

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

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

- A. Roll Call
- B. Approval of Agenda & Consent Agenda Items\*  
Approval of the September 15, 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.

**Woodland District Hybrid Form-Based Code: Ryan Andrews, Planning Manager.** The Planning Commission will conduct a public hearing to take testimony on the Woodland District Hybrid Form-Based Code. The form-based code incorporates a regulating plan, building form standards, street standards (plan and section), general use regulations, and other elements needed to implement the vision for the Woodland District as identified in the Woodland District Strategic Plan. At the conclusion of the hearing, the Planning Commission is requested to analyze the testimony and make a formal recommendation on the Form-Based Code to the City Council.

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

**Economic Development Element: George Smith, Economic Development Coordinator.** The City of Lacey Economic Development Element of the Comprehensive Plan (a mandatory element under the GMA) is being drafted to integrate the findings of the economic analysis and to comply with the June 2016 update requirement. Staff will provide a briefing on the draft for review by the Planning Commission.

**2016 Land Use Element Update Chapter 3 Topic Sections: Christy Osborn, Associate Planner.** 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: commercial and industrial land uses.

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

**Next Meeting:** October 6, 2015.

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

9/28/15

## CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting  
October 6, 2015**

**Packets due: October 1<sup>st</sup>**

1. **Public Hearing:** Woodland District Form-Based Code
2. **Worksession:** Economic Development Element
3. **Worksession:** Land Use Element Chapter 3 Topic Sections: Commercial, Industrial

**Planning Commission Meeting  
October 20, 2015**

**Packets due: October 15<sup>th</sup>**

1. **Worksession:** Housing Element

**Planning Commission Meeting  
November 3, 2015**

**Packets due: October 29<sup>th</sup>**

1. **Worksession:** Joint Meeting with Library Board (tentative)

**Pending items:**

Planning Commission on the road (tentative):  
December 1, Horizons Elementary  
January 19, Evergreen Forest Elementary  
February 2, NE Lacey TBA

## MINUTES

Lacey Planning Commission Meeting  
Tuesday, September 15, 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, Jason Gordon, Sharon Kophs, Carolyn St. Claire, Paul Enns, and Cathy Murcia. Staff present: Rick Walk, Christy Osborn, Ryan Andrews, and Leah Bender. Also present: Marcy McInnelly, Joseph Readdy, Dan Penrose, Thera Black, and Laura Price.

Mike Beehler noted a quorum present.

**Paul Enns made a motion, seconded by Cathy Murcia, to approve the agenda for tonight's meeting. All were in favor, the motion carried. Jason Gordon made a motion, seconded by Carolyn St. Claire, to approve the September 1 meeting minutes. All were in favor, the motion carried.**

1. **Public Comments:** None.

2. **Commission Member's Report:**

- Jason Gordon reported on his attendance at the Joint Meeting. He said the tour of the new South Puget Sound Community College campus was very interesting.
- Sharon Kophs reported that SPSCC has received a \$1 million grant from the Small Business Association.
- Paul Enns noted that since classes have begun at the new SPSCC campus, business has increased considerably at Dancing Goats Coffee.

3. **Director's Report:**

- Rick Walk noted that he, the Mayor, and Mike Beehler interviewed five applicants for the vacant Planning Commission seats. The Mayor has selected two applicants, Mark Morgan and Mike Goff, and they are proposed to be appointed at the September 24 Council Meeting.

4. **New Business:**

**Woodland District Hybrid Form-Based Code:**

- Ryan Andrews gave some background information and noted that the city hired consultants SCJ Alliance, with support from Urbsworks and Community Attributes, to draft the Form-Based Code.
- Ryan recognized the review team that helped oversee the process.
- Marcy McInnelly, Joseph Readdy, and Dan Penrose gave a PowerPoint presentation that outlined the draft Woodland District FBC.
- Marcy talked about how information from the charrette, technical advisory team, and different public outreach programs helped draft the FBC.
- There was a consensus to hold a public hearing for the Draft Woodland District Form-Based Code on October 6. Rick asked if everyone will be able to attend to ensure that there will be a quorum.

5. **Communications and Announcements:** None.

6. **Next meeting:** October 6, 2015.

7. **Adjournment:** 8:20 p.m.



## PLANNING COMMISSION STAFF REPORT

October 6, 2015

**SUBJECT:** Woodland District Hybrid Form-Based Code

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**RECOMMENDATION:** Conduct a public hearing and make a formal recommendation to the City Council on the Woodland District Hybrid Form-Based Code.

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**TO:** Lacey Planning Commission

**STAFF CONTACTS:** Rick Walk, Community Development Director *RW*  
Ryan Andrews, Planning Manager *RA*

**ATTACHMENT(S):** 1. Draft Woodland District Form-Based Code

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

September 15, 2015 Briefing  
February 17, 2015 Introductory Briefing

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### BACKGROUND:

The Woodland District Strategic Plan, which was adopted by the Lacey City Council on July 25, 2013, set forth short and long-term strategies to enhance the District as a place to gather, interact, live, shop and play. The primary action in the "Set the Stage" portion of the action plan developed for the Woodland District was to develop a form-based code. The "Set the Stage" section is related to actions that can be taken to catalyze development and are designed to provide a foundation for investment into the District.

The form-based code is unique in that it uses both graphics and a concise narrative to clearly illustrate the District's desired form and character. Unlike standard zoning codes, the form-based code shapes both the public realm (streets and pedestrian network, public places, and on-street parking) and private realm (building forms, design and locations, on-site parking, and landscaping). The main benefit of the form-based approach is that it provides clarity of content and permitting process which is of benefit to potential developers. The code would ultimately serve as an incentive to attract new investments and produce a cohesive neighborhood characterized by great places.

With the 2015 budget, the City Council authorized \$100,000 for consultant services related to the development of the form-based code. The City has hired SCJ Alliance to lead the project with support from Urbsworks, a Portland-based design firm and Community Attributes, a

Seattle-based economics consultant. To assist the City and the design team, the City established a technical review team made up of various stakeholders including architects, landscape architects, property owners, brokers, etc. to act as the steering committee through the process. The technical review team conducted five meetings throughout the process to develop ideas, review key concepts, examine market conditions, and test the code.

Much of the work to develop the form-based code occurred at a week-long charrette. The charrette was held the week of March 23<sup>rd</sup> through March 26<sup>th</sup> and was a series of hands-on workshops, open houses, drop-in discussions with the project team, and culminated in a final public presentation.

The final draft code has been developed consistent with the Woodland District Strategic Plan and integrated into the City's existing regulatory framework to ensure high-quality public spaces defined by a variety of building types and uses including housing, retail, mixed-use and office space. The new code will incorporate a regulating plan, building form standards, street standards (plan and section), general use regulations, and other elements needed to implement the vision for the Woodland District.

The Planning Commission was briefed on the draft form-based code at the September 15<sup>th</sup> meeting. Since that time, the consultant team and staff have been working to develop a final draft for public hearing. The changes made to the draft since the last review by the Planning Commission include:

- Allowing proportional compliance adjustments for remodels based on the valuation of the building where the higher the value of the remodel, the more compliance with the form-based code is required. Additionally, language has been added so that any expansion of an existing building is required to comply.
- Inserting language related to how parks and open spaces are regulated through the form-based code.
- Refinement of street sections and public realm design requirements for through connections.
- Clarification of design standards for drive-thru window design related to orientation and enclosure within a building.
- Refinement of application processing procedures.

At this meeting the Planning Commission will be conducting a public hearing on the draft form-based code. In preparation for the hearing, notice was mailed directly to all property and business owners within the district, notice was also provided to all attendees of previous Woodland District events, and social media was utilized to notify and solicit input.

#### **RECOMMENDATION:**

The Planning Commission will conduct a public hearing on the Woodland District Hybrid Form-Based Code. At the conclusion of the hearing, the Planning Commission is requested to analyze the testimony, make any necessary edits to the document, and make a formal recommendation to the City Council. Based on the testimony received, the Planning Commission can elect to bring the form-based code back for another work session to refine the document before making the recommendation to the Council.

## 16.24 Woodland District Hybrid Form Based Code

Final Draft 22 September 2015

### 16.24.010 Statement of Intent

It is the intent of this Chapter to:

- A. Encourage density and a diverse mix of uses in the core area;
- B. Create a core area that is strongly pedestrian-oriented and transit friendly;
- C. Create a strong identity for the core area that supports the policies of the Downtown Comprehensive Plan, the Downtown 2000 Plan, and the Woodland District Strategic Plan;
- D. Create places that provide for the needs of a diverse population;
- E. Provide a comfortable pedestrian experience and commercial-retail opportunities;
- F. Promote the development of an office hub within the Woodland District that supports the surrounding retail component; and
- G. Promote high density residential in mixed-use patterns throughout the Woodland District.

### Woodland District Urban Neighborhoods Intent Statements

The Woodland District is divided into three sub-districts:

#### Urban Neighborhood 1 – Woodland Square

The goals for Urban Neighborhood 1 promote development that strives to combine commercial and housing uses on a single site or in close proximity. The Form Based Code (FBC) allows increased development on busier streets without fostering a strip commercial appearance. Development will support transit use and provide new housing opportunities in the City. The emphasis of the commercial uses is primarily on commercial, service, medical, educational, office, and locally-serving retail. Development is intended to consist primarily of businesses on the ground floor with services and/ or housing on upper stories. Development is intended to be pedestrian-oriented with buildings close to and oriented to the sidewalk, especially at corners, with through block connections that provide connections between properties, and an overall modified grid of streets.

#### Urban Neighborhood 2 – Pacific Avenue

The goals for Urban Neighborhood 2 promote low- and medium-intensity development with a local or regional emphasis along Pacific Avenue SE. The zone is intended to prevent the appearance of strip commercial development. Development is expected to balance the needs of pedestrians, bicycles, automobiles, and transit with a mixture of commercial, service, and residential uses. Although Pacific Avenue is the primary street for lots and parcels, Infill Blocks that have multiple frontages where the site (parcel) abuts the Woodland Trail development may use the trail as a ground level street-facing elevation of buildings and will take advantage of pedestrian connection to the trail. Development will balance the needs of autos, pedestrians, and transit users.

#### Urban Neighborhood 3 – Master Plan Areas

The goals for Urban Neighborhood 3 promote development that strives to combine regional commercial retail and housing uses on a single site or in close proximity. The development standards allow increased development on busier streets without fostering a strip commercial appearance. Development will support transit use and provide new housing opportunities in the City. The emphasis of the commercial uses is

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primarily on commercial, service, medical, educational, office, and local-serving and region-serving retail. Development is intended to consist primarily of businesses on the ground floor with services and/ or housing on upper stories. Development is intended to be pedestrian-oriented with buildings close to and oriented to the sidewalk, especially at corners with through block connections that provide connections between properties and an overall modified grid of streets.

The Woodland District Master Plan requirements strive to achieve a finer-grained network of streets and paths than currently exists, while permitting property owners flexibility regarding location, alignment and design, or type of streets and paths. New streets and paths will most likely be easements, and new infill blocks will be created as a result. Once a new infill block is created, the FBC development standards will apply in the same way that they will apply to legally defined sites and street-bounded blocks within the rest of the Woodland District. FBC development standards include stormwater regulations, height limits, setbacks and frontage type requirements.

## 16.24.020 Uses

- A. Permitted uses. Uses permitted in the Woodland District zones are listed in Table 16.24.020-1 with a “P.” These uses are allowed if they comply with the development standards and other regulations of this Section. Listing as an allowed use does not mean that a proposed development will be granted an adjustment or other exception to the regulations of this Title.
- B. Conditional uses. Uses which are allowed if approved through the conditional use review process are listed in Table 16.24.020-1 with a “C.” These uses are allowed provided they comply with the conditional use approval criteria for that use, the development standards, and other regulations of the LMC.

### Use-Specific Development Standards

#### Parks and Open Space

Huntamer Park, West Plaza Park, South Plaza Park, I-5 Park and Bikeway, and Civic Plaza are the current open spaces and parks in the Woodland District. These City-owned and managed facilities provide open space and natural amenities for the enjoyment of the public. The Woodland District Strategic Plan recommends reinforcing these areas through an improved network of sidewalks, bicycle lanes, paths, and multi-purpose trails. New development shall enhance these existing district open spaces. Application of the design standards for streets, paths, buildings, landscaping, and other design elements from the Hybrid Form Based Code will provide a sense of enclosure to the perimeter of the parks. Any new common open space, park, or Through Connection shall be designed to be useable for the recreation and enjoyment of the citizens.

#### Standards

There are no new open spaces identified for development in the Woodland District. Any new open space dedicated to the city shall be subject to the design criteria of LMC Chapter 14.23.088 Open Space and requirements of Chapter 16.48 Open Space/ Institutional District. Private open space and recreation associated with new residential or mixed-use development shall comply with the design criteria of LMC 14.088 Open Space.

#### Drive-Through Facilities

Where a drive-through component is proposed as part of a development, it shall meet the following regulations:

- a. The drive-through shall be accessory to the principal use of the development;
- b. The entrance to the drive-through lane shall not be on a Primary Street unless shared with the primary site access of the principal use. The drive-through lane and the drive through window shall not be visible from a Primary Street.
- c. The standards above may be met in either of the following ways:
  - i. The drive-through shall be accessed from a Secondary Street, Other Street or Through Connection, and contained within the building;
  - ii. The drive-through shall be accessed from a Secondary Street, Other Street or Through Connection, and located on the portion of the Infill Block that is farthest away from the Primary Street.

#### Ground Floor Residential Uses

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Where residential uses occur on the ground floor, vertical and horizontal separation is required to ensure privacy for building residents, and a high quality public realm. The minimum and maximum vertical and horizontal distance from the sidewalk is defined in the Development Standards Tables for Building and Landscape Frontage Types.

**Table 16.24.020-1**

Use Categories	1 – Woodland Square	2 – Pacific Avenue	3 – Master Plan
	P – Permitted	C – Conditional	
<b>Residential Categories<sup>1</sup></b>			
Household Living	<b>P</b>	<b>P</b>	<b>P</b>
Group Living	<b>C</b>	<b>C</b>	<b>C</b>
<b>Commercial Categories</b>			
Retail Sales and Service	<b>P</b>	<b>P</b>	<b>P</b>
Office	<b>P</b>	<b>P</b>	<b>P</b>
<b>Institutional Categories</b>			
Parks and Open Space	<b>P</b>	<b>P</b>	<b>P</b>
Educational Facilities, Government Offices, Museum; Civic Uses, Transit Uses	<b>P</b>	<b>P</b>	<b>P</b>
<b>Other Categories</b>			
Rail Lines & Utility Corridors	<b>P</b>	<b>P</b>	<b>P</b>

<sup>1</sup> Where residential uses occur on the ground floor, vertical and horizontal separation is required, see Development Standards Tables for Building and Landscape Frontage Types.

**Prohibited Uses.**

- A. Uses with physical and operational requirements generating substantial:
  - Truck traffic
  - Dust
  - Glare
  - Heat or vibration
  - Noise
  - Odors
- B. Uses of a character which are either not compatible with the high aesthetic standards of the area, will not enhance the marketability of the core area, or will adversely impact the city’s economic development strategies for this zone. These uses shall include, but are not limited to:

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Activities entailing movement of heavy equipment on and off the site except during construction;

Auto or truck storage as a primary use;

Cemeteries and crematoria;

Machine shops;

Motor freight terminals;

Park and ride lots;

Solid waste disposal facilities, including transfer stations, incinerators and sanitary landfills;

Stand-alone warehouse and distribution facilities.

## **16.24.030 General Standards Required for all Development**

### **Conflicts**

Development within the Woodland District must comply with the standards prescribed in Chapter 16.24 Woodland District Hybrid Form Based Code. These development standards are intended to implement policies in the adopted Woodland District Strategic Plan. Whenever the standards conflict with regulations elsewhere in the LMC, these standards supercede those regulations.

In the event of a conflict between any provision of Section 16.24 Woodland District Hybrid Form Based Code and any other ordinances of the city of Lacey the provisions of this chapter shall prevail with the exception of ordinances whose standards are more restrictive than those set out in this section.

### **Master Plan Requirements**

#### **Connectivity Master Plan**

Connectivity Master Plans are required for all development within the Woodland District, except lots or parcels exempt from Connection Spacing Standards because of size, refer to section 16.24.050 Streets, Through Connections and Connection Spacing.

Development proposals shall show conceptually how the development standards in 16.24.050, Streets, Through Connections and Connection Spacing, shall be met in relationship to adjacent property and existing streets, Through Connections and other paths or trails.

Connectivity Master Plans shall refer to 16.24.040 Regulating Plan, Sub-Districts And Streets, and provide review material according to 16.24.130 Development Review – Submittal Requirements, Sections A, and B.

In addition, the Connectivity Master Plan should generally indicate how open space, parking, driveways, walkways, etc., will relate or connect to adjacent parcels.

#### **Detailed Master Plan**

Detailed Master Plans are required for all development in the Master Plan Area where proposed improvements represent 25% or more of the value of the underlying development. For the purpose of calculating the value of improvements, the area or buildings counted shall be limited to the buildings and/or land area directly underlying the proposed improvements.

Development proposals shall show conceptually how the development meets the development standards in the following section:

- 16.24.050 Streets, Through Connections and Connection Spacing
- 16.24.060 Building, Form, Siting and Site Design
- 16.24.070 Building and Landscape Frontage

Detailed Master Plans shall refer to 16.24.040-1 Regulating Plan, Subdistricts; 16.24.040-2 Regulating Plan, Designated Street Types, and 16.24.040-3 Regulating Plan, Building Heights.

Detailed Master Plans shall provide review material according to 16.24.130 Development Review – Submittal Requirements, all sections.

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<b>Master Plan Eligibility Summary</b>		
<b>Eligibility</b>	<b>Connectivity Master Plan</b>	<b>Detailed Master Plan</b>
Lot or parcel is exempt from Connectivity Standards in 16.24.050 Streets, Through Connections and Connection Spacing due to size.	Exempt	Exempt
Lot or parcel is 1) subject to the Connectivity Standards in 16.24.050 Streets, Through Connections and 2) outside the Master Plan Area, as shown on Figure 16.24.040-1 Regulating Plan Subdistricts.	Must meet Connectivity Master Plan Requirements	Exempt
Lot or parcel is 1) inside the Master Plan Area, as shown on Figure 16.24.040-1 Regulating Plan Subdistricts, and 2) proposed improvements are <b>less than</b> 25% of the value of the underlying development as defined above.	Must meet Connectivity Master Plan Requirements	Exempt
Lot or parcel is 1) inside the Master Plan Area, as shown on Figure 16.24.040-1 Regulating Plan Subdistricts, and 2) proposed improvements represent <b>25% or more</b> of the value of the underlying development as defined above.	Must meet Detailed Master Plan Requirements	

## Adjustments

There are three types of Adjustments that may be granted by staff, as described below.

### 1. Proportional Compliance Adjustments

Proportional Compliance Adjustment apply to lots or parcels fronting on Pacific Avenue and lots or parcels within the Woodland Square Subdistrict and Pacific Subdistrict, as illustrated in Figure 16.24.040-1 Regulating Plan, Subdistricts and Figure 16.24.040-2 Regulating Plan, Streets. For the purpose of calculating the value of the improvements, use the value of the existing development (buildings or structures) only.

Proportional Compliance Adjustments may be granted to existing development where the value of proposed improvements fall below one of two thresholds.

- a) When the value of the improvements is less than 25% of the value of the existing development (building or structures only), the applicant may secure a building permit for the improvements without meeting any of the development standards in the form based code.

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- b) When the value of the improvements is greater than 25%, but less than 50% of the value of the existing development, the applicant must meet the development standards of the form based code for the improvement, only. Landscaping: the reconfigured portion of the site shall meet the applicable development standards. Parking lot reconfiguration and expansion: the reconfigured portion of the parking lot shall meet the applicable development standards. External facade modification: the full extent of the facade shall meet the applicable development standards.
- c) When the value of the improvements is greater than 50% of the value of the existing development, the applicant must meet the development standards of the form based code for the new improvements and the existing building. Landscaping: the entire site shall meet the applicable development standards. Parking lot reconfiguration and expansion: the entire parking lot shall meet the applicable development standards. External facade modification: the full extent of the all facades shall meet the applicable development standards.
- d) Expansion of building footprint: the new square footage associated with the building expansion is required to meet the applicable development standards.

## **2. Development Standards Flexibility Adjustment**

Development Standards Flexibility Adjustments may be granted to any development within the Woodland District, if staff finds that the adjusted Development Standard will perform as well as the Development Standard. Eligible Development Standards and the permitted degree of adjustment is noted in each Development Standards tables.

## **3. Site Plan Review Committee (SPRC) Adjustment**

Any development standards which are not included in the Development Standards Flexibility Adjustment above, or which exceed the permitted degree of flexibility noted in the Development Standards tables, are eligible for review and approval through the Site Plan Review Committee (SPRC), according to Section 16.24.100 Development Review Process.

## **New and Existing Streets and Through Connections**

Development standards of Chapter 16.24 are intended to establish a complete network of new and existing streets and Through Connections, which may take the form of local streets, multi-use paths or woonerfs. The location of new and existing streets and Through Connections and their required intersections are mapped in Figure 16.24.040-2, Regulating Plan, Designated Street Types. Connection Types permitted and maximum spacing of new and existing streets and Through Connections is established in Table 16.24.050-1, Connections and Connection Spacing. The required improvements for each street and Through Connection, including the sidewalk zones, are specified in Figures 16.24.050-1 through 16.24.050-6. When the property owner or developer is responsible for dedication of land and/ or specific constructed improvements it is noted in Figures 16.24.050-1 through 16.24.050-6.

The following table summarizes the improvements and the responsibility of each party, whether City or property owner / developer.

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Summary of Requirements	Eligible Streets
<p><b>Existing Built Streets</b></p> <p>Existing streets are required to meet requirements for sidewalk improvements, street lights, street furniture, and trees, according to Table 16.24.050-1, Table 16.24.050-2 and Figures 16.24.050-1 through 16.24.050-6, Street Types and Sidewalk Improvements. Improvements and, where noted in the Development Standards, dedication of land, is the responsibility of the property owner / development applicant</p>	<p>3<sup>rd</sup> Avenue SE            6<sup>th</sup> Avenue SE            7<sup>th</sup> Avenue SE            Pacific Avenue SE            Sleater Kinney Road SE            College Street SE</p>
<p><b>Future Streets and Through Connections</b></p> <p>Right of Way is dedicated by property owner / development applicant. The City constructs the street to City standards as established by Table 16.24.050-1, Table 16.24.050-2 and Figures 16.24.050-1 through 16.24.050-6, Street Types. An interim bike-pedestrian trail may be required on the dedicated Right of Way, prior to completion of the street improvements.</p>	<p>Unbuilt 4<sup>th</sup> Avenue SE            Unbuilt segment of Golf Club Road SE            Unbuilt segment of 10<sup>th</sup> Avenue SE            All Through Connections and Other Streets outside of the Master Plan Subdistrict</p>
<p><b>Master Planned Streets</b></p> <p>Master Planned Streets shall be located and constructed according to an approved Master Plan that meets the requirements of a Connectivity Master Plan or a Detailed Master Plan, as applicable. The property owner or developer is responsible for all required street or Through Connection improvements.</p>	<p>All Other Streets and Through Connections within the Master Plan Subdistrict</p>

**Environmental Performance**

- A. It shall be the responsibility of the operator and/or the proprietor of any proposed use to provide such evidence and technical data as the enforcing officer and/or 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.
- B. Failure of the enforcing officer and/or site plan review committee to require such information shall not be construed as relieving the operator and/or the proprietor from compliance with Chapter 16.57 LMC, environmental performance standards.
- C. 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 with Chapter [15.22](#) LMC pertaining to community facilities.

