlstrom & Associates
Notes: [a] Includes the Counties of Thurston, Pierce and Lewis
Numbers are rounded

Table 4

Primary Language Spoken at Home among age 5+ persons in Lacey and the surrounding region, 2014

	English	Spanish	Asian	Other	Total
City of Lacey	36,070	1,740	3,530	1,360	42,700
Thurston County	224,000	10,780	11,970	5,140	251,890
I-5 Corridor Region [a]	952,280	61,680	54,150	33,320	1,101,430
State of Washington	5,377,060	558,300	378,840	324,360	6,638,560
Percent Total					
City of Lacey	84%	4%	8%	3%	
Thurston County	89%	4%	5%	2%	
I-5 Corridor Region [a]	86%	6%	5%	3%	
State of Washington	81%	8%	6%	5%	

Data Source: Claritas and the U.S. Census American Community Survey
Analysis: Wahlstrom & Associates
Notes: [a] Includes the Counties of Thurston, Pierce and Lewis
Numbers are rounded

Table 5

Labor Force Characteristics in Lacey and the Surrounding Region, 2014

2014	Labor Force	Employed	Unemployed	Unemployment Rate	Not in Labor Force	Labor Force Participation Rate
City of Lacey	18,560	17,170	1,400	7.5%	12,380	60%
Thurston County	123,120	114,940	8,180	6.6%	68,370	64%
I-5 Corridor Region [a]	538,030	499,320	38,710	7.2%	301,050	64%
State of Washington	3,488,180	3,270,360	217,820	6.2%	1,907,930	65%

Data Source: Claritas and the U.S. Census American Community Survey
Analysis: Wahlstrom & Associates
Notes: [a] Includes the Counties of Thurston, Pierce and Lewis
Numbers are rounded

Table 6

Commuter Travel Time to Work in Lacey, Thurston County area and the surrounding region, 2015

Travel Time to Work	< 15 minutes	15 to 30 minutes	30 to 45 minutes	> 45 minutes	Average Travel Time (# of minutes)
City of Lacey	3,800	8,870	3,970	2,130	27
Thurston County	33,240	48,130	23,120	16,070	27
I-5 Corridor Region [a]	123,190	184,770	111,390	95,400	30
State of Washington	836,230	1,160,340	656,950	486,680	28
Percent Total					
City of Lacey	20%	47%	21%	11%	
Thurston County	28%	40%	19%	13%	
I-5 Corridor Region [a]	24%	36%	22%	19%	
State of Washington	27%	37%	21%	15%	

Data Sources: Claritas, U.S. Census and the American Community Survey Estimates
Analysis: Wahlstrom & Associates
Notes: [a] Includes the Counties of Thurston, Pierce and Lewis
Numbers are rounded

Table 7

Average Household Income Trends in
Lacey, Thurston County and Washington State: 2000 - 2015

	2000	2010	2015	Real Income Change 2000 - 2010	Real Income Change 2010 - 2015	% change 2000 - 2015
Lacey	$67,700	$56,100	$68,220	-$11,600	$12,120	1%
Thurston County	$76,800	$60,600	$72,700	-$16,200	$12,135	-5%
Washington State	$80,000	$63,000	$78,800	-$17,000	$15,844	-1%

Data Sources: Claritas and the U.S. Census American Community Survey
Analysis: Wahlstrom & Associates
Notes: Data is not adjusted for inflation

Table 8

Average Household Income and Income Distribution in Lacey, Thurston County area and the surrounding region, 2015

# of Households in each income bracket	< $35k	$35 to $50K	$50 to $100K	$100 to $150K	> $150k	Total Households	Average HH Income
City of Lacey	5,180	2,750	6,940	2,650	960	18,480	$68,220
Thurston County	29,370	14,310	39,410	16,350	8,140	107,580	$72,700
I-5 Corridor Region [a]	128,850	64,680	159,470	66,040	35,040	454,080	$72,000
State of Washington	798,960	370,330	889,040	414,810	297,200	2,770,340	$78,800
Percent Total							
City of Lacey	28%	15%	38%	14%	5%		
Thurston County	27%	13%	37%	15%	8%		
I-5 Corridor Region [a]	28%	14%	35%	15%	8%		
State of Washington	29%	13%	32%	15%	11%		

Data Sources: Claritas, U.S. Census and the American Community Survey Estimates
Analysis: Wahlstrom & Associates

Notes: [a] Includes the Counties of Thurston, Pierce and Lewis
Numbers are rounded

Table A-9
Inventory of Built Commercial Space in the City of Lacey, 2015

Type of Use	Hawk's Prairie (1)	Martin Way Between Carpenter & College (2)	Woodland District (3)	Lacey/Pacific Ave Corridor between College & Carpenter (4)	College & Yelm Highway Interchange (5)	Lacey (Total)	% Total Type of Use
Total Occupied Commercial Space	1,17,300	240,200	608,000	258,400	376,200	2,672,600	
Retail (Occupied)	962,700	191,500	573,100	105,800	323,600	2,156,700	73%
Amusement, Gambling & Recreation Facilities	43,700	27,000	5,600	39,200	12,600	128,100	5%
Business & Professional Services (located in commercial space)	14,600	1,500	39,000	65,900	4,200	125,200	4%
Full Service Restaurants	51,300	13,400	24,900	23,300	7,600	120,500	4%
Pizza, Fast Food & Food Take-Out Establishments	39,200	4,500	23,600	10,200	25,400	102,900	4%
Personal Care Services	5,800	2,300	14,300	14,000	2,800	39,200	1%
Vacant Commercial Space	22,300	35,500	71,800	97,800	13,200	240,600	
Vacancy Rates	2.2%	12.9%	9.5%	27.5%	3.4%	8.2%	
% Total Commercial Space by Subarea	39%	9%	26%	12%	13%		
Other Types of Business Space							
Visitor Lodging Facilities	80,200	107,200	32,400	0	0	220,000	
Self Storage	22,600	0	0	125,500	29,700	178,000	
Commercial Banks & Other Lending Establishments	40,000	4,300	37,500	6,700	6,800	95,000	
Schools, Classrooms & Child Care	30,100	3,200	22,900	24,500	0	81,000	
Doctors, Dentists & Other Health Care Offices	18,200	2,100	11,100	26,500	7,900	66,000	
Automobile Repair & Maintenance	5,800	2,700	5,900	17,500	5,500	37,000	
Government Offices	6,7	1,100	9,600	16,300	0	34,000	
Civic & Religious Organizations	1,000	2,100	0	4,400	0	8,000	
Total Built Space	1,243,000	398,000	872,000	578,000	439,000	3,631,000	
% Total Built Space by Subarea	37%	11%	24%	16%	12%		

Source: Wahlstrom & Associates
Notes: 1) Hawks Prairie extends along the Marvin Avenue corridor along both sides of I-5
(2) Corridor includes commercial space within the City Limits
(3) Includes the South Sound Shopping Center
(4) Area includes the Pacific and Lacey Blvd. corridor between College and Carpenter Road
(5) Area with three shopping centers along the interchange includes Lowes and the Walmart Neighborhood Center
(6) Data collected in the field during the months of February and March, 2015; partial data provided by the City of Lacey
(7) Data does not include pure office space, warehouse, distribution, or industrial space
(8) Data are estimates and not precise measures

Table 10
Employment by Industry in Thurston County, Lacey and the Surrounding Market Area, 2013

Industry Sector	Thurston Co.	Lacey Market Area	Lacey City Limits	Lacey's Share of Thurston County's Employment
Total Employment	61,390	20,620	11,800	19%
Construction	3,280	1,130	600	18%
Manufacturing	2,680	830	330	12%
Food & beverage Products	480	150	120	
Textile Products	20	10	0	
Leather and Allied Products	10	0	0	
Wood Products	70	20	0	
Paper Products	410	270	0	
Printing and Related Support Activities	120	40	20	
Chemical Products	30	0	0	
Plastics and Rubber Products	250	0	0	
Nonmetallic Mineral Products	160	10	0	
Primary Metal Products	10	0	0	
Fabricated Metal Products	460	80	60	
Machinery Products	70	0	0	
Computer and Electronic Products	10	0	0	
Electrical Equipment and Components	10	0	0	
Transportation Equipment	110	0	0	
Furniture and Related Products	270	110	100	
Miscellaneous Manufacturing	190	140	30	
Wholesale Trade	2,220	710	640	29%
Retail Trade	11,730	4,370	2,900	25%
Motor Vehicle and Parts Dealers	1,350	240	170	
Furniture and Home Furnishings Stores	300	90	60	
Electronics and Appliance Stores	340	130	40	
Building Material and Garden Equipment and Supplies Dealers	1,240	520	380	
Food and Beverage Stores	2,130	890	540	
Health and Personal Care Stores	600	240	120	
Gasoline Stations	470	180	40	
Clothing and Clothing Accessories Stores	960	120	70	
Sporting Goods, Hobby, Musical Instrument, and Book Stores	810	440	400	
General Merchandise Stores	2,820	1,240	830	
Miscellaneous Store Retailers	710	280	250	
Transportation	1,390	520	170	12%
Transportation and Support Activities	890	220	150	
Passenger Transit	220	80	10	
Warehouse and Storage	280	220	10	
Information	2,070	1,040	790	38%
Publishing Industries (except Internet)	240	30	0	
Motion Picture and Sound Recording Industries	140	70	50	
Broadcasting (except Internet)	110	0	0	
Telecommunications	300	130	60	
Data Processing and Other Information Services	1280	810	680	

Table 10 Continued

Finance	2,020	750	720	36%
Insurance	500	200	110	22%
Real Estate Activities'	1,030	400	210	20%
Professional, Scientific, and Technical Services	4,980	1,990	740	15%
Legal Services	560	80	30	
Accounting Services	670	200	90	
Architectural, Engineering, and Design	510	120	100	
Computer Systems Design and Related Services	2,160	1,120	300	
Management and Technical Consulting Services	330	150	90	
Scientific Research and Development Services	70	30	0	
Advertising and Related Services	170	110	10	
Other Professional and Technical Services	510	180	120	
Management Activities	230	90	0	0%
Administrative Support Services	2,130	780	200	9%
Waste Management and Remediation Services	200	170	170	85%
Educational Services (Private)	1,610	870	570	35%
Health Care and Social Assistance	13,090	2,600	920	7%
Health Care Services & hospitals	8,800	940	820	
Nursing and Residential Care Facilities	2,310	1,070	0	
Social Assistance	1,980	590	100	
Arts, Entertainment, and Recreation	2,550	960	350	14%
Performing Arts and Spectator Sports	80	0	0	
Museums, Historical Sites, and Similar Institutions	90	0	0	
Recreation and Amusement	2,380	960	350	
Accommodation	1,060	240	130	12%
Food Services and Drinking Places	6,890	2,360	1,710	25%
Other Services	1,730	610	540	31%
Repair and Maintenance	800	240	210	
Personal and Laundry Services	930	370	330	

Data Sources: U.S County Business Patterns; InfoUSA; National Association of Industrial and Office Park and the City of Lacey
Analysis: Wahlstrom & Associates
Notes: Data only measures private sector employment. Does not include jobs generated by federal, state or local government agencies
Data does not include jobs generated by federal, state or local government agencies
Data does not include agriculture, mining or utilities employment and jobs in religious or other non-profit organizations

Table A-11
Washington State Employment Trends: 2001 to 2013

	2001	2007	2010	2013	Annual Growth Rate 2001-2007	Annual Growth Rate 2007-2010	Annual Growth Rate 2010-2013
Construction	153,098	198,699	140,964	137,831	4.4%	-10.8%	-0.7%
Manufacturing	316,227	254,034	220,380	246,382	-3.6%	-4.6%	3.8%
Wholesale trade	125,307	129,132	119,768	124,713	0.5%	-2.5%	1.4%
Retail trade	317,052	327,798	303,625	312,494	0.6%	-2.5%	1.0%
Transportation & warehousing	79,358	89,716	79,233	86,375	2.1%	-4.1%	2.9%
Information	103,800	112,428	112,522	123,018	1.3%	0.0%	3.0%
Finance & insurance	101,117	119,547	96,379	98,936	2.8%	-6.9%	0.9%
Real estate & rental & leasing	50,292	52,389	46,782	45,375	0.7%	-3.7%	-1.0%
Professional, scientific & technical services	141,642	165,323	160,632	193,509	2.6%	-1.0%	6.4%
Management of companies & enterprises	49,765	78,860	84,864	71,595	8.0%	2.5%	-5.5%
Admin, support, waste mgt, remediation services	125,282	152,003	124,643	139,248	3.3%	-6.4%	3.8%
Educational services	40,717	47,653	50,771	53,095	2.7%	2.1%	1.5%
Health care and social assistance	287,251	342,644	370,406	375,679	3.0%	2.6%	0.5%
Arts, entertainment & recreation	48,169	57,200	60,345	60,590	2.9%	1.8%	0.1%
Accommodation & food services	203,038	236,709	223,706	240,639	2.6%	-1.9%	2.5%
Other services (except public administration)	106,790	112,080	108,237	109,597	0.8%	-1.2%	0.4%
Totals	2,248,905	2,476,215	2,303,257	2,419,076	1.6%	-2.4%	1.6%

Data Source: U.S. County Business Patterns
Analysis: Wahlstrom & Associates

Table 12
Thurston County Employment Trends: 2001 to 2013

	2001	2007	2010	2013	Annual Growth Rate 2001-2007	Annual Growth Rate 2007-2010	Annual Growth Rate 2010-2013
Construction	3,633	5,064	3,557	3,277	5.7%	-11.1%	-2.7%
Manufacturing	3,166	3,096	2,475	2,681	-0.4%	-7.2%	2.7%
Wholesale trade	2,239	2,049	2,298	2,216	-1.5%	3.9%	-1.2%
Retail trade	9,654	12,284	11,936	11,709	4.1%	-1.0%	-0.6%
Transportation & warehousing	913	1,666	1,441	1,397	10.5%	-4.7%	-1.0%
Information	1,602	1,541	1,436	2,073	-0.6%	-2.3%	13.0%
Finance & insurance	2,533	2,876	2,520	2,516	2.1%	-4.3%	-0.1%
Real estate & rental & leasing	1,138	1,239	1,027	1,029	1.4%	-6.1%	0.1%
Professional, scientific & technical services	3,303	5,180	5,386	4,980	7.8%	1.3%	-2.6%
Management of companies & enterprises	330	735	178	229	14.3%	-37.7%	8.8%
Admin, support, waste mgt, remediation services	2,631	3,297	3,170	2,325	3.8%	-1.3%	-9.8%
Educational services	1,014	1,329	1,474	1,608	4.6%	3.5%	2.9%
Health care and social assistance	9,665	11,301	11,491	13,091	2.6%	0.6%	4.4%
Arts, entertainment & recreation	1,444	2,257	2,713	2,549	7.7%	6.3%	-2.1%
Accommodation & food services	6,256	7,694	7,582	7,944	3.5%	-0.5%	1.6%
Other services (except public administration)	3,377	4,070	4,417	3,961	3.2%	2.8%	-3.6%
Totals	52,898	65,678	63,101	63,585	3.7%	-1.3%	0.3%

Data Source: U.S. County Business Patterns
Analysis: Wahlstrom & Associates

Table A-13
Pierce County Employment Trends: 2001 to 2013

	2001	2007	2010	2013	Annual Growth Rate 2001-2007	Annual Growth Rate 2007-2010	Annual Growth Rate 2010-2013
Construction	15,533	24,169	16,479	15,144	7.6%	-12.0%	-2.8%
Manufacturing	21,293	19,123	15,040	16,885	-1.8%	-7.7%	3.9%
Wholesale trade	9,614	12,024	10,737	10,790	3.8%	-3.7%	0.2%
Retail trade	32,677	35,745	32,563	33,497	1.5%	-3.1%	0.9%
Transportation & warehousing	8,326	12,259	11,966	11,324	6.7%	-0.8%	-1.8%
Information	3,954	3,688	3,701	3,738	-1.2%	0.1%	0.3%
Finance & insurance	8,773	12,250	11,148	9,634	5.7%	-3.1%	-4.7%
Real estate & rental & leasing	4,699	5,682	5,212	5,018	3.2%	-2.8%	-1.3%
Professional, scientific & technical services	7,522	9,761	8,549	9,096	4.4%	-4.3%	2.1%
Management of companies & enterprises	3,198	4,247	4,972	5,411	4.8%	5.4%	2.9%
Admin, support, waste mgt, remediation services	11,403	15,225	10,981	11,969	4.9%	-10.3%	2.9%
Educational services	7,007	6,994	7,332	7,067	0.0%	1.6%	-1.2%
Health care and social assistance	34,604	42,945	44,219	44,022	3.7%	1.0%	-0.1%
Arts, entertainment & recreation	4,536	3,139	5,675	6,513	-6.0%	21.8%	4.7%
Accommodation & food services	18,656	25,712	21,541	23,282	5.5%	-5.7%	2.6%
Other services (except public administration)	12,184	13,047	12,407	12,827	1.1%	-1.7%	1.1%
Totals	203,979	246,010	222,522	226,217	3.2%	-3.3%	0.6%

Data Source: U.S. County Business Patterns
Analysis: Wahlstrom & Associates

Table A-14
Lewis County Employment Trends: 2001 to 2013

	2001	2007	2010	2013	Annual Growth Rate 2001-2007	Annual Growth Rate 2007-2010	Annual Growth Rate 2010-2013
Construction	835	1,327	825	668	8.0%	-14.7%	-6.8%
Manufacturing	2,895	3,827	3,137	2,985	4.8%	-6.4%	-1.6%
Wholesale trade	627	774	506	502	3.6%	-13.2%	-0.3%
Retail trade	3,612	3,929	3,434	3,613	1.4%	-4.4%	1.7%
Transportation & warehousing	573	1,204	1,137	1,329	13.2%	-1.9%	5.3%
Information	325	254	182	136	-4.0%	-10.5%	-9.3%
Finance & insurance	464	454	407	386	-0.4%	-3.6%	-1.8%
Real estate & rental & leasing	228	384	303	292	9.1%	-7.6%	-1.2%
Professional, scientific & technical services	363	472	498	482	4.5%	1.8%	-1.1%
Management of companies & enterprises	31	23	42	8	-4.9%	22.2%	-42.5%
Admin, support, waste mgt, remediation services	475	781	706	618	8.6%	-3.3%	-4.3%
Educational services	88	120	141	96	5.3%	5.5%	-12.0%
Health care and social assistance	2,724	2,903	3,022	3,206	1.1%	1.3%	2.0%
Arts, entertainment & recreation	214	217	226	188	0.2%	1.4%	-6.0%
Accommodation & food services	1,951	2,098	1,821	1,904	1.2%	-4.6%	1.5%
Other services (except public administration)	946	860	802	730	-1.6%	-2.3%	-3.1%
Totals	16,351	19,627	17,189	17,143	3.1%	-4.3%	-0.1%

Data Source: U.S. County Business Patterns
Analysis: Wahlstrom & Associates

Table 15

Lacey Market Area Employment Trends: 2001 to 2013

	2001	2007	2010	2013	Annual Growth Rate 2001-2007	Annual Growth Rate 2007-2010	Annual Growth Rate 2010-2013
Construction	1,083	1,582	1,235	1,133	6.5%	-7.9%	-2.8%
Manufacturing	441	714	567	811	8.4%	-7.4%	12.6%
Wholesale trade	374	377	381	711	0.1%	0.4%	23.1%
Retail trade	2,945	4,643	4,392	4,357	7.9%	-1.8%	-0.3%
Transportation & warehousing	229	649	529	514	19.0%	-6.6%	-1.0%
Information	538	199	373	1,054	-15.3%	23.3%	41.4%
Finance & insurance	598	991	838	800	8.8%	-5.4%	-1.5%
Real estate & rental & leasing	239	484	402	396	12.5%	-6.0%	-0.5%
Professional, scientific & technical services	1,218	1,779	1,981	1,932	6.5%	3.7%	-0.8%
Management of companies & enterprises	27	536	70	93	64.6%	-49.3%	9.7%
Admin, support, waste mgt, remediation services	850	882	680	926	0.6%	-8.3%	10.8%
Educational services	570	1,005	1,079	866	9.9%	2.4%	-7.1%
Health care and social assistance	1,442	2,357	2,634	2,594	8.5%	3.8%	-0.5%
Arts, entertainment & recreation	372	895	1,039	963	15.8%	5.1%	-2.5%
Accommodation & food services	1,304	2,036	2,133	2,596	7.7%	1.6%	6.8%
Other services (except public administration)	733	762	1,054	1,003	0.6%	11.4%	-1.6%
Totals	12,963	19,891	19,387	20,746	7.4%	-0.9%	2.3%

Data Source: U.S. County Business Patterns
Analysis: Wahlstrom & Associates
Note: Market area includes the zip codes of 98503, 98513 and 98516

Table 16

Employment Projections in the City of Lacey: 2013 to 2035

	2013	2020	2025	2030	2035	Job Growth 2013-2035	Annual New Jobs	Annual Growth Rate
Construction	600	850	960	1,080	1,220	620	30	3.3%
Manufacturing	330	370	380	400	420	90	4	1.1%
Wholesale trade	640	1,150	1,400	1,670	1,950	1,310	60	5.2%
Retail trade	2,900	3,370	3,610	3,860	4,090	1,190	50	1.6%
Transportation & warehousing	170	290	340	400	460	290	10	4.6%
Information	790	1,030	1,200	1,380	1,580	790	40	3.2%
Finance & insurance	800	950	1,050	1,150	1,260	460	20	2.1%
Real estate & rental & leasing	210	210	220	220	220	10	0	0.2%
Professional, scientific & technical services	740	970	1,150	1,350	1,580	840	40	3.5%
Management of companies & enterprises	4	10	10	10	10	6	0	4.3%
Admin, support, waste mgt, remediation services	370	500	600	710	830	460	20	3.7%
Educational services	570	720	820	940	1,060	490	20	2.9%
Health care and social assistance	920	1,330	1,540	1,770	2,030	1,110	50	3.7%
Arts, entertainment & recreation	350	460	530	600	670	320	10	3.0%
Accommodation & food services	1,840	2,480	2,910	3,370	3,860	2,020	90	3.4%
Personal, Repair and Other Services	540	1,230	1,670	2,150	2,650	2,110	100	7.5%
Government	5,150	5,480	5,830	6,200	6,760	1,610	70	1.2%
Totals	16,920	21,400	24,220	27,260	30,650	13,730	624	2.7%

Data Sources: U.S. County Business Patterns; InfoUSA; Thurston Regional Planning Council; Washington State Employment Security Department
Analysis: Wahlstrom & Associates
Notes: 1) Baseline 2013 utilizes data from InfoUsa and the 2013 Employment Forecast Allocations Published by the Thurston Regional Planning Council
2) Assumes a continuation of State projections beyond 2023
3) Assumes Lacey's historical share of State employment growth will continue in the future
4) Retail projections are consistent with TRP's population projections for the Lacey UGA

Table 17

Land Demand Projections in the City of Lacey: 2013 to 2035

	2013 Baseline Data		Projected Demand 2013 - 2020		Projected Demand 2020 - 2025		Projected Demand 2025 - 2030		Projected Demand 2030 - 2035		Total Demand 2013-2035	
	Building Space	Acreage	New Building Space	New Acreage Absorbed	New Building Space	New Acreage Absorbed	New Building Space	New Acreage Absorbed	New Building Space	New Acreage Absorbed	New Building Space	New Acreage Absorbed
Ground Floor Commercial Space	2,890,000	265	885,000	81	580,000	53	625,000	57	625,000	57	2,715,000	249
Office or Business Park Space	1,371,000	79	261,000	15	189,000	11	201,000	12	201,000	12	852,000	49
R&D /flex space	64,000	4	24,000	2	16,000	1	16,000	1	16,000	1	72,000	5
Mfg/Industrial	1,496,000	137	512,000	47	280,000	26	304,000	28	304,000	28	1,400,000	129
Warehouse & storage	351,000	54	108,000	17	54,000	8	54,000	8	54,000	8	270,000	41
Institutions [a]	800,000	37	150,000	7	100,000	5	100,000	5	100,000	5	450,000	21
Total	6,972,000	576	1,940,000	168	1,219,000	104	1,300,000	111	1,300,000	111	5,759,000	493

Data Sources: U.S. County Business Patterns; InfoUSA; Thurston Regional Planning Council; Washington State Employment Security Department; Urban Land Institute; National Association of Office and Industrial Parks

Analysis: Wahlstrom & Associates

Notes: Floor Area Ratio (FAR) and Employment Densities are assumed based on research in other similar communities

Table 18
Inventory of Occupied Retail Space in Lacey by Commercial District

Consumer Products	Marvin Avenue Corridor (1)	Martin Way Between Carpenter & College (2)	Woodland District (3)	Lacey/Pacific Ave Corridor between College & Carpenter (4)	College & Yelm Highway Intersection (5)	Hawk's Prairie North of I-5 (6)	Total
Motor Vehicle and Parts Dealers							
Other Motor Vehicle Dealers	37,800	0	4,200	0	0	0	42,000
Automotive Parts, Accessories, and Tire Stores	6,800	5,800	16,200	11,200	10,600	0	50,600
Furniture & Home Furnishing Stores							
Furniture	20,580	34,080	0	0	0	0	54,660
Home Furnishings	4,500	0	0	0	0	0	4,500
Electronics & Appliance Stores							
Household Appliance Stores	0	0	1,200	0	0	0	1,200
Consumer Electronics Stores	23,300	0	20,200	0	0	0	43,500
Building Material Stores							
Home Centers	103,500	0	0	0	141,800	0	245,300
Paint & Wallpaper Stores	4,500	0	2,400	0	0	0	6,900
Hardware Stores	0	0	0	4,000	0	0	4,000
Other Building Material Dealers	3,900	0	6,100	7,900	0	0	17,900
Food & Beverage Stores							
Grocery Stores	60,800	0	0	42,100	129,200	0	232,100
Convenience Stores	4,700	900	2,800	7,600	0	0	16,000
Specialty Food Stores	13,500	0	2,000	1,500	0	0	17,000
Beer, Wine, and Liquor Stores	1,200	0	0	0	3,200	0	4,400
Health and Personal Care Stores							
Pharmacies and Drug Stores	21,600	0	21,800	0	16,200	0	59,600
Optical Goods Stores	2,200	0	0	0	0	0	2,200
Food (Health) Supplement Stores	1,800	0	900	0	0	0	2,700
All Other Health and Personal Care Stores	0	5,600	5,500	3,800	2,200	0	17,100
Clothing and Clothing Accessories Stores							
Clothing Stores	0	49,500	91,800	4,000	0	0	145,300
Shoe Stores	0	0	9,200	0	0	0	9,200
Jewelry, Luggage & Leather Goods Stores	0	0	2,300	0	0	0	2,300
Sporting Goods, Hobby, Musical Instrument, and Book Stores							
Sporting Goods Stores	21,100	0	0	4,000	0	184,000	209,100
Hobby, Toy, and Game Stores	2,000	0	32,900	1,700	0	0	36,600
Musical Instrument and Supplies Stores	0	0	1,100	0	0	0	1,100
Book Stores and News Dealers	0	0	900	0	0	0	900
General Merchandise Group							
Department Stores	0	95,600	72,500	0	0	0	168,100
Discount Department Stores	0	0	208,400	0	0	0	208,400
Warehouse Clubs & Superstores	378,700	0	0	0	0	0	378,700
Other General Merchandise	39,600	0	4,500	0	0	0	44,100
Miscellaneous Store Retailers							
Florists	0	0	0	800	1,600	0	2,400
Office Supplies and Stationery Stores	6,000	0	10,800	0	0	0	16,800
Gift, Novelty, and Souvenir Stores	0	0	19,400	500	0	0	19,900
Used Merchandise Stores	11,700	0	8,200	6,900	16,600	0	37,300
Pet and Pet Supplies Stores	5,000	0	15,700	0	900	0	21,500
Tobacco Stores	0	0	2,500	0	1,300	0	3,700
All Other Miscellaneous Store Retailers	3,900	0	9,600	9,800	0	0	19,700
Total Occupied Space for Consumer Product Sales	778,700	191,500	573,100	105,800	323,600	184,000	2,156,700

Source: Field inventory completed by Wahlstrom & Associates during the months of February and March, 2015; partial data provided by the City of Lacey
Notes: (1) Area that extends from I-5 to Martin Way includes Wal-Mart Supercenter, Home Depot, Costco and other shopping centers
(2) Corridor includes retail space within the City Limits
(3) Includes South Sound Shopping Center
(4) Area includes the Pacific and Lacey Blvd. corridor between College and Carpenter Road
(5) Area includes Lowes and the Walmart Neighborhood Center
(6) Data is not yet complete and only includes Cabela's

Exhibit 3--Supplement to 2015 City of Lacey Market Study
Prepared by George E. Smith
September 28, 2015

2015 Market Study

In early 2015 the City of Lacey engaged a consultant to prepare a Market Study (Study) to be used to inform the Economic Development Element, the Land Use Element, the Economic Development Strategy, and the Economic Development Work Plan. The Study (Exhibit 2) was an in-depth look at Lacey's economy in 2015, and a look ahead over the next 20 years. The Study included an inventory of built space by type, including vacancies; job growth projections; projections of land use demand by type; and the creation of a complete inventory of businesses operating in the City. Also included was information on retail leakage, based on the City's 2015 City limits, that could be used in retail recruitment and to reduce sales tax leakage.

The typical method for measuring retail leakage is to compare 100% of the retail sales within a city to 100% of the purchasing power of that city's residents. While retail sales in Lacey were available, determining the purchasing power of City residents was a problem due to the City of Lacey's boundaries. The City is spread over three zip codes, and 16 census tracts, none of which is exclusively within the City limits. A larger issue is identifying the purchasing power of the residents within the total Lacey market area rather than just those within the boundaries of the City limits. Depending on the type of goods being purchased, the market area might be as small as the immediate neighborhood, or as large as a multi-county region.

A cursory review of the Study shows that, using data approximating the Lacey City limits, the City enjoys a net retail capture, led by grocery stores, discount stores, warehouse stores, superstores, and home centers. This seems to contradict comparative sales tax information from the State of Washington Department of Revenue that has historically shown that Lacey lags Olympia, Tumwater, and many other Washington cities in per-capita sales tax collection. This contradiction necessitated further analysis, this Supplement to the Market Study, to look at three factors: geographic, retail versus taxable sales, and retail mix.

Expanding the geographic area to more accurately reflect Lacey's retail catchment area, including 100% of the residents for all census tracts touching Lacey, plus DuPont, more closely matches the Lacey market. This includes areas where the closest stores selling goods routinely purchased by area residents are located in Lacey. Based on that larger area, some very large sales tax opportunities become obvious: automobiles and gas stations with convenience stores. Both of these potential sources of sales tax are

discussed elsewhere under the SWOT Analysis. The potential for automobile sales is cited as an opportunity. The impediments to development of large-scale gas stations with convenience stores are cited as a weakness.

Not all retail sales in Washington are taxable. With few exceptions, groceries are not subject to sales tax. In Lacey, grocery stores account for nearly $200 million in annual retail sales. Grocery sales account for more than half of the more than $120 million annual sales at Lacey's warehouse clubs and superstores. This trims another $60 to $70 million of taxable sales from Lacey's retail sales.

As was discussed under "Opportunities" in the SWOT analysis, looking at the retail mix we currently have in place, as well as the size and demographics of Lacey, Lacey's retail catchment area, and the Thurston County retail catchment area, the purchasing power exists to attract higher-end merchants than we have currently. However, the market lacks suitable sites for those stores that generally prefer open air malls and lifestyle centers, with a high level of amenities.

