

**AGENDA**  
LACEY PLANNING COMMISSION MEETING  
Tuesday, May 19, 2015 – 7:00 p.m.  
Lacey City Hall Council Chambers, 420 College St. SE

**Call to Order:** 7:00 p.m.

- A. Roll Call
- B. Approval of Agenda & Consent Agenda Items\*  
Approval of the May 5, 2015, Planning Commission Meeting Minutes

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

**Public Comments:** 7:01 p.m.

**Commission Members Reports:** 7:03 p.m.

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

**Public Hearing:** 7:10 p.m.

**Proposed LMC 16.82 Related to Development Agreements: Christy Osborn, Associate Planner.** The Planning Commission will conduct a public hearing and make a formal recommendation to the City Council on proposed Lacey Municipal Code 16.82 which would authorize the use of development agreements and establish the process associated with their use.

**Old Business:** 7:30 p.m.

**2016 Land Use Element Update Chapter 3 Topic Sections: Christy Osborn, Associate Planner; Ryan Andrews, Planning Manager.** The Planning Commission will review the draft topic sections for Chapter 3 of the updated Land Use Element which includes a discussion, goals and policies, and implementation measures for each topic section. Topics to be covered include: residential, infill, and subareas.

**New Business:** 8:15 p.m.

**Envision Lacey Outreach: Ryan Andrews, Planning Manager.** The Planning Commission will be briefed on upcoming Envision Lacey outreach events occurring through the summer.

**Communications and Announcements:** 8:55 p.m.

**Next Meeting:** June 2, 2015.

**Adjournment:** 9:00 p.m.

## MINUTES

Lacey Planning Commission Meeting  
Tuesday, May 5, 2015 – 7:00 p.m.  
Lacey City Hall Council Chambers, 420 College Street SE

Meeting was called to order at 7:00 p.m. by Mike Beehler.

Planning Commission members present: Mike Beehler, Cathy Murcia, Jason Gordon, Carolyn St. Claire, Sharon Kophs, Carolyn Cox, and Paul Enns. Staff present: Ryan Andrews, Rick Walk, and Leah Bender.

Mike Beehler noted a quorum present.

**Carolyn Cox made a motion, seconded by Paul Enns, to approve the agenda for tonight's meeting. All were in favor, the motion carried. Carolyn St. Claire made a motion, seconded by Sharon Kophs, to approve the minutes of the April 21, 2015, meeting. All were in favor, the motion carried.**

1. **Public Comments:** None.

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

3. **Director's Report:**

- Rick Walk noted that in light of Gail Madden and Albert de Santis resigning from Planning Commission he wanted to confirm that a quorum is the majority of members, so there must be at least five Commissioners present to officially act on an item.

4. **Public Hearings:**

**Carpenter Crest LLC Zoning Text Amendment:**

- Ryan Andrews gave some background information and explained that there are two parts to the application: Allow for multi-family and an espresso stand in CBD7.
- Staff supports the amendment to allow multi-family, but does not recommend allowing drive-thru stands in CBD7.
- Ryan went over the draft amendment and pointed out that Table 16T-06 has been amended to allow multi-family in CBD7 and pointed out that drive-thru stands are currently allowed in CBD5.
- Applicant Doug Probstfeld addressed Planning Commission. He pointed out that he purchased Carpenter Crest Apartments 17 years ago and has completely renovated the property over the years. He recently purchased two vacant lots adjacent to the complex and would like to develop them with high-end multi-family units. Mr. Probstfeld agreed that the location is not the best place for a drive-thru coffee stand.
- **Carolyn St. Claire made a motion, seconded by Paul Enns, to recommend the amendment to City Council. All were in favor, the motion carried.**
- Sharon Kophs asked for clarification on the coffee stand issue. Staff explained that sit-down coffee shops are currently allowed in CBD7 but drive-thru stands are not. Staff pointed out that drive-thru restaurants are currently allowed in CBD5, and this is not changing.

