



City of Lacey, Washington Lacey City Council Worksession Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, May 14, 2024

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Land Acknowledgment

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

4. Approval of the Agenda

5. Agenda Items

A. Lacey Youth Council Joint Meeting

Lacey Youth Council

Sadie Siglin, Management Analyst

B. 2024 First Quarter Financial Report

Troy Woo, Finance Director

C. Draft Neighborhood Commercial District Code

Hans Shepherd, Senior Planner

6. Adjourn

Meeting Information:

Attendance (Remote or In-Person)

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

In-Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503

Zoom: <https://us02web.zoom.us/j/85180084644>

Website: <https://cityoflacey.org/government/public-meetings/>

Facebook: <https://www.facebook.com/cityoflacey>

YouTube: <https://www.youtube.com/watch?v=g6HJwvKomtU>

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 851 8008 4644)

Verbal Public Comment

Verbal public comment is not scheduled for Worksessions. Verbal public comment may be provided at Regular City Council Meetings. Regular Council Meetings are held the first and third Thursdays of the month.

Written Public Comment

Public comments may be submitted for Worksessions by email to PublicComment@cityoflacey.org. The commenting period will close two hours before meeting time. Written comments will be provided to the City Council electronically prior to the Worksession meeting. Comments will not be addressed during the Worksession meeting; however, comments received will be added to the official record.



2023-2024 LACEY YOUTH COUNCIL UPDATE

MAY 14, 2024



TERM IN REVIEW

- Thurston County Ballot Processing Center
 - Public Safety
 - North Thurston Public Schools and the City of Lacey
 - Houselessness
 - 2024 Lacey Youth Summit and Resource Fair
- 
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THURSTON COUNTY BALLOT PROCESSING CENTER



Lacey Youth Council Visits the Ballot Processing Center

- 1st Youth Council off site visit
- Visited and toured the center on September 24, 2023
- Thurston County Auditor's office offers tours for groups and individuals interested in learning about election administration
- The election center processes all ballots for Thurston County



Path of the Ballot

- The processing center has continuous live feeds available for the public to watch
- There are always two people to ensure ballot security
- Tamper seals and logs are used to ensure the ballots are safe
- A sorter takes a photo of each ballot, including a barcode with voter ID and signature
- Ballots are sorted by precinct
- Every signature is verified for accuracy
- Each ballot is inspected
- If something is wrong with the ballot, like stray marks or food particles, it goes to inspection/audit



Voting Facts

- Ballots are mailed 20 days in advance of the election
- Voters can track mail-in ballots online
- No postage is needed to mail in ballots
- The initial results are released by 8 pm on the night of the election
- Because ballots can be postmarked on the date of the election, the process to count can take days after the election to complete



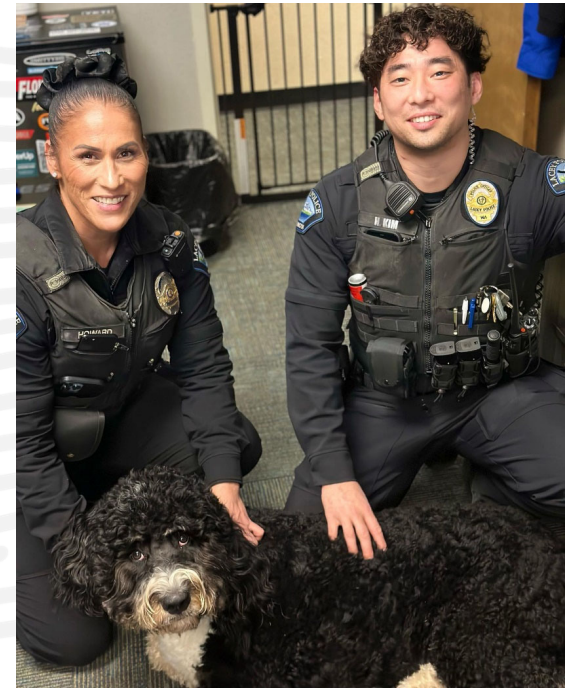
PUBLIC SAFETY



LACEY YOUTH COUNCIL

Policing Strategy & Challenges

- Lacey population continues to grow each year
 - 10,734 population increase from 2016-2022
- Lacey has fewer staffed officers than the state average
- Lacey worked to get to authorized staffing levels
- Community Connection/Caretaking
- Proactive/High Visibility
- Transparent/Accountable - Accredited



School Resource Officer Program (SRO)

Goal :

Remove barriers between officers and youth

Encourage positive encounters, mentoring, coaching, and relationships with youth/family



Goal:

Staff one SRO per high school.

Each SRO also provides middle and elementary outreach.

Prevent involving youth with the criminal justice system

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Strategic Response to Homelessness

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Compassion & Collaboration

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Connecting persons in crisis to resources

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**Use of civilian and sworn outreach to
build trust and relationships**

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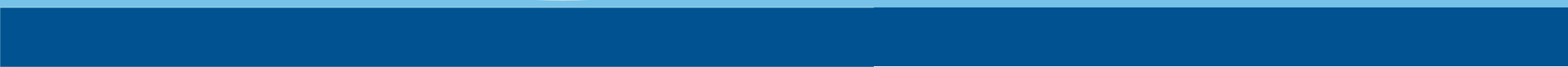
**Access to individualized health outreach,
case management, wrap around services**

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**Clothing, water, blankets, assistance
with cell service, documents, etc.**

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**Rapid Response team to address
abandoned property and debris**

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Key Takeaways

The Lacey Police Department has many different moving parts with amazing staff who help keep Lacey a safe and welcoming community.



NORTH THURSTON PUBLIC SCHOOLS



City of Lacey and NTPS Partnership

- 1st ever NTPS and LYC meeting
 - Troy Oliver, Assistant Superintendent of Operations
 - Amy Blondin, Executive Director of Communications
- The City does not govern the school district (own elected body)
- They do work together
 - The City provides School Resource Officer Program
 - Joint work sessions
 - Parks partnership for shared facilities (pool and fields)
 - Collaborative Projects
 - Marketing in Parks Playbook and PeachJar



Lacey Loves to
Read 

How the District Operates



- Board of Directors
- 5 elected board members with 4 year terms
 - President
 - Vice President
 - 3 Board Members
 - 2 Student Advisors4 year terms
- 4 year terms
- Follows a policy governance model
 - 3+ vote on change
 - Adopt Policies
 - Community Connections

Compassionate Community Project

2023-2024 Culture of Kindness. The goal is to celebrate **100,000 acts of kindness** in the community during the school year.

A screenshot of a web form titled "Compassionate Community Report". The form is overlaid on a background image of children. It contains four numbered questions, each with a "Required" asterisk and an "Enter your answer" text box.

1. Please describe your act of kindness in 100 words or less: *
2. When did this occur? *
3. Where did this occur? *
4. How many people participated in this act of kindness? *

Share your acts of kindness! www.nthurston.k12.wa.us/compassion

HOUSELESSNESS



Homelessness v. Houselessness

HOMELESSNESS

Standard term.

Affiliated with individuals that are commonly seen in living in public dwellings and spaces. Has a negative affiliation and does not reflect all individuals.

HOUSELESSNESS

More accurate description of individuals without a primary residence.

Reflects individuals who are without a current, steady place to live. Individuals are often couch surfing, living in shelters, cars, and the streets.

Potential Causes of Houselessness

- Lack of **affordable** housing
 - Without affordable housing options, members of our community can face eviction, instability, and houselessness
- Lack of housing
 - Due to the growing population, the housing market can't keep up. Leaving some without a proper place to live/their own place to live.

High- Risk Individuals

In addition to the lack of housing, many individuals face hardships that lead them to be more susceptible to the risk of houselessness.



Job Loss



Family and marriage instability



Inability to afford living expenses



Mental and physical health issues

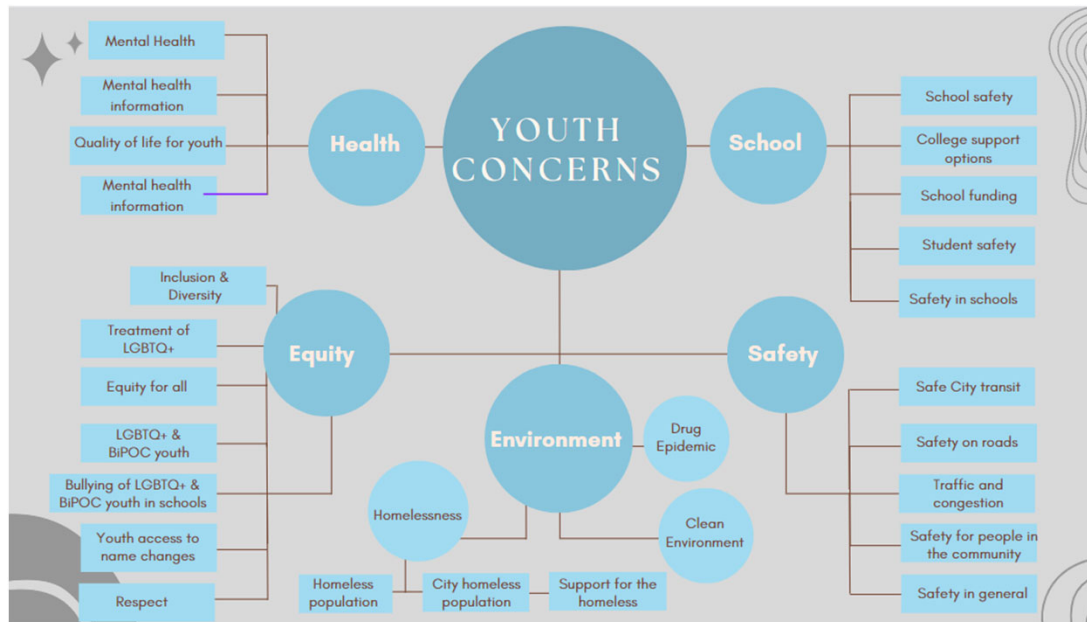


Challenges with substance abuse

LACEY YOUTH SUMMIT AND RESOURCE FAIR



Planning



- Planned around the Youth Council priorities
- Partnership with Human Resources

Resources at the Event

- Vendors
 - Financial Aid resources
 - City of Lacey –Employment and City information
 - Sensory Tool House
 - Military partners
 - Local college partners
 - Emergency responders
 - State agency resources
- Resume review by Lacey HR
- Assistance with creating online job profiles
- Headshots

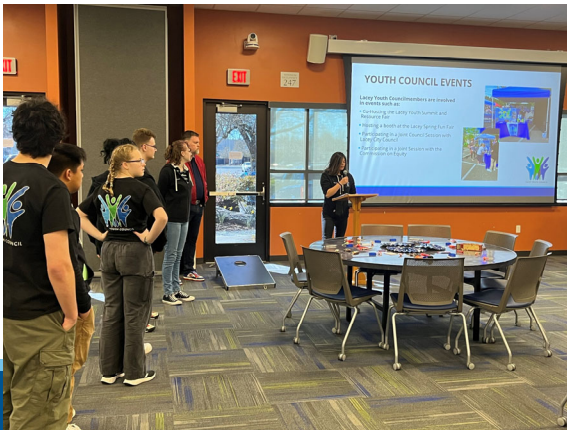


The End Result



- 1st event of its kind
- 30 – 40 attendees
- Pizza and snacks
- Games
- Prizes
- BINGO
- Keynote speaker- Jill Busby
- Communication Skills
- Financial Literacy Presentation-TwinStar Credit Union





RECRUITMENT



 Let Your Voice Be Heard
JOIN LACEY YOUTH COUNCIL

Youth Council Members will:

- ✓ Learn about local government
- ✓ Provide feedback to the City on a variety of topics.
- ✓ Participate in community projects.
- ✓ Meet new people.
- ✓ Earn 30+ hours of community service OR a stipend of \$50 per meeting, up to \$500 per year.
- ... and more!

LEARN MORE & APPLY TODAY!



Let Your Voice Be Heard! LACEY YOUTH COUNCIL

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LACEY CITY COUNCIL WORKSESSION May 14, 2024

SUBJECT: 2024 First Quarter Financial Report

RECOMMENDATION: Review First Quarter Financial Report

STAFF CONTACT: Rick Walk, City Manager *RW*
Troy Woo, Finance Director *TW*

ORIGINATED BY: Finance Department

ATTACHMENTS: 1. Expenditure Report for the Quarter Ending March 31, 2024
2. Revenue Report for the Quarter Ending March 31, 2024

FISCAL NOTE:

**WORK PLAN GOAL
AND STRATEGY:** None

PRIOR REVIEW: None

BACKGROUND:

The 2024 first quarter financial report has been completed. This report focuses on the General Fund. The detailed expenditure and revenue summaries are attached.

GENERAL FUND EXPENDITURES

As of March 31, 2024, total General Fund Expenditures were \$14,081,590 or 14.9 percent of the amended 2024 Budget. This is an increase of \$1,153,619 or 8.9 percent compared to the first quarter 2023 expenditure level.

The 2023 First Quarter Financial Report was significantly impacted by labor contract settlements that included retroactive pay of a year's worth (most of 2022 went without labor contract settlements) of cost-of-living adjustments (COLA) for three of the largest labor groups and much of the year-to-year comparisons were less meaningful in value, because 2022 included a much lower level of COLA's and 2023 included the equivalent of two years' worth of COLA's. Furthermore, the COLA's were higher than historical adjustments due to high inflation. For the 2024 analysis, the 2023 impacts are having an opposite effect. The 2024 increases are overshadowed by the first quarter 2023 retroactive pay. It was estimated that \$1.2 million retroactive payments were processed in January 2023 and March 2023.

Bottom-line, funds or divisions with labor expenses will likely be under-reporting expense variances when comparing the results of 2024 to 2023.

Although all first quarter expenditure categories show variances from the previous year, only the most significant variances are described below.

- A \$155,469 increase occurred in the Contracted Services Department during the first quarter of 2024. Jail services increased \$115,510 and public defender services increased \$56,889.
- The City Manager Department expenditures increased \$117,738. Salaries and benefits increased \$116,959. The majority of the increase is due to a combination of being fully staffed and a new position.
- The Human Resources Department experienced an increase of \$116,034. Salaries and benefits increased \$63,795 due to being fully staffed. Consultant fees increased \$33,469 largely due to a contracted recruitment.
- Police Department expenditures increased \$386,496. Salary and benefits increased \$122,478. This increase is not reflective of the actual increase because the 2023 first quarter salaries and benefits included a retro pay labor contract settlement of \$415,855. A year-to-year timing difference relating to the annual contribution for the records management system partnership caused an increase of \$166,558
- The Street Fund first quarter expenditures increased \$123,833. Salaries and benefits increased \$38,331, right-of-way maintenance increased \$28,119, and electricity usage was up \$20,132.

Additional details are provided in the attached expenditure summaries for the General Fund departments and other funds.

GENERAL FUND REVENUES

As of March 31, 2024, total General Fund Revenues were \$13,287,330 or 15.2 percent of the amended budget. Last year at this same time, revenues were 23.3 percent of budget. First quarter General Fund revenues decreased \$1,659,154 compared to the previous year. A significant portion of the decrease relates to a \$1,726,982 *unrealized* market investment value loss and a reduction to one-time 2023 capital project reimbursements relating to the Veterans Services Hub and U.S. Veteran Affairs Outstation Center projects.

- Through March 2024, \$223,841 of property taxes have been collected. This is equal to 2.7 percent of the annual property tax budget. The low collection rate during the first quarter is normal. Property taxes are due twice per year on April 30 and October 31. The vast majority of property taxes are collected near these dates. The first quarter 2024 property tax collections were \$11,684 higher than 2023.

- 2024 sales tax receipts totaled \$4,216,613 at the end of March. This is \$292,890 or 7.5 percent higher than last year. Sales tax receipts from January and February will be accrued back to 2023 when the sales activity actually took place. Only two months of the 2024 have been received through April 2024. The accrual basis increase compared to the first two months of 2024 is 117,641 or 5.1% higher. The following table shows the year-to-date cash basis receipts of the City's top 20 sales tax sources.

Category	Year-To-Date			Last 12 Months
	This Year	Last Year	% Chg	
General Merchandise Retailers	\$ 909,711	\$ 848,309	7.2	\$ 2,561,572
Sporting Goods, Hobby, Musical Instrument, Book	640,526	620,848	3.2	1,867,361
Construction of Buildings	520,061	511,625	1.6	1,752,370
Food Services and Drinking Places	502,990	487,107	3.3	1,595,646
Specialty Trade Contractors	362,623	272,061	33.3	1,082,364
Building Material and Garden Equipment and Supplies	267,679	280,118	(4.4)	1,002,503
Merchant Wholesalers, Durable Goods	174,956	244,430	(28.4)	674,538
Motor Vehicle and Parts Dealers	188,548	168,626	11.8	613,311
Administrative and Support Services	191,951	177,663	8.0	571,764
Furniture, Home Furnishings, Electronics, and Appliances	181,941	179,965	1.1	559,524
Professional, Scientific, and Technical Services	177,489	130,684	35.8	542,259
Food and Beverage Retailers	121,874	106,911	14.0	347,911
Clothing, Clothing Accessories, Shoe, and Jewelry	121,042	117,753	2.8	332,256
Repair and Maintenance	108,954	89,931	21.2	331,925
Telecommunications	100,145	94,679	5.8	283,469
Health and Personal Care Retailers	76,902	94,341	(18.5)	254,358
Rental and Leasing Services	77,100	71,376	8.0	246,824
Merchant Wholesalers, Nondurable Goods	76,595	69,052	10.9	236,418
<i>Unclassified</i>	55,878	37,325	49.7	208,896
Heavy and Civil Engineering Construction	45,113	43,642	3.4	190,764
	\$ 4,902,080	\$ 4,646,448		\$ 15,256,033

At this point in the year, the top 20 sources have provided 91.7 percent of all sales tax. The largest sales tax category, "General Merchandise Stores", experienced a first quarter 7.2 percent increase compared to 2023. The "Sporting Goods, Hobby, Musical Instruments, Book" category has increased 3.2 percent. The "Construction of Buildings" category increased 1.6 percent as a result of continued strong construction activity within the multifamily and commercial development areas. The "Food Services and Drinking Places" category continues to show growth (+3.3 percent).

Sales tax collections will continue to be closely monitored. Sales tax is the General Fund's largest source of revenue and can be highly cyclical.

- The revenue report shows that business & occupation (B&O) tax first quarter revenues totaled \$1,072,122 or 30.6 percent of budget estimate and an increase of \$119,467 or 12.5 percent. It is anticipated that a portion of these reported revenues will be accrued back to 2023, so the current first quarter B&O tax collections are overstated. It is expected that the actual B&O taxes are in alignment with the sales tax increases, because both tax bases are similar.

- Overall, utility tax collections for the first quarter were \$96,867 lower than the previous year. Natural gas utility tax decreased \$92,931 during the first quarter. This past winter was milder and drier than recent seasons. Utility tax from the City-owned utilities was down \$93,715. The reason for the decrease is the January 1 elimination of the 6.04 percent water utility tax decrease related to fireflow. The first quarter decrease from this utility tax was \$182,968, so the net utility tax collections are consistent with the utility revenues.
- Admissions Tax decreased \$11,100 and continues to be below the prepandemic levels. Gambling Tax increased \$7,271. Gambling Tax continues to grow beyond the pandemic full recovery levels.
- Non-business license (includes building, mechanical, plumbing, and electrical permits fees) revenues have been collected at 24.5 percent of the budget estimate. Building permits decreased \$76,881. Building permit activity can be an indicator of future one-time sales tax increases, ongoing property tax, and utility tax increases, so the current economic indicator is certain taxes may experience slower growth in the future.
- Plan check fees increased \$247,258 during the first quarter. This is an indicator of potential future building permit activity, so hopefully the first quarter building permit activity will improve as the year goes on.
- The Other Miscellaneous revenue category decreased \$533,130 due to the 2023 one-time Veterans Affairs funding for improvement to the Veteran Services Hub.
- Interest earnings decreased \$1,726,982 due to a \$1,926,478 *unrealized* market investment value loss. An unrealized loss is only an accounting, or “*on paper*”, loss that will not be realized unless investments are sold before the maturity date. As an example, a loss could occur in the event an investment is sold prior to the maturity date *and* the open market is paying a higher interest rate than the investment instrument the City is attempting to sell. The current market is experiencing rising interest rates and a number of the City’s investment instruments were purchased prior to the 2022 interest rate increases. The City has no intention of selling investments prior to maturity dates, which means *no loss is anticipated* by the City. The City carefully analyzes its cashflow needs to avoid selling investments before maturity. It would take multiple and rare circumstances for the City to sell investments at a loss. When removing the impacts of the market value adjustment, interest earning increased \$199,496 as the City’s portfolio continues to reinvest in higher interest rate instruments.

UTILITY FUNDS

First quarter 2024 operating expenditures for the City’s utilities were consistent with the amended budget.

The Water Utility Maintenance and Operations Fund expenditures were \$474,476 or 13.6 percent lower in 2024. A \$470,154 decrease is related 2023 backordered water meter and meter transmitting units being received. The cost of property insurance increased \$42,088 in 2024. Water revenues were \$1,217,684 higher than the first quarter of 2023. Water sales increased \$996,200 due to water rate increases and the budgetary change to receive all water sales by the operating fund and no longer receipt water rate revenues into the capital fund. The water revenue increase is consistent with the adopted 5.25 percent rate increase.

Wastewater Utility Maintenance and Operations Fund expenditures were \$591,626 or 16.1 percent higher in 2024. The revenue distributions to the LOTT Clean Water Alliance increased \$423,209 and property insurance increased \$58,729. Wastewater total revenues were \$1,050,427 higher than the previous year. LOTT revenues increased \$512,064 and Wastewater Sales increased \$543,120 due to wastewater rate increases and the aforementioned budgetary change to receive all wastewater sales by the operating fund. Wastewater sales are consistent with the 9.5 percent adopted rate increase.

The Stormwater Maintenance and Operations Fund expenditures were \$69,173 or 9.0 percent higher than 2023. Interfund service charges relating to Water Resources increased \$138,221. Stormwater revenues were \$94,658 higher than 2023 due to a \$88,149 increase to Stormwater sales. 2024 Stormwater rates were increased 4.5 percent.

CONCLUSION AND FORECAST

During its meeting on March 19-20, 2024, the Federal Reserve opted to keep rates unchanged at 5.25 – 5.50 percent to allow more time to evaluate inflation, which remains higher than its 2.0 percent target rate. Recent inflation numbers indicate that it is not slowing as quickly as expected a few months ago after inflation made significant progress towards the target rate during the second half of 2023. In addition to the inflation indicators, retail sales and the job market has shown higher than anticipated strength. As a result, the market no longer expects rate cuts to begin in June. The market now has priced in the first decrease in November 2024 and that might be the only rate decrease of 2024. It was previously anticipated three rate cuts would occur during 2024.

Locally, inflation continues to lag behind the national inflation trends and this is consistent with what has occurred historically. The Seattle/Tacoma/Bellevue inflation peaked mid-2022 (+10.1 percent), but remains higher than the national inflation levels. For example, the latest Seattle area inflation was 4.3 percent (February 2024), while the March 2024 U.S. inflation was 3.5 percent.

Through the first quarter 2024, both revenues and expenditures are consistent with the budget projections. The upcoming mid-year financial report, scheduled for development in July, will serve as a critical source of financial data that will guide the development of the 2025 Budget. Until then, careful and close monitoring of the available economic indicators will continue. If any significant changes or warning signs arise, staff will communicate the need for adjustment or change to the current direction for 2024.