Original Census Tracts Used in Original Report

Census Tract	HH	Avg HHI (1)	Total Census Tract HHI	X 29.25%	HH Retail Spending Power
112	2,183	$68,200	$148,880,600	0.2925	$43,547,576
113	2,075	$68,200	$141,515,000	0.2925	$41,393,138
114.1	1,970	$68,200	$134,354,000	0.2925	$39,298,545
114.2	2,566	$68,200	$175,001,200	0.2925	$51,187,851
115	2,306	$68,200	$157,269,200	0.2925	$46,001,241
116.1	2,886	$68,200	$196,825,200	0.2925	$57,571,371
116.21	2,845	$68,200	$194,029,000	0.2925	$56,753,483
116.22	1,558	$68,200	$106,255,600	0.2925	$31,079,763
116.23	2,197	$68,200	$149,835,400	0.2925	$43,826,855
116.24	1,390	$68,200	$94,798,000	0.2925	$27,728,415
123.1	3,289	$68,200	$224,309,800	0.2925	$65,610,617
123.2	1,082	$68,200	$73,792,400	0.2925	$21,584,277
123.3	1,770	$68,200	$120,714,000	0.2925	$35,308,845
Sub-total	28,117		$1,917,579,400		$560,891,975

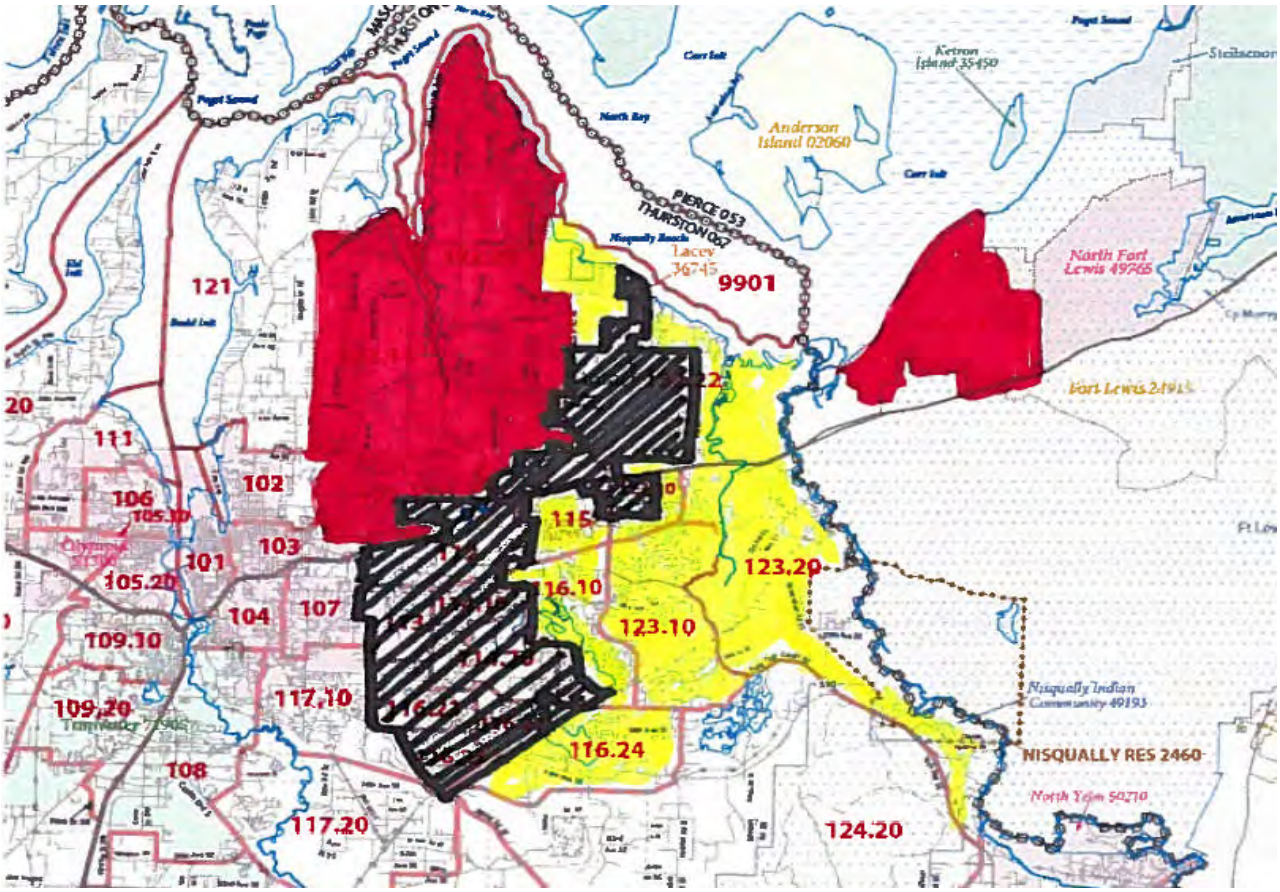
In the original Market Study Report, the above census tracts were used to gauge household income in Lacey. Since these census tracts do not perfectly match the City of Lacey limits, adjustments were made to reduce the number of households to 18,500. Multiplying the Average Lacey household income of $68,200 by the adjusted number of households yielded $1,261,700,000 in household income. Using numbers for consumer spending based on surveys published by the US Bureau of Labor Statistics, the amount of retail sales was determined to be $368,639,000. Expanding the Lacey market to

reflect the Lacey catchment area, census tract 122 was added, along with DuPont. Those additional census tracts are shown in the chart and the map, below.

Additional Census Tracts Added in Addendum to Original Report

Census Tract	HH	Avg HHI (1)	Total Census Tract HHI	X 29.25%	HH Retail Spending Power
122.11	974	$72,700	$70,809,800	0.2925	$20,711,867
122.12	3,121	$72,700	$226,896,700	0.2925	$66,367,285
122.21	2,114	$72,700	$153,687,800	0.2925	$44,953,682
122.22	2,811	$72,700	$204,359,700	0.2925	$59,775,212
Sub-total	9,020		$655,754,000		$191,808,045
18965	(DuPont)		$298,261,752	0.2925	$87,241,562
Grand Total			**$2,871,595,152**		**$839,941,582**

Census Tract Map



The Lacey city limits are shown in black. Because a number of census tracts within the city limits also extended beyond the city limits, they had to be included in the original study. Those census tracts are shown in yellow. The census tracts highlighted in red were added to better reflect the Lacey shopping catchment area. These included the areas to the north that touch the Lacey city limits, as well as the City of DuPont from which many residents travel to Lacey to shop.

Exhibit 4

CODE OF ETHICS

PROHIBITION AGAINST ACCEPTING GIFTS, GRATUITIES & FAVORS AND/OR USE OF POSITION FOR FINANCIAL GAIN

Purpose

The City is accountable to the public for conducting City business in a fiscally responsible, accountable, and ethical manner. The purpose of this policy is to establish prohibitions and ethical standards of conduct for City employees regarding the acceptance of gifts, gratuities, and/or favors, and to prohibit City employees from using their official position for personal financial gain.

Policy

City employees shall not engage in any act or behavior which may be considered to be in conflict with the performance of their official duties. This includes accepting any gift, gratuity, or favor which may be directly (or indirectly) related to the employees' performance of their official duties. City employees will not use their position for personal financial gain or to secure special privileges or exemptions for themselves or others.

An employee shall be considered to have acted in violation of this policy, and in conflict with the performance of their official duties, if the employee:

1. Solicits, accepts, or seeks a gift, gratuity, or favor from any person, firm, or corporation involved in a contract or transaction which is or may be the subject of official action by the City.

   The City recognizes that personal friendships may precede and can evolve from official contact between employees and persons engaged in business with the City. Reasonable exceptions to this section are permitted, except for Police Department personnel, for those occasions which are social in nature and **are not predicated on the employee's ability to influence, directly or indirectly, any matter before the City.** (Police Department personnel should refer to their departmental manual.)

   For example, a gift, gratuity, or favor given or received which has monetary value in excess of $25.00 and is offered or accepted in expectation of preferential treatment would constitute a conflict of interest **and is in violation of this policy**. On the other hand, a small gift, gratuity, or favor given as an expression of social courtesy may be allowed. Examples of acceptable social courtesies include: an infrequent meal or social event limited for social reasons; exchanges of floral offerings or gifts of food to commemorate events such as illness, death, birth, holidays, and promotions; or an infrequent sample or promotional gift of nominal value. The value for any one of these items should not exceed $25.00.

2. Participates in any way in his/her capacity as a City employee in the City's purchase of goods, contracting for services, or audit/administration of a contract for services in which the employee has a private financial interest whether directly or indirectly.

3. Has any financial interest in any sale to the City of **any** goods, property, or services when such financial interest was obtained or acquired with prior knowledge that the City intended to purchase the property, goods, or services.

4. Except for social courtesies as provided in item one (1) above, no employee shall, directly or indirectly, give or receive, or agree to receive any compensation, gift, reward, commission or gratuity from any source except the City for any matter directly connected with or related to his/her official services as an employee with this City.

5. Discloses or uses confidential information concerning property or affairs of the City to advance a private interest with respect to any contract or transaction which is or may be the subject of official action of the City.

6. Has a financial interest or personal interest in any legislation coming before the City Council and participates in discussion with or gives an official opinion to the City Council unless the employee discloses on the record of the Council the nature and extent of such interest.

This policy is not all-encompassing in its definitions of what may or may not be appropriate. Public employees must use good judgment and common sense at all times. Action deemed inappropriate by a reasonable person, whether specifically cited in this policy or not, may be subject to inquiry and disciplinary action if appropriate. When in doubt, employees should check with their supervisor or the Human Resources Director.

Non-Compliance/Disciplinary Action

Employees found to have acted in a manner which is in violation of this policy shall be subject to disciplinary action. Such actions will be considered as serious misconduct. As such, they shall constitute grounds for disciplinary action, up to and including termination, depending on the specifics of the particular behavior or incident.

If an employee or supervisor is in doubt or has any questions about anything regarding a potential or real conflict of interest or violation of this policy, he/she is responsible for immediately contacting the City Attorney or Human Resources Director for policy clarification.

Reporting of Non-Compliance with this Policy

Any City of Lacey employee who becomes aware of any improper action by another City employee which may constitute a violation of this policy is encouraged to report the matter in accordance with the City's policy for reporting improper governmental actions. The matter will be promptly investigated. See the City's *Whistleblower Policy - Reporting Improper Governmental Actions* for additional information on proper reporting procedures.

INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

The Power of
Knowledge and Leadership

Code of Ethics

The following code of ethics was established by the professional economic developers in the International Economic Development Council to ensure a high ethical standard for those involved in economic development.

Professional Economic Developers Shall:

1. Carry out their responsibilities in a manner to bring respect to the profession, the economic developer and the economic developer's constituencies.
2. Practice with integrity. honesty, and adherence to the trust placed in them both in fact and in appearance.
3. Hold themselves free of any interest, influence, or relationship in respect to any professional activity when dealing with clients which could impair professional judgement or objectivity or which in the reasonable view of the observer, has that effect.
4. Be mindful that they are representatives of the community and shall represent the overall community interest.
5. Keep the community, elected officials, boards and other stakeholders informed about the progress and efforts of the area's economic development program.
6. Maintain in confidence the affairs of any client, colleague or organization and shall not disclose confidential information obtained in the course of professional activities.
7. Openly share information with the governing body according to protocols established by that body. Such protocols shall be disclosed to clients and the public.
8. Cooperate with peers to the betterment of economic development technique, ability, and practice, and to strive to perfect themselves in their professional abilities through training and educational opportunities.
9. Assure that all economic development activities are conducted with equality of opportunity for all segments of the community without regard to race, religion, sex, sexual orientation, national origin, political affiliation, disability, age, marital status, or socioeconomic status.
10. Refrain from sexual harassment. Sexual harassment is defined as any unwelcome conduct of a sexual nature.
11. Not exploit the misfortune of federally declared disaster-impacted regions. This includes actively recruiting businesses from an affected community.
12. Abide by the principles established in this code and comply with the rules of professional conduct as promulgated by IEDC.

International Economic Development Council
734 15th Street NW, Suite 900 • Washington, DC 20005 • www.iedconline.org • (202) 223-7800

Exhibit 6

AICP Code of Ethics and Professional Conduct

Adopted March 19, 2005
Effective June 1, 2005
Revised October 3, 2009

The Executive Director of APA/AICP is the Ethics Officer as referenced in the following.

We, professional planners, who are members of the American Institute of Certified Planners, subscribe to our Institute's Code of Ethics and Professional Conduct. Our Code is divided into four sections:

Section A contains a statement of aspirational principles that constitute the ideals to which we are committed. We shall strive to act in accordance with our stated principles. However, an allegation that we failed to achieve our aspirational principles cannot be the subject of a misconduct charge or be a cause for disciplinary action.

Section B contains rules of conduct to which we are held accountable. If we violate any of these rules, we can be the object of a charge of misconduct and shall have the responsibility of responding to and cooperating with the investigation and enforcement procedures. If we are found to be blameworthy by the AICP Ethics Committee, we shall be subject to the imposition of sanctions that may include loss of our certification.

The principles to which we subscribe in Sections A and B of the Code derive from the special responsibility of our profession to serve the public interest with compassion for the welfare of all people and, as professionals, to our obligation to act with high integrity.

As the basic values of society can come into competition with each other, so can the aspirational principles we espouse under this Code. An ethical judgment often requires a conscientious balancing, based on the facts and context of a particular situation and on the precepts of the entire Code.

As Certified Planners, all of us are also members of the American Planning Association and share in the goal of building better, more inclusive communities. We want the public to be aware of the principles by which we practice our profession in the quest of that goal. We sincerely hope that the public will respect the commitments we make to our employers and clients, our fellow professionals, and all other persons whose interests we affect.

A: Principles to Which We Aspire

1. Our Overall Responsibility to the Public

Our primary obligation is to serve the public interest and we, therefore, owe our allegiance to a conscientiously attained concept of the public interest that is formulated

through continuous and open debate. We shall achieve high standards of professional integrity, proficiency, and knowledge. To comply with our obligation to the public, we aspire to the following principles:

a) We shall always be conscious of the rights of others.

b) We shall have special concern for the long-range consequences of present actions.

c) We shall pay special attention to the interrelatedness of decisions.

d) We shall provide timely, adequate, clear, and accurate information on planning issues to all affected persons and to governmental decision makers.

e) We shall give people the opportunity to have a meaningful impact on the development of plans and programs that may affect them. Participation should be broad enough to include those who lack formal organization or influence.

f) We shall seek social justice by working to expand choice and opportunity for all persons, recognizing a special responsibility to plan for the needs of the disadvantaged and to promote racial and economic integration. We shall urge the alteration of policies, institutions, and decisions that oppose such needs.

g) We shall promote excellence of design and endeavor to conserve and preserve the integrity and heritage of the natural and built environment.

h) We shall deal fairly with all participants in the planning process. Those of us who are public officials or employees shall also deal evenhandedly with all planning process participants.

2. Our Responsibility to Our Clients and Employers

We owe diligent, creative, and competent performance of the work we do in pursuit of our client or employer's interest. Such performance, however, shall always be consistent with our faithful service to the public interest.

a) We shall exercise independent professional judgment on behalf of our clients and employers.

b) We shall accept the decisions of our client or employer concerning the objectives and nature of the professional services we perform unless the course of action is illegal or plainly inconsistent with our primary obligation to the public interest.

c) We shall avoid a conflict of interest or even the appearance of a conflict of interest in accepting assignments from clients or employers.

3. Our Responsibility to Our Profession and Colleagues

We shall contribute to the development of, and respect for, our profession by improving knowledge and techniques, making work relevant to solutions of community problems, and increasing public understanding of planning activities.

a) We shall protect and enhance the integrity of our profession.

b) We shall educate the public about planning issues and their relevance to our everyday lives.

c) We shall describe and comment on the work and views of other professionals in a fair and professional manner.

d) We shall share the results of experience and research that contribute to the body of planning knowledge.

e) We shall examine the applicability of planning theories, methods, research and practice and standards to the facts and analysis of each particular situation and shall not accept the applicability of a customary solution without first establishing its appropriateness to the situation.

f) We shall contribute time and resources to the professional development of students, interns, beginning professionals, and other colleagues.

g) We shall increase the opportunities for members of underrepresented groups to become professional planners and help them advance in the profession.

h) We shall continue to enhance our professional education and training.

i) We shall systematically and critically analyze ethical issues in the practice of planning.

j) We shall contribute time and effort to groups lacking in adequate planning resources and to voluntary professional activities.

B: Our Rules of Conduct

We adhere to the following Rules of Conduct, and we understand that our Institute will enforce compliance with them. If we fail to adhere to these Rules, we could receive sanctions, the ultimate being the loss of our certification:

1. We shall not deliberately or with reckless indifference fail to provide adequate, timely, clear and accurate information on planning issues.

2. We shall not accept an assignment from a client or employer when the services to be performed involve conduct that we know to be illegal or in violation of these rules.

3. We shall not accept an assignment from a client or employer to publicly advocate a position on a planning issue that is indistinguishably adverse to a position we publicly advocated for a previous client or employer within the past three years unless (1) we determine in good faith after consultation with other qualified professionals that our change of position will not cause present detriment to our previous client or employer, and (2) we make full written disclosure of the conflict to our current client or employer and receive written permission to proceed with the assignment.

4. We shall not, as salaried employees, undertake other employment in planning or a related profession, whether or not for pay, without having made full written disclosure to the employer who furnishes our salary and having received subsequent written permission to undertake additional employment, unless our employer has a written policy which expressly dispenses with a need to obtain such consent.

5. We shall not, as public officials or employees, accept from anyone other than our public employer any compensation, commission, rebate, or other advantage that may be perceived as related to our public office or employment.

6. We shall not perform work on a project for a client or employer if, in addition to the agreed upon compensation from our client or employer, there is a possibility for direct personal or financial gain to us, our family members, or persons living in our household, unless our client or employer, after full written disclosure from us, consents in writing to the arrangement.

7. We shall not use to our personal advantage, nor that of a subsequent client or employer, information gained in a professional relationship that the client or employer has requested be held inviolate or that we should recognize as confidential because its disclosure could result in embarrassment or other detriment to the client or employer. Nor shall we disclose such confidential information except when (1) required by process of law, or (2) required to prevent a clear violation of law, or (3) required to prevent a substantial injury to the public. Disclosure pursuant to (2) and (3) shall not be made until after we have verified the facts and issues involved and, when practicable, exhausted efforts to obtain reconsideration of the matter and have sought separate opinions on the issue from other qualified professionals employed by our client or employer.

8. We shall not, as public officials or employees, engage in private communications with planning process participants if the discussions relate to a matter over which we have authority to make a binding, final determination if such private communications are prohibited by law or by agency rules, procedures, or custom.

9. We shall not engage in private discussions with decision makers in the planning process in any manner prohibited by law or by agency rules, procedures, or custom.

10. We shall neither deliberately, nor with reckless indifference, misrepresent the qualifications, views and findings of other professionals.

11. We shall not solicit prospective clients or employment through use of false or misleading claims, harassment, or duress.

12. We shall not misstate our education, experience, training, or any other facts which are relevant to our professional qualifications.

13. We shall not sell, or offer to sell, services by stating or implying an ability to influence decisions by improper means.

14. We shall not use the power of any office to seek or obtain a special advantage that is not a matter of public knowledge or is not in the public interest.

15. We shall not accept work beyond our professional competence unless the client or employer understands and agrees that such work will be performed by another professional competent to perform the work and acceptable to the client or employer.

16. We shall not accept work for a fee, or pro bono, that we know cannot be performed with the promptness required by the prospective client, or that is required by the circumstances of the assignment.

17. We shall not use the product of others' efforts to seek professional recognition or acclaim intended for producers of original work.

18. We shall not direct or coerce other professionals to make analyses or reach findings not supported by available evidence.

19. We shall not fail to disclose the interests of our client or employer when participating in the planning process. Nor shall we participate in an effort to conceal the true interests of our client or employer.

20. We shall not unlawfully discriminate against another person.

21. We shall not withhold cooperation or information from the AICP Ethics Officer or the AICP Ethics Committee if a charge of ethical misconduct has been filed against us.

22. We shall not retaliate or threaten retaliation against a person who has filed a charge of ethical misconduct against us or another planner, or who is cooperating in the Ethics Officer's investigation of an ethics charge.

23. We shall not use the threat of filing an ethics charge in order to gain, or attempt to gain, an advantage in dealings with another planner.

24. We shall not file a frivolous charge of ethical misconduct against another planner.

25. We shall neither deliberately, nor with reckless indifference, commit any wrongful act, whether or not specified in the Rules of Conduct, that reflects adversely on our professional fitness.

26. We shall not fail to immediately notify the Ethics Officer by both receipted Certified and Regular First Class Mail if we are convicted of a "serious crime" as defined in Section D of the Code; nor immediately following such conviction shall we represent ourselves as Certified Planners or Members of AICP until our membership is reinstated by the AICP Ethics Committee pursuant to the procedures in Section D of the Code.

CITY OF LACEY
ECONOMIC DEVELOPMENT STRATEGY
APPENDIX 1 OF THE
ECONOMIC DEVELOPMENT ELEMENT
2016

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ECONOMIC DEVELOPMENT STRATEGY

Community Vision – Lacey has a strong healthy economy that provides economic opportunities for all citizens; generates sufficient revenues to ensure the provision of essential public services; and makes Lacey a great place to live, work, learn, shop, and play.

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STRATEGY CONTEXT

The Economic Development Strategy (Strategy) is one of three documents that address economic development efforts in Lacey. The other two documents are the Economic Development Element (Element) and the Economic Development Program Work Plan (Work Plan). The Strategy is the bridge document between the Element and the Work Plan. The Strategy also serves to provide the implementation measures for the Element. The Element communicates values, vision, and sets forth goals and policies. The Strategy lays out how the policies contained in the Element will be accomplished. The Work Plan explains the concrete steps that will be taken, and the tactics used, to carry out the Strategy. While none of the three documents is completely static, the Strategy will evolve more quickly than the Element, and the Work Plan will adjust more quickly than the Strategy.

EFFECTIVE COLLABORATION

The Economic Development Element includes a discussion of Lacey's approach to working with citizens, businesses, business owners, and entrepreneurs—its "customers"—to remove obstacles to their success. This approach has served the City and its stakeholders well. Several of the goals and supporting policies detailed in the Element address the importance of effective collaboration and will be detailed in the Strategy.

The City of Lacey coordinates its economic development efforts with a number of community partners. These include public sector, private sector, and non-profit economic development organizations. Please refer to Exhibit 1, Organizations Providing Economic Development Services in Thurston County. The Strategy will suggest a number of ways to develop protocols to ensure that the collaboration is as effective as possible and remains so over time as partners, and their missions, evolve.

The Economic Element also acknowledges the current lack of a Comprehensive Economic Development Strategy, also known as a CEDS. A CEDS is a strategy-driven plan for regional economic development, normally developed at a county or regional level. A CEDS is required by the Economic Development Administration (EDA) of the U.S. Department of Commerce to qualify for grants, or funding for the establishment of revolving loan funds. The City and Thurston County are not considered economically distressed, and therefore, are not eligible for EDA funding. However,

the development of a CEDS would help to formalize, on a county/regional level, which partners provide which services, protocols for working together, and where to most effectively focus scarce resources.

Shortly after the Draft Element was created, and as the Strategy was being drafted, the Thurston Economic Development Council (EDC) began the process of developing a CEDS. The City supports this effort, and will participate in interjurisdictional meetings and champion this effort, which will be addressed in the Strategy.

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ORGANIZATION OF STRATEGY DOCUMENT

This document outlines the specific strategies that will support and implement the goals and policies identified in the Element. Policies will be presented, followed by their supporting strategies. In some cases, a short narrative will be presented to provide clarification and context. In situations where the implementation of a policy is achieved by its recognition and adoption by Council, with no additional strategy needed, neither the policy nor the strategy will be presented in this document.

Strategies fall into three broad categories: legislative, cross-departmental, and those strategies specifically related to economic development activities. While all strategies will be included in this document, only those that are specifically related to economic development activities will be covered in detail in the Economic Development Work Plan. The metrics used to measure progress, the partners, and other resources needed to carry out the strategy are identified in a matrix which accompanies this document. Please refer to Exhibit 2.

Just as the roads and infrastructure must first be in place before the buildings in a neighborhood can be built, the City of Lacey's operational infrastructure must be in place before its Economic Development Strategy can be built, and its Economic Development Work Plan can be executed. Therefore the strategies related to the City's operational infrastructure are addressed in the Economic Development Strategy before those strategies that are exclusively related to economic development activities.

POLICIES & STRATEGIES

As discussed previously, there are no strategies included in this document for policies that require only the adoption by Council of the policy as an implementation measure. Those will be identified in the Strategy Matrix, Exhibit 2.

Policy 1-A: Lacey recognizes the positive impact that businesses provide to citizens, to the economy, and the provision of financial resources necessary to provide essential public services.

Strategy 1-A (1): Participate locally and regionally in venues where land use, utilities, and other issues will be addressed that will impact businesses in Lacey.

Strategy 1-A (2): Develop programs to ensure that internal stakeholders are made aware of the benefits of businesses, their impact on businesses, and to break down silos.

Policy 1-B: Ensure Lacey's development process remains clear, predictable, timely, and efficient, by looking at ordinances, rules, permitting processes, and policies from the perspective of its business customers to avoid creating unnecessary obstacles.

Lacey's approach and commitment to customer service has been a key component of Lacey's success. While there are great examples of this every day, there are also situations where we could have done better. Internal customer service may be another area of opportunity for further enhancement.

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Strategy 1-B (1): Ensure that customer service is always first rate, whether the customer is a citizen, a business, or another department within the City, by providing customer service training to all Lacey city employees.

Policy 1-C: Ensure Lacey provides adequate and accurate information so that landowners, developers, and businesses are able to make investment decisions.

Strategy 1-C (1): Intentionally support systems that can produce, provide, and communicate information.

Strategy 1-C (2): Ensure staff members have appropriate tools and training to provide accurate and timely information.

Policy 1-D: Ensure Lacey continues to improve and streamline necessary processes to provide excellent, efficient, and effective service to its customers.

Strategy 1-D (1): Develop internal processes to monitor existing and developing regulations, policies, and procedures in order to ensure obstacles are not unintentionally being created.

Policy 1-E: Balance the needs of businesses with the needs of citizens.

The interests of individual citizens, residents, workers, employees and businesses are inextricably linked, and not mutually exclusive. However, on occasion their interests might be in conflict.

Strategy 1-E (1): Support public process, community engagement and education, and mitigate potential impacts and conflicts.

Policy 2-A: Ensure an adequate supply of developable, appropriately-zoned land is available to meet the various uses needed by Lacey businesses now and in the future.

From time to time the residential real estate market can become overheated on a national level creating a bubble, such as occurred in 2004-2007. Sometimes that can be more localized when a community suddenly gains favor, or a rapid influx of new residents forces housing prices up. Events

such as these can create demand for additional developable land with residential zoning. While it can be tempting to rezone undeveloped parcels, especially larger parcels with more intense zoning adjacent to existing residential real estate developments, such rezonings can be detrimental to the long term economic health of a community.

Strategy 2-A (1): The City shall develop and adopt land use regulations that require that any down-zoning to residential use either be accompanied by, or follow an upzoning to a use of as-high or higher intensity to ensure that equally-developable commercial and industrial land is available.

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Policy 2-B: Ensure that Lacey has an appropriate level of professional, customer-oriented, trained, and empowered employees to meet the needs of its customers.

Strategy 2-B (1): Implement a training needs assessment process, and develop a program for employees to obtain the training they need to maintain and enhance their professional skills.

Policy 2-C: Ensure Lacey has adequate, reliable, affordable, and user-friendly utilities and infrastructure to meet the needs of businesses in Lacey, now and in the future.

As a clarification, utilities and infrastructure considered in this policy include water provided by the City; sewer provided through a partnership between the City and LOTT; solid waste provided by LeMay Pacific Disposal; as well as electricity and natural gas, provided by Puget Sound Energy. Landline telephone, cellular telephone, television programming, and Internet are provided by a variety of vendors. Since these are a necessity for modern business, they are also included. Streets are considered separately under policy 2-D.

Strategy 2-C (1): Water, Sewer, and Stormwater are each covered with their own elements within, and consistent with, the Comprehensive Plan. As each of these elements is amended and updated, ensure they continue to meet the needs of Lacey businesses and maintain consistency with the Land Use Element.

Strategy 2-C (2): The City will continue to work cooperatively with its partners, and with the State to ensure an adequate supply of utilities and infrastructure are available when needed to meet the needs of businesses.

As technology has advanced, rules and regulations from the patchwork of federal and state agencies have not always kept up. Several different companies offering telephone, television programming, and Internet access may each be regulated differently with certain rights and responsibilities applicable to one, but not another. Among the issues to be balanced are access to services balanced against visual blight from cables and towers, and disruptions to traffic flow due to trenching; access to affordable services balanced against sufficient profits to encourage business innovation and recovery of costs for the City.

Strategy 2-C (3): The City will continue to work with the various agencies and its partners to ensure fairness in the market; to ensure citizens and businesses access to the best variety, quality, and value of these services; and to balance competing quality of life issues.

Policy 2-D: Ensure that street designs encourage all modes of transportation including transit, pedestrians, bicyclists, automobiles, and trucks/commercial vehicles.

Strategy 2-D (1): Complete a transportation plan based on multimodal and complete streets, that will ensure that street designs encourage all modes of transportation including transit, pedestrians, bicyclists, automobiles, and trucks/commercial vehicles.

Policy 2-E: Work with partners to ensure that all areas of the City are appropriately served by public transit, based on where citizens live, work, learn, shop, and play.

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Strategy 2-E (1): Work with Intercity Transit, the Thurston Economic Development Council (EDC,) and other partners to develop an on-going survey to determine where unmet transit needs exist within the City, and a means to meet those transit needs.

Policy 2-F: In the event of a disaster, natural or man-made, Lacey will take positive steps, as soon as possible, to do everything it can to help businesses reopen.

Strategy 2-F (1): Incorporate provisions to address the needs of businesses into the Emergency Response Plan.

Strategy 2-F (2): To speed recovery from a natural or man-made disaster, develop an expedited/ triage/prioritization process for inspections, and issuance of "temporary certificates of occupancy to allow business to temporarily re-open in damaged, but structurally safe buildings.

Strategy 2-F (3): To speed recovery from a natural or man-made disaster, develop an expedited/ triage/prioritization process for Site Plan Review (SPR) and permit issuance for impacted businesses to rebuild and re-open.

Policy 2-G: Be proactive in ensuring that the City is ready to meet its business customers' needs by the time the needs arise.

Strategy 2-G (1): Work with other economic development partners to develop training and identify resources for business preparedness and business resiliency.

Policy 3-A: Continue to work collaboratively with partners through frequent contact to foster relationships, stay current, and adjust to changes in partners' services and needs.

Strategy 3-A (1): Establish Memoranda of Understanding (MOUs) with partners to spell out expectations of who provides which services, protocols for referrals and follow-up, and communication. This would likely be strengthened through the development of a CEDS (Strategy 3-B (1)).

Policy 3-B: Work with the EDC, and other partners, to determine what opportunities, if any, the area is missing due to a lack of a CEDS. Lacey will work with the partners to develop a CEDS if appropriate.

As mentioned earlier, shortly after the Draft Element was created, and as the Strategy was being drafted, the EDC began the process of developing a CEDS. The City supports this effort, and will participate in interjurisdictional meetings and champion this effort, which will be addressed in the Strategy. The following strategy is based on the reality of the CEDS already being in development.

Strategy 3-B (1): Work with partners to develop a CEDS that includes MOUs that address services and protocols for referrals, communication, and follow-up with clients.

Policy 3-C: Policy C: Strengthen partnerships with educational institutions including South Puget Sound Community College (SPSCC), St. Martin's University, and North Thurston Public Schools.

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Strategy 3-C (1): Include educational institutions in the development of the CEDS and the MOUs.

Strategy 3-C (2): Develop regular interactions to foster relationships with educational institutions.

Strategy 3-C (3): Ensure educational programs are matched with workforce needs.

Policy 3-D: Strengthen partnerships with the Port of Olympia and Pacific Mountain Workforce Development Council.

Strategy 3-D (1): Include the Port of Olympia and Pacific Mountain Workforce Development Council in the development of the CEDS and the MOUs.

Strategy 3-D (2): Identify opportunities to develop strategic joint partnerships with the Port for projects in Lacey.

Policy 3-E: Work with partners to attract businesses to locations where they will be successful.

As a clarification, this policy is about three things: working effectively with partners, business attraction, and the approach to working with businesses to find sites where they will be successful.

Strategy 3-E (1): Include attraction of businesses in MOUs with partners, and in CEDs.

Strategy 3-E (2): Working with partners, as the natural next step in the City's business retention and expansion program, partner with existing Lacey businesses to help them expand by encouraging their suppliers, customers, and strategic partners to locate in Lacey.

Strategy 3-E (3): Working with developer and property-owner partners, pursue opportunities for sales-tax generating businesses.

Strategy 3-E (4): Working with partners, based on the analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT,) the industry clusters currently in place, and emerging clusters, develop a marketing plan to attract these businesses to the region.

Strategy 3-E (5): Whenever working with a business on activities that include site selection, ensure

that the primary consideration for site selection is identifying a location where the business will be successful.

Policy 3-F: Continue to support a culture of dialog and partnership among City officials, residents, property owners, the business community, JBLM, community partners, and other governmental agencies.

The City has a long-standing tradition of seeking extensive public engagement with residents, and other stakeholders. The City, City officials, and the Council also maintain relationships with JBLM, and with other governmental agencies.

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Strategy 3-F (1): Implement a citizen participation plan, and continue active participation in the South Sound Military Partnership (SSMP.)

Strategy 3-F (2): Develop a business roundtable.

Policy 3-G: Concentrate economic development resources on business retention and expansion, and fostering an environment where local businesses and entrepreneurs can thrive.

Strategy 3-G (1): In cooperation with partners, develop a formal Business Retention and Expansion program (BRE) program.

Strategy 3-G (2): Develop a feasibility study to determine if a Public Market should be established to foster the development of new successful businesses by local entrepreneurs.

Policy 3-H: Maintain a joint planning program with Thurston County to foster consistent land use designations and development standards and transportation corridors—for both residents and commerce—in the incorporated and unincorporated portions of the Lacey Urban Growth Area.

Strategy 3-H (1): Consider updating the MOU with the County to clearly communicate processes and protocols for ensuring this effort continues successfully.

Policy 4-C: Implement the City's vision, without sacrificing standards, ensuring that all land-owners and developers are treated fairly and equitably, and based on the unique needs of the project and site.

Strategy 4-C (1): Support public process, community engagement and education, and mitigate potential impacts and conflicts.

Policy 5-A: Utilize all available economic development tools and resources to encourage new business formation, existing businesses to stay and expand, and out-of-area businesses to locate in Lacey.

Strategy 5-A (1): Ensure that appropriate staff stay current with best practices in the field of economic development.

Strategy 5-A (2): In cooperation with partners, develop a formal BRE program.

Strategy 5-A (3): Develop a feasibility study to determine if a Public Market should be established to foster the development of new successful businesses by local entrepreneurs.