**TABLE 16.24.030-1, DISTRICT WIDE DEVELOPMENT STANDARDS**

Section / Description	1 – Woodland Square	2 –Pacific Avenue	3 – Master Plan Areas
<b>Stormwater</b>	All projects shall meet the amended 2010 City of Lacey Stormwater Design Manual which have square footage thresholds for development and redevelopment (2,000 square feet and 5,000 square feet of new or redeveloped impervious surfaces). No requirement for areas under 2,000 square feet; between 2,000 and 5,000 square feet required to keep stormwater on site, and over 5,000 square feet full treatment and infiltration is required.		
<b>Tree Preservation</b>	<p>Tree protection professional report required. The city’s tree protection professional shall review the site and provide a report analyzing the site for tree protection consistent with the requirements of this chapter. The report should provide information important to urban forest management and options for consideration when developing preliminary designs. The report should suggest options for design to best achieve the purposes of the Urban Forest Management Plan and this chapter. The report shall include but shall not be limited to:</p> <ol style="list-style-type: none"> <li>a. An analysis of technical information requested by the review body related to trees and forest practices;</li> <li>b. Analysis of what portion of the site is best for designation of the tree tract if required, considering the intent of this chapter, soil type, topography, tree species, health of trees and reasonable project design limitations;</li> <li>c. Recommendations for saving of individual tree specimens based upon the intent of this chapter, soil type, topography, tree species, health of trees, and reasonable project design limitations;</li> <li>d. A plan for protection of trees to be saved during construction including placement of construction fences, monitoring of construction activity and other measures necessary to ensure adequate tree protection;</li> <li>e. Consideration of the location of roads, other infrastructure, and buildings and potential options for alternative locations, if applicable, to best satisfy the purposes of the Urban Forest Management Plan;</li> <li>f. A timeline for tree protection activity;</li> <li>g. The final tree protection plan should be prepared on the site grading plan. All tree protection fences, trees to be saved, and trees to be removed should also be shown on the site demolition plan. Necessary save tree pruning and selective thinning within tree tracts shall be detailed and trees marked as such. The tree protection plan and demolition plan should be part of</li> </ol>		<p>Development standards may be adjusted on a case by case basis to protect priority trees:</p> <p>Priority tree types: Trees to be protected must be healthy, windfirm, and appropriate to the site at their mature size, as identified by a qualified professional forester. In designing a development project, the applicant shall protect the following types of trees in designated tract(s) in the following order of priority:</p> <ol style="list-style-type: none"> <li>1. Historical trees. Trees designated as historical trees under LMC <u>14.32.072</u>.</li> <li>2. Specimen trees. Unusual, rare, or high quality trees.</li> <li>3. Critical area buffer. Trees located adjacent to critical area buffers.</li> <li>4. Significant wildlife habitat. Trees located within or buffering significant wildlife habitat.</li> <li>5. Other high quality individual trees or groves of trees.</li> </ol>

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Section / Description	1 – Woodland Square	2 –Pacific Avenue	3 – Master Plan Areas
	<p>the submittal to the city of Lacey and shall be approved by the tree protection professional. The tree protection plan shall be part of the contractor bid package and a copy of the tree protection plan shall be available to the contractors on site at all times during logging, clearing, and construction.</p>		

**TABLE 16.24.030-2, Low Impact Development Approaches (LIDA)**

**General**

Low Impact Development Approach (LIDA). A stormwater management and land-development strategy applied at the scale of the block and the scale of the parcel that emphasizes conversation and use of onsite natural features integrated with engineered, small-scale hydrologic controls to more closely mimic predevelopment hydrologic functions.

**Urban Mixed-use**

Low-impact Development Approaches (LIDA) should reflect the character of place. In the most urban areas of the Woodland District, the function of rainwater detention and stormwater re-infiltration should be intense and highly structured. LIDA techniques consistent with this context include green roofs, rainwater harvesting, infiltration planters, permeable paving, and detention vaults.

Urban Mixed Use LID Approach	Example	Where Permitted
<p><b>Urban Mixed Use Type A</b></p> <p>For urban sidewalks where there is on-street parking and street furniture. Designed to accommodate frequent pedestrian traffic between parked cars and retail or service commercial. Planted area is confined to a portion of the furnishings zone of the sidewalk, and is limited in length.</p>		<p>6<sup>th</sup> Avenue                      Golf Club Road                      Pacific Avenue                      Other Streets                      Through Connections                      Infill Block site area</p>

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## Urban Mixed Use Type B

For urban sidewalks which include curb extensions, such as at corner curb ramps.



Golf Club Road  
Pacific Avenue  
Other Streets  
Through Connections  
Infill Block site area

## Urban Mixed Use Type C

For mixed use and residential courtyards and forecourts.



Infill Block site area

**Urban Residential**

In the more residential settings of the Woodland District the function of rainwater detention and stormwater re-infiltration may include LIDA techniques such green roofs, rainwater harvesting, infiltration planters, flow-through planters, rainwater gardens, and permeable paving.

Urban Residential LID Approach	Example	Where Permitted
<p><b>Urban Residential Type A</b></p> <p>Informal rainwater gardens and planted area suitable for courtyard or forecourt edges or Porch-Stoop-Terrace Frontages. May also be used within the horizontal separation zone required for ground floor residential.</p>		<p>Golf Club Road Pacific Avenue Other Streets Through Connections Infill Block site area</p>
<p><b>Urban Residential Type B</b></p> <p>For urban sidewalks in residential areas where there is on-street parking and street furniture. Designed to accommodate pedestrian traffic between parked cars and residential entries. Planted area may be used in conjunction with required street trees and informally planted with native plants.</p>		<p>6<sup>th</sup> Avenue Golf Club Road Pacific Avenue Other Streets Through Connections Infill Block site area</p>

**Through Connections and Parking Lots**

Parking lots, private streets, and multi-use paths should be designed to detain and redirect stormwater runoff. LIDA design includes bioretention in vegetated swales, flow-through planters, and rainwater gardens. Pervious pavement is an effective alternative to conventional curbs, catch basins, sewer pipes, and treatment facilities.

Parking Lot LID Approach	Example	Where Permitted
<p><b>Parking Lot LID Approach A</b></p> <p>Contained swale or rainwater garden suitable for internal parking lot landscaping, and to fulfill parking lot perimeter landscaping requirement wherever a parking lot abuts a street or Through Connection.</p>		<p>Pacific Avenue Other Streets Through Connections Infill Block site area</p>
<p><b>Parking Lot LID Approach B</b></p> <p>Suitable for internal parking lot landscaping. May be used in conjunction with required parking lot tree planting.</p>		<p>Infill Block site area</p>
<p><b>Parking Lot LID Approach C</b></p> <p>Swale with native plants including small trees and shrubs with vertical habit. Suitable for internal parking lot landscaping, and to fulfill parking lot perimeter landscaping requirement wherever a parking lot abuts a street or Through Connection.</p>		<p>Pacific Avenue Other Streets Through Connections Infill Block site area</p>

## **16.24.040 Regulating Plan**

### **Description of the Regulating Plan**

The Regulating Plan for the Woodland District is set out in Figure 16.24.040-1, Regulating Plan, Sub-districts; Figure 16.24.040-2, Regulating Plan, Street Types; and Figure 16.24.040-3, Regulating Plan, Building Heights. The Regulating Plans specify the Sub-districts, Street Types and Building Heights that apply to each lot, parcel of land, or Infill Block.

The Street Type that applies to a specific street or section of a street is indicated by the color and corresponding name shown on the Table 16.24.050-2, Overview of Street and Through Connection Types.

On Figure 16.24.040-2, Regulating Plan, Street Types, where the Street Type, as indicated by color, extends through an intersection, that Street Type shall be considered as the higher order Street and shall apply to the intersection, and to the intersecting Street until a distance of 100 feet from the confluence of lot lines at the corner, or until the next lot line away from the corner, whichever distance is shorter.

Allowable building heights are shown on Figure 16.24.040-3, Regulating Plan, Building Heights.

FIGURE 16.24.040-1, REGULATING PLAN, SUB-DISTRICTS



Figure 16.24.040-1, Regulating Plan. Subdistricts

FIGURE 16.24.040-2, REGULATING PLAN, STREET TYPES



Figure 16.24.040-2, Regulating Plan, Designated Street Types

FIGURE 16.24.040-3, REGULATING PLAN, BUILDING HEIGHTS

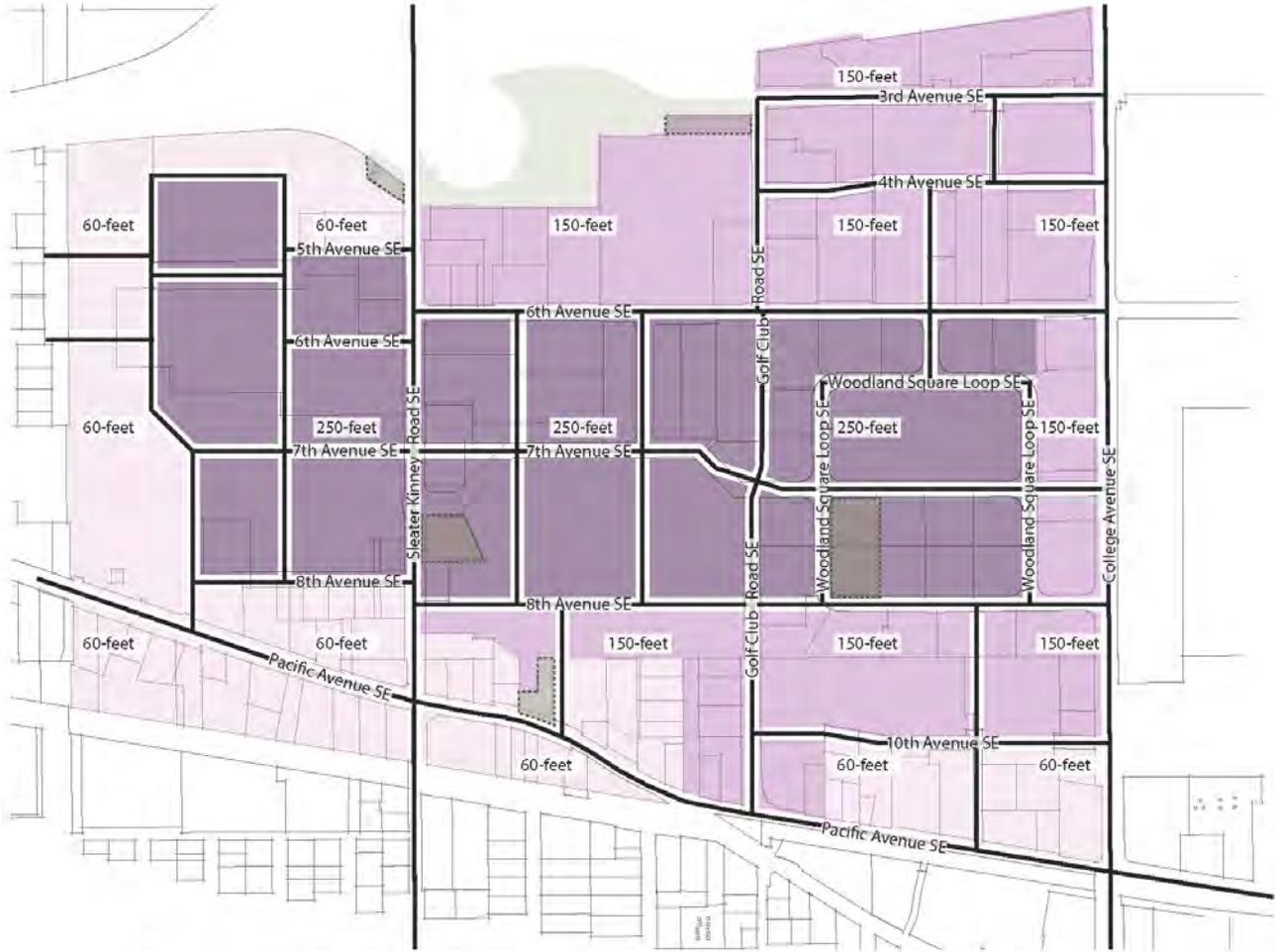


Figure 16.24.040-3, Regulating Plan, Building Heights

16.24.050 Streets, Through Connections and Connection Spacing

**TABLE 16.24.050-1, CONNECTIONS AND CONNECTION SPACING**

	Woodland Square	Pacific Avenue	Master Plan Areas
<b>BLOCKS AND CONNECTIONS</b>			
<b>Maximum Block Length</b>	Auto: 450 feet (1) Pedestrian: 330 feet	Auto: 450 feet (3) Pedestrian: 330 feet South of Pacific Avenue, Auto: 200 feet Pedestrian: 200 feet	Auto: 450 feet Pedestrian: 330 feet
<b>Maximum Block Perimeter</b>	Auto: 1,800 feet (1) Pedestrian: 1,320 feet	Auto: 1,800 feet (2) Pedestrian: 1,320 feet South of Pacific Avenue, NA	Auto: 1,800 feet (1) Pedestrian: 1,320 feet
<b>Additional Through-Block Connections</b>	Required for block faces longer than 450 feet	Required for block faces longer than 450 feet	Required for block faces longer than 450 feet
<b>Vehicular Entrances</b>	Driveways permitted except where noted Min. 40 feet separation from intersection Max. avg. 1 driveway per 100 feet of block frontage Maximum width: 24 feet	Driveways permitted except where noted Min. 40 feet separation from intersection Max. avg. 1 driveway per 100 feet of block frontage Maximum width: 24 feet (3)	Driveways permitted except where noted Min. 40 feet separation from intersection Max. avg. 1 driveway per 100 feet of block frontage Maximum width: 24 feet
<b>Connection Hierarchy and Primary Frontage</b>	If one of the designated streets or Through Connections bounding an Infill Block is a Primary Street, the Primary Street Frontage of the Infill Block or lot shall be the Primary Street. If none of the designated streets or Through Connections is a Primary Street, the primary frontage shall be the Secondary Street. (4)		
<b>Through Block Connection Types Permitted</b>	F – Through Block Connection	F – Through Block Connection	F – Through Block Connection

(1) Adjustable by 5 percent

(2) Adjustable by 10 percent

(3) Adjustable by 20 percent

(4) Proportional Compliance Adjustment: for properties south of Pacific Avenue the Through Connection of the driveway access and drive aisle may be exempt from Frontage Requirements.

**TABLE 16.24.050-2, OVERVIEW OF STREETS AND THROUGH CONNECTION TYPES**

<b>Section / Description</b>	<b>6<sup>th</sup> Ave</b>	<b>Golf Club</b>	<b>Pacific</b>	<b>College, Sleater Kinney</b>	<b>All Other Streets</b>	<b>Through Block Connection</b>
<b>Frontage</b>	Primary	Primary	Primary	Secondary	Secondary	Secondary
<b>Type</b>	Collector / Commercial	Collector / Commercial	Arterial	Arterial	Local Streets	Local street or path
<b>Aesthetic Character / Identity</b>	Mixed-Use Main Street	Urban Residential Main Street	Varies	Woodland District Gateways	Varies	Varies
<b>Building and Landscape Frontage Types Permitted</b>	Linear Forecourt Low Wall and Trellis Urban Wall or Fence	Linear Forecourt Porch-Stoop-Terrace Low Wall and Trellis Urban Wall or Fence	Linear Forecourt Porch-Stoop-Terrace Landscape Building Low Wall and Trellis Urban Wall or Fence Landscape Setback	Linear Forecourt Porch-Stoop-Terrace Landscape Building Low Wall and Trellis Urban Wall or Fence Landscape Setback	Linear Forecourt Porch-Stoop-Terrace Landscape Building Low Wall and Trellis Urban Wall or Fence Landscape Setback	Linear Forecourt Porch-Stoop-Terrace Landscape Building Low Wall and Trellis Urban Wall or Fence Landscape Setback
<b>Role in the Network</b>	District Connector	District Connector	Regional Connector	Regional Connector	Bike, pedestrian, local vehicular connectivity	Bike, pedestrian, local vehicular connectivity
<b>Design Speed</b>	25 mph	Under 20 mph	25 mph	25 mph	Under 20 mph	Under 20 mph
<b>Right-of-Way or Easement Width</b>	81 to 87 feet	60 to 64 feet	90 to 96 feet	Varies	Varies	Varies
<b>Location of Build To Line</b>	At front property line	At front property line	5 feet back from property line	At front property line	At front property line	NA
<b>Curb-to-Curb Width</b>	42 feet	36 feet	62 to 68 feet	Varies	Varies	Varies
<b>Travel</b>	2	2	4	4	2	Optional

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<b>Section / Description</b>	<b>6<sup>th</sup> Ave</b>	<b>Golf Club</b>	<b>Pacific</b>	<b>College, Sleater Kinney</b>	<b>All Other Streets</b>	<b>Through Block Connection</b>
<b>Lanes (number)</b>						
<b>Travel Lane Width</b>	11 feet	10 feet	12 feet	Varies	9.5 feet for Local Streets 6 to 8 feet for Queuing Streets	10 feet (maximum)
<b>Center Turn Lane Width</b>	14 feet	NA	14 feet	Varies	Varies	NA
<b>Parking Lane Width</b>	8.5 feet	8 feet	NA	NA	NA	8-30 feet (optional; head-in, diagonal, parallel, or combination permitted)
<b>Bike Facilities</b>	None	Shared	None	NA	NA	Shared street or shared-use path
<b>Sidewalk Width</b>	14 to 20 feet	12 to 14 feet	14 feet	Varies	Varies	5 feet (minimum) each side, or 10 feet (minimum) one side, or 10 feet minimum (no travel lane)
<b>Planting Street Width</b>	Varies	Varies	Varies	Varies	Varies	6 feet (minimum)
<b>Planted Median Width</b>	14 feet	NA	14 to 20 feet	NA	NA	NA

**FIGURES 16.24.050-1 THROUGH 6, STREET AND THROUGH CONNECTION TYPES**

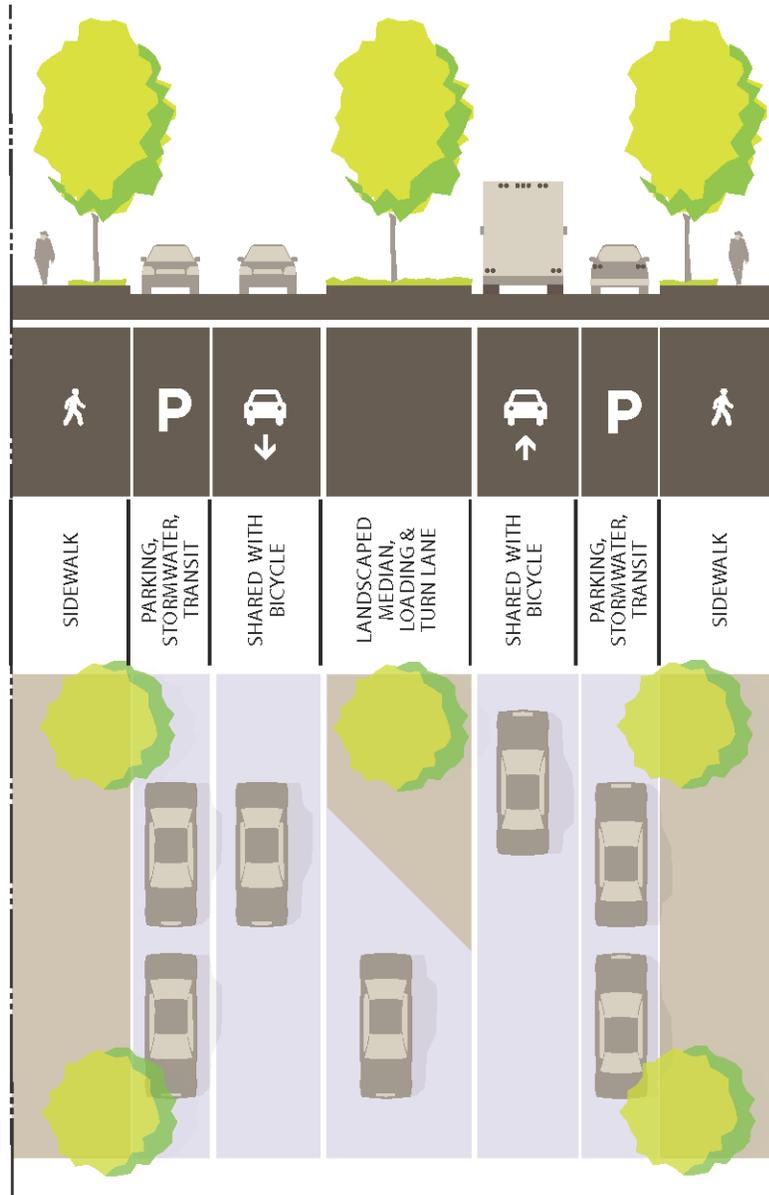


Figure 16.24.050-1, 6th Avenue

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<b>6<sup>th</sup> Ave</b>	
<b>Right-of-Way or Easement Width</b>	81 to 87 feet
<b>Location of Build To Line</b>	At front property line
<b>Curb-to-Curb Width</b>	42 feet
<b>Travel Lanes (number)</b>	2
<b>Travel Lane Width</b>	11 feet
<b>Center Turn Lane Width</b>	14 feet
<b>Parking Lane Width</b>	8.5 feet
<b>Bike Facilities</b>	None
<b>Sidewalk Width</b>	14 to 20 feet
<b>Planting Street Width</b>	Varies
<b>Planted Median Width</b>	14 feet

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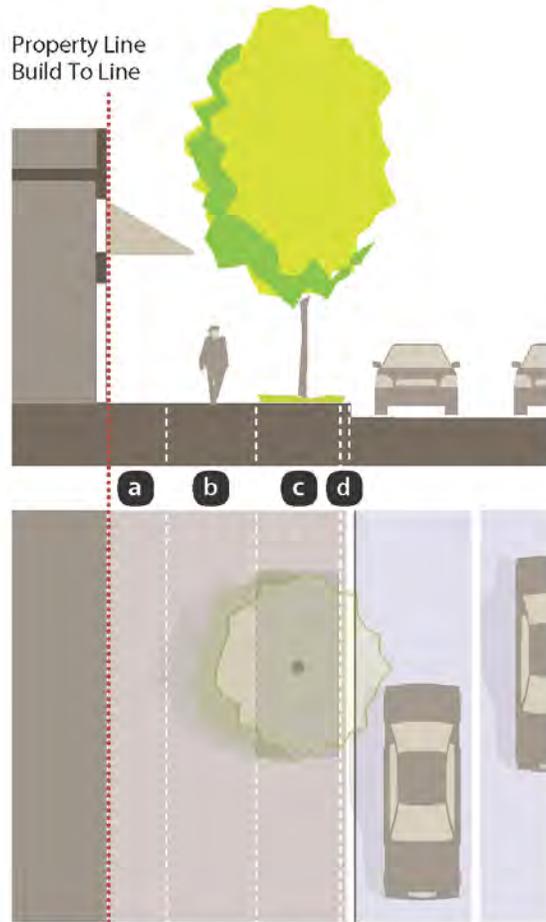


Figure 16.24.050-2, 6th Avenue Sidewalk Improvements

### Avenue Sidewalk Improvements

Applicant is responsible for constructing improvements to the sidewalk when development is approved.