City of Lacey
Monthly Expenditure Summary
March 2024

Expenditures: General Fund	2023 Amended Budget	YTD 3/31/2023 Actual	2023 YTD % of Budget	2024 Amended Budget	YTD 3/31/2024 Actual	2024 YTD % of Budget	2024-2023 YTD Variance
City Council	\$ 610,711	\$ 195,527	32.0%	\$ 588,626	\$ 211,592	35.9%	\$ 16,065
Contracted Services	2,437,172	160,278	6.6%	2,635,541	315,747	12.0%	155,469
City Manager	947,361	164,468	17.4%	1,405,290	282,207	20.1%	117,738
Human Resources	1,937,876	306,465	15.8%	1,987,558	422,499	21.3%	116,034
Social Services	5,321,888	208,069	3.9%	4,948,924	132,450	2.7%	(75,619)
Public Affairs/City Clerk	1,219,394	238,559	19.6%	1,218,939	290,182	23.8%	51,624
Finance	2,288,988	514,327	22.5%	2,415,890	505,299	20.9%	(9,028)
Legal & Judicial	782,478	184,368	23.6%	818,301	136,689	16.7%	(47,680)
Common Facilities Overhead	1,612,239	813,741	50.5%	1,706,031	843,208	49.4%	29,466
Police	13,932,367	3,499,440	25.1%	15,455,304	3,885,936	25.1%	386,496
Public Works - Support SVC	155,637	32,055	20.6%	149,448	33,409	22.4%	1,354
Public Works - Engineering	4,907,884	1,270,826	25.9%	5,389,924	1,310,859	24.3%	40,033
Public Works - Parks Maint.	3,686,499	938,695	25.5%	4,146,427	943,691	22.8%	4,996
Public Works - Facilities Maint.	1,251,174	198,432	15.9%	1,168,554	224,718	19.2%	26,286
Community & Economic Dev.	4,998,483	1,166,286	23.3%	5,003,656	1,063,836	21.3%	(102,450)
Public Works - Water Resources	2,165,118	520,763	24.1%	2,237,550	567,778	25.4%	47,015
Parks, Culture, & Recreation	3,376,937	600,622	17.8%	3,612,613	691,589	19.1%	90,967
Transfers Out	6,750,508	-	0.0%	27,295,275	-	0.0%	-
Total Current Expense Fund:	\$ 58,382,714	\$ 11,012,924	18.86%	\$82,183,851	\$ 11,861,689	14.43%	\$ 848,765
Criminal Justice Fund	\$ 3,052,855	\$ 359,164	11.8%	\$ 3,143,349	\$ 401,998	12.8%	\$ 42,834
Community Buildings Fund	1,025,781	169,143	16.5%	986,535	211,200	21.4%	42,057
Regional Athletic Complex	1,360,495	315,414	23.2%	1,281,355	366,234	28.6%	50,820
Street Fund	4,545,559	929,180	20.4%	4,758,499	1,053,013	22.1%	123,833
Capital Equipment Fund	3,517,995	142,147	4.0%	2,288,157	187,456	8.2%	45,310
Total General Fund Expenditures	\$ 71,885,399	\$ 12,927,972	17.98%	\$ 94,641,746	\$ 14,081,590	14.88%	\$ 1,153,619
Expenditures: Other Funds							
Arterial Street Fund	\$ 9,944,299	\$ 377,319	3.8%	\$ 26,304,704	\$ 815,162	3.1%	\$ 437,843
Transportation Improvement	8,150,000	837,033	10.3%	5,340,000	97,496	1.8%	(739,536)
Lodging Tax	887,230	32,121	3.6%	600,000	8,496	1.4%	(23,625)
Community Block Grant	479	-	0.0%	769	-	0.0%	-
Hicks Lake Management District	47,793	-	0.0%	48,931	-	0.0%	-
General Obligation Bond	1,270,434	-	0.0%	954,262	-	0.0%	-
LID Debt	100,609	-	0.0%	138,134	-	0.0%	-
Building Improvement	4,709,316	649,555	13.8%	29,919,717	805,308	2.7%	155,753
Parks & Open Space	1,169,866	143,687	12.3%	6,479,624	82,157	1.3%	(61,529)
Regional Athletic Complex Capital	4,221,634	77,823	1.8%	4,416,219	701,793	15.9%	623,970
Water Utility	16,900,441	3,502,133	20.7%	22,537,855	3,027,657	13.4%	(474,476)
Wastewater Utility	23,524,369	3,666,287	15.6%	24,282,717	4,257,913	17.5%	591,626
Stormwater Utility	5,472,547	765,547	14.0%	5,688,576	834,719	14.7%	69,173
Reclaimed Water	1,385	-	0.0%	2,223	-	0.0%	-
Water Capital	19,983,069	1,689,774	8.5%	46,475,835	1,681,020	3.6%	(8,754)
Wastewater Capital	12,838,423	927,800	7.2%	18,480,320	1,621,012	8.8%	693,212
Stormwater Capital	2,431,636	34,420	1.4%	2,043,125	36,038	1.8%	1,618
Reclaimed Water Capital	26,905	-	0.0%	43,177	-	0.0%	-
Water Debt Service	4,788,294	-	0.0%	15,055,324	-	0.0%	-
Wastewater Debt Service	3,196,092	23,347	0.7%	10,656,313	21,274	0.2%	(2,074)
Stormwater Debt Service	2,353,609	-	0.0%	2,354,289	-	0.0%	-
Equipment Rental	4,376,581	597,751	13.7%	4,922,482	821,741	16.7%	223,990
Information Management	2,967,111	566,219	19.1%	3,555,772	696,323	19.6%	130,104
Total Expenditures	\$ 201,247,521	\$ 26,818,785	13.33%	\$ 324,942,114	\$ 29,589,699	9.11%	\$ 2,770,914

City of Lacey
Monthly Revenue Summary
March 2024

Revenues: <u>General Fund</u>	2023 Amended Budget	YTD 3/31/2023 YTD Actual	2023 YTD % of Budget	2024 Amended Budget	YTD 3/31/2024 YTD Actual	2024 YTD % of Budget	2024-2023 YTD Variance
Taxes:							
Property	\$ 8,082,842	\$ 212,157	2.6%	\$ 8,186,519	\$ 223,841	2.7%	\$ 11,684
Sales	14,566,341	3,923,723	26.9%	15,710,508	4,216,613	26.8%	292,890
Business & Occupation	3,075,390	952,655	31.0%	3,503,777	1,072,122	30.6%	119,467
Admissions	168,000	41,404	24.6%	180,000	30,304	16.8%	(11,100)
Utility - Electric	3,078,839	868,218	28.2%	3,255,750	945,347	29.0%	77,129
Utility - Natural Gas	1,063,521	452,373	42.5%	1,222,299	359,441	29.4%	(92,931)
Utility - Solid Waste	554,444	140,181	25.3%	598,901	142,733	23.8%	2,552
Utility - Telephone	555,349	140,659	25.3%	480,555	150,758	31.4%	10,099
Utility - Water/Sewer/Storm	3,636,822	764,840	21.0%	3,003,394	671,125	22.3%	(93,715)
Excise - Forest/Leasehold	20,000	4,998	25.0%	20,000	6,486	32.4%	1,488
Gambling	403,832	127,284	31.5%	540,700	134,555	24.9%	7,271
Total Taxes	\$ 35,205,380	\$ 7,628,491	21.67%	\$ 36,702,403	\$ 7,953,324	21.67%	\$ 324,833
Penalties & Interest	\$ 5,000	\$ 1,300	26.0%	\$ 5,000	\$ 1,725	34.5%	\$ 425
Franchises	734,980	178,983	24.4%	716,838	161,458	22.5%	(17,526)
Licenses & Permits	1,601,438	510,319	31.9%	1,675,123	410,020	24.5%	(100,300)
Inter-Governmental:							
Criminal Justice	\$ -	\$ 5,851		\$ -	\$ -		\$ (5,851)
Traffic Safety	-	-		-	-		-
Liquor Excise	397,369	96,567	24.3%	429,679	100,077	23.3%	3,510
Liquor Profits	437,514	111,381	25.5%	448,697	112,163	25.0%	782
Other State Entitlements	81,622	34,828	42.7%	135,000	41,580	30.8%	6,752
Inter-Gov. Service Charges	286,733	43,158	15.1%	335,678	65,457	19.5%	22,299
Other Grants	3,000	121,774	4059.1%	3,000	30,937	1031.2%	(90,837)
Total Inter-Governmental	\$ 1,206,238	\$ 413,559	34.29%	\$ 1,352,054	\$ 350,215	25.90%	\$ (63,345)
Service Charges:							
General Government	\$ 6,750	\$ 10,488	155.4%	\$ 6,750	\$ 13,598	201.4%	\$ 3,110
Security of Persons/Property	6,500	-		181,500	27,924	15.4%	27,924
Economic Environment/Plan Checking	578,750	132,889	23.0%	604,500	372,874	61.7%	239,984
Culture and Recreation	892,940	75,850	8.5%	852,940	101,716	11.9%	25,866
Total Service Charges	\$ 1,484,940	\$ 219,228	14.76%	\$ 1,645,690	\$ 516,111	31.36%	\$ 296,883
Interfund Charges:							
Engineering Services	\$ 3,301,232	\$ 1,024,897	31.0%	\$ 3,472,012	\$ 963,323	27.7%	\$ (61,574)
Park Maintenance	514,250	108,190	21.0%	557,575	131,621	23.6%	23,432
Water Resources	2,645,404	558,999	21.1%	2,675,841	660,585	24.7%	101,586
Other Interfund Charges	1,505,743	376,427	25.0%	1,548,204	387,051	25.0%	10,624
Total Interfund Charges	\$ 7,966,629	\$ 2,068,513	25.96%	\$ 8,253,632	\$ 2,142,581	25.96%	\$ 74,068
Violations	\$ 100,000	\$ 22,859	22.9%	\$ 100,000	\$ 21,719	21.7%	\$ (1,140)
Interest Earnings	643,186	2,286,870	355.6%	1,350,508	559,889	41.5%	(1,726,982)
Other Miscellaneous	62,900	719,782	1144.3%	62,900	186,652	296.7%	(533,130)
Contributions	76,000	27,300	35.9%	76,000	42,254	55.6%	14,954
Financing	-	-		-	-		-
Transfers	48,500	-		48,500	-		-
Beginning Cash	5,710,718	-		25,720,801	-		-
Total Current Expense Fund Revenues	\$ 54,845,909	\$ 14,077,204	25.67%	\$ 77,709,449	\$ 12,345,947	15.89%	\$ (1,731,257)
Criminal Justice Fund	\$ 1,452,855	\$ 388,505	26.7%	\$ 1,543,349	\$ 412,232	26.7%	\$ 23,727
Community Buildings Fund	892,281	52,167	5.8%	961,535	53,820	5.6%	1,653
Regional Athletic Complex Fund	1,332,495	178,150	13.4%	1,281,355	188,208	14.7%	10,058
Street Fund	4,531,909	215,127	4.7%	4,745,499	246,261	5.2%	31,135
Capital Equipment Fund	1,104,365	35,330	3.2%	1,241,020	40,862	3.3%	5,532
Total General Fund Revenues	\$ 64,159,814	\$ 14,946,484	23.30%	\$ 87,482,207	\$ 13,287,330	15.19%	\$ (1,659,154)

Revenues: <u>Other Funds</u>	2023 Amended Budget	YTD 3/31/2023 YTD Actual	2023 YTD % of Budget	2024 Amended Budget	YTD 3/31/2024 YTD Actual	2024 YTD % of Budget	2024-2023 YTD Variance
Arterial Street Fund	\$ 9,944,299	\$ 1,155,824	11.6%	\$ 26,126,804	\$ 1,151,664	4.4%	\$ (4,160)
Transportation Improvement Fund	8,150,000	946,282	11.6%	5,340,000	1,009,124	18.9%	62,842
Lodging Tax	887,230	103,617	11.7%	600,000	105,770	17.6%	2,153
Community Block Grant	479	214	44.8%	769	330	42.8%	115
Hicks Lake Management District	47,793	1,624	3.4%	48,931	1,982	4.1%	357
General Obligation Bond	1,270,434	18,148	1.4%	954,262	10,136	1.1%	(8,013)
LID Debt	100,609	22,351	22.2%	138,134	34,799	25.2%	12,448
Building Improvement	168,241	429,388	255.2%	29,266,359	38,516	0.1%	(390,872)
Parks & Open Space	217,340	9,396	4.3%	5,691,426	14,358	0.3%	4,962
Regional Athletic Complex Capital	1,642,392	442,384	26.9%	1,796,354	471,268	26.2%	28,885
Water Utility	15,795,039	2,885,972	18.3%	22,114,117	4,103,656	18.6%	1,217,684
Wastewater Utility	23,266,901	5,366,598	23.1%	24,123,504	6,417,025	26.6%	1,050,427
Stormwater Utility	5,465,197	1,360,069	24.9%	5,681,576	1,454,728	25.6%	94,658
Reclaimed Water	1,385	620	44.7%	2,223	952	42.8%	333
Water Capital	18,949,204	2,043,377	10.8%	38,917,790	1,071,868	2.8%	(971,509)
Wastewater Capital	12,525,000	1,233,614	9.8%	17,073,000	644,888	3.8%	(588,726)
Stormwater Capital	2,336,636	36,307	1.6%	2,033,125	69,939	3.4%	33,632
Reclaimed Water Capital	26,905	12,037	44.7%	43,177	18,504	42.9%	6,467
Water Debt Service	4,788,294	5,323	0.1%	15,055,324	8,114	0.1%	2,791
Wastewater Debt Service	3,196,092	1,817	0.1%	10,656,313	3,098	0.0%	1,281
Stormwater Debt Service	2,353,609	237	0.0%	2,354,289	367	0.0%	130
Equipment Rental	3,861,519	1,008,347	26.1%	4,553,776	1,062,829	23.3%	54,483
Information Management	2,914,721	711,843	24.4%	3,555,772	851,773	24.0%	139,931
Total Revenues	\$ 182,069,133	\$ 32,741,872	17.98%	\$ 303,609,232	\$ 31,833,017	10.48%	\$ (908,855)

2024 First Quarter Financial Report

Revenue and Expenditures



First Quarter 2024 General Fund Expenditures



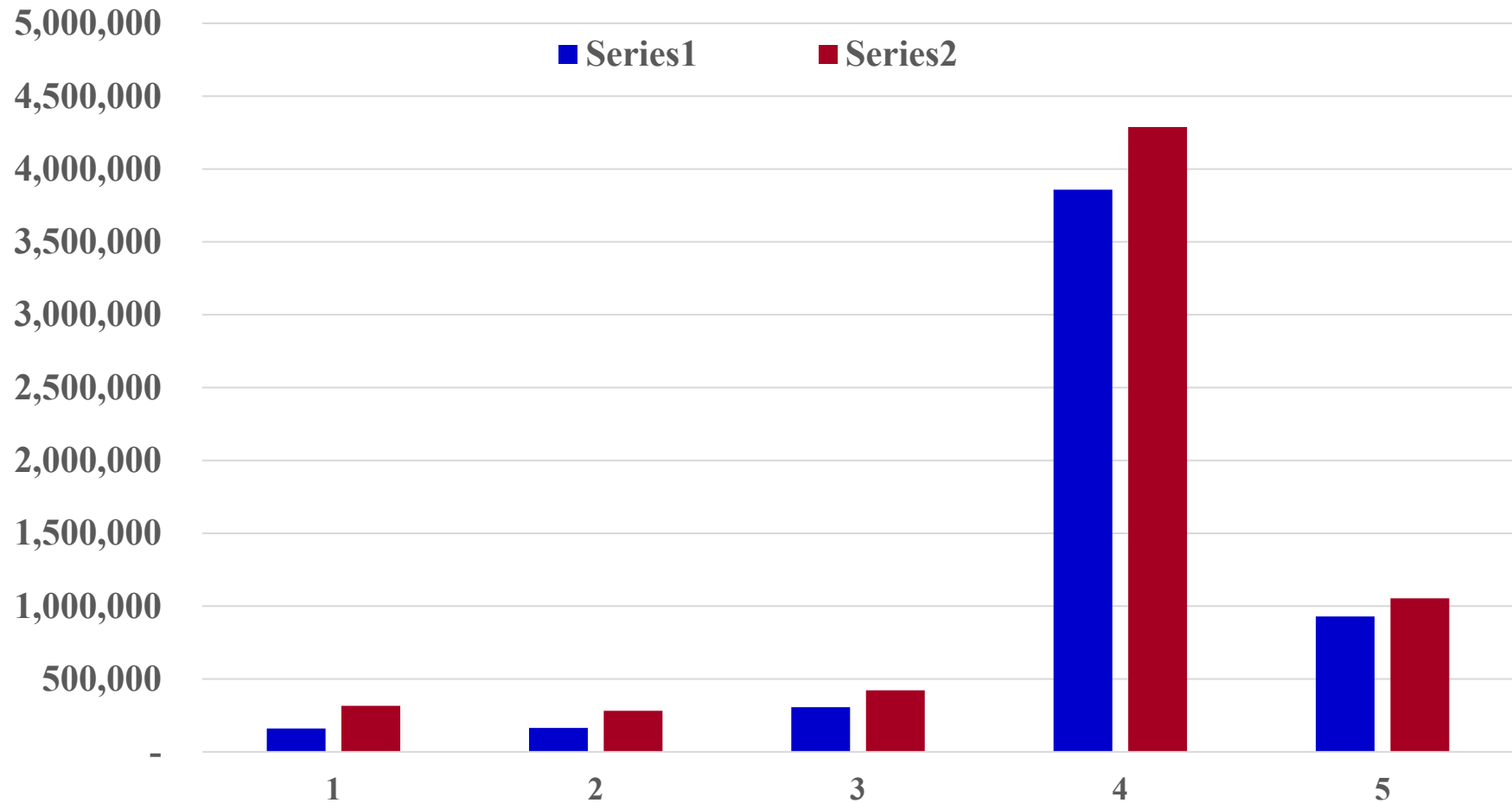
Current Expense Fund

2023 vs. 2024 Expenditures



Department	2023	2024	Variance
City Council	\$ 195,527	\$ 211,592	\$ 16,065
Contracted Services	160,278	315,747	155,469
City Manager	164,468	282,207	117,738
Human Resources	306,465	422,499	116,034
Social Services	208,069	132,450	(75,619)
Public Affairs/City Clerk	238,559	290,182	51,624
Finance	514,327	505,299	(9,028)
Legal & Judicial	184,368	136,689	(47,680)
Common Facilities Overhead	813,741	843,208	29,466
Police	3,499,440	3,885,936	386,496
Public Works vs. Support SVC	32,055	33,409	1,354
Public Works vs. Engineering	1,270,826	1,310,859	40,033
Public Works vs. Parks Maint.	938,695	943,691	4,996
Public Works vs. Facilities Maint.	198,432	224,718	26,286
Community & Economic Dev.	1,166,286	1,063,836	(102,450)
Public Works vs. Water Resources	520,763	567,778	47,015
Parks, Culture & Recreation	600,622	691,589	90,967
Transfers Out	-	-	-
Total	\$ 11,012,924	\$ 11,861,689	\$ 848,765

Current Expense Fund 2023 vs. 2024 Expenditures



General Fund

2023 vs. 2024 Expenditures



General Fund	2023	2024	Variance
Current Expense Fund	\$ 11,012,924	\$ 11,861,689	\$ 848,765
Criminal Justice Fund	359,164	401,998	42,834
Community Buildings Fund	169,143	211,200	42,057
Regional Athletic Complex	315,414	366,234	50,820
Street Fund	929,180	1,053,013	123,833
Capital Equipment Fund	142,147	187,456	45,310
Total	\$ 12,927,972	\$ 14,081,590	\$ 1,153,619

Preliminary 2024 Year-End General Fund Revenues



Current Expense Fund

2023 vs. 2024 Revenues



Taxes	2023	2024	Variance
Property	\$ 212,157	\$ 223,841	\$ 11,684
Sales	3,923,723	4,216,613	292,890
Business & Occupation	952,655	1,072,122	119,467
Admissions	41,404	30,304	(11,100)
Utility vs. Electric	868,218	945,347	77,129
Utility vs. Natural Gas	452,373	359,441	(92,931)
Utility vs. Solid Waste	140,181	142,733	2,552
Utility vs. Telephone	140,659	150,758	10,099
Utility vs. Water/Sewer/Storm	764,840	671,125	(93,715)
Excise vs. Forest/Leasehold	4,998	6,486	1,488
Gambling	127,284	134,555	7,271
Total	\$ 7,628,491	\$ 7,953,324	\$ 324,833

Current Expense Fund

2023 vs. 2024 Revenues



Taxes	2023	2024	Variance
Property	\$ 212,157	\$ 223,841	\$ 11,684
Sales	3,923,723	4,216,613	292,890
Business & Occupation	952,655	1,072,122	119,467
Admissions	41,404	30,304	(11,100)
Utility vs. Electric	868,218	945,347	77,129
Utility vs. Natural Gas	452,373	359,441	(92,931)
Utility vs. Solid Waste	140,181	142,733	2,552
Utility vs. Telephone	140,659	150,758	10,099
Utility vs. Water/Sewer/Storm	764,840	671,125	(93,715)
Excise vs. Forest/Leasehold	4,998	6,486	1,488
Gambling	127,284	134,555	7,271
Total	\$ 7,628,491	\$ 7,953,324	\$ 324,833

Current Expense Fund

2023 vs. 2024 Revenues



Fees and Services Charges	2023	2024	Variance
Franchises	\$ 178,983	\$ 161,458	\$ (17,526)
Licenses & Permits	510,319	410,020	(100,300)
General Government	10,488	13,598	3,110
Security of Persons/Property	-	27,924	27,924
Econ Environ/Plan Checking	132,889	372,874	239,984
Culture and Recreation	75,850	101,716	25,866
Total	\$ 908,530	\$ 1,087,588	\$ 179,058

Current Expense Fund

2023 vs. 2024 Revenues



Fees and Services Charges	2023	2024	Variance
Franchises	\$ 178,983	\$ 161,458	\$ (17,526)
Licenses & Permits	510,319	410,020	(100,300)
General Government	10,488	13,598	3,110
Security of Persons/Property	-	27,924	27,924
Econ Environ/Plan Checking	132,889	372,874	239,984
Culture and Recreation	75,850	101,716	25,866
Total	\$ 908,530	\$ 1,087,588	\$ 179,058

Current Expense Fund

2023 vs. 2024 Revenues



Intergovernmental	2023	2024	Variance
Criminal Justice	\$ 5,851	\$ -	\$ (5,851)
Liquor Excise	-	-	-
Liquor Profits	96,567	100,077	3,510
Other State Entitlements	111,381	112,163	782
Inter-Gov. Service Charges	34,828	41,580	6,752
Other Grants	43,158	65,457	22,299
Total	\$ 413,559	\$ 350,215	\$ (63,345)

Current Expense Fund

2023 vs. 2024 Revenues



Miscellaneous	2023	2024	Variance
Violations	\$ 22,859	\$ 21,719	\$ (1,140)
Interest Earnings	2,286,870	559,889	(1,726,982)
Other Miscellaneous	719,782	186,652	(533,130)
Contributions	27,300	42,254	14,954
Transfers	-	-	-
Total	\$ 3,056,811	\$ 810,514	\$ (2,246,297)

Current Expense Fund

2023 vs. 2024 Revenues



Miscellaneous	2023	2024	Variance
Violations	\$ 22,859	\$ 21,719	\$ (1,140)
Interest Earnings	2,286,870	559,889	(1,726,982)
Other Miscellaneous	719,782	186,652	(533,130)
Contributions	27,300	42,254	14,954
Transfers	-	-	-
Total	\$ 3,056,811	\$ 810,514	\$ (2,246,297)

2024 First Quarter Utility Funds Revenue and Expenditures



Utility Funds

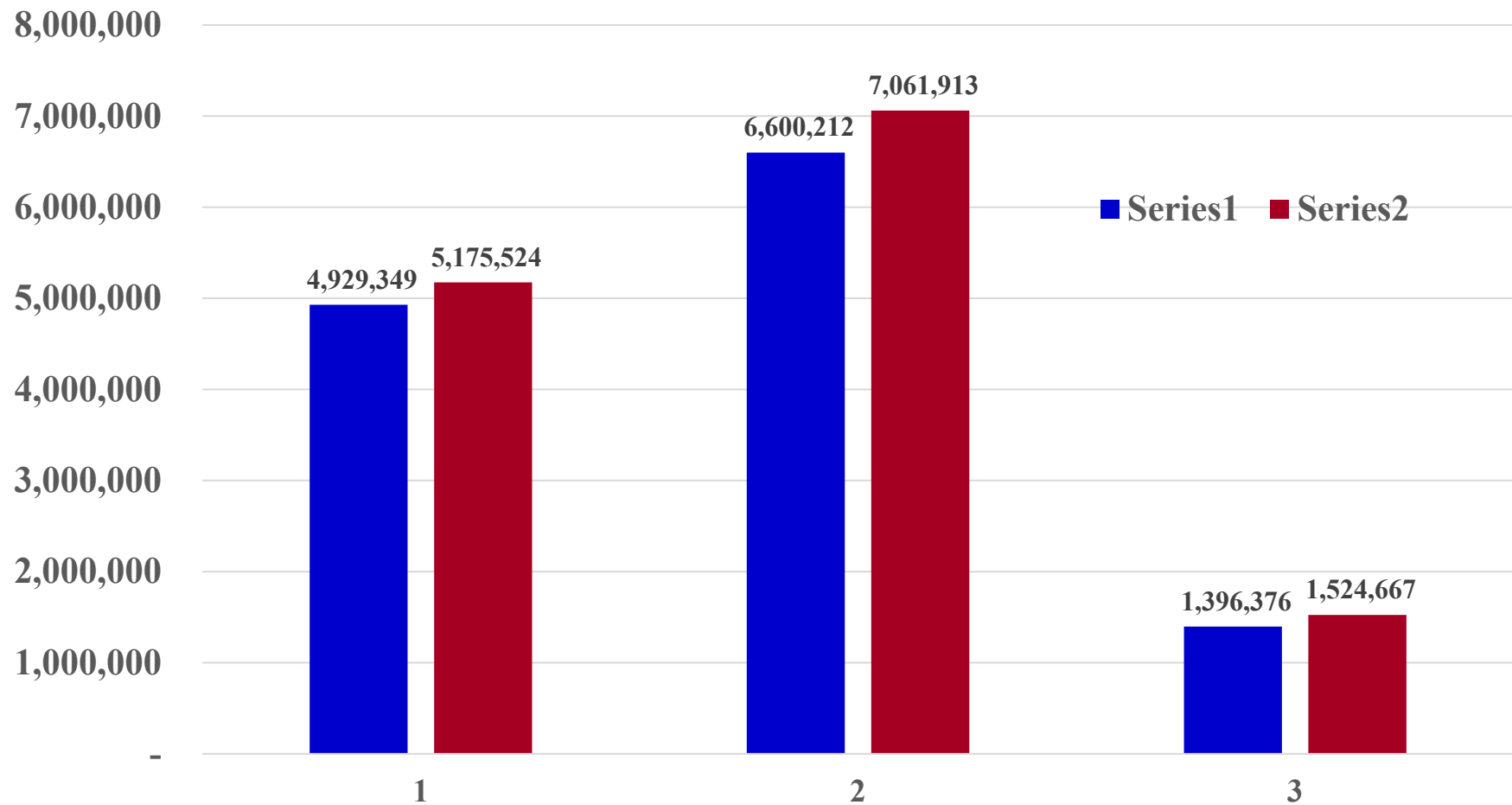
2023 vs. 2024 Revenues



	2023	2024	Variance
Water Utility	\$ 2,885,972	\$ 4,103,656	\$ 1,217,684
Wastewater Utility	5,366,598	6,417,025	1,050,427
Stormwater Utility	1,360,069	1,454,728	94,658
Water Capital	2,043,377	1,071,868	(971,509)
Wastewater Capital	1,233,614	644,888	(588,726)
Stormwater Capital	36,307	69,939	33,632