**South Puget Sound Community College and Seattle Archdiocese Comprehensive Plan Amendment:**

- Ryan explained that there are two parcels owned by SPSCC and Seattle Archdiocese that are currently zoned OS-I. Circumstances have changed and the property owners no longer wish to complete projects that were proposed for the parcels and would like to change the zoning to LI to make the parcels more marketable.
- Ryan noted that staff supports the rezone and pointed out that the properties are well served by utilities, and that the goals and policies of the Comp Plan support the change.
- Ed Foster with the Seattle Archdiocese addressed Planning Commission. He discussed the building size limitation, development of 31<sup>st</sup> Avenue, and utility availability. He also explained that the current location of Pope John Paul II High School is satisfactory and the Archdiocese has no plans to relocate the school to the parcel in question.
- There was a discussion about mitigation fees on Hogum Bay Road. Staff explained that the developer of the property would be required to pay mitigation fees at the time of building permit issuance, which is current practice.
- The building size limitation was discussed. Staff pointed out that limitation is specified in the zoning chapter.
- **Paul Enns made a motion, seconded by Cathy Murcia, to recommend the approval of the requests to City Council. All were in favor, the motion carried.**
- Mike Beehler closed the public hearing.

5. **New Business:**

**2015 National Planning Conference Takeaways:**

- Ryan said the conference was very well attended and he went over some of the noteworthy sessions he attended and shared information with Commissioners. Many of the session topics concerned traffic and transportation issues, and demonstrated how other cities and countries are dealing with the issues.
- Ryan said he attended a session called Content Neutral Sign Regulations and that there is currently an appeal going before the Supreme Court (Reed vs. Town of Gilbert) which states that any time a sign permit submittal has to be reviewed for content, it is a violation of the right to free speech.
- Rick discussed some of the sessions he attended regarding comp plan amendments, TOD's and form-based code, and creating a new community business plan. Rick noted that a lot of the information he received reinforced that Lacey already has many good practices in place.
- Rick shared that the City of Dublin, Ohio's comp plan is completely web based and not in hard copy format.

6. **Communications and Announcements:**

- Cathy Murcia shared that she recently met with a person who is the director of both the Community Development and Public Works departments for a city.
- Cathy said she recently attended a meeting at Olympia City Hall and was given a tour of the building. She found it interesting that the Olympia Public Works department employs 142 people.
- Cathy also noted that she is very interested in the Legislature's ruling on impact fees.

7. **Next meeting:** May 19, 2015.

8. **Adjournment:** 8:40 p.m.

5/12/15

## CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting  
May 19, 2015**

**Packets due: May 14<sup>th</sup>**

1. **Public Hearing:** Development Agreement Zoning Text Amendment
2. **Worksession:** Land Use Element Chapter 3 Topic Sections; CO: Residential, Infill; RA: Urban Design, Subareas
3. **Worksession:** Envision Lacey Outreach

**Planning Commission Meeting  
June 2, 2015**

**Packets due: May 28<sup>th</sup>**

1. **Worksession:** Intercity Transit, Jeff Gadman, Lacey Council Rep to IT (Tentative)
2. **Worksession:** Land Use Element Chapter 3 Topic Sections: CO: Commercial, Industrial; RA: Land Use and Transportation
3. **Worksession:** Nisqually Middle School Presentation (Tentative)

**Planning Commission Meeting  
June 16, 2015**

**Packets due: June 11<sup>th</sup>**

1. **Worksession:** Front Yard Setbacks for SFR's/Code Updates

**Planning Commission Meeting  
July 7, 2015**

**Packets due: July 2<sup>nd</sup>**

1. **Public Hearing:** Code Updates
2. **Worksession:** Environmental Element Goals and Policies

**Pending items:**

Woodland District FBC Consultant Briefing (Tentative July 21)  
Market Study Briefing  
Housing Element



## PLANNING COMMISSION STAFF REPORT

May 19, 2015

**SUBJECT:** Development Agreements Public Hearing

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**RECOMMENDATION:** Conduct a public hearing and make a formal recommendation on the addition of municipal code provisions to authorize development Agreements.