Strategy 5-A (4): As part of the City's business retention and expansion program, partner with existing Lacey businesses to help them expand by encouraging their suppliers, customers, and strategic partners to locate in Lacey.

Strategy 5-A (5): Work with developer and property-owner partners to pursue opportunities for sales-tax generating businesses.

Strategy 5-A (6): Work with partners, based on SWOT, the industry clusters currently in place and emerging clusters, to develop a marketing plan to attract these businesses to the region.

Strategy 5-A (7): Explore feasibility, scope, and type(s) of incubator(s) to support development of successful locally-owned businesses.

Policy 5-B: When needed for projects that will enhance the City's vision, use incentives as part of a targeted strategy that will create value, create better long-term results, and/or to cure a particular problem or competitive weakness.

Strategy 5-B (1): Research best practices and, based on SWOT, and City policies, develop a selection of possible incentives programs that could be adopted by Council.

Strategy 5-B (2): Incentive programs should be reviewed periodically to ensure that they are working as intended, are effective, and adjustments are made as needed.

Policy 5-C: In the instances when incentives are used, the incentive will be based on the concept of "gain share" meaning that the incentive earned and paid to the qualifying business represents a portion of revenues that the City has already collected, and would not have collected had the business not located/expanded within Lacey.

Strategy 5-C (1): Develop incentive programs based on concept of gain share.

Policy 5-D: To the extent that incentives are used, they will be focused to also achieve both smart-growth and economic development objectives, by helping to make redevelopment of existing sites already served by infrastructure, public transit, and near worker housing more financially competitive with development of greenfields.

Strategy 5-D (1): Develop incentive programs that will also achieve smart-growth objectives.

Policy 5-E: Review and adjust all of its fees regularly to ensure that fees are appropriate; fair; balance smart growth goals with business needs; encourage investment; and foster business creation, retention, expansion, and attraction.

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Strategy 5-E (1): Develop a process, tracking system, and identify resources to ensure this happens.

Strategy 5-E (2): As part of the review of incentives needed, and those paid, determine which were necessitated by the City's own fees to determine if City fees are at a level that pose a competitive disadvantage to the City's economic vitality.

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Thurston County Economic and Community Development Matrix

Exhibit-1 Organizations providing Economc Development Services in Thurston County

Type of Organization	Organization Name	Employment Services							Life Skills								Industry Knowledge						Professional Networking				Continuing Education		Invsmt & Empl. Recruitment				Business Retention						Market Expansion & Development							Intnl Trade	Entrepreneurial Network Development						
		Career Counseling	Resume Building	Mock Interviews	Personal Promotion	Civilian Language	Skills Translation	Work Socialization	Planning, Goal Setting	Clothing Assistance	Housing, Transpo & Healthcare	Job Coaching, continued support	Youth & Education	Life Skills	Business Hierarchy	Market Reality	Business Research	Local Job Mkt Knowledge	Business Networking	Job Connections	Internship, Fellowship, Contracts, On Job Trng	Employer Interface	Degree Programs	Skills Certification	Workforce Development	Business Recruitment	Business Retention	Main Street Program	Non-Profit Support	Buy Local	Government Contract Assistance	Business Expansion	Tourism Promotion	Energy Efficiency	Agricultural Developments	Infrastructure Development Funding	Contracted Training for Employees	International Development	Business Planning	Business Mentoring	Finance Assistance	Access to Capital	Investors Network / Micro Loan	Self Employment Assistance	Entrepreneurial Development
Govt and Veteran Resource Centers	Joint Base Lewis-McChord (JBLM) Soldier for Life	○	●	○	●	●	●	○	●	○	●	○		●	○	●			○	●	○	●	○	○																								○	○
	City of Lacey Veteran Assistance Center	●	○	○	○	○	●	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																								○	○
	Washington State Department of Veteran Affairs	○	○	○	○	○	○	○	●	●	●	○							○	●	○		○	○																								○	○
	Governor's Veterans Affairs Advisory Committee	○	○	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																								○	○
Chambers of Commerce	Grand Mound - Rochester Chamber of Commerce												●				○		●							○	○			●		●	○																	○
	Lacey Chamber of Commerce	○	○	○	○	○	○	○	○	○	●	○	●	○	○	●	○	●	○	○	○	○	○	○		○	●			●		●	○					○		○						○	○
	Tenino Area Chamber of Commerce												●				○		●							○	○			●		●		○														○
	Thurston County Chamber of Commerce	●	●	●	●	●	●	○	○	○	●	○	●	○	●	●	●	●	●	●	○	●	○			●	○	●	○	●	○	●	○	●	○	○	○	○		●	○	○				●
	Thurston Chamber Business Incubator																○										○	●					●							●	●	○					●
	Tumwater Chamber of Commerce												●				●		●								●	●		●	●	●	●	●	●					●	●						●
	Yelm Area Chamber of Commerce	○	○	○	○	○	○	○	○	○	○	○	●	○	○	●	○	●	●	○	○	○	○	○	○	○	●	●	○	●	●	●	●	●	○	○	○	○	●	●	○				○	○
Academic Institutions	New Market Skills Center												●						○	○	●			●	●							○															○
	Saint Martin's University (student)	●	●	●	●			●	●			●	●		●	●	●	●	●	●	●	●	●	●	●	○	○				○							●								●
	South Puget Sound Community College (student)	●	●	●	●			●	●	●		●	●		●	●	●	●	●	●	●	●	●	●	●	○	●		●			○					●		●	○						●
	South Sound Council												●				○								●	○	○																				
	The Evergreen State College (student)	●	●	●	●			●	●			●			●	●	○	●	●	●	●	●	●	●	●	○	○		○			○			○			●								●
Associate Development Organization	Thurston Economic Development Council (EDC)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	●	●	●	●	●	○	○	○	○	○	●	●	○	○	○	●	●	○	●	●	○	○	●	●	●	○				○	●
	Thurston Energy															●	●	●	●	○	○	○			●		●				○	●		●	○		●	○	○	○	●					○
Entrepreneur Training	Business Resource Center (BRC)/Washington Center for Women in Business (WCWB)	○	○	○	●	○	○	○	●	○	○	●	○	○	○	●	●	●	●	○	○	○			●		●		○	○	○	○		○	●		●		●	●	○				●	●
	Enterprise for Equity	○	○	○	○	○	○	○	○	○	○	●	○	○	○	○	○	○	●	○	○	○	○	○	○		○		●	●	○	○	○	○	●	○	●		●	○	●		●		●	●
	Service Corps of Retired Executives (SCORE)	○	○	○	○	○	○	○				●		○		●	●	○	○	○	○	○	○	○	○		●					●		○	○				●	●	○					●
	Washington Small Business Development Center (WSBCD)	○	○	○	○	○	○	○	○	○	○	●		○	○	○	●	○	○	○	○	○	○	○	○		●					●		○	○				●	●	○					●
Employment Assistance	Morningside	●	●	●	●	●	●	●	●	○	○	●		●	●	●		●	●	●	●	●	○	○																						○	○
	Private Employment Agencies	●	●	●	●	●	●					○			●	●		●	○	●	●	●			○	○	○																			○	○
	Thurston County WorkSource	●	●	●	○	○	●			○	○	○		○	○				●	●	○	○	○	○	●	○											○				○			○	○
Veteran Assistance Agencies and Associations	American Legion	●	○	○	○	○	○	○	○	○	○	○		○	○	○		○	●	●	○	●	○	○																									
	Association of the U.S. Army (AUSA)	●	●	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																									
	Military Officer's Association of America (MOAA)	●	●	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○																									
	Pacific Mountain Workforce Development Center	●	●	●	●	●	●	●	●	●	●	●	●	●	●	○	○	●	●	●	●	○	○	○	●	○	●		○			○					●									○	●
	Camo 2 Commerce	●	●	●	●	●	●	●	●	●	●	●		●	●	○		●	●	●	●	○	○	●	●																				○	○
	Rally Point 6	○	○	○	○	○	○	○	○	○	○	○		○	○	○		○	○	○	○	○	○	○	○																							
	Thurston County Veterans Coalition	○	○	○	○	○	○	○	○	○	○	●		○	○	○		○	○	○	○	○	○	○																									
	Veterans of Foreign Wars (VFW)	○	○	○	○	○	○	○	○	○	○	●		○	○	○		○	○	○	○	○	○	○																									
	Wounded Warriors	●	●	●	●				●		●	●		●		●		●	●	●	○	●	○																									
General Resources	Olympia Downtown Association												○			○	○	○	●						○	●	●	●	○	●	○	○	○	○	○	○	○	○	○	●	○			○	○
	Port of Olympia																									●	●	○				●	○		○	●		●								
	Sustainable South Sound																										○		○	●				○												
	Thurston Regional Planning Council												●																			○				●										
	Timberland Regional Library												●			●	●	●	●							○	○		●	●	○	○	●	●	○	○	○		●	●	○			○	●
	United Way of Thurston County												●						●																				○	●	●				
	Visitor & Convention Bureau												○				●		●							●	●	○	○	●		●	●		●			●		○					●

Provides Direct Service, budget to provide	●	
Provides Supporting Service/Referral	○	
Does not apply		(blank)

City of Lacey Economic Development Strategy Exhibit 2

Matrix of Goals and Policies to Metrics, Resources, and Partners

Updated May 17, 2016 by George Smith

Policy (Short name)	Strategy#	Strategy Name	Metric(s)	Resource(s)	Partner(s)	Notes
1A-Recognize positive impact of business	1A(1)	Participate in venues where issues impacting Lacey businesses will be addressed	Numbers of relevant participations	(A) Adequate staffing to participate (B) Adequate budget to participate	EDC, APA, IEDC, MRSC	Non-local partners likely sources of information and/or conveners
	1A(2)	Develop internal stakeholder awareness programs	(A) Progress toward development of programs (B) Success of programs	(A) Adequate staffing to participate (B) Adequate budget to participate (C) Clear communication from leadership that sincere engagement by internal stakeholders is an expectation	Internal stakeholders	
1B-Development process clear, predictable, timely, and efficient	1B(1)	Implement customer service training program	(A) Tracking customer satisfaction surveys (B) Tracking training attendance	(A) Adequate staffing to participate (B) Adequate budget to participate (C) Clear communication from leadership that sincere engagement by internal stakeholders is an expectation	Educational partners	Partner SPSCC may be source of training
1C-Provide adequate and accurate Information	1C(1)	Intentionally support systems that produce, provide, and communicate information	(A) Determine which systems work best, and which need enhancement, by tracking customer satisfaction surveys (B) Effective communication is a key component of good customer service training, so will be addressed through training attendance (Strategy 1B(1))	(A) Adequate staffing to participate (B) Adequate budget to participate (C) Clear communication from leadership that sincere engagement by internal stakeholders is an expectation	Educational partners	Partner SPSCC may be source of training
	1C(2)	Ensure staff have tools & training to provide accurate and timely information.	(A) Tracking customer satisfaction surveys to identify training gaps (B) Individual staff training needs assessment (C) Training attendance	(A) Adequate staffing to participate (B) Adequate budget to participate (C) Clear communication from leadership that this is an expectation	Educational partners	Partner SPSCC may be source of training, along with relevant professional associations
1D-Ensure streamlined processes	1D(1)	Develop internal process to monitor existing & developing regulations, policies, & procedures to avoid creating obstacles	(A) Tracking customer satisfaction surveys to identify process problems (B) Tracking progress toward process simplification	(A) Adequate staffing to participate (B) Adequate budget to participate (C) Clear communication from leadership that sincere engagement by internal stakeholders is an expectation	Educational partners	Partner SPSCC may be source of training, or other source (LEAN process)
1E-Balance business and citizen needs	1E(1)	Support public process, community engagement and education, and mitigate potential impacts of conflicts	(A) Tracking public engagement occasions (B) Tracking public education occasions (C) Quantitative and qualitative analysis of defined conflicts	(A.) Staff time for participation in, tracking of, public engagement and education activities. (B.) Staff time for analysis of conflicts.	N/A	Depending on the issue, the City may have non-economic development partners who can provide a venue, introduce stakeholders, or otherwise facilitate.

2A-Ensure adequate supply developable and appropriately zoned land	2A(1)	Downzoning to residential must be matched with upzoning of equal or greater amounts and quality of land	Tracking of downzoning and upzoning	Small amount of staff time	N/A	Overheated housing markets can cause enormous political pressure to be placed on Councilmembers to downzone prime parcels to residential
2B-Ensure appropriate level of professional, customer-oriented, trained, and empowered staff	2B(1)	Implement training needs assessment (identified in Strategy 1C(2)) and develop program for employees to obtain professional training to enhance their skills	(A) Tracking customer satisfaction surveys (B) Tracking needs assessments, and (C) Tracking training attendance and progress towards training needs fulfillment.	(A) Adequate staffing to participate (B) Adequate budget to participate	Educational partners	Partner SPSCC may be source of training, along with relevant professional associations
2C-Adequate, reliable, affordable user-friendly utilities	2C(1)	As utility elements are amended ensure they continue to meet needs of Lacey businesses	Determination that business needs are considered when Utility Elements are updated	Small amount of staff time	N/A	
2C	2C(2)	Work cooperatively with partners to ensure adequate utilities & infrastructure	Tracking and assessment of utility & infrastructure needs will be included in BRE program (Strategy 3G(1))	Same resources identified for BRE program	Same as BRE program	
2C	2C(3)	Work with appropriate agencies to ensure fairness in market; and access to best quality, variety, & value to telecommunications, television programming, and internet access	Tracking and assessment of these needs will be included in BRE program (Strategy 3G(1))	Same resources identified for BRE program	Same as BRE program	
2D-Street designs include all modes including trucks/commercial vehicles	2D(1)	Complete transportation plan based on multi-modal & complete streets encouraging all modes of transportation, including trucks/commercial vehicles	Tracking and assessment of these needs will be included in BRE program (Strategy 3G(1))	Same resources identified for BRE program	Same as BRE program	
2E-Appropriate level of public transit	2E(1)	Work with Intercity Transit to survey & identify unmet transit needs	Subsequent surveys of Lacey businesses and their employees and develop a means to meet unmet needs	Staff time	EDC, Intercity Transit	
2F-Do everything possible to help businesses reopen after a disaster	2F(1)	Incorporate provisions to address the needs of businesses into the Emergency Response Plan	Timeline tracking for developing process	Staff time to research, develop process, and develop provisions	EDC	
2F	2F(2)	Develop expedited inspections to get damaged businesses re-opened after disaster	Timeline tracking for developing process	Staff time to research, develop process, and provide training	N/A	
2F	2F(3)	Develop expedited SPR process to enable damaged businesses re-build after disaster	Timeline tracking for developing process	Staff time to research, develop process, and implement	N/A	

2G-Proactive meeting businesses' needs as they arise	2G(1)	Work with ED partners to develop business preparedness & resiliency program	Timeline tracking for developing process, and track business assisted	Staff time to work on research, development, and implementation	EDC, LSSCofC and other ED partners	This would be developed and implemented with partners--NOT a City-only project
3A-Effecitve collaboration with partners	3A(1)	Establish MOUs with partners	Timeline tracking for developing MOUs, and track compliance with MOU terms	Staff time to develop MOUs	All ED partners	Process would be enhanced through development of a CEDS Strategy 3B(1)
3B-Develop a CEDs	3B(1)	Work with partners to develop a CEDS that includes MOUs that address services and protocols for referrals, communication, and follow-up with clients	(A) Timeline tracking for development of CEDS (B) Tracking progress toward development and implementation of MOUs	Staff time to participate in process	Directly EDC, secondarily all ED partners	
3C-Strenghten partnerships with educational institutions	3C(1)	Establish MOUs with educational institution partners	Timeline tracking for developing MOUs, and track compliance with MOU terms	Staff time to develop MOUs	These ED partners	Process would be enhanced through development of a CEDS Strategy 3B(1)
	3C(2)	Develop regular interactions to foster relationships with educational institutions	Tracking interactions	Staff time to participate in process		Framework for interactions likely identified in MOU
	3C(3)	Ensure educational programs are matched with workforce needs	Tracking and assessment of these needs will be included in BRE program (Strategy 3G(1))	Same resources identified for BRE program	Same as BRE program	Special emphasis on PacMtn.
3D-Strengthen partnerships with Port and Pacific Mountain Workforce Development Council	3D(1)	Ensure inclusion in CEDS process, and establish MOUs with these ED partners	Timeline tracking for developing MOUs, and track compliance with MOU terms	Staff time to develop MOUs	These ED partners and EDC	
	3D(2)	Identify opportunities to develop strategic joint partnerships with the Port for projects in Lacey	Timeline tracking for developing process, determining needs, and researching options	Staff time to research, develop process, and develop options		
3E-Attract business to locations where they will be successful	3E(1)	Include business attraction in MOUs (Strategy 3A(1)) and in CEDs (Strategy 3B(1))	Metrics of each of component strategies	Resources of each of component strategies	All ED partners	
3E	3E(2)	Include attraction in development of Business Retention and Expansion program (BRE)	Timeline tracking of development of BRE, activity in BRE, follow-up with businesses	Staff time to develop, administer, and track BRE; software to track tasks, referrals, and follow-up	Directly EDC, secondarily all ED partners	This Strategy is included in support of 3E(2), 3G(1), 5A(2), and 5A(4)
3E	3E(3)	Pursue sales tax generating businesses	Timeline for developing plan; tracking activities and sales tax collections	Staff time, expenses associated with business recruitment, cost of incentives	Commercial brokers, retail property owners	
3E	3E(4)	Develop cluster-based business attraction program	Timeline for developing plan; tracking activities, businesses, jobs, and economic impact	Staff time, expenses associated with business recruitment, cost of incentives	All ED partners	
3E	3E(5)	Ensure that the success of the business is the primary consideration in site location selection assistance	Incorporate this requirement into MOUs with partners, and all plans and programs	Staff time to incorporate into MOUs, plans, and programs will be minimal	All ED partners	

3F-Support culture of dialogue with all partners and stakeholders, including JBLM	3F(1)	Implement a citizen participation plan, and continue active participation in South Sound Military Partnership (SSMP)	(A) Timeline tracking for developing process (B) Tracking of stakeholder participations (C) Tracking of participations in SSMP.	Staff time to work on research, development, implementation, and tracking	EDC, LSSCofC and other ED partners	
3F	3F(2)	Develop a business roundtable	Timeline tracking for developing process	Staff time to research, develop process, and implement	N/A	Would likely be fostered by BRE program
3G-Focus resources on BRE and fostering thriving business environment	3G(1)	With partners, develop formal BRE program	Timeline for developing plan; tracking activities, businesses, jobs, and economic impact	Significant staff time, costs for database software, expenses associated with business recruitment, cost of incentives	All ED partners	This Strategy is included in support of 3E(2), 3G(1), 5A(2), and 5A(4)
3G	3G(2)	Develop Public Market feasibility study	Timeline for developing study; if seemingly feasible, timeline to develop work plan toward establishment	Staff time, potentially some need for consultant services/outside resources	Possibly EDC and or LSSCofC to identify potential retail entrepreneurs	
3H-Maintain joint planning program with County	3H(1)	Update MOU with County	Timeline tracking for developing MOU, and track compliance with MOU terms	Staff time to develop MOU	County	
Policies 4A and 4B relate to ethics and policies. No strategies, metrics, partners, or resources are necessary since implementation will occur by Council adopting these policies as part of the Element.						
4C-Implement City's vision, maintain standards, ensure landowners and developers treated fairly and equitably based on project and site	4C(1)	Support public process, community engagement and education, and mitigate potential impacts and conflicts	(A) Tracking customer satisfaction surveys to identify issues (B) Tracking issues identified in BRE interactions with businesses	(A) Adequate staffing to participate (B) Adequate budget to participate (C) Clear communication from leadership that sincere engagement by internal stakeholders is an expectation		
5A-Utilize all resources to encourage business formation, attraction, and BRE	5A(1)	Ensure all appropriate staff stay current with best practices in the field of economic development	Metrics of 2B(1) specific to staff with economic development responsibilities	Costs for training, and staff time for training	Organizations providing professional economic development training	Relevant professional associations would include International Economic Development Council, National Development Council, and others
5A	5A(2)	With partners, develop formal BRE program	Timeline for developing plan; tracking activities, businesses, jobs, and economic impact	Significant staff time, costs for database software, expenses associated with business recruitment, cost of incentives	All ED partners	This Strategy is included in support of 3E(2), 3G(1), 5A(2), and 5A(4)
5A	5A(3)	Adoption of Strategy 3G(2) feasibility study for Public Market	Timeline for developing study; if seemingly feasible, timeline to develop work plan toward establishment	Staff time, potentially some need for consultant services/outside resources	Possibly EDC and or LSSCofC to identify potential retail entrepreneurs	
5A	5A(4)	Adoption of Strategy 3E(2) include attraction in BRE	Timeline tracking of development of BRE, activity in BRE, follow-up with businesses	Staff time to develop, administer, and track BRE; software to track tasks, referrals, and follow-up	Directly EDC, secondarily all ED partners	This Strategy is included in support of 3E(2), 3G(1), 5A(2), and 5A(4)
5A	5A(5)	Adoption of Strategy 3E(3) partner with developers and property owners to attract sales tax generating businesses	Timeline for developing plan; tracking activities and sales tax collections	Staff time, expenses associated with business recruitment, cost of incentives	Commercial brokers, retail property owners	

5A	5A(6)	Adoption of Strategy 3E(4) with partners, develop business attraction program based on SWOT, current, and emerging clusters	Timeline for developing plan; tracking activities, businesses, jobs, and economic impact	Staff time, expenses associated with business recruitment, cost of incentives	All ED partners	Process would be enhanced through development of a CEDS Strategy 3B(1)
	5A(7)	Explore feasibility, scope, and type(s) of incubator(s) to support development of successful locally-owned businesses.	(A) Progress toward development of RFP & scope (B) Progress of study (C) Progress toward implementation of any recommendations (D) Evaluation of outcomes	(A) Significant staff time to develop RFP, scope, work with consultant, and implement recommendations (B) Adequate staffing to operate incubator if recommended (C) Adequate budget to conduct study, and implement recommendations	EDC and other ED partners	This would be a long-term multi-year process involving active engagement by ED partners, with potential for significant positive impact
5B Use incentives to create value, better long-term results, and mitigate competitive weaknesses	5B(1)	Develop alternatives based on best practices, SWOT, and policies	Timeline for developing alternatives, seeking input on best options, developing and implementing plan; subsequent tracking of results	Staff time, expenses associated with business recruitment, cost of incentives	Will likely involve some ED partners	
5B	5B(2)	Review incentive programs periodically, adjust as needed	Timeline for tracking and evaluating results and adjustments	Staff time, expenses associated with business recruitment, cost of incentives	Will likely involve some ED partners	
Policies 5C and 5D specify characteristics of any incentives that the City might adopt. No strategies, metrics, partners, or resources are necessary since implementation will occur by Council adopting these policies as part of the Element						
5E-Review and adjust fees regularly to ensure fairness; balance smart-growth goals with business needs; and encourage investment, business attraction, and BRE	5E(1)	Develop a process, tracking system, and identify resources to ensure this happens	Timeline for tracking and evaluating results and adjustments	Staff time, potential consultant costs, potential reduced revenue when fees are adjusted	N/A	
5E	5E(2)	Develop a process to determine which fees necessitated incentives	Timeline for tracking and evaluating results and adjustments	Staff time, potential consultant costs, potential reduced revenue when fees are adjusted	N/A	Potentially costs for some incentives might be reduced if fees were also reduced
Policies 5F and 5G relate to partnerships with local educational institutions and greater collaboration between businesses, partners, and JBLM. No specific strategies for these policies are included because their implementation will occur though a combination of other strategies already listed.						

Glossary of Abbreviations

APA	American Planning Association
BRE	Business Retention and Expansion program
CEDS	Comprehensive Economic Development Strategy
ED	Economic Development
EDC	Thurston Economic Development Council
IEDC	International Economic Development Council
LSSCofC	Lacey South Sound Chamber of Commerce
MOU	Memorandum of Understanding
MRSC	Municipal Research and Services Center
PacMtn.	Pacific Mountain Workforce Development Council
SSMP	South Sound Military Partnership
SPSCC	South Puget Sound Community College

CITY OF LACEY & LACEY URBAN GROWTH AREA HOUSING ELEMENT

OF THE COMPREHENSIVE PLAN

2016

DRAFT

HOUSING ELEMENT

Community Vision – Lacey includes a broad choice of housing types at a range of prices, including affordable homes in diverse, safe settings that maintain a high quality of life.

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INTRODUCTION

Housing conditions have a direct impact on Lacey's quality of life. Residents place a high value on having a safe and comfortable place to live, in a home that is affordable and is located in an area that is attractive and conveniently located. Through the Envision Lacey process, citizens responded that vibrant neighborhoods that ensure a full range of affordable housing options are important to them. Residents also indicated that new and existing residential neighborhoods should provide a high-quality appearance and function that provide for the day-to-day needs of residents.

Economic forecasts for the planning period indicate an increase of 60,000 jobs in Thurston County with 13,700 jobs in Lacey alone. Job growth will add to the need of accommodating 27,490 additional people within our Urban Growth Area (UGA). The increased number of jobs will add workers, and their families, that need housing. It is projected that a total of 12,220 new homes will be needed in the UGA during the next twenty years. With the continued cost of housing increasing in the Central Puget Sound region, the number of people relocating to our area, and commuting to jobs, is also expected to increase.

While single-family neighborhoods have remained a staple in Lacey, the number and variety of multifamily housing choices have slowly increased in the last several years, including in mixed-use developments. The Comprehensive Plan calls for distribution of a range of housing types to provide for the housing needs of Lacey's full demographic profile. The Plan also proposes the use of compact mixed-use housing forms to provide conservation of buildable land resources and opportunity for a range of housing styles and choices.

It is anticipated that Lacey will continue to transition from a suburban community to a more urban community with a strong employment base. Through careful planning and community involvement, changes and advances in housing styles and development can be embraced by the community. Residents will be able to enjoy an increased connection to their neighborhood and to the community as a whole.

The Housing Element is organized into sections providing a planning context for housing policies, legislative directives, regional cooperation and planning, and community values. The Element also contains a profile of Lacey's existing and projected housing needs, and identifies general and affordable housing issues. The Housing Element is a joint planning document between the city of

Lacey and Thurston County. This Element applies to all areas incorporated or unincorporated within Lacey's designated UGA.

Information included in this chapter is based upon the 2010 U.S. Census data and the 2008 – 2012 American Community Survey (ACS). The chapter also includes information prepared by Thurston Regional Planning Council (TRPC), including the 2014 *Buildable Lands Report* and *The Profile*. These documents provide detailed data and also act as a general guide to plan for projected housing needs based on buildable land availability, existing housing stock, and other relevant housing issues.

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PLANNING CONTEXT

Federal Direction

The Federal Fair Housing Act (FFHA) requires that reasonable accommodations be made in rules, policies, or services, when such accommodations may be necessary to afford persons with disabilities equal opportunity to use and enjoy a dwelling. As part of the Housing and Urban Development Urban Corridors Communities Challenge Grant, TRPC evaluated the Lacey Municipal Code (LMC) to ensure that the standards "actively incorporate fair housing principals into land use planning by considering established reasonable accommodations, mechanisms, and policies." This 2012 review identified that the LMC treats single-family housing and housing for people with functional disabilities in the same manner in all of the City's primarily single-family residential zones. Housing for disabled people in zones that permit a mix of housing types is implicitly allowed as long as the units meet density requirements. This approach was deemed appropriate under the Fair Housing Act and the Washington Housing Policy Act.

Provisions to grant reasonable accommodations in zoning and building standards to allow disabled individuals to build or utilize a home are not currently contained in our code and should be considered for inclusion.

State & Regional Direction

The Growth Management Act (GMA) (Act) requires jurisdictions to identify the projected housing needs of each city and to make adequate provisions for existing and projected needs of all economic segments of the community. Jurisdictions must demonstrate how they plan to meet GMA goals for affordable housing, including providing an inventory and analysis of existing and projected housing needs. The overall GMA planning goals for housing are:

- **Ensure housing for all economic segments of the population;**
- **Participate in making available a fair share of affordable housing, including housing for people with special needs;**
- **Promote zoning classifications which allow a variety of residential densities and housing types;**
- **Encourage preservation of existing home stock; and**
- **Assure that housing complies with local, state, and federal fair housing laws.**

Housing policies cannot be used to regulate manufactured housing differently than site built

housing. For cities with a population over 20,000, provisions for accessory dwelling units (ADUs) in single-family residential areas must be allowed. An ADU is a small, self-contained residential unit located on the same lot as an existing single-family home. An ADU has all the basic facilities needed for day-to-day living independent of the main home, including a kitchen, sleeping area, and a bathroom. Code provisions can be put in place that include specific size limits, location, and allowances for a separate unit within an existing home or a separate structure.

The County-wide Planning Policies (CWPP's) are policy statements used to provide a county framework for the development of local comprehensive plans to ensure the coordination and consistency between City and County Comprehensive Plans and provide a framework for joint planning between local jurisdictions.

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The CWPP's were updated in 2015 to reflect policies that are contained in the regional sustainability plan titled, *Creating Places - Preserving Spaces: A Sustainable Development Plan for the Thurston Region.* CWPP's contain seven policies applicable to providing sustainable and affordable housing. These policies are:

- **Increase housing choices to support all ranges of lifestyles, household incomes, abilities, and ages. Encourage a range of housing types and costs that are commensurate with the employment base and income levels of jurisdictions' populations, particularly for low, moderate, and fixed income families;**
- **Accommodate low and moderate income housing throughout each jurisdiction rather than isolated in certain areas;**
- **Explore ways to reduce the costs of housing;**
- **Establish and maintain a process to accomplish a fair share distribution of housing among the jurisdictions;**
- **Work with the private sector, Housing Authority, neighborhood groups, and other affected citizens, to facilitate the development of attractive, quality, low and moderate income housing that is compatible with the surrounding neighborhood and located within easy access to public transportation, commercial areas, and employment centers;**
- **Regularly examine and modify policies that pose barriers to affordable housing; and**
- **When possible, provide assistance in obtaining funding and/or technical assistance for the expansion or establishment of low cost affordable housing for low, moderate, and fixed income individuals and families.**

Local Direction

Housing needs rarely recognize jurisdictional boundaries and these needs are rarely solved by a single community or agency. For this reason, the City works with regional agencies to support a regional approach and cooperation among agencies to meet its housing goals. Without this cooperation, the City and the region will fail to accomplish its housing goals.

A number of public, private, and nonprofit organizations provide support for affordable housing services, including the Housing Authority of Thurston County. The Housing Authority provides emergency, traditional and permanent housing for persons with disabilities, low income, and at-risk individuals and families.

The HOME Consortium is an eight member advisory board responsible for jurisdictional administration of Thurston County's housing programs. The Consortium is comprised of public elected officials from Thurston County cities and Thurston County. The Consortium is an advisory board and makes county housing funding and policy recommendations for the HOME Investment Partnership Housing Program, the Affordable Housing Program, and Homeless Housing Programs. Nonprofit organizations, local municipalities within the county, profit developers, and faith-based organizations that provide affordable housing in accordance with the requirements of the Affordable Housing Program are eligible applicants for program funds. Other programs include the Housing and Community Development Program (HCD), the Homeless Housing Program, and capital project and rental assistance programs.

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Thurston County has been designated as an Urban County for the Federal Community Development Block Grant (CDBG) Program. Thurston County partners with Lacey and area cities for federal funding to serve low-income individuals and families in the County. CDBG funds are made available on a rotating basis between the city of Lacey, city of Tumwater, and Thurston County, including Yelm, Rainier, Tenino, and Bucoda. The city of Olympia operates a separate CDBG program. CDBG funds various programs, including affordable housing. This program must benefit low and moderate income persons, prevent or eliminate slums or blight, or address existing and urgent community development needs that pose serious or immediate threat to the health or welfare of the community.

There are numerous nonprofit organizations that serve the communities in Thurston County. Some of the nonprofit organizations focused on affordable housing for various groups are included below.

Since 1990, **Homes First!** has worked to increase the supply of affordable housing for members of the community by purchasing a variety of houses, duplexes and apartments and rehabilitating them. **Homes First!** develops, owns and manages affordable housing for low and very low income residents in Thurston County. They partner with other nonprofit groups like **Common Ground** and the **Housing Alliance**.

The **Low Income Housing Institute** develops, owns and operates housing for the benefit of low income, homeless, and formerly homeless people. They operate three properties in Thurston County, with two of the properties located in the city of Lacey, Magnolia Villa and Arbor Manor.

SideWalk is a local organization on a mission to end homelessness in Thurston County. In its first three years, this nonprofit organization has provided for the placement of over 500 homeless individuals using a method called "rapid rehousing". This approach offers time-limited, small rental subsidies to assist homeless people move into housing, followed by intensive case management to ensure stability. This approach has been effective for 80% to 90% of the homeless population entering their program.

The City added provisions to the LMC in 2013 to provide for homeless encampments as an emergency shelter. These provisions were put in place to help provide for alternative temporary housing for the homeless population. A host agency is required to submit the appropriate application materials including provisions for water and sanitary facilities, security measures, screening, and

a transition plan to assist in transitioning residents to permanent housing. Fire, health, and other safety measures are also required.

The City has also added incentives for multifamily development in the Woodland District by adopting a multifamily tax exemption to improve the viability of developing multifamily units and encourage the construction of new market-rate and affordable housing opportunities. Additional opportunities to incentivize increased densities should be explored in other areas of the City, including urban corridors, areas served by transit, and designated infill areas.