Utility Funds

2023 vs. 2024 Revenues



Utility Funds

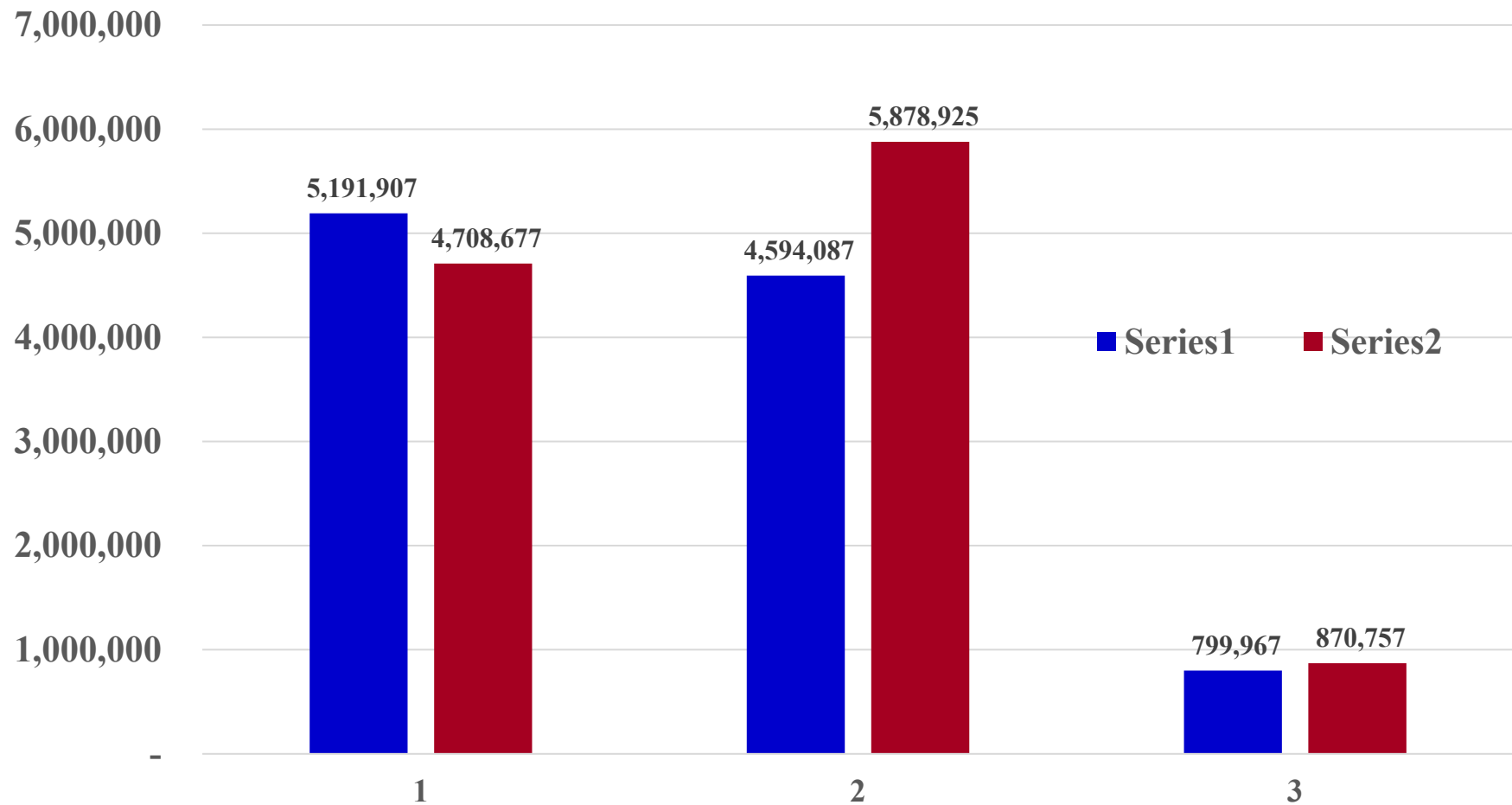
2023 vs. 2024 Expenditures



	2023	2024	Variance
Water Utility	\$ 3,502,133	\$ 3,027,657	\$ (474,476)
Wastewater Utility	3,666,287	4,257,913	591,626
Stormwater Utility	765,547	834,719	69,173
Water Capital	1,689,774	1,681,020	(8,754)
Wastewater Capital	927,800	1,621,012	693,212
Stormwater Capital	34,420	36,038	1,618

Utility Funds

2023 vs. 2024 Expenditures



2024-2025 Financial Outlook



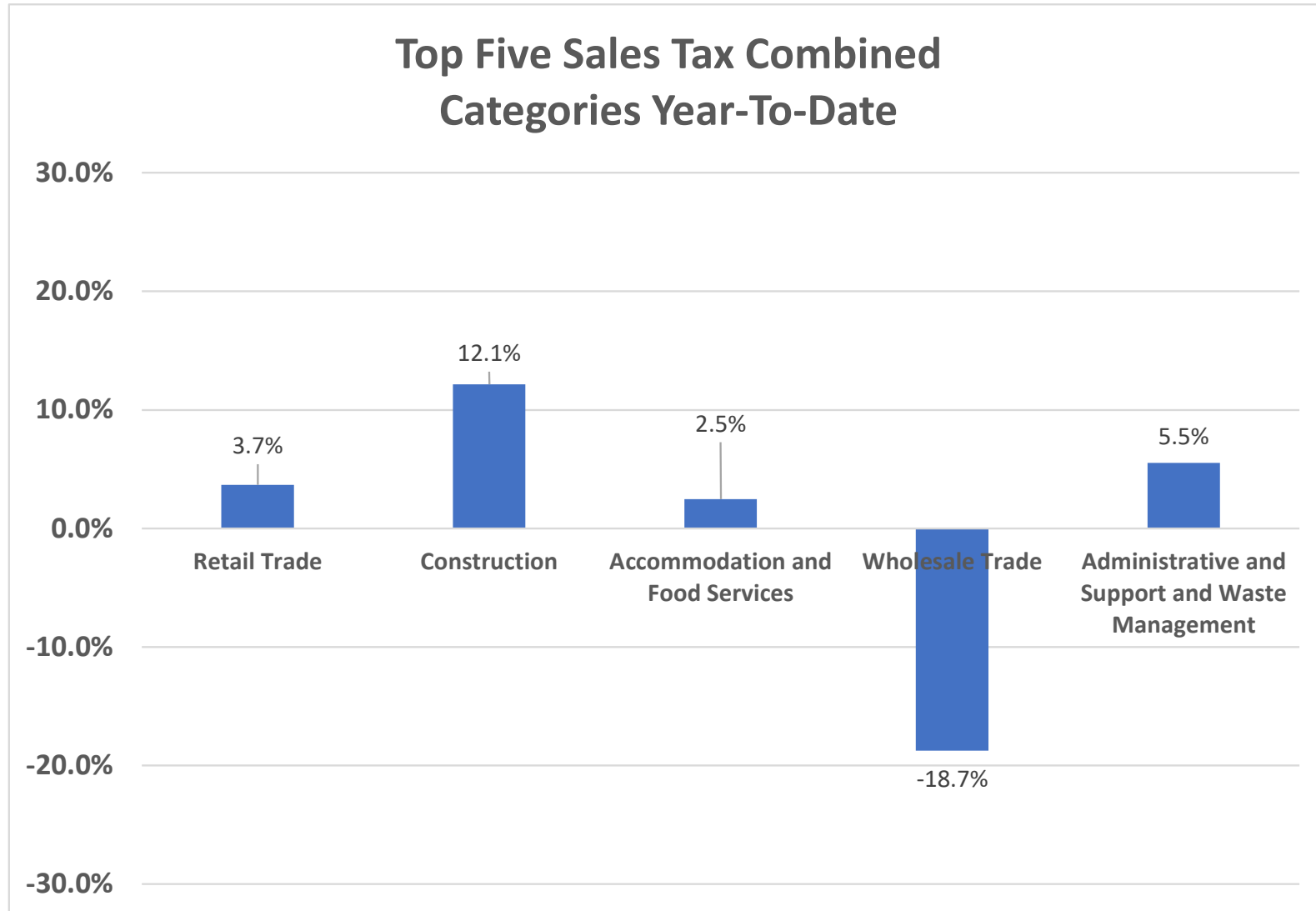
Top 20 Sales Tax Categories

2023 vs. 2024

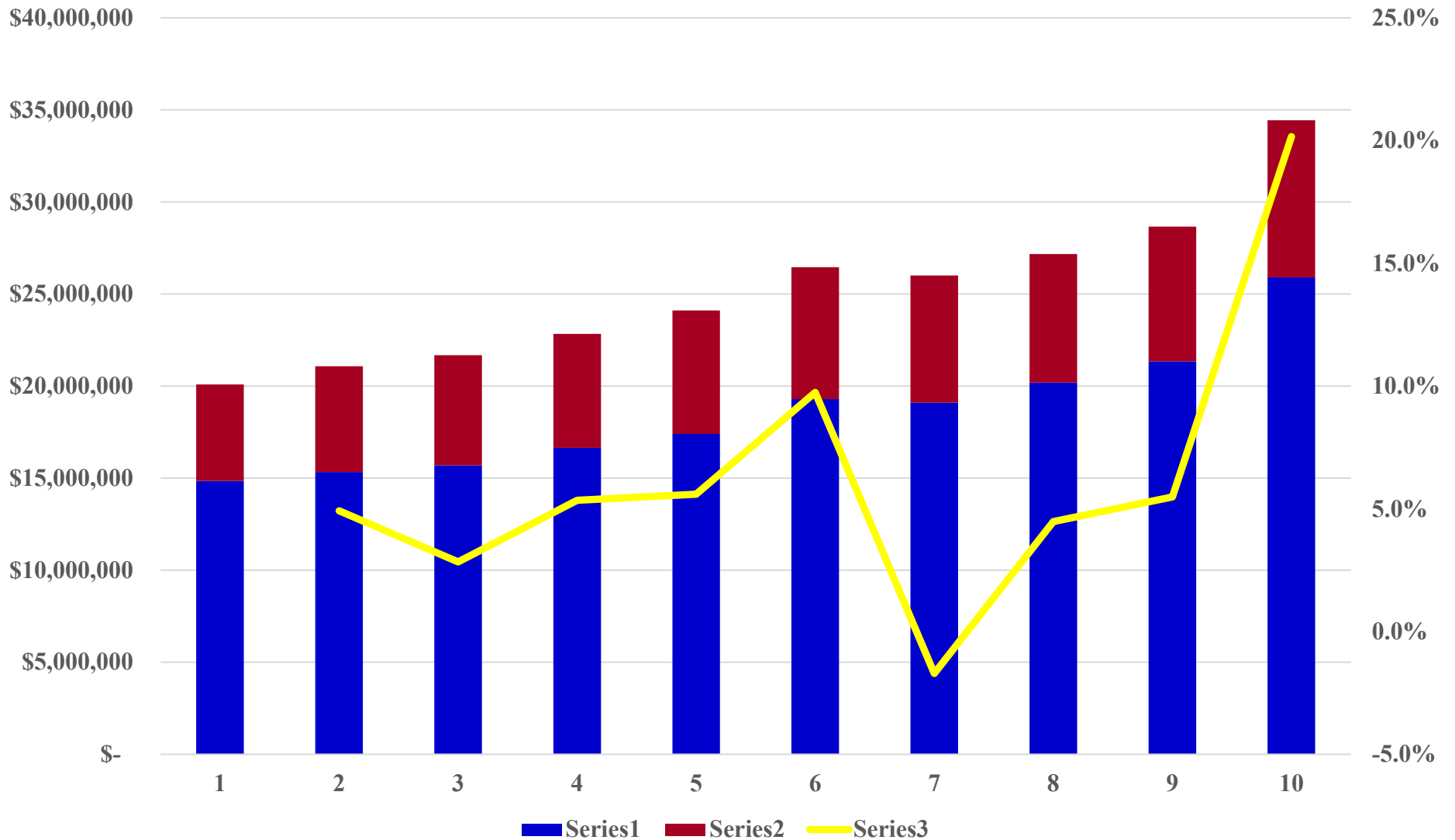


Category	Year-To-Date			Last 12 Months
	This Year	Last Year	% Chg	
General Merchandise Retailers	\$ 909,711	\$ 848,309	7.2	\$ 2,561,572
Sporting Goods, Hobby, Musical Instrument, Book	640,526	620,848	3.2	1,867,361
Construction of Buildings	520,061	511,625	1.6	1,752,370
Food Services and Drinking Places	502,990	487,107	3.3	1,595,646
Specialty Trade Contractors	362,623	272,061	33.3	1,082,364
Building Material and Garden Equipment and Supplies	267,679	280,118	(4.4)	1,002,503
Merchant Wholesalers, Durable Goods	174,956	244,430	(28.4)	674,538
Motor Vehicle and Parts Dealers	188,548	168,626	11.8	613,311
Administrative and Support Services	191,951	177,663	8.0	571,764
Furniture, Home Furnishings, Electronics, and Appliances	181,941	179,965	1.1	559,524
Professional, Scientific, and Technical Services	177,489	130,684	35.8	542,259
Food and Beverage Retailers	121,874	106,911	14.0	347,911
Clothing, Clothing Accessories, Shoe, and Jewelry	121,042	117,753	2.8	332,256
Repair and Maintenance	108,954	89,931	21.2	331,925
Telecommunications	100,145	94,679	5.8	283,469
Health and Personal Care Retailers	76,902	94,341	(18.5)	254,358
Rental and Leasing Services	77,100	71,376	8.0	246,824
Merchant Wholesalers, Nondurable Goods	76,595	69,052	10.9	236,418
<i>Unclassified</i>	55,878	37,325	49.7	208,896
Heavy and Civil Engineering Construction	45,113	43,642	3.4	190,764
	\$ 4,902,080	\$ 4,646,448		\$ 15,256,033

2024 Sales Tax – Top Five Combined Categories

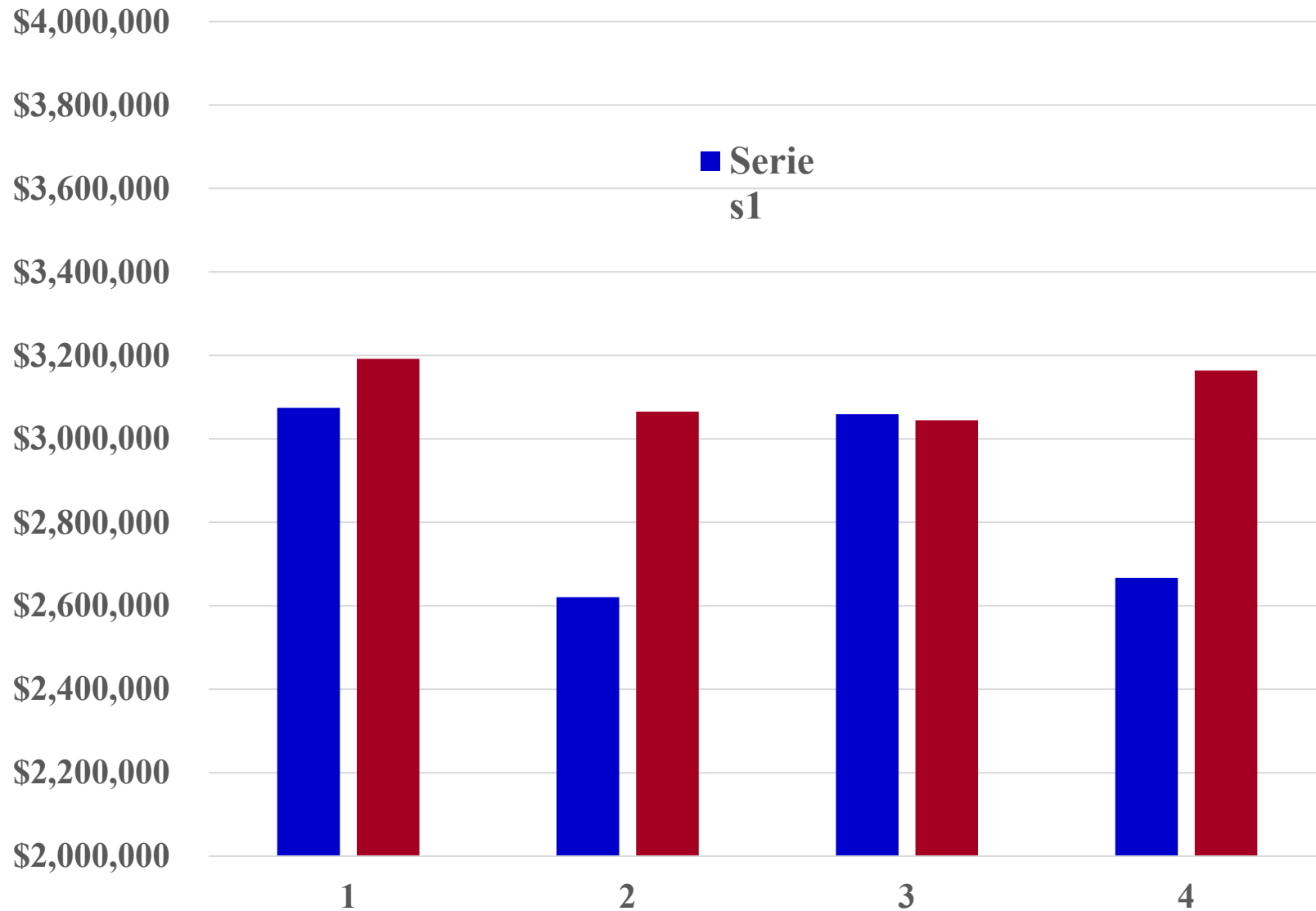


General Fund Salaries and Benefits

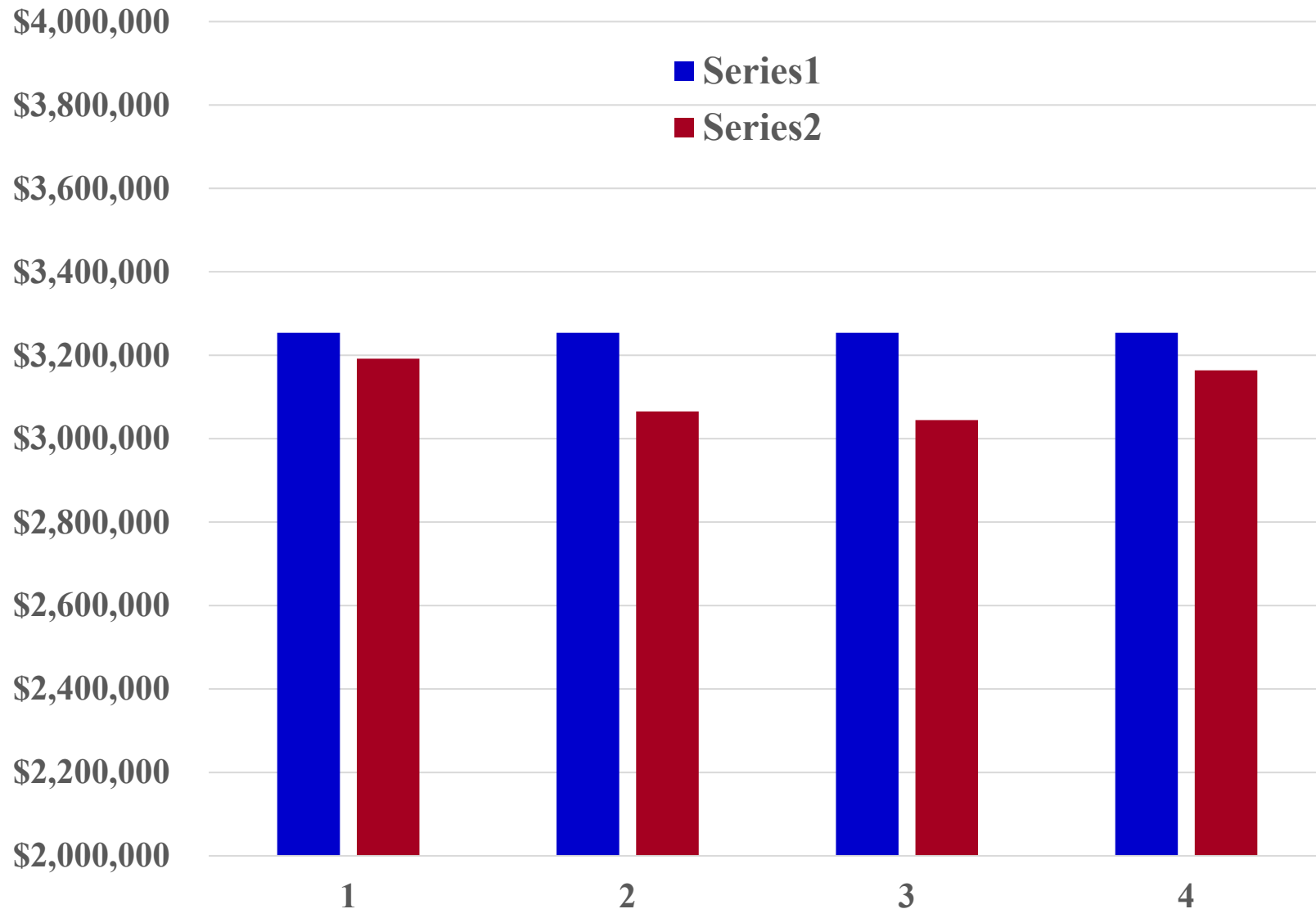


2023 vs. 2024

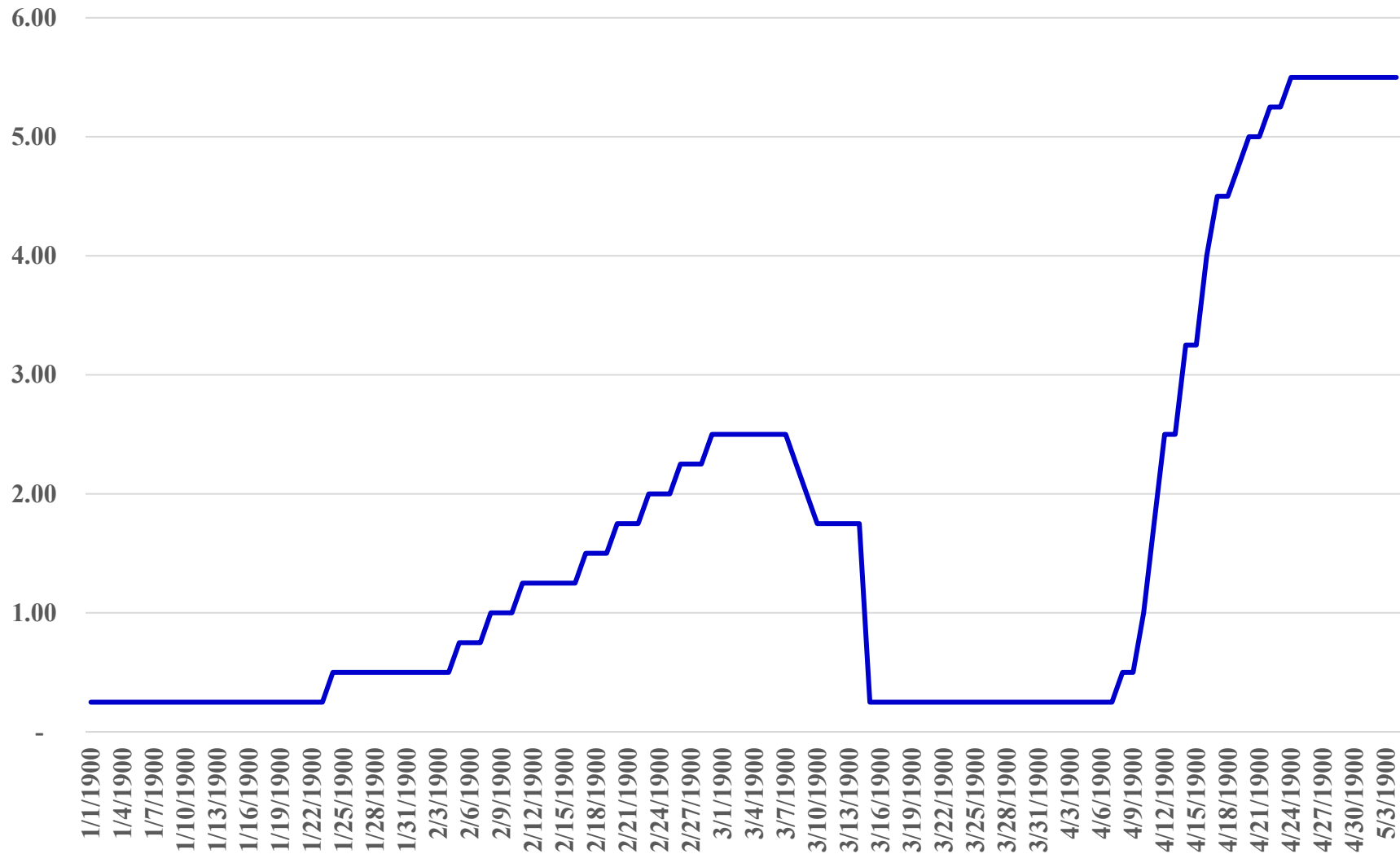
General Fund Salaries and Benefits



2024 Budget vs. Actual General Fund Salaries and Benefits

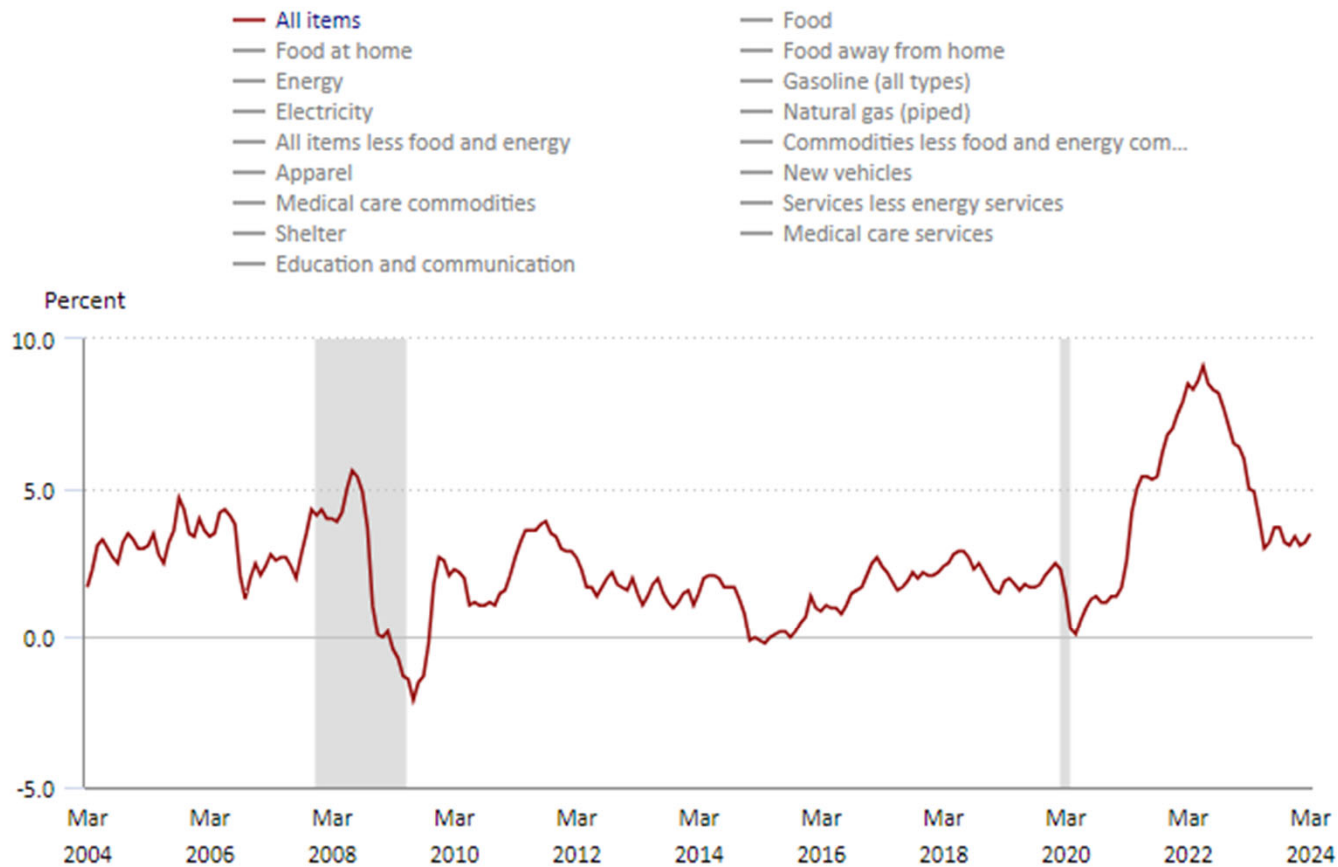


Federal Funds Rates (Upper Limit)