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**TO:** Lacey Planning Commission

**STAFF CONTACTS:** Rick Walk, AICP, Community Development Director *RW*  
Ryan Andrews, Planning Manager *RA*  
Christy Osborn, Associate Planner *CO*

**ATTACHMENT(S):** 1. Draft Chapter 16.82 LMC, Development Agreements

**PRIOR COUNCIL/  
COMMISSION/  
COMMITTEE REVIEW:**

April 7, 2015 Planning Commission Work Session  
April 21, 2015 Planning Commission Work Session  
May 4, 2015 Land Use Committee Work Session

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**BACKGROUND:**

A development agreement is a contract between a local jurisdiction and a person who owns or controls property within the jurisdiction that specifies the standards and conditions that will govern the development of the property. The development agreement provides the developer with vested rights by freezing existing zoning and development regulations and vesting development rights. In turn, a local jurisdiction can get commitments from the developer for high quality site and building design elements, dedication of parks and open space, coordination of public infrastructure or other facilities, and ensure that development will proceed in a timely fashion. Development agreements also allow for flexibility and innovation in land use and design techniques provided that they are in compliance with the Comprehensive Plan.

Constitutional and statutory law establishes the authority to regulate the use of property, and also defines the limitations of that authority. The Local Project Review Act (Chapter 36.70B RCW) provides specific authority and direction for development agreements. Further, the Washington Administrative Code (WAC 365-196-845) establishes specific code provisions to implement and explain the intent of the law. The City Council is the required decision making authority for these agreements.

The authority to enter into a development agreement must be clearly set forth in a jurisdiction's development regulations. The City's 2014 Annual Review and Audit by the Washington Cities Insurance Authority (WCIA) contained a mandatory audit requirement to adopt provisions in our code for development agreements during the 2015 calendar year. Draft Chapter 16.82 is attached for your review.

The Planning Commission began their review of Draft Chapter 16.82 LMC, Development Agreements at a worksession on April 7, 2015. The Commission also reviewed the draft code language on April 21, 2015. A key item of discussion was the maximum time period to allow vesting of a development agreement. The draft code was modified in subsection 16.82.040(C) to clarify the language to determine the tenure of the agreement based on the specific project but not to exceed a twenty-year time period. Proposed changes are shown in red underline.

On May 4, 2015, the Land Use Committee held a work session on the draft. The committee discussed the draft chapter and concerns related to possible long-term vesting of an agreement. The committee indicated that they preferred determining the duration of the agreement during the review process of a specific project.

The city attorney reviewed the draft chapter provisions for development agreements, including proposed changes recommended by the Planning Commission. Suggested changes recommended by the city attorney to the draft include: additions to subsection 16.82.030(B) to establish thresholds and procedures for amendments to the agreement, and a dispute resolution process for the failure or refusal to comply with the terms of the agreement. These provisions are reiterated in section 16.82.070, Terms of Agreement.

The city attorney also recommended alternative language to subsection 16.82.040(C) to allow for determining the tenure of an agreement based on the project. Suggested language in this section also allows for consideration of modifications to an agreement by the City Council when findings are made that the agreement is consistent with the Comprehensive Plan and modifications to the agreement are in the best interest of the City. Suggested changes to the draft by the city attorney are shown in blue font.

**RECOMMENDATION:**

The Planning Commission will conduct a public hearing to take testimony and comment on the proposed provisions for the addition of Chapter 16.82, Development Agreements to the Lacey Municipal Code. At the conclusion of the public hearing, the Planning Commission will conduct a work session to analyze the testimony, ask questions, and make any necessary changes to the draft. At the conclusion of the work session, the Planning Commission is requested to move the proposed development agreement regulations to the City Council for consideration.

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## Chapter 16.82 DEVELOPMENT AGREEMENTS

Sections:

- 16.82.005 Authority
- 16.82.010 Purpose
- 16.82.020 Development Standards
- 16.82.030 Content of a Development Agreement
- 16.82.040 Effect and Vesting
- 16.82.050 Procedure
- 16.82.060 City Council Action
- 16.82.070 Term of Agreement

### 16.82.005 Authority

A. This chapter applies to development agreements authorized pursuant to RCW Chapters 36.70B.170 – 36.70B.210, as a legislative action, between the City of Lacey and a person having ownership or control of real property within its jurisdiction. The execution of a development agreement is a proper exercise of City police power and contract authority.