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Relationship of Housing Element to Other Comprehensive Plan Elements

The Housing Element goes beyond the projection of housing needed to meet population growth. Land use, transportation, capital improvements, and environmental issues are important considerations when planning to provide housing at affordable costs, both to the consumer and the long-term fiscal costs to the City.

The Housing Element is closely linked to other elements of the Comprehensive Plan. For example, the Land Use Element defines the intent and location of residential land use designations and densities. Both the spatial location of residential zones and the range of densities will impact housing issues. Densities will determine how much land is available to accommodate anticipated urban growth. Allowed densities and standards in different land use zones must provide for the anticipated demand of various housing types to accommodate needs. Locations should be sensitive to the desirability of specific areas for housing, considering land use policies, needs, and community input.

The Housing Element is also strongly linked to the community's transportation system. Housing will affect commuting patterns and transportation costs, as well as required expenditures for roads and multimodal facilities and improvements. If there is a lack of affordable housing in an area, people will be forced to commute increased distances to work and to other services. If housing is located in areas without consideration of transportation issues, significant impact can be expected to occur in the transportation system.

Housing is directly connected to capital improvement and facilities plans because of impacts to transportation and the need for urban services such as water, stormwater, sewer, parks, and other recreational facilities. The placement of housing impacts the need and timing for capital improvements, including schools. Housing needs to be located in an area where necessary infrastructure is either available or can be provided in a cost effective and efficient way.

The siting of residential development needs to consider impacts to environmentally sensitive areas addressed in the Environmental Element and in sensitive area regulations. High density development misplaced in these areas can impact the functions and value of these resources. Housing needs must be met without compromising the values and functions of our sensitive areas that contribute to the community's overall quality of life.

Homeless Population

In 2015, the *Thurston County Homeless Point in Time Census Report* counted a total of 476 people who were homeless. The United States Department of Housing and Urban Development (HUD) defines the "homeless" population as individuals living outdoors and in vehicles, staying in homeless shelters, and those in transitional housing (temporary in nature). Of these individuals, 163 were living in unsheltered conditions, 155 were living in transitional accommodations, and 158 were living in sheltered conditions. "Unsheltered" is defined as living in places not meant for human habitation such as cars, tents, parks, sidewalks, or on the street.

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In 2006, a county-wide partnership to end homelessness completed a ten-year plan with the goal of decreasing the homeless population by 50% in the year 2015. In 2006, the total homeless population was 441 individuals; the 2015 homeless population was 476, up 7.4%. The majority of the homeless population migrates to urban hubs. This is due in part to closer proximity to urban services, shelter and transitional housing. The majority of the homeless population in Thurston County is found in the city of Olympia, over 66%. Of the individuals counted in the 2015 census, 6% identified their last permanent residence as Lacey and 1% had spent the previous night in Lacey.

In the last ten-year period, the homeless population peaked at 976 people in 2010. Although the current homeless population is up slightly from 2006, the number of unsheltered individuals has decreased by 36%. Recent decreases in the unsheltered homeless population are attributed to additional successful housing resources. Stronger economic conditions and additional housing resources have helped decrease the number of homeless people that were counted in 2010. Over the presiding ten-year period, the goal of reducing the homeless population was not realized. Nearly 60% of the homeless population is male with 50% of the population in the 26 – 55 year age range. Over 21% of the homeless population are children aged 17 and younger. The major reason cited for being homeless, 38%, was job loss or economic reasons. Other foremost causes of homelessness included mental illness at 28%, domestic violence at 23%, and illness/health problems at 20%.

A parallel count is done annually for the Homeless Student population by Thurston County's school districts. The Thurston County homeless school aged population (K-12) counted in 2015 was 1,658 students, up from the 2006 census of 654 students. The homeless student population has increased over 153% in the last ten-year period. The North Thurston School District, which includes the city of Lacey and its unincorporated UGA, contains the highest number of homeless students of all the districts, with 623 students.

Poverty is a strong indicator for being at risk of homelessness for families with children. The free and reduced lunch program serves as an index of poverty for families with children in each school district. Of the 14,422 students in the North Thurston School District, 6,264 receive free or reduced lunch, over 43%. This data, provided by the Office of Superintendent of Public Instruction, provides useful information on how school districts are doing. All eight districts in Thurston County show a deepening of poverty among families in public schools.

DEMOGRAPHIC PROFILE RELATING TO HOUSING NEEDS

Population, Characteristics, and Trends

The 2010 census estimates that 42,393 persons were residing in the Lacey, with an additional 33,140 residing in the unincorporated UGA, for a total population of 75,533. For the twenty-year planning period, it is estimated that the population of Lacey will be 53,090, with another 54,630 people residing in the UGA for a total population of 107,720. This increase of over 32,000 people equates to an approximately 42% increase in population by the year 2035.

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Table 1 delineates the total population in Lacey by age and gender based on 2010 U.S. Census data. These figures are used to determine the number of school aged children, the number of persons who may be first time home buyers, and the elderly population. These groups have influence on specific housing needs.

TABLE 1

Lacey Population Distribution by Age and Gender 2010			
Age	**Male**	**Female**	**Total**
0-4	1,743	1,608	3,351
5-14	2,880	2,613	5,493
15-19	1,252	1,364	2,616
20-24	1,472	1,658	3,130
25-34	3,404	3,701	7,105
35-44	2,672	2,721	5,393
45-54	2,213	2,557	4,770
55-64	1,978	2,488	4,466
65-74	1,229	1,654	2,883
75+	1,147	1,939	3,086
Total Population	**20,090**	**22,303**	**42,393**

First time home buyers are typically found within the 20-34 year age group. This age group contained a total of 10,235 persons in Lacey, accounting for approximately 24% of the population. Additionally, 5,969 persons were 65 years or older or approximately 14% of the population. Persons aged 75 years or older are usually defined as the frail or elderly and are considered as a special needs population in most assessments. The greatest increases in population from the 2000 census occurred in the 25-34 year age group and the 55-64 year age group. Females were approximately 53% of the population due to longer life expectancy, beginning at ages 55-64.

The 2010 census also indicates that there were approximately 8,109 school aged children from 5 years to 19 years of age, or approximately 19% of the incorporated population. The percentage of school age children living within the City limits decreased approximately 2.5% from the preceding ten years.

Household Characteristics and Trends

For housing studies and needs analysis, household characteristics are important to determine the type of housing units the population will need. Census information provides specific household characteristic information for Thurston County and the city of Lacey.

In 2010 there were a total of 16,949 households in Lacey. Statistics show that the average household size is 2.44 persons, which is down slightly from 2.47 persons in 2000. Historical information indicates that household size has been steadily declining, displaying a trend toward fewer children. For example, the average household size in 1960 was 3.44 persons. Approximately 36% of Lacey's families include children and about 27% of households have other family members residing in their home, the majority of which are aged 65 years and over, up from 23% in 2000.

In looking at statistics for single parent households, approximately 63.8% of the households with female householder (no spouse present) have related children.

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Income/Employment Characteristics

Income and employment characteristics are important in housing analysis in order to understand and plan for the needs and preferences of area residents. Social characteristic information is available through the 2010 census and 2014 employment estimates from TRPC. A 2014 estimate shows a total of 25,245 persons within the labor force in Lacey and its UGA. Employment forecasts for the year 2035 show an increase of 13,700 jobs for a total employment base of 38,945 jobs. Forecasts indicate increased employment in construction and utilities, wholesale trade, and retail trade. Manufacturing jobs are expected to continue to decrease based on past trends.

Specific income profile is available for Lacey from the 2010 census. 7.6% of households in Lacey had an income of less than $15,000 per year. The 2008/2012 Five-Year Average Poverty Guidelines from the U.S. Census Bureau indicate that for a family of four, the federal poverty level is $24,250. For an individual the poverty level is $11,170, and for two people it is $15,930. For each individual added to a family above two members, a dollar amount of $4,160 is added to the $15,930 dollar amount. The most common household income range was in the $50,000 to $74,999 level, with 25% of households falling in this range. This is followed by 16.3% of the population falling in the $75,000 to $99,999 income level and 15.3% in the $35,000 to $49,999 level. Lacey's median income level in 2010 was $58,835. The median income level was higher than the state average of $55,584 for the same year. The Federal Poverty Guidelines are used to determine eligibility for certain federal programs, including housing assistance programs.

Statistics on poverty level status is also provided. 10.7% of people residing in Lacey are living at or below the poverty level. This percentage increases dramatically for families with female householders (no spouse present). For female head of household with related children under 18-years of age, 45.9% are living below the poverty level. That percentage increases for female head of household with related children under 5 years of age to 65.7%. The percent of individuals living below the poverty level in Thurston County is 11.1%. This compares with the city of Rainer, with the lowest rate for jurisdictions in Thurston County with 5.2% and the city of Yelm with the highest rate of 19.6%. During this same period, the percent of individuals in Washington State living below the poverty level was 12.9%.

Demographic information identifies the importance of providing for the needs of changing household types and supported policies that encourage a mix of housing types and sizes. In addition to meeting the housing demands created by population and employment growth, the necessity to accommodate the diverse needs of Lacey residents through changes in age, family size and various income levels is warranted.

HOUSING PROFILE AND ANALYSIS

Housing Types

It is important to have a clear picture of Lacey's available housing stock in order to meet current and future needs. According to data from TRPC there were an estimated 19,420 housing units in Lacey in 2015, with an additional 13,640 units within the unincorporated UGA, for a total of 33,060 units within the UGA. The vast majority of housing units in the City and UGA, a total of 68%, are single-family detached homes. Another 8,400 units, or 25% of the total, are multifamily units, and the remaining 2,270 are manufactured homes, accounting for 8% of housing units.

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With the increased demand for housing between 2003 and 2006, housing costs escalated as significant development occurred within the City and unincorporated portions of the UGA. From 2000 to 2009, Lacey's incorporated and unincorporated UGA exceeded all other cities and unincorporated areas in Thurston County for the number of new residential lots and housing units constructed. The year 2006 saw the greatest number of residential building permits issued with 1,453 in the City and 140 in the unincorporated portions of the UGA for a total of 1,593 permits. The high volume of residential permits began to decline in 2008, siding with the economic recession. Beginning in 2000, residential units permitted in the unincorporated UGA began to exceed or equal the number of permits issued Lacey. A change in this trend occurred in 2005. Since that time the City has issued more residential permits on an annual basis. This trend is expected to change in the upcoming planning period now that available land in Lacey is nearing build-out.

Housing Occupancy

Housing occupancy refers to the occupancy of housing units by owners or renters. This information is important to access community housing needs. Of the 16,949 total units occupied in 2010, 9,716 were owner occupied and 7,233 were tenant occupied. This amounts to a ratio of 57.3% of home ownership and 42.7% tenant occupied units. Lacey has a higher percentage of home ownership than either Olympia (49.5%) or Tumwater (54.2%). The number of households in Thurston County that live in rental housing has incrementally increased from 26% in 1960 to 33% in 2010. Greater percentages of renter occupied units are found in the more populated cities in the County.

Vacancy Rates

The vacancy rate is a measure of the percentage of unoccupied housing units. A 5% vacancy rate has been presumed to be a balanced vacancy rate by industry standards; however, this balance varies among areas and types of units. The vacancy rates in 2014 for a one bedroom unit were 2.9%, 4.1% for a two bedroom unit, and 3.4% for a three bedroom unit. According to U.S Census data, overall vacancy rates in Lacey increased by 3.02% from 2000 to 2010.

Natural vacancy rates vary over time due to several cyclical factors. If the actual vacancy rate is below the natural rate, prices will typically rise. If the vacancy rate is above the natural rate, prices will typically fall.

Housing Costs/Affordability

According to the Northwest Multiple Listing Service, the average sale price for a home in Lacey in

2013 was $224,856, compared to $140,134 in 1990. In 2007, the average home sale price hit a high of $315,369.

Information is also available regarding average rent prices. TRPC data show that rents in 2014 for a home or duplex in Thurston County averaged $730 for a one bedroom unit and $1160 for a three bedroom unit. Rental costs in Lacey exceed these due to location and levels of services. The 2014 average rental rate in Pierce County was $887 and $1,270 in King County. In 2001, a one bedroom unit rented for $515 and a two bedroom unit rented for $578. Rental rates for single-family and multifamily units have steadily climbed over the previous planning period. The trend for increased rental rates is expected to continue.

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The "housing affordability index" is a way of measuring a household's ability to purchase a home. When the index is 100, there is a balance between the family's ability to pay and the cost. A higher index indicates it is easier for a family to pay and a lower index indicates that it is more difficult. The County's affordability index was calculated at 99.0 the first quarter of 2014 for a first time buyer. This indicates that the first time home buyer has slightly less household income than required to purchase a home.

Affordable housing is defined as not more than 30% of a household's gross income. However, it is commonly known that many households are spending more than this amount on housing. A standard rule for housing lenders is that a monthly housing payment (principal, interest, taxes, and insurance) should not take up more than 28% of your income before taxes. This debt-to-income ratio is called the "housing ratio" or "front-end ratio." Lenders also calculate the "back-end ratio." This ratio includes all debt commitments, including car loans, student loans and minimum credit card payments, together with your house payment. Lenders prefer a back-end ratio of 36% or less. In some cases, lenders will approve applicants with higher debt-to-income ratios. Federal regulations give legal protection for mortgages with back-end ratios up to 43%. Lending ratios are a major driver in housing affordability and ownership because they help define the parameters of a qualified mortgage.

Forecasted Housing Profile

Based upon population estimates for Thurston County and the Buildable Lands Report, Regional Planning has developed a forecast for housing for the UGA. This study forecasts housing development and allocation over five-year increments. Table 2 forecasts the dwelling units needed to accommodate the projected population for the City and UGA to the year 2035. With 33,060 residential units located within Lacey's UGA in 2015, it is anticipated that an additional 12,220 new units will be needed during the upcoming twenty-year planning period. It is projected that over 60% of the dwelling units constructed over the planning period will be located in the unincorporated portions of the UGA.

Table 2

Projected **Number of Dwelling Units Needed for Lacey and UGA**				
	2020	**2025**	**2030**	**2035**
Lacey	21,480	22,290	23,000	23,470
UGA	15,540	17,660	19,910	22,090
Total	**37,020**	**39,950**	**42,910**	**45,560**

PLANNING AREAS - HOUSING CAPACITY

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The housing information in this section has been provided by Thurston Regional Planning Council based on the number of homes in 2010 according to type, additional housing capacity for each area, and information contained in the Buildable Lands Analysis.

Central Planning Area

Number of single-family residential homes – 2,443
Number of multifamily units – 2,675
Number of manufactured homes – 202

Housing Estimate and Forecast – Central Planning Area		
	2010	**2035**
City	5,320	6,100
UGA	0	0

Hawks Prairie Planning Area

Number of single-family residential homes – 3,042
Number of multifamily units – 91
Number of manufactured homes – 7

Housing Estimate and Forecast – Hawks Prairie Planning Area		
	2010	**2035**
City	2,420	4,690
UGA	720	970

Horizons Planning Area

Number of single-family residential homes – 3,618
Number of multifamily units – 2,075
Number of manufactured homes – 387

Housing Estimate and Forecast – Horizons Planning Area		
	2010	**2035**
City	5,610	6,540
UGA	470	470

Lakes Planning Area

Number of single-family residential homes – 5,194
Number of multifamily units – 1,037
Number of manufactured homes – 359

Housing Estimate and Forecast – Lakes Planning Area		
	2010	**2035**
City	3,720	4,210
UGA	2,870	3,720

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Meadows Planning Area

Number of single-family residential homes – 3,180
Number of multifamily units – 1,044
Number of manufactured homes – 336

Housing Estimate and Forecast – Meadows Planning Area		
	2010	**2035**
City	390	510
UGA	4,170	5,630

Pleasant Glade Planning Area

Number of single-family residential homes – 548
Number of multifamily units – 233
Number of manufactured homes – 199

Housing Estimate and Forecast – Pleasant Glade Planning Area		
	2010	**2035**
City	400	760
UGA	580	2,240

Seasons Planning Area

Number of single-family residential homes – 1,274
Number of multifamily units – 18
Number of manufactured homes – 47

Housing Estimate and Forecast – Seasons Planning Area		
	2010	**2035**
City	0	0
UGA	1,339	4,650

Tanglewilde/Thompson Place

Number of single-family residential homes – 2,283
Number of multifamily units – 1,047
Number of manufactured homes – 390

Housing Estimate and Forecast – Tanglewilde/Thompson Place Planning Area		
	2010	**2035**
City	610	650
UGA	3,110	4,420

HOUSING GOALS AND POLICIES

Goal 1: Have a sufficient number of single-family dwelling units, multifamily units, and group and special need housing to provide a selection of rental and home ownership affordable housing opportunities for all persons.

Policy A: Provide opportunities for development of all housing types to accommodate future needs for each type of housing.

Policy B: Monitor the market and available land in the urban growth boundary to provide sufficient area zoned to meet the demand for various types of housing.

Policy C: Encourage a wide variety of housing from low to high income in range to allow placement and mobility within the housing market.

Policy D: Promote preservation and improvement of existing single-family and multifamily units.

Policy E: Support neighborhood revitalization through available grants from the State, Federal and local levels to maintain and improve infrastructure.

Policy F: Support policies and programs to address the unique housing needs of the military population, including active duty, reserves, dependents and contractors.

Goal 2: Achieve a balanced community with each planning area accommodating a fair share of housing needs for all persons.

Policy A: Consider requirements and incentives designed to result in a balanced, increased supply of affordable housing in all parts of the City for extremely low, very low, low and moderate income households.

Policy B: Consider programs that include mandatory requirements for new developments targeting individual planning areas until housing goals for target groups in each planning area are achieved.

Goal 3: Work with regional agencies and bodies to implement affordable housing techniques consistently and on a regional scale.

Policy A: A myriad of affordable housing strategies should be implemented by all surrounding jurisdictions in Thurston County to meet housing needs on a regional scale for extremely low, very low, low and moderate income households.

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Policy B: Public and nonprofit agencies, such as the Housing Authority, with expertise in housing practices and special needs, should be a major partner in inclusionary programs.

Policy C: The Housing Authority, or other agencies, should take a lead role where its expertise and function lends itself to best accomplish program objectives. Lead responsibility might include such tasks as qualifying households by income bracket, monitoring target objectives, overseeing and administration of an affordable housing trust, taking ownership of dedicated lots and units, contracting for the development of units, monitoring the sale and resale controls of designated public units, and other related tasks.

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Goal 4: Achieve housing that is compatible and harmonious with existing neighborhood character while allowing infill and providing for environmental sensitivity.

Policy A: When designating areas for infill and zoning classifications, consider and place emphasis on the composition of the neighborhood, housing need, available infrastructure, principals of walkability and healthy communities.

Policy B: When implementing infill projects in designated areas, require design of infill projects that:
1) Meet the housing needs of the planning area considering variety and choice.
2) Integrate successfully into the existing residential environment considering form based concepts and healthy community objectives.
3) Provide a form, look and feel and social functionality that will add to the character, desirability and value of the surrounding neighborhood.

Policy C: Continue to utilize design review guidelines for all residential developments.

Goal 5: Provide a variety of housing opportunities for those with special needs.

Policy A: Provide opportunities for development of various types of group housing.

Policy B: Ensure a full range of housing and facilities for the accommodation of persons with special needs exist within each planning area, with consideration for promotion of housing in those planning areas providing the most services for such individuals.

Policy C: Design group homes and facilities for special populations so that they are integrated, compatible, and harmonious with surrounding land uses.

Policy D: Enforce all requirements of the International Building Code that includes requirements of the Americans with Disabilities Act and the Fair Housing amendments.

Goal 6: Work cooperatively with local jurisdictions, nonprofits and religious organizations to reduce homelessness and find ways for providing emergency and transitional shelter to serve the identified needs of this population.

Policy A: Based upon identified need, provision of facilities and services should be addressed by all

local jurisdictions with fair share commitment reflected in local budgets.

Policy B: Ensure location and use of emergency and transitional housing considers, and is successfully integrated into, the surrounding neighborhood without impact to other land use activities.

Policy C: Linkages with the business, religious and nonprofit communities as partners in ending homelessness should be maintained and expanded.

IMPLEMENTATION STRATEGIES

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The following implementation strategies are actions that the City may pursue to further the goals and policies of the Housing Element. These measures are intended to provide guidance for future planning activities.

1) Participate in ongoing regional efforts to plan for adequate affordable housing for very low, low, moderate, and middle income households consistent with the Countywide Planning Policies.
2) Include provisions for reasonable accommodations in planning and building standards that comply with the Fair Housing Act and the Washington Housing Policy Act.
3) Include zoning mechanisms and development standards that can increase density in appropriate areas. These mechanisms may include infill development, including reevaluating infill standards for lots in developed neighborhoods; minimum densities for selected residential zones; zero lot line development; and density bonuses for multifamily and mixed-use developments.
4) Consider including incentives for the multifamily tax exemption in other areas of the City, including urban corridor areas, areas served by transit, and designated infill areas.
5) Review and update the development standards to include strategies and provisions that encourage affordable housing and provide housing for special needs populations, such as mixed-use development, congregate care facilities, retirement homes, accessory dwelling units, and inclusionary zoning.
6) Review the land use permitting process to ensure continued efficiencies in an attempt to not significantly add to development costs.

CITY OF LACEY & LACEY URBAN GROWTH AREA UTILITIES ELEMENT

OF THE LACEY COMPREHENSIVE PLAN

2016

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UTILITIES ELEMENT

Community Vision – Ensure that Lacey and the Urban Growth Area are adequately supplied with utilities and services for planned growth while protecting and conserving surface and groundwater resources.

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INTRODUCTION

The Utilities Element of the Comprehensive Plan is intended to primarily focus on providing information on non-municipal utilities that are supplied by the private sector including electrical, natural gas, cable, and telecommunication services. Utilities provided by the City include drinking water, wastewater, and stormwater. Many of the Lacey's utility programs have adopted their own master plans to guide the administration and design of services. This Element provides a basic summary of the utility programs which are fully contained in the City's Water System Comprehensive Plan, Wastewater Comprehensive Plan, and Stormwater Comprehensive Plan. The entirety of the Water System Comprehensive Plan, Wastewater Comprehensive Plan, and the Stormwater Comprehensive Plan are hereby added to this Element. Provisions for future capital improvements are also included in the Capital Facilities Element of the Plan.

The City's ability to provide long term economic and environmental sustainability depends, in large part, on ensuring adequate utility services and supply. Lacey residents value the protection of City water supplies, lakes, and the Puget Sound through techniques, such as encouraging existing septic systems to connect to City sewer services.

The Growth Management Act guides the content of the Utilities Element. When available, contents are to include descriptions of locations and capacities of existing and proposed facilities. The GMA also directs identifying lands useful for public purposes such as utility corridors. Due to security and proprietary reasons much of this information is not made available by private utility purveyors.

Utilities are regulated in the state by the Washington Utilities and Transportation Commission. The commission acts in the public interest to regulate all persons engaging in the business of supplying, for compensation, utility service such as natural gas, electric, or telecommunications. The Federal Energy Regulatory Commission (FERC) sets rates and charges for the transportation and sale of natural gas, transportation of oil by pipeline, sale and transmission of electricity, and the licensing of hydroelectric power projects.

PUBLIC UTILITIES

Lacey currently operates and manages three utility systems; drinking water, wastewater, and storm-water. Each utility is guided by a separate adopted comprehensive plan that includes a summary of the current system; system analysis; operations and maintenance; a capital improvement plan; and policies and criteria. The City is planning a fourth utility system for reclaimed water. Lacey works to provide coordinated, cost-effective utility services that consider economic, social and environmental implications.

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Drinking Water

Lacey owns and operates a water source, transmission, distribution, and storage system for domestic water. This utility operates under a permit granted by the Washington State Department of Health's Office of Drinking Water. The City's long-term planning strategy for its water service area is outlined in the Water System Comprehensive Plan. The Retail Water Service Area (RWSA) encompasses the majority of the City boundary, and expands into the UGA in accordance with the *North Thurston County Coordinated Water System Plan* (CWSP). Figure XX shows the current RWSA for the City. The Plan is updated every six years and evaluates the existing system and its ability to meet the anticipated requirements for water source, quality, transmission, storage, and distribution over a twenty-year planning period. As of the end of 2011, Lacey provided water to 22,849 retail water connections.

Regional coordination is an important part of water system planning. The City coordinates services and planning with the cities of Olympia and Tumwater and the Thurston County PUD. The City currently provides water to areas outside of the UGA to customers formally served by other water systems. The majority of other water systems within the UGA are small or private water systems. These group "A" and "B" water systems are mapped as independent water systems and are not shown as part of Lacey's RWSA. It is the intent of the City to serve the full RWSA and urban growth area. Thurston County PUD serves the largest number of customers in the north central region of Lacey's UGA. The Tanglewilde system is the largest of the PUD systems, serving over 1,600 residents with the Pattison Lake system being the second largest serving over 1,400 residents.

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The City secured new water rights that will allow the development of additional sources of supply that will be needed to meet system demands as the number of customers grows within the service area. The new rights became available to use in 2014 as the first phases of required mitigation were completed, including the Woodland Creek Regional Reclaimed Water Infiltration Facility. The water obtained as part of the 2014 rights will serve the build-out of the city and urban growth area through this Plan's horizon of 2035 provided that the private utility purveyors and other public sources within the UGA have enough water to serve the needs of future growth.

The City plans to work towards securing additional long-term rights and developing sources of supply that will eventually allow extending the boundaries of the service area to coincide with the City's UGA. Lacey will continue to evaluate multiple avenues to secure new water supplies and to pursue approval of its other water rights applications, utilize reclaimed water as it becomes available, and begin purchasing other existing water systems with excess water rights.

Wastewater

Lacey owns, operates and maintains existing wastewater collection and conveyance facilities that provide sewer service to the City's current service area of approximately 13,800 acres. The collection system consists of gravity sewers, pump stations, force mains, septic tank effluent pump (STEP) systems, and grinder pump systems; all of these facilities collect and convey wastewater to the Budd Inlet Treatment Plant and the Martin Way Reclaimed Water Plant. The treatment plant and reclaimed water plant are owned and operated by the **L**acey-**O**lympia-**T**umwater-**T**hurston County Clean Water Alliance (LOTT). Reclaimed water produced by LOTT is available to the City and may be used for irrigation, dual plumbed buildings, environmental enhancement projects, and other non-potable uses. Lacey does not own any wastewater treatment facilities.

The City manages its wastewater utility in accordance with established wastewater system policies. The policies provide a consistent framework for the design, operation, maintenance, and service of the wastewater system for implementing programs, designing new infrastructure, and serving additional customers. The policies contained in the Wastewater Comprehensive Plan update are also coordinated and consistent with the policies contained in the other elements of the Comprehensive Plan. The most recent update to the City's Wastewater Comprehensive Plan was in 2015 and is intended to prepare for the wastewater needs until 2032. Lacey's sewer service area is expected to grow to approximately 21,200 to serve the projected growth over the next twenty years. The wastewater service boundary is identified in Figure XX. The Plan complies with the Washington State Department of Ecology regulations for general sewer plans.

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Stormwater

The first Comprehensive Stormwater Plan for the City was completed in 2013 and is intended to guide the City's stormwater utility programs and projects. The Plan describes the challenges in managing stormwater runoff and protecting receiving water bodies. A primary purpose of the Plan is to maintain consistency with local, state, and federal regulations, charge equitable stormwater utility rates, and support the goals and policies in the Land Use Element. The stormwater service area follows the existing city limits. Lacey works with neighboring jurisdictions on stormwater related issues that occur at adjoining service boundaries.

Beginning in the early 1980's, the City in cooperation with the cities of Tumwater, Olympia, and Thurston County funded the *North Thurston County/Lacey/Olympia/Tumwater Surface Water Management Utility Development Plan* (1986) to identify methods to improve surface water quantity and quality conditions. Based on the results of this Plan, the City added provisions in the municipal code making it unlawful to discharge pollutants into the storm drainage system and established storm and surface water utility charges. During the next several years, Lacey created a Water Resources Division to manage the City's surface water runoff, groundwater and drinking water. The City also worked with adjoining jurisdictions to develop a regional drainage manual.

Lacey became the first city in Washington to adopt a "zero effect drainage discharge" ordinance to allow for modified standards for projects with no increase in effective impervious surfaces.

The ordinance provided for the use of innovative low-impact development (LID) methods. The City adopted a revised Stormwater Design Manual in 2010. The manual regulates stormwater discharges to the municipal stormwater system and waters of the state. The manual also establishes minimum core requirements for development, redevelopment and road projects, and outlines Best Management Practices (BMP's) to be used to meet water quality and flow control requirements.

Stormwater management in the context of Low Impact Development (LID) strives to mimic natural hydrologic processes to manage stormwater onsite. The Stormwater Management Manual, in combination with the National Pollutant Discharge Elimination System (NPDES)Phase II permit, make LID BMP's mandatory where feasible for onsite stormwater management beginning in 2017. The City is currently working to incorporate these requirements by reviewing and revising its development-related codes, rules, and standards.

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Reclaimed Water

Lacey is in the process of establishing a reclaimed water utility that will include a defined service area. The utility will be managed in conformance with a comprehensive reclaimed water plan that will be prepared. The utility will construct a reclaimed water distribution system, including a booster pump station and reservoir, which is tentatively planned to begin construction in 2021. This system will provide access to reclaimed water along Britton Parkway and future main street corridors. Reclaimed water will be utilized for non-potable uses and will be prioritized for use for water rights mitigation, irrigation demands, and for other non-potable uses approved by the City and LOTT's National Pollutant Discharge Elimination System (NPDES) permit.

INVESTOR-OWNED UTILITIES

Natural Gas Service

Puget Sound Energy (PSE) builds, operates, and maintains natural gas facilities serving the city of Lacey. PSE is an investor-owned utility serving more than 770,000 natural gas customers in six western Washington counties including Thurston County. There are approximately 13,000 customers (residences or buildings) in the city of Lacey.

Natural gas is considered a utility of convenience, and is therefore not a mandatory provision of service by PSE. PSE activities associated with the provision of natural gas service are regulated through federal and state legislation. In addition, PSE is subject to the general regulations and oversight by the agencies, such as WUTC and FERC. There are other legislative implications for the natural gas industry, such as pipeline safety.

Natural gas comes from gas wells in the Rocky Mountains and in Canada and is transported through interstate pipelines by Williams Northwest Pipeline to Puget Sound Energy's gate stations. Natural gas is supplied to the city of Lacey through these gate stations. At the gate station, the natural gas is metered and becomes the responsibility of PSE. Supply mains then transport the gas from the gate stations to district regulators. Distribution mains are fed from the district regulators. Individual residential, commercial, and industrial service lines are fed by the distribution mains.

PSE works with the other utilities to coordinate joint trenching efforts in new construction, road widening projects, and Local Improvement Districts. The City should encourage the continued practice of this cooperative effort by providing the utilities with timely information regarding both private and public projects.

Utility corridors may provide enough space for more than one utility, and when this is the case, multiple use is encouraged. However, there are times when multiple use is not practical due to the size of the corridor, the topography, or some other reason such as construction standards. Existing corridors should be protected, and their further use for new facilities encouraged. There has been general agreement between jurisdictions and utility providers for the joint use of utility corridors.

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Future expansion of PSE facilities has been planned by using the forecast analysis zones (FAZ's), in which a general area is identified and analyzed more closely as to what the future population and employment figures would be. The PSE planning department uses a saturation model which assumes all new households will use natural gas.

Future Facility Construction

Based on the growth and demand upon the natural gas system, PSE has a major project planned in Lacey. It will involve the installation of a 12" high pressure main in two phases, placement in 14th Avenue SE, starting west of Josephine Court SE and traveling easterly to Ruddell Road SE. The line will then traverse northerly to Lacey Boulevard SE, travel east to Franz Street SE, move northerly to Pacific Avenue SE, and then easterly to Lake Lois Road SE. The schedule for construction has yet to be determined.

Other future projects are developed based on the following reasons:

1) New or replacement of existing facilities to increase capacity requirements due to new building construction or conversion from alternate fuels.
2) Main replacement to facilitate improved maintenance of facilities.
3) Replacement or relocation of facilities due to municipal and state projects.

PSE currently meets the demand for gas service in the city of Lacey. In accordance with tariffs, PSE does not install gas lines prior to demand, however it does anticipate being able to meet existing and future needs within the City in the next twenty years. As outlined in PSE's Integrated Resource Plan, PSE implements conservation plans which focus on providing the most efficient energy to customers at the least cost.

Electrical Service

The electrical service provider in Lacey and its growth area is Puget Sound Energy (PSE). PSE serves over 1,000,000 customers with electrical service in eight Washington counties.

PSE obtains and generates its electricity from several sources: renewables such as hydro, wind, solar, and co-generation; and electricity generated from coal, gas, and oil fired plants. Existing facilities located in the City, and the remainder of the unincorporated UGA, are shown on Map 1, Electrical Transmission System, Existing Facilities. PSE is also a national leader in wind power and is recognized as the second largest utility owner of wind energy facilities in the United States.

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Electric service is considered a critical service, thus PSE is required to provide service to customers who apply and can be suitably furnished with available electricity. The Washington Utilities Transportation Commission (WUTC) regulates PSE, including the determination whether the utility is meeting its public service obligations. The Commission is also required to review and approve PSE's *Integrated Resource Plan* (IRP). The IRP addresses PSE's long term plan for providing electric service in the future, including implementation of conservation measures. The U.S. Department of Energy regulates national and international energy transactions. An agency within this department is the Bonneville Power Administration (BPA). BPA does not directly regulate electric service providers, but it is a vendor of electricity and thus works with utilities to operate the northwest regional power grid.