U.S. Consumer Price Index

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

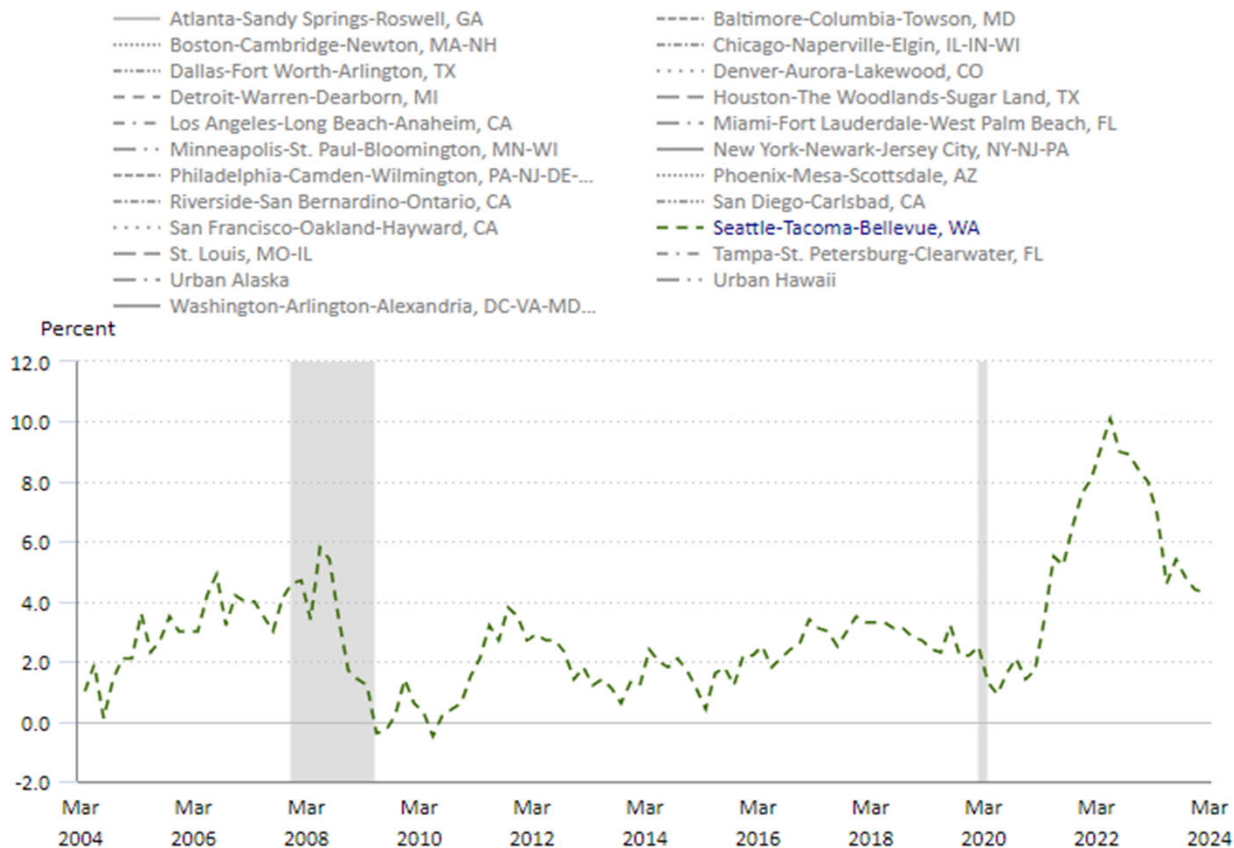
Source: U.S. Bureau of Labor Statistics.



Seattle/Tacoma/Bellevue Consumer Price Index



12-month percentage change, Consumer Price Index, metropolitan areas, all items, not seasonally adjusted



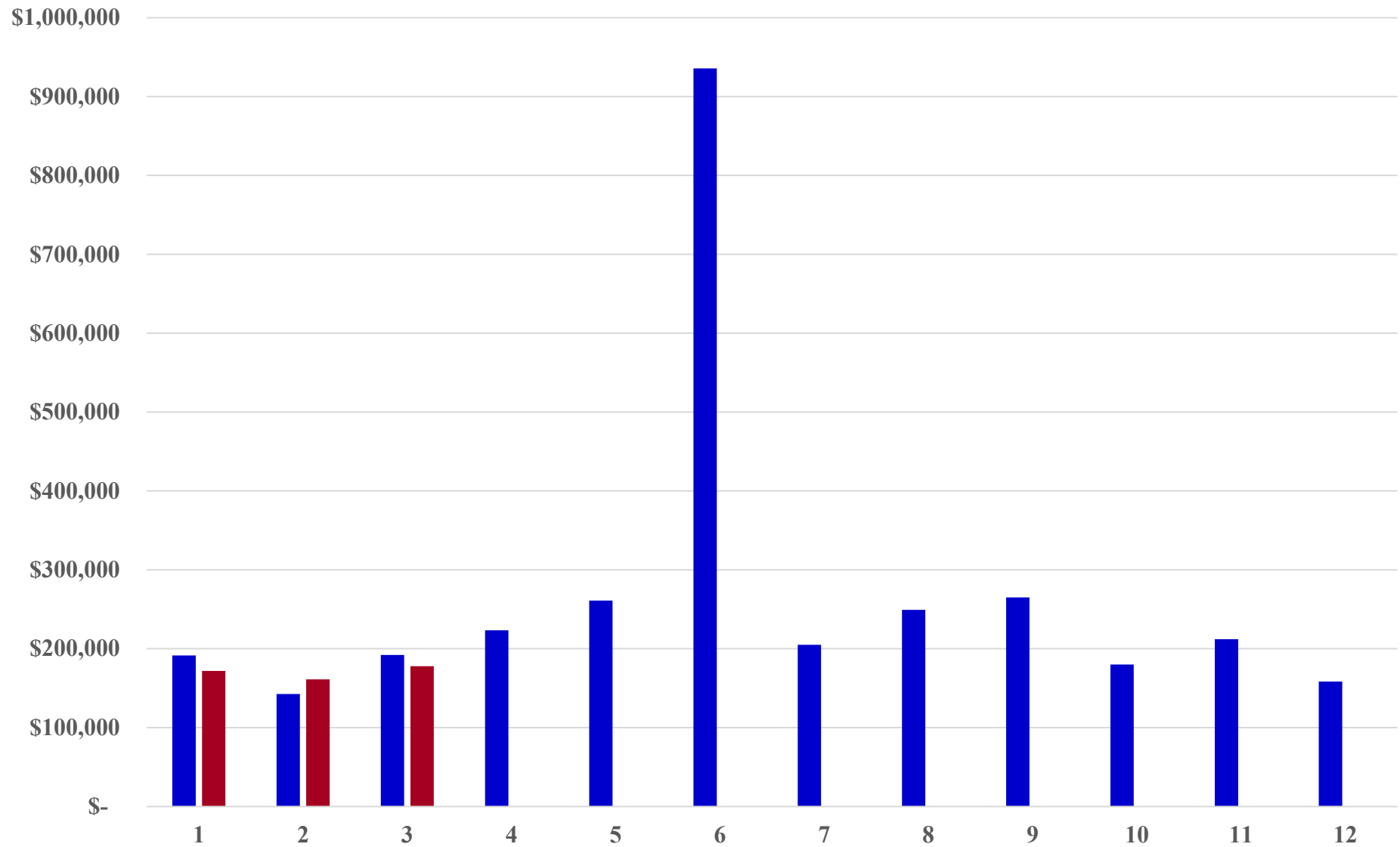
Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.



Real Estate Excise Tax 2023/2024



Questions/Discussion





LACEY CITY COUNCIL WORKSESSION

May 14th, 2024

SUBJECT: Neighborhood Commercial Districts – Draft Code Update

RECOMMENDATION: Briefing item only. Action is not required by City Council as the amendments will be brought forward for formal consideration at a future regular meeting. Staff will provide a briefing on significant project milestones and the draft Neighborhood Commercial District Code as recommended by the Planning Commission at their meeting on April 10th, 2024.

STAFF CONTACT: Rick Walk, City Manager *RW*
Vanessa Dolbee, Community & Economic Development Director *VD*
Ryan Andrews, Planning Manager *RA*
Hans Shepherd, Senior Planner *HS*

ORIGINATED BY: Community & Economic Development

ATTACHMENTS:

1. Draft amendments to LMC 16.36.
2. Public Hearing Comments
3. Staff analysis and recommendations

FISCAL NOTE: No additional resources are necessary. Identified project actions are currently advanced through 2024 Community and Economic Development staff hours.

WORK PLAN GOAL AND STRATEGY: Coordinated & Collaborative Planning - (B)(1)

HOUSING ACTION PLAN: Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.
Strategy 4: Increase the variety of housing choices

PRIOR REVIEW: Land Use and Environment Committee and Council have been briefed at previous project milestones following community and tenant surveys, district analysis, and project findings.

BACKGROUND:

Following a development proposal located at the northeast corner of Willamette Drive NE and Campus Glen Drive NE, the Lacey City Council directed staff to engage the community in a review of existing Neighborhood Commercial Districts within the City of Lacey.

As identified within the [2016 Lacey Comprehensive Plan](#), these Neighborhood Commercial Districts are intended to:

Land Use - Goal 3: Provide convenient access to neighborhood commercial zones throughout the planning area with emphasis on pedestrian opportunities.

Policy A: Retain strategic sites for neighborhood commercial activities, providing neighborhood commercial activities within walking distance of all neighborhood areas.

Policy B: Pay particular attention to integration of neighborhood commercial sites to ensure the site is compatible with and complements and serves local neighborhood uses.

Policy C: Neighborhood Commercial zones should be designed and sited to serve neighborhood needs, as opposed to serving a larger community base or capturing the motoring public.

The 2016 Comprehensive Plan goes on to identify these districts as strategic features within the community, serving neighborhoods as informal gathering spaces and activity hubs that should be maintained in anticipation of density increases and heightened commercial demands in the future.

Over the past 18 months, project staff have been engaging with the Lacey community on these districts and what they would like to see in the future. The presentations, surveys, and findings of this outreach and engagement can be found on the project webpage: <https://cityoflacey.org/NCD/>.

Public Hearing and Planning Commission Review:

A Public Hearing was held by the Lacey Planning Commission on Wednesday, March 13, 2024, at 6 p.m. in the Lacey Council Chambers. The Planning Commission received comments and testimony from the community and heard directly from individuals interested in this update process. At the conclusion of the in-person portion of the public hearing, Planning Commissioners extended the public comment period for an additional week until March 20th, 2024 to receive any additional written comments.

Public comments received as part of this hearing process have been included as an attachment to this staff report and added to the project webpage.

At their regular meeting on Wednesday, March 27th, 2024, the Planning Commission reviewed and discussed the public comments, staff analysis of public comments, and considered proposed revisions to the draft code. The discussion focused on the predominate issues raised in the hearing which included, gas stations, trees and tree preservation, building scale, and affordable housing. A summary of each topic has been included below:

Gas Stations:

Within the existing code, gasoline fueling stations are listed as a conditional use. Community opposition to these uses has been a primary driver of this update process.

In recognition of the existing and vested gas stations currently located within these districts, project staff identified four alternatives on how to address gas stations within these districts moving forward. These alternatives included:

1. Maintaining gas stations as a conditional use.
2. Permitting gas stations only as an accessory use to full-service grocery stores.
3. Only permitting gas stations when located at a distance greater than 1.5 miles from any other gas station.
4. Prohibiting gas stations within these districts.

Community feedback on this topic persisted through to the Public Hearing, where concerns over the conflicting character of residential areas and gas stations were again voiced. In further recognition of the largely prohibitive nature of proposed alternatives, the Planning Commission opted for a full prohibition of this use with the caveat that all existing or vested gas stations will continue to be permitted following the adoption of this update.

Tree Protection Standards:

Within the existing code, tree and vegetation standards are governed primarily through [Chapter 16.57](#) Environmental Performance Standards, [Chapter 16.80](#) Landscaping, and [Chapter 14.32](#) Tree and Vegetation Preservation. As adopted, no specific references to trees or vegetation exist within Neighborhood Commercial District code.

Based on community feedback surrounding this topic, project staff looked for opportunities to better align these neighborhood commercial centers with the character of adjacent and often surrounding residential uses.

Alternatives considered included an increase in tree tract requirements, offering potential bonuses for increases in tree preservation, or updating these districts to better align with existing/adjacent multifamily standards as it relates to the minimum tree requirements of a site.

The Planning Commission recommended adding additional code language within the Neighborhood Commercial District chapter to simplify permitting and more closely align with the multifamily character of these neighborhoods. The recommended text has been included below:

- *Minimum tree threshold: Multifamily lot standards consistent with [Table 14T-18](#) shall apply to all portions of the district.*
 - *When evaluating sites with existing trees, site and project design shall be consistent with [16.80.040](#) Preservation of Significant Trees.*

Ground Floor Commercial Heights:

Within the existing code, the heights of ground floor commercial uses are primarily governed by State and International Building Codes. In recognition of the general phasing of commercial developments (a shell is constructed to be later occupied by a range of potential commercial uses); the Planning Commission wanted to ensure sufficient flexibility in building design to accommodate the types of commercial uses identified through the community outreach process.

To further inform this process, project staff reviewed the codes of example districts in other communities as identified through public engagement responses to identify a suitable ground floor commercial minimum height. These findings have been included below:

Top Example Districts:

- *Olympia: A ground floor height of at least 15 feet is required for all commercial uses.*
- *Tacoma: Ground floor retail within pedestrian-oriented districts shall have a minimum interior height of 12 feet from floor to ceiling.*
 - *Additional incentives exist to increase ground floor commercial heights to 17 feet in total height.*
- *University Place: A ground floor height of at least 15 feet is required for all commercial, live/work, and mixed uses.*
- *Bellingham: Ground floor commercial space shall be built with a minimum ceiling height of 12 to 14 feet depending on the district in which they are located.*
- *DuPont: Does not have a standardized height requirement for ground floor commercial. That said, there is a minimum total building height requirement of 25 feet for two story commercial buildings within their downtown district.*

Based on these findings and concerns over post development commercial conversions to residential uses, the Planning Commission recommended a minimum 15-foot floor to finished ceiling height for ground floor commercial uses to ensure adequate flexibility for future potential uses.

Housing Alternatives:

Within the existing code, residential uses are only permitted above ground floor commercial. In recognition of growing housing needs across the region, this update presented an opportunity to increase the housing capacity within these districts by allowing

horizontal mixed-use. When asked about this opportunity, more community participants were in favor of allowing ground floor residential uses in comparison with those that were opposed (34% to 26%, 40% were neutral or did not express an opinion on this question).

In recognition of this potential for expanded housing options within these districts, questions around affordability and creating pathways to homeownership were also raised. Within the draft document presented at the Public Hearing on March 13th, 2024, all ground floor residential units were required to meet affordable housing definitions as identified within [RCW 36.70A.030\(5\)](#).

RCW 36.70A.030 Definitions:

- *"Affordable housing" means, residential housing whose monthly costs, including utilities, do not exceed thirty percent of the monthly income of a household whose income is:*
 - a) *For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located; or*
 - b) *For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located.*

Through the Public Hearing process, the subject of housing received the greatest number of comments. These comments are included as Attachment 2, to this staff report.

Following the Public Hearing process, the Planning Commission considered three primary alternative approaches to address general housing needs, affordability, and increased pathways to ownership within these districts. These alternatives included:

1. Recognizing this is topic is greater than Neighborhood Commercial Districts, permit ground floor residential while pursuing an expanded review of our existing [Multifamily Tax Exemption Program](#) and [Residential Target Areas](#) citywide.
2. Consistent with neighborhood character and desired goals for creating additional pathways to homeownership, only permit townhomes as a ground floor residential uses while continuing to maintain multifamily opportunities above ground floor commercial.
 - a. Minimum lot sizes would need to be adjusted to accommodate this alternative.
3. Maintain the draft code as currently written with affordability requirements for units located on ground floor of residential uses as identified within [RCW 36.70A.030\(5\)](#).

Following a discussion and review of these alternatives, the Planning Commission decided to advance alternative three to the Lacey City Council for additional review.

On April 10th, 2024, the Planning Commission unanimously recommended the draft Neighborhood Commercial District to the Lacey City Council.

NEXT STEPS:

At the May 14th worksession, staff will share the draft Neighborhood Commercial District Code as recommended by the Lacey Planning Commission. Discussions will include a review of the update process, public hearing comments, and significant changes from the currently adopted code (LMC 16.360).

Option 1: No changes. Add Draft Neighborhood Commercial District Code Amendments as recommended by the Planning Commission to a future Lacey City Council regular meeting for Council action.

Option 2: Provide staff direction on edits to the Planning Commission's recommended draft for inclusion into the final ordinance to be brought to a future regular meeting for consideration.

Option 3: Provide direction to City staff on other elements to consider in regards to this issue. After further diligence on these elements, City Staff would then return to the Lacey City Council to review.

Option 4: Some other option not contemplated in the above options.

Chapter 16.36 **DRAFT** NEIGHBORHOOD COMMERCIAL DISTRICT

16.36.010 Permitted uses.

- A. The following uses are permitted in the Neighborhood Commercial zone provided the use meets the requirements of this chapter and the design review standards of Chapter [14.23](#) LMC.
- a. Neighborhood commercial zones within the designated McAllister Springs Geologically Sensitive Area shall be limited to those uses the Thurston [County](#) Health Department determines are appropriate to the sensitive area.

Residential Uses above ground floor commercial (consistent with 14.23.080)
Ground Floor Multifamily Residential Uses (consistent with 14.23.080) are permitted within Neighborhood Commercial Districts with a minimum of 15,000 square feet of commercial space. • Ground floor residential units are required to meet affordable housing definitions as identified within RCW 36.70A.030(5) ○ Units must be maintained as affordable for at least 50 years and record a covenant or deed restriction that ensures continued affordability. • Residential uses are not exempt from 14.23.086 when located within Neighborhood Commercial Districts. • Required commercial space of a district containing ground floor residential uses shall be constructed within the initial phase of any proposed project.
Live/Work, Home Occupations (The “work” component in live/work is limited to those uses permitted within this district). Live/work units may account for up to 5,000 square feet of the commercial minimums necessary for ground floor multifamily residential uses.
Medical and Health Services
Community and Civic Facilities
Commercial Uses, Professional Services, Offices
Brewpub and Public House (consistent with RCW 66.24.580)
Drive-through as an accessory use to a Pharmacy, Bakery, Café, or Coffee Shop with indoor seating (not permitted between the street and building, or in locations where vehicles would impede pedestrian access to storefront). These uses are exempt from 14.23.082(l)(4) .
Eating and drinking establishment (non-drive-through)
Grocery stores and Supermarkets
Retail (Retail uses are required to primarily conduct in-person, direct customer sales along the designated pedestrian street storefront)
Services (all activities must occur within buildings)
Rooftop Community Solar (as accessory to permitted use)
Gasoline fueling stations existing or vested on the effective date of the ordinance codified in this section.

- B. Uses similar to those listed above may be approved by the site plan review committee upon finding the use is consistent with the remaining sections of this chapter and the design standards of [14.23.080](#), [14.23.082](#), [14.23.084](#), and [14.23.086](#).

16.36.015 Prohibited uses.

Uses other than those identified or described in LMC [16.36.020](#) are prohibited.

Stacking lanes and truck loading zones adjacent to residential uses
Outdoor storage or repair
Warehousing and ministorage
Gasoline Fueling Stations

16.36.020 Environmental performance standards.

- A. Compliance. It shall be the responsibility of the operator and/or the proprietor of any permitted use to provide such reasonable evidence and technical data as the [enforcing officer](#) 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.
- a. Failure of the [enforcing officer](#) to require such information shall not be construed as relieving the operator and/or the proprietor from compliance with the environmental performance standards of this title.
- B. General Character. Developments in this district shall be characterized by small [buildings](#) that add [visual interest and human scale](#) through façade articulation, varied building materials, landscaping, covered walkways, art, and decorative elements. Additional defining characteristics include low traffic generation, considerable walk-in trade, moderate lighting, and quiet operations.
- a. Operating hours for businesses shall be limited to the hours between 6:00 a.m. and 11:00 p.m. The site plan review committee has the ability to establish an expanded or reduced range of hours of operation for any activity based on potential impacts to the surrounding neighborhood.
- C. Location. Neighborhood commercial districts shall generally not be located within less than a one-half mile radius from commercial districts providing similar services or facilities.

16.36.030 Site area.

The size and shape of sites shall be as follows:

- A. Minimum [lot](#) size for the development of a site in this classification shall be ten thousand square feet.
- B. Maximum size for a site containing one or more of the permitted uses shall be ten acres.
- C. The shape of [parcels](#) shall be appropriate to the function of the zone within the surrounding neighborhood.

16.36.040 Building scale.

The size of [buildings](#) shall be as follows:

- A. Maximum [gross floor area](#) of an individual [building](#) for single commercial use, six thousand square feet;
 - a. Full-service grocery stores have a maximum [building coverage](#) of 30 thousand square feet provided they remain consistent with all other elements of this chapter.
 - b. Preschools have a maximum [gross floor area](#) of 10 thousand square feet provided they remain consistent with all other elements of this chapter.
- B. Maximum [gross floor area](#) of individual [buildings](#) for multi-commercial, seventeen thousand square feet; maximum individual [building coverage](#) of 8,500 square feet.
- C. Maximum [gross floor area](#) of individual [buildings](#) for multifamily uses, twenty five thousand square feet; maximum individual [building coverage](#) of 8,500 square feet.
- D. Maximum [gross floor area](#) of individual [buildings](#) for mixed-uses (commercial and residential), forty thousand square feet; maximum individual [building coverage](#) of 10,000 square feet.
 - a. For districts greater than 5 acres, maximum [gross floor area](#) of individual [buildings](#) for multi-commercial and multifamily, thirty thousand square feet; maximum individual [building coverage](#) of 10 thousand square feet.
 - b. For districts greater than 5 acres, maximum [gross floor area](#) of individual [buildings](#), for mixed-uses (commercial and residential), sixty thousand square feet; maximum individual [building coverage](#) of 15 thousand square feet.
- E. Maximum total [building coverage](#), fifty percent;
 - a. Fifteen percent bonus. Projects providing a shared [pedestrian-oriented plaza](#) of at least one hundred fifty square feet along a pedestrian walkway, at an intersection, corner, bus stop, or other key pedestrian area approved by the [site plan review committee](#).
 - i. Such areas shall contain seating for at least six people, a trash and recycling receptacle, drinking fountain, bike rack, pedestrian scale lights, pavers or textured walkways, trees, and landscaping.
 - b. Maximum total building coverage may be increased by up to twenty-five percent proportional to the amount of required parking located on-street, within the building, or below grade at a ratio of 2:1 consistent with the following table:

Table 16T-87	
Street/Below Grade Parking as Percentage of Required Parking:	Building Coverage Bonus:
10%	5%
20%	10%
30%	15%
40%	20%

50%	25%
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- F. Maximum [development coverage](#): Maximum coverage by impervious surfaces eighty percent, unless increased to a maximum of ninety percent consistent with the elements of 16.36.040(E)
- a. Note: Bonuses are to be added to the base allowable building coverage. The provisions of the Drainage Design and Erosion Control Manual, landscaping requirements and design review requirements may place further limitations on these allowances reducing the maximum development coverage possible on an individual site.
- G. Maximum [building height](#), three stories up to a maximum of forty feet;
- a. Heights may be increased to a maximum of 55 feet provided the total number of floors is limited to four stories and the top two floors are reserved for residential uses. Below grade parking facilities are excluded from this calculation.
 - b. Elevations above thirty-five feet will be stepped back at a ratio of 1.5 feet of stepback for every 1 foot of elevation when located along a property line shared with a residential use.
 - c. Ground floor commercial and live/work uses must have a minimum height of 15 feet to accommodate proposed and future commercial uses.
 - d. A fifteen-foot buffer of [Type 1](#) landscaping is required between the building wall and any abutting single-family residential property line and shall include a six-foot sight obscuring wall or fence.
 - e. All rooftop patios and gathering spaces, utility boxes, antennas, and other rooftop fixtures shall be located away from the roofline in a way that reduces their visual impacts on adjacent residential uses.
 - f. Upper-story balconies facing existing single-family residential uses on buildings exceeding thirty-five feet shall be constructed with opaque sides a minimum of forty-two inches high.
- H. Setbacks:
- a. Front, maximum ten feet;
 - i. Setbacks may be increased to a maximum of 15 feet to accommodate outdoor seating adjacent to eating establishments, pedestrian oriented plaza 16.36.040E(a), or for ground floor residential uses.
 - b. Rear, minimum fifteen feet;
 - c. Side, minimum ten feet.
 - i. Unless located on a corner lot with frontage on both adjoining streets in which case, front yard setbacks and design standards shall apply.