B. The City may enter into a development agreement for real property outside its city limitsboundaries as part of a proposed annexation, or a service agreement.

**Comment [C01]:** Change proposed by PC

C. The provisions of this chapter do not apply to or affect the validity of any contract rezone, concomitant agreement, annexation agreement or other agreement in existence on or before the effective date of this chapter, or adopted under separate authority, even though such agreements may also relate to development standards, mitigation, and other regulatory requirements.

D. The City may enter into development agreements pursuant to this chapter. The decision whether to enter into a development agreement is discretionary with the City Council. The development agreement shall provide for the scope and timing of the project, applicable regulations and requirements, mitigation requirements and other matters relating to the development process.

### **16.82.010 Purpose**

The purpose of development agreements are as follows:

1. The lack of certainty in the approval of development projects can result in a waste of public and private resources escalate housing costs for consumers, and discourage the commitment to comprehensive planning which maximizes efficient use of resources at the least economic cost to the public.
2. Assurance in the development review process can significantly encourage development or redevelopment of real property. This certainty is especially important for large-scale or multiphase developments that take years to complete and that require substantial financial commitments at an early stage.
3. A development agreement promotes the general welfare by balancing the public and private interests, providing reasonable certainty for a development project, and addressing other matters, including funding or providing services, infrastructure, or other facilities.

### **16.82.020 Development Standards**

A. Any person intending to propose a development agreement shall first meet with the Director of Community Development or their designee for purposes of understanding the parameters of the proposal and applicable procedures.

B. In order to encourage innovative land use techniques and to further achieve public benefits, a development agreement adopted pursuant to this chapter may impose development standards that differ from the standards of the Lacey Municipal Code and the Lacey Development Guidelines and Public Works Standards which would otherwise be applicable to a proposed development. Examples of development standards that may differ include infrastructure requirements, street standards, performance standards, and duration of approvals. All development standards imposed must achieve public benefits, respond to changing community needs, and require modifications which provide the functional equivalent or adequately achieve the purposes of otherwise applicable City standards. Any development standard imposed by the development agreement must be consistent with and further the stated intent of the comprehensive plan.

C. The development standards as approved through a development agreement shall apply to and govern the development and implementation of the subject site in lieu of any conflicting or different standards or requirements elsewhere in the Lacey Municipal

Code. A development agreement shall reserve authority to impose new or different regulations to the extent required by serious threat to public health and safety.

D. Notwithstanding the foregoing, the International Building Code, International Fire Code, and other construction codes in effect in the State of Washington, and as adopted by the City of Lacey, on the date of filing a fully complete building permit application or other construction application for a building on the subject site shall apply; except that no changes to such codes taking effect after the date of the development agreement shall require redesign or modification of then-existing project utilities, facilities, or other infrastructure that were installed in accordance with the development agreement.

#### **16.82.030 Contents of a Development Agreement**

A. A development agreement must set forth the development standards and other provisions that shall apply to, govern, and vest the development, use, and mitigation of the development of the real property for the duration specified in the agreement.

B. For purposes of this chapter, the term “development standards” means and includes, but is not limited to the following items. In approving a development agreement, conditions of approval shall at a minimum establish:

1. A site plan for the entire project, showing locations of sensitive areas and buffers, required open spaces, perimeter buffers, location of residential development, and location of non-residential development;
2. Project elements such as permitted uses, residential densities and nonresidential densities; range of uses authorized for any non-residential development; intensities; and building sizes;
3. The amount and payment of impact fees imposed or agreed to in accordance with any applicable provisions of State law, any reimbursement provisions, other financial contributions by the property owner, or dedications;
4. Mitigation measures, development conditions, and other requirements under LMC Chapter 14.24, Environmental Policy, and RCW Chapter 43.21C;
5. Design standards such as maximum heights, setbacks, streets, drainage and water quality requirements, landscaping, and other development features;
6. Sewer, water, stormwater and other utility plans;
7. Parks and open space preservation;
8. Phasing plan, if applicable;
9. Review procedures and standards for implementing decisions;
10. **Thresholds and procedures for amendments to the agreement;**

**Comment [C02]:** Change proposed by City Attorney

11. A dispute resolution process for the failure or refusal to comply with the terms of the agreement.
12. A build-out or vesting period for applicable standards; and
13. Any other development requirement or procedure deemed appropriate by the City Council.