The Lacey area map used in this Utility Element incorporates corridors and infrastructure designed to implement PSE's infrastructure planning. The map submitted by PSE and utilized in this Utility

Element to show proposed facilities (Lacey Area Map - Existing and Proposed Private Utilities Electric and Natural Gas) is not intended to indicate exactly where future facilities will be located. Density and load growth drive the need for new electrical facilities. Generally, utility corridors follow public rights-of-way, and this will continue to be encouraged by the City. Inclusion of this map does not indicate approval of future facility sites, but is instead acknowledgement of capital planning being done by PSE to provide service for anticipated future growth in the City.

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Electric facilities such as substations are allowed under the Special Uses and Conditional Use Chapters of the Zoning Ordinance. These chapters outline what a special use consists of and provide the regulations for permitting them, including a public hearing. The public hearing process allows for public participation in decision making; therefore, no change in zoning requirements is recommended for siting electrical facilities.

Chapters 14.32 LMC, Tree and Vegetation Protection and Preservation and Chapter 12.20 LMC,

Street Trees regulate tree and vegetation removal within the City. The purpose of these regulations is to preserve and enhance the City's physical and aesthetic character by preventing indiscriminate removal or destruction of trees and ground cover. The ordinance reflects the desire of the City to preserve trees, while allowing for their removal under certain circumstances such as interference with utility services and compliance with federal clearance zones. Tree removal in the public right-of-way or on private property requires a permit from the City. The only exception to obtaining a permit is in an emergency situation. City staff reviews projects to try and eliminate possible conflicts between vegetation and overhead utility facilities.

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The State of Washington has adopted an Energy Code that establishes construction standards in new buildings in order to increase energy efficiency. This code is enforced by local jurisdictions throughout the State. In Lacey, the State Energy Code is enforced by the building inspectors. The City also has its own electrical inspector. In addition, since 2007, all of Lacey's municipal buildings, utility systems, park and recreation facilities, and more than 4,300 street lights are powered by "100 percent green" electrical energy. In addition to implementing energy efficient and conservation programs, PSE is required to comply with Washington's Energy Independence Act, also known as Initiative 937.

As outlined in the IRP, PSE currently meets the need for electric service in the city of Lacey and is planning now to meet anticipated needs in the future. Those plans are based on information provided by Thurston Regional Planning Council for predicted population and employment growth. Based on current City land use projections, PSE has calculated what future demand for electricity will be in the Lacey area by the year 2025. These calculations are based on population and employment predictions by Thurston Regional Planning Council and contained in the *Profile* for Thurston County. The IRP also addresses conservation and demand side management effects upon the system.

Standard Telephone Service

The main provider of standard telephone service in Lacey and its Urban Growth Area is CenturyLink Communications International, Inc. CenturyLink is an investor-owned corporation that also provides broadband data and voice communication services outside the local service area. In addition to CenturyLink, there are multiple companies that offer some form of local service. Generally, these other carriers have purchase agreements through CenturyLink.

Standard telephone service is considered a necessity; therefore, providers must provide phone facilities on demand. The federal government, through the Lifeline program, provides monthly assistance to qualifying low-income persons for wireline or wireless services. This assistance only covers a fraction of the cost associated with these services. The intent of providing this assistance is to help ensure connection to communication networks; assist with finding employment opportunities; access to health care services; and to call for help in an emergency.

Telecommunications and Cellular Telephone Service

Due to the competitive nature of the telecommunications industry, maps of existing and proposed facilities or specific information on the systems are not available. Providers offering telecommunication services are continuously changing and entering the market. Cellular phones are regulated

as a utility of convenience and therefore, are not required to provide service on demand.

The use of cellular telephones has changed significantly since the 'second generation' hand-held mobile phone systems emerged in the early 1990's. The need for locating cellular towers to provide service to the Lacey area resulted in specific zoning code amendments in the late 1990's to deal with wireless communication land use issues. Consumer needs have changed from mobile phones being used primarily in automobiles to use in a multitude of mobile locations, homes, and businesses.

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Zoning provisions currently require co-location of facilities and demonstrating need for locating new towers. In addition, stealth technology, screening and buffering techniques are required to minimize land use conflicts with adjacent uses. In the nearly twenty years since the adoption of the City's present wireless communication standards, many changes in providing wireless services have occurred. Specific limitations regarding local governments' permitting and siting requirements of wireless facilities has been enacted by the federal government. Public perception has also changed regarding the siting of cell towers and other cellular facilities and the need to locate facilities closer to residential uses. These changes have necessitated the need to re-examine existing zoning and siting regulations for these facilities.

Some providers have programs to assist low-income individuals with internet use assistance and installation costs. Due to the declining use of wireline services, costs associated with cellular telephone services will continue to be difficult to manage for low-income individuals and families.

Cable Service

Comcast of Washington IV, Inc. holds a non-exclusive franchise agreement for serving Lacey residents. The City entered into this agreement on February 26, 2009. This franchise agreement expires after a ten year period. Upon expiration, a new franchise agreement would need to be approved by the City Council. Cable companies are not regulated by the state as a private utility, but are instead regulated by the City and by the U.S. Federal Communications Commission (FCC). Properties that lie within the UGA are covered under Thurston County's franchise agreement.

A primary component of a cable system is a head end site, which is an electronic control center where the information signal is processed for distribution through the system. This signal can be received from a hard cable line, satellite dish, microwave antennae, or a TV antenna. Lacey has XX primary head end sites in the Lacey area. The company serves XX households and has 47 Aerial plant miles and 157 Underground plant miles in Lacey and its UGA (includes both fiber and coaxial cable). Comcast participates in joint trenching with the other utilities.

Cable is also the primary means of high speed internet service in Lacey. The use of fiber optic technology and cable offers much higher data rates over relatively longer distance.

GOALS AND POLICIES

Goal 1: Ensure that existing residents and future residents are adequately served by water, sewer, and stormwater utility services through planning that considers growth demand, the environment, and asset management.

Policy A: All proposed development should be analyzed for anticipated impact on utilities and services.

Policy B: Complete interlocal agreements for the successful completion of water right transfers.

Policy C: Encourage the use and distribution of Class A reclaimed water throughout the City and Urban Growth Area as an alternative use of potable water to recharge aquifers and enhance stream flows.

Policy D: Reduce and maintain water system distribution leakage.

Policy E: Ensure services are provided to all existing populations, regardless of demographics.

Goal 2: Protect ground and surface water resources to maintain adequate supplies of clean drinking water.

Policy A: Protect the City's wellhead protection areas from contamination so that additional treatment is not required.

Policy B: Protect City water supplies, lakes, and the Puget Sound, and encourage existing septic systems to connect to sewer, should the service be available.

Policy C: Develop and implement strategies for the extension of the wastewater collection system into areas not currently served in the City and UGA.

Policy D: Protect groundwater and ensure that projects meet or exceed the most current stormwater requirements.

Policy E: Control runoff from new development, redevelopment, and construction sites by improved plan review and enforcement coordination, documentation, and tracking.

Goal 3: Coordinate utility and land use plans so that utility services can be provided and maintained for anticipated future land uses.

Policy A: Consider resources necessary to serve urban development needs at the earliest possible stages of planning for development.

Policy B: Cooperate in the planning of multi-jurisdictional agreements and improvements.

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Policy C: Continue to encourage coordination and cooperation between the City and the various private utilities.

Policy D: The City and the utilities should share information regarding development plans, population growth projections, and other information relative to growth and the accompanying demand for services for the development and implementation of capital improvement programs and area plans.

Policy E: The City should consistently work to process permits in a timely manner.

Policy F: The City should incorporate input from utilities in developing ordinances or resolutions that may impact utility services.

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Goal 4: Designate utility corridors

Policy A: The City and the utilities shall work together to designate utility corridors.

Policy B: Whenever feasible, utility corridors shall be included in public rights-of-way.

Goal 5: Mandate joint trenching of utility corridors and facilities consistent with prudent utility practice.

Policy A: The City shall provide the utilities with timely and pertinent information necessary to plan for joint trenching, including plats, LID's, and road construction projects.

Policy B: Utility purveyors shall coordinate joint trenching.

Goal 6: Require compatibility of utility development with existing and planned land uses.

Policy A: Require screening with indigenous and/or drought-tolerant vegetation and/or architecturally compatible integration of all new above-ground utility facilities.

Policy B: Review and update siting and design standards for wireless communication facilities that aim to integrate such facilities into the surrounding environment and limit negative aesthetic impacts.

Goal 7: Encourage public participation during planning for siting of utilities.

Policy A: Provide for community input on the siting of proposed utility facilities.

Goal 8: Regulate vegetation management by utilities.

Policy A: Except in an emergency situation, approval shall be obtained from the City prior to spraying, trimming, or removing vegetation within the public right-of-way. Also, approval shall be obtained from the City prior to vegetation removal on private property. After approval and prior to

the work being done, affected property owners shall be notified.

Policy B: Trimming and removing vegetation shall be performed in an environmentally sensitive and aesthetically acceptable manner and according to professional arboricultural specifications and standards.

Policy C: Trees planted under power lines shall be species that will not grow to interfere with the lines, or become potential hazard trees to the lines because of size.

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Goal 9: Encourage conservation of energy resources.

Policy A: Encourage development of cost-effective and environmentally sensitive alternative technologies and energy sources, including solar and wind energy.

Policy B: Encourage conservation of energy in City facilities.

Goal 10: Encourage provisions for land resources for utilities.

Policy A: Where possible accommodate land resources for utility substations and improvements within the developments that necessitate the utility improvements.

Policy B: Utility substations and utility improvements necessary to serve urban growth should be located within the urban growth management boundaries.

IMPLEMENTATION STRATEGIES

1) Advance the preparation and implementation of the Comprehensive Reclaimed Water Plan to secure additional water rights for the City.

2) Review and update design standards for wireless communication facilities.

3) Maintain and update the six-year Capital Facilities Plan on an annual basis to coordinate and schedule utility capital improvements.

4) Establish an ongoing retrofit program for aging City stormwater facilities.

2016 Comprehensive Plan Implementation
DRAFT AMENDMENTS

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Chapter 16.09
ZONING DISTRICTS AND BOUNDARIES

Sections:
16.09.010 Land use or zoning districts established
16.09.020 Zoning map
16.09.030 Limited zone district (L)
16.09.040 Interpretation of zoning district boundaries
16.09.050 Interpretation of uses
16.09.060 Interpretation of special focus points and corridors, key multimodal corridor, pedestrian wildlife corridors, key multimodal intersections, connections to regional trail system and viewpoint designations.

16.09.010 Land use or zoning districts established.
To carry out the purpose of this title, the city is divided into the following districts: Agricultural, McAllister Springs Geologically Sensitive Area Residential District, Low-Density Residential 0-4, Low Density Residential 3-6, Lacey Historical Neighborhood, Moderate-Density Residential ~~6-12~~, High-Density Residential ~~6-20,~~ Mixed Use Moderate Density Corridor, Mixed Use High Density Corridor, Hawks Prairie District, Village Center, Neighborhood Commercial, Community Commercial, General Commercial, Central Business Districts 4-7, Saint Martin's University, Woodland District, Community Office ~~Commercial~~, Light Industrial/Commercial, ~~Business Park~~, Light Industrial, Industrial, Mineral Extraction, Open Space/Institutional, Cemetery, Environmentally Sensitive Areas (overlay), Limited Zone (overlay), Planned Industrial Park Development (overlay). (Ord. 1355 §1, 2010; Ord. 1220 §3, 2004; Ord. 1080 §5, 1998; Ord. 1024 §22, 1995; Ord. 758 §1 (part), 1985; Ord. 583 §2.01(D)(1), 1980).

…

16.15.020 Types of uses permitted.
A. Specific Types Permitted in the Moderate-Density Residential District.

1. Any residential use with a density of at least ~~six~~ eight but not greater than ~~twelve~~ sixteen units per acre and any additional bonus density that might be applicable. All parcels over ten acres in size shall provide a mix of housing types with no less than fifty percent of the units designated for multifamily use. The required mix should be integrated throughout the entire site as much as possible. All residential structures are subject to the design criteria established in Chapter 14.23 LMC that is applicable to the particular type of residential use.

2. Housing for people with functional disabilities.

B. Other or Related Uses Permitted.

1. Accessory buildings or structures clearly incidental to the residential use of the lot, such as storage of personal property (including boats, recreational vehicles, etc.), or for the pursuit of avocational interests; or structures designed for and related to recreational needs of the residents of a residential complex. All such buildings or structures over sixteen feet in height shall comply with the design requirements of LMC 14.23.071;

2. Home occupations as provided in Chapter 16.69 LMC;

3. Accessory dwelling as defined in LMC 16.06.055;

4. Conditional uses as provided in Chapter 16.66 LMC;

5. The keeping of common household animals or pets is permitted; provided, that their keeping does not constitute a nuisance or hazard to the peace, health and welfare of the community in general and neighbors in particular;

6. Urban agricultural uses as provided for and limited under Chapter 16.21 LMC;

7. Family day care homes as provided in Chapter 16.65 LMC. (Ord. 1480 §14, 2015: Ord. 1368 §21, 2011; Ord. 1310 §29, 2008; Ord. 1192 §137, 2002; Ord. 1137 §5, 2000; Ord. 1024 §31, 1995; Ord. 931 §7, 1992; Ord. 927 §6, 1992; Ord. 691 §10, 1984; Ord. 583 §2.13(B)(1,2), 1980).

…

16.15.050 Lot area.

…

D. Other Lot Standards.

…

4. Maximum height:

~~Main building and accessory dwelling, twenty-five feet; thirty-five feet where the roof pitch is at least four feet vertical to twelve feet horizontal.~~

~~Townhouse and multi-family buildings, thirty feet; thirty-five feet where the roof pitch is at least four feet vertical to twelve feet horizontal.~~

~~An accessory building is permitted a height of sixteen feet, provided accessory buildings within an apartment complex and designed with a green roof occupying at least fifty percent of the area of the roof can be up to the height of the main structure.~~

40 feet.

Accessory structures over sixteen feet in height are subject to design review requirements. Design shall demonstrate a compatibility with the primary structure and shall not dominate the site visually.

5. Accessory Buildings. All accessory buildings must comply with the current building setbacks as stated in this chapter; provided, however, if the accessory building is less than two hundred square feet, the following setbacks are permitted:

Front yard, ten feet.

Side yard, five feet.

Rear yard, three feet. (Ord. 1480 §§15, 28 (part), 29 (part), 2015: Ord. 1427 §6, 2013: Ord. 1310 §32, 2008; Repealed Ord. 1310 §31, 2008; Ord. 1220 §8, 2004; Ord. 1218 §14, 2004; Ord. 1179 §4, 2002; Ord. 1044 §9, 1996; Ord. 1024 §31, 1995; Ord. 691 §11, 1984; Ord. 618 §3, 1981).

…

16.18.020 Permitted uses.

A. Specific types permitted in the high-density residential district:

Any residential use with a density of at least ~~six~~ twelve units per acre ~~but not greater than twenty units per acre and any additional bonus density that might be applicable~~. All parcels over ten acres in size shall provide a mix of housing types with no less than fifty percent of the units designated for multifamily use. The required mix should be integrated throughout the entire site as much as possible. All residential structures are subject to the design criteria established in Chapter 14.23 LMC that is applicable to the particular type of residential use.

B. Other or related uses permitted:

1. Accessory buildings or structures clearly incidental to the residential use of the lot, such as storage of personal property (including boats, recreational vehicles, etc.), or for the pursuit of avocational interests; or structures designed for and related to recreational needs of the residents of a residential complex. All such buildings or structures over sixteen feet in height shall comply with the design requirements of LMC 14.23.071;

2. Home occupations as provided in Chapter 16.69 LMC;

3. Accessory dwelling as defined in LMC 16.06.055;

4. Conditional uses as provided in Chapter 16.66 LMC;

5. The keeping of common household animals or pets is permitted; provided, that their keeping does not constitute a nuisance or hazard to the peace, health and welfare of the community in general and neighbors in particular;

6. Urban agricultural uses as provided for and limited under Chapter 16.21 LMC;

7. Family day care homes as provided in Chapter 16.65 LMC. (Ord. 1480 §16, 2015: Ord. 1368 §23, 2011; Ord. 1310 §35, 2008; Ord. 1192 §139, 2002; Ord. 1137 §6, 2000; Ord. 1024 §32, 1995; Ord. 931 §9, 1992; Ord. 927 §8, 1992; Ord. 691 §12, 1984; Ord. 583 §2.14(B), 1980).

16.18.040 Lot area.

…

C. Other lot standards for all uses:

…

4. Maximum height of buildings:

~~Main building and accessory dwelling, thirty-five feet; forty-five feet where the roof pitch is at least four feet vertical to twelve feet horizontal.~~

Eighty feet, provided the following apply where building height is greater than 40 feet and within 80 feet of an existing single-family residence (measured from the foundation walls) and not separated by a street or alley:

a. A 15-foot buffer of Type 1 landscaping is required between the building wall and any abutting single-family residential property line and shall include a 6’ sight obscuring wall or fence.

b. Buildings over 40 feet shall step back one foot for each one foot of additional building height above 40 feet.

c. Upper-story balconies facing existing single-family residential uses on buildings exceeding 40 feet shall be constructed with opaque sides a minimum of 42 inches high.

Accessory structures over sixteen feet in height are subject to design review requirements. Design shall demonstrate a compatibility with the primary structure and shall not dominate the site visually.

~~Accessory building, sixteen feet;~~

~~An additional two feet in height is permitted for structures with green roofs occupying at least fifty percent of the area of the roof.~~

5. Accessory buildings: All accessory buildings must comply with the current building setbacks as stated in this chapter; provided, however, if the accessory building is less than two hundred square feet, the following setbacks are permitted:

Front yard, ten feet.

Side yard, three feet.

Rear yard, five feet, three feet to rear yard line or paved surface if adjacent to an alley. (Ord. 1480 §§17, 28 (part), 29 (part), 2015: Ord. 1310 §38, 2008; Repealed Ord. 1310 §37, 2008; Ord. 1220 §9, 2004; Ord. 1218 §16, 2004; Ord. 1044 §10, 1996; Ord. 1024 §34, 1995; Ord. 691 §13, 1984; Ord. 618 §4, 1981; Ord. 583 §2.14(C)(2)(a), 1980).

(REPEAL)

~~Chapter 16.20~~

~~TRANSITION AREAS FOR MULTI-FAMILY DEVELOPMENT~~

~~Sections:~~
~~16.20.010 Intent~~
~~16.20.020 Definitions~~
~~16.20.030 Transition standards for multi-family development~~
~~16.20.040 Control of uses~~

~~16.20.010 Intent.~~
~~It is the intent of this chapter to provide an effective area of transition between adjacent land use zones and between conflicting land development. The transition zone shall mitigate or minimize land use impacts and promote visual and physical compatibility and harmony between adjacent areas. Transition area requirements are superimposed over development standards of the underlying zones. Transitional requirements of this chapter shall be reviewed concurrently with the appropriate chapter of the Lacey Municipal Code containing design guidelines. (Ord. 945 (part), 1992).~~

~~16.20.020 Definitions.~~
~~A. "Buffer" means land area used to visibly separate one use from another or to shield or block noise, lights or other nuisances.~~

~~B. "Compatibility" means harmony in the appearance of two or more external design features in the same vicinity.~~

~~C. "Harmony" means a quality that represents an appropriate and congruent arrangement of parts, as in an arrangement of varied architectural and landscape elements.~~

~~D. "Incompatible" means the presence of a structure in an existing neighborhood that does not replicate the area.~~

~~E. "Multi-family" means a dwelling or a single undivided ownership containing two or more dwelling units.~~

~~F. "Site" means any plot or parcel of land or combination of contiguous lots or parcels of land utilized for development.~~

~~G. "Site plan review committee", designated herein as SPRC, means the director of public works, director of community development and the city manager or designee.~~

~~H. "Transition areas" shall be that portion of property used to mitigate adverse impacts of proposed development on adjacent, existing developments with incompatible uses. Techniques to mitigate impacts may employ the following: buffers, clustering, height limitations, landscaping, landscaping berms and fences. (Ord. 1024 §35, 1995; Ord. 945 (part), 1992).~~

~~16.20.030 Transition standards for multi-family development.~~
~~One or more of the following impact mitigation techniques shall be required when a multi-family development is to be sited adjacent to a single-family development, a commercial development, industrial development, or other incompatible uses:~~

~~A. Buffers. Buffer areas shall be provided between single-family and multi-family developments or other incompatible uses. Buffers shall meet the requirements set forth in this section.~~

~~1. Width and Setback. Buffer areas shall range or may meander from between twenty-five feet to one hundred feet. The SPRC shall determine the specific setback based upon individual site conditions. The SPRC's determination shall include but is not necessarily limited to the following criteria:~~

~~a. Project size;~~

~~b. Neighborhood compatibility;~~

~~c. Zoning density of the proposal and surrounding developments;~~

~~d. Type and configuration of native vegetation on site;~~

~~e. Identified impacts of the project.~~

~~2. Buffer Types and Criteria. Buffers shall be reviewed by the following criteria:~~

~~a. Natural. A natural buffer shall be an area containing natural features such as streams, wetlands, etc. and/or existing vegetation that provides an effective screen between the proposed development and the existing development. Natural features and vegetation, as far as practicable, shall remain untouched during construction activity. This area shall contain extensive vegetation that consists of trees, bushes, and ground cover. This buffer shall be preserved in accordance with the Tree and Vegetation Protection and Preservation Ordinance.~~

~~b. Enhanced. An enhanced buffer shall be considered an area where a portion of the existing vegetation on site is saved and/or supplemented with additional landscaping in accordance with Chapter 16.80 LMC. This shall also include sites that contain minimum landscaping, e.g., no trees or other significant vegetation with the exception of Scotch Broom and/or grasses. Therefore, in accordance with Chapter 16.80 LMC, an enhanced buffer area shall be composed of Type I and Type II landscaping for visual separation between two incompatible uses. For sites less than five acres in size, the buffer area may be counted toward the open space requirement if it is placed directly adjacent to the open space. On lots larger than five acres, the SPRC may determine that up to one-half of the buffer can count toward the open space requirements if placed adjacent to the open space. The project will be encouraged to meet the criteria listed under subsection (A)(1) of this section. Placement of recreational items such as tot lots should be located away from heavily vegetated buffer areas to more visible open space areas.~~

~~c. Streetscape. Multi-family developments which adjoin freeway, arterial or neighborhood collector streets shall maintain a twenty foot landscape buffer that is composed of street trees designated within the urban beautification plan, grass and a six foot solid wood fence or wall.~~

~~d. Nonvegetative Techniques. Nonvegetative landscaping techniques may also be utilized for enhanced or streetscape buffering. Such items may include fencing and berming. Nonvegetative techniques cannot replace specifications listed under subsections (A)(1)(b) and (c) of this section.~~

~~B. Height. Multi-family developments shall limit the height of units directly adjacent to a single-family neighborhood where the development site is five acres or larger or when the SPRC determines that height limitations are reasonable on smaller lots. Within the transition area, heights shall be restricted to those compatible with adjacent uses. This height restriction shall apply to that property~~

~~adjacent to the required landscaping buffer. Beyond this area, heights may increase up to the maximum height and density permitted in the underlying zone. The SPRC may also consider height characteristics of surrounding uses if the height and architectural style will be compatible and harmonious with the existing area. When the SPRC determines that height restrictions may be modified or waived, other alternatives to limit impacts may include such approaches as clustering, landscaping buffers, berming and fencing, setbacks and architectural design review in accordance with Chapter 14.23 LMC.~~

~~C. Clustering. On five acres or more, or where the SPRC determines it is a reasonable technique, clustering may be utilized to increase buffer areas and reduce nuisance to adjacent developments. For sites that are smaller than five acres, the viability of clustering may be determined by the SPRC to ensure applicability.~~

~~D. Design Guidelines. The architectural style of multi-family developments shall be considered in order to achieve neighborhood compatibility and harmony. Proposed developments shall enhance and not detract from existing single-family developments. Therefore, proposed multi-family developments shall consider building materials, colors, bulk, scale, building modulation, and massing of structures. All proposed multi-family developments shall be reviewed under Chapter 14.23 LMC for multi-family design guidelines. This review shall be concurrent with this chapter for transitional requirements. (Ord. 945 (part), 1992).~~

~~**16.20.040 Control of uses.**~~
~~All developments shall be subject to site plan review, environmental review, and administrative design review processes. (Ord. 945 (part), 1992).~~

…

Chapter 16.41

~~BUSINESS PARK~~COMMUNITY OFFICE DISTRICT

(This section will repeal and replace LMC 16.30 Office Commercial District and 16.41 Business Park.)

Sections:

16.41.010 Intent
16.41.020 Permitted uses
16.41.030 Prohibited uses
16.41.040 Environmental performance standards
16.41.050 Site requirements
16.41.060 Off-street parking and loading
16.41.070 Landscaping
16.41.080 Stormwater runoff

16.41.010 Intent.

It is the intent of this chapter to:

A. ~~A.~~ Provide an environment ~~exclusively for and~~ conducive to a~~the~~ broad range of office users including ~~development and protection of a broad range of business park activities including modern,~~ administrative facilities, research institutions, ~~and~~ professional offices, and medical uses;~~specialized manufacturing organizations, all of a non-nuisance type under controls to protect the nearby uses of land and to encourage comprehensive planning of the entire site within a campus-type setting~~;

B. Provide the opportunity for specialized manufacturing operations, subject to appropriate controls, to protect nearby land uses;

C. Allow for a broad range of complementary uses including multi-family residential, limited retail uses, and commercial recreation uses;

D. Retail uses in this zone shall be limited because of the Community Office's proximity to zoning districts that provide retail services.

~~A.~~E. Provide development standards to enhance the compatibility of the District adjacent to commercial or residential areas.

~~B. Provide the opportunity for the development of business parks to be planned and coordinated for the site as a whole;~~
~~C. Provide standards for business park development in order to create quality development compatible with surrounding areas and to be particularly attractive to research and development and less intense assembly and manufacturing industries;~~
~~D. Provide development controls for nuisance-creating features such as noise, dirt, odor, vibration, air and water pollution, traffic circulation, open space and landscaping requirements;~~
~~E. Ensure that business park development will be reviewed for consistency with the following guidelines:~~
~~1. All uses must be served by sewer unless alternate means of treatment are identified as acceptable by the LOTT Phase 2 Study.~~
~~2. Uses which would generate extensive truck traffic through residential areas will not be allowed.~~
~~3. Uses which would create a risk of hazardous waste spills must provide hazardous waste containment provisions that meet health and environmental regulations to prevent air, ground and surface water contamination.~~
~~4. The development may be required to participate in off-site improvements to the road network.~~
~~5. The development may be required to utilize alternate truck routes. (Ord. 770 §1 (part), 1986).~~

16.41.020 Permitted uses.

~~A. Primary Uses. Primary uses permitted in the business park district provide a broad range of activities including research institutions and light assembly and light manufacturing facilities. Specific primary types of uses allowable include:~~

~~1~~A. Assembly, manufacture, packaging, compounding or treatment of articles or merchandise from the following previously prepared materials: cloth, glass, lacquer, leather, paper, plastics, precious or semi-precious metals or stones, wood (excluding sawmills, lumber mills and planing mills), paint, clay, sand, rubber;

~~2~~B. Printing, publishing and book binding;

~~3~~C. Manufacturing, processing and packaging of food, pharmaceuticals, toiletries, cosmetics, optical goods, scientific instruments and equipment, and precision instruments and equipment;

~~4~~D. Scientific research, testing and experimental development laboratories;

~~5~~E. Corporate headquarters, regional headquarters and administrative offices of commercial, industrial, financial, or charitable institutions. ~~limited to five thousand square feet or more in floor area. Such uses shall be limited collectively to occupying no more than fifty percent of the developable floor area of each business park zone.~~

~~B. Secondary Uses. Secondary uses are uses that complement the primary uses, but do not conflict with the primary use. Secondary uses cannot be used to justify the need for additional secondary uses. Specific secondary types of uses allowable include:~~

F. ~~1.~~ Warehousing and distribution facilities and the storage of goods or products clearly subordinate to, and an integral part of, the primary permitted use. Such warehousing and distribution facilities shall meet the definition of accessory use LMC 16.06.070;

~~2. Engineering, development, administrative or executive offices which are part of a primary use;~~

G. Professional Services. The following professional service uses are allowed:

1. Offices and clinics for businesses such as medical, dental, chiropractic, optical, etc.;

2. Professional offices offering direct business or professional services to consumer/clients, including but not limited to: real estate and security agents and brokers, accountants, attorneys, engineers, planners, architects, financial planners, travel agencies, etc.

H. Daycare centers;

I. Indoor commercial recreation facilities such as indoor soccer, ice skating, playgrounds, athletic clubs, and gymnasiums provided that any use exceeding 10,000 square feet requires approval of a Conditional Use Permit LMC 16.66;

J. Retail uses are permitted only on the ground floor of multi-story buildings where the upper floors are used for office and/or residential uses;

K. Long-term residential care facilities for elderly individuals including assisted living facilities, memory care, continuing care retirement communities, and skilled nursing facilities;

~~3. Retail. Retail development may be permitted where it can be demonstrated that the business park will be clearly and primarily benefited by the convenience of such retail facilities. The total square footage devoted to retail development shall not exceed ten percent of the developable floor area of the business park district. Except as provided below for day care centers, the total square footage of a retail use may not exceed five thousand square feet or, if incorporated within a building containing other uses, the square footage may not exceed twenty-five percent of the building gross floor area, and an individual retail use may not exceed five thousand square feet. A building containing a retail use may not be located closer than one hundred feet to an arterial street or four hundred feet if the retail use stands alone. Signs for retail uses shall be visible only within the business park area and attached to the building wall. Retail uses include:~~

~~a. Convenience stores, such as food and drug stores, banks and office supplies,~~

~~b. Personal services such as barber and beauty shops, dry cleaning, laundry,~~

~~c. Business services, such as printing and copying, photo processing, postal/mail, word processing, travel agencies,~~

~~d. Delicatessen,~~

~~e. Restaurants, except drive-ins,~~

~~f. Recreation facilities, (exceptions: mechanical or electronic games, theaters (live and movie) and games of skill such as bowling),~~

~~g. Day care centers not exceeding 10,000 square feet,~~

~~h. Museums and art galleries;~~

~~4. Professional Services. The following professional service uses are allowed:~~

~~a. Offices and clinics for businesses such as medical, dental, chiropractic, optical, etc.;~~

~~b. Professional offices offering direct business or professional services to consumer/clients, including but not limited to: real estate and security agents and brokers, accountants, attorneys, engineers, planners, architects, etc.~~

~~The total square footage devoted to professional service activities shall not exceed fifteen percent of the developable floor area of the business park district.~~

~~5. Multi-family Residential. Fifteen percent of the total acreage of a business park district may be developed with multi-family residential units for the purposes of providing a transition buffer.~~

L. Multi-family residential subject to the standards of ~~developments will be reviewed and designed using the following sections of this chapter and~~ Chapter 16.18 LMC ~~h~~High ~~d~~Density ~~r~~Residential ~~d~~District;~~:~~

~~a. LMC 16.41.050(G) Transitional Buffer,~~

~~b. LMC 16.41.050(H) Height Limitation,~~

~~c. LMC 16.41.070 Landscaping,~~

~~d. LMC 16.18.020 Permitted Uses,~~

~~e. LMC 16.18.030 Environmental Performance Standards,~~

~~f. LMC 16.18.040(A) through (G) Lot Area, and~~

~~g. LMC 16.18.050 Off-Street Parking.~~

M. ~~6.~~ Urban agricultural uses as provided for and limited under Chapter 16.21 LMC;~~.~~

N~~C~~. Similar, related or compatible uses permitted, and criteria for determination of similarity, relatedness or compatibility, include:

1. Uses similar to, or related to, or compatible with those listed or described in LMC 16.41.020~~(A) and (B)~~ are permitted upon a finding by the site plan review committee that a proposed use does not conflict with the intent of this chapter or the policies of the Lacey Comprehensive~~development~~ ~~p~~Plan;

2. The criteria for such finding of similarity, etc., shall include but not be limited to the following:

a. The proposed use is appropriate in this area,

b. The development standards for permitted uses can be met by the proposed use,

c. The public need is served by the proposed use.

O~~D~~. ~~Special~~ Conditional uses may be permitted as provided for in Chapter 16.66 LMC.

~~Conditional use t~~The city may consider administrative offices of governmental institutions as a conditional use. However, before the city approves such use, it must be demonstrated the use is complementary to adjacent ~~business park~~ uses, enhances the marketability of the ~~business park~~ Community Office zone and will not adversely impact the city's economic development strategies for the zone. (Ord. 1368 §37, 2011; Ord. 1284 §1, 2007; Ord. 1192 §147, 2002; Ord. 1066 §3, 1997; Ord. 1044 §21, 1996; Ord. 852 §1, 1989; Ord. 835 §11, 1988; Ord. 770 §1 (part), 1986; Ord. 1380, §1, 2012).