16.36.050 Public right-of-way Frontage

- A. Relationship to Public Right-of-way. Land classified in this district shall be located on an arterial or collector, preferably on a collector cross street.

- B. [Weather Protection](#): Located along commercial frontage and residential entrances.
 - a. Protected area: 5 feet min. depth dimension.
 - b. Awnings on a given block shall be the same or similar height.
 - c. Canopies, awnings, marquees and [arcades](#) may project into the public right-of-way with approval of the [site plan review committee](#).
- C. Commercial Windows: Transparent ground floor windows must be provided between two feet and seven feet above the sidewalk along a minimum of 60% of the ground floor, total street-facing facade area.
 - a. Required window areas shall allow views between the building and the street.
 - b. Reflective, dark, highly tinted or textured glass (below 70% Visible Light Transmission) is not permitted.
 - c. The site plan review committee has the ability to establish different window coverage requirements for full-service grocery stores.
- D. Primary Commercial Entry Doors: Shall face street. At least one building entrance shall be directly connected to the primary or secondary street with sidewalks and walkways measuring a minimum of 6 feet wide.
- E. Minimize the number of vehicular access points by sharing driveways and linking parking lots between adjacent uses.
- F. Coordinate circulation drives and staging areas to accommodate routes needed by fire, refuse collection, delivery vehicles, moving vans, etc.
- G. Consideration shall be given to load/unload parking zones near the entry of the building. These spaces shall be located in such a manner as to minimize interferences with the entryway.
- H. Ingress and Egress. Access to a site which is a [corner lot](#) shall be limited to one driveway on each of the intersecting streets. Access to a site which is an [interior lot](#) shall be limited to one driveway unless the site plan review committee approves two driveways.

16.36.060 Parking.

- A. The number of [parking spaces](#) required shall be in accordance with Chapter [16.72](#) LMC and Table [16T-13](#) (Neighborhood commercial shopping area).
- B. Parking allocations for affordable residential units shall be consistent with [RCW 36.70A.040](#) - Minimum residential parking requirements.
- C. On-street parking can be provided to serve customers of commercial uses to help satisfy parking requirements provided street widths provide adequate room pursuant to city standards for on street parking.
 - a. In all instances of on street parking, curb extensions/bulb outs shall be used to improve sightlines and reduce crossing distances for pedestrians.
- D. [Parking spaces](#) may be used for loading zones in this district, provided loading operations shall not obstruct driveways, sightlines, or direct pedestrian access to storefronts.

- E. [Off-street parking](#) shall be provided to the rear or side of the [structure](#). No parking shall be permitted between the [building](#) and the right-of-way.
- F. All required bicycle parking shall be covered or sited in a way that provides weather protection.

16.36.070 Landscaping.

- A. Requirements of Chapters [14.32](#) and [16.80](#) LMC shall be satisfied.
- B. Create [common open spaces](#) that are inviting to district patrons, residents, and the neighborhood in which it is located.
- C. A plan of all proposed landscaping shall be submitted along with the site plan for review by the site plan review committee.
- D. [Minimum tree threshold](#): Multifamily lot standards consistent with [Table 14T-18](#) shall apply to all portions of the district.
 - a. When evaluating sites with existing trees, site and project design shall be consistent with [16.80.040 Preservation of Significant Trees](#).

16.36.080 Architectural compatibility and site design.

- A. All requirements of Chapter [14.23](#) LMC for mixed use zones shall be satisfied. Specific attention will be given to how proposed uses align with the design standards of [14.23.080](#), [14.23.082](#), [14.23.084](#), and [14.23.086](#). In the event of a conflict between this chapter and any other provision of any Lacey Municipal Code, the most restrictive section consistent with Section 16.36.020(B) of this chapter shall guide site plan review.
- B. Corner Buildings. Buildings located at street corners are encouraged to utilize prominent building elements to emphasize these highly visible locations. This could include a corner facing building entry, public spaces, changes in building materials, atrium, or special roofline features with approval of the [site plan review committee](#).
- C. Site Continuity. When ground floor residential uses are included within a district, visual and physical continuity will be maintained. Residential and commercial uses will be integrated within a district without hard separations of use, physical barriers, or fencing intended to isolate or segment uses from the rest of the district.
- D. Where applicable, ground floor residential uses will be located away from primary district corners and as a buffer between adjacent residential properties and commercial uses located within the district.
- E. Development proposals contiguous to undeveloped parcels shall show conceptually how the adjacent property may be developed in relationship to the lot or parcel proposed for development. The plan should generally indicate how open space, parking, driveways, walkways, etc., will relate or connect to adjacent parcels.
- F. Light fixtures attached to the exterior of a building shall be architecturally compatible with the style, materials, colors, and details of the building and shall comply with local building codes. The type of light source used on the exterior of buildings, signs, pedestrian walkways, and other areas of a site, shall provide adequate light quality,

while minimizing adverse impacts, such as glare and overhead sky glow, on adjacent properties and the public right-of-way. The [site plan review committee](#) may place additional requirements on outdoor lighting consistent with 16.36.020.B(a).

- a. Light fixtures shall be of a pedestrian scale, provided lights within the interior of a parking lot may be at a greater height for security purposes. Facades shall be lit from the exterior, and, as a general rule, lights should be non-glaring, and concealed through shielding, diffusion, or recessed behind architectural features.

16.36.090 Stormwater runoff.

[Stormwater management](#) is required and shall comply with the current [City](#) of Lacey Stormwater Design Manual and shall be subject to the [city](#)'s review and approval, and shall, moreover, comply with Chapter [15.22](#) LMC pertaining to community facilities.

Neighborhood Commercial Districts – March 13th, 2024 Public Hearing

Written public testimony was extended for an additional week through March 20, 2024.

Details	Comments
0	https://laceywa.portal.civicclerk.com/event/205/files/agenda/1869
Wed 3/13/2024 6:00 PM	
Public Testimony	
Full testimony was recorded and can be found through the included link.	
	1. Tyrell Bradley – @ 33:20 ○ Written comments were also submitted 2. Matt Farrell – @ 37:00 ○ Written comments were also submitted 3. Janet O’Halloran – @ 40:18 ○ Written comments were also submitted 4. Margaret Green – @ 44:31 ○ Written comments were also submitted 5. Rose Campise – @ 46:08 ○ Written comments were also submitted 6. John Green – @ 47:52 ○ Written comments were also submitted 7. Allison Cabral – @ 49:43 ○ Written comments were also submitted
1	As I am reviewing the draft NCZ language, I need clarity on a few points: 1. Since specificity of business type is less detailed, I am curious if a shop selling marijuana or guns would be allowed. I know that both of those are legitimate businesses. I am just curious about the inclusion in a NCZ area. 2. Would a business (store, or restaurant) adjacent to a neighborhood be allowed to sell alcohol? 3. During one of the conversations (council or planning commission), I heard consideration of proximity to parks or other public institutions. Is that still in play, or is the only distance guideline the "not less than 1.5 linear miles" between gas stations? 4. Please clarify if the ARCO station at Marvin and Hawks Prairie is considered in that 1.5 mile calculation. As I review the maps, I can see that it is not one of the 7 undeveloped NCZs, but I don't know if it is an existing NCZ. How is that spot designated? Or would it not matter, because it is simply distance between any gas stations that matter? 6. Would a residential use be permitted to house individuals with a treatment/court supervision type need? Is there existing language (perhaps in another code chapter) about proximity to schools, or parks in such matters? 7. Chapter 14 is cross-referenced frequently in the Ch 16. draft. Regarding 14.23.050 and --060 language. Yes, both speak to design approval approvals and extensions. What is considered the original design approval date? The date the conceptual design is approved as part of the initial review process? The date each and every time a minor tweak to the
Janet O’Halloran	
Sun 2/25/2024 5:04 PM	
Email	
Project staff provided responses to submitted questions based on current draft as of date of comment.	

	design specifications are approved (which can take a few months)- effectively restarting an 18 month period? 8. Are six-month extensions possibly endless, or one and done? I appreciate your time and look forward to your responses. Warmly, Janet O'Halloran
2	Email attachments included as Appendix B.
Janet O'Halloran	
Thu 3/14/2024 8:46 PM	
Email	
Email attachments included as Appendix B.	
3	Although it would be nice to have quality grocery stores (Whole Foods, Trader Joe's) close by - what you built at the Hogum Bay Center is a bunch of useless junk - not worth the trees they cut down. And a huge semi truck dealer? Seriously? We all needed that eyesore. Marvin Road is a disaster with the semi trucks hogging two lanes around all of the traffic circles. They create traffic jams every day, and accidents. You have to have a better system to handle the trucks. What needs to happen is that the trucks only be allowed on Hogum Bay with a traffic signal by the Mayan restaurant for freeway access. Get those trucks off Marvin. Please fix this mess before you create another. Regards, Charmaine Todd
Charmaine Todd	
Wed 3/6/2024 2:10 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
4	Primary discussion topics revolved around concerns over additional warehousing and or apartment style uses located at the 41 st and Marvin Road Neighborhood Commercial District that would further contribute to traffic and congestion issues farther south along Marvin Road.
Kris Hare	
Thu 3/7/2024 1:44 PM	
Voicemail	
Project staff answered questions and encouraged written feedback.	
5	Please see attached comment letters and proposed NC zoning code redlines to add to the public record. I plan to be at the meeting tomorrow night, look forward to seeing you there.
Tyrell Bradley (LDC Corp)	
Tue 3/12/2024 11:31AM	
Email Attachments	

Email attachments included as Appendix A.	Thank you for the opportunity to comment, Tyrell
6	Hello,
Roy Rozgo	As invited here is my resident feedback on the NCD draft document, I strive to be brief. I live in Jubilee near the Edgewater NCD at 41st and Marvin. Comments specific to the Edgewater NCD site and immediate area: -This site, and right across the street (zoned as a school) are a couple of the last remaining stands of timber on Marvin Road. We call this our 'cathedral of trees', and probably 90% of our neighborhood wants the city to Leave these Stands of Trees as is, as 'most beneficial' to the surrounding neighborhoods, left as is for less light pollution, less noise pollution, less traffic, better drainage. Why are already 'open areas' not prioritized for NCD's first, and long before areas with standing timber? -In addition, Marvin Road to the south of the NCD within a mile has a whole shopping area being built making the Edgewater NCD a bit redundant. (Mod Pizza/Starbucks etc) -The Nisqually tribe has told us that They also will be building (near Cabela's) a large casino/hotel/shopping area in the next three years. -DC bound semi trucks are now taking both lanes of every roundabout they pass thru causing traffic backups Now with the existing infrastructure, and proximity to DC's does not seem to be part of the NCD watchpoints. We believe that overbuilding in NCD's will result in exactly the opposite of the intended effect of the NCD and will lessen our housing values and provide no real benefit, as everything to purchase there will be by definition more expensive than other local stores. In addition Marvin Road cannot handle this traffic with autos and DC semi trucks! Comments on the 'Draft' changes being published: 1) There is no language saying that if the local residents prefer; the NCD will be left UNdeveloped, taking the natural lay of the land as the most beneficial to the Neighborhood. (This is all for the benefit of the local neighborhood right? Therefore that neighborhood should have yea/nay choices over what will be built close to them). 2) I thought Lacey was a 'Tree City'. There is no mention of a commercial/natural balance in the draft changes. (i.e. can they just cut down every single tree in a NCD as the default?' This is what seems to be happening in Lacey without a corresponding number of trees being planted). 3) The draft changes do not take into account 'traffic burden of the immediate area'. e.g. if the roundabout at 41st and Marvin is choked with cars lined up down Marvin trying to get thru the NCD area because
Tue 3/12/2024 2:37 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	these are all one lane roads, how can that be beneficial? Put in verbiage being sensitive to the surrounding traffic area. 4) I am happy to see verbiage regarding 'parking lot lighting', as who wants a 40ft high Xeon light shining thru their bedroom window all night even from 1/4 mile away? (And note, the Parr Whse just built on Marvin has incredibly bright lighting that illuminates some of the adjacent neighborhood. Has someone post-construction inspected that?) 5) While the 'idea' of a small local store seems cool, all my neighbors and myself know that all items purchased here will be more expensive than driving to Winco, etc. I personally do not plan on shopping at Any of the NCD's North of the freeway. Would Willamette apartment dwellers or retired Jubilee residents pay higher dollars to buy bread 3 blocks away as opposed to driving to Winco? Doubt it. Perhaps the village should examine and complete all of the 'half empty' strip malls Lacey has before cutting down trees to construct more half-empty sites and calling it an NCD? 6) Distribution over the village as to what is built in any NCD: Does the village Really think we need more mini-Marts selling sugar and caffeine drinks, cigarettes, and dirty magazines? How are those items the 'day to day needs of consumers' per the intent of NCD's? Willy Nilly development makes our village look trashy, sprawly, and this is now happening. If you got this far thanks for reading. Some of us want to preserve every remaining tree possible in Lacey. Once an 80 year old tree is cutdown (or 1000 of them), that area is changed forever, and 95% of the time not changed for the better. We love Lacey for it's beautiful trees, parks and being near the Sound....not because more stores are being built everywhere. Please adjust NCD locations to be in open areas where possible, and not cut down timber as a matter of course. Hopefully the Village officially recognizes 'Climate Change' and has it in the long term plan. Recognize that people of All incomes live here, and please do not design the future village as only a haven for lower incomes or transients.
7	Given the immense negative community feedback that was given to the City of Lacey back in 2022 concerning situating a gas station at Willamette Drive & Campus Glen (Meridian Market) immediately across from a children's park and where middle-schoolers walk past this location to get to school, are there any proposed changes in the new Commercial Neighborhood Districts that would prevent such a thing to happen in the future? I have tried to read the proposed changes but I did not see any verbiage that addresses how close a gas station could be located near a park. Please let me know. Cindy Tufford Jubilee
Cindy Tufford	
Wed 3/13/2024 12:31PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	Lacey, Washington
8	Hi, I have feedback for the Marvin Road & 41st Ave NE (Edgewater) neighborhood commercial district. I am a resident of NE Lacey in the Jubilee development.
Drew Amdahl	
Wed 3/13/2024 6:49 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	There are some good ideas for development in your proposals. 1. Good. I would like to see a grocery store of some form to reduce the need to travel over congested streets to get to the stores south of I5. I understand that private businesses must make the choice to pursue that development as they see financially feasible. 2. Good. a restaurant with a breakfast focus i.e. IHOP, would be a nice addition to our area. 3. Bad. we absolutely DO NOT NEED any more gas stations in NE Lacey in my opinion. Waste of space. 4. Concern. Not having enough parking lot space such that cars park on the street. This creates more congestion and safety hazards from parking cars, etc. To be honest if i was given the choice i would say NO to even having this aforementioned Edgewater NCD. I would say it is unlikely that anything i would significantly like will happen in this NCD. However it is a sure bet that adding businesses to this Edgewater NCD would create more congestion, which not only steals time from people that are trying to drive somewhere else but also creates safety hazards and increased accidents. The people that would have to drive thru this area are predominantly older and more susceptible to safety hazards and attendant accidents. Traffic Congestion: This is the biggest single local issue that detracts from my quality of life and safety in NE Lacey. There has been a huge increase of truck-related businesses (i.e. warehouses) and attendant trucks and worker traffic. It can be a real challenge to drive Marvin Rd. to the south of I5 to get to the grocery stores during the daylight hours. As i age i am not sure how much longer it will be feasible for me to try and drive Marvin Rd. north of I5. To add to traffic congestion with the Edgewater NCD seems incompatible with the demographics, and the well-being and general desires of NE Lacey residents. There will be other sources of additional traffic congestion which will impact NE Lacey. Of course there are more commercial districts slated to come on line in NE Lacey in the near future. Additionally there is the new high school and other schools which will further increase traffic congestion on Marvin hugely (not sure about the logic or equity of siting a high school in an area which is largely elderly).

	To summarize it seems to me a broader, more thoughtful look must be given to the needs and desires of the residents of NE Lacey. The traffic congestion from this largely unrestrained development of NE Lacey threatens to overwhelm our neighborhoods, and practically speaking keep us captive in our homes, afraid to venture out on the major streets in NE Lacey. Prediction: Given the current and future development planned for NE Lacey we will become another Kent (valley), with gridlock on their streets from early in the morning until fairly late in the evening. Kent is perhaps a good place to have a warehouse, but definitely not a good place to live in my opinion. Best regards,
9	I would like to offer a few additional comments. Congestion: The Nisqually casino, hotel & entertainment complex will bring large amounts of additional traffic into the NE Lacey area. Correction from below, i meant to say there is more commercial development (not districts) slated to come on line in NE Lacey in the near future. Edgewater NCD use: Given that the strip mall on Marvin and Willamette is having a tough time finding commercial tenants, i strongly suspect Edgewater NCD will also have a tough time finding commercial tenants of any sort (obviously less traffic and accessibility than the aforementioned). I strongly suspect this means that Edgewater NCD will simply become more apartments. ugggh, not good. And probably a convenience store (i.e. 7/11) that the nearby high school students would frequent. Mitigation for all the aforementioned increases to traffic, congestion and accidents: Provide a light rail or electric trolley or something similar with a dedicated track. This would allow NE Lacey residents (particularly north of 41st) the opportunity to have a safe, reliable and timely means of traveling to the key Lacey shopping south of I5 (Costco, Walmart, etc.). This should be funded by the entities making lots of money off of NE Lacey's commercial development i.e. the City of Lacey and the Nisqually tribe. Perhaps there is grant money that could help (from the Feds?). Recommendation:
Drew Amdahl	
Fri 3/15/2024 1:23 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	I think the question of having an Edgewater NCD should be voted on by the residents of NE Lacey. I think there should be some element of a democratic process involved in the NE Lacey development. Best regards,
10	I am writing to provide input on general request as well as the Neighborhood Commercial Districts. General Requests: 1. Sending out mailers to impacted businesses and residents with 600-1000 ft is not wide enough. Please expand mailers to notify residents, businesses and schools within 2 miles. 2. The majority of tech users are accessing their information over their mobile devices. I had a difficult time finding the information on the public meeting for march 13th which specified district locations from my mobile device. The mobile site drove me to the public meeting site and then the 2 page Agenda Overview. • Please ask the web developers to make this information more mobile friendly. • Please be more specific in the 2 page Agenda regarding which intersections, neighborhoods will be impacted so the public can more easily discern if the issue is relevant to them or not. Neighborhood Commercial District Input: 1. Some of the proposed districts are within walking distance or even visible from schools and daycares. Please add language stating that businesses who sell 50% or more of their products from alcohol, marijuana, tobacco, vaping are not allowed within 1.5 mile radius of schools and daycares. 2. Make the districts easily and safely accessible by bicyclists, pedestrians and vehicles. I'd like to request the following additions to the code. • Make each street feeding into the commercial districts accessible by designated side walks, designated bike lanes and wide width streets to accommodate larger vehicles most people drive these days such as SUVs and trucks. • Prohibit bulb outs. This is something that sounds good in theory but if the streets width isn't accessible for 2 SUVs to pass each other easily in the middle of the bulbouts when trucks and SUVs are parked on either side of that street then it is not functional, causes distress for local neighbors having to navigate congested streets and causes damage to parked cars. Bulb outs are not actually preventing pedestrians from having to walk farther nor are they any more safe. They look nice but just aren't practical for day to day use unless total street width and side parking widths are greatly extended to a total width of 50 feet and total
Brandi Olden	
Wed 3/13/2024 7:28 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	street width between the bulbouts is a minimum of 30 feet to accommodate cars and bicycles. • Please make lanes 12 feet in width. This will allow the development to be more livable and accessible and accommodate pedestrians and bicyclists more safely. The theory that narrow roads are safer is just that, a theory and has been unfounded when looking at pedestrian and bicyclist safety which is important to be mindful of for the neighborhood commercial district planning. • Make designated bike lanes on both sides of the roads that feed into new commercial districts mandatory. For example, The Commercial Districts located at College Street SE & 45th Ave SE as well as College Street SE & Mullen Road SE are very close to the Western Chehalis Trail. Including designated bike lanes that are a minimum of 4 ft wide in addition to sidewalks on both sides of the road will allow neighbors and families to patron businesses in these areas safely. • This may already be in place however I couldn't find it easily. Please ensure sidewalks are ADA accessible in width and include ramps and located on both sides of the streets that feed into the commercial districts. • Regarding Commercial District on College Street SE & Mullen Road SE (The Farm). - o Please include Two-Way Center-left Turn Lane spanning from the intersection going west past Zermatt Lane. - o Current street parking available is completely full after 5-6 pm along 37th Avenue SE. Please extend street parking access to both sides of the street and down the length of Herman Rd SE to 1/4 mile past the Western Chehalis Trail towards Wiggins Rd SE to accommodate commercial and residential parking needs as well as other patrons of the commercial establishments. 3. Residential Parking Input • Expand minimum parking requirements to 2 per household. People in low income/affordable housing still have an average of 2 vehicles per household. With not enough space, the overflow street parking is impinging on neighbors ability to park and easily access their own homes. It also makes it incredibly difficult to near impossible to have guests over when there is such severe lack of parking. • Allow parking garages up to 2-3 stories high in order to maximize space and must include elevators. Include code that dictates parking garages be built according to Green Parking Lot requirements such as this Seattle Permit article recommends. • Expand parking spot widths for residential areas to 10 feet. Current requirements are not wide enough to allow people to get young children from the backseat of their cars or get groceries out of their cars when someone is parked beside them. This is leading to neighbor disputes, car damage and severe lack of access to close parking for people with disabilities, young families and the elderly. With a growing elderly
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population and disabled population with Long Covid these spots need to be mandatorily included into city code.

- Include 2-4 designated accessible parking spots near entrances for the elderly, injured, pregnant and families with young children.
- Add mandatory 1/2 guest parking spot per unit. The current level is not nearly enough leading to guests parking in resident spots consistently further increasing neighbor disputes.

4. Commercial Building Input

- Regarding Public Right of Way Frontage, please include code language allowing for frontage to to be a tempered glass garage door or sliding glass doors to allow cafes, pubs, restaurants the ability to open onto the sidewalk during summer months as well as be able to stay in business should another pandemic occur.
- Please include code language that automatically grants eat-in restaurants, cafes and pubs the ability to set up outdoor sidewalk seating in the summer months.
- Please include language that allows commercial buildings to have folding security gates. Until more housing, mental health supports become permanently in place, businesses are more likely to invest in commercial property if they have the ability to protect their space. Especially in commercial districts within reasonable distance to established bike trails.
- Please include language mandating that extra sound proofing be installed between walls of different establishments and in the ceiling to promote minimal sound being carried into above residential units.
- Please include Little Free Libraries in each commercial district.
- Please include covered gathering spaces for rent or free public use for local activities including but not limited to HOA board meetings, indoor play spaces for young families, family gatherings and birthday parties, neighborhood book clubs/meet ups and safe teen gathering spaces.

4. Residential Building Input

- Please mandate that sound proofing measures be built between all units including ceilings and floors.
- Please mandate all units have air conditioning and heating
- Please mandate all units have elevator access for greater disability access. Disabled residents should not be forced to the ground floor units as their only option. Additionally, many people who do not qualify for disability are not able to safely carry groceries and kids up 3 flights of stairs.
- Please build dog parks within 1 mile of all commercial districts, even if it takes up space in existing local parks.

Thank you for your time and attention to these requests and comments.