**Comment [C03]:** Change proposed by City Attorney

C. Nothing in this Chapter is intended to authorize the City to impose impact fees, inspection fees, or dedications or to require any other financial contributions or mitigation measures except as expressly authorized by other applicable provisions of law.

#### 16.82.040 Effect and Vesting

A. Unless amended or terminated, a development agreement is enforceable during its term by a party to the agreement. A development agreement and the development standards in the agreement govern during the term of the agreement, or for all or that part of the build-out period of the project specified in the agreement, and the project may not be subject to an amendment to a zoning ordinance, or development standard, or regulation adopted after the effective date of the agreement. A permit or approval issued by the City after the execution of the development agreement must be consistent with the development agreement.

B. Under subsection (A), a development agreement provides an alternative to vesting rights provided in Section 1B.060 of the Lacey Development Guidelines and Public Works Standards.

C. The tenure of the approval of a development agreement shall be determined on a project specific basis and may be approved up to but not to exceed a twenty year time period. At the expiration date of a development agreement, application of a new agreement would be required as provided in the provisions contained in the Lacey Municipal Code.

**Comment [C04]:** Change proposed by PC

Alternative language (Subsection C): The tenure of the approval of a development agreement shall be determined on a project specific basis. The City Council may consider modifying the tenure of an agreement at the request of the property owner. In order to modify the tenure of the agreement, the City Council shall find that the agreement is consistent with the City's Comprehensive Plan and modifying the tenure of the agreement is in the best interest of the City.

**Comment [C05]:** Change proposed by City Attorney

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D. A development agreement may reserve capacity in the transportation system for the proposed developments trip generation and, in such case, the proposed development shall be deemed to have achieved transportation concurrency under the concurrency rules and regulations in effect on the effective date of the development agreement. The term for the concurrency determination shall be set forth in the development agreement.

**16.82.050 Procedure**

A. If a development agreement is not proposed in conjunction with an action requiring ‘quasi-judicial review’ or ‘legislative review’ under Chapter 1C of the City of Lacey Development Guidelines and Public Works Standards, the development agreement shall be presented to City Council at a public hearing for approval by ordinance or resolution.

B. If the development agreement is proposed in conjunction with an action requiring ‘quasi-judicial review,’ the development agreement shall be presented to the City Council for final approval by ordinance or resolution, after a public hearing with the Hearing Examiner. The Hearing Examiner shall make a recommendation of approval or denial on the applications and the development agreement to the City Council.

C. If the development agreement is proposed in conjunction with an action requiring ‘legislative review,’ the development agreement shall be presented to the City Council for final approval by ordinance or resolution, after a public hearing with the Planning Commission. The Planning Commission shall make a recommendation of approval or denial on the applications and the development agreement to the City Council.

D. Prior to any required public hearing, the Director or their designee shall issue a public hearing notice in accordance with the provisions for providing such notice under Section 1C of the City of Lacey Development Guidelines and Public Works Standards.

**16.82.060 City Council Action**

A. The City Council shall consider the proposed development at and following the public hearing. The City Council may approve and enter into a proposed development agreement if the Council finds, in its sole discretion, that a proposed agreement is consistent with the comprehensive plan and the purposes of this chapter. The decision of the City Council on a development agreement is the final decision of the City.

B. Notice of the final decision by the City Council shall be mailed to the applicant, to any person who submitted public comments, and to any other person who has specifically requested it.

C. The development agreement shall be recorded with the Thurston County Auditor prior to the effective date of any development proposal that was submitted and reviewed concurrently with the development agreement.

D. The appeal of a final decision of the City Council shall be timely filed as a judicial appeal pursuant to Section 1D.040, of the City of Lacey Development Guidelines and Public Works Standards.