	Sidewalk Zones	Minimum Dimensions	Required Improvements
<b>a</b>	<b>Frontage Zone</b>	1.5 feet	Concrete sidewalk
<b>b</b>	<b>Pedestrian Through Zone</b>	6.0 feet	Concrete sidewalk
<b>c</b>	<b>Street Furniture Zone</b>	4.0 feet	Concrete sidewalk, street trees, tree grates
<b>d</b>	<b>Curb Zone</b>	6 inches	Cast-in-place concrete curb and gutter

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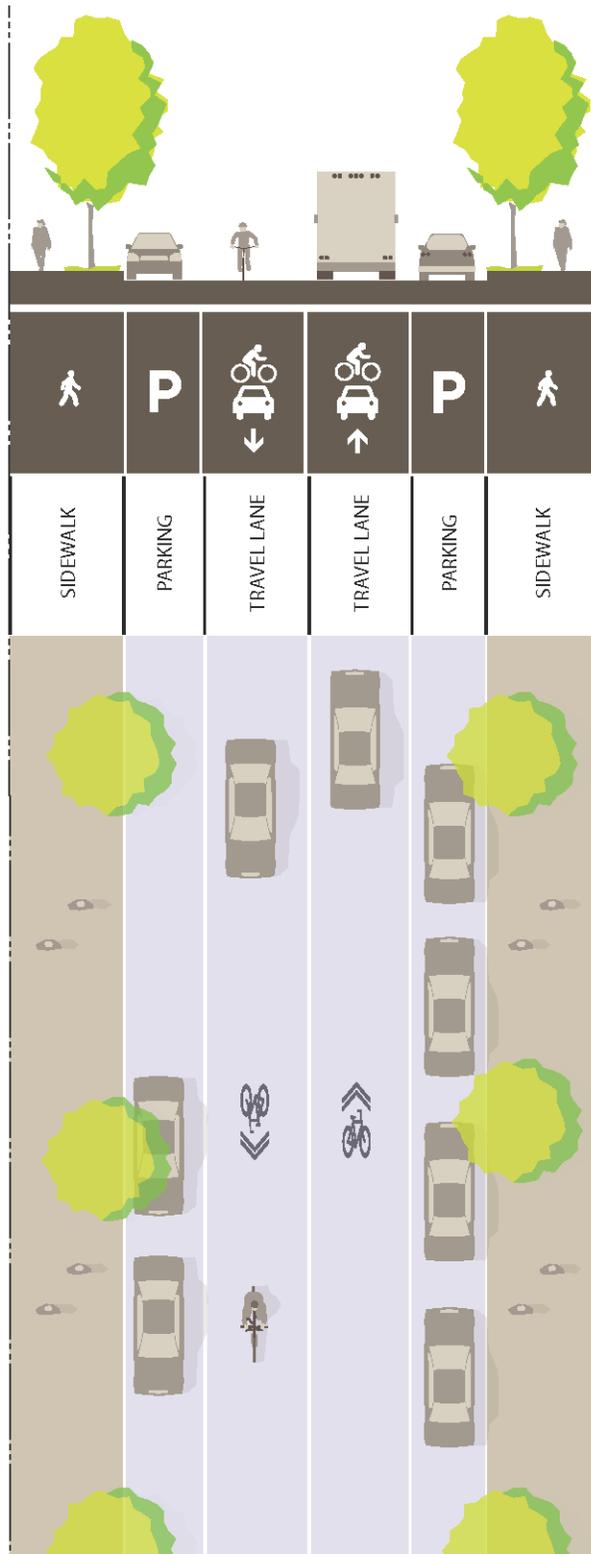


Figure 16.24.050-3, Golf Club Road

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<b>Golf Club Road</b>	
<b>Right-of-Way or Easement Width</b>	60 to 64 feet <sup>1</sup>
<b>Location of Build To Line</b>	At front property line
<b>Curb-to-Curb Width</b>	36 feet
<b>Travel Lanes (number)</b>	2
<b>Travel Lane Width</b>	10 feet
<b>Center Turn Lane Width</b>	NA
<b>Parking Lane Width</b>	8 feet
<b>Bike Facilities</b>	Shared
<b>Sidewalk Width</b>	12 to 14 feet
<b>Planting Street Width</b>	Varies
<b>Planted Median Width</b>	NA

<sup>1</sup> **Golf Club Road Extension.** Between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue, applicant shall, upon development approval, dedicate land for the Right of Way and construct interim improvements according to Through Block Connections Development Standards. City is responsible for ultimate improvements according to the Golf Club Development Standards.

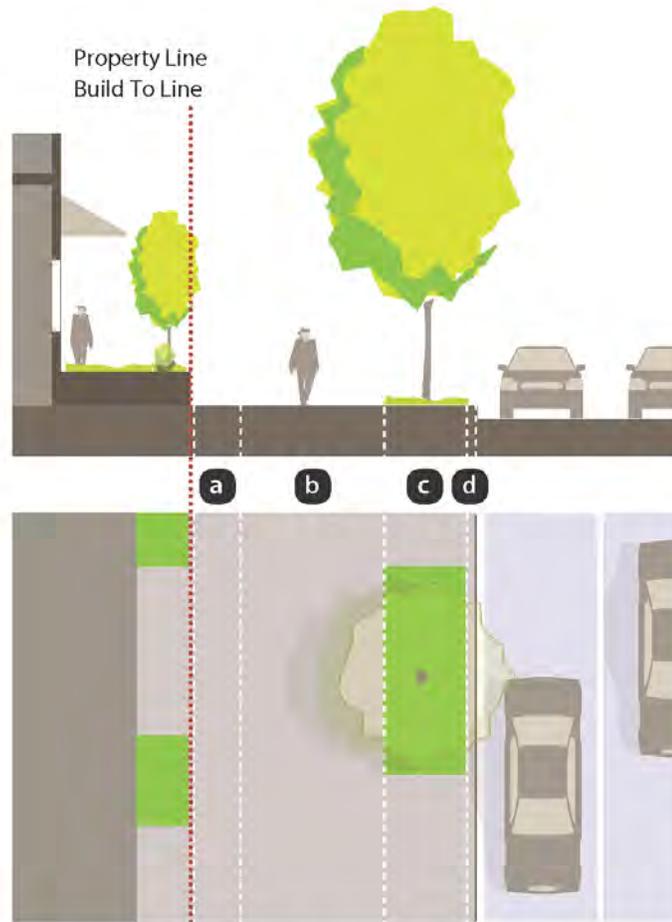


Figure 16.050-4, Golf Club Road Sidewalk Improvements

**Golf Club Road Sidewalk Improvements**

Applicant is responsible for constructing improvements to the sidewalk when development is approved.

	Sidewalk Zones	Minimum Dimensions	Required Improvements
<b>a</b>	<b>Frontage Zone</b>	1.5 feet	Concrete sidewalk
<b>b</b>	<b>Pedestrian Through Zone</b>	6.0 feet	Concrete sidewalk
<b>c</b>	<b>Street Furniture Zone</b>	4.0 feet	Street trees
<b>d</b>	<b>Curb Zone</b>	6 inches	Cast-in-place concrete curb and gutter

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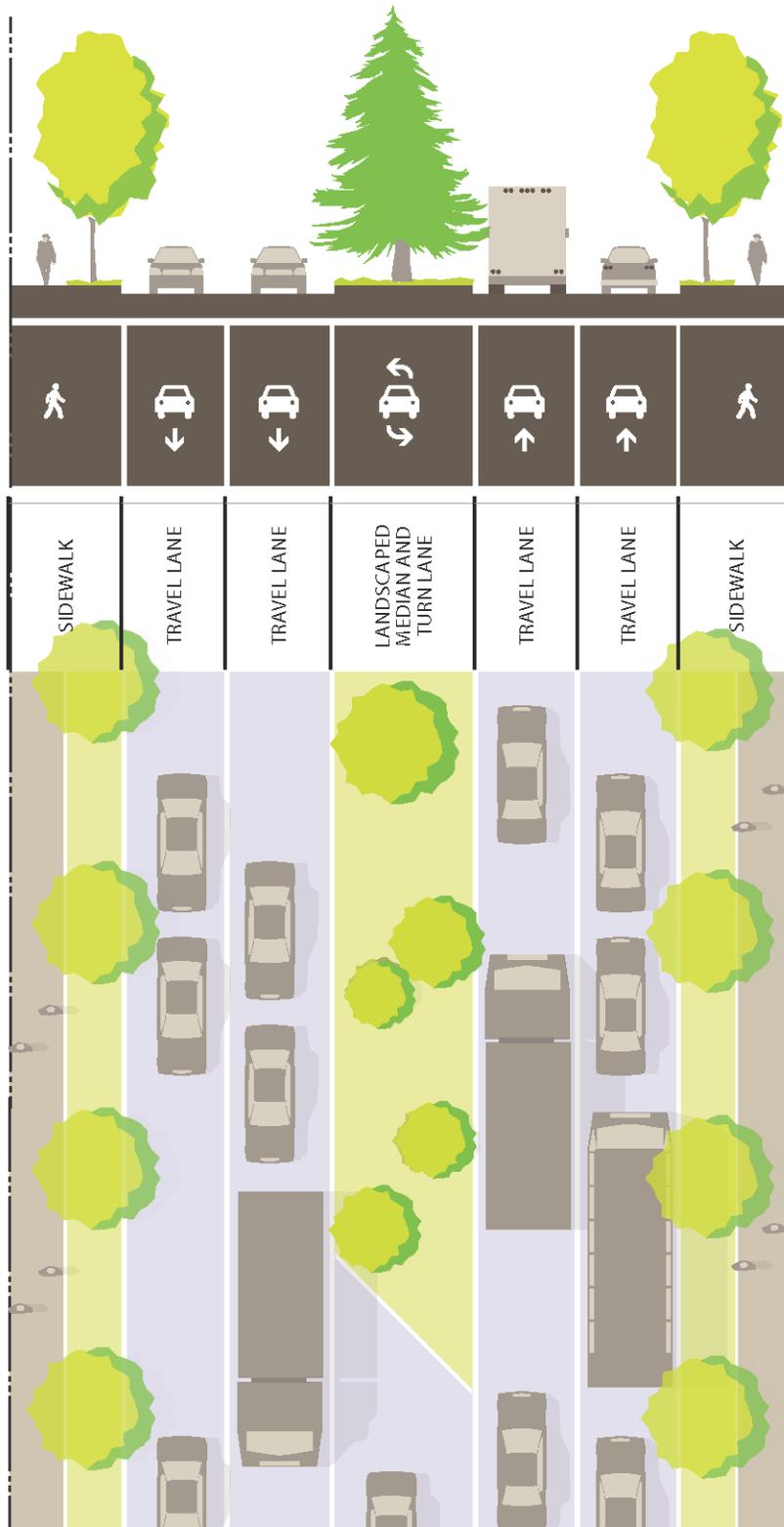


Figure 16.24.050-5, Pacific Avenue

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<b>Pacific Avenue</b>	
<b>Right-of-Way or Easement Width</b>	90 to 96 feet
<b>Location of Build To Line</b>	5 feet back from property line
<b>Curb-to-Curb Width</b>	62 to 68 feet
<b>Travel Lanes (number)</b>	4
<b>Travel Lane Width</b>	12 feet
<b>Center Turn Lane Width</b>	14 feet
<b>Parking Lane Width</b>	NA
<b>Bike Facilities</b>	None
<b>Sidewalk Width</b>	14 feet
<b>Planting Street Width</b>	Varies
<b>Planted Median Width</b>	14 to 20 feet <sup>1</sup>

<sup>1</sup> Where Right of Way constraints do not permit a center turn lane, the Planted Median Width requirements do not apply

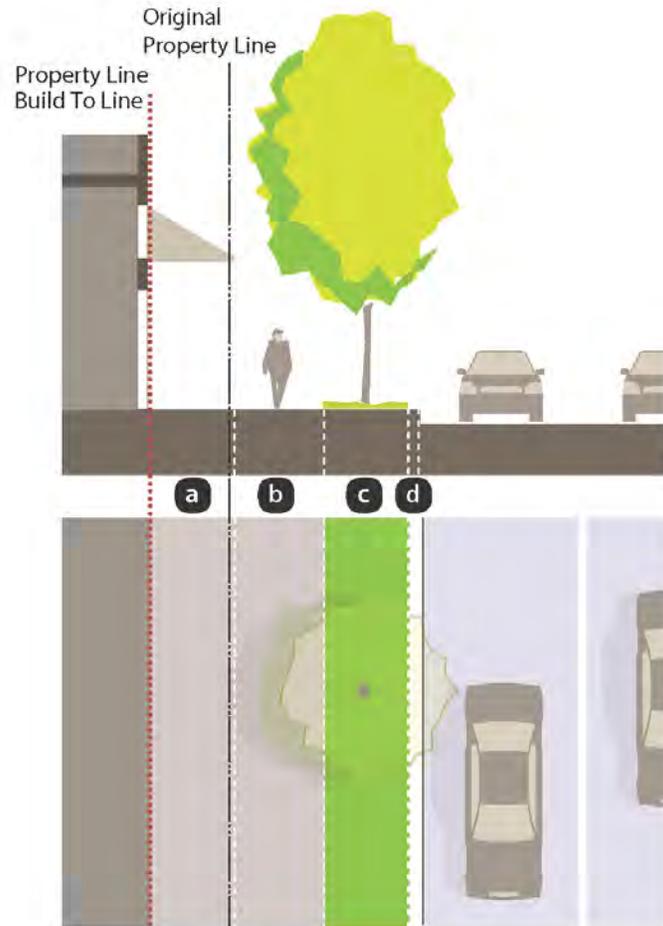


Figure 16.24.050-6, Pacific Avenue Sidewalk Improvements

**Pacific Avenue Sidewalk Improvements**

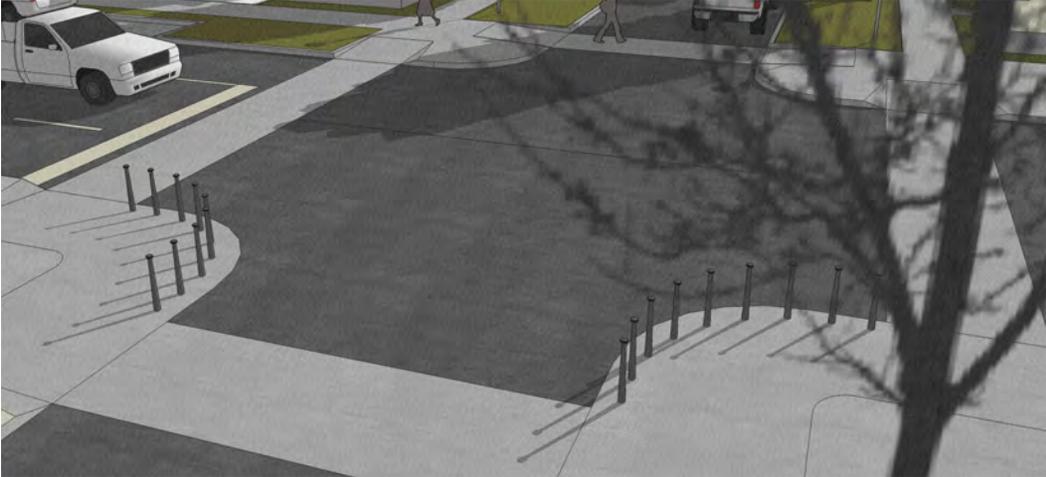
Applicant is responsible for dedicating 5 feet to the Right of Way and for constructing improvements to the sidewalk when development is approved.

	<b>Sidewalk Zones</b>	<b>Minimum Dimensions</b>	<b>Required Improvements</b>
<b>a</b>	<b>Frontage Zone</b>	5.0 feet	Concrete sidewalk
<b>b</b>	<b>Pedestrian Through Zone</b>	5.0 feet	Concrete sidewalk
<b>c</b>	<b>Street Furniture Zone</b>	4.0 feet	Street trees, ground cover
<b>d</b>	<b>Curb Zone</b>	6 inches	Cast-in-place concrete curb and gutter

**TABLE 16.24.050-3, Street and Through Connection Crossing Approaches**

Crossing Description	Example	Location
<p><b>Urban Plaza Intersection</b></p> <p>Raise the intersection to the level of the adjacent sidewalks. Tighten intersection curb radii for slower turning speeds for motorized vehicles. Install vertical projections such as bollards and planters to channel the automobiles and increase the security and safety of pedestrians and bicyclists.</p> <p>Use textured paving and/ or contrasting colors to promote a distinctive sense of place. Install unit pavers, textured paving, or other distinctive materials or contrasting colors to the flat surface of the intersection plaza.</p> <p>Vertical speed control elements shall be marked with a warning sign advising drivers.</p>	 <p>The image shows an aerial perspective of a raised urban plaza intersection. The intersection is a circular plaza with a textured, light-colored paving surface. It is surrounded by sidewalks and green spaces with trees. Several cars are shown driving through the intersection, and a pedestrian is walking across it. The design includes bollards and planters to channel traffic and provide safety for pedestrians and bicyclists.</p>	<p><b>Required</b></p> <p>6<sup>th</sup> Avenue intersection with Golf Club Road<sup>1</sup></p> <p><b>Optional</b></p> <p>Pacific Avenue</p> <p>Other Streets</p> <p>Through Connections</p> <p><sup>1</sup> City is responsible for construction of raised table intersection once Golf Club Road extension is completed.</p>

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Crossing Description	Example	Location
<p><b>Urban Corner</b></p> <p>Tighten intersection curb radii and encourage slower turning speeds for motorized vehicles. Eliminate the change in grade between sidewalk and drive lane to prioritize pedestrian movement and mark a unique spot in the Woodland District. Flare the curb to meet the grade of the street along the full extent of the radius of the corner. Use bollards to protect pedestrians from automobile turning movements.</p>		<p><b>Required</b></p> <p>6<sup>th</sup> Avenue</p> <p>Golf Club Road between 6<sup>th</sup> and 7<sup>th</sup> Avenues</p> <p><b>Optional</b></p> <p>Pacific Avenue</p> <p>Other Streets</p> <p>Through Connections</p>

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Crossing Description	Example	Location
<p><b>Pedestrian Corner</b></p> <p>Install curb extensions to visually narrow the street and alert drivers to exercise more care. Place curb extensions to create shorter and safer crossings for pedestrians. Take advantage of curb extensions to increase the available public realm space for street furniture, benches, street trees, and other amenities.</p> <p>Curb extensions should be installed wherever on-street parking is provided. Combine stormwater management features into curb extensions at corners.</p> <p>Install curb extensions at street crossings to support pedestrian safety. Integrate flow-through planters and rain gardens, on-street parking, parklets, and bicycle parking corrals into the curb extension.</p>	 An architectural rendering of a street corner. A modern building with large glass windows and a flat roof is on the left. A sidewalk with a curb extension runs along the building. Several pedestrians are walking on the sidewalk. There are trees and a small outdoor seating area with tables and chairs. A white car is parked on the street. The scene is set during the day with a clear sky.	<p><b>Required</b></p> <ul style="list-style-type: none"><li>Golf Club Road south of 7<sup>th</sup> Avenue</li><li>Golf Club Road north of 6<sup>th</sup> Avenue</li><li>Pacific Avenue</li><li>Other Streets</li><li>Through Connections in Woodland Square Subdistrict</li><li>Through Connections in Master Plan Areas</li></ul> <p><b>Optional</b></p> <ul style="list-style-type: none"><li>All Other Streets</li><li>Through Connections</li></ul>

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Crossing Description	Example	Location
<p><b>Urban Mid-block Crossing</b></p> <p>Create shorter and safer crossings for pedestrians. Raise the level of the walkway to match the level of the adjacent sidewalk to prioritize pedestrian crossing and alert drivers to the mid-block crossing. Install unit pavers or other distinctive materials to the flat surface to further define the speed table.</p> <p>Vertical speed control elements shall be marked with a warning sign advising drivers.</p>		<p><b>Required</b></p> <ul style="list-style-type: none"><li>Golf Club Road south of 7<sup>th</sup> Avenue</li><li>Golf Club Road north of 6<sup>th</sup> Avenue</li><li>Pacific Avenue</li><li>Other Streets within the Woodland Square Subdistrict</li><li>Other Streets within the Master Plan Areas</li><li>Through Connections in Woodland Square Subdistrict</li><li>Through Connections in Master Plan Areas</li></ul>

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Crossing Description	Example	Location
<p><b>Mid-block Crossing with Pedestrian Refuge</b></p> <p>Where streets have more than two travel lanes, pedestrian crossings shall include a pedestrian refuge within the median to provide an additional measure of safety. Incorporate planted beds, flow-through planters and rain gardens within the median island.</p>	 An architectural rendering of a city street scene. In the foreground, a pedestrian is walking on a sidewalk. A crosswalk with white stripes crosses a multi-lane road. A grassy median island with a tree and a modern street lamp is located between the crosswalk and the next lane. In the background, there are cars, more trees, and modern buildings under a clear sky.	<p><b>Required</b></p> <ul style="list-style-type: none"><li>6<sup>th</sup> Avenue</li><li>Pacific Avenue</li></ul> <p><b>Optional</b></p> <ul style="list-style-type: none"><li>Other Streets</li><li>Through Connections</li></ul>

**TABLE 16.24.050-4, Traffic Calming Approaches**

Traffic Calming Description	Example	Where Permitted
<p><b>Urban Woonerf</b></p> <p>Urban Shared Space Streets function foremost as public space for shopping, commerce, culture, socializing, and recreation. The design speed of an Urban Shared Space Street is 18 mph.</p> <p>Install flush textured or pervious pavement to reinforce the priority of the pedestrian. Special pavements, especially unit pavers shall be selected for regional climate, durability, and maintenance. Sidewalks and street are installed at the same elevation (level). Align drainage channels with center or along the flush curb of the Urban Shared Space Streets.</p> <p>Provide continuous sidewalks on both sides of Urban Shared Space Streets with three distinct zones: Frontage Zone, Pedestrian Through Zone, and Street Furniture Zone. Install street furniture, including bollards, benches, planters, and bicycle parking to functionally separate cars from the pedestrian realm of the sidewalk. Provide on-street curbside parking.<sup>1</sup></p>		<p><b>Optional</b></p> <p>Golf Club Road</p> <p>Other Streets</p> <p>Optional, without continuous sidewalk requirement</p> <p>Through Connections<sup>1</sup></p> <p><sup>1</sup>Through Connections are exempt from the requirement for continuous sidewalk and on street parking.</p>

Traffic Calming Description	Example	Where Permitted
<p><b>Curbed Street – Bulb-outs</b></p> <p>Curb extensions are used at intersections to shorten the distance between curbs at pedestrian crossings. Use curb extensions to integrate parking lane materials and treatments, such as permeable paving. Install curb extensions wherever on-street parking is integrated to increase visibility, reduce the crossing distance, provide extra queuing space, and allow for enhancements, such as seating or greenery. Combine stormwater management features such as bio-swales or rain gardens with curb extensions to reduce the impervious surface area of the street.</p> <p>Provide continuous sidewalks on both sides of Curbed Streets with four distinct zones: Frontage Zone, Pedestrian Through Zone, Street Furniture Zone, and Curb Zone. Install street furniture, including bollards, benches, planters, and bicycle parking to functionally separate cars from the pedestrian realm of the sidewalk.</p> <p>Parklets are ideal for curbed streets with active storefronts, foot traffic, and retail activity.</p> <p>Provide on-street curbside parking.</p>		<p><b>Required</b></p> <p>6<sup>th</sup> Avenue          intersection with Golf          Club Road</p> <p>Pacific Avenue</p> <p>Other Streets</p> <p>Through          Connections<sup>1</sup></p> <p><sup>1</sup>Through Connections are exempt from the requirement for continuous sidewalk and on street parking.</p>

Traffic Calming Description	Example	Where Permitted
<p><b>Queuing Street (Yield Street)</b></p> <p>Local streets in residential neighborhoods are also spaces for play and leisure. Provide safe and inviting place to walk with direct access to destinations.</p> <p>Two-way yield streets are suited to residential areas where drivers are expected to travel at low speeds.</p> <p>Provide continuous sidewalks on both sides of Queuing Streets with four distinct zones: Frontage Zone, Pedestrian Through Zone, Street Furniture Zone, and Curb Zone. Install street furniture, including bollards, benches, planters, and bicycle parking to functionally separate cars from the pedestrian realm of the sidewalk.</p> <p>Driveways shall be constructed to eliminate intrusion upon the sidewalk. Sidewalk materials and grade shall be maintained across driveways.</p> <p>Use the planted furniture zone of the sidewalk for street trees, bio-swales, and rain gardens.</p> <p>Install curb extensions at intersections to maintain safe travel speeds and reinforce the residential nature of the street.</p> <p>Install curb extensions at mid-block to slow traffic speeds and add public space. Install vertical speed control devices like raised crosswalks and mid-block crossings to encourage safe speeds and meter through traffic.</p> <p>Provide on-street curbside parking.</p>		<p><b>Optional</b></p> <p>Golf Club Road</p> <p>Other Streets</p> <p>Through Connections<sup>1</sup></p> <p><sup>1</sup>Through Connections are exempt from the requirement for continuous sidewalk and on street parking.</p>

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Traffic Calming Description	Example	Where Permitted
<p><b>Chicane Street</b></p> <p>Chicane streets are suited to residential areas where drivers are expected to travel at low speeds.</p> <p>Driveways shall be constructed to eliminate intrusion upon the sidewalk. Sidewalk materials and grade shall be maintained across driveways.</p> <p>Use the planted furniture zone of the sidewalk for street trees, bio-swales, and rain gardens.</p> <p>Install curb extensions at intersections to maintain safe travel speeds and reinforce the residential nature of the street.</p> <p>Provide continuous sidewalks on both sides of Chicane Streets with four distinct zones: Frontage Zone, Pedestrian Through Zone, Street Furniture Zone, and Curb Zone. Install street furniture, including bollards, benches, planters, and bicycle parking to functionally separate cars from the pedestrian realm of the sidewalk.</p> <p>Install curb extensions at mid-block to slow traffic speeds and add public space. Install vertical speed control devices like raised crosswalks and mid-block crossings to encourage safe speeds and meter through traffic.</p>		<p><b>Optional</b></p> <p>Golf Club Road</p> <p>Other Streets</p> <p>Through Connections<sup>1</sup></p> <p><sup>1</sup>Through Connections are exempt from the requirement for continuous sidewalk and on street parking.</p>

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## Traffic Calming Description

### Woonerf – Residential

Woonerf – Residential streets are low-volume residential streets function foremost as public space for recreation, socializing, and leisure. The design speed of an Woonerf – Residential street is 12 mph. Identify Woonerf – Residential streets with signage indicating that motorists must yield and the pedestrian has priority of movement. Mark entrances to Woonerf – Residential streets with tactile warning strips that alert both drivers and pedestrians. Install flush textured or pervious pavement reinforce the priority of the pedestrian. Special pavements, especially unit pavers shall be selected for regional climate, durability, and maintenance. Sidewalks and street are installed at the same elevation (level). Align drainage channels with center or along the flush curb of the Woonerf – Residential street.