16.41.030 Prohibited uses.
Uses other than those identified or described in LMC 16.41.020 are prohibited, including but not limited to:

A. All uses or activities which would require extraordinary equipment, devices or technology for the control of odors, dust, fumes, smoke, noise or other wastes and/or byproducts which, if uncontrolled, would contaminate the environment to a degree unacceptable by contemporary community standards; or which would exceed the acceptable limits established by competent and recognized public and quasi-public agencies for the protection of industrial and/or environmental health.

B. Examples of prohibited uses are:

1. Uses which would generate extensive heavy truck traffic;

2. Warehouse/distribution facilities meeting the definition of primary use LMC 16.06.660~~when not related to a permitted use~~;

3. Gasoline outlets. (Ord. 770 §1 (part), 1986).

16.41.040 Environmental performance standards.
It shall be the responsibility of the operator and/or the proprietor of any permitted use to make adequate provision for the transportation, use, storage, containment and disposal of all chemicals and materials used on the site. A complete list of all chemicals to be used or stored on the property shall be provided at the time of application. All

storage handling methods shall conform to the hazardous material laws administered by the Washington Department of Ecology. Consideration shall be given to protect surface and ground water quality.

The operator and/or proprietor shall provide such reasonable evidence and technical data as the enforcing officer or the site plan review committee may require to demonstrate that the use or activity is or will be in compliance with the environmental performance standards of Chapter 16.57 LMC.

All applications shall be submitted to and reviewed by the city for compliance with good sanitary practice, appropriate aquifer protection, and hazardous waste management planning.

Failure of the enforcing officer or site plan review committee to require such information shall not be construed as relieving the operator and/or proprietor from compliance with the environmental performance standards of this title. (Ord. 770 §1 (part), 1986).

16.41.050 Site requirements.
Minimum requirements shall be as follows:

A. Minimum lot size. The lot size shall be sufficient to accommodate the use(s) and requirements of the Lacey Municipal Code and Development Guidelines and Public Works Standards;~~site acreage, ten acres;~~

~~B. Lot area, twenty thousand square feet;~~

~~C. Lot depth, two hundred feet;~~

~~D. Lot width, one hundred feet;~~

~~E. Maximum building coverage .4 FAR;~~

~~F~~B. Setbacks~~Yards~~:

1. Front Yard. The front yard shall be a minimum of ~~forty-five~~fifteen feet. ~~In cases where no parking or service occurs between the face of the building and the street, the front yard may be reduced to thirty feet. In addition to the setback reduction for location of parking and service areas out of the front yard the setback may be further reduced to fifteen feet if a pedestrian plaza is developed.~~

2. Yard area on Flanking Street or Corner Lot. The yard area on a corner lot shall be the same as the front yard under LMC 16.41.050(~~F~~B)(1) ~~including all permitted reductions~~.

3. Side Yards. The side yards shall be a minimum of fifteen feet.

~~4. Streets. Along all arterial streets there shall be a minimum setback of thirty-five feet.~~

~~5~~4. Rear Yards. The rear yards shall be a minimum of fifteen feet~~None required except as a transition buffer to residential uses.~~

5. Setbacks required by this section may waived by the site plan review committee pursuant to the policies of this chapter.

~~G~~C. Transitional Buffer. When adjacent to residential zones (LD 0-4, LD 3-6, MD, or HD) and where parking areas, truck bay doors and/or loading or unloading areas face the residential use, a yard of not less than fifty feet shall be provided. Where placement of a building without bay doors and/or loading or unloading areas face the residential zone, standard yard requirements apply provided that the requirements of LMC 16.80.050(B). is met for Type 1 landscaping. ~~Transitional buffer shall exist when a nonresidential use in the business park adjoins residential development. A yard of not less than fifty feet shall be provided. The yard shall be landscaped with Type II landscape.~~

~~H~~D. Height Limitation. Building heights are limited to ~~four stories or~~ sixty feet. ~~Provided, however, that when a building exceeds two stories or thirty-five feet there shall be added one additional foot of yard setback on all sides for each one foot of additional building height. (Ord. 1044 §22, 1996; Ord. 770 §1 (part), 1986).~~

16.41.060 Off-street parking ~~and loading~~.

Off-street parking shall be provided in accordance with Chapter 16.72 LMC.

~~The number of parking spaces required are found in Table 16-T-13. Parking areas shall be designed according to the requirements in LMC 16.72.050.~~

~~The number of loading spaces required are found in Chapter 16.72 LMC. (Ord. 1130 §10, 2000; Ord. 770 §1 (part), 1986).~~

16.41.070 Landscaping.

All requirements of Chapter 16.80 LMC shall be satisfied.

~~A. General.~~

~~All requirements of Chapter 16.80 LMC shall be satisfied except as those requirements may be in conflict with the specific landscaping requirements for the Business Park Zone set forth in subsection B of this section.~~

~~B. Landscape Area Requirements specific to the Business Park District.~~

~~1. Front Yard. The front twenty feet shall be improved with permanent Type III landscaping. All ground cover to be sod in this yard.~~

~~2. Side Yard. At least ten feet of each side yard shall be improved with permanent Type III landscaping. Where property lines are located at the centerline of a driveway, the required landscaping shall be placed adjacent to the building face. In no case shall this area be less than the minimum required. Where property lines pass through a building, the minimum landscaped area shall be located elsewhere. All landscape areas are to be located on that lot.~~

~~3. Building Wall Landscaping. Except at service yards, storage yards and loading dock faces there shall be a ten foot landscape area adjacent to the building walls. This area may be counted as landscaping. In no case shall it be counted as the minimum area for displaced property line landscaping.~~

~~4. Parking Lot Landscaping. Provide a minimum of one, five foot by twenty foot landscape island within the parking area for each ten cars. Provide a five foot by twenty foot island at the end of each row of parking stalls. Provide Type V landscaping.~~

~~5. Storage Yards. Provide Type I landscaping on all sides except as noted.~~

~~6. Service Yards and Loading Docks. Where loading docks and service doors are visible to the street, provide a Type II landscape screen.~~

~~7. All portions of lots not developed with buildings or paving shall be landscaped with a minimum Type IV landscaping.~~

~~8. Enclosure of Activities. Predominant activities and operations shall be completely enclosed within buildings or structures, except for customary appurtenances, such as loading and unloading areas. The site plan review committee shall be authorized to determine the reasonable application of this provision in cases of operational hardship or other showing of uncommon circumstances when reviewing outdoor crane or lift operations.~~

~~9. Outside Storage or Operations Yard. Outside storage or operations yards shall be confined to the area to the rear of the principal building or the rear two-thirds of the property, and screened from view from any property line by appropriate masonry walls, wood fencing, earth mounds, and landscaping. Outside storage exceeding a height of fifteen feet shall be so placed on the property as to not detract from the reasonable accepted appearance of the district.~~

~~10. Loading Areas. Loading areas must be located in such a manner that no loading, unloading and/or maneuvering of trucks associated therewith takes place on public rights-of-way. A forty-five foot clear area is to be provided in front of all drive-in doors. A one hundred foot apron with a maneuvering hammer head is to be provided at all dock height doors. In no case when a vehicle is parked in the loading/unloading position adjacent to the building shall it block the movement of other vehicles.~~

~~11. Improvement and Maintenance of Yards and Open Space. All required yards, parking areas, storage areas, operations yards, and other open uses on the site shall be maintained in a neat orderly manner appropriate for the district at all times. The city shall be authorized to reasonably pursue the enforcement of these provisions where a use is in violation, and to notify the owner or operator of the use, in writing, of such noncompliance. The property owner or operator of the use shall be given a reasonable length of time to correct the condition. (Ord. 1208 §63, 2003; Ord. 770 §1 (part), 1986; Ord. 1380, §1, 2012).~~

16.41.080 Stormwater runoff.

Stormwater management is required and shall comply with the current City of Lacey Stormwater Design Manual and ~~All stormwater runoff shall be retained and disposed of on site or disposed of in a system designed for such runoff and which does not flood or damage adjacent properties. Systems designed for runoff retention and control shall comply with specifications provided by the city and~~ shall be subject to ~~its~~ review and approval, and shall moreover, comply Chapter 15.22 LMC pertaining to community facilities.

~~Stormwater generated on site shall not cause pollution to any surface or ground waters so as to violate local, state or federal standards governing the quality of such waters. (Ord. 770 §1 (part), 1986; Ord. 1380, §1, 2012).~~

LACEY CITY COUNCIL WORKSESSION
July 21, 2016

SUBJECT: **2016 Private Comprehensive Plan Amendment. Project no. 15-291.**

RECOMMENDATION: **Council briefing on the Planning Commission's recommendation to approve the applicant-initiated rezone and Comprehensive Plan amendment request submitted by Econet, Inc. The City Council is scheduled to take action on the amendment at the August 11th meeting.**

STAFF CONTACT: Scott Spence, City Manager
Rick Walk, Community Development Director
Ryan Andrews, Planning Manager

ORIGINATED BY: Community Development Department

ATTACHMENTS: 1. Staff report, application, and supplemental materials

FISCAL NOTE: None.

PRIOR REVIEW: The City Council and Planning Commission held a joint meeting on February 4, 2016, to add the application to the annual docket of proposed amendments.

BACKGROUND:

The Growth Management Act requires that the City's Comprehensive Plan be amended only once a year. As part of the annual cycle of comprehensive plan amendments for 2016, the City received one private applicant-initiated request submitted by Econet, Inc. The request was added to the Comprehensive Plan Amendment Docket at the joint worksession with the Planning Commission and City Council held on February 4, 2016.

The application is for two parcels totaling 37.08 acres located at 7250 Britton Parkway NE in the Hawks Prairie Planning Area. The property was to be developed as the corporate headquarters for Univera, a naturopathic and alternative medicine

manufacturer and distributor previously headquartered in Meridian Campus in Hawks Prairie, but the company made the business decision to locate the headquarters in Seattle. The application is for a rezone request from Business Park to Hawks Prairie Business District—Business Commercial. Approval of the rezone request will make the property more marketable primarily because the HPBD zoning and development standards allow for more flexibility of uses. The current Business Park zone reflects the suburban-style office park market of the mid-1980's and hasn't kept pace with the flexibility needed in current development—ultimately leading to a number of zoning changes in northeast Lacey over the past few years.

The Planning Commission held a public hearing on June 21, 2016. No written or verbal comments were received. At the conclusion of the public hearing, the Planning Commission voted unanimously to recommend approval of the request to the City Council.

The attached packet includes the full record associated with the amendment including staff report and supplemental attachments.

ADVANTAGES:

1. Approving the private Comprehensive Plan amendment and rezone will support high quality development, retail opportunities, job creation, and employment diversification within the Hawks Prairie Planning Area consistent with the Northeast Area sub-area plan.

2. The property's location at Britton Parkway NE and Gateway Boulevard NE could support commercial services that would serve the travelling public accessing the Gateway Town Center property as well as serve the growing residential areas in this portion of the Hawks Prairie Planning Area.

3. The proposal is consistent with the zoning in the surrounding area and would act as a logical transition zone between the adjacent Light Industrial-Commercial and Business Park zone to the east and the High Density Residential zone to the west.

DISADVANTAGES:

1. There have been no disadvantages identified with adoption of the 2016 applicant-initiated Comprehensive Plan amendments.

PLANNING COMMISSION STAFF REPORT
June 21, 2016

SUBJECT: **Econet, Inc. Comprehensive Plan Amendment and Rezone Application. Project no. 15-291.**

RECOMMENDATION: Conduct a public hearing and make a formal recommendation to the City Council on the Econet, Inc. Rezone and Comprehensive Plan Amendment request. Staff recommends approval of the request.

TO: Lacey Planning Commission

STAFF CONTACTS: Rick Walk, Director of Community Development
Ryan Andrews, Planning Manager

ATTACHMENT(S): Application packets and supporting materials

PRIOR COUNCIL/ COMMISSION/ COMMITTEE REVIEW: Planning Commission Introductory Briefing May 17, 2016
City Council/Planning Commission Joint Worksession February 4, 2016

I. GENERAL INFORMATION

A. Applicant/Owner:
Econet, Inc.
Sang Shin, Vice President
3005 1st Avenue
Seattle, WA 98121

B. Action:
Designation of two parcels from Business Park (BP) to Hawks Prairie Business District-Business Commercial (HPBD-BC) on the Comprehensive Land Use Plan and Zoning map.

C. Proposal Description:
This is a non-project action to designate two parcels totaling 37.08-acres from Business Park to Hawks Prairie Business District-Business Commercial; a designation that allows a broad range of uses in close proximity to each other including retail, office, multi-family residential, and mixed use with the design standards of the HPBD zone.

Please see attached application for amendment to the Comprehensive Land Use Plan and Zoning map.

D. Legal Description
See attached application packet for legal description.

E. Location:
The location of the proposal is 7250 Britton Parkway NE. Assessor's parcel numbers 11803440000 and 11803440100.

F. Site Information
Project size: approximately 37.08 acres
Site Access: Britton Parkway NE and Gateway Boulevard NE
Water: City of Lacey
Sewer: City of Lacey
Power/Natural Gas: Puget Sound Energy
Fire Protection: Lacey Fire District # 3

G. Reason for Request:
The property was purchased by Econet, Inc. for the corporate headquarters for Univera, a naturopathic and alternative medicine manufacturer and distributor previously headquartered in Meridian Campus in Hawks Prairie. The company recently made the business decision to locate the headquarters in Seattle. Approval of the rezone request will make the property more marketable primarily because the HPBD zoning and development standards allow for more flexibility of uses. The current Business Park zone reflects the suburban-style office park market of the mid-1980's and hasn't kept pace with the flexibility needed in current development—ultimately leading to a number of zoning changes in northeast Lacey over the past few years.

H. Existing Zoning
Business Park (BP): This designation is designed to provide an environment exclusively for and conducive to the development and protection of a broad range of business park activities, including modern administrative facilities, research institutions and specialized manufacturing organizations. Comprehensive planning is required for each Business Park district to accomplish an integrated campus-type setting.

I. Proposed Zoning
Hawks Prairie Business District-Business Commercial (HPBD-BC): This designation implements goals of the Northeast Area Plan with opportunity for mixed use development in a planned approach, promoting retail commercial and business commercial uses.

II. LAND USE OF THE SUBJECT SITE AND SURROUNDING AREA

Existing Land Use and Ownership Patterns:

Subject Site:
The subject parcel is undeveloped and is forested primarily with second and third-growth Douglas fir. Upon development of the property, a report will be prepared by the City's arborist to determine the condition and potential for retaining existing trees. A small city-maintained stormwater facility is located in the southeast corner of the site. Wetland mapping for Thurston County indicates that there are three wetlands are on the site. The applicant's wetland consultant has performed site reconnaissance and has submitted a report stating that no wetlands are present. This report has been field-verified and written concurrence of the lack of wetlands has been provided by the Washington State Department of Ecology. The current Comprehensive Land Use Plan and zoning maps designate the property as Business Park (BP).

East:
The property to the east is developed with a variety of uses. To the southeast is the corporate headquarters for Callison's Inc. Callison's extracts and refines mint oil for uses in oral care products (toothpaste), confections, and chewing gum. The property is zoned Business Park. Callison's was approached by the applicant to join the rezone but felt that the Business Park zone was more appropriate for their use. To the northeast are three warehouse buildings in the Hill-Betti Business Park containing a variety of warehouse and retail uses zoned Light Industrial-Commercial.

West:
The property to the west across Gateway Boulevard is zoned High Density Residential and is part of the Gateway single-family residential development currently being developed within the city limits. Gateway Boulevard along the west property line will be extended and connected to the north to serve the future phase of the Gateway residential development located in the Lacey Urban Growth Area.

North:
The property to the north is zoned Light Industrial-Commercial and is part of the Hill-Betti Business Park that was recently annexed into Lacey. The property contains a single-family residence and a small farm but is otherwise undeveloped.

South:
To the south across Britton Parkway NE is property zoned Hawks Prairie Business District-Business Commercial and is slated for future development as part of the Gateway Town Center project. At the southwest corner of the property is a roundabout that serves the current primary entrance to Cabela's and the future Gateway Town Center.

III. ENVIRONMENTAL DETERMINATION:

A Determination of Nonsignificance (DNS) was issued on April 21, 2016. Based upon information contained in the environmental checklist, the sites expected designation, and development of the site in any capacity would not have significant impacts to the environment. The DNS had a 14-day comment period, which ended on May 5, 2016. The City did not receive any comments from the public and received one comment from the Washington State Department of Ecology related to the Tacoma Smelter Plume and its impact on future construction projects on the subject property; therefore, the DNS became final on May 5, 2016. A determination of environmental non significance granted by the responsible official fulfills the City's requirements for environmental review under RCW 43.21.C.

IV. APPLICABLE COMPREHENSIVE GOALS AND POLICIES/LONG RANGE PLANNING ISSUES:

The Comprehensive Land Use Plan has three elements that can be used as a guide for consideration of this application. The three Elements are the Land Use Element, Northeast Area Plan, and the Economic Development Element.

A. **Land Use Element**

a. Commercial Goals and Policies—page 6-13

Goal 1: "Provide a full range and appropriate siting and design of commercial facilities to support the residential environment of Lacey and support the development of Lacey as an attractive, functional, regional commercial center. All commercial development should enhance the quality of life of our residents."

Policy n. "Auto-oriented businesses should be located functionally convenient to major arterials as a part of other business areas. Preferably, the location should be on the edge of the business area convenient to arterials, freeway, or expressway interchanges, dependent upon the intensity of the use."

Policy s. "Future regional commercial/retail shopping centers should be located in one of the Central Business Districts, Woodland District, the General Commercial zone at the Marvin Road I-5 Interchange, or in the Hawks Prairie Planning Area. Stand-alone regional uses are also encouraged to locate in these zones. Industrial areas should be located with access to major transportation routes, including major arterial truck routes and transit facilities."

b. Mixed Use Goals and Policies—page 6-6

Goal 1: "Provide opportunities that allow mixed uses, enhancing character, functionality and desirability of planning areas."

Policy k. "Promote the following essential mix of land uses in mixed use proposals: housing, neighborhood-oriented shopping and services, offices, civic uses and spaces, workplaces, open spaces, and natural systems network."

Policy l. "Mixed use concepts must promote efficient land use by encouraging infill, ensuring development at more compact, higher urban densities, and placing residential uses in close proximity to basic retail and support services, as well as work places."

c. Hawks Prairie Planning Area profile (page 9-5): ""Lacey's Northeast Area Plan articulates a vision for the Hawks Prairie Planning Area that includes accommodation of mixed uses within the Hawks Prairie zone with a business and a retail commercial component. Because of the extensive vacant land resources and prime location, many alternatives for innovative development are available.""

B. **Northeast Area Plan**

Recommendations, Page 50:

"The most significant change from previous land use recommendations is the recommendation for a large area of mixed uses north of I-5 and west of Marvin Road. This mixed use area, recommended to be given a new zoning designation, "Hawks Prairie District," would support residential, regional/commercial, business, retail mix, bank, office, and corporate facilities.

This designation would provide for a dense mixed use node that is critical to the Urban Growth Management Agreement and the Growth Management Act. This designation would provide an opportunity for an urban node to be developed with jobs, commercial facilities, residences and recreational activities close together."

C. **Economic Development Element**

The Economic Development Element supports the request through policies that strive for an adequate mix of different business uses to support a healthy and diverse job market. Also, the Economic Development Element states that job-generating uses should be prioritized and coordinated with the overall land use mix.

V. STAFF ANALYSIS

The Land Use Element, Northeast Area Plan and the Economic Development Elements of the Comprehensive Plan currently contain goals and policies that support the request. A major emphasis of the Plan is job creation and economic diversification, especially in the Hawks Prairie Planning Area. The proposal is aligned with both of these objectives. The rezone would also achieve many of the goals and policies within the Plan of promoting mixed use development.

The proposal is consistent with the zoning in the surrounding area. The proposed rezone would be consistent with the existing Hawks Prairie Business District-Business Commercial to the south associated with the Gateway Town Center property. It would also be a logical transitional zone between the adjacent Light Industrial Commercial and Business Park Zones to the north and east and the High Density Residential zone to the west. In 2007 the property to the east of Callison's owned by Kaufman Brothers Construction was rezoned from Business Park to HPBD-BC. Much like the Econet rezone, the additional flexibility provided by the HPBD-BC zone was beneficial for development of the property. The Kaufman site now has an approved site plan for future development.

The current Business Park zone has limited development opportunities due to the inflexibility of the uses allowed in the zone and the additional landscaping and buffering requirements. The office market in Lacey also remains soft with an abundance of available space. As part of the 2016 draft comprehensive plan update, a priority implementation strategy is identified to address this, stating.

> "Commercial development in Lacey has continued at a steady pace but economic development policies and activities need to continue to evolve to ensure that Lacey remains competitive in the marketplace and to expand job opportunities for Lacey residents to live and work in the community. The current development standards contained in the Business Park District are an example of requirements that need to be reviewed and updated. The current business park standards provide for a 1980's style suburban development pattern. Business park development no longer utilizes this style of design and instead is defined by allowances for a mix of uses and flexible space allowances."

The Planning Commission has developed new standards for the Business Park zones now known as the "Community Office" zone. The priority for the Community Office zone is to increase the flexibility of uses within the zone while eliminating the suburban office park standards for landscaping and site design. Econet has been involved in the development of the new standards but is moving forward with the rezone request because of the allowance for retail uses within the HPBD-BC zone.

In consideration of the request, it is important to consider the existing and future development of the area particularly given the property's location at the intersection of Britton Parkway NE and Gateway Boulevard NE. Over the past 10 years, this area of Lacey is seeing a considerable amount of development starting with Cabela's in 2007. The roundabout at Britton and Gateway Boulevard is the primary entrance to Cabela's and will be a primary entrance for the future Gateway Town Center. This intersection will become a prime location for a variety of commercial uses that can serve not only the traveling public, but also those residential uses that are currently being developed in the area.

Given the site's prominent location at the Britton and Gateway intersection, the standards of the Hawks Prairie Business District would require master planning of the property to ensure that the site is planned in a cohesive manner and that consideration is given to how the site will develop with contiguous properties. Additionally, the strict architectural controls of the HPBD would apply including adherence to the HPBD design checklist which contains architectural standards (roof pitch, siding types, windows, corner features, etc.), site design standards, open space, and landscaping requirements.

The area is well served with transportation connections. As previously mentioned, Britton Parkway and Gateway Boulevard are major transportation corridors linking these sites to Interstate 5 to the south. The proximity of this site to Interstate 5 would also be particularly appealing for future development purposes particularly given the good transportation

access. The 2030 Transportation Plan identifies a future street corridor running east/west through the Econet property that would connect between Gateway Boulevard and Marvin Road NE.

Utilities available to the site are appropriately sized to handle development of the subject properties. An existing 8-inch PVC sewer line is located along Britton Parkway to the south with an 8-inch stub at Gateway Boulevard. Water is served to the properties with a 16-inch ductile iron water line along Britton Parkway and a stub at Gateway Boulevard. Water and sewer are also located to the east of the subject properties to serve Callison's and the Hill-Betti Business Park. Upon development, water and sewer would be connected and looped throughout the properties in compliance with City requirements.

VI. PLANNING COMMISSION AUTHORITY AND RESPONSIBILITY

The Planning Commission has the responsibility and authority to recommend action to the Lacey City Council on the proposed Comprehensive Land Use Plan amendment and rezone application. The Planning Commission must hold at least one public hearing on the proposal. Based upon public comments, staff analysis, review of the Comprehensive Land Use Plan, and other applicable information, the Commission must make a recommendation to the Lacey City Council as to the merits of the application and the designation the Planning Commission believes is in the public's best interest.

VII. STAFF FINDINGS AND CONCLUSIONS:

A. The Comprehensive Land Use Plan and Economic Development Element identify the need for land resources to support mixed use development, job creation, and employment diversification within the Hawks Prairie Planning Area.

B. The Hawks Prairie Business District-Business Commercial zoning designation will be consistent with the surrounding properties.

C. The Business Park zone has limited development opportunities due to the inflexibility of the uses allowed in the zone and the additional landscaping and buffering requirements.

D. The Hawks Prairie Business District-Business Commercial zone provides a wide range of uses and flexibility that support future development opportunities to support the Hawks Prairie Planning Area.

E. The property's location at Britton Parkway NE and Gateway Boulevard NE could support commercial services that would serve the travelling public accessing the Gateway Town Center property as well as serve the growing residential areas in this portion of the Hawks Prairie Planning Area.

F. The development standards of the Hawks Prairie Business District contain master plan requirements and architectural controls that assure development will be compatible with surrounding HPBD zones as well as act as a transition to adjacent zones including High Density Residential.

G. The property is adequately served with City utilities and will extend utilities throughout the property as a condition of development.

H. The location is well-served with transportation connections to Britton Parkway NE and Gateway Boulevard. The property is also in close proximity to Interstate 5. The area is generally desirable for a wide variety of uses including retail, office, mixed use, and high density residential given the close interstate access and available transportation corridors.

I. Regular transit service does not currently serve the subject site. However, the rezone request would allow a variety of uses that would support transit service once service was provided to the Hawks Prairie area.

VIII. STAFF RECOMMENDATION CONCERNING ACTION ON THE PROPOSED COMPREHENSIVE PLAN AMENDMENT APPLICATION

Based upon the analysis provided in this report, and the conclusions and findings identified in section VII of this report, staff recommends approval of the change from Business Park to Hawks Prairie Business District-Business Commercial.

IX. STAFF RECOMMENDATION CONCERNING ACTION ON THE PROPOSED ZONING AMENDMENT APPLICATION

Based upon the analysis provided in this report and the conclusions and findings identified in section VII of this report, staff recommends the change from Business Park to Hawks Prairie Business District-Business Commercial for the subject properties. An additional finding is proposed for the zoning designation that designation of the zone as Hawks Prairie Business District-Business Commercial is consistent with the change to the Comprehensive Land Use Plan map.

RECEIVED

FEB 2 2 2016

CITY OF LACEY
Community Development Department
420 College Street SE
Lacey, WA 98503
(360) 491-5642

OFFICIAL USE ONLY

Case Number: 15-291
Date Received: _____
By: _____

Related Case Numbers:
_____
_____

REZONE APPLICATION

OWNER NAME: ECONET, Inc
MAILING ADDRESS: 3005 1st Avenue
CITY, STATE, ZIP: Seattle, WA 98121
TELEPHONE: 360-486-8300

_____ DATE: 2/17/2016
_____ DATE: _____
_____ DATE: _____
_____ DATE: _____

SIGNATURE(S)

I (We), the above-signed, do hereby affirm and certify, under penalty of perjury, that I/we am/are one (or more) of the owner(s) under contract of the below described property and that the following statements and answers are in all respects, true and correct on my information and belief as to those matters.

APPLICANT NAME: Sang Shin, Vice President ECONET
MAILING ADDRESS: ECONET, Inc. 3005 1st Ave
CITY, STATE, ZIP: Seattle, WA 98121
TELEPHONE: 360-486-8300
SIGNATURE: _____ **DATE:** 2/17/2016
ENGINEER/ARCHITECT NAME: N/A
MAILING ADDRESS: _____
CITY, STATE, ZIP: _____
TELEPHONE: _____
SIGNATURE: _____ **DATE:** _____

AUTHORIZED REPRESENTATIVE: _____

MAILING ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE: _____

SIGNATURE: _____ **DATE:** _____

NAME OF PROJECT: _____

SUMMARY OF REQUEST (List Type of Uses):

Property ownership would like to rezone our two parcels from Business Park to Hawks Prairie Business District. Either in conjunction with neighbor Callison or without.

PROPERTY LOCATION

✓]North [ ]South [ ]East [ ]West Side of Britton Parkway between Gateway Blvd
(ROAD NAME)

and Callison Road NE
(ROAD NAME)

Property Address: Not yet assigned.

Section: 3 **Township:** 18N **Range:** 1W **Assessor's Parcel Number:** 11803440100 and 0000

Full legal description of subject property: SE 1/4, SE 1/4, Section 3, Township 18 North,
(ATTACH SEPARATE SHEET IF NECESSARY)

Range 1 West, W. M. See Attached.

TOTAL SQUARE FOOTAGE OF THE REZONE AREA: 1615204.8 sqft or 37.08 acres

How does the rezone request conform to the Comprehensive Plan?

Request for rezoning was discussed with Planning & Development in scheduled meeting. The Hawks Prairie Business District was suggested by members present to be in the city's and owners best interest for any future development.

ACCURATE SITE PLAN DRAWN IN INK TO SCALE WITH DIMENSIONS MUST BE SUBMITTED ALONG WITH THE APPLICATION. PLEASE SHOW THE FOLLOWING:

1. Location of proposed uses, buildings, parking areas, landscaping areas, ingress, egress, etc.
2. Location of all existing uses and structures on the property, with distances from property lines.
3. Major physical features of the property to be rezoned.
4. Barscale and north arrow.

PLEASE ANSWER THE FOLLOWING QUESTIONS

What is the relationship between the proposed use of the land to be rezoned and the surrounding land use? (i.e., Is your proposed use of land significantly different than existing land uses surrounding your property?) Please Explain:

No, this change makes the parcels more compliant with surrounding parcels and their current zoning. Answer to above; Parcels contain only trees, no structures.

Why is the property not usable as presently zoned, including the events that led you to this conclusion?

Current Business Park zoning is more restrictive in it's use/application, and does not offer the same level of flexibility that HPBD offers. That was suggested by City as the best alternative zoning.

How would the proposed zone change be in the interests of not only the applicant but also the surrounding properties and the public as a whole?

With the current new residential development to the west we granted the ROW to, and the commercial development set to start in 2016-17 to the south. BP is currently to the east of our parcels who perform manufacturing, but these new emerging developments change the landscape of the area and make it more difficult to best meet the market need of the future.

ADJACENT PROPERTY OWNERS LIST

PROJECT:_____

PLEASE SUBMIT AN ADJACENT PROPERTY OWNERS MAILING LIST
Include all property owners within 300 feet of exterior boundary of the property involved.

Addresses are to be obtained from:
Office of County Assessor, Bldg #1, First Floor. Phone: 786-5410

*** * * Please be sure to also include the mailing information for the:**
OWNER, APPLICANT, ENGINEER/ARCHITECT & REPRESENTATIVE.

SEE EXAMPLE BELOW

SAMPLE Joe Jones PO Box 1900 Lacey, WA. 98503

HILL-BETTI BUSINESS PARK LLC
2929 MARVIN RD NE
OLYMPIA, WA 98516

ECONET INC
3005 1ST AVE
SEATTLE, WA 98121

CALLISONS INC
2400 CALLISON ROAD NE
LACEY, WA 98516

ECONET INC
3005 1ST AVE
SEATTLE, WA 98121

HILL-BETTI BUSINESS PARK LLC
2929 MARVIN RD NE
OLYMPIA, WA 98516

GATEWAY DIVISION 1 LLC
15 LAKE BELLEVUE DR # 102
BELLEVUE, WA 98005

HILL-BETTI BUSINESS PARK LLC
2929 MARVIN RD NE
OLYMPIA, WA 98516

GATEWAY 850 LLC
15 LAKE BELLEVUE DR # 102
BELLEVUE, WA 98005

WIG PROPERTIES LLC
4811 134TH PL SE
BELLEVUE, WA 98006

WIG PROPERTIES LLC
4811 134TH PL SE
BELLEVUE, WA 98006

EXHIBIT B

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M.;

EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF LACEY FOR STREET PURPOSES BY DEED RECORDED FEBRUARY 17, 2000 UNDER AUDITOR'S FILE NO. 3279665 AND BY DEED RECORDED JUNE 20, 2007 UNDER AUDITOR'S FILE NO. 3936235.

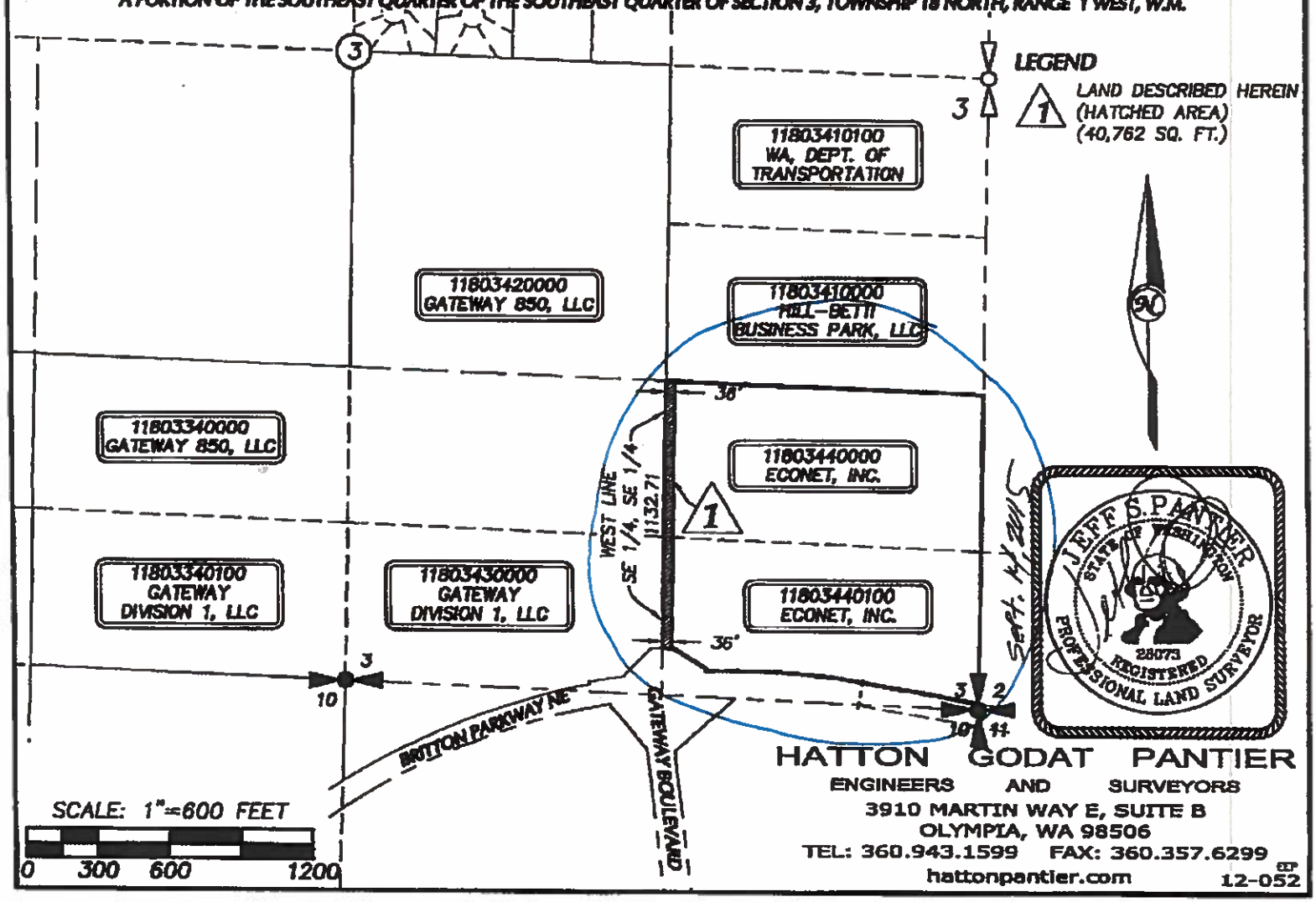
IN THURSTON COUNTY, WASHINGTON.