**16.82.070 Terms of Agreement**

A. A development agreement pursuant to RCW 36.70B and this chapter shall be binding on the parties and their successors during the term of the development agreement and enforceable during its term by a party to the agreement, unless the agreement is amended or terminated.

B. The City reserves the right to modify or terminate the development agreement upon ~~discovering~~ the failure or refusal to comply with the terms of the agreement by the developer in accordance with the dispute resolution process contained in the agreement.

**Comment [C06]:** Change proposed by City Attorney

C. Amendments to the terms of the development agreement shall be done only by a written instrument executed by all parties pursuant to the procedures of this article, or as may be amended. The City will process and decide upon application of an amendment in accordance with the thresholds and procedures for amendments contained in the project specific agreement.

**Comment [C07]:** Change proposed by City Attorney



## PLANNING COMMISSION STAFF REPORT May 19, 2015

**SUBJECT:** 2016 Comprehensive Plan Update: Chapter Three Review

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**RECOMMENDATION:** Review proposed changes and edits made to Chapter Three, Land Use Framework, of the Draft Land Use Element for the Residential and Sub-Area topic sections.

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**TO:** Lacey Planning Commission

**STAFF CONTACTS:** Rick Walk, Community Development Director  
Ryan Andrews, Planning Manager *RA*  
Christy Osborn, Associate Planner *CO*

**ATTACHMENT(S):** 1. Draft Chapter Three, Residential and Infill  
2. Draft Chapter Three, Sub-Areas

**PRIOR COUNCIL/  
COMMISSION/  
COMMITTEE REVIEW:**

The proposed changes to the Land Use Element began in early 2013 and have been reviewed by the Planning Commission at several points throughout the process.

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### **BACKGROUND:**

At a worksession on December 16<sup>th</sup>, 2014, the Planning Commission confirmed staff's proposed approach on the update to the Land Use Element. The Planning Commission has previously reviewed both chapters one and two in keeping with the framework—now chapter three is now being presented for review.

As a reminder, chapter three merges and arranges the content contained in the previous (2013 draft) chapters 5, 6, and 7 to define land use designations, goals and policies, and identify implementation strategies. Each section has been drafted to include a discussion of issues and analysis of each topic then lists goals and policies to address the issues. Finally, the section ends with implementation items that are identified for potential future work programs to address.

The residential and infill sections of the land use plan outlines the need for increased densities and more diverse housing types to adequately accommodate the anticipated increases in population based on the available land supply over the planning period. A change

in demographics of the aging baby boomer and millennial generations is creating a shift in the desire for residential housing that is located in a walkable urban neighborhood setting with smaller homes and nearby amenities. The current suburban land use pattern will not be able to effectively accommodate an increase of over 32,000 people within the planning period. The Plan identifies opportunities for increasing densities and locating infill development in identified core areas and nodes. Goals, policies, and implementation measures have also been identified.

The sub-area topic section includes a discussion on how sub-area plans are used to guide Lacey's transition from a suburban community to one that is more urban. Sub-area plans are used to enhance Lacey's character through use of development standards and implementation measures that are specific to a geographic area. The section identifies existing sub-area plans (*Woodland District Strategic Plan* and the *Northeast Area Planning Element*) and also identifies future potential sub-area plans (Depot District, Martin Way corridor, and Golf Club Road neighborhood). Goals and policies addressing these issues are included as well as implementation measures have been added to identify future work program items for priority issues.

**RECOMMENDATION:**

The Planning Commission will review draft edits made to Chapter Three, Residential and Infill and Sub-Areas. Future topic sections in Chapter Three will be brought forward for review as they are completed.

## Chapter 3 – Land Use Element

### 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. The City is required to plan for providing housing for this expected population through the next planning period.

Population forecasts for the twenty-year planning period anticipate the need for the City to accommodate an increase of 32,176 persons within the UGA. 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 due to available land resources. Given the current household size of 2.4 persons, an additional 13,820 housing units will be needed by the year 2035. If development were to continue to occur at the current lowest densities 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 increase significantly.