Sincerely,

11	Hello, It's my understanding that the community development parcels must be bars, restaurants, banks, gas stations, or other small buildings. I was informed there is an affordable housing space with commercial units being considered for the 41st and Marvin plat. I am strongly opposed. There are high value homes nearby and you will be devaluing these properties. This should be considered when planning. Please let me know what I can do to stop or change the plans for development. This is horribly wrong for the homeowners nearby. Thank you.
Carissa Rodriguez	
Wed 3/13/2024 8:32 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
12	I am writing to express my displeasure with the plans to build affordable housing on the 'neighborhood commercial district' site on 41st & Marvin Rd NE. I believe the city of Lacey is severely overestimating the capacity of our local roads to accommodate the influx of high volume housing, as Marvin Rd is a single lane in both directions and already contributes to significant traffic and backups. The idea of affordable housing most certainly does not align with the intent behind a 'neighborhood commercial district'. An affordable housing project on this site accomplishes NONE of the following: • Provide the opportunity for the development of small commercial facilities in residential areas catering to the day-to-day needs of consumers for a limited range of convenience goods and services; • Limit such commercial facilities as to size of site, bulk of structures, and to such locations as to serve a relatively large number of persons in a relatively small geographic area. To that end, pedestrian accessibility shall be a major criterion in the location of neighborhood commercial facilities; • Provide neighborhood commercial zones near residential areas to provide opportunities for neighborhood shopping and services with pedestrian accessibility. I believe any project on this lot should be reserved for an actual commercial/retail use. Any attempt by the developer to limit the commercial aspect of this project should be discouraged and denied.
Rob Cavaliere	
Wed 3/13/2024 9:57 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
13	Hi, thank you for the opportunity to submit my comments to you and the City Planning Commission. Please feel free to reach out to me if you have any questions. Best to you.
Pat Tennent	
Thu 3/14/2024 9:21 AM	
Email	

Email attachments included as Appendix C.	
14	Dear Ms Dolbee,
Leslie McClure	As a resident of the Jubilee Community, I'm very concerned about the planned apartment buildings on 41st and Marvin. As a former managing real estate broker, I know that there have to be five or more units to be considered commercial property and that will bring huge amounts of traffic plus a strain on our water wells.
Thu 3/14/2024 1:36 PM	I retired here 5 years ago because of the moniker "Tree City". Even though the warehouses on Marvin Rd. are now almost on top of our water storage and our water is full of bacteria and chlorine, I'm told that at least it's safe to drink. Even though heavy diesel trucks run up and down Marvin, the tree buffer between 41st and Jubilee has kept our air fit to breathe.
Email	Now those trees are at risk and the planned construction will heavily impact our water availability in addition to our water and air quality. I'm requesting that a thorough environmental review be conducted and made available to the Jubilee HOA plus the commercial rules regarding tree removal and replacement be provided in a timely and transparent manner.
Project staff confirmed receipt of comments and routed accordingly.	Thank you,
15	Greetings,
Anja Borski	I am writing to voice my concern with proposed development at 41st and Marvin, at the entrance to my neighborhood of Edgewater.
Sat 3/16/2024 10:05 AM	My family moved here in October 2022, and chose this location for it's quiet, safety, cleanliness, and preservation of natural space.
Email	Since we moved here, there has already been significant commercial development along Marvin toward I-5, which I welcome. But I question the need for additional commercial development as far back as 41st St, especially anything that repeats services already available nearby such as storage, gas stations, restaurant/retail.
Project staff confirmed receipt of comments and routed accordingly.	Another concern is tall apartment buildings that would threaten privacy and increase noise/disturbances to our single family homes immediately adjacent to the proposed location. There are already so many new apartment developments going in along Willamette, increasing our density and traffic without plans to increase our capacity in the area for groceries, childcare, schools, etc.
	We ask that you carefully consider the impact of proposed development on our residents. I understand that originally (in the 80s/90s) that plot was anticipated to become an elementary school - wouldn't that be wonderful, decreasing district transportation needs (currently zoned to Olympic View across the freeway) and supporting our many families and

	military families that call Edgewater and surrounding neighborhoods home. Thank you for your time and consideration, please feel free to contact me if you have any questions. Sincerely,
16	> I strongly object to 3-4 story apartments being proposed for this site which butts up to single family homes. Apartments bring in crime and low income transient residents which could detrimentally impact the safety and property values of our already established communities. Also, the noise, road and traffic congestion would be greatly detrimental to this area. I would highly recommend a continuation of single family residential housing, townhomes or condos to maintain our quiet, safe and quaint neighborhood. Thank you for the opportunity to comment.
June Nourse	
Sat 3/16/2024 10:16 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
17	I'm writing to express concern with the possible building at the corner of Marvin Road NE and 41st. I am mainly against building apartments at that location. Traffic is a major issue on Marvin Road. I am also concerned about wildlife and taking away even more of their wild space.
Myrna Lance	
Sat 3/16/2024 12:10 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
18	Good afternoon. I am a homeowner in the Edgewater neighborhood. I have been a homeowner in this neighborhood for almost seven years now. I bought a home in this neighborhood because I enjoyed the trees and quiet nature. I understand the City plans to build something on the corner property, which sits right in our neighborhood. The ideas I've heard include an apartment complex, gas station and shops. We already have enough apartment complexes that are being developed further down 41st. As members of the homeowners association, we do not need another complex directly in our neighborhood. We pay good money to maintain our parks and trails, and the expenses continue to rise annually. The residents of a proposed complex will absolutely find a way to use our parks and trails, which will result in additional maintenance, and consequently higher HOA fees. Homeowners do not deserve this impact and lessened quality of life. We already have multiple gas stations along Marvin Road. We don't need another one. This would increase the traffic, and as a green state, installing another gas station along the same road is akin to eating bacon cheeseburgers if you're a vegan. It doesn't make sense.
David R. Larmore	
Sat 3/16/2024 12:50 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	We do not need a shopping center in our neighborhood. There are already multiple centers along the roundabouts closer to the diamond intersection. There is also wildlife to consider. If we continue to chop down trees and develop land for commercial purposes, where will the wildlife inhabit? I strongly advise the City to leave our neighborhood alone. We are not due the negative impact of development in our neighborhood.
19	Hi. I have recently been informed about the possibility of the development of a lot adjacent to the Edgewater neighborhood where I own a home. I am very concerned about the possibility of apartments or multi family homes. That would significantly decrease the property value of my home, and the other homes in this neighborhood. Additionally, the residence of adjacent apartment complexes in the future would likely use our parks and trails which we pay to maintain. Honestly, if a multi family complex was approved, I would likely sell my home. Please consider the interest of the people in the Edgewater community. The development of that lot should be restricted to single-family homes that are of similar value as Edgewater homes. Please help us protect the value of our homes so that we aren't forced to sell before values plummet.
Mandy Kitchens	
Sat 3/16/2024 1:53 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
20	To whom this all concerns, My name is Kimberly Baptiste. I live in the Edgewater Neighborhood since 2020. Bought that same home in 2021. My families first home purchase we've ever been blessed to own. We chose this neighborhood for it's close proximity to all of our needs, with a peaceful surrounding of the trees hugging us tight, space for our kids to be with friends but nestled in our neighborhood. My children take advantage of the parks, my family takes advantage of the trails in the neighborhood. We pay to maintain these amenities for OUR neighborhood. Deciding to build more apartment housing and retail shops so close to larger neighborhoods, backing it up to our neighborhood will not only increase traffic, but it will also impact the paid for amenities we have. Apartments or multi family housing WILL not have these amenities offered in their space but with it so close by, they will come into our zones. Our fees will eventually go up to maintain our amenities. Parking may become more of a hazard on the close side streets to this commercial/housing zone. There was a reason people bought homes and property further out than right in town. We purchased for peace, for our space without being
Kimberly Baptiste	
Sat 3/16/2024 5:46 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	encroached on by commercial and multi-family housing. I work in this community every day and value my quiet solitude when I turn into my neighborhood. There is better suited property for commercial/mixed use building. Right at the corner of an already existing neighborhood that has gas stations and shopping 3 minutes down the road does not need more gas stations and shopping. We bought out here for a reason. Thanks,
21	Hi, My husband and I watched the Planning Commission meeting on YouTube the other evening. We would like to submit our objection to multi-story apartments for this site. The adjacent and nearby properties are single family, mostly owner occupied homes. The neighborhoods are quiet and shielded from the effect of multi-story, multi-unit structures. Rather than allowing further sprawl, it would be efficient to contain development within a core of densely populated areas and optimize mass transportation and traffic flow as well as develop walkable neighborhoods. We would of course prefer no development, then a pocket park and at most, a single family home development with landscaped and tree buffers. Thank you for the opportunity to comment.
Michael & Janice Petra	
Sat 3/16/2024 9:39 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
22	I Am a homeowner in the Edgewater community and definitely strongly opposed to the building of the proposed apartments. We pay for our peaceful quiet neighborhood which will be at least frequently interrupted. I vote against it
Vera C. White	
Sat 3/16/2024 10:34 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly	
23	I urge the committee members to do everything they can to maintain the environmental conditions that support quality of life for humans, plants, and animals. More development is not desirable. Making more money, encouraging business, pushing development are all tempting but over-development, a trend I certainly observe on Marvin, threatens basic conditions necessary for a healthy life. Noise pollution and reduction of the important balance of oxygen and carbon dioxide negatively influence physical and emotional health. If you don't care about yourselves or the residents near 41st and Marvin, you might consider your own children and grandchildren as you contemplate the results of denuding the land of trees, increasing noise and congestion, and increasing pollution.
Sherry Walton	
Sun 3/17/2024 8:02 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly	
24	

Sherry Walton	I oppose multi-family development at 41st and Marvin. In fact, I oppose further development In general.
Sun 3/17/2024 8:19 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly	I urge the commission committee members to do everything they can to maintain the environmental conditions that support quality of life for humans, plants, and animals. More development is not desirable. Making more money, encouraging business, pushing development are all tempting, but over-development, a trend I certainly observe on Marvin, threatens basic conditions necessary for a healthy life. Noise pollution and reduction of the important balance of oxygen and carbon dioxide negatively affect physical and emotional health. If you don't care about yourselves or the residents near 41st and Marvin, you might consider your own children and grandchildren as you contemplate the results of denuding the land of trees, increasing noise and congestion, and increasing pollution.
25	This is in regards to corner of Marvin and 41st Street in Lacey. Do we need sprawl to permeate our wild spaces? Are there more valuable assets on a rural corner than just filling the space with the most popular financially lucrative options? When someone looks at this space 50 years from now will we be thinking that we planned well? What about wildlife? It has no place to go. We cannot bring extinct species back. Animals need habitat. Can we let nature exist beside us? Do we have to develop everything right now? Can we live beside nature and enjoy the rural feel of trees, deer, owls and newts? Have we thought about making this corner into a park with walking trails? The more densely populated this area becomes with people, the fewer animals and wildlife spaces we have left. Cars impact the wildlife too. Please reconsider this. Please!
Diane Chamusco	
Sun 3/17/2024 8:27 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly	
26	The Willamette & Marvin round about to the diamond interchange already at times is backed up now. Recently Arrow, Switchback Apts have opened & leased off Marvin. Also have the DOT maintenance facility off 31st & Marvin. There is the Hogum Bay business center & Providence Medical Center, (eventually Casino Resort) Target, Medline, Home depot, Harbor Foods (to name a few warehouses) plus over on Willamette is the Tilden & Karlo Apts yet to be leased plus Supposedly Meridian Market all emptying into Willamette & Marvin roundabout. Roundabouts were created for light to medium traffic NOT heavy traffic. Plus there are housing developments north west of 56th in the county that use Marvin to the diamond interchange. Adding another 4 story building at 41st & Marvin is going to make a traffic grid lock even worse.
Tom & Judy Duboiski	
Sun 3/17/2024 8:58 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	Please reevaluate/develop the infrastructure before more multiple housing/commercial developments. We live off Marvin & Columbia.
27	Hello, Please reconsider any project that includes building/construction at the NE corner of 41st and Marvin requiring tree removal. When we moved to Jubilee two years ago, we were happy with all of the majestic pine trees in and around Jubilee. In the two years two apartment projects at 31st and Willamette are under construction, removing many trees, At the corner of Marvin and Willamette commercial business's and apartments are to be built. Will Lacy continue to hold the "Tree City USA" award, or will it lose it in the future with all the tree removal due to these building projects that require a tremendous amount of tree removal? Regards,
Keith and Mia Brink	
Sun 3/17/2024 10:05 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
28	Lacey Planning Commission We would like to quote from the work done on the Lacey Comprehensive Plan: "Attention will need to be given when integrating higher density and mixed-use development into existing suburban areas. Input and meaningful public participation will be required to successfully implement infill and redevelopment goals. The intent is to improve opportunities for residents while increasing the quality of life as new development and infill occurs." (Comp Plan 3-7) In our public comment, we also would like to call attention to how location of a specific Commercial/Residential zone should be taken into account when determining allowed uses and adjusted accordingly. Again, to quote the Comp Plan: "Given that the majority of the existing land use is built out in a suburban form, making a transition to more compact housing forms and mixed-use opportunities will need to be considered where this could effectively occur." Transitioning from single family usage zones to multi-family and commercial zones must include buffers and multi-use transportation corridors and should also protect residents from unhealthy or unsafe usage. 16.36.010 Permitted Uses Ground floor residential is not consistent with the stated purpose of the Neighborhood Commercial District which is to bring commercial amenities closer to neighborhoods and reduce vehicular use. This use should be eliminated.
John & Margaret Green	
Mon 3/18/2024 1:20 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	

	- Gasoline fueling stations are not compatible within residential use areas and should not be allowed if residential uses are within the zone. If only commercial use is within the site plan, a fueling station must be 1000 feet away from any school (including preschool and day care), playground, park, or place of public assembly. EPA recommends 1000 ft from a school and 300 feet from parks, playgrounds, and places of public assembly. Benzene exposure can occur within 1000 feet and is a known carcinogen. For that reason, we recommend the 1000 foot requirement or prohibition of gasoline fueling stations. 16.36.020 Environmental Performance Standards - General character – a “defining characteristic includes low traffic generation”. It seems this warrants a specific and measurable standard. Example: low traffic volume could mean 1000 vehicles/day. - Operating hours can be altered “by the site plan review committee”. Public comment should be considered before deviating from the standard for the zone prior to accepting any change. 16.36.40 Building Scale - Maximum total building coverage of 50% seems to be a reasonable and desirable goal to maintain the character consistent with surrounding residential neighborhoods. It allows integration of tree canopy, walking trails, landscaping opportunities that incorporate leisure gathering or walkability. Situating much of the green space around perimeters would be a desirable goal (if this aspect can be clearly defined.) 90% coverage in impervious surfaces is too much. Our recommendation would be to require parking areas to be of pervious surfaces and specifically if this 90% coverage is to be allowed. Maximum building height (when shared property line with low-density residential exists) – this is not clearly written, in our opinion. Is the step back of 1.5 for each foot when greater than 35 ft calculated at $55 \times 1.5 = 82.5'$ or $55-35$ thus $20 \text{ ft.} \times 1.5 = 30$ foot set back or something else? We cannot comment on this without clarification. However, we request that the maximum building height for this zoning designation be required to be equivalent to the maximum height of the adjacent zone. - Setbacks - A 10 or 15 foot buffer is not an adequate set back from single-family residential property. We would recommend that most of the landscaping and tree cover/trails be located in the perimeter of the site to provide a large buffer of green space, which would provide noise and sight abatement. We consider the Planning Commission an extension of our community and the gate keepers who protect our property values and quality of life. City of Lacey goals such the Tree City USA designation to protect tree canopy should always be considered when crafting zoning regulations. Thank you for considering our comments.
29	ATTN: Lacey City Planning Commission
Allison and Paige Cabral	
Tue 3/19/2024 10:56 AM	

Email	RE: DRAFT NEIGHBORHOOD COMMERCIAL DISTRICT POLICY. Chapter 16.36
Project staff confirmed receipt of comments and routed accordingly.	As residents of Lacey, we are submitting the following for our additional response to the proposed Neighborhood Commercial District policy presented 3/13/24 for public comment. According to the recent (March 18, 2024) article published by thejoltnews.com, “the Neighborhood Commercial Zoning districts serve a crucial role in providing essential goods and services with communities, aiming to minimize travel distances for residents. Lacey Senior Planner Hans Shepherd said these districts are designed to bridge service gaps left by more generalized commercial areas and promote neighborhood convenience.” A letter from John and Margaret Green has been submitted this week for additional feedback and we support the concerns raised in their letter and would like to provide additional feedback. We live in the Jubilee Community and are familiar with the Marvin Rd and 41st designated Neighborhood Commercial Zone. (Approx. 6 acre parcel) Based on the definition above, we do oppose more affordable housing for the area based on the provision of “goods and services” as it's currently defined. While we understand the city’s priority for affordable housing, more housing in this area does not provide the services needed for the current residents of the area. 1) There is too much emphasis on housing as a part of this specific zone, as you are talking about 4 stories structures (55 foot height) that are not in line with current height of the housing in the area with ground floor residential components. This only serves new potential residents and does nothing to serve those who already live in the area. More high density housing does not meet the definition of commercial goods and services. 2) There are new apartments being constructed along 41st beyond Fire Station 35 and new apartments near the Arco Gas Station at Marvin and Hawkes Prairie Rd. 3) What is needed are service oriented businesses, ie. Grocery, personal services, coffee, cafe’s etc. Current developers who spoke at the March 13, 2024 meeting only seem interested in building high-density housing (most profitable) and oppose retail/services as a part of that plan. 4) Highly/Critically important is keeping the environment with the forest open space area as a priority and should be required for any development

	to preserve as many trees as possible in the development plan (ex. Lacey City Hall Landscape). This should include connection/completion to asphalt pathways already in existence along Marvin Road. Respectfully Submitted;
30	Hello, My name is Marci Newkirk, I am a home owner and tax payer at 4632 Skylark St NE Lacey 98516. I am writing to express my strong opposition to the proposed 41st & Marvin Rd Neighborhood Commercial District for several reasons. While I understand the need for affordable housing in our city, I believe that this project would have a detrimental impact on our community. The increase in population density would put a strain on our already overburdened infrastructure (ask any health care worker), leading to increased traffic congestion,(which some days already my husband has to call out sick from work as he can not even get to the freeway from either Meridian Rd or Marvin Rd as traffic is so bad.) noise pollution, and a strain on our public services. Additionally the construction of this project would result in significant environmental damage, destruction of natural habits and put wildlife at risk in our area. This type of housing and commercial district being proposed does not fit with the character of our neighborhoods. We moved out to the county to be away from these. This type of development would bring in a large number of low income residents, which could lead to increased crime rates and negative social effects. It will drastically alter the aesthetics of our area. Finally, I am deeply concerned about the impact this development would have on our property values in the surrounding areas. I strongly urge you to reconsider this proposed development. I believe that this project is simply not the right fit for our quiet natural neighborhood areas. Thank you for your attention to this matter. Sincerely,
Marci Newkirk	
Tue 3/19/2024 3:03 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
31	Good afternoon, Please see the attached public comment letter from the Board of Directors of Hawks Prairie Community Association as well as an excerpt from the Master Plan CC&R's. Please confirm receipt. Thank you! Best Regards,
Heather Thomas (Board of Directors of Hawks Prairie Community Association)	
Tue 3/19/2024 4:34 PM	
Email	
Email attachments included as Appendix D.	

32	Good evening,
Monika Voege	
Tue 3/19/2024 7:06 PM	To keep this short and simple my concerns are:
Email	
Project staff confirmed receipt of comments and routed accordingly.	Loss of privacy to single story detached homes by having multistory apartments with rooftop facilities looking down. The loss of flora (trees, shrubs etc) and the loss of wildlife and their habitat. Increased traffic on roads that barely accommodate present traffic. Strip Mall shops that could possibly encourage undesirable foot traffic and homeless encampments.
33	Dear Planning Commission Committee ,
Tanja Morgan	
Tue 3/19/2024 7:20 PM	Last Wednesday March 13, 2024 we attended a public hearing of the City of Lacey Planning Commission concerning the development of the property directly bordering Edgewater Blvd., 41st and Marvin Rd.
Email	
Project staff confirmed receipt of comments and routed accordingly.	Our concerns , The possibility of 3-4 stories high (up to 55'), multi family apartments with rooftop patios and gathering spaces, as well as balconies facing our single family homes, including affordable housing. The possibility of all trees and/or green spaces of this property disappearing and with it wildlife and their habitats. The potencial for strip mall like shops we already have at Marvin Road and Hogum Bay roundabout which are not completely filled . The potencial for greatly increase on road traffic and noise . The occupants of these apartments will NOT pay into our HOA dues but will most likely use our private Trails, playgrounds and other amenities that we as residents pay to maintain, which could lead to yet another increase of our dues. Other issues to consider are increased noise, garbage, loss of privacy and our currently quiet and safe neighborhood. We moved to Lacey the "CITY OF TREES" and chose this neighborhood on purpose for these reasons .

	Currently we have the opportunity to voice our concerns but will our WORRIES AND CONCERNS actually be heard . PLEASE HELP US TO KEEP OUR COMMUNITY SAFE AND ENJOYABLE as we are a part of Lacey the City of TREE'S in this beautiful Puget Sound area. In kind regards, just trying to keep Lacey classy
34	To whom it concerns. I greatly oppose and sincerely hope you reconsider any development on the identified property near the Edgewater development. This side of the freeway has quickly become a nightmare for residents. Marvin road is extremely dangerous for both pedestrians and vehicles. The semi trucks consistently take up multiple lanes and there is already so much traffic. Adding more development to this area will greatly hinder the lives of those who call this area home. There are plenty of other land options on Marvin that have already had the land cleared. If there was an interest for more local shopping options, then an already cleared land closer to the freeway would be a better option. A ton of apartments also recently were built and there hasn't been time to see the impacts of those. Additionally, the existing area is part of an HOA that pays to develop our community parks. If another housing development is built, they wouldn't be part of this HOA and would utilize our community resources. In closing, this is a small single family residential area. It would be detrimental to build anything. The local residents don't want this in their backyard, so please respect that. We all chose to buy homes here because of the trees and the undeveloped land yet that's going to be taken away.
Brittany Trujillo	
Wed 3/20/2024 8:32 AM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	
35	I hope this email finds you well! As promised, please find attached the written response from Tilden Commercial regarding the proposed code changes to the NCD zoning. This written response builds upon the verbal comments shared in last week's public hearing. We request that they be added to the public record and reviewed by the Planning Commission in next week's review session. Thank you, as always, for your efforts with regard to this critical issue. Please let me know if you have any questions or would like to discuss. Best regards,
Matt Farrell (Tilden)	
Wed 3/20/2024 1:28 PM	
Email	
Email attachments included as Appendix E.	

36	Hello
Rose Campise	thank you for the opportunity to share my comments during the public hearing on the 13th.
Wed 3/20/2024 5:09 PM	
Email	
Project staff confirmed receipt of comments and routed accordingly.	because of the limited time available I wanted to add a few more thoughts/concerns: as I said during the meeting: the risk of changing the environment that we as residents of Edgewater/ Jubilee intentionally choose by adding multifamily rental units up to 4 stories/55' high to a single family max. 2 floor residential area loss of greenspace and wildlife habitats, another reason I choose to live hear significant increase in traffic potentially necessitating an expansion of roadways and additional loss of green areas and wildlife habitats, noise and exhaust pollution increased foot traffic on trail and in parks and playgrounds, which are to be exclusive to the Edgewater and Jubilee Communities, since we are maintaining them with our HOA dues. But since we are not a gated community is impossible to prevent. any kind of store/ gas station/ or other business will increase the risk of all aforementioned issues potential increase in crime Thank you again and have a blessed day
37	To whom it may concern,
Aubrey Lohrman	
Wed 3/20/2024 6:42 PM	Lacey is a beautiful city with impressive planning and development strategies.
Email	
Project staff confirmed receipt of comments and routed accordingly.	That said, a key component to making this a desirable community for those to live, requires a balance between development, growth and sustainability of our natural habitats. A major draw of the city of Lacey is it's beautiful greenery, wildlife, and park like settings. The concern of this email is the development and zoning changes to the quadrant located on 41st Ave NE and Marvin Road NE. We would like to limit impact on our natural infrastructure, and the wildlife living in our communities while allowing ability to grow as well as

	limit increasing traffic towards Tolmie State Park, and the area surrounding the Nisqually wildlife refuge. Removal of trees and habitat for wildlife in this area would impact the area close to our community. I understand growth and infrastructure is an inevitable part of population increase. However it is our job as an educated community to make the best decisions for the future. We have the ability to control what is built in our cities and how it impacts our residents and the nature around us. Any development other than single-family homes on that corner would be a detriment to this community. Please consider this request as a plea to limit commercial growth near the Edgewater and Jubilee housing communities that are associated with the Hawks Prairie community Association . Respectfully,
38	To Whom This May Concern,
Catherine kim	
Wed 3/20/2024 10:05PM	This is for the City of Lacey Planning Commission concerning the development of the property directly bordering Edgewater Blvd., 41st and Marvin Rd.
Email	I am against new development in this area.
Project staff confirmed receipt of comments and routed accordingly.	I'm very concerned about high rise developments across from our neighborhood. I do not want high rises facing our neighborhood. We do not want these apartment buildings that have no parks, to come to the 3 private parks that we pay for. We don't need extra traffic, people, noise and problems. We do not want commercial properties near us. I dislike how businesses keep popping up adjacent to nice neighborhoods. Keep residential... residential! I still have illusions of the American dream and it doesn't involve me living across from a gas station, a warehouse or an apartment complex with hundreds of people in it. Thank you,
39	Dear commission members,
Halle Eickmeyer	
Wed 3/20/2024 5:01 PM	This morning, I watched the recording of last Wednesday's public hearing and I was thrilled to hear that the public hearing was extended for another week for written comment entries (I'm hoping to finish writing this email by the 5:00 PM deadline haha).
Email	
Project staff confirmed receipt of comments and routed accordingly.	I'm very supportive of neighborhood commercial zoning! Since I'm an ordinary citizen, I don't have much critique over the finer details. I believe

	that the goal of neighborhood commercial districts is to promote walkability, sense of community, and commerce-- and I believe minimum parking minimums go against those goals. My opinion is to significantly reduce vehicle parking requirements in this amendment draft (except for loading zones). Sincerely,

Appendix A

Comments submitted by LDC Corp



**DICKSON FROHLICH
PHILLIPS BURGESS**
PLLC

HEATHER L. BURGESS | ATTORNEY | HBURGESS@DFPBLAW.COM
DEANNA L. GONZALEZ | PARALEGAL | DGONZALEZ@DFPBLAW.COM

March 11, 2024

Sent via email

Hans.shepherd@cityoflacey.org

City of Lacey Planning Commission
c/o Hans Shepherd, Senior Planner
420 College Street SE
Lacey, Washington 98503

**RE: Proposed Amendments to Lacey Municipal Code Ch. 16.36 – Neighborhood
Commercial Zoning District
Comment for Planning Commission Public Hearing March 13, 2024**

Dear Commissioners:

This firm represents Resource Management Solutions LLC (“Resource Management”). Resource Management is a real property investment entity whose principals are local businesspeople Ryan Haddock, Tyrell Bradley, and Trevor Colby.

In May 2023, Resource Management purchased an undeveloped 6.4-acre parcel at the corner of 41st and Marvin Road (the “Property”)¹ which is zoned Neighborhood Commercial (“NC”) and shown below. The Property is located adjacent to the Edgewater neighborhood, has undeveloped school sites to the north and west, and a treed buffer for the warehouse distribution centers to the south. Resource Management purchased the Property with the intent of developing a mixed-use project including approximately 144 multi-family housing units.



¹ The Property is shown as Location “1” on the January 9, 2024 City Council Work Session presentation.

Resource Management has been actively engaged with City staff regarding the proposed NC code amendments and has submitted detailed comments on specific provisions for the Planning Commission's consideration. These comments are intended to supplement Resource Management's specific comments on the draft amendments.