Provide continuous sidewalks on both sides of Woonerf – Residential street with four distinctive zones: Frontage Zone, Pedestrian Through Zone, Street Furniture Zone, and Curb Zone. Install street furniture, including bollards, benches, planters, and bicycle parking to functionally separate cars from the pedestrian realm of the sidewalk.

Stagger blocks of on-street parking and landscaping to create a chicane effect. Install street furniture, including bollards, benches, planters, and bicycle parking to functionally separate cars from private space.

## Example



## Where Permitted

### Optional

Other Streets

Through Connections<sup>1</sup>

<sup>1</sup>Through Connections are exempt from the requirement for continuous sidewalk and on street parking.

**16.24.060 Building, Form, Siting and Site Design**

**TABLE 16.24.060-1, BUILDING FORM, SITING AND MASSING STANDARDS**

	<b>Woodland Square</b>	<b>Pacific Avenue</b>	<b>Master Plan Areas</b>
<b>Applicability</b>	Areas bounded by designated Street Types (6 <sup>th</sup> Avenue, Golf Club Road, Pacific Avenue), Secondary Streets or Through Connections shall be designated as an Infill Block, lot or parcel and subject to the Development Standards for Building Form, Siting and Massing		
<b>Frontage Hierarchy</b>	<p>The Primary Street Facing Frontage is the edge of the lot, parcel or Infill Block adjacent to the Primary Street, except where no Primary Street exists, then the Primary Street Facing Frontage is defined as the edge adjacent to the Secondary Street.</p> <p>Other edges of a lot, parcel or Infill Block that abut an Other Street or a Through Connection must meet Development Standards for Secondary Streets.</p> <p>Any edges of a lot, parcel or Infill Block that do not abut a Street Type or Through Connection shall meet Development Standards for Side and Rear Yards as applicable.</p>		
<b>Primary and Secondary Street Facing Frontage</b>	See Building and Landscape Frontage Types for applicable dimensions.	See Building and Landscape Frontage Types for applicable dimensions.	See Building and Landscape Frontage Types for applicable dimensions.
<b>Side Yard Setback</b>	Residential: Min. 20 feet Commercial: Min. 0 feet	Residential: Min. 20 feet (1) Commercial: Min. 0 feet	Residential: Min. 20 feet Commercial: Min. 0 feet
<b>Rear Yard Setback</b>	Residential: Min. 20 feet Commercial: Min. 0 feet	Residential: Min. 20 feet (1) Commercial: Min. 0 feet	Residential: Min. 20 feet Commercial: Min. 0 feet
<b>Minimum Building or Podium Height</b>	See Building and Landscape Frontage Types for applicable dimensions.	See Building and Landscape Frontage Types for applicable dimensions. (1)	See Building and Landscape Frontage Types for applicable dimensions.
<b>Maximum Podium Height</b>	See Building and Landscape Frontage Types for applicable dimensions.	See Building and Landscape Frontage Types for applicable dimensions.	See Building and Landscape Frontage Types for applicable dimensions.
<b>Required Step Back at Podium</b>	See Building and Landscape Frontage Types for applicable dimensions.	See Building and Landscape Frontage Types for applicable dimensions.	See Building and Landscape Frontage Types for applicable dimensions.

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	<b>Woodland Square</b>	<b>Pacific Avenue</b>	<b>Master Plan Areas</b>
<b>Tower Location</b>	Tower spacing: Min. 65 feet between towers  See Building and Landscape Frontage Types for additional applicable dimensions.	Tower spacing: Min. 65 feet between towers  See Building and Landscape Frontage Types for additional applicable dimensions.	Tower spacing: Min. 65 feet between towers  See Building and Landscape Frontage Types for additional applicable dimensions.
<b>Maximum Building Height</b>	See Regulating Plan – Building Heights for applicable dimensions.	See Regulating Plan – Building Heights for applicable dimensions.	See Regulating Plan – Building Heights for applicable dimensions.
<b>Maximum Tower Floor Plate</b>	Residential: 12,000 square feet  Commercial: 35,000 square feet	Residential: 12,000 square feet  Commercial: 35,000 square feet	Residential: 12,000 square feet  Commercial: 35,000 square feet
<b>Parking Structure</b>	When a Parking Structure faces a Primary Street, it shall meet the requirements of one of the Permitted Frontage Types for the height of the Podium  Front setback, Primary Street: Same as for Frontage Type  When a Parking Structure faces a Secondary Street, it shall meet the requirements of one of the Permitted Building Frontage Types for the height of the Ground Floor  Front setback, Secondary Street: 10 feet maximum  Setback, side: Min. 20 feet  Setback, rear: Min. 20 feet	When a Parking Structure faces a Primary Street, it shall meet the requirements of one of the Permitted Frontage Types for the height of the Podium  Front setback, Primary Street: Same as for Frontage Type  When a Parking Structure faces a Secondary Street, it shall meet the requirements of one of the Permitted Building Frontage Types for the height of the Ground Floor  Front setback, Secondary Street: 10 feet maximum  Setback, side: Min. 20 feet  Setback, rear: Min. 20 feet	When a Parking Structure faces a Primary Street, it shall meet the requirements of one of the Permitted Frontage Types for the height of the Podium  Front setback, Primary Street: Same as for Frontage Type  When a Parking Structure faces a Secondary Street, it shall meet the requirements of one of the Permitted Building Frontage Types for the height of the Ground Floor  Front setback, Secondary Street: 10 feet maximum  Setback, side: Min. 20 feet  Setback, rear: Min. 20 feet

(1) Proportional Compliance Adjustment 20 percent

**TABLE 16.24.060-2, SITE DESIGN AND LANDSCAPE STANDARDS**

	Woodland Square	Pacific Avenue	Master Plan Areas
<b>SITE DESIGN AND LANDSCAPE</b>			
<b>Applicability</b>	Areas bounded by designated Street Types (6 <sup>th</sup> Avenue, Golf Club Road, Pacific Avenue), Secondary Streets or Through Connections shall be designated as an Infill Block, lot or parcel and subject to the Development Standards for Site Design and Landscaping.		
<b>Surface Parking</b>	<p>Not permitted adjacent to a Primary Street</p> <p>When Surface Parking is located adjacent to a Secondary Street, it shall meet the requirements of one of the Permitted Landscape Frontage Types</p> <p>Front setback, Secondary Street: Min. 10 feet</p> <p>Setback, side: Min. 10 feet</p> <p>Setback, rear: Min. 10 feet</p>	<p>When Surface Parking is located adjacent to a Primary and/ or Secondary Street, it shall meet the requirements of one of the Permitted Landscape Frontage Types</p> <p>Front setback, Secondary Street: Min. 10 feet</p> <p>Setback, side: Min. 10 feet</p> <p>Setback, rear: Min. 10 feet</p>	<p>Not permitted adjacent to a Primary Street</p> <p>When Surface Parking is located adjacent to a Secondary Street, it shall meet the requirements of one of the Permitted Landscape Frontage Types</p> <p>Front setback, Secondary Street: Min. 10 feet</p> <p>Setback, side: Min. 10 feet</p> <p>Setback, rear: Min. 10 feet</p>
<b>Side Yard Setback</b>	<p>Residential: Min. 20 feet</p> <p>Commercial: Min. 0 feet</p>	<p>Residential: Min. 20 feet</p> <p>Commercial: Min. 0 feet</p>	<p>Residential: Min. 20 feet</p> <p>Commercial: Min. 0 feet</p>
<b>Rear Yard Setback</b>	<p>Residential: Min. 20 feet</p> <p>Commercial: Min. 0 feet</p>	<p>Residential: Min. 20 feet</p> <p>Commercial: Min. 0 feet</p>	<p>Residential: Min. 20 feet</p> <p>Commercial: Min. 0 feet</p>

## **16.24.070 Building and Landscape Frontage**

### **Overview of Building and Landscape Frontage Types**

Refer to the Regulating Plan and the Development Standards tables to determine which Building and Landscape Frontage Types are permitted along each Street. Each Street-facing Build To Line shall comply with the Development Standards listed under the applicable Building and Landscape Frontage Type.

#### **Linear Building Frontage**

A Linear Building Frontage, as set out in Figure 16.24.070-1, is characterized by a façade that is built up to the Build To Line. The building entrance is at sidewalk grade, except where there are ground floor residential uses. Linear Building Frontages have substantial glazing on the ground floor, and often provide awnings or canopies cantilevered over the sidewalk. Building entries must either provide a canopy or awning and/or be recessed behind the front building façade.

#### **Forecourt Building Frontage**

A Forecourt Building Frontage, as set out in 16.24.070-2, may be created by recessing a portion of the façade for a portion of the building frontage. The Forecourt Building Frontage should be used in conjunction with the Linear Building Frontage. A Forecourt Building Frontage is suitable for commercial or residential uses. A Forecourt Building Frontage may be suitable for gardens and/or outdoor seating.

#### **Porch / Stoop / Terrace Building Frontage**

The Porch-Stoop-Terrace Building Frontage, as set out in Figure 16.24.070-3, is characterized by a façade which is set behind the Build To Line and a building entry threshold, such as a porch or terrace, set between the building and the Build To Line. The threshold may be elevated above or sunken below grade. The building entry is accessed from this threshold. Landscaping may be provided in the setback area between the building and the sidewalk. A Porch-Stoop-Terrace Building Frontage is suitable for residential uses and service commercial or office uses.

#### **Landscape Building Frontage**

A Landscape Building Frontage, as set out in Figure 16.24.070-4, is set back from the Build To Line by a wide landscaped strip between the building and the sidewalk. This frontage type is appropriate along streets where the existing streetscape may not be conducive to pedestrian-oriented ground floor retail or residential, such as where there is no on-street parking or where streets are very wide. Ground floor entries must still be provided along and connected to the sidewalk.

#### **Low Wall and Trellis Landscape Frontage**

As set out in Figure 16.24.070-5, Build To Lines not occupied by buildings, driveways, or pedestrian paths must be screened with a low masonry or concrete wall and overhanging trellis structure.

#### **Urban Wall or Fence Landscape Frontage**

As set out in Figure 16.24.070-6, Build To Lines not occupied by buildings, driveways, or pedestrian paths must be screened with an open framework wall or fence of either metal, wood, masonry, or a combination.

#### **Landscape Setback Frontage**

As set out in Figure 16.24.070-7, Build To Lines not occupied by buildings, driveways, or pedestrian paths must be set back behind a planted landscape area consisting of trees, shrubs, and groundcover plants.

## General Building and Landscape Frontage Standards

**Applicability.** The applicable Street Types or Sub-districts are stated at the top of each column. Development on any site adjacent to 6th Ave, Golf Club Road or Pacific Avenue shall conform to the regulations set out in the relevant column. Development on any site not adjacent to 6th Avenue, Golf Club Road or Pacific Avenue shall conform to the regulations set out in the Urban District, Master Plan District or Pacific Avenue District columns, as applicable.

### Build To Line

**Build To Line** means the line up to which buildings or landscaping must be constructed. The **Build To Line** may not be the same as the **Front Lot Line**, see Table 16.24.050-2.

### Frontage

Frontage shall be defined as the linear distance between centerlines of the perpendicular Secondary Street, Other Street or Through Connection, if measuring along a Primary Street.

If on a Secondary Street, Frontage shall be defined as the linear distance between centerlines of the perpendicular Other Street or Through Connection.

All other Frontage shall be defined as the linear distance between centerlines of the perpendicular Primary Street, Secondary Street, Other Street or Through Connection.

Where Frontage occurs on a curved segment of a street, Frontage shall be defined as the linear dimension of the Chord.

### Frontage Requirements

**Minimum Building Frontage along Street-Facing Build To Line:** All private and public street or path-facing Build To Lines not occupied by buildings or driveways are required to provide Building or Landscape Frontage between the sidewalk and the remainder of the site.

**Primary Street Frontage:** The Primary Street Frontage shall be defined as the portion of the building facing the street (or the higher order street if on a corner). The front façade of the building shall be built to the Primary Street Frontage Build To Line.

**Secondary Street Frontage:** The Secondary Street Frontage shall be defined as the portion of the building facing the lower order Street, if on a corner. The front façade of the building shall be built to the Secondary Street Frontage Build To Line for a minimum of 100 feet from the corner or the lot width, whichever is shorter. The Building and Landscape Frontage Standards of this section shall apply to the portion of the building that occupies the Build To Line for 100 feet from the corner or the lot width, whichever is shorter.

**Ground Floor Height Measurement.** If a minimum Ground Floor Height is required, with a specific minimum floor to ceiling measurement, the ceiling shall be considered as the bottom of joists, rafters or supporting structure of the roof or floor structural system above; the floor shall be considered as the highest point of any flooring system. The ceiling does not include any non-structural ceiling surface materials such as suspended acoustical tile. Projections such as pendant lighting, exposed mechanical ducting, exposed electrical or communication raceways, or the bottom chord of structural trusses may extend below the ceiling and shall not be included in the floor to ceiling measurement.



Figure 16.24.070-1, Building Frontage – Linear

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**TABLE 16.24.070-1, BUILDING FRONTAGE TYPE 1 – LINEAR**

Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific Ave District	Pacific Ave
<b>a</b> Minimum Building or Podium Height	Min. 30 feet				Min. 20 feet	
	Maximum Podium Height					
	Max. 55 feet					
Podium Setback from Build-To Line	Max. 10 feet		Max. 0 feet	Max. 10 feet	Max. 10 feet	
	Min. 0 feet		Min. 0 feet	Min. 5 feet	Min. 0 feet	
<b>b</b> Tower Step Back at Top of Podium	Min. 10 feet					
	Min. 15 feet on lots adjacent to Golf Club Road					
	On Through Block Connections: 10 feet minimum Intermediate step back of 15 feet is required at a height of between 0 feet and 20 feet					
Tower Height	See Regulating Plan for Building Heights					
<b>c</b> Ground Floor Height	Min. 18 feet					
Ground Floor Construction	1 hour fire resistive					
Ground Floor Depth	Min. 40 feet					
Separation of Ground Floor Residential Uses	Vertical distance from ground: Min. 18 inches / Max. 3 feet					
	Horizontal distance from Build To Line: Min. 3 feet / Max. 15 feet					

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Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific Ave District	Pacific Ave
<b>d</b> Weather Protection	Protected area: 50 square feet, minimum; 5 feet min. horizontal dimension; 10 foot vertical clearance, minimum				No requirement	Protected area: 50 square feet, minimum; 5 feet min. horizontal dimension; 10 foot vertical clearance, minimum
<b>e</b> Primary Entry Doors	Shall face street; 40% transparent min.					
Windows	60% min.					

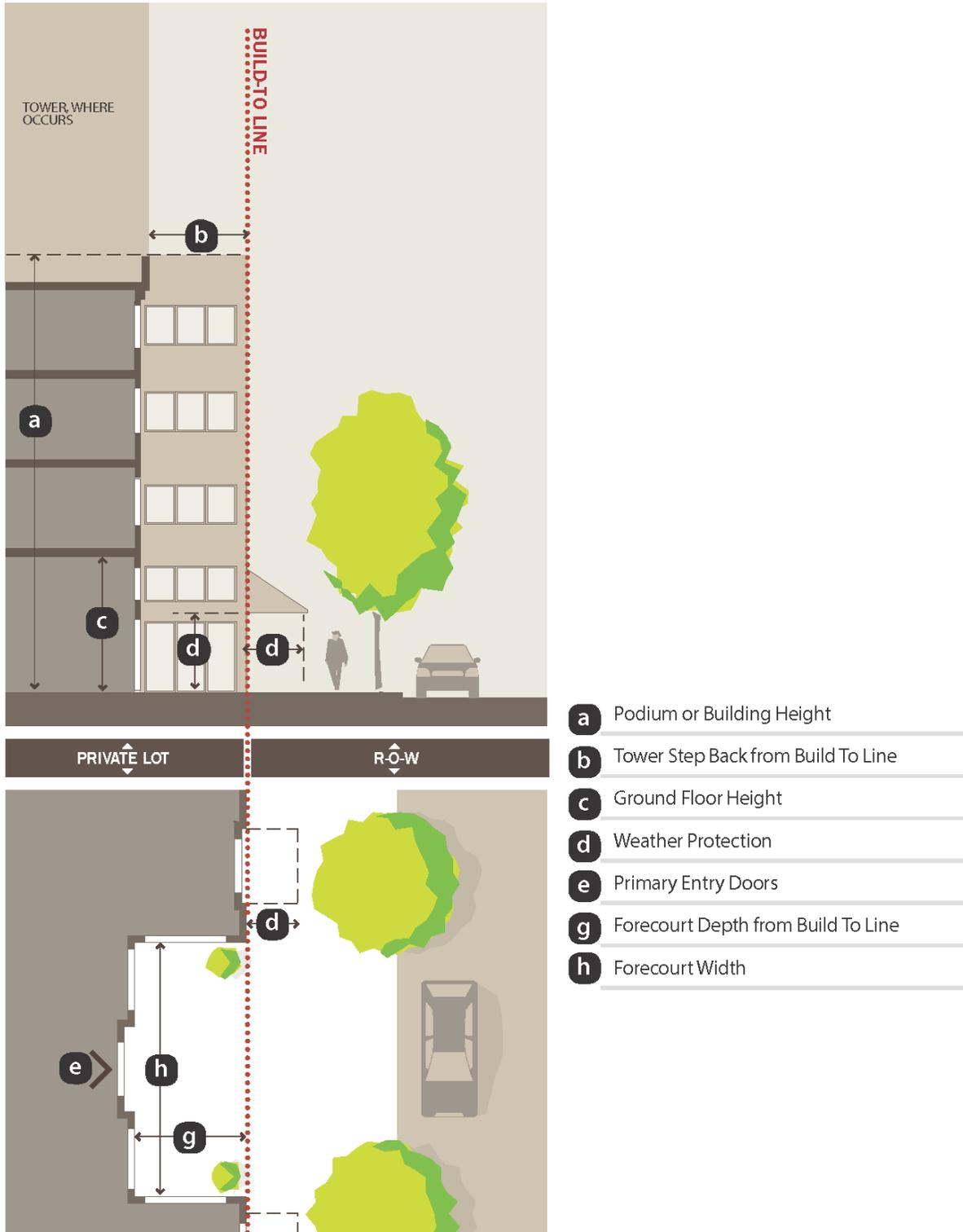


Figure 16.24.070-2, Building Frontage – Forecourt

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**TABLE 16.24.070-2, BUILDING FRONTAGE TYPE 2 – FORECOURT**

Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific District	Pacific Ave
<b>a</b> Minimum Building or Podium Height	Min. 30 feet				Min. 20 feet	
	Maximum Podium Height					
	Max. 55 feet					
Podium Setback from Build-To Line	Max. 10 feet		Max. 0 feet	Max. 10 feet	Max. 10 feet	
	Min. 0 feet		Min. 0 feet	Min. 5 feet	Min. 0 feet	
<b>b</b> Tower Step Back at Top of Podium	Min. 10 feet or match					
	Min. 15 feet on lots adjacent to Golf Club Road					
	On Through Block Connections: 10 feet minimum Intermediate step back of 15 feet is required at a height of between 0 feet and 20 feet Tower setback shall match Forecourt maximum depth where tower abuts the Forecourt					
	Tower Height					
<b>c</b> Ground Floor Height	See Regulating Plan for Building Heights 16.24.040-3 Regulating Plan, Heights					
Ground Floor Construction	Min. 18 feet					
Ground Floor Depth	1 hour fire resistive					
Separation of Ground Floor Residential Uses	Min. 40 feet					
Separation of Ground Floor Residential Uses	Vertical distance from ground: Min. 18 inches / Max. 3 feet					
	Horizontal distance from Build To Line: Min. 3 feet / Max. 15 feet					

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Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific District	Pacific Ave
<b>d</b> Weather Protection	Protected area: 50 square feet, minimum; 5 feet min. horizontal dimension; 10 foot vertical clearance, minimum			No requirement	Protected area: 50 square feet, minimum; 5 feet min. horizontal dimension; 10 foot vertical clearance, minimum	
<b>e</b> Primary Entry Doors	Shall face street; 40% transparent min.					
Windows	60% min.					
<b>g</b> Forecourt Depth from Build To Line	Setback: 10 feet minimum; 30 feet maximum Tower setback shall match Forecourt maximum depth					
<b>h</b> Forecourt Width	Setback: 10 feet minimum; 30 feet maximum					
Forecourt Frontage	The Forecourt Frontage shall incorporate the Linear Frontage Type for building faces on the Primary and Secondary Street Frontages that are not part of the courtyard.					
Fence	No greater than 3 feet in height; min. 20% transparent					