JEFF S. PANTER
STATE OF WASHINGTON
28073
REGISTERED
PROFESSIONAL LAND SURVEYOR

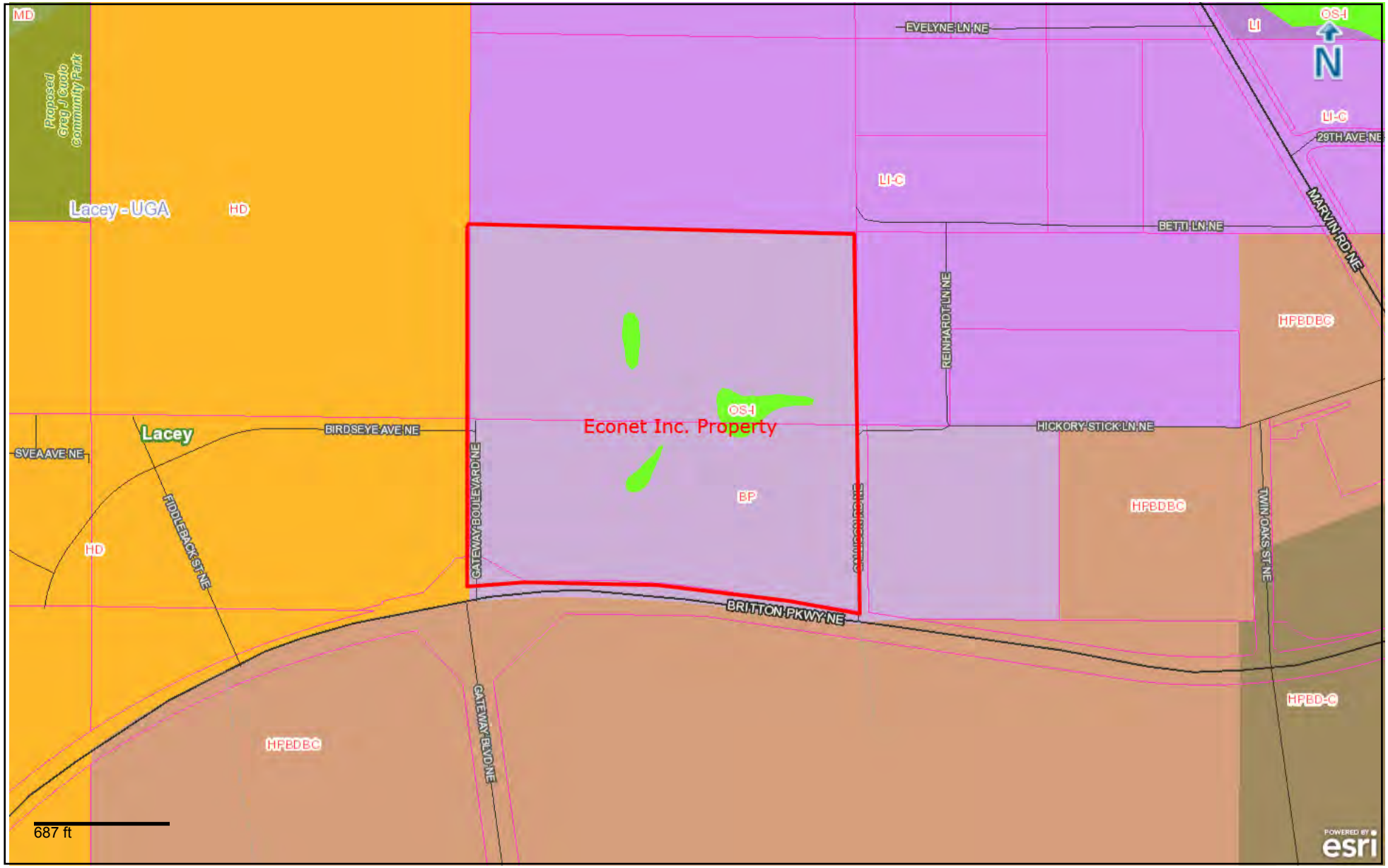
SEPT. 14, 2015

RIGHT OF WAY DEDICATION EXHIBIT A-2

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 18 NORTH, RANGE 1 WEST, W.M.

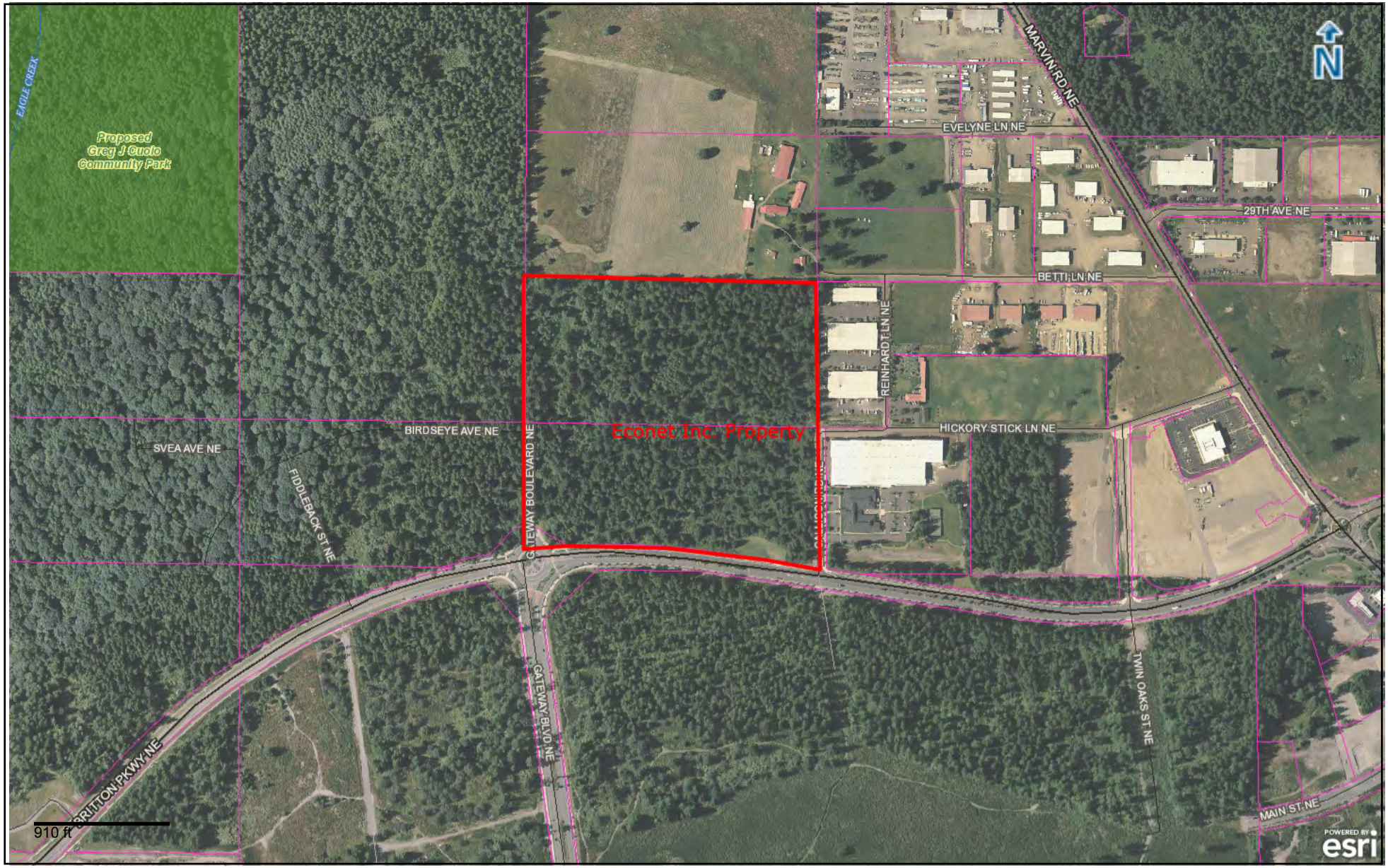


Econet--Existing Zoning



The City of Lacey uses the most current and complete data available. However, GIS data and product accuracy may vary. GIS data and products may be developed from sources of differing accuracy, accurate only at certain scales, based on modeling or interpretation, incomplete while being created or revised, etc. The City of Lacey reserves the right to correct, update, modify, or replace, GIS products without notification. The City of Lacey cannot assure the accuracy, completeness, reliability, or suitability of this information for any particular purpose. Using GIS data for purposes other than those for which they were created may yield inaccurate or misleading results. The recipient may neither assert any proprietary rights to this information nor represent it to anyone as other than City Government-produced information. The City of Lacey shall not be liable for any activity involving this information with respect to lost profits, lost savings or any other consequential damages.

Econet--Aerial Photograph



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MINUTES
Lacey Planning Commission Meeting
Tuesday, June 21, 2016 – 7:00 p.m.
Lacey City Hall Council Chambers, 420 College Street SE

Meeting was called to order at 7:00 p.m. by Mike Beehler.

Planning Commission members present: Mike Beehler, Carolyn Cox, Paul Enns, Carolyn St. Claire, Cathy Murcia, Sharon Kophs, and Mark Morgan. Staff present: Rick Walk, Ryan Andrews, Christy Osborn, George Smith, Samra Seymour, Sarah Schelling, Doug Christenson, and Leah Bender.

Mike Beehler noted a quorum present.

Sharon Kophs made a motion, to approve the agenda for tonight's meeting. All were in favor, the motion carried. Carolyn Cox made a motion, seconded by Sharon Kophs, to approve the May 17 meeting minutes. All were in favor, the motion carried.

1. **Public Comments:** None.

2. **Commission Member's Report:**
   - Carolyn St. Claire reported on her attendance at the stormwater task force meeting.

3. **Director's Report:**
   - Rick Walk announced that the Woodland District Form-Based Code received the Driehaus Award.
   - Rick informed Planning Commission that the Hearings Examiner denied the appeal of the Reserve at Lacey senior housing development. The Hearings Examiner decision was not appealed and therefore the project can move forward.
   - Rick introduced Brent Butler, the new Director of Thurston County Resource Stewardship.

4. **Public Hearing:**
   2016 Comprehensive Plan Update:
   - Ryan Andrews explained that the GMA requires the City to update the Comp Plan by June 30, 2016.
   - Ryan gave a brief overview of the elements that have been updated: Land Use Element, Environmental Element, Economic Development Element, Housing Element, and Utilities Element.
   - Ryan went over some of the different Envision Lacey public outreach events where the Comp Plan was presented.
   - Christy Osborn gave an overview of the eight Planning Areas.
   - George Smith discussed the Economic Development Element.
   - Ryan briefly discussed the CR2 Plan, and proposed priority development code amendments, including amended residential building height restrictions and density, and the incorporation of the Business Park and Office Commercial zones to create Community Office Zone.
   - Ryan went over the Econet rezone application request to change the zoning of two parcels from Business Park to Hawks Prairie Business District-Business Commercial.
   - Ryan shared two public comment letters he received in support of amending Business Park and Office Commercial zones to create the proposed Community Office Zone.
   - Ryan thanked City staff and Planning Commissioners for their help with updating the Comp Plan.
   - Mike Beehler asked for public comments on the hearing.
   - Lacey UGA resident Lynn Larsen, 2610 Carpenter Road NE, addressed the Planning Commission and asked for clarification about the location of the Econet zoning change. Mr. Larsen also asked for clarification on the proposed Greg Cuoio Park. Rick Walk explained that there are challenges with the park as a portion of it is located within the UGA and a portion is located outside the UGA within rural Thurston County. Rick confirmed that the park is not open to the public at this time and that any future park master planning will be addressed as part of the Parks Plan Update.
   - Planning Commissioners commended staff on all the work that has been put into the Comp Plan.

- **Carolyn St. Claire made a motion, seconded by Mark Morgan, to recommend the Comp Plan updates, including staffs' findings of fact and conclusions of law, to Council for adoption. All were in favor, the motion carried.**
- **Carolyn Cox made a motion, seconded by Paul Enns, to recommend the Development Code Updates to Council for adoption. All were in favor, the motion carried.**
- **Mark Morgan made a motion, seconded by Cathy Murcia, to recommend the Econet rezone request to Council for approval. All were in favor, the motion carried.**

5. **New Business:**
   Low Impact Development Code Amendments:
   - Samra Seymour gave some background information and explained that the main emphasis of the LID update is to remove barriers to LID implementation.
   - Samra discussed LMC Title 12 and noted that the main change is added language regarding restoration of damage and maintenance requirements.
   - Samra went over Title 14 which adds definitions; addresses parking lot standards; amends design review standards such as allowing vegetated LID facilities to be used as open space, screening, and as a means to meet irrigation requirements.
   - Samra reviewed Title 15 language changes regarding design standards for subdivisions, short subdivisions, and binding site plans.
   - Samra went over Title 16 which includes added definitions, changes to driveway dimension requirements, some housekeeping measures for consistency, added language to improve soil quality, added landscaping section, allowing vegetated LIDs to be used in traffic calming facilities, and changes to parking standards.
   - Samra noted that the LID Code Update will be discussed further at the next Planning Commission.

6. **Communications and Announcements:** None.

7. **Next meeting:** July 5, 2016.

8. **Adjournment:** 9:04 p.m.

College Street Corridor

Council Worksession
Bike Lane Discussion

July 21, 2016

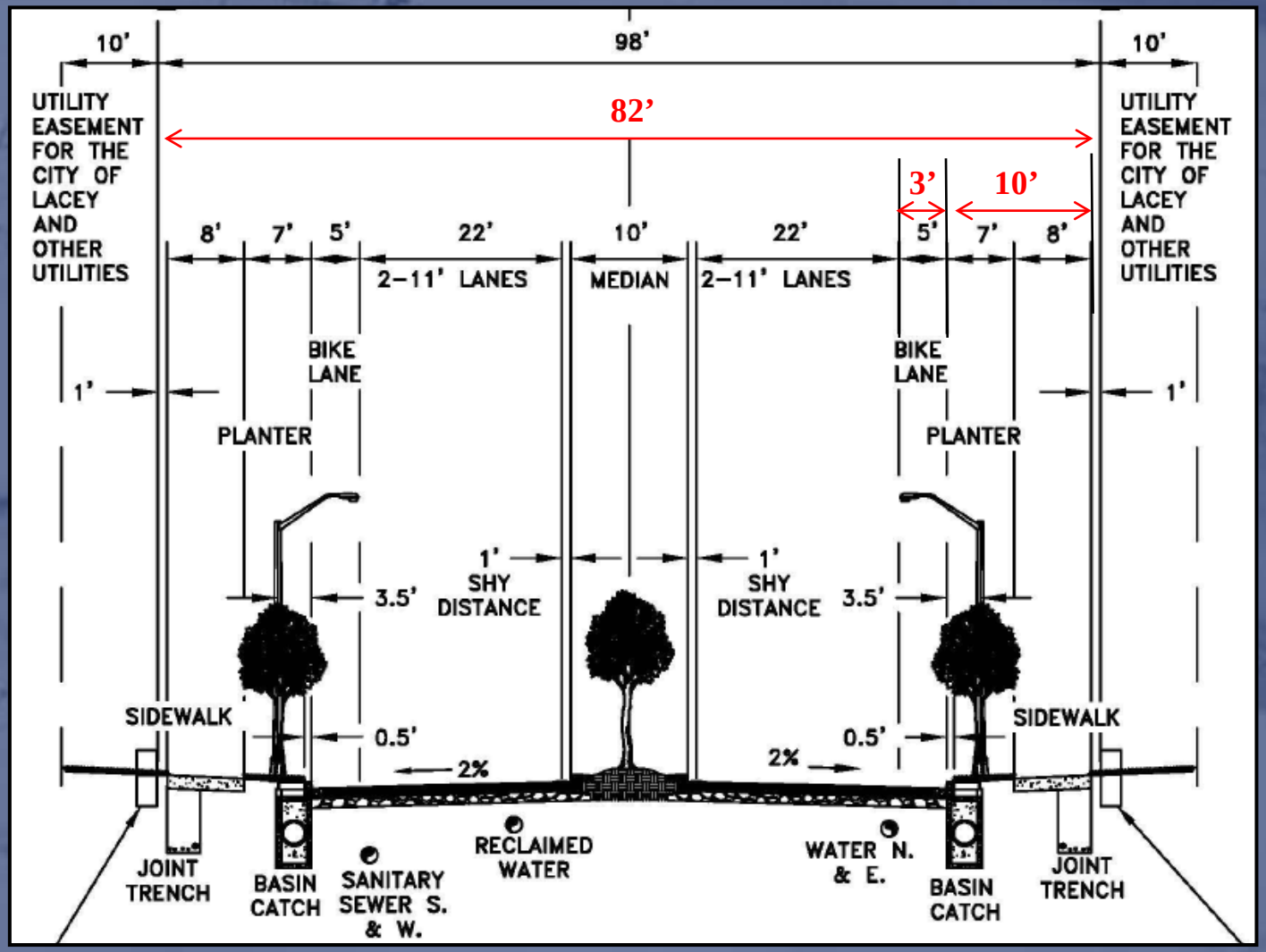
Background

- College Street Corridor Study
  - Two Major Studies 2004 & 2009
  - First Study Identified Several Options
  - Second Study Evaluated Constructability
  - Option 9 Selected as Preferred Option
  - Adopted May 2009
- College/22nd Roundabout Grants
  - 2010 STP Redistribution ($84K)
  - 2011 Pedestrian and Bicycle Safety ($1,750K)
  - Neither Grant Requires Bike Lanes

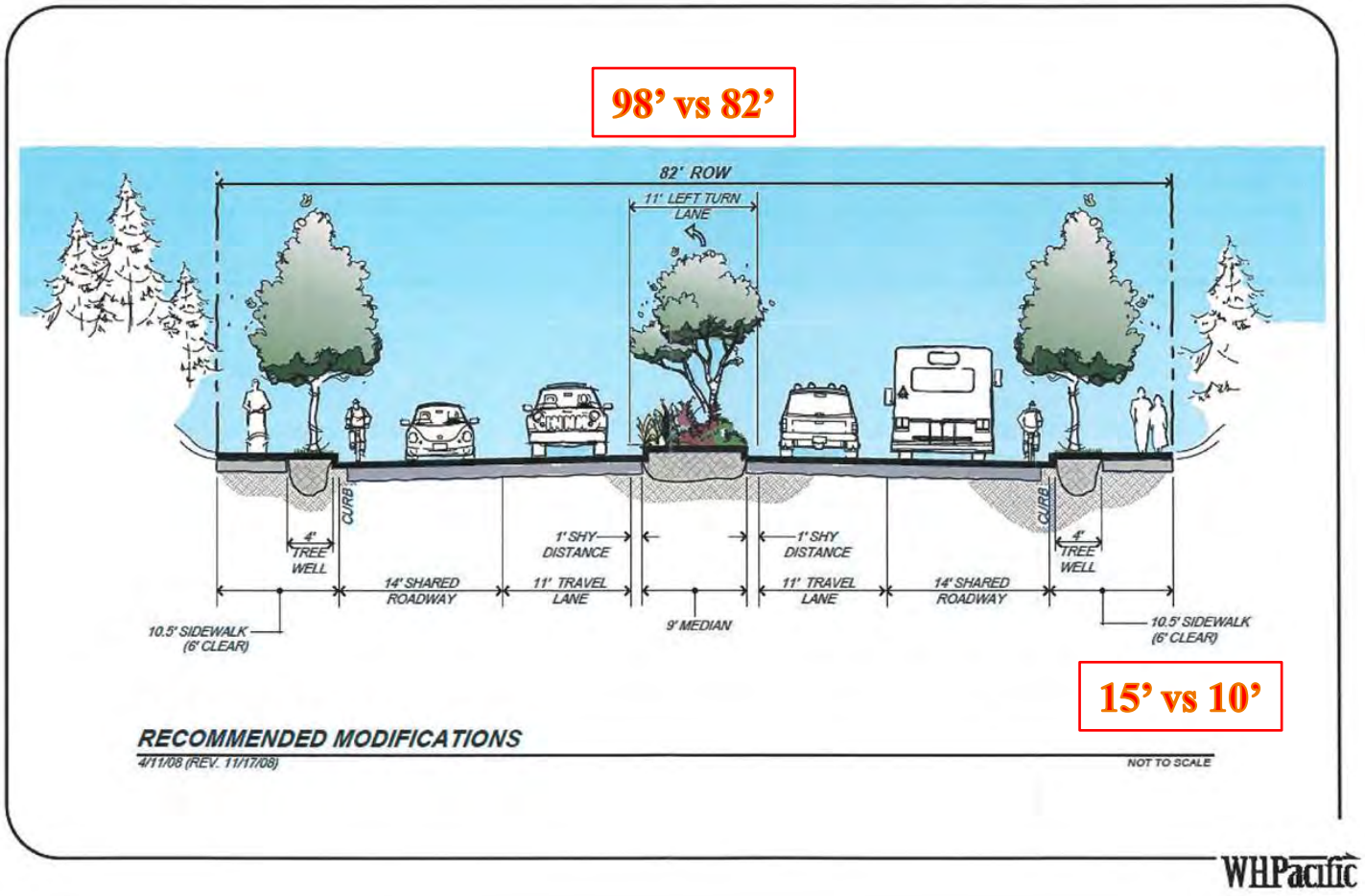
Existing Conditions

- Existing R/W is 60’ with 45’ curb to curb
- The corridor is a built environment with narrow sidewalks, abutting homes, businesses and schools
- The corridor carries ~28,000 cars per day
- There are a total of 2,000 trucks per day (7.2%)
- There are 130 driveways, 24 T-intersections and four 4-way intersections along the corridor
- College Street is a National Highway System route

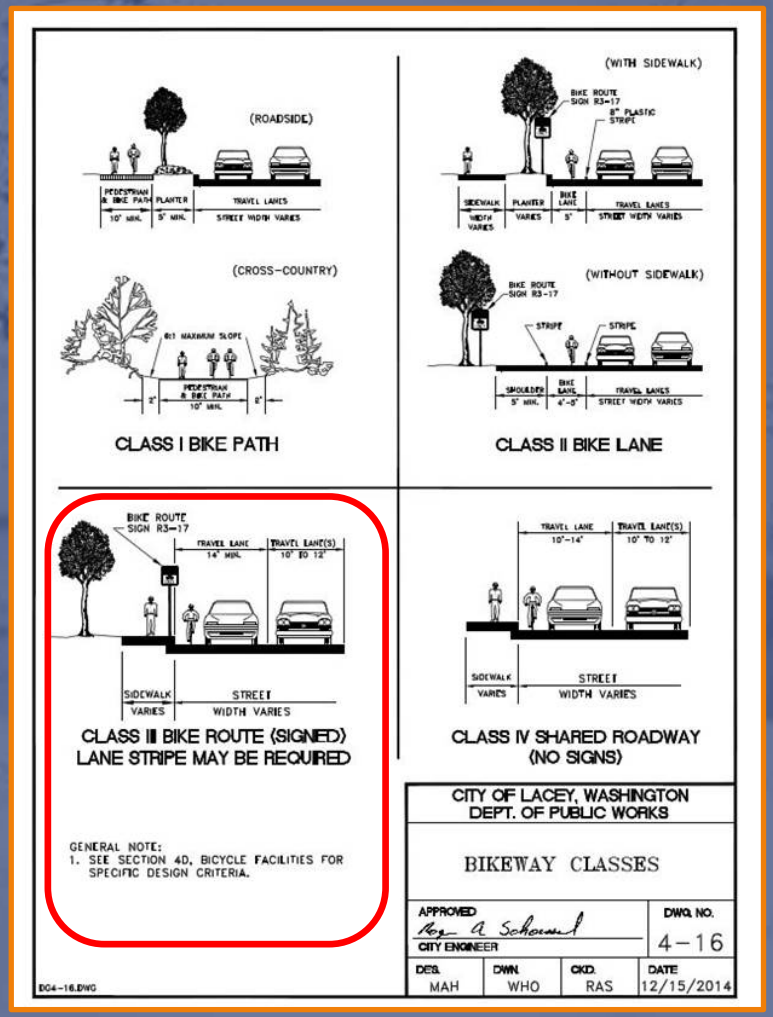
Standard Arterial



Recommended Option



Bikeway Classes

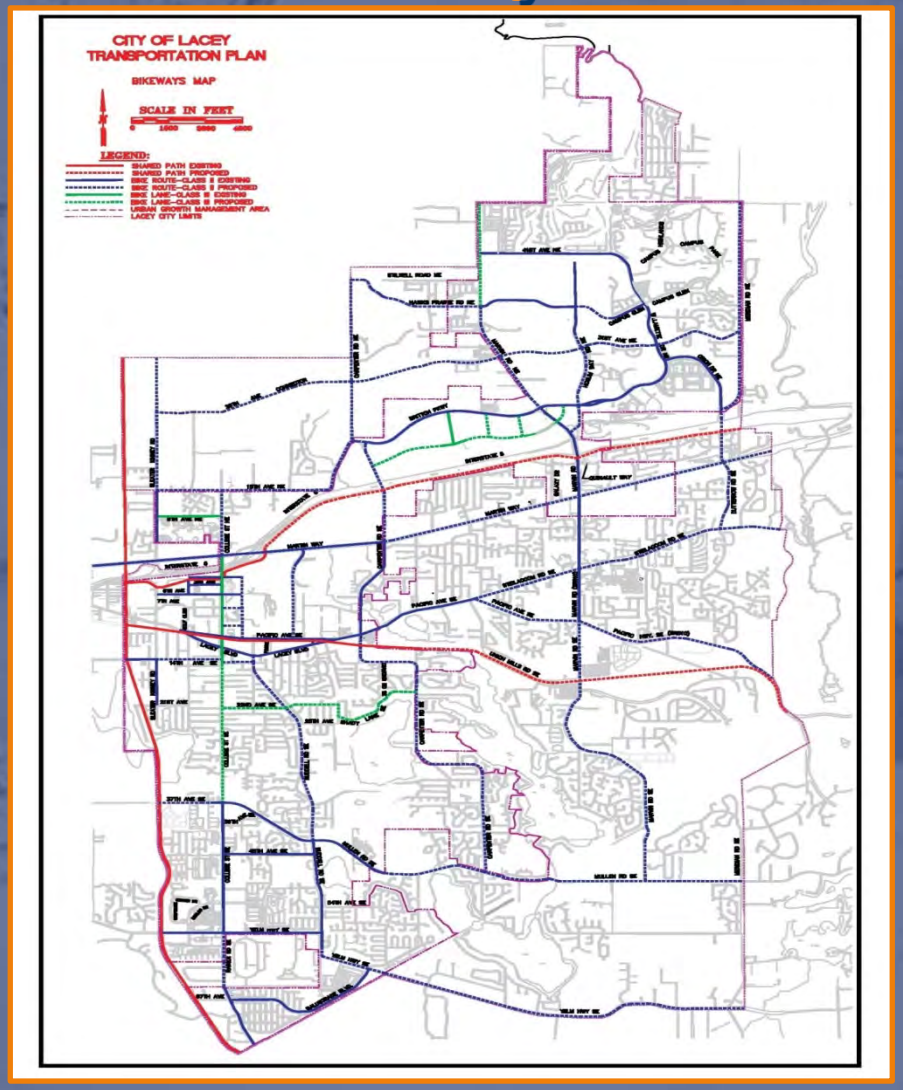


Level of Bike User Skill and Comfort

Table 2-2. Casual/Less Confident vs. Experienced/Confident Riders

Experienced/Confident Riders	Casual/Less Confident Riders
Most are comfortable riding with vehicles on streets, and are able to navigate streets like a motor vehicle, including using the full width of a narrow travel lane when appropriate and using left-turn lanes.	Prefer shared use paths, bicycle boulevards, or bike lanes along low-volume, low-speed streets.
While comfortable on most streets, some prefer on-street bike lanes, paved shoulders, or shared use paths when available.	May have difficulty gauging traffic and may be unfamiliar with rules of the road as they pertain to bicyclists; may walk bike across intersections.
Prefer a more direct route.	May use less direct route to avoid arterials with heavy traffic volumes.
Avoid riding on sidewalks. Ride with the flow of traffic on streets.	If no on-street facility is available, may ride on sidewalks.
May ride at speeds up to 25 mph on level grades, up to 45 mph on steep descents.	May ride at speeds around 8 to 12 mph.
May cycle longer distances.	Cycle shorter distances: 1 to 5 miles is a typical trip distance.