The most recent Population and Employment Forecast indicates that there is currently more land designated for Low Density Residential development, 380 acres, than there is for Moderate and High Density Residential development combined within city limits. 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 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. Since 2007, the City has not received any applications for multi-family development. This means that all residential development since then 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 Urban Growth Area, significantly more capacity for single family lots still exists. Meaning 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 addition 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.

## **Infill Development**

Since the adoption of the initial Growth Management Act comprehensive plan, zoning, and development regulations in the early 1990’s, there has been a steady increase in residential densities with 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 between 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 a 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 multi-family development in the Woodland District by adopting a multi-family 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.

## Goals and Policies

### Residential

Goal\_\_\_ Ensure sustainable and wise use of land resources to provide an adequate amount and mix of housing types for the anticipated increases in population.

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

Goal\_\_\_ Ensure that development regulations meet the current vision outlined in the Comprehensive Plan.

*Policy\_\_\_ 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\_\_\_ Achieve a level of excellent place-based 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\_\_\_ 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\_\_\_ Identify areas to focus infill density and mixed-use concepts based upon potential capacity, built condition, and infrastructure.*

*Policy\_\_\_ Development approval criteria should require availability of urban utilities, such as water and sewer.*

*Policy\_\_\_ Where compatibility issues can be adequately addressed, allow for a range of densities 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.*

## Implementation Measures

1. Amend density standards in the Moderate-Density and High Density Residential Districts to identify minimum density standards and distinguish densities intensities 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.

## Sub-areas

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 it is design and development standards, as identified in the Comprehensive Plan and implemented by a variety of private and public development projects, which improve the visual character of the built environment and assists 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, sub-area plans are used as plans for neighborhoods, corridors, special districts and joint planning areas. The adoption and incorporation of sub-area plans into the Comprehensive Plan adds greater detail, guidance and predictability to future development. These sub-area plans help guide the city's transition to ensure that high-quality urban development is achieved. Two such sub-area 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 sub-area 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 50 years. Planning for the Woodland District began in the mid-1990s 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 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 forms the policy basis for the sub-area 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 10-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 developments 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 multi-family 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.

### Northeast Area Planning Element

The *Northeast Area Planning Element* was adopted in July of 1992 and was one of the City of Lacey's first sub-area plans. The *Northeast Area Planning Element* applies to 970 acres in northeast Lacey and was completed when city utilities were being extended through the area through a utilities local improvement district (ULID). Extension of utilities combined with the areas 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 sub-area 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 sub-area 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 sub-area 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 for the area including 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.

### Future Sub-area Plans

There are other strategic locations around the city where development of a sub-area plan would be a useful tool in both placemaking and revitalization. Future sub-area 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 sub-area 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 new depot museum and public investments made to the area, the area could benefit from sub-area planning efforts to aid in revitalization. Any sub-area 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 future potential sub-area 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 sub-area 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.

The area south of Lacey Boulevard near Golf Club Road would be a prime candidate for the City’s first neighborhood-oriented sub-area 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, transit, and is in close proximity to services; however the area lacks pedestrian-oriented transportation options and a distinctive quality. These factors, also combined with High Density and Moderate Density Residential zoning mean that it will be a priority area for future infill development would make it a priority area for future sub-area planning.

### Sub-area Goals and Policies

1. **Goal:** Use sub-area plans to assist in Lacey’s transition from a suburban to urban community.

- a. Policy: Sub-area plans shall guide development that recognizes the identity and character of individual subareas while also effectively transitioning them to more urban uses.
- b. Policy: Use sub-area plans to implement placemaking techniques to provide interest, identity, complementary character, compatibility, and sense of place for each sub-area. Use of innovative techniques such as form-based codes or other methods shall be considered to achieve placemaking objectives.
- c. Policy: Sub-area plans shall strive to provide for a broad range of uses including commercial, office, institutional, parks, and a diverse mix of housing types.
- d. Policy: Utilize sub-area plans to identify and prioritize future public investments.
- e. Policy: Continue to support the existing sub-area plans for the Woodland District and the Northeast Area Planning Element while also supporting future efforts to develop sub-area plans for the Depot District, Martin Way Corridor, and Golf Club Road neighborhood.

#### **IMPLEMENTATION MEASURES**

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