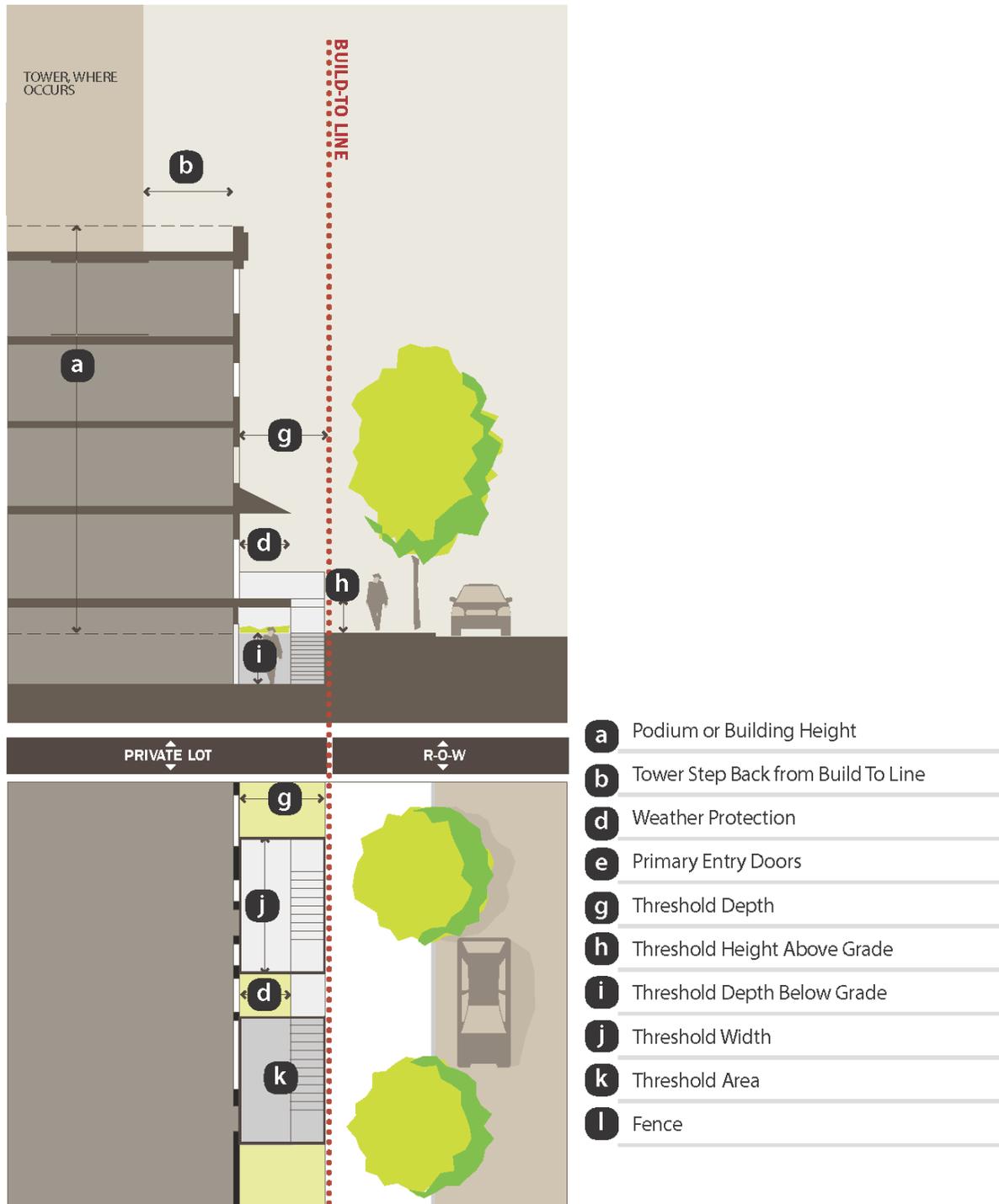


Figure 16.24.070-3, Building Frontage – Porch-Stoop-Terrace

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**TABLE 16.24.070-3, BUILDING FRONTAGE TYPE 3 – PORCH-STOOP-TERRACE**

Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific District	Pacific Ave
<b>a</b> Minimum Building or Podium Height	Min. 30 feet				Min. 20 feet	
	Maximum Podium Height					
Podium Setback from Build-To Line	Max. 15 feet		NA	Max. 15 feet		
	Min. 5 feet			Min. 5 feet		
<b>b</b> Tower Step Back at Top of Podium	Min. 10 feet					
	Min. 15 feet on lots adjacent to Golf Club Road					
	On Through Block Connections: 10 feet minimum Intermediate step back of 15 feet is required at a height of between 0 feet and 20 feet Tower setback shall match Threshold maximum depth					
Tower Height	See Regulating Plan for Building Heights 16.24.040-3 Regulating Plan, Heights					
<b>c</b> Ground Floor Height	Min. 18 feet					
Ground Floor Construction	1 hour fire resistive					
Ground Floor Depth	Min. 40 feet					
Separation of Ground Floor Residential Uses	Vertical distance from ground: Min. 18 inches / Max. 3 feet					
	Horizontal distance from Build To Line: Min. 3 feet / Max. 15 feet					

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Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific District	Pacific Ave
<b>d</b> Weather Protection	Protected area: 20 square feet, minimum; 5 feet min. horizontal dimension; 10 foot vertical clearance, minimum				No requirement	Protected area: 20 square feet, minimum; 5 feet min. horizontal dimension; 10 foot vertical clearance, minimum
<b>e</b> Primary Entry Doors	Shall face street; 20% transparent min.					
Windows	30% min.					
<b>g</b> Threshold Depth	Min. 4 feet					
<b>h</b> Threshold Height Above Grade	Max. 5 feet					
<b>i</b> Threshold Depth Below Grade	Max. 4 feet					
<b>j</b> Threshold Width	Min. 5 feet					
<b>j</b> Threshold Area	Max. 150 Square feet per building entry					
<b>k</b> Fences	No greater than 3 feet in height; min. 20% transparent					

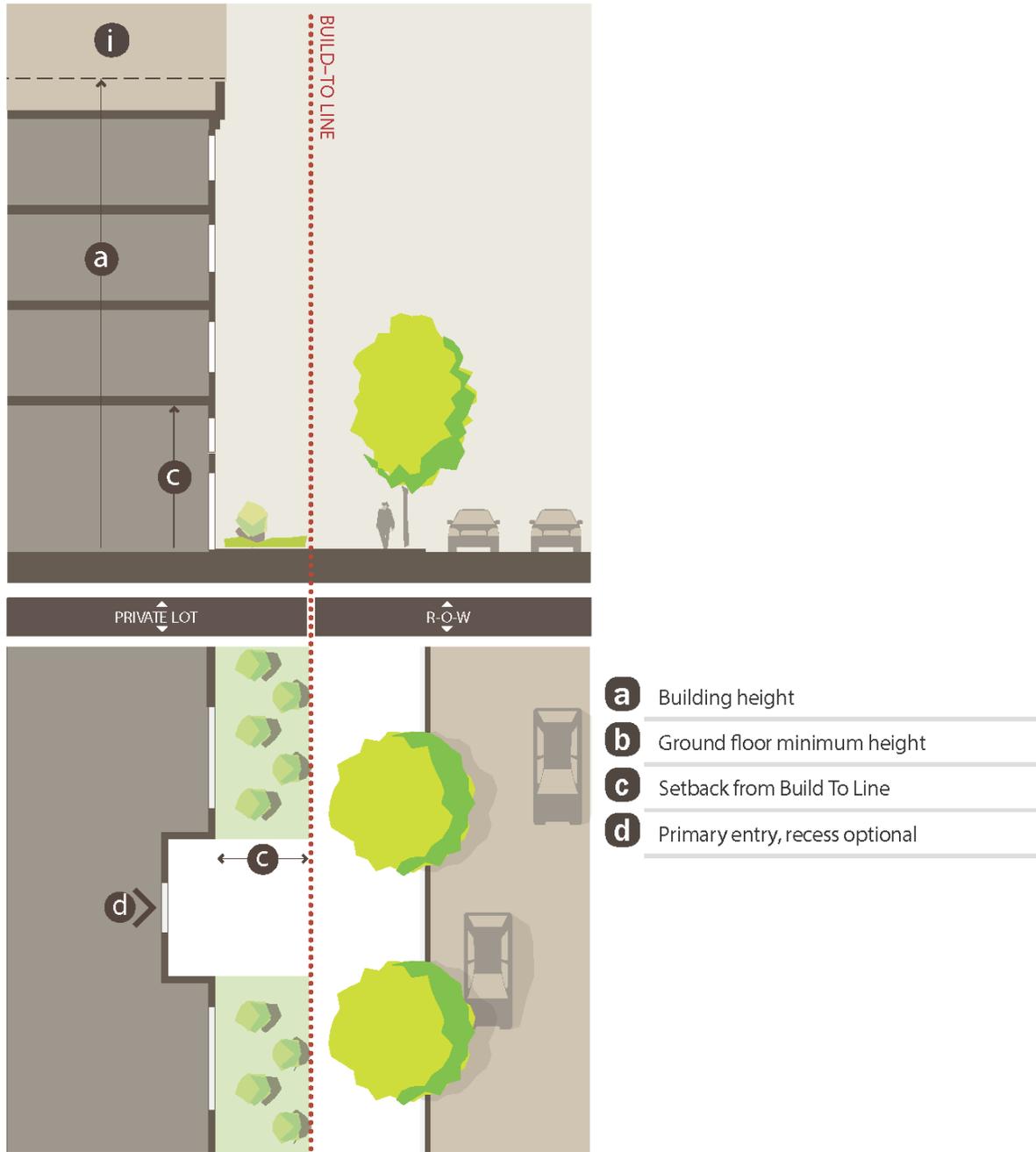


Figure 16.24.070-4, Landscape Building

# DRAFT

**TABLE 16.24.070-4, BUILDING FRONTAGE TYPE 4 – LANDSCAPE BUILDING**

Development Standard	Woodland Square	Master Plan District	Pacific District	Pacific Ave
<b>a</b> Minimum Building or Podium Height	Min. 30 feet		Min. 20 feet	
Maximum Podium Height	Max. 55 feet			
<b>c</b> Podium Setback from Build-To Line	Max. 15 feet Min. 10 feet			
Tower Step Back at Top of Podium	Min. 10 feet Min.15 feet on lots adjacent to Golf Club Road On Through Block Connections: 10 feet minimum Intermediate step back of 15 feet is required at a height of between 0 feet and 20 feet Tower setback shall match Threshold maximum depth			
Tower Height	See Regulating Plan for Building Heights 16.24.040-3 Regulating Plan, Heights			
Minimum Building Depth	Min.40 feet			
Weather Protection	Building entrances shall be either be covered by an awning or canopy or be covered by being recessed behind the front building façade. If an awning or canopy is provided, it must provide a minimum vertical clearance of 8 feet and a maximum clearance of 15 feet. If only a recessed entry is provided, it must be recessed behind the front facade a minimum of 3 feet and a maximum of 5 feet.			
<b>d</b> Primary Entry Doors	At least one building entrance shall be directly connected to the Primary or Secondary Street with a walkway measuring a minimum of 5 feet wide. A minimum of 40% of each primary entry shall be transparent.			
Windows	Transparent ground floor windows must be provided along a minimum of 60% of the ground floor, Primary and Secondary Street-facing façade area.			
Service and Utility Equipment	Building service and utility equipment and outdoor storage of garbage and/or recycling is not permitted along a Primary or Secondary Street or within the required setback from Build-To Line.			

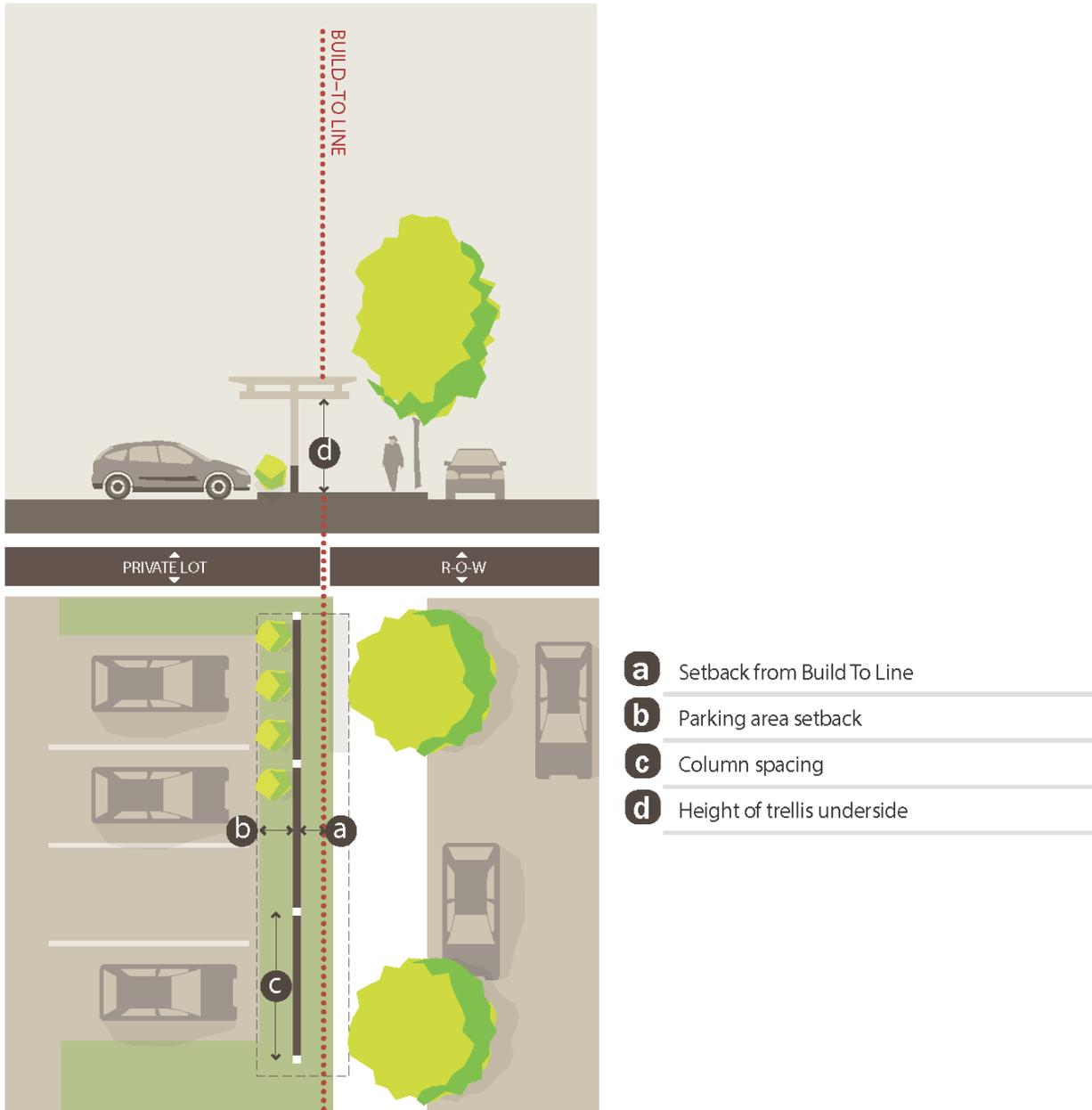


Figure 16.24.070-5, Low Wall and Trellis

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**TABLE 16.24.070-5, BUILDING FRONTAGE TYPE 5 – LOW WALL AND TRELLIS**

Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific District	Pacific Ave
Frontage	Where specified according to Table 16.24.050-1 (Streets, Through Connections and Connection Spacing) and Table 16.24.050-2 (Street and Through Connection Types), surface parking areas shall be screened with a Low Wall and Trellis along the Build-To Line.					
<b>a</b> Setback from Build To Line	The Low Wall and Trellis shall be set back a minimum of 0 feet and a maximum of 5 feet from the Build-To Line.					
<b>c</b> Column Spacing	The Trellis shall have masonry, heavy timber, or steel (or similar metal) supporting columns spaced no more than 30 feet on center.					
<b>d</b> Height of Trellis	The underside of the Trellis portion of a Low Wall and Trellis shall be a minimum of 8 feet above grade and a maximum of 14 feet above grade. The Trellis shall be heavy timber or steel (or a similar material) and shall consist of open structure with no decking or awning material.					
Low Wall	The Low Wall portion of a Low Wall and Trellis shall be a minimum of 1.5 feet and a maximum of 3 feet and have a minimum depth of 1.5 feet. The Low Wall shall be wood, masonry, and/or concrete.					
Low Wall Openings	Openings in the Low Wall and Trellis are allowed for pedestrian pathways, sidewalks, plazas, and driveways.					
<b>b</b> Surface Parking Setback	Surface Parking shall be set back a minimum of 3 feet from the Low Wall and Trellis.					
Ground Cover	<p>Any setback area between the sidewalk and the wall shall be planted or paved with stamped concrete or masonry pavers.</p> <p>The setback between the Low Wall and surface parking shall be planted with low shrubs, groundcover, and climbing plants.</p>					

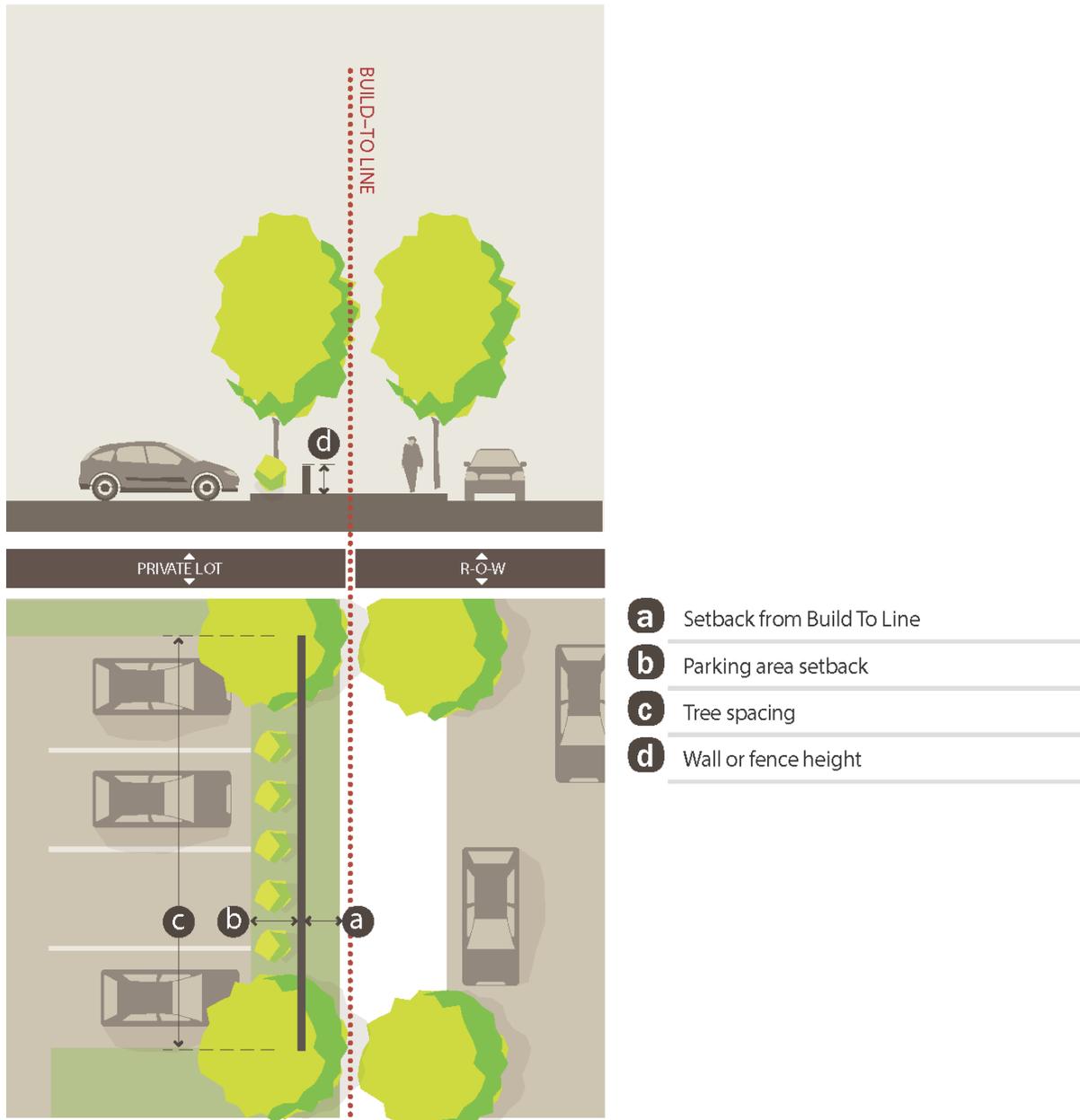


Figure 16.24.070-6, Urban Fence or Wall

**TABLE 16.24.070-6, BUILDING FRONTAGE TYPE 6 – URBAN FENCE OR WALL**

Development Standard	Woodland Square	Master Plan District	6 <sup>th</sup> Ave	Golf Club Rd	Pacific District	Pacific Ave
Frontage	Where specified according to Table 16.24.050-1 (Streets, Through Connections and Connection Spacing) and Table 16.24.050-2 (Street and Through Connection Types), surface parking areas shall be screened with an Urban Fence or Wall along the Build-To Line.					
<b>a</b> Setback from Build To Line	The Urban Fence or Wall shall be set back a maximum of 5 feet from the sidewalk. The area between the Urban Fence or Wall shall be hardscaped with either masonry pavers or stamped concrete.					
<b>d</b> Wall or Fence Height	Walls shall be wood masonry, and/or concrete; fences shall be made of wrought iron, steel, or a similar material (but not chain-link) and must be dark in color. The fence shall be at least 2 feet high and no more than 3 feet high. Fences may be no more than 50% sight obscuring. The wall shall be at least 2 feet high and no more than 3 feet high.					
<b>c</b> Tree Spacing	In addition to the required fence or wall, trees and shrubs shall be provided. One large tree is required every 30 linear feet minimum along all public or private Street-facing frontages, except where it is necessary to ensure adequate traffic visibility. The shrubs shall be at least as high as the wall or fence, and shall be no more than 6 feet high.					
Wall or Fence Openings	Openings in the Urban Fence or Wall are allowed for pedestrian pathways, sidewalks, plazas, and driveways.					
<b>b</b> Surface Parking Setback	The surface parking area shall be set back, at a minimum, an additional 5 feet to provide room for required landscaping and stormwater infiltration and/or retention.					
Ground Cover and Planting	Ground cover plants must fully cover any remaining landscaped area between the parking area and the Urban Fence or Wall.					