Bikeway Plan



Alternative Routes to College Street

N

Citizen's Suggestions to Achieve Bike Lanes on College Street

- **Reduce Sidewalk Width (2' reduction)**
- **Reduce Travel Lane Width (10' per lane)**
- **Increase Project Width (roadway prism)**

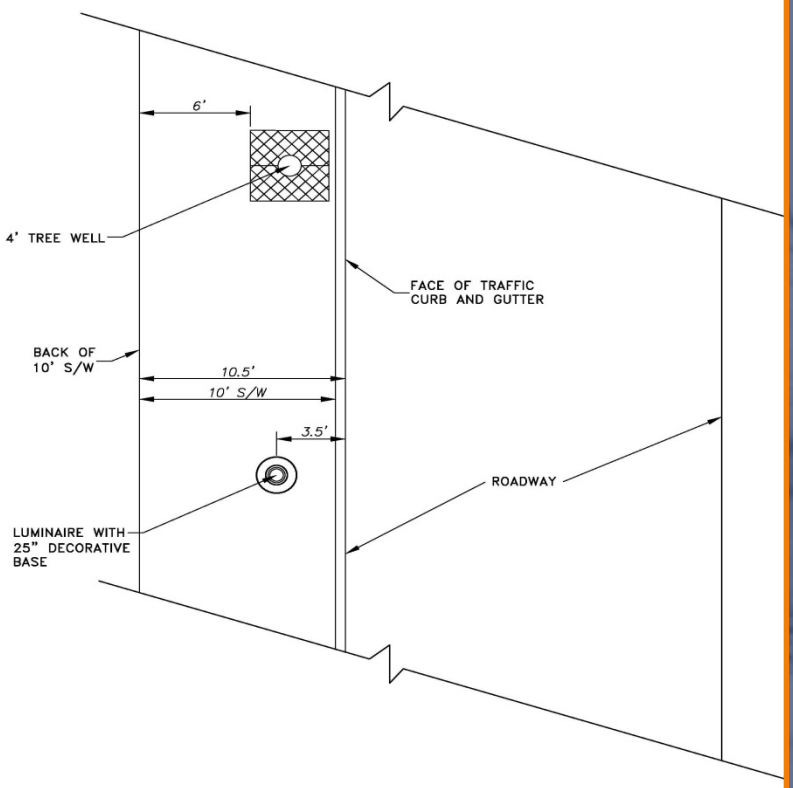
Challenges With Reduced Sidewalk Widths

- ADA difficulties without the removal of the pedestrian buffer
- Would change driveway slopes from 8.4% to 12.5% to meet ADA
- Would require the removal of street trees
- Would require street light relocation to the back of sidewalk to meet 2 foot clear zone

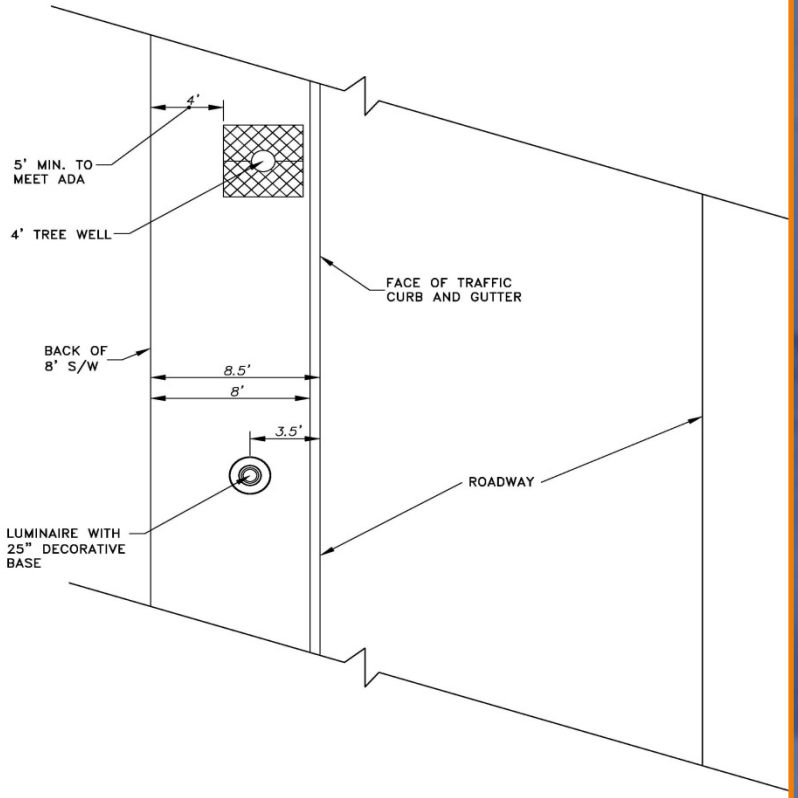
Proposed Sidewalk

Proposed Sidewalk

Sidewalk Comparison

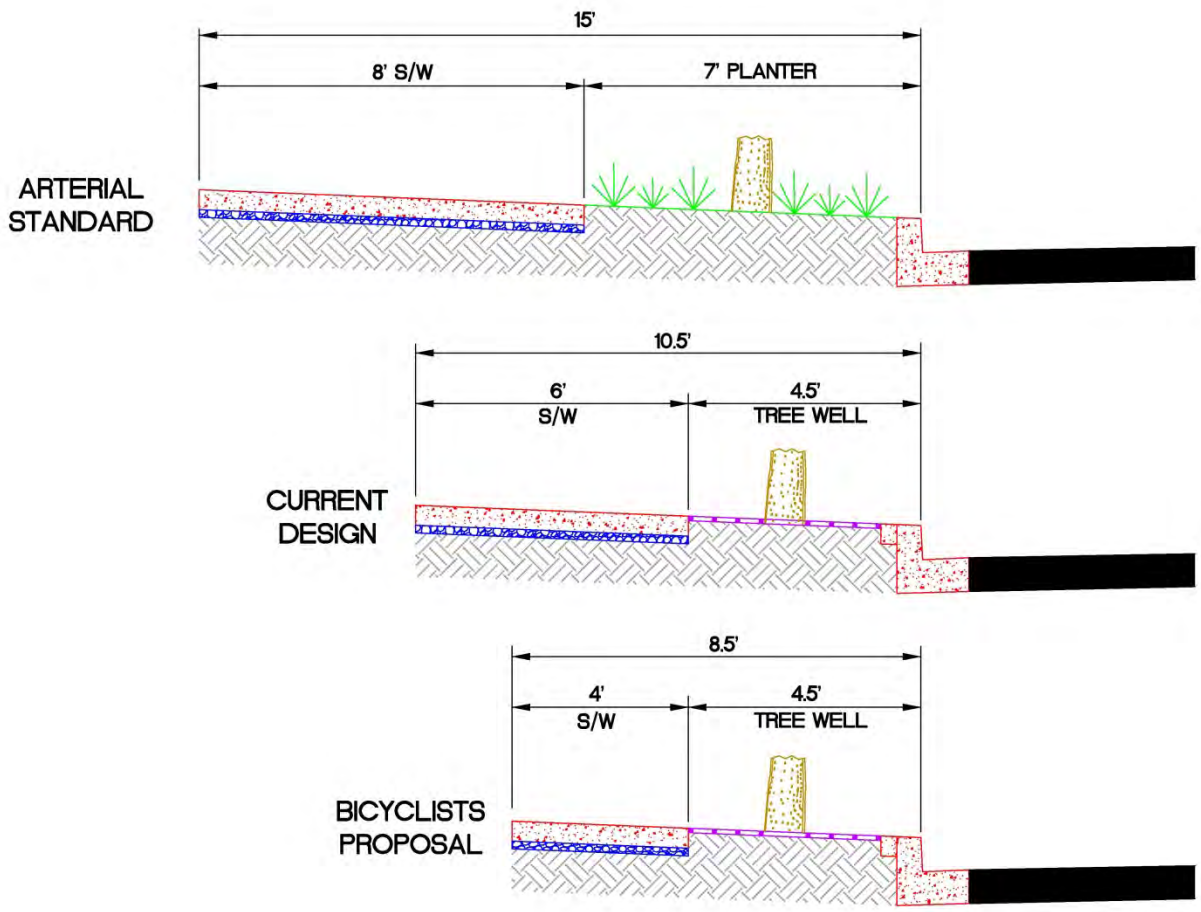


TYPICAL 10' S/W WITH TREE WELLS AND DUAL FUNCTIONAL LUMINAIRS

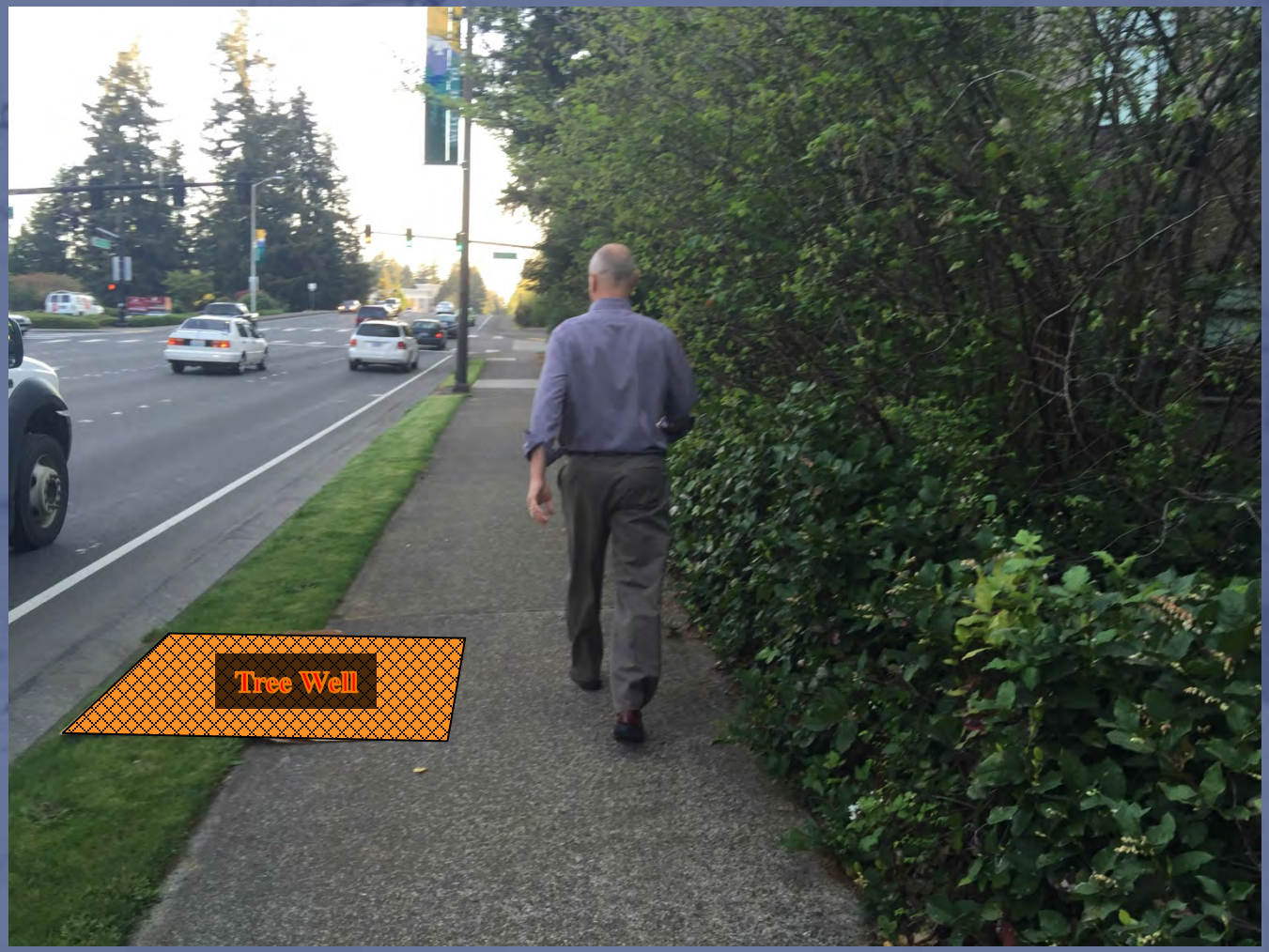


TYPICAL 8' S/W WITH TREE WELLS AND DUAL FUNCTIONAL LUMINAIRS

Sidewalk Comparison



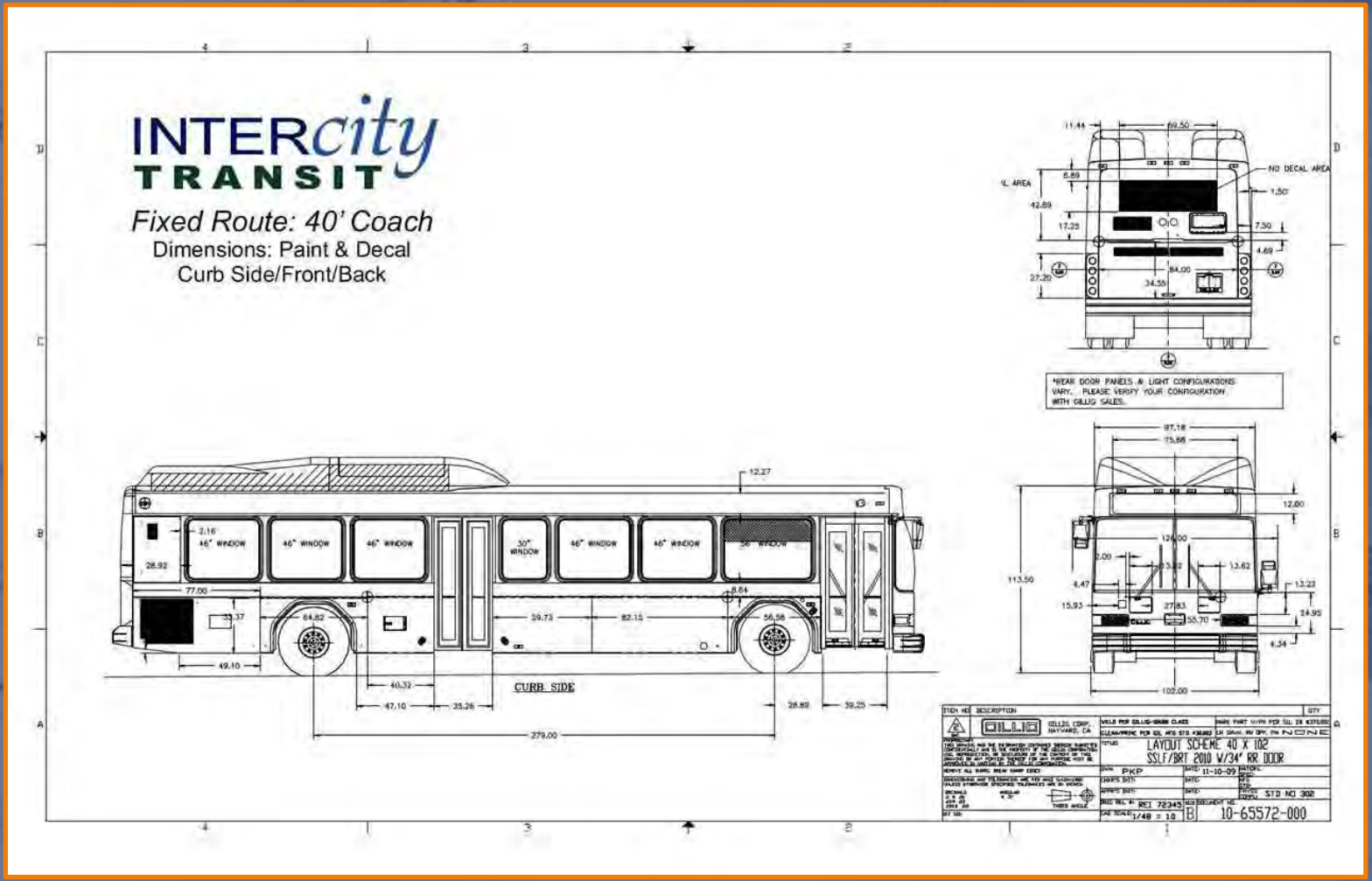
Sidewalk Comparison



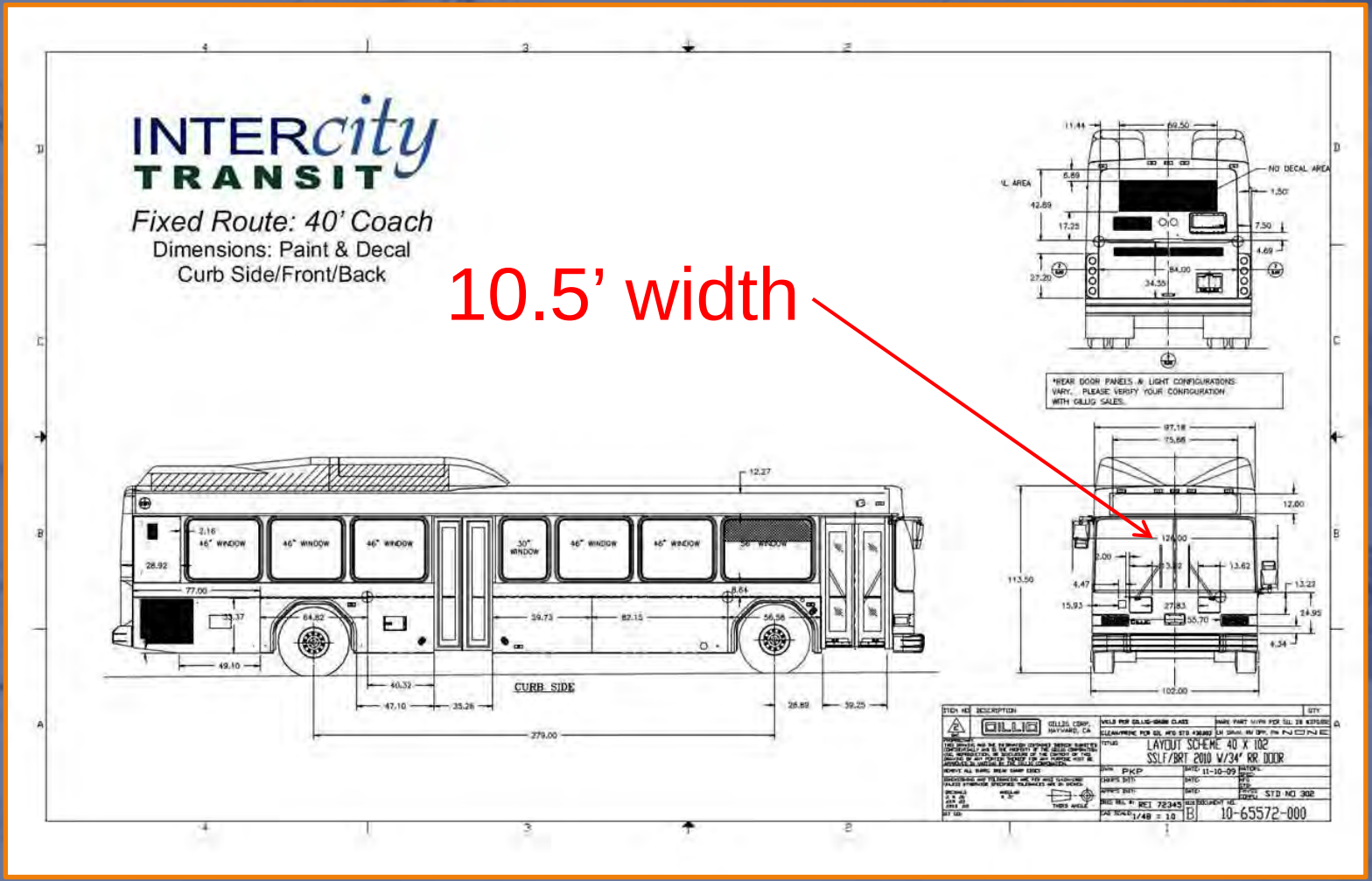
Challenges With Reduced Travel Lane Widths (10’ Lanes)

- **Trucks and buses are typically 10.5’ wide mirror to mirror**
- **AASHTO and State Local Agency Guidelines recommend 11’ lanes as a practical minimum for arterials**

Bus Dimensions



Bus Dimensions



Local Agency Guidelines

42.5 Design Level D Standards for Two Way Roads and Streets

Design Standards	Arterial							Collector				
	Principal			Minor								
	Curbed[4]	Shouldered		Curbed[4]	Shouldered			Curbed[4]	Shouldered			
	DHV All	DHV Below 200	DHV 200 and Over	DHV All	DHV Below 100	DHV 100 to 200	DHV 201 and Over	DHV 400 and Over	ADT 400 to 750	ADT 751 to 1000	DHV 100 to 200	DHV 201 and Over
Right of Way	Not less than required for all design elements.											
Roadway Width[1][2][7][9]	24ft	36ft	40ft	24ft	32ft	36ft	40ft	24ft	26ft	28ft	34ft	40ft
Lane width:												
1. Exterior[2][7]	12ft	12ft	12ft	12ft	12ft	12ft	12ft	12ft	10ft	10ft	11ft	12ft
2. Interior Thru[2]	11ft	11ft	11ft	11ft	11ft	11ft	11ft	11ft	10ft	10ft	11ft	11ft
3. Two Way Left Turn[2]	11ft	11ft	11ft	11ft	11ft	11ft	11ft	11ft	10ft	10ft	11ft	11ft
4. Exclusive Turn[2]	11ft	11ft	11ft	11ft	11ft	11ft	11ft	11ft	10ft	10ft	11ft	11ft
5. Parking[2]	10ft[3]			10ft[3]					[5]			
Shoulder Width[6][7][9][2]		6ft	8ft		4ft	6ft	8ft		3ft	4ft	6ft	8ft
Clear Zone/Side Slopes	AASHTO[10]											
Ditch Slope (in slope)	Slopes steeper than 4:1 should only be used when achieving a 4:1 slope is impractical.											

(1) For curbed, distance from face of curb to face of curb. For shouldered, distance from paved edge to paved edge of shoulder.

(2) May be reduced to minimum allowed by AASHTO.

(3) 8 feet may be acceptable when the lane is not likely to become a traffic lane in the foreseeable future.

(4) Curbed section is appropriate for urban setting.

(5) Industrial areas 8 feet to 10 feet. Residential areas 7 feet to 10 feet.

(6) When guardrail is necessary, provide 2 feet of widening or longer posts to ensure lateral support.

(7) For roads with traffic volumes of less than 400 ADT, the low volume road and street standards may be used.

(8) Federal functional classification defined by WSDOT.

(9) For guidance for one-way streets, see AASHTO, and the current uniform fire code.

(10) When using AASHTO guidance for clear zone determinations, the designer should take into account all AASHTO materials relating to clear zone and project circumstances. See the reference section of this publication.

AASHTO Geometric Design Guidelines

7.3.3 Cross-Sectional Elements

Lane Widths

Lane widths may vary from 3.0 to 3.6 m [10 to 12 ft]. Lane widths of 3.0 m [10 ft] may be used in more constrained areas where truck and bus volumes are relatively low and speeds are less than 60 km/h [35 mph]. Lane widths of 3.3 m [11 ft] are used quite extensively for urban arterial street designs. The 3.6-m [12-ft] lane widths are desirable, where practical, on high-speed, free-flowing, principal arterials.

Under interrupted-flow operating conditions at low speeds (70 km/h [45 mph] or less), narrower lane widths are normally adequate and have some advantages. For example, reduced lane widths allow more lanes to be provided in areas with restrictive right-of-way and allow shorter pedestrian crossing times because of reduced crossing distances. Arterials with reduced lane widths are also more economical to construct. A 3.3-m [11-ft] lane width is adequate for through lanes, continuous two-way left-turn lanes, and lanes adjacent to a painted median. Left-turn and combination lanes used for parking during off-peak

AASHTO Bicycle Facilities Guide

There are many factors beyond the scope of this guide that highway agencies should consider in choosing appropriate lane and shoulder widths for specific facilities (refer to *A Policy on Geometric Design of Highways and Streets* (*1*)). However, from the standpoint of accommodating bicyclists, it is generally preferable in retrofit situations to provide 3 to 4 ft (0.9 to 1.2 m) paved shoulder than to provide a narrower paved shoulder. Thus, in a retrofit situation, where the total width of the existing outside lane is 14 ft (4.3 m), it would generally be preferable for bicyclists to provide either a 10 to 11 ft (3.0 to 3.3 m) travel lane and a 3 to 4 ft (0.9 to 1.2 m) paved shoulder or to leave the 14 ft (4.3 m) outside lane width unchanged. By contrast, providing a 12 ft (3.6 m) travel lane and a 2 ft (0.6 m) shoulder provides limited space to ride and places bicyclists at a distinct disadvantage in comparison to the other alternatives.

Challenges with Widening

Challenges with Widening

Challenges With Widening the Project

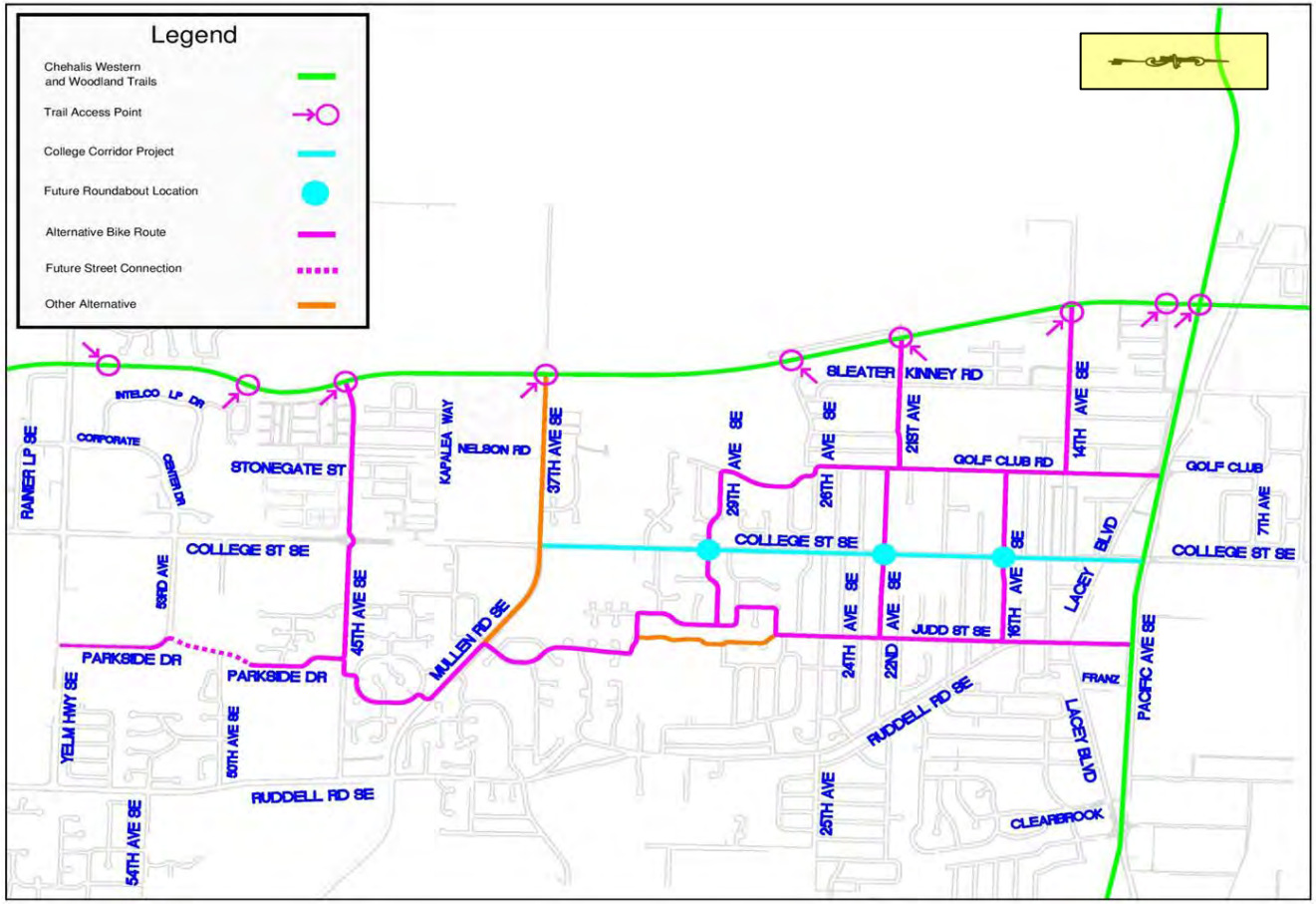
- The 5' bike lane requires a minimum of 3 additional home acquisitions
- The College/22nd Roundabout plans are approximately 90 percent complete, any changes at this point would delay the project
- The corridor study identified the additional cost to be $1.7M (2008 dollars)
- Additional widening will negatively impact property owners

Parallel Routes

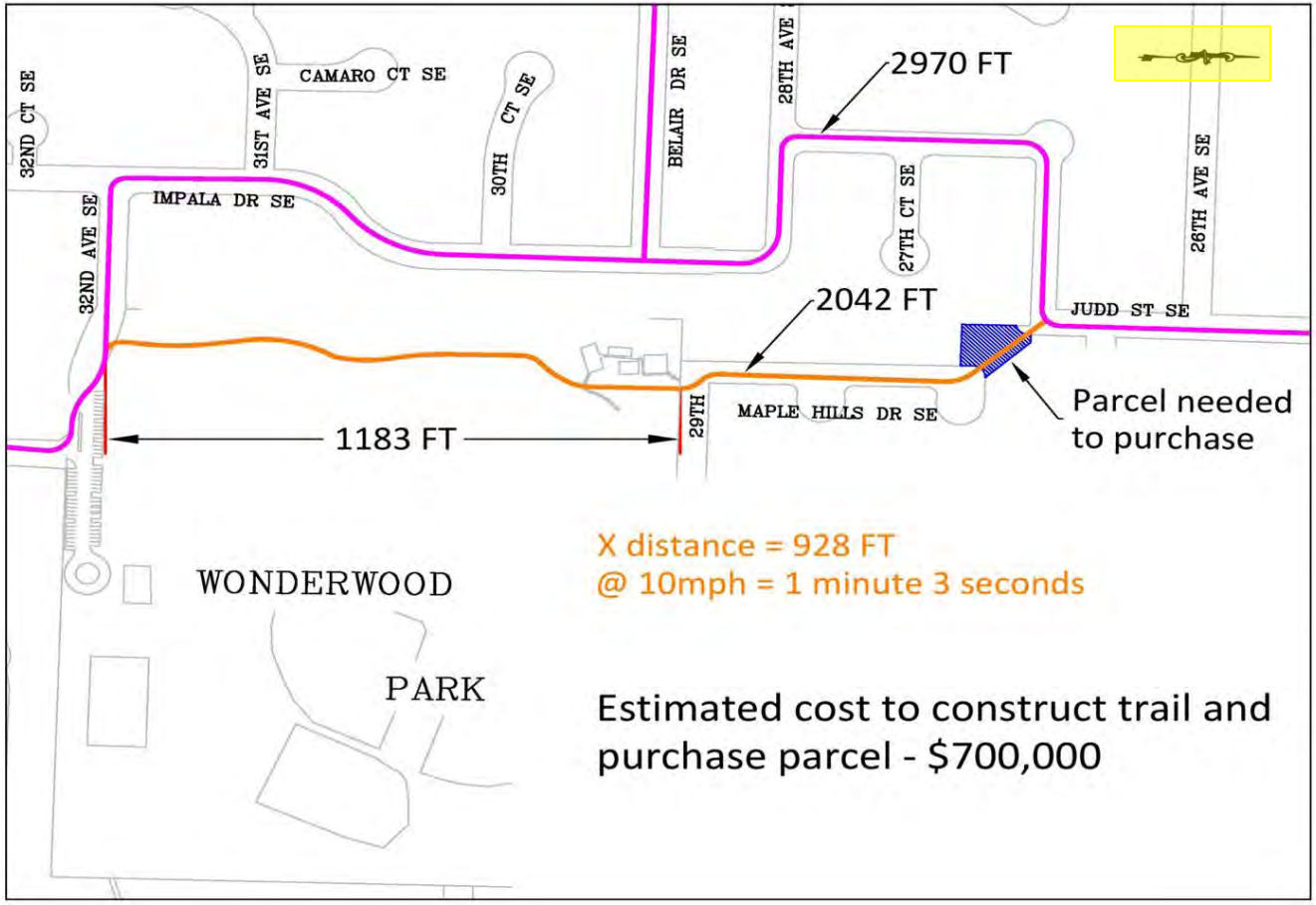
- **Chehalis Western Trail/Golf Club Road to the west**
  Dedicated shared use path ties into Woodland Trail

- **Judd Street to the east**
  Will connect from Yelm Hwy to Lacey Blvd, with construction of Parkside Drive

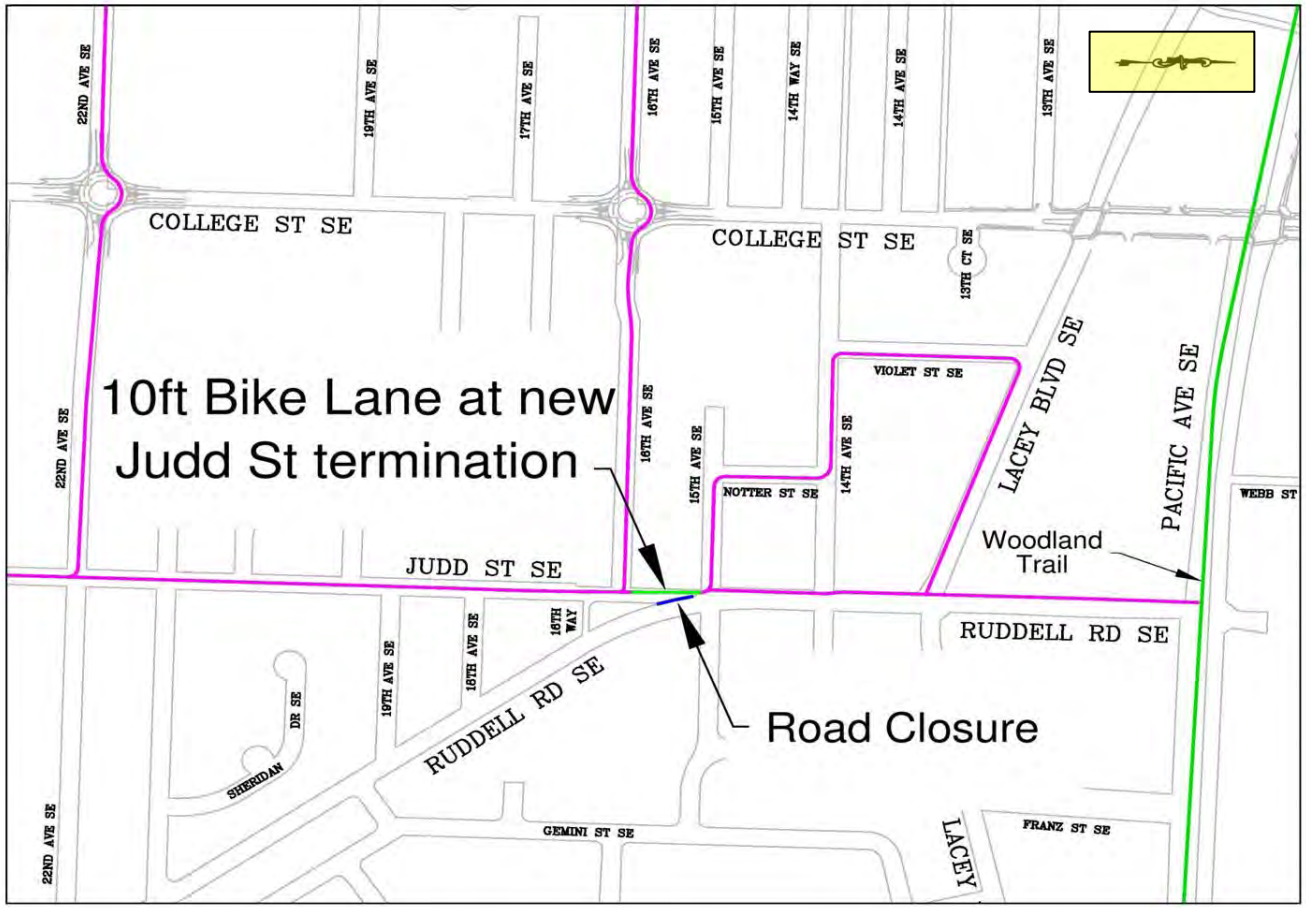
Judd Street Bike Route



Judd St. Bike Route – Wonderwood Park



Judd St. Bike Route – Judd St. Closure



Discussion