The Proposed Amendments Should Promote, Not Reduce, Housing Density. The City's NC zoned properties have not produced the type of local retail opportunities envisioned by the intent statement in LMC 16.36.010(A), namely, to provide "small commercial facilities in residential areas catering to the day to day needs of consumers for a limited range of convenience goods and services." The City's review process has determined that the lack of retail development is due, at least in part, to a lack of housing density needed to drive retail feasibility. Community business feedback received during City review specifically also suggested that NC districts "should allow greater flexibility for housing options to support neighborhood communities and businesses." (Owner & Occupant Survey Results and Summary, at 5). In addition to providing density necessary to support development of community retail and services, allowing appropriately sized multi-family development as part of a mixed-use project within the NC zone promotes pedestrian accessibility, which is also consistent with the intent of the NC District. LMC 16.36.010(B).

The current NC zoning code allows a gross floor area (GFA) of 10,000 SF for a single-use building, 40,000 SF for a combined-use building, and a maximum building coverage of 50 percent. LMC 16.36.050. The draft amendments use a building scale approach with different allowed GFA and building coverages for different types of single- and multi-use buildings. For mixed-use buildings, the amendments would still allow 40,000 SF GFA, but with individual building coverage limited to 10,000 SF. For single-use multi-family buildings, the amendments would allow 25,000 GFA but limit individual building coverage to 8,500 SF.

Resource Management is concerned that the proposed change to individual building coverage limits for multi-family and mixed-use buildings rather than calculating building coverage as a proportion of the total site will result in decreased, rather than increased, housing density in the NC zoning district. This result would be inconsistent with the need for increased density to support retail identified during the City's review of the NC zoning district as well as existing adopted City housing plans and policies, including the 2016 Comprehensive Plan (Housing Element, Goal 1) and the Affordable Housing Strategy (Policy 2 (Create a Variety of Housing Choices) and Policy 4 (Make it Easier to Build All Types of Housing)).

The Intent of the NC Zoning District Should be Expanded to Include Mixed Use. The proposed amendments do not modify the intent provisions of Ch. 16.36. Importantly, those intent provisions date back to 1980 – which is not only over 40 years ago, but prior to adoption of the state's Growth Management Act (RCW 36.70A) and associated mandate to encourage development in urban areas and reduce sprawl. Given the requirements of the GMA, the overwhelming and continued need for housing, and the importance of increased housing density to create the type of retail services envisioned by the NC District, Resource Management recommends expanding the intent provisions to include mixed use. A suggested addition incorporating that concept is reflected in underline below for consideration:

16.36.010 Intent.

It is the intent of this chapter to:

- A. Provide the opportunity for the development of small commercial facilities as stand alone uses or as part of a mixed-use development in close proximity to residential areas catering to the day to day needs of consumers for a limited range of convenience goods and services;
- B. Limit such commercial facilities as to size of site, bulk of structures, and to such locations as to serve a relatively large number of persons in a relatively small geographic area. To that end, pedestrian accessibility shall be a major criterion in the location of neighborhood commercial facilities;
- C. Limit such development to areas where local economic demand, local citizen acceptance and appropriate design solutions assure compatibility with the neighborhood. (Ord. 583 §2.22(A), 1980).

Thank you for the opportunity to comment.

Sincerely,

DICKSON FROHLICH PHILLIPS BURGESS PLLC



Heather L. Burgess

HLB/dlg
cc: Client



To Whom It May Concern;

In working with ownership of the property located at the northeast corner of 41st Ave NE and Marvin Road NE, I've had an opportunity to review the retail viability and retail demand study done by Heartland in September of 2021. Since the study was completed, there has been a new 18 acre development closer to the I- 5 interchange that involves a significant retail presence called the Hogum Bay Town Center.

The site in which I am referring to, sits approximately 2 miles north of the I-5 interchange and Hogum Bay Town requires a 50' tree tract area from Marvin Road which will significantly impact the visibility to the project. The access points are all right in/right out on the main arterials, which will turn most retails away from this site.

As one of the more active brokers in the State of Washington for over 30 years, I've had a role in over 600 retail transactions comprising of 4+ million square feet throughout the state of WA. I've represented and consulted with developers, both locally and nationally, to help determine viability, rates, and much more for their property.

That being said, I'm of the opinion that this site may only be able to absorb 5,000-10,000 square feet of commercial retail space. This would even include live work units as an amenity for the tenants located onsite.

Sincerely,

Steve Erickson
Partner | Designated Broker
First Western Properties, Inc.

March 11, 2024

City of Lacey Planning Commission
c/o Hans Shepherd, Senior Planner
hans.shepherd@cityoflacey.org
420 College Street SE
Lacey, WA 98503

**RE: Proposed Amendments to Lacey Municipal Code Ch. 16.36 –
Neighborhood Commercial Zoning District
Comment for Planning Commission Public Hearing March 13, 2024**

Dear Commissioners,

Resource Management Solutions, LLC owns the 6.4-acre neighborhood commercial zoned property at the northeast corner of 41st Ave NE and Marvin Rd NE. We are requesting revisions to the Chapter 16.36 Draft Neighborhood Commercial District code provided for planning commission approval and public comment. The intent of this letter is to provide a detailed description for each revision being requested.

- 16.36.10 Permitted Uses – Affordable Housing requirement: As it relates to requirements for affordable housing, there are several reasons to consider this as a step backwards for a pro-development municipality. With costs, regulatory hurdles, community opposition, financing challenges, operational costs along with longer development timelines it's easy to see why MOST developers do not pursue anything more than market rate housing. The developers that do pursue affordable housing require significant incentives to push through these hurdles.

The incentives can come in the form of grants, subsidies, tax credits via the multifamily tax exemption program, or other forms of financial assistance from municipalities at the Federal, State, and Local levels. Those incentives significantly reduce the overall cost of development and risk associated with building affordable housing. In addition to costs, developers must navigate a complex web of regulations at all 3 levels. These regulations can add time and cost to the development process, especially considering the increased financing charges of that additional time. With all the additional steps for approvals and potential delays to the construction phase it significantly deters developers from construction projects that include anything with 3rd party oversight. Traditional lenders are hesitant to provide loans for such projects due to perceived risks and lower returns. This impacts the long-term financial sustainability of the project, as developers need to ensure that operational costs are covered while maintaining affordability for residents.

Affordable housing units come with restrictions on rent levels or income qualifications for tenants which unfortunately has an immediate perception within the neighborhood that is often negative. These types of developments often face opposition from local communities; NIMBY (Not In My Backyard) sentiments can arise, with residents concerned about the impact of the nearby project on their own property values, neighborhood character, and infrastructure.

Lacey Municipal Code chapter – 3.64 Multifamily Tax Exemption Program – identifies the only district within the city of Lacey that allows multifamily tax exemption (MFTE) is the Woodland District. There are currently no neighborhood commercial zones within this district. In every permanently affordable multifamily project we have participated in, the projects have been within the MFTE zones to help the project become financially viable. Even within these zones, permanently affordable housing projects don't always pencil, but outside of these zones, it's nearly impossible.

Requiring affordable housing without incentives on all three levels of government will deliberately restrict future growth and development within the housing sector which in turn will impact job growth and commercial developments as well. A step in this direction appears to be a contradiction to the City's desire to accommodate the need for additional housing. We request that this code section be eliminated.

- 16.36.10 Permitted Uses – Live/Work allowance: It is requested to increase the total live/work allowance to 7,500 sf. As shown on our initial site plan submitted to the city, our property can facilitate a minimum of 144 multifamily units. We are working on an updated design that will facilitate upwards of 200 plus units. At this size of development, the project can facilitate a much larger portion work/live space to meet the needs of the occupants. In a post COVID-19 world, live/work spaces have a much higher demand within multifamily projects.
- 16.36.40(B): It is requested that clarification be added to ensure the code clearly indicates the square footages listed are for individual buildings and not the cumulative square footages of all buildings constructed within the parcel.

The size of the property we own lends itself to being a prime candidate for free standing multifamily structures. Given this, we would be required to construct the minimum commercial space of 15,000 sf. Commercial spaces are incredibly expensive to construct and can be made more affordable as contiguous space. With the 15,000 sf requirement, development of multiple smaller buildings that are maximum 8,500 sf, will make it more challenging to attract end users. Commercial spaces thrive off co-location with other tenants and creating multiple structures on our site will deter tenants and increase the cost of construction in a market that is already at an all-time high. We request that the 8,500 sf be increased to 15,000 sf. You may also consider adding a code section that maintains 8,500 sf for all NC zoned parcels that are not as good of candidates for free standing multifamily, and increase to 15,000 sf for all parcels larger, e.g. all sites smaller than 2 acres = 8,500 sf and parcels larger than 2 acres = 15,000 sf. This would allow the wide variety in size of NC zoned parcels within the city greater flexibility.

- 16.36.40(C): Same clarification request as 40(B).

The current zoning code allows for 10,000 sf footprint standalone multifamily structures. We request and recommend that this be increased to 12,500 sf footprints, not reduced to 8,500 sf footprints as currently proposed. Here are several reasons why:

- With construction prices increasing and showing no signs of retreating, multifamily housing developers are finding it more difficult to construct several free-standing structures versus larger footprints and fewer structures.

Developers are also finding efficiencies in building layouts to gain substantially more units in smaller footprints. For example, the 5,500 sf footprint Briggs North apartments constructed just before the construction pricing jumps in 2020 are 12-units. The current apartments I'm working on in southern Lacey are 24-unit buildings occupying 9,000 sf footprints and 36-unit buildings occupying 12,500 sf footprints.

- o With reducing from 10,000 sf in the current code, to 8,500 sf, this is effectively reducing the viability of providing housing due to needing to construct too many standalone buildings at a premium. The projects won't be able to sustain the increased cost of additional structures.
 - o The visual difference of a 10,000 sf building and a 12,500 sf building is minimal, yet the unit count increases per building is substantial.
- 16.36.40(D): Same clarification request as 40(B).

As discussed previously, based on our parcel size, the 15,000 sf commercial space will be required as part of our project. We also will need to construct this as one structure to keep the project viable. Therefore, we request that this section be increased from the proposed 10,000 sf to 15,000 sf. As noted previously, you may also consider adding this as an option for parcels that choose to construct free standing multifamily.

- 16.36.40(E): Our project site is encumbered by a 50-foot tree tract on the western side of the property that hinders site visibility, commercial view corridors, and use of the site. We request this be added as an option to increase building coverage on the portions of the site that are available to build within.
- 16.36.60(B): Request removing this section as this is tied to the affordable housing component in 16.36.10.
- 16.36.60(E): Request adding a clarifier for commercial uses and add additional site plan review committee authority to this section.

One final item to draw your attention to is the attached letter from Steve Erickson, Partner and Broker with First Western Properties, Inc. Mr. Erickson has reviewed the market study our property completed in fall of 2021 and has provided comment on the current viability of the 10-15k commercial space listed in that report. Findings at the time of our study have become even less viable with commercial growth near Interstate 5, we request a second look at the minimum 15,000 sf requirement and consider a reduction to 10,000 sf.

Thank you for the opportunity to comment.

Sincerely,



Tyrell Bradley, PE
Principal Engineer, LDC



Trevor Colby, Owner
KCI Commercial



Ryan Haddock, Vice President
Kidder Mathews

Chapter 16.36 **DRAFT** NEIGHBORHOOD COMMERCIAL DISTRICT

16.36.10 Permitted uses.

- A. The following uses are permitted in the Neighborhood Commercial zone provided the use meets the requirements of this chapter and the design review standards of Chapter [14.23](#) LMC.
- a. Neighborhood commercial zones within the designated McAllister Springs Geologically Sensitive Area shall be limited to those uses the Thurston [County](#) Health Department determines are appropriate to the sensitive area.

Residential Uses above ground floor commercial (consistent with 14.23.080)
Ground Floor Multifamily Residential Uses (consistent with 14.23.080) are permitted within Neighborhood Commercial Districts with a minimum of 15,000 square feet of commercial space. Ground floor residential units are required to meet affordable housing definitions as identified within RCW 36.70A.030(5) Units must be maintained as affordable for at least 50 years and record a covenant or deed restriction that ensures continued affordability. - Residential uses are not exempt from 14.23.086 when located within Neighborhood Commercial Districts.
Live/Work, Home Occupations (The “work” component in live/work is limited to those uses permitted within this district). Live/work units may account for up to 7,500 5,000-square feet of the commercial minimums necessary for ground floor multifamily residential uses.
Medical and Health Services
Community and Civic Facilities
Commercial Uses, Professional Services, Offices
Brewpub and Public House (consistent with RCW 66.24.580)
Drive-through as an accessory use to a Pharmacy, Bakery, Café, or Coffee Shop with indoor seating (not permitted between the street and building, or in locations where vehicles would impede pedestrian access to storefront). These uses are exempt from 14.23.082(l)(4) .
Eating and drinking establishment (non-drive-through)
Grocery stores and Supermarkets
Retail (Retail uses are required to primarily conduct in-person, direct customer sales along the designated pedestrian street storefront)
Services (all activities must occur within buildings)
Rooftop Community Solar (as accessory to permitted use)
Gasoline fueling stations as an accessory use to a full-service grocery store or not less than 1.5 linear miles from another station. Stations are limited to a maximum of 4 fueling station pump islands serving no more than 8 vehicles at any one time. Stacking lanes and parking areas will be located to the side or rear of the building.
Gasoline fueling stations existing or vested on the effective date of the ordinance codified in this section.

- B. Uses similar to those listed above may be approved by the site plan review committee upon finding the use is consistent with the remaining sections of this chapter and the design standards of [14.23.080](#), [14.23.082](#), [14.23.084](#), and [14.23.086](#).

16.36.015 Prohibited uses.

Uses other than those identified or described in LMC [16.36.020](#) are prohibited.

Stacking lanes and truck loading zones adjacent to residential uses
Outdoor storage or repair
Warehousing and ministorage

16.36.20 Environmental performance standards.

- A. Compliance. It shall be the responsibility of the operator and/or the proprietor of any permitted use to provide such reasonable evidence and technical data as the [enforcing officer](#) 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.
- a. Failure of the [enforcing officer](#) to require such information shall not be construed as relieving the operator and/or the proprietor from compliance with the environmental performance standards of this title.
- B. General Character. Developments in this district shall be characterized by small [buildings](#) that add [visual interest and human scale](#) through façade articulation, varied building materials, landscaping, covered walkways, art, and decorative elements. Additional defining characteristics include low traffic generation, considerable walk-in trade, moderate lighting, and quiet operations.
- a. Operating hours for businesses shall be limited to the hours between 6:00 a.m. and 11:00 p.m. The site plan review committee has the ability to establish an expanded or reduced range of hours of operation for any activity based on potential impacts to the surrounding neighborhood.
- C. Location. Neighborhood commercial districts shall generally not be located within less than a one-half mile radius from commercial districts providing similar services or facilities.

16.36.30 Site area.

The size and shape of sites shall be as follows:

- A. Minimum [lot](#) size for the development of a site in this classification shall be ten thousand square feet.
- B. Maximum size for a site containing one or more of the permitted uses shall be ten acres.
- C. The shape of [parcels](#) shall be appropriate to the function of the zone within the surrounding neighborhood.

16.36.40 Building scale.

The size of buildings shall be as follows:

- A. Maximum gross floor area of building for single commercial use, six thousand square feet;
 - a. Full-service grocery stores have a maximum building coverage of 30 thousand square feet provided they remain consistent with all other elements of this chapter.
 - b. Preschools have a maximum gross floor area of 10 thousand square feet provided they remain consistent with all other elements of this chapter.
- B. Maximum gross floor area of individual buildings for multi-commercial, ~~seventeen thirty~~ thousand square feet; maximum individual building coverage of ~~8,500 15,000~~ square feet.
- C. Maximum gross floor area of individual buildings for multifamily uses, ~~twenty thirty-seven thousand~~ five ~~thousand hundred~~ square feet; maximum individual building coverage of ~~8,500 12,500~~ square feet.
- D. Maximum gross floor area of individual buildings for mixed-uses (commercial and residential), forty-five thousand square feet; maximum individual building coverage of ~~40 15~~,000 square feet.
- E. Maximum total building coverage, fifty percent;
 - a. Fifteen percent bonus. Projects providing a shared pedestrian-oriented plaza of at least one hundred fifty square feet along a pedestrian walkway, at an intersection, corner, bus stop, or other key pedestrian area approved by the site plan review committee. Additionally, sites with dedicated tree tracts more than 1/4 of an acre in size shall also qualify to allow the bonus.
 - i. Such areas shall contain seating for at least six people, a trash and recycling receptacle, drinking fountain, bike rack, pedestrian scale lights, pavers or textured walkways, trees, and landscaping.
 - b. Maximum total building coverage may be increased by up to twenty-five percent proportional to the amount of required parking located on-street, within the building, or below grade at a ratio of 2:1 consistent with the following table:

Table 16T-87	
Street/Below Grade Parking as Percentage of Required Parking:	Building Coverage Bonus:
10%	5%
20%	10%
30%	15%
40%	20%
50%	25%

- F. Maximum development coverage: Maximum coverage by impervious surfaces eighty percent, unless increased to a maximum of ninety percent consistent with the elements of 16.36.040(E)

- a. Note: Bonuses are to be added to the base allowable building coverage. The provisions of the Drainage Design and Erosion Control Manual, landscaping requirements and design review requirements may place further limitations on these allowances reducing the maximum development coverage possible on an individual site.
- G. Maximum [building height](#), three stories up to a maximum of forty feet;
 - a. Heights may be increased to a maximum of 55 feet provided the total number of floors is limited to four stories and the top two floors are reserved for residential uses. Below grade parking facilities are excluded from this calculation.
 - b. Elevations above thirty-five feet will be stepped back at a ratio of 1.5 feet of stepback for every 1 foot of elevation when located along a property line shared with a low-density residential use.
 - c. A fifteen-foot buffer of [Type 1](#) landscaping is required between the building wall and any abutting single-family residential property line and shall include a six-foot sight obscuring wall or fence.
 - d. All rooftop patios and gathering spaces, utility boxes, antennas, and other rooftop fixtures shall be located away from the roofline in a way that reduces their visual impacts on adjacent residential uses.
 - e. Upper-story balconies facing existing single-family residential uses on buildings exceeding thirty-five feet shall be constructed with opaque sides a minimum of forty-two inches high.
- H. Setbacks:
 - a. Front, maximum ten feet;
 - i. Setbacks may be increased to a maximum of 15 feet to accommodate outdoor seating adjacent to eating establishments, pedestrian oriented plaza 16.36.040E(a), or for ground floor residential uses.
 - b. Rear, minimum fifteen feet;
 - c. Side, minimum ten feet.
 - i. Unless located on a corner lot with frontage on both adjoining streets in which case, front yard setbacks and design standards shall apply.

16.36.50 Public right-of-way Frontage

- A. Relationship to Public Right-of-way. Land classified in this district shall be located on an arterial or collector, preferably on a collector cross street.
- B. [Weather Protection](#): Located along commercial frontage and residential entrances.
 - a. Protected area: 5 feet min. depth dimension.
 - b. Awnings on a given block shall be the same or similar height.
 - c. Canopies, awnings, marquees and [arcades](#) may project into the public right-of-way with approval of the [site plan review committee](#).

- C. Commercial Windows: Transparent ground floor windows must be provided between two feet and seven feet above the sidewalk along a minimum of 60% of the ground floor, total street-facing facade area.
 - a. Required window areas shall allow views between the building and the street.
 - b. Reflective, dark, highly tinted or textured glass (below 70% Visible Light Transmission) is not permitted.
 - c. The site plan review committee has the ability to establish different window coverage requirements for full-service grocery stores.
- D. Primary Commercial Entry Doors: Shall face street. At least one building entrance shall be directly connected to the primary or secondary street with sidewalks and walkways measuring a minimum of 6 feet wide.
- E. Minimize the number of vehicular access points by sharing driveways and linking parking lots between adjacent uses.
- F. Coordinate circulation drives and staging areas to accommodate routes needed by fire, refuse collection, delivery vehicles, moving vans, etc.
- G. Consideration shall be given to load/unload parking zones near the entry of the building. These spaces shall be located in such a manner as to minimize interferences with the entryway.
- H. Ingress and Egress. Access to a site which is a [corner lot](#) shall be limited to one driveway on each of the intersecting streets. Access to a site which is an [interior lot](#) shall be limited to one driveway unless the site plan review committee approves two driveways.

16.36.60 Parking.

- A. The number of [parking spaces](#) required shall be in accordance with Chapter [16.72](#) LMC and Table [16T-13](#) (Neighborhood commercial shopping area).
- ~~B. Parking allocations for affordable residential units shall be consistent with RCW [36.70A.040](#) — Minimum residential parking requirements.~~
- ~~C.~~ [B.](#) On-street parking can be provided to serve customers of commercial uses to help satisfy parking requirements provided street widths provide adequate room pursuant to city standards for on street parking.
 - a. In all instances of on street parking, curb extensions/bulb outs shall be used to improve sightlines and reduce crossing distances for pedestrians.
- ~~D.~~ [C.](#) [Parking spaces](#) may be used for loading zones in this district, provided loading operations shall not obstruct driveways, sightlines, or direct pedestrian access to storefronts.
- ~~E.~~ [D.](#) [Off-street parking](#) shall be provided to the rear or side of the [structure](#). No parking [for commercial uses](#) shall be permitted between the [building](#) and the right-of-way. [The site plan review committee has the right to adjust the requirements for multifamily uses.](#)
- ~~F.~~ [E.](#) All required bicycle parking shall be covered or sited in a way that provides weather protection.

16.36.70 Landscaping.

- A. Requirements of Chapters [14.32](#) and [16.80](#) LMC shall be satisfied.
- B. Create [common open spaces](#) that are inviting to district patrons, residents, and the neighborhood in which it is located.
- C. A plan of all proposed landscaping shall be submitted along with the site plan for review by the site plan review committee.

16.36.80 Architectural compatibility and site design.

- A. All requirements of Chapter [14.23](#) LMC for mixed use zones shall be satisfied. Specific attention will be given to how proposed uses align with the design standards of [14.23.080](#), [14.23.082](#), [14.23.084](#), and [14.23.086](#). In the event of a conflict between this chapter and any other provision of any Lacey Municipal Code, the most restrictive section consistent with Section 16.36.020(B) of this chapter shall guide site plan review.
- B. Corner Buildings. Buildings located at street corners are encouraged to utilize prominent building elements to emphasize these highly visible locations. This could include a corner facing building entry, public spaces, changes in building materials, atrium, or special roofline features with approval of the [site plan review committee](#).
- C. Site Continuity. When ground floor residential uses are included within a district, visual and physical continuity will be maintained. Residential and commercial uses will be integrated within a district without hard separations of use, physical barriers, or fencing intended to isolate or segment uses from the rest of the district.
- D. Where applicable, ground floor residential uses will be located away from primary district corners and as a buffer between adjacent residential properties and commercial uses located within the district.
- E. Development proposals contiguous to undeveloped parcels shall show conceptually how the adjacent property may be developed in relationship to the lot or parcel proposed for development. The plan should generally indicate how open space, parking, driveways, walkways, etc., will relate or connect to adjacent parcels.
- F. Light fixtures attached to the exterior of a building shall be architecturally compatible with the style, materials, colors, and details of the building and shall comply with local building codes. The type of light source used on the exterior of buildings, signs, pedestrian walkways, and other areas of a site, shall provide adequate light quality, while minimizing adverse impacts, such as glare and overhead sky glow, on adjacent properties and the public right-of-way. The [site plan review committee](#) may place additional requirements on outdoor lighting consistent with 16.36.020.B(a).
 - a. Light fixtures shall be of a pedestrian scale, provided lights within the interior of a parking lot may be at a greater height for security purposes. Facades shall be lit from the exterior, and, as a general rule, lights should be non-glaring, and concealed through shielding, diffusion, or recessed behind architectural features.

16.36.090 Stormwater runoff.

[Stormwater management](#) is required and shall comply with the current [City](#) of Lacey Stormwater Design Manual and shall be subject to the [city](#)'s review and approval, and shall, moreover, comply with Chapter [15.22](#) LMC pertaining to community facilities.

DRAFT

Appendix B

Comments submitted by Janet O'Halloran

Background

On [May 3, 2022, in a report from Lacey's Hearing Examiner](#) (HE), a recommendation was issued that the City Council approve a Conditional Use Permit authorizing development of a gas station and convenience store in a Meridian Campus Neighborhood Commercial Zone (NCZ).

APPROVED— and that is where many quit reading.

One month later, June 3, the council, who publicly commented on their discomfort with the outcry from the residential community surrounding the project, adopted the HE's recommendation. Council members promised action on reviewing zoning and one stated this quasi-judicial process is "horrible." Within weeks, council members scurried to remove themselves from the quasi-judicial role of decision makers in conditional use land use matters. In fact, even your role as planning commission members was redlined out of the LMC 2.30.190 and 2.30.210 on August 9th— even before the council's vote succeeded in excusing themselves from that role.

Why does this matter tonight, you might ask? It is because citizen reliance on the existing zoning language before you, specifically LMC 16.36.010(C) was flawed. Do you understand why?

The Hearing Examiner expressed in footnote 3 on page 21 of his Findings, Conclusion, and Recommendation report that he had the potential to deny the gas station project. However, he wrote how to quantify or evaluate "local citizen acceptance" was best left to elected officials.

³ That said, the Hearings Examiner acknowledges that LMC 16.36.010.C is explicit in stating that commercial development in the NC zoning district should be limited to "areas where local economic demand" and "local citizen acceptance" assure "compatibility with the neighborhood." In contrast, LMC 16.34.010.C, the "intent" section related to the Community Commercial zoning district, also references "economic demand" (though does not use "local" as a qualifier) but *does not* reference "citizen acceptance." Accordingly, the City Council may have intended—in adopting LMC 16.36.010—that some indication of "local citizen acceptance" be required when commercial development is proposed or, at the very least, that full-throated public opposition is absent. How to quantify or evaluate "local citizen acceptance," however, is the type of political decision more appropriately addressed by the City Council. Accordingly, while the Hearings Examiner acknowledges the *potential* to deny the present request on these grounds, such a determination is best left to the city's elected representatives.