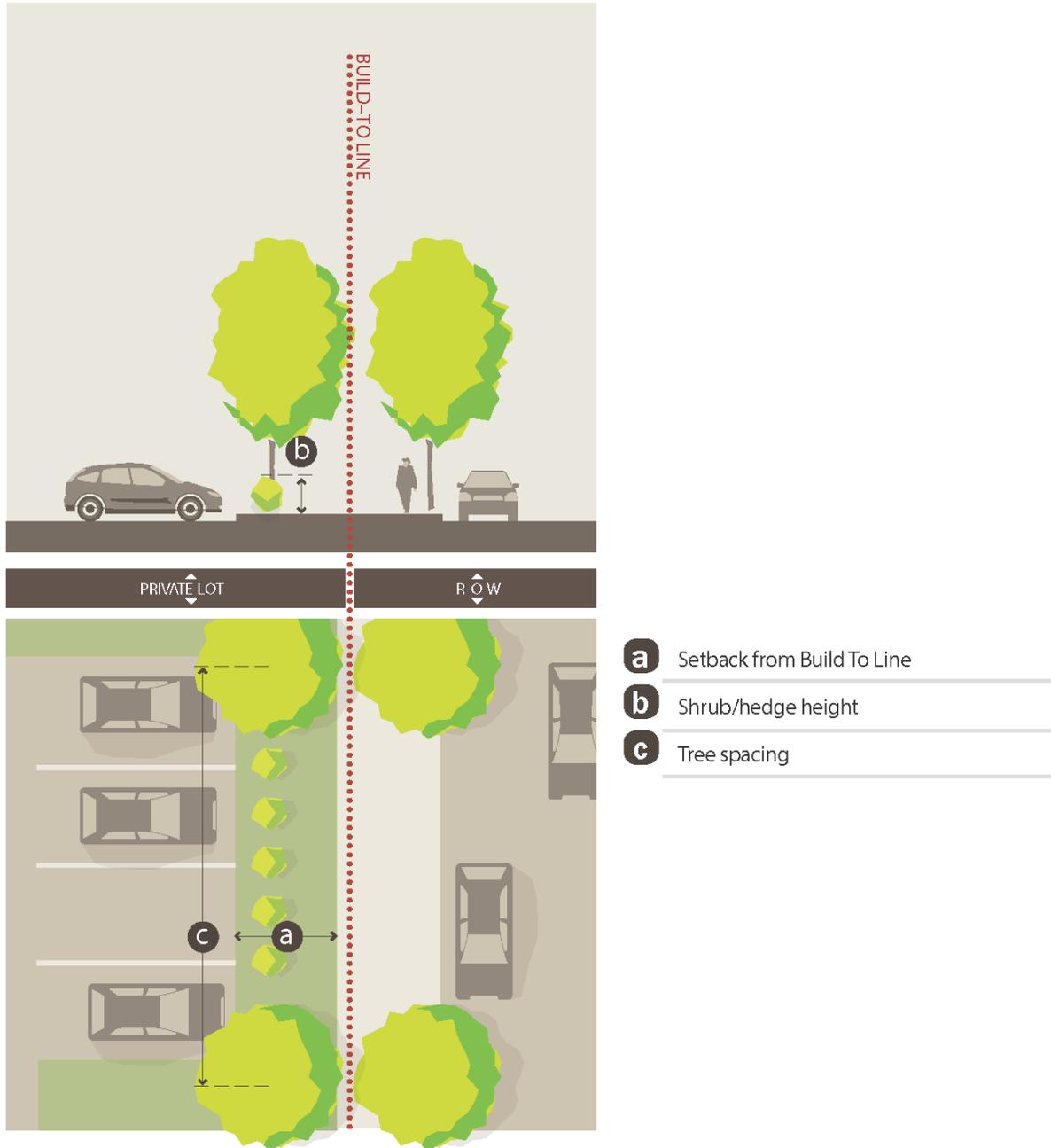


Figure 16.24.070-7, Landscape Setback

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**TABLE 16.24.070-7, BUILDING FRONTAGE TYPE 7 – LANDSCAPE SETBACK**

Development Standard	Woodland Square	Master Plan District	Pacific District	Pacific Ave
Frontage	Where specified according to Table 16.24.050-1 (Streets, Through Connections and Connection Spacing) and Table 16.24.050-2 (Street and Through Connection Types), surface parking areas shall be screened with an Landscape Setback along the Build-To Line.			
<b>a</b> Setback from Build To Line	Along all public or private Street-facing frontages, surface parking shall be set back a minimum of 10 feet behind the Build-To Line.			
<b>b</b> Shrub and Hedge Height	<p>The surface parking area shall be screened with a continuous row of hedges or shrubs immediately adjacent to the parking area, except where there is a driveway. The shrubs shall be a minimum of 3 feet high and must be mostly opaque year round.</p> <p>A 3 feet high masonry wall may be substituted for the shrubs but the trees and groundcover plants are still required.</p>			
<b>c</b> Tree Spacing	In addition to the required shrubs, one large tree is required every 30 linear feet minimum along all public or private Street-facing frontages. The shrubs/hedge shall be interrupted with a gap of up to 2 feet wide in order to accommodate trees.			
Walkways	Openings in the Setback are allowed for pedestrian pathways, sidewalks, plazas, and driveways.			
Ground Cover and Planting	Grass or ground cover plants must fully cover the remainder of the landscaped area between the parking area and the sidewalk.			

## 16.24.100 Development Review

### 16.24.100 Development Review Process

- A. Administration of development review shall be the responsibility of the director of community development. The director shall implement development review concurrent with any related planning review process or building permit application. The development review process consists of a presubmission conference followed by an application review by either the director or the Site Plan Review Committee (SPRC).
1. Presubmission Conference
    - a. The applicant shall attend a presubmission conference with an assigned staff member. The presubmission conference shall be conducted in accordance with Section 1B.020 of the City of Lacey Development Guidelines and Public Works Standards.
    - b. The site plan, landscaping plan, and building design may be conceptual in form for the presubmission conference.
    - c. Staff shall provide a written summary of the meeting to the applicant including identification of the relevant approval criteria in Sections 16.24.060 through 16.24.100.
    - d. The staff summary shall identify the applicable review process, which will be an administrative review by the director of community development or a review by the SPRC.
    - e. The staff summary shall identify any submittal requirements in Section 16.24.130 that are not applicable or required.
  2. Limited Administrative Review
    - a. Development applications, which do not exceed the thresholds in Section 16.24.100 B, shall be subject to an administrative review by the director under LMC 12.28 Development Standards and Public Works Standards.
    - b. The director shall conduct this review concurrent with any related planning review process or building permit application.
  3. Review by the SPRC
    - a. Development applications, which exceed the thresholds in Section 16.24.100 B, shall be subject to a review by the SPRC.
    - b. The SPRC shall review development applications in accordance with the full administrative review process and timelines outlined in Section 1C.040 of the City of Lacey Development Guidelines and Public Works Standards. The application shall be approved or approved with conditions to conform to the standards, provisions and policies of the city as expressed in its various adopted plans and ordinances. Whenever the SPRC disapproves an application, it shall set forth in writing its findings, which shall specify the particular standards, provisions and policies to which the site plan fails to conform and the reasons why it fails to conform.
    - c. The site plan review committee (SPRC) shall have the prerogative of refusing to rule on a development application if in the opinion of the SPRC the site plan is sufficiently complex that it should be reviewed by the hearings examiner according to the quasi-judicial process in Section 1C.050 of the City of Lacey Development Guidelines and Public Works Standards. The SPRC shall decide to transfer review authority to the hearings examiner within fourteen days of the Determination of Completeness, according to Section 1B.070 of the City of Lacey Development Guidelines and Public Works Standards.
- B. Development review and approval by the SPRC shall be required for any of the following activities:
1. The use of land for the location of any commercial, industrial or public building or activity, and for the location of any building containing more than two dwelling units or lot with more than one residential structure other than a permitted accessory dwelling.

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2. A change of land use at an existing site or structure when the new activity requires either a change of occupancy according to the Building Code or is a change of land use according to the Standard Industrial Classification code and, in the opinion of the community development director, results in an intensification of land use and will require new development conditions to comply with existing regulations. This provision may not apply to malls (buildings with ten or more tenants sharing common parking) where original conditions to establish the mall complex anticipated a range of tenants and existing facilities and where it can be shown existing infrastructure can accommodate the new intensified use.
3. Expansion of an existing commercial, industrial, public or multifamily structure or use. Provided residential duplexes are exempt.
4. A remodel of an existing structure where the remodel is twenty-five percent or more of the assessed valuation of existing structures. The remodel value shall be calculated according to methodology described in Chapter [14.04](#) LMC adopting the Building Code. The value of existing structures shall be the most recent value assigned by the County Assessor. The twenty five percent threshold shall be cumulative over the most recent five years, including calculations of all previously exempt remodels, but shall not include life/safety improvements or normal maintenance not requiring a building permit. Remodels of residential duplex, triplex, and quadraplex shall be exempt from site plan review.
5. Uses and activities within designated environmentally sensitive areas or their buffers pursuant to the requirements of LMC Title [14](#).

## **16.24.110 Appeals**

Any decision of the city of Lacey in the administration of Chapter 16.24 LMC may be appealed in accordance with Section 1D.010 Appeals of the City of Lacey Development Guidelines and Public Works Standards.

## **16.24.120 Amendment of an Approved Development Application.**

- A. A development approval granted approval by the director, SPRC, hearings examiner or by the city council may be amended. If, in the opinion of the director of community development, the modifications are considered minor, no additional review process shall be required. If the modifications are considered significant by the director of community development, then the site plan shall be modified by the same procedures provided under LMC 16.24.100.

## **16.24.130 Development Review – Submittal Requirements.**

The development application shall contain the following items:

- A. Application narrative. Four copies required.
  - a. Project site address;
  - b. Project description;
  - c. List of requested adjustments, if any;
  - d. List of submittals provided;
  - e. For all multifamily projects or mixed-use projects with multifamily development, provide a description of compliance with crime prevention through environmental design (CPTED) techniques;
- B. Plans. Four copies of the set of plans are required. The license stamps of the architect and landscape architect shall be on each appropriate plan page.
  1. Vicinity Plan. A vicinity plan is required containing the following information (1 inch equals 500' or larger):
    - a. Site boundaries
    - b. Site address;
    - c. Woodland District Neighborhood designation;
    - d. Plan showing project location within the Woodland District;
    - e. Names of adjacent streets with corridor designation (Refer to § 16.24.040-2 Regulating Plan, Streets); and

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- f. Names and descriptions of frontage types required and proposed.
2. Site Plan. A site plan is required containing the following information (1 inch equals 20' or larger):
  - a. Site address;
  - b. Woodland District Neighborhood designation;
  - c. Names of adjacent streets;
  - d. Location of adjacent buildings on abutting properties;
  - e. Site dimensions;
  - f. Existing grade and finished grade (maximum two-foot contours);
  - g. Location and dimensions of existing and proposed site circulation for automobiles and pedestrians. Indicate location of site ingress and egress and patterns of on-site automobile circulation with directional arrows. Clearly identify any requested adjustments to development standards (Refer to § 16.24.050 Streets, Through Connections and Connection Spacing);
  - h. Location and dimensions of existing and proposed structure(s), accessory structures with appropriate setbacks;
  - i. Location of trees as determined by the Lacey tree protection professional;
  - j. Location, dimensions, and nature of any proposed easements or dedications; and
  - k. Location, dimensions, and description of common open space and recreation areas (Refer to § 16.24.030 General Standards Required for All Development).
3. Landscaping Plan. The landscaping plan shall contain the following information (1 inch equals 20' or larger):
  - a. Survey of existing trees; trees to be retained; and trees to be removed;
  - b. Existing plant material to be retained;
  - c. Proposed plant material to be placed on site. The type, size, number and spacing on plantings must be illustrated (Refer to § 16.24.030 General Standards Required for All Development);
  - d. Surface parking location and design (Refer to Chapter 16.72 LMC);
  - e. Bicycle parking location and design (Refer to Chapter 16.72 LMC);
  - f. Loading and Service Areas location and design (Refer to Chapter 16.80 LMC);
  - g. Screening and Buffering: general; perimeter fencing and walls; parking structures; and surface parking lots. (Refer to Chapter 16.80 LMC).
4. Building Form and Massing. Submit complete elevations (1/8 inch equals 1' or larger) of all proposed construction and related elevations of existing structures (if any) within 25 feet of the site. Elevations shall include the following information:
  - a. Dimensioned elevations of building showing:
    - i. Required building setbacks (if any) (Refer to § 16.24.060, Building Form, Site Design and Massing);
    - ii. Required ground floor height (Refer to § 16.24.060, Building Form, Site Design and Massing);
    - iii. Required weather protection (Refer to § 16.24.060, Building Form, Site Design and Massing);
    - iv. Required ground floor transparency (Refer to § 16.24.060, Building Form, Site Design and Massing);
    - v. Required weather protection for required building entrance(s) (Refer to § 16.24.060, Building Form, Site Design and Massing);
    - vi. Pedestrian protection – sidewalk (Refer to § 16.24.060, Building Form, Site Design and Massing);
    - vii. Minimum, maximum, and proposed podium height (Refer to § 16.24.060, Building Form, Site Design and Massing); and
    - viii. Maximum building height and required building setbacks (if any) (Refer to § 16.24.060, Building Form, Site Design and Massing).

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- b. Elevations should show the type and color of exterior materials;
  - c. Location and elevations of exterior lighting for site and buildings; and
  - d. Perspective drawings, photographs, color renderings or other graphics which accurately represent the proposed project.
5. Sections. Submit a minimum of two site and building cross section profiles (1/8 inch equals 1' or larger) with the following information:
- a. Scale;
  - b. Building(s) details;
  - c. Landscaping against the building when installed;
  - d. Lighting fixtures and standards; and
  - e. Signs.
6. Roof plan. The roof plan shall contain the following information (1 inch equals 20' or larger):
- a. Extent of the project site and location of new and existing buildings;
  - b. Extent and location of new roof(s);
  - c. Extent and location of building tower(s) (if any);
  - d. Dimensions and area of floor plate for proposed building tower(s). If more than one tower, show clear dimensions between towers (Refer to § 16.24.060, Building Form, Site Design and Massing).

#### **16.24.140 Additional information for review.**

The SPRC, hearings examiner or city council may require the applicant to submit any additional information or material which it finds is necessary for the proper review and hearing of the application.

## **Appendix 2 –Definitions specific to the Lacey Hybrid Form Based Code / new section 16.24 Woodland District**

**Block, infill** means an area of land bounded by new or existing streets or easements.

**Build-To Line** means the line up to which buildings or landscaping must be constructed.

**Chord** means a straight line joining the ends of an arc.

**Forecourt** means an open area forming an entrance plaza for a single Building or several Buildings in a group.

**Frontage** means the portion of the Site, Parcel or Infill Block that is adjacent to a public street, a Through Connection or other path.

**Ground Floor** means the floor-to-ceiling space of a building where the floor is at or nearest to the level of the ground around the building.

**Group Living** provides lodging or both meals and lodging, without individual cooking facilities, by prearrangement for a week or more at a time, in a space not defined by the LMC as a dwelling unit. Group living shall include, but not necessarily be limited to, public or private nonprofit residential facilities such as residential hotels, boardinghouses, residence clubs, communes, fraternity or sorority houses, monasteries, convents, or ashrams. It shall also include group housing affiliated with and operated by a medical or educational institution, when not located on the same lot as the institution.

**Household** A household is a person or group of people occupying a single dwelling unit.

**Podium** means the continuous projecting base of a building, distinct from the Tower or other portions of the building.

**Porch** means a structure attached to a building to shelter an entrance or to serve as a semi-enclosed space; usually roofed and generally open-sided; although it may be enclosed through the use of screens, glass or partial walls.

**Step Back** means an upper façade of a building that is recessed or set back from the lower façade of the building.

**Stoop** means a platform or small Porch, usually up several steps, at the entrance to a building, usually a dwelling or dwellings.

**Street Type** means a set of requirements applicable to a public street or an easement, which requirements may include, but are not limited to, right of way width, travel lanes, sidewalks width, planting strips, and role in the street network.

**Terrace** means a flat roof or a raised space or platform adjoining a building, or an embankment with a level top. A Terrace is open to the sky and larger than a balcony, and may be above or below grade level.

**Threshold** means the area of floor beneath a door, where two types of floor material meet; or the entrance to a building.

**Through Connection** means a grade level pedestrian, cycling, or vehicle access route that is accessible to the public and extends through a city block, parcel, lot or Infill Block and includes but is not limited to a pedestrian walkway, a Street, or an access route through public or private land.

**Tower** means a building or a portion of a building within the boundary of the Woodland District over 55 feet in height. The Tower portion of the building is located on top of a Podium.

**Tower Floor Plate** means the sum of the gross horizontal area of a single floor of a tower, measured from the exterior faces of the exterior walls.

**Trellis** means an open grating or latticework overhead, of either metal or wood, and the supporting columns and framework.

**Urban Fence** means an open framework screen or fence, of either metal, wood, masonry or a combination, usually no more than 3 feet high, which serves to enclose or subdivide outdoor space, presenting a semi-transparent surface, except where penetrated by walkways.



## PLANNING COMMISSION STAFF REPORT

October 6, 2015

**SUBJECT:** 2016 Comprehensive Plan Update: Draft Economic Development Element

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**RECOMMENDATION:** Review and provide direction on revised draft of the Draft Economic Development Element of the Comprehensive Plan.

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**TO:** Lacey Planning Commission

**STAFF CONTACTS:** Rick Walk, AICP, Community Development Director   
George E. Smith, CECD, EDFP, Economic Development Coordinator

**ATTACHMENT(S):** 1. Draft Economic Development Element  
2. Economic Development Element Exhibits 1-6

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

Planning Commission Worksession - September 1, 2015

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### BACKGROUND:

The Planning Commission is in the process of developing the Draft Comprehensive Plan for adoption by the City Council in July of 2016. The update efforts include drafting and updating various elements of the Plan. Staff is working with the Planning Commission via a series of work sessions and public hearings for the timely completion of the Plan.

An updated draft Economic Development Element (Element) is attached for your review. There are a number of changes from the earlier version introduced for the first time on September 1, 2015. Those changes are highlighted by the following:

1. The interests of individual citizens/residents/workers/employees and businesses are inextricably linked, and not mutually exclusive. However, a clearer balance between references to each has been made in the update.
2. The strengths, weaknesses, opportunities, and threats (SWOT analysis) were reformatted to bullet points, and edited slightly for readability
3. On page six, in the SWOT analysis, under "Weaknesses," under the heading "Legislative," two wording changes have been included related to revisions to allowable uses in the Hawks Prairie Business District, one of the weaknesses cited has been updated to read:

*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 resources.*

This is immediately followed by the second change. As a result of further analysis of the information provided in the Market Study, the full potential retail leakage and sales tax leakage from Lacey's regional catchment area attributable to gas stations with convenience stores is given greater emphasis. With the following wording added:

*At the local level, our current development rules also 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.*

4. The introduction of the information provided by the 2015 Market Study has been expanded and moved to a more appropriate location on page eight, preceding the section on "Market Conditions," which is a section that relies heavily on the information from the Market Study. The new introduction follows.

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 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 (Exhibit 3) 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 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, 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.

5. Since the initial drafting of the Economic Development Element, the Thurston Regional Planning Council (TRPC) published updated population numbers for 2015, with projections beyond 2035. While the updated numbers do not impact any of the proposed goals or proposed policies, the numbers have been updated in the revised draft on page 12.
6. To be more consistent with the wording of proposed policies contained in other elements, the introductory wording of "Lacey will..." at the beginning of each proposed policy has been dropped, with wording adjusted, when necessary, for readability. These begin on page 15.
7. Also on page 15, a third proposed policy has been added in support of goal one: *Policy C: Balance the needs of businesses with the needs of its citizens.*
8. Also on page 15, a new proposed policy has been added in support of proposed goal two. It was inserted as a new Policy "E," with the remaining policies re-lettered. *New 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.*

9. On page 16, under goal three, proposed policy C has been reworded to read: *Work with partners to attract businesses to locations where they will be successful.*
10. Also on page 16, under goal three, in proposed policy D, “JBLM” has been replaced with “the military” to read: *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.*
11. Also on page 16, under goal three, proposed policy E, the explanation for the proposed policy, which is redundant with the explanation provided elsewhere in the Element, was eliminated so that the proposed policy now reads: *Concentrate economic development resources on business retention and expansion, and fostering an environment where local businesses and entrepreneurs can thrive.*
12. On page 17, under goal four, the *American Institute of Certified Planners (Exhibit 6) Code of Ethics* has been added, and the exhibits have been renumbered.
13. On page 18, under proposed goal five, and new proposed policy was added: *Policy G: Encourage greater collaboration between local education institutions, JBLM, economic development organizations, and businesses.*
14. The Goal/Policy Matrix was eliminated, and reference to it has been removed.

**RECOMMENDATION:**

Request the Planning Commission review the updated draft content of the Economic Development Element of the Comprehensive Plan and provide input and feedback.

## **Economic Development Element**

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.

### **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 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 20 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) and the Economic Development Program Work Plan (Work 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 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.

## **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. Please refer to Exhibit 1—Organizations Providing Economic Development Services in Thurston County.

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 the City, 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: all 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 business 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.

#### Demographics and Workforce

- Lacey has good demographics.
- Because many of its citizens work for the State of Washington, 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 type of work and the education required, at both the State and JBLM, attracts socially stable people, so that social stability helps ensure that Lacey is free of the social unrest that can cause business disruptions.
- 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.
- Lacey's strategic location along the I-5 corridor, between Seattle and Portland, is 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 are still available in Lacey on which to locate businesses, due largely to forward thinking land planning in the 1990s.

### 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.<sup>1</sup>

### Weaknesses

Lacey’s weaknesses fall into five broad categories: collaboration, location, transportation, legislation, and lack of resources. Just as Lacey’s strengths are interconnected, so are its weaknesses: with lack of resources connected to all of them.

### Collaboration

- Despite the strengths of strong committed leadership, and effective collaboration among partners, lack of 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 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.<sup>2</sup> 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.
- Close proximity to Olympia and Tacoma preclude Lacey from attracting some retailers that generate large amounts of sales tax revenue, exacerbating lack of 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 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 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.
- Ongoing political conflicts at the national level have led to congress and the President being unable to agree on funding priorities. That led to sequestration, a series of

automatic spending cuts which have had severe negative impacts on JBLM, which impacts economic activity in Lacey.

- Until just recently, political conflicts at the state level delayed wage increases for state employees for several years. This impacted economic activities, sales tax, and contributed to lack of 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 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 multi-family residential development too expensive, limiting workforce housing, weakening Lacey’s workforce availability strength, and further exacerbating lack of resources due to the loss of sales tax revenue on the construction materials.
- Finally, legislative restriction at the state level, plus lack of 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 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 of Lacey.

### 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.

- 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 underutilized 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 foreign luxury car dealerships. While the urbanized area of Thurston County is too small in size and in population to support two dealerships representing the same car company, none of the luxury foreign car companies are represented. Many of these companies now sell aspirational models that compete on price with many American cars, and many of them actually sell more cars annually in the United States, than the domestic luxury 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, 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 with their customers afford opportunities for retention, expansion, job creation, and business attraction to the area.

### 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 wellbeing. 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 potentially 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.
- A threat to Lacey's economic well-being would be a significant reduction in force at JBLM. Lacey is not a one-industry town, but JBLM's economic impact on Lacey, and its citizens, is significant.
- Other lesser threats are the potential for listing of other species prevalent in the area as being threatened under the Endangered Species Act, limiting or preventing development in that specie's habitat, as has been the case with Mazama Pocket Gophers.
- 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 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, 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 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 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, 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.

#### 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.)<sup>3</sup> 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 & 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.<sup>4</sup>

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.

<b>Table 1--Seasonality of Unemployment in Lacey</b>	(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 the 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.**

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 Myer, Home Depot, Kohl’s, Lowes, Marshalls, Michael’s, 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 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 includes:

**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 located 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 & UGAs 2015-2035**

Population Forecast Cities & UGAs 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

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 20 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 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, and 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, or concerns businesses have abroad with political or economic instability, protecting intellectual property, increased labor costs, or increased regulation.

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 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. 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 square feet; 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

Given Lacey’s significant growth in both land area, and population over the last 20 years, the continuing growth that the City will experience over the next 20 years will begin to be characterized by more redevelopment of existing, underutilized sites, and less new development of greenfield sites.

## **GOALS AND POLICES**

To realize the City’s vision, goals are established. To accomplish the goals, policies are established. Both the goals and the policies are interdependent. While many policies support more than one goal, the policy statement will be detailed only once, under the goal where the grouping of policies makes the most sense.

**Goal 1: Lacey is Business Friendly—Lacey maintains high development standards and a community vision with a business-friendly culture of collaboration and partnership with citizens, businesses, property owners, developers, and entrepreneurs to minimize obstacles to their success: “the Lacey way.”**

*Policy A: Ensure Lacey maintains its reputation for being business friendly, by looking at ordinances, rules, permitting processes, and policies from the perspective of its business customers to avoid creating unnecessary obstacles.*

*Policy B: Ensure Lacey continues to improve and streamline necessary processes to provide excellent, efficient, and effective service to its customers.*

*Policy C: Balance the needs of businesses with the needs of its citizens.*

**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: Work with partners to attract businesses to locations where they will be successful.*

*Policy D: 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.*

*Policy E: Concentrate economic development resources on business retention and expansion, and fostering an environment where local businesses and entrepreneurs can thrive.*

*Policy F: 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.*

**Goal 5: Lacey Invests Wisely in its Future—Lacey “incent” 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: Use incentives sparingly, and only to cure a particular problem or competitive weakness.*

*Policy C: In the rare 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 the City of 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.*

**Citations**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Thurston Regional Planning Commission Population Estimates and Forecast 2010-2035 available at <http://www.trpc.org/DocumentCenter/Home/View/1415>, accessed September 18, 2015.

<sup>4</sup> 2015 City of Lacey Market Study.





# **Lacey Community Market Study FINAL REPORT**

**August 2015**

**Prepared by  
WAHLSTROM & ASSOCIATES**

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### **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,<sup>1</sup> 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.<sup>2</sup>

### 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.<sup>3</sup>

### 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).<sup>4</sup>

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<sup>1</sup> Region includes the three contiguous I-5 counties of Thurston, Pierce, and Lewis.

<sup>2</sup> Appendix Table A-1 describes the population and housing unit growth trends between 2000 and 2015.

<sup>3</sup> Appendix Table A-2 describes the age characteristics among the residents of Lacey, Thurston County, and the surrounding region, 2015.

<sup>4</sup> 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.<sup>5</sup>

## 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).<sup>6</sup> 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.<sup>7</sup>

## 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.<sup>8</sup>



<sup>5</sup> Appendix Table A-4 describes the primary languages spoken at home among residents age 5 and over in Lacey and the surrounding region, 2014.

<sup>6</sup> 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.

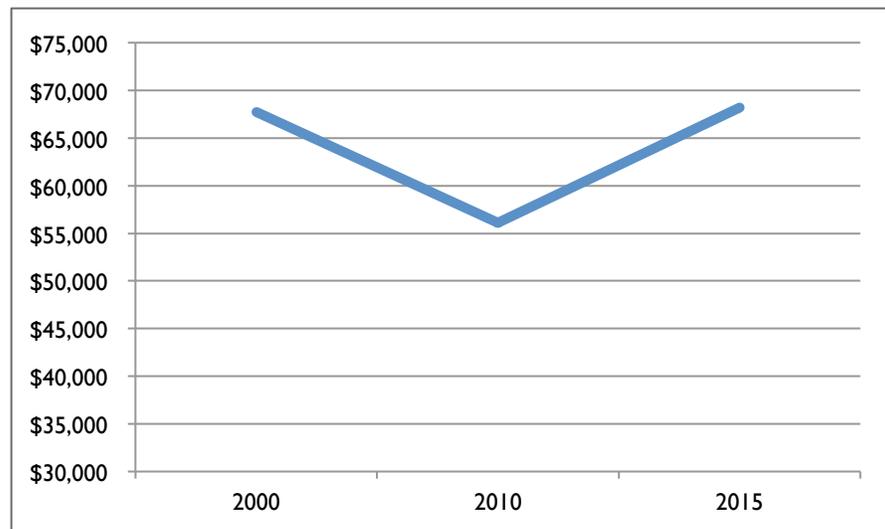
<sup>7</sup> Appendix Table A-5 describes the labor force characteristics in Lacey and the surrounding region.

<sup>8</sup> 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.<sup>9</sup>

**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).<sup>10</sup>

<sup>9</sup> 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.

<sup>10</sup> Appendix Table A-8 describes income distribution among households in Lacey and the surrounding region.

### 3. LACEY'S ECONOMIC SETTING

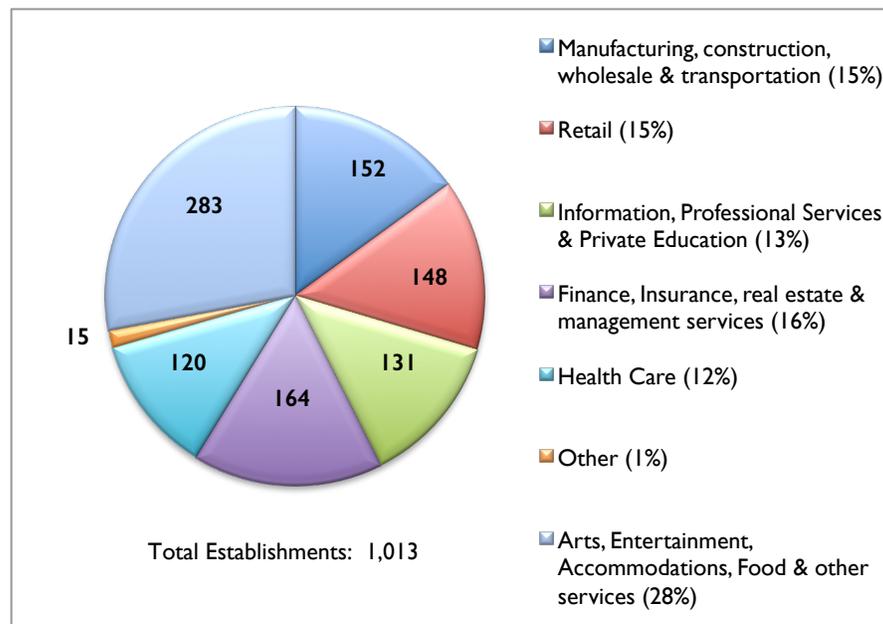
This section of the report provides an analysis of the current economic base and historical trends. It includes an inventory of private sector business establishments, an inventory of built commercial space, a description of the local and regional economic base, and an analysis of past job growth trends 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.<sup>11</sup> Following are pertinent observations about Lacey's business community.

**Figure 2 – Lacey Business Establishments by Type, 2015**



<sup>11</sup> 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 an average of 2,300 square feet per store that absorb 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.<sup>12</sup> 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

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<sup>12</sup> 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.<sup>13</sup> 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;

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<sup>13</sup> 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%
<b>Totals</b>	<b>16,900</b>		<b>100,080</b>		<b>2,790,920</b>	

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.<sup>14</sup> 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

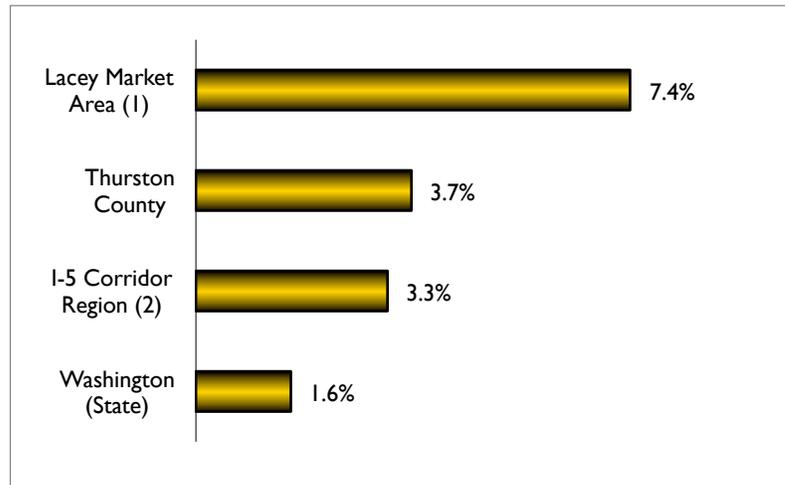
<sup>14</sup> Appendix Tables A-11 to A-15 summarize the employment growth trends in the State, region, County, and the Lacey market area between 2001 and 2013.

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

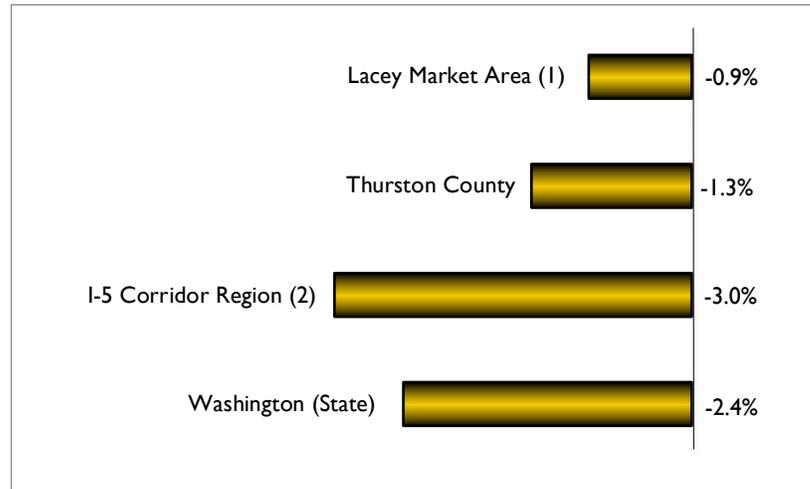
The dot-com bust continued through 2003 but the economy slowly recovered through 2007 with nearly 230,000 new jobs added to Washington State’s economy. During the seven-year period after 2001, Washington State’s economy expanded at a rather anemic 1.6 percent annual growth rate. In comparison, the three 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).

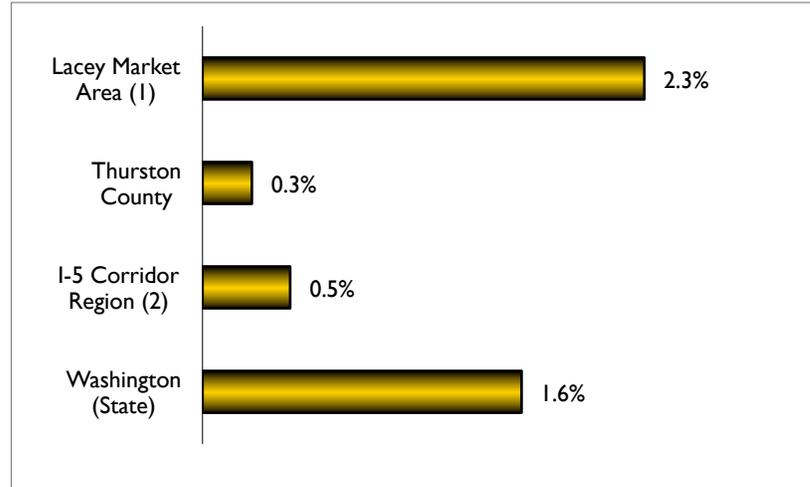
The great recession had less adverse impacts on Thurston County relative to the State and nation. Thurston County lost approximately 2,600 private sector jobs between 2007 and 2010, which amounted to softer a 1.3 percent annual rate of decline. The construction industry accounted for nearly 60 percent 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.<sup>15</sup> 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.<sup>16</sup> 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;

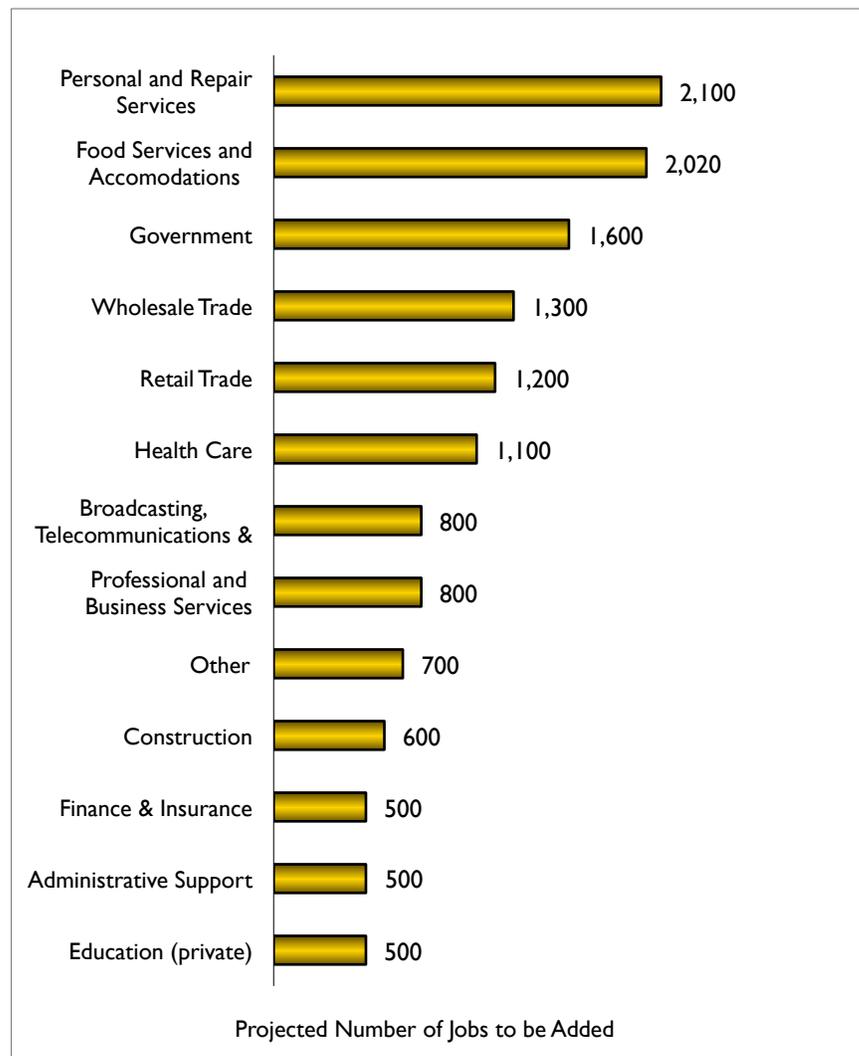
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<sup>15</sup> See 2014 Employment Projections published by the Washington State Employment Security Department.

<sup>16</sup> 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				
<b>Totals</b>	<b>16,670</b>	<b>440</b>	<b>6,972,000</b>		<b>576</b>

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.<sup>17</sup> 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, Lowe's, 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;<sup>18</sup>
- 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, PETSMAART, 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

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<sup>17</sup> Appendix Table A-18 provides an inventory of occupied retail space in Lacey by commercial district.

<sup>18</sup> See Wal-Mart and Costco 2014 10K reports submitted to the Security and Exchange Commission.

year of sales revenue.<sup>19</sup> 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.<sup>20</sup> 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.

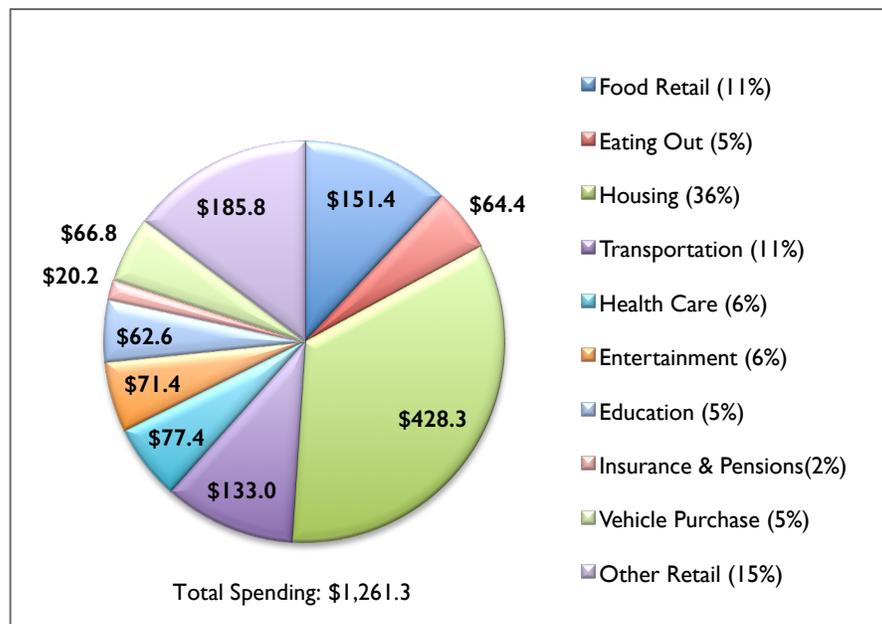
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<sup>19</sup> Source: InfoUSA and corporate 10K reports.

<sup>20</sup> 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)
<b>Automotive Group</b>				
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
<b>Furniture &amp; Home Furnishings</b>				
Furniture Stores	\$4,464,000	\$11,860,000	\$0	\$7,396,000
Home Furnishings	\$3,799,000	\$3,323,000	\$476,000	\$0
<b>Electronics &amp; Appliance Stores</b>				
Household Appliance	\$1,399,000	\$1,638,000	\$0	\$239,000
Consumer Electronics & Software	\$8,011,000	\$34,565,000	\$0	\$26,554,000
<b>Building Materials</b>				
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
<b>Food &amp; Beverage Stores</b>				
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
<b>Health &amp; Personal Care Stores</b>				
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
<b>Gasoline Stations</b>				
Gasoline stations with Convenience Stores	\$42,451,000	\$15,869,000	\$26,582,000	\$0
<b>Clothing &amp; Accessories Stores</b>				
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
<b>Sporting Goods, Hobby, Book &amp; Music Stores</b>				
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
<b>General Merchandise</b>				
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*

<b>Miscellaneous Stores</b>				
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
<b>Non-Store Retailers and Internet sales</b>				
Non-Store Retailers and Internet sales	\$33,040,000		\$0	\$0
<b>Total</b>	<b>\$368,639,000</b>	<b>\$862,493,800</b>		

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.<sup>21</sup>
- 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.

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<sup>21</sup> 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 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

City of Lacey	2000	2010	2015	Growth		Average Annual Growth Rates	
				2000 to 10	2010 to 14	2000 to 10	2010 to 14
<b>Population</b>	32,280	42,390	46,120	10,110	3,730	2.8%	2.1%
<b>Households</b>	12,910	16,920	18,490	4,010	1,570	2.7%	2.2%
<b>Housing Units</b>	13,580	18,390	19,980	4,810	1,590	3.1%	2.1%
<b>Thurston County</b>							
<b>Population</b>	207,360	252,260	267,950	44,900	15,690	2.0%	1.5%
<b>Households</b>	81,630	100,650	107,580	19,020	6,930	2.1%	1.7%
<b>Housing Units</b>	86,660	108,180	115,210	21,520	7,030	2.2%	1.6%
<b>I-5 Corridor Region [a]</b>							
<b>Population</b>	976,360	1,122,940	1,179,110	146,580	56,170	1.4%	1.2%
<b>Households</b>	368,580	430,310	454,080	61,730	23,770	1.6%	1.4%
<b>Housing Units</b>	393,150	467,610	491,870	74,460	24,260	1.7%	1.3%
<b>Washington</b>							
<b>Population</b>	5,894,120	6,724,540	7,083,350	830,420	358,810	1.3%	1.3%
<b>Households</b>	2,271,400	2,620,080	2,770,330	348,680	150,250	1.4%	1.4%
<b>Housing Units</b>	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

	Age	Age	Age	Age	Age	Total	Average Age
Population Estimates	< 18	18-34	35-54	55-64	65 +		
<b>City of Lacey</b>	11,470	11,170	11,380	4,850	7,250	46,120	37.9
<b>Thurston County</b>	59,280	60,180	70,110	37,220	41,160	267,950	39.6
<b>I-5 Corridor Region [a]</b>	278,140	275,530	309,940	152,680	162,830	1,179,120	38.3
<b>State of Washington</b>	1,609,250	1,649,650	1,883,950	932,350	1,008,150	7,083,350	38.8
<b>Percent Distribution by Age Group</b>							
<b>City of Lacey</b>	25%	24%	25%	11%	16%		
<b>Thurston County</b>	22%	22%	26%	14%	15%		
<b>I-5 Corridor Region [a]</b>	24%	23%	26%	13%	14%		
<b>State of Washington</b>	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
<b>City of Lacey</b>	2,110	19,750	5,660	3,210	30,730
<b>Thurston County</b>	11,930	115,520	34,920	22,330	184,700
<b>I-5 Corridor Region [a]</b>	69,320	523,620	125,150	71,620	789,710
<b>State of Washington</b>	468,970	2,817,760	971,250	546,260	4,804,240
<b>Percent Total</b>					
<b>City of Lacey</b>	7%	64%	18%	10%	
<b>Thurston County</b>	6%	63%	19%	12%	
<b>I-5 Corridor Region [a]</b>	9%	66%	16%	9%	
<b>State of Washington</b>	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
<b>City of Lacey</b>	36,070	1,740	3,530	1,360	42,700
<b>Thurston County</b>	224,000	10,780	11,970	5,140	251,890
<b>I-5 Corridor Region [a]</b>	952,280	61,680	54,150	33,320	1,101,430
<b>State of Washington</b>	5,377,060	558,300	378,840	324,360	6,638,560
<b>Percent Total</b>					
<b>City of Lacey</b>	84%	4%	8%	3%	
<b>Thurston County</b>	89%	4%	5%	2%	
<b>I-5 Corridor Region [a]</b>	86%	6%	5%	3%	
<b>State of Washington</b>	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
<b>City of Lacey</b>	18,560	17,170	1,400	7.5%	12,380	60%
<b>Thurston County</b>	123,120	114,940	8,180	6.6%	68,370	64%
<b>I-5 Corridor Region [a]</b>	538,030	499,320	38,710	7.2%	301,050	64%
<b>State of Washington</b>	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)
<b>City of Lacey</b>	3,800	8,870	3,970	2,130	27
<b>Thurston County</b>	33,240	48,130	23,120	16,070	27
<b>I-5 Corridor Region [a]</b>	123,190	184,770	111,390	95,400	30
<b>State of Washington</b>	836,230	1,160,340	656,950	486,680	28
<b>Percent Total</b>					
<b>City of Lacey</b>	20%	47%	21%	11%	
<b>Thurston County</b>	28%	40%	19%	13%	
<b>I-5 Corridor Region [a]</b>	24%	36%	22%	19%	
<b>State of Washington</b>	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
<b>Lacey</b>	\$67,700	\$56,100	\$68,220	-\$11,600	\$12,120	1%
<b>Thurston County</b>	\$76,800	\$60,600	\$72,700	-\$16,200	\$12,135	-5%
<b>Washington State</b>	\$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**

<b># of Households in each income bracket</b>	<b>&lt; \$35k</b>	<b>\$35 to \$50K</b>	<b>\$50 to \$100K</b>	<b>\$100 to \$150K</b>	<b>&gt; \$150k</b>	<b>Total Households</b>	<b>Average HH Income</b>
<b>City of Lacey</b>	5,180	2,750	6,940	2,650	960	18,480	\$68,220
<b>Thurston County</b>	29,370	14,310	39,410	16,350	8,140	107,580	\$72,700
<b>I-5 Corridor Region [a]</b>	128,850	64,680	159,470	66,040	35,040	454,080	\$72,000
<b>State of Washington</b>	798,960	370,330	889,040	414,810	297,200	2,770,340	\$78,800
<b>Percent Total</b>							
<b>City of Lacey</b>	28%	15%	38%	14%	5%		
<b>Thurston County</b>	27%	13%	37%	15%	8%		
<b>I-5 Corridor Region [a]</b>	28%	14%	35%	15%	8%		
<b>State of Washington</b>	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
<b>Total Occupied Commercial Space</b>	<b>1,17,300</b>	<b>240,200</b>	<b>608,000</b>	<b>258,400</b>	<b>376,200</b>	<b>2,672,600</b>	
<b>Retail (Occupied)</b>	962,700	191,500	573,100	105,800	323,600	2,156,700	73%
<b>Amusement, Gambling &amp; Recreation Facilities</b>	43,700	27,000	5,600	39,200	12,600	128,100	5%
<b>Business &amp; Professional Services (located in commercial space)</b>	14,600	1,500	39,000	65,900	4,200	125,200	4%
<b>Full Service Restaurants</b>	51,300	13,400	24,900	23,300	7,600	120,500	4%
<b>Pizza, Fast Food &amp; Food Take-Out Establishments</b>	39,200	4,500	23,600	10,200	25,400	102,900	4%
<b>Personal Care Services</b>	5,800	2,300	14,300	14,000	2,800	39,200	1%
<b>Vacant Commercial Space</b>	<b>22,300</b>	<b>35,500</b>	<b>71,800</b>	<b>97,800</b>	<b>13,200</b>	<b>240,600</b>	
<b>Vacancy Rates</b>	<b>2.2%</b>	<b>12.9%</b>	<b>9.5%</b>	<b>27.5%</b>	<b>3.4%</b>	<b>8.2%</b>	
<b>% Total Commercial Space by Subarea</b>	<b>39%</b>	<b>9%</b>	<b>26%</b>	<b>12%</b>	<b>13%</b>		
<b>Other Types of Business Space</b>							
<b>Visitor Lodging Facilities</b>	80,200	107,200	32,400	0	0	220,000	
<b>Self Storage</b>	22,600	0	0	125,500	29,700	178,000	
<b>Commercial Banks &amp; Other Lending Establishments</b>	40,000	4,300	37,500	6,700	6,800	95,000	
<b>Schools, Classrooms &amp; Child Care</b>	30,100	3,200	22,900	24,500	0	81,000	
<b>Doctors, Dentists &amp; Other Health Care Offices</b>	18,200	2,100	11,100	26,500	7,900	66,000	
<b>Automobile Repair &amp; Maintenance</b>	5,800	2,700	5,900	17,500	5,500	37,000	
<b>Government Offices</b>	6,7	1,100	9,600	16,300	0	34,000	
<b>Civic &amp; Religious Organizations</b>	1,000	2,100	0	4,400	0	8,000	
<b>Total Built Space</b>	<b>1,243,000</b>	<b>398,000</b>	<b>872,000</b>	<b>578,000</b>	<b>439,000</b>	<b>3,631,000</b>	
<b>% Total Built Space by Subarea</b>	<b>37%</b>	<b>11%</b>	<b>24%</b>	<b>16%</b>	<b>12%</b>		

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
<b>Total Employment</b>	<b>61,390</b>	<b>20,620</b>	<b>11,800</b>	<b>19%</b>
<b>Construction</b>	<b>3,280</b>	<b>1,130</b>	<b>600</b>	<b>18%</b>
<b>Manufacturing</b>	<b>2,680</b>	<b>830</b>	<b>330</b>	<b>12%</b>
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	
<b>Wholesale Trade</b>	<b>2,220</b>	<b>710</b>	<b>640</b>	<b>29%</b>
<b>Retail Trade</b>	<b>11,730</b>	<b>4,370</b>	<b>2,900</b>	<b>25%</b>
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	
<b>Transportation</b>	<b>1,390</b>	<b>520</b>	<b>170</b>	<b>12%</b>
Transportation and Support Activities	890	220	150	
Passenger Transit	220	80	10	
Warehouse and Storage	280	220	10	
<b>Information</b>	<b>2,070</b>	<b>1,040</b>	<b>790</b>	<b>38%</b>
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**

<b>Finance</b>	<b>2,020</b>	<b>750</b>	<b>720</b>	<b>36%</b>
<b>Insurance</b>	<b>500</b>	<b>200</b>	<b>110</b>	<b>22%</b>
<b>Real Estate Activities'</b>	<b>1,030</b>	<b>400</b>	<b>210</b>	<b>20%</b>
<b>Professional, Scientific, and Technical Services</b>	<b>4,980</b>	<b>1,990</b>	<b>740</b>	<b>15%</b>
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	
<b>Management Activities</b>	<b>230</b>	<b>90</b>	<b>0</b>	<b>0%</b>
<b>Administrative Support Services</b>	<b>2,130</b>	<b>780</b>	<b>200</b>	<b>9%</b>
<b>Waste Management and Remediation Services</b>	<b>200</b>	<b>170</b>	<b>170</b>	<b>85%</b>
<b>Educational Services (Private)</b>	<b>1,610</b>	<b>870</b>	<b>570</b>	<b>35%</b>
<b>Health Care and Social Assistance</b>	<b>13,090</b>	<b>2,600</b>	<b>920</b>	<b>7%</b>
Health Care Services & hospitals	8,800	940	820	
Nursing and Residential Care Facilities	2,310	1,070	0	
Social Assistance	1,980	590	100	
<b>Arts, Entertainment, and Recreation</b>	<b>2,550</b>	<b>960</b>	<b>350</b>	<b>14%</b>
Performing Arts and Spectator Sports	80	0	0	
Museums, Historical Sites, and Similar Institutions	90	0	0	
Recreation and Amusement	2,380	960	350	
<b>Accommodation</b>	<b>1,060</b>	<b>240</b>	<b>130</b>	<b>12%</b>
<b>Food Services and Drinking Places</b>	<b>6,890</b>	<b>2,360</b>	<b>1,710</b>	<b>25%</b>
<b>Other Services</b>	<b>1,730</b>	<b>610</b>	<b>540</b>	<b>31%</b>
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%
<b>Totals</b>	<b>2,248,905</b>	<b>2,476,215</b>	<b>2,303,257</b>	<b>2,419,076</b>	<b>1.6%</b>	<b>-2.4%</b>	<b>1.6%</b>

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%
<b>Totals</b>	<b>52,898</b>	<b>65,678</b>	<b>63,101</b>	<b>63,585</b>	<b>3.7%</b>	<b>-1.3%</b>	<b>0.3%</b>

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
<b>Construction</b>	15,533	24,169	16,479	15,144	7.6%	-12.0%	-2.8%
<b>Manufacturing</b>	21,293	19,123	15,040	16,885	-1.8%	-7.7%	3.9%
<b>Wholesale trade</b>	9,614	12,024	10,737	10,790	3.8%	-3.7%	0.2%
<b>Retail trade</b>	32,677	35,745	32,563	33,497	1.5%	-3.1%	0.9%
<b>Transportation &amp; warehousing</b>	8,326	12,259	11,966	11,324	6.7%	-0.8%	-1.8%
<b>Information</b>	3,954	3,688	3,701	3,738	-1.2%	0.1%	0.3%
<b>Finance &amp; insurance</b>	8,773	12,250	11,148	9,634	5.7%	-3.1%	-4.7%
<b>Real estate &amp; rental &amp; leasing</b>	4,699	5,682	5,212	5,018	3.2%	-2.8%	-1.3%
<b>Professional, scientific &amp; technical services</b>	7,522	9,761	8,549	9,096	4.4%	-4.3%	2.1%
<b>Management of companies &amp; enterprises</b>	3,198	4,247	4,972	5,411	4.8%	5.4%	2.9%
<b>Admin, support, waste mgt, remediation services</b>	11,403	15,225	10,981	11,969	4.9%	-10.3%	2.9%
<b>Educational services</b>	7,007	6,994	7,332	7,067	0.0%	1.6%	-1.2%
<b>Health care and social assistance</b>	34,604	42,945	44,219	44,022	3.7%	1.0%	-0.1%
<b>Arts, entertainment &amp; recreation</b>	4,536	3,139	5,675	6,513	-6.0%	21.8%	4.7%
<b>Accommodation &amp; food services</b>	18,656	25,712	21,541	23,282	5.5%	-5.7%	2.6%
<b>Other services (except public administration)</b>	12,184	13,047	12,407	12,827	1.1%	-1.7%	1.1%
<b>Totals</b>	<b>203,979</b>	<b>246,010</b>	<b>222,522</b>	<b>226,217</b>	<b>3.2%</b>	<b>-3.3%</b>	<b>0.6%</b>

Data Source: U.S. County Business Patterns  
Analysis: Wahlstrom & Associates

**Table A-14**  
**Lewis County Employment Trends: 2001 to 2013**

	<b>2001</b>	<b>2007</b>	<b>2010</b>	<b>2013</b>	<b>Annual Growth Rate 2001-2007</b>	<b>Annual Growth Rate 2007-2010</b>	<b>Annual Growth Rate 2010-2013</b>
<b>Construction</b>	835	1,327	825	668	8.0%	-14.7%	-6.8%
<b>Manufacturing</b>	2,895	3,827	3,137	2,985	4.8%	-6.4%	-1.6%
<b>Wholesale trade</b>	627	774	506	502	3.6%	-13.2%	-0.3%
<b>Retail trade</b>	3,612	3,929	3,434	3,613	1.4%	-4.4%	1.7%
<b>Transportation &amp; warehousing</b>	573	1,204	1,137	1,329	13.2%	-1.9%	5.3%
<b>Information</b>	325	254	182	136	-4.0%	-10.5%	-9.3%
<b>Finance &amp; insurance</b>	464	454	407	386	-0.4%	-3.6%	-1.8%
<b>Real estate &amp; rental &amp; leasing</b>	228	384	303	292	9.1%	-7.6%	-1.2%
<b>Professional, scientific &amp; technical services</b>	363	472	498	482	4.5%	1.8%	-1.1%
<b>Management of companies &amp; enterprises</b>	31	23	42	8	-4.9%	22.2%	-42.5%
<b>Admin, support, waste mgt, remediation services</b>	475	781	706	618	8.6%	-3.3%	-4.3%
<b>Educational services</b>	88	120	141	96	5.3%	5.5%	-12.0%
<b>Health care and social assistance</b>	2,724	2,903	3,022	3,206	1.1%	1.3%	2.0%
<b>Arts, entertainment &amp; recreation</b>	214	217	226	188	0.2%	1.4%	-6.0%
<b>Accommodation &amp; food services</b>	1,951	2,098	1,821	1,904	1.2%	-4.6%	1.5%
<b>Other services (except public administration)</b>	946	860	802	730	-1.6%	-2.3%	-3.1%
<b>Totals</b>	<b>16,351</b>	<b>19,627</b>	<b>17,189</b>	<b>17,143</b>	<b>3.1%</b>	<b>-4.3%</b>	<b>-0.1%</b>

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%
<b>Totals</b>	<b>12,963</b>	<b>19,891</b>	<b>19,387</b>	<b>20,746</b>	<b>7.4%</b>	<b>-0.9%</b>	<b>2.3%</b>

Data Source: U.S. County Business Patterns

Analysis: Wahlstrom &amp; 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
<b>Construction</b>	600	850	960	1,080	1,220	620	30	3.3%
<b>Manufacturing</b>	330	370	380	400	420	90	4	1.1%
<b>Wholesale trade</b>	640	1,150	1,400	1,670	1,950	1,310	60	5.2%
<b>Retail trade</b>	2,900	3,370	3,610	3,860	4,090	1,190	50	1.6%
<b>Transportation &amp; warehousing</b>	170	290	340	400	460	290	10	4.6%
<b>Information</b>	790	1,030	1,200	1,380	1,580	790	40	3.2%
<b>Finance &amp; insurance</b>	800	950	1,050	1,150	1,260	460	20	2.1%
<b>Real estate &amp; rental &amp; leasing</b>	210	210	220	220	220	10	0	0.2%
<b>Professional, scientific &amp; technical services</b>	740	970	1,150	1,350	1,580	840	40	3.5%
<b>Management of companies &amp; enterprises</b>	4	10	10	10	10	6	0	4.3%
<b>Admin, support, waste mgt, remediation services</b>	370	500	600	710	830	460	20	3.7%
<b>Educational services</b>	570	720	820	940	1,060	490	20	2.9%
<b>Health care and social assistance</b>	920	1,330	1,540	1,770	2,030	1,110	50	3.7%
<b>Arts, entertainment &amp; recreation</b>	350	460	530	600	670	320	10	3.0%
<b>Accommodation &amp; food services</b>	1,840	2,480	2,910	3,370	3,860	2,020	90	3.4%
<b>Personal, Repair and Other Services</b>	540	1,230	1,670	2,150	2,650	2,110	100	7.5%
<b>Government</b>	5,150	5,480	5,830	6,200	6,760	1,610	70	1.2%
<b>Totals</b>	<b>16,920</b>	<b>21,400</b>	<b>24,220</b>	<b>27,260</b>	<b>30,650</b>	<b>13,730</b>	<b>624</b>	<b>2.7%</b>

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						
<b>Ground Floor Commercial Space</b>	2,890,000	265	885,000	81	580,000	53	625,000	57	625,000	57	2,715,000	249
<b>Office or Business Park Space</b>	1,371,000	79	261,000	15	189,000	11	201,000	12	201,000	12	852,000	49
<b>R&amp;D /flex space</b>	64,000	4	24,000	2	16,000	1	16,000	1	16,000	1	72,000	5
<b>Mfg/Industrial</b>	1,496,000	137	512,000	47	280,000	26	304,000	28	304,000	28	1,400,000	129
<b>Warehouse &amp; storage</b>	351,000	54	108,000	17	54,000	8	54,000	8	54,000	8	270,000	41
<b>Institutions [a]</b>	800,000	37	150,000	7	100,000	5	100,000	5	100,000	5	450,000	21
<b>Total</b>	<b>6,972,000</b>	<b>576</b>	<b>1,940,000</b>	<b>168</b>	<b>1,219,000</b>	<b>104</b>	<b>1,300,000</b>	<b>111</b>	<b>1,300,000</b>	<b>111</b>	<b>5,759,000</b>	<b>493</b>

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
<b>Motor Vehicle and Parts Dealers</b>							
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
<b>Furniture &amp; Home Furnishing Stores</b>							
Furniture	20,580	34,080	0	0	0	0	54,660
Home Furnishings	4,500	0	0	0	0	0	4,500
<b>Electronics &amp; Appliance Stores</b>							
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
<b>Building Material Stores</b>							
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
<b>Food &amp; Beverage Stores</b>							
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
<b>Health and Personal Care Stores</b>							
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
<b>Clothing and Clothing Accessories Stores</b>							
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
<b>Sporting Goods, Hobby, Musical Instrument, and Book Stores</b>							
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
<b>General Merchandise Group</b>							
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
<b>Miscellaneous Store Retailers</b>							
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
<b>Total Occupied Space for Consumer Product Sales</b>	<b>778,700</b>	<b>191,500</b>	<b>573,100</b>	<b>105,800</b>	<b>323,600</b>	<b>184,000</b>	<b>2,156,700</b>

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 (Page 1 of 2) --Supplement to 2015 Market Study--Retail Leakage  
Prepared by George Smith on September 28, 2015**

**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
<b>Sub-total</b>	<b>28,117</b>		<b>\$1,917,579,400</b>		<b>\$560,891,975</b>

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 COL limits, adjustments were made to reduce the number of HH to 18,500. Multiplying the Average Lacey HH Income of \$68,200 by the adjusted number of households yielded \$1,261,700,000 in HH 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 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
<b>Sub-total</b>	<b>9,020</b>		<b>\$655,754,000</b>		<b>\$191,808,045</b>
18965 (DuPont)			\$298,261,752	0.2925	\$87,241,562
<b>Grand Total</b>			<b>\$2,871,595,152</b>		<b>\$839,941,582</b>

(1) Income calculated at COL HHI rate of \$68,220. For additional Thurston County census tracts, Thurston County average HHI of \$72,700 used. For DuPont, total HHI was obtained from US Census Bureau State & County Quick Facts

**Exhibit 3 (Page 2 of 2)---Supplement to 2015 Market Study---Retail Leakage**

Prepared by George Smith on September 28, 2015

(\$000 omitted)

	Original	% of	HHS	Sales	COL	COL
	HH Spending	Total	Expanded Area	Earned	Leakages	Capture
<b>Automotive</b>						
Auto Dealers	\$62,480	16.94%	\$142,322	\$0	\$142,322	
Other Motor Vehicle Dealers	\$4,284	1.16%	\$9,758	\$21,895		\$12,137
Auto Parts & Tires	\$7,227	1.96%	\$16,462	\$16,887		\$425
<b>Furniture</b>						
Furniture Stores	\$4,464	1.21%	\$10,168	\$11,860		\$1,692
Home Furnishings	\$3,799	1.03%	\$8,654	\$3,323	\$5,331	
<b>Electronics</b>						
Household Appliances	\$1,399	0.38%	\$3,187	\$1,638	\$1,549	
Consumer Electronics & Software	\$8,011	2.17%	\$18,248	\$34,565		\$16,317
<b>Building Materials</b>						
Home Centers	\$11,729	3.18%	\$26,717	\$64,732		\$38,015
Paint & Wallpaper	\$762	0.21%	\$1,736	\$2,262		\$526
Hardware	\$1,805	0.49%	\$4,112	\$2,209	\$1,903	
Other Building Materials	\$10,167	2.76%	\$23,159	\$30,715		\$7,556
Nursery, Garden Ctr, & Farm Supply	\$740	0.20%	\$1,686	\$0	\$1,686	
<b>Food &amp; Bev Stores</b>						
Supermarkets & Other Grocery	\$46,495	12.61%	\$105,910	\$190,872		\$84,962
Convenience	\$2,368	0.64%	\$5,394	\$17,574		\$12,180
Specialty Food	\$1,823	0.49%	\$4,153	\$0	\$4,153	
Beer, Wine, & Liquor	\$3,945	1.07%	\$8,986	\$2,026	\$6,960	
<b>Health &amp; personal Care</b>						
Pharmacy & Drugs	\$20,817	5.65%	\$47,419	\$24,082	\$23,337	
Cosmetics, Beauty Supply & Perfume	\$1,229	0.33%	\$2,800	\$0	\$2,800	
Optical Goods	\$958	0.26%	\$2,182	\$3,606		\$1,424
All Other health	\$1,626	0.44%	\$3,704	\$516	\$3,188	
<b>Gasoline</b>						
Gasoline Stations w/ C-Stores	\$42,451	11.51%	\$96,698	\$15,869	\$80,829	
<b>Clothing &amp; Accessories</b>						
Clothing	\$14,869	4.03%	\$33,870	\$38,739		\$4,869
Shoe	\$2,475	0.67%	\$5,638	\$7,555		\$1,917
Jewelry	\$2,501	0.68%	\$5,697	\$4,443	\$1,254	
Luggage & Leather Goods	\$186	0.05%	\$424	\$0	\$424	
<b>Sporting Goods</b>						
Sporting Goods	\$3,662	0.99%	\$8,342	\$74,586		\$66,244
Hobby, Toy, & Game	\$1,636	0.44%	\$3,727	\$6,751		\$3,024
Sewing, Needlework & Piece Goods	\$1,089	0.30%	\$2,481	\$0	\$2,481	
Musical Instruments	\$1,524	0.41%	\$3,471	\$649	\$2,822	
Books & Music	\$1,467	0.40%	\$3,342	\$852	\$2,490	
<b>General Merchandise</b>						
Dept. Store--NOT Discount	\$11,451	3.11%	\$26,084	\$69,698		\$43,614
Warehouse Clubs & Superstores	\$34,724	9.42%	\$79,097	\$121,216		\$42,119
Other Gen Merch...	\$10,940	2.97%	\$24,920	\$54,385		\$29,465
<b>Misc. Stores</b>						
Florists	\$678	0.18%	\$1,544	\$1,137	\$407	
Office Supplies & Stationery	\$1,896	0.51%	\$4,319	\$7,905		\$3,586
Gifts, Novelty, Souvenirs	\$1,395	0.38%	\$3,178	\$1,978	\$1,200	
Used Merch.	\$1,198	0.32%	\$2,729	\$6,059		\$3,330
Pet Supplies	\$1,231	0.33%	\$2,804	\$19,783		\$16,979
Other	\$4,098	1.11%	\$9,335	\$2,127	\$7,208	
<b>Non-Store Retail</b>						
Non-Store Retail & Internet Sales	\$33,040	8.96%	\$75,261	\$0	\$75,261	
<b>Total</b>	<b>\$368,639</b>	<b>99.97%</b>	<b>\$839,713</b>	<b>\$862,494</b>	<b>\$367,601</b>	<b>\$390,382</b>

Slight differences due to rounding

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*

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# CODE OF ETHICS

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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.

## 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.



## PLANNING COMMISSION STAFF REPORT

October 6, 2015

**SUBJECT:** 2016 Comprehensive Plan Update: Chapter 3 Review-Commercial and Industrial Lands

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**RECOMMENDATION:** Review proposed content in Chapter Three, Commercial and Industrial Lands, of the Draft Land Use Element of the Comprehensive Plan.

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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 Three - Commercial and Industrial Lands

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

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

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**BACKGROUND:**

Draft commercial and industrial lands sections of chapter three of the Comprehensive Plan are attached for your review. These sections provide information on the history, current status, goals and policies, and implementation measures that help inform the Land Use Element.

The commercial and industrial sections were informed by the recent completion of the Lacey Community Market Study prepared by Wahlstrom & Associates and the draft Economic Element. The discussion includes:

- The addition of 13,700 new jobs added to the City by 2035 with the majority of employment opportunities coming from retail establishments, personal services, and the food service industry
- Providing additional land supply for projected commercial and industrial land uses
- Reviewing land use designations and development standards to address changing demographic and economic needs
- Locating commercial development, redevelopment in existing commercial and mixed-use areas

Additional information will be added to the comprehensive plan that provides analysis of the amount of commercial and industrial land that is developed, underdeveloped, or undeveloped to determine if it meets future demand. This analysis will be necessary to secure an adequate amount of future land supply as well as facilitating healthy vacancy rates.

**RECOMMENDATION:**

The Planning Commission will review and comment on the draft content of the commercial and industrial land use topic sections. Suggested revisions to the draft will be made by staff for inclusion into the Land Use Element of the Comprehensive Plan.

## Chapter 3 – Commercial & Industrial Lands

### Introduction

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 1960'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 unincorporated urban growth area, 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 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. This type of development no longer utilizes this style of design and instead is defined by allowances for a mix of uses and flexible space allowances.

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 urban growth area.

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 Interstate 5 (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 the City 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.

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 intersection will improve traffic mobility for existing and future development in the area. Included in the intent of planning and land use regulations for this area is to facilitate and encourage the use of mass transit and other forms of transportation alternatives to the single occupancy vehicle. Currently, INTERcity Transit has a Park and Ride lot located on Hogum Bay Road and one bus route that services the lot. There are no other routes that serve this area. Accessibility to transit is severely lacking in this subarea and surrounding areas located north of I-5.

### Woodland District

The Woodland District encompasses an area that is considered Lacey’s business core. Since this area was largely developed after World War II when the area was developed in a suburban fashion, this area has lacked a true sense of identity and 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. These efforts produced the first subarea plan for this area, 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 in the area that was envisioned in the plan.

At the conclusion of the 2000’s, private development in this area 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.

### 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 the City 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 the shared jurisdiction of this area.

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, sub-area 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 McCord**

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.

### **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 *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 the City of Lacey and 4,093 will be located in Lacey's unincorporated urban growth area. 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. Employees per building square feet are determined by the average number of employees based upon the use type of the building. The average building square foot floor to area ratio (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 urban growth area. The minimum number of acres needed for commercial or mixed use development is 316 acres and 206 acres 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 30 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.

## **Goals and Policies**

Goal \_\_\_ 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\_\_\_ 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\_\_\_ Provide for a compatible mix of housing and commercial uses in appropriate locations that enables people to walk to employment and shopping.*

*Policy\_\_\_ Provide neighborhood commercial zones near residential areas to provide opportunities for neighborhood shopping and services with pedestrian accessibility.*

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

*Goal\_\_\_ Create vibrant, integrated and well-designed commercial districts in designated areas in the community.*

*Policy\_\_\_ 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\_\_\_ 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\_\_\_ 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\_\_\_ Encourage and promote the development of high quality industrial development*

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

*Policy\_\_\_ Develop specific criteria for considering the conversion of industrial lands to residential lands to safeguard an adequate supply of industrial lands for future economic viability.*

*Policy\_\_\_ Review land use policies and standards to implement the goals, policies, and objectives contained in the economic element.*

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

*Policy\_\_\_ Utilize sub-area planning to help guide the development and redevelopment of planned industrial areas.*

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

*Policy\_\_\_ Industrial areas should be located where they are adequately served by necessary utilities and transportation routes, and adverse impacts can be mitigated.*

### **Implementation Measures**

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 sub-area 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, including the Business Park District.
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 Element.