*Findings, Conclusions, and Recommendation City of Lacey Hearings Examiner
Meridian Market and Gas CUP, No. 20*

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I spoke individually and extensively with council members. The Council members did not address how to quantify or evaluate “full-throated” citizen opposition to this CUP. Many wondered if council members read the record in its entirety. Oral and written testimony was an extensive part of the record. It required members to have read all the material and to have working knowledge of the related LMC Titles. The council did not understand the “curing” of exparte communication and the “doctrine of necessity” of the Quasi-judicial process. Instead, the council punted the problem back to the public, you, and code writers.

You are not elected officials. Your role however, is to advise those who are. It is the sloppy writing of Lacey Municipal Code 16.36.010(C) that addresses local citizen acceptance under intent, but then fails to tie that to substantive conditions or standards governing development. In fact, this ordinance and language was adopted in 1980. Council members and Planning Department staff should have known this was problematic. As the legislative policy makers and advisory staff, you must sharpen your code-writing skills and immediately correct this problem. The decision has become a spectacle in our community, left a bad-taste in the mouth of hundreds of your constituents, and exposed consequential inadequacies in Lacey’s Municipal Code.

What is in front of you tonight? Draft language of LMC 16.36.010 Neighborhood Commercial Districts. Do you notice the glaring omission? Missing is the INTENT language from the existing code. Missing is the IMPLEMENTATION language tethering the two.

16.36.010 Intent.

It is the intent of this chapter to:

- A. Provide the opportunity for the development of small commercial facilities in residential areas catering to the day to day needs of consumers for a limited range of convenience goods and services;
- B. Limit such commercial facilities as to size of site, bulk of structures, and to such locations as to serve a relatively large number of persons in a relatively small geographic area. To that end, pedestrian accessibility shall be a major criterion in the location of neighborhood commercial facilities;
- C. Limit such development to areas where local economic demand, local citizen acceptance and appropriate design solutions assure compatibility with the neighborhood. (Ord. 583 §2.22(A), 1980).

16.36.020 Permitted uses.

The draft before you skips directly to Permitted Uses (relabelled as 16.36.010) and eliminates any example which previously considered public acceptance (i.e. gas station or establishments serving alcohol). Look at existing and proposed language side by side. Why?

Near minute 29:25 of [May 19, 2021's Community and Economic Development Webinar](#) about the Meridian Gas Station and Market application, a senior planner highlighted a slide distinguishing the legislative aspect of planning commission work. Emphasis was placed on the "The door is kinda wide open" aspect of the public meetings where "tough, but really good conversations about what we want our community to look like happen. This is where public comment has the most impact."

Some snicker when discussing how quickly outdated permitted uses language can become. I understand how no one can anticipate how our communities will develop in the future. That is precisely why the 16.36.010(C) INTENT language must remain and more importantly must be connected to IMPLEMENTATION language. I am not an attorney. The city is capable of hiring a skilled Land Use Policy Act (LUPA) lawyer to craft the language.

The Hearings Examiner expressly noted that LMC 16.36.010(C) arose in a *policy* provision, and was not in a substantive provision of the Lacey Municipal Code. For that reason, footnote 3 in the decision expressed uncertainty about how the provision should be applied, because no substantive Lacey Municipal Code provision addressed it. He left it to the Lacey City Council to determine how that provision should apply where, in that proposal, over 450 citizens spoke *on the record* to oppose the gas station/mini mart project, when only 12 submitted on-the-record comments that were accepting of the proposal. That 97% opposition ratio that was completely ignored in the decision-making process. It only added insult to injury when the Lacey City Council and its legal counsel completely failed to discuss this issue in its final "review" of the hearings examiner's initial decision.

The good news – if we can call it that – is that this abdication of responsibility can and should be addressed substantively in this LMC revision. Unfortunately, the current proposal removes the local citizen acceptance factor rather than leaning into it. This puzzling policy position would elevate any development proposal over the needs and desires of those living in the neighborhood most directly impacted. We should not codify Lacey's prior mistake by omitting local citizen acceptance from the permitting process.

Here is my very rough go at it:

16.36.015 Prohibited Uses

- A. Uses listed below are prohibited, as are other than those identified or described in LMC 16.36.020 ~~are prohibited~~.

Stacking lands and truck loading zones adjacent to residential
Outdoor storage or repair
Warehousing and ministorage

- B. Public comments and a public hearing process will be required for any proposed new use in a Neighborhood Commercial District. If two-thirds or more of the public comments about the proposal oppose it, the proposal will not be allowed.

This change would (a) bring back some semblance of a public process, which has been omitted from the current proposal, and (b) bring a substantive voice to the public process, giving citizens in the affected neighborhood direct agency in the developments that directly impact them.

VESTING, RESIDENTIAL, RETAIL, and PROXIMITY to Parks.

When I addressed this planning commission a few weeks ago I asked for clarity in the draft about these areas. Considering the adage, it ain't over 'til it's over, it matters. Particularly with vesting. The [January 9, 2024 City Council Work Session](#) exchange between City Council member Malcolm Green and the City Manager Rick Walk is informative (at minute 1:36:53 – 1:39:36). I think Green was asking about the Meridian Gas Station (vested when application was deemed complete on March 19, 2021), in which case two years is significant per LMC 14.23.050. and .060). Do you know the status of the existing NCZ projects? Why did the proximity to parks language get removed from the draft?

GAS PUMPS

A few weeks ago, I heard a Planning Commission member declare that further conversation about the **number of pumping stations** permitted was unnecessary, as the 1.5-mile distance between stations would preclude any others from coming into the existing NCZs. I believe that it naïve and I encourage all of you to have further informed discussion. Exceptions, conditions, and variances happen. Note that it was at the 1-9-24 meeting that apparently the voices of just three council members constituted a “recommendation” about number of gas pumps can be heard (min. 2:26 through 2:29). If it matters, fight for it. Read the developers Market Assessment about why the number is eight. Enlightening.

It has been a long two years. I've learned much about land use and the quasi-judicial process. I respectfully ask that you understand the history of these land use codes. I respectfully request that you prepare for a hearty discussion at your next meeting when draft language gets further scrutiny. I ask that you don't erase public acceptance from code language, nor economic demand, nor design compatibility from the language of 16.36.010. The zoning code is the implementation of the endless plans and visions statements representing the city and its citizens. Look carefully at my draft language.

Your role is important. Your recommendations have long-lasting impact and consequences on the citizens who vote. Let's sincerely shape our community together. Do you have the energy and initiative to make a difference for your neighbors? Thank you for the consideration.

Appendix C

Comments submitted by Pat Tennent

To: Hans Shepherd
Sr. Planner – City of Lacey
From: Pat Tennent
8008 Columbia Way N.E.
Lacey, WA 98516
Date: 3/18/2024
Re: Neighborhood Commercial District

Good day Mr. Shepherd. Thank you for the opportunity to offer my comments to the Planning Commission surrounding the NCD discussed at the meeting on March 13, 2024. Please add my comments to your considered review.

By background, I am a 'City Slicker', have lived in metropolitan areas in various states on the East, as well as West Coasts and King County, Pierce County and now Thurston. Lacey is truly the "City of Trees", it's beautiful and fairly well thought out. When we moved here from a metropolitan area, we were looking for the beauty this area offers its residents. Within a year of moving into Jubilee, we saw major warehouses developed within our location, as well as retail commercial (Starbucks, MOD, etc) entities. Trees were taken down exclusively along Marvin w/o benefit of tree buffers, landscaping, trails, etc. We also saw the staggering apartment complex (Tilden) build up along Willamette's neighborhood. Will there be increased public safety development in that area (e.g. law enforcement/fire-rescue/EMS) given the population? Will Tilden be counted upon for their tax revenue (even though they indicated multiple times as to 'tax exemption') to provide those services to the area? Or will there be a future tax expectation for our established neighborhoods? Thurston County has a fire station there that services a large area. My questions are rhetorical, although I suspect have barring.

I have had significant concerns and misgivings that we may have made a mistake moving to Lacey and the Jubilee/Hawks Prairie area, and still do given the NCD discussions on 3/13 at the public hearing.

As Kyrian MacMichael indicated that evening, there is a "call to be stewards of land", "Lacey as a walkable City", "safeguards" for homes in Lacey, owners purchasing homes 'and then renting them out', and 'ensuring public safety on trails'. Great comments and difficult tasks to navigate for you as planners, balancing public, residential, commercial, and public safety resources.

One of the slides indicated developments at Proctor and Point Ruston. I am quite familiar with those areas, as we looked to purchase there. Ruston is nice to visit, however a disaster to live within. Both Ruston and Proctor have compression issues for the residents, visitors, and employees of commercial entities. Ruston is dangerous from a risk management standpoint. Two lanes in/out of the area and high-density commercial/residential living. Traffic and access are challenging given the buildup. Residents who purchased homes there moved out due to noise, foot traffic, security issues, etc. Proctor while a nice neighborhood is overwhelming along the drive to Safeway & Metropolitan market with the commercial and high-rise apartments. The neighborhood is not the same for the single-family homeowners. Having lived and worked in the general area, I can attest to this.

With the potential of multi-family dwellings on 41st and Marvin, some of my concerns are as Margaret & John Green mentioned – trees, wildlife buffers and setbacks. Allison's comments (didn't catch her last name), surrounding the design and development of City Hall for Lacey are key. What a beautiful location

you have, and we noticed that driving through the community early on. How might that engineering be a standard for commercial as well as neighborhoods to thrive together? It's been refreshing to see deer, coyotes, otters, eagles flying over those trees and other wildlife in our neighborhood. Deer live and walk along the 41st Street trail and the little bit of tree buffer along the road. It's quite peaceful with the wildlife and greenery.

What will the impact to the Jubilee & Edgewater communities be given the proposed development of the 41st & Marvin parcel by the co-owners? Right now, there are trails, tree buffers backing up the warehouse buildup and other greenspace as stated above.

Height and design engineering/proportion to the neighborhood, should there be multi-family dwellings is paramount to the area, if the City were to determine to move forward.

Thank you for the time you took in reading my comments. Best to you and your team.

Appendix D

Comments submitted by Board of Directors of Hawks Prairie Community Association

Hawks Prairie Community Association
C/o Vantage Community Management
8290 – 28th Ct. NE, Ste. C
Lacey, WA 98516

Dear Planning Commissioners,

We are writing on behalf of the homeowners of the Hawks Prairie Community Association (HPCA), including Jubilee and Edgewater, and we appreciate the opportunity to share our comments and concerns about the draft Neighborhood Commercial District updates. We are primarily concerned about the changes proposed for the area at 41st and Marvin Rd NE, which is directly adjacent to our community.

We recognize that the City has the authority to make zoning changes and exceptions as needed to support the needs of the community as a whole, but we are adamantly opposed to any proposed rezoning of or exceptions for the area at 41st and Marvin Rd NE that reduces retail requirements or increases residential density. Marvin Road is already negatively impacted by the increased volume of traffic due to the significant amount of multi-family housing in the Meridian Campus and Hawks Prairie Areas. If additional multi-family housing density is permitted at 41st and Marvin Rd NE, the increased volume of residences and vehicles would negatively impact the quality of life of the residents of HPCA and their property values.

HPCA supports retention of the current neighborhood commercial designation for the parcel at 41st and Marvin Rd NE that includes retail use. HPCA would welcome a community grocery store such as SPUDS in Tumwater or similar retail businesses. Our area has grown exponentially, and we believe a grocery store would greatly benefit the residents of HPCA and other neighborhoods located north of the freeway. It would improve the walkability of our area, promoting green choices and reducing the environmental impact of carbon emissions. Retail businesses like grocery stores and cafes also support our local economy, encourage community gathering, and provide much needed convenience for our large, aging population.

HPCA would also consider supporting the development of single-family homes in our area. We believe that new single family home construction is a key component to the housing affordability needs in Thurston County. Multifamily 1 and 2 bedroom units do not address the housing demands of families, and especially military families with children and pets.

It is also worth noting that HPCA is a successor in interest to a Declaration of Covenants with Respect to Hawks Prairie that was recorded under Thurston County Auditor number 3488110 and amendments that were subsequently recorded under Thurston County Auditor numbers 377628, 3813911, and 3813912 (the "Covenants"). The Covenants

apply to the parcel located at 41st and Marvin Rd NE, which is referred to as the "Retail Center". The Retail Center is restricted to the development of fee-ownership residential units with a density of not greater than 8-10 units per acre (see attached). HPCA has not agreed to amend or waive the enforcement of the Covenants.

Thank you for your time and consideration.

Sincerely,

Cheri Wilkins, HPCA Board President

The Hawks Prairie Community Association Board of Directors
Enc.

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

Beth A. Clark
Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, WA 98101

Thurston County Treasurer

Real Estate Excise Tax paid

By

Deputy

SECOND SUPPLEMENTAL
DECLARATION OF COVENANTS
WITH RESPECT TO HAWKS PRAIRIE
AND

SECOND SUPPLEMENT TO BEACH ACCESS EASEMENT

Grantors: Hawks Prairie Land Associates, LLC; Hawks Prairie
North Associates LLC and Hawks Prairie Estate, Inc.

Grantees: Hawks Prairie Estate, Inc., Hawks Prairie North
Associates LLC and Hawks Prairie Land Associates, LLC

Legal Descriptions: (1) SE SE & G L 5 SEC 23, G L 1 SEC 24 & W NW & NW SW SEC
25 T19N R1W, WM and
(2) _____
Official legal descriptions on **Exhibit A and Exhibit B**

Reference Numbers of
Related Documents: 3488110; 3776628; 3488109; 3776629

Assessor's Tax Block ID#s: 11923410500; 11923410501; 11923440000;
11925220100

THIS SECOND SUPPLEMENTAL DECLARATION OF COVENANTS WITH
RESPECT TO HAWKS PRAIRIE AND SECOND SUPPLEMENT TO BEACH
ACCESS EASEMENT (hereinafter, "Second Supplemental Declaration") is effective as
of the 8th day of March, 2006, and is made by and between HAWKS
PRAIRIE LAND ASSOCIATES, LLC, a Delaware limited liability company ("HPL
Associates"), HAWKS PRAIRIE NORTH ASSOCIATES, LLC, a Delaware limited
liability company ("HPN Associates"), and HAWKS PRAIRIE ESTATE, INC., a
Washington corporation ("HPEI").

Suppl. Declaration of Covenant
50617190.5

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RECITALS:

A. HPL Associates and HPEI are parties to that Declaration of Covenants with respect to Hawks Prairie dated as of December 20, 2002 and recorded under Thurston County Auditor's Number 3488110 (the "Initial CC&Rs"), pursuant to which HPL Associates subjected certain real property owned by it (the "HPL Associates Property," as defined in the Initial CC&Rs) to the Initial CC&Rs, and HPEI subjected certain real property then owned by it (the "HPEI Property," as defined in the Initial CC&Rs") to the Initial CC&Rs, as amended by that certain Supplemental Declaration of Covenants with respect to Hawks Prairie dated as of October 17, 2005 and recorded under Thurston County Auditor's Number 3776628 (the "First Supplemental Declaration")(collectively, the "CC&Rs").

B. HPL Associates and HPEI are parties to that Beach Access Easement with respect to Hawks Prairie dated as of December 20, 2002 and recorded under Thurston County Auditor's Number 3488109 (the "Initial Beach Access Easement"), pursuant to which HPEI granted HPL Associates and its successors in interest to the HPL Associates Property an easement across the North End Property (as defined below) for access to the beach, as amended by that Supplement to Beach Access Easement dated as of October 17, 2005 and recorded under Thurston County Auditor's Number 3776629 (collectively, the "Beach Access Easement").

C. HPN Associates has acquired from HPEI that certain real property within the HPEI Property legally described in Exhibit C to the Initial CC&Rs and consisting of the SF1 site, the Conference Center site and the Chong Estate (collectively, the "North End Property", all as defined in the Initial CC&Rs).

D. HPL Associates previously acquired from HPEI that certain parcel of property defined and described in the First Supplemental Declaration as the North School Site.

E. HPEI at present retains ownership of the two parcels within the Hawks Prairie MPC commonly known as the Retail Center and the South School Site (as defined in the Initial CC&Rs)(collectively, "Seller's Remainder Property").

F. The parties wish to enter into this Second Supplemental Declaration to acknowledge the agreements of the parties and amendment of the CC&Rs with respect to their respective properties and to grant access to the beach to the owners of Seller's Remainder Property in the event that such property is approved for residential use as set forth below;



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NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. North End Property; Amendment. From and after the date hereof, the parties agree that the North End Property shall be deleted from the definition of the HPEI Property and shall be deemed to be a part of the HPL Associates Property for the purposes of the CC&Rs, and on that basis subject to all provisions thereof. Without limiting the generality of the foregoing, the total of 1,766 residential units approved by the City of Lacey for the Hawks Prairie MPC may be constructed on the HPL Associates Property (including the North End Property) and such residential units may be distributed among the HPL Associates Property and the North End Property in the discretion of HPL Associates and HPN Associates, subject to any necessary review and approval by the City of Lacey. HPEI hereby acknowledges that none of the 1,766 residential units are approved for or applicable to the Seller's Remainder Property. The parties acknowledge and agree that HPN Associates may request an amendment to the Master Plan (as defined in the Initial CC&Rs) to allow for development of the North End Property as fee-ownership residential units with a density for the SF1 site and the Chong Estate of not greater than 3-6 units per acre and a density for the Conference Center site of not greater than 6-12 units per acre and (if necessary) an increase in the overall limit of 1,766 units under the Master Plan. HPEI agrees on behalf of itself and any successor not to oppose such amendment of the Master Plan.

2. Seller's Remainder Property; Amendment. The parties acknowledge and agree that HPEI may request an amendment to the Master Plan to allow for development of either or both of the South School Site and the Retail Center as fee-ownership residential units with a density of not greater than 8-10 units per acre and (if necessary) an increase in the overall limit of 1,766 units under the Master Plan. HPEI acknowledges that at present none of Seller's Remainder Property is designated for residential development under the Master Plan and it is not entitled to any of the existing 1,766 residential units currently approved under the Master Plan as noted in paragraph 1 above. HPL Associates and HPN Associates agree on behalf of themselves and any successors not to oppose such an amendment by HPEI so long as: (i) the application for such amendment is made after building permits have been issued for all residential lots in non-age restricted portions of the Hawks Prairie MPC or seven (7) years after the recording date of this Second Supplemental Declaration, whichever is sooner; and (ii) any residential lots permitted on the Seller's Remainder Property shall be part of the Hawks Prairie MPC and subject to the same covenants, conditions and restrictions for the Hawks Prairie MPC now or hereafter of record (including the Initial CC&Rs and this Second Supplemental Declaration), but excluding any covenants, conditions or restrictions solely applicable to age-restricted lots.

3. Beach Access Easement. In the event any portion of Seller's Remainder Property is approved for residential development by the City of Lacey, such portion shall thereupon automatically be deemed to be benefited by the beach access



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Appendix E

Comments submitted by Tarragon LLC



20 March 2024

Jeff Gadman
Lacey Planning Commission Chair
420 College St SE
Lacey, WA 98503

Dear Mr. Gadman and Planning Commission Board Members,

I am writing today on behalf of Tilden Commercial L.L.C. (Owner), the owner of two parcels on the corner of Willamette Drive NE and 31st Avenue in Lacey, WA. (Thurston County tax parcel numbers 11801250200 and 11801250300). These parcels total approximately 2 acres and are currently zoned for Neighborhood Commercial District (NCD) development.

The City of Lacey has proposed revisions to the Neighborhood Commercial District zoning code that would have a direct and substantial impact on the development of the Tilden Commercial parcels. Our team has been engaged with Planning staff since early in the code revision process, and we have long supported amending the code to better serve the needs of the City, the neighborhood, and property owners. We have been impressed with the open communication and thoughtful consideration of Planning staff throughout this process.

Our group has over 25 years of experience developing commercial, retail, and multifamily properties in the Puget Sound region, and we have attempted to develop property similar to Tilden Commercial in other jurisdictions. With that said, we would respectfully like to offer our professional opinion on several aspects of the proposed zoning changes. Specifically:

1. **Clarity regarding priority nodes for retail centers.** We noted that the “Intent” section of the NCD code was eliminated from the draft revisions. We strongly recommend that this language be added back, and further developed. This section establishes the purposes of the NCD zone, one of which is to “Limit such development to areas where local economic demand, local citizen acceptance and appropriate design solutions assure compatibility with the neighborhood” (LMC 16.36.010.C). This stated purpose was reiterated by the City Council when they reviewed the proposed code changes on January 9, 2024. Mayor Ryder shared his opinion in this meeting that each “sub-district” should be able to do what is in the best interest of the surrounding community. The Tilden Commercial site has an existing retail center immediately across the street, housing a coffee shop, a daycare, and other retail uses. Additionally, the Hogum Bay Town Center commercial development is located less than 1 mile away, just north of I-5. This retail center is home to multiple restaurants, a Starbucks, and other retail uses. We believe that the economic demand for neighborhood retail is being met in the vicinity of Tilden Commercial. The local adaptability of the NCD zone should take these existing conditions into consideration when determining appropriate uses and requirements for this location.
2. **More residential flexibility.** We would like to request greater flexibility be given to residential uses within the NCD zoning designation. While we understand the desire for walkable neighborhood retail centers, it is our opinion that commercial uses will not work on the Tilden Commercial site anytime in the near future. To begin with, it costs roughly \$600 a square foot to build retail space in today’s market, and the corner coffee shop cannot afford to pay the rent required to justify construction. Additionally, since 2021, we’ve been marketing this site with retail brokers and have received zero interest from commercial tenants. If new ground floor

space is mandated for primarily commercial uses, we believe that the land could remain vacant for a decade or more. We do not believe that is in the best interest of the City or the community. **The Code should allow ground floor market rate residential uses.** As noted above, the Tilden Commercial site is located immediately adjacent to a small retail center, housing a coffee shop, a daycare, and other small retail businesses. Section 16.36.020.C (of the draft code revisions) says that the location of NCDs shall generally not be within a half-mile radius of other commercial districts with similar services. Adding additional community retail into a space where it already exists will likely have a negative impact on the long-established neighborhood commercial uses. However, we believe that bringing **more market-rate** residents and shoppers into the area will **add vibrancy** to the neighborhood and **will allow the already existing community retail to continue to thrive.**

3. **Prioritize viable areas for grocery recruitment.** We have heard from community members desiring a grocery store be located in the NCD zones north of I-5. While we understand this goal, we have worked with grocery tenants in the past, and the **economic reality is that a grocery store will not be viable at the Tilden Commercial corner because of the lack of space for the required parking ratios.** This is true, even for grocery tenants that only require 10,000 - 15,000 square feet. As much as we might encourage foot-traffic for these NCD locations, grocery retailers have their own parking standards that we would not be able to meet in this 2-acre space. **We encourage the new code to prioritize grocery zoning standards for areas of the City that can successfully site a grocery store use.**
4. **Affordable housing.** Our team applauds the City's desire for more affordable housing. This is an issue that impacts all of us, regardless of our level of income. However, the draft code's mandate for only affordable housing on the ground floor is too limiting. For small sites like Tilden Commercial, mandating on-site affordable housing requirements make future projects infeasible. We would encourage the City to provide flexibility for all residential uses on the ground floor and encourage affordable housing through other incentives, such as multifamily property tax exemption (MFTE). We have noted that none of the City's NCD zones are located within the existing MFTE target areas within the City of Lacey. Affordable housing, on any scale, is difficult to achieve without these tax incentives.

To summarize, the Owner of Tilden Commercial supports the overall objective of revising the Neighborhood Commercial District zoning. The extensive community outreach applied to the process has been greatly appreciated. However, when applying the proposed code changes to the specific location of Tilden Commercial, complications arise that will ultimately result in leaving the property undeveloped for an extended period of time. This is not what the City, the community, or the Owner would like to see.

Our team would appreciate the opportunity to meet with members of the Planning Commission and the City Council to discuss development concepts that we believe can be successful at this location, and that would better serve the City of Lacey. We can make ourselves available to meet with you at your earliest convenience.

Thank you,

DocuSigned by:

 8500FD0D46804FC...

Dennis L. Rattie

President, Tarragon L.L.C.

Authorized Representative of Tilden Commercial L.L.C.

Project Staff Recommendations to Lacey Planning Commission

Neighborhood Commercial District Public Hearing Comments

Comment #	Themes	Options/Staff Notes
2, 5, 35	Intent Statements	Comprehensive Plans are the visioning documents of a community that identify intent statements, goals, and objectives for the future. Municipal Codes are the implementation documents of the comprehensive plan, consisting of adopted ordinances and regulations. There is an ongoing effort to remove all intent statements from the Lacey Municipal Code. The intent/vision statement for Neighborhood Commercial Districts is located within the Lacey Comprehensive Plan. Opportunities to review this section of the Lacey Comprehensive Plan will exist as part of the 2025 Comprehensive Plan Update.
	Staff Recommendation:	No changes to draft language
2, 6, 9, 28	Community Sentiment	On October 26th 2023, Jeff Myers (Washington Cities Insurance Authority) presented to the City Council at a Council Worksession on the Quasi-Judicial Process and Community Sentiment. A key finding of this presentation was that “<i>community sentiment (towards individual projects) is not a basis for deciding land use issues</i>” – decisions must be based on consistent code criteria. One of the primary objectives of this update process is to ensure community sentiment is reflected within the updated code so it can be interpreted and applied uniformly across districts.
	Staff Recommendation:	No changes to draft language
1, 10	Potential Uses (liquor, marijuana, tobacco, guns)	These uses are currently permitted within these districts. They would continue to be permitted provided they can meet the design requirements identified within the draft code. That said, these uses are heavily regulated at the state and federal level - further limiting the potential siting of these types of uses within these districts. This has been the city approach to regulating these uses across zoning districts.
	Staff Recommendation:	Better addressed at the City (not district) level. No changes to draft language.

1, 2, 7, 8, 15, 18, 28	Gas Stations (as a use and in proximity to parks/schools/homes)	The only limiting language contained within the current draft - specific to gas stations is copied below: <i>Gasoline fueling stations as an accessory use to a full-service grocery store or not less than 1.5 linear miles from another station. Stations are limited to a maximum of 4 fueling station pump islands serving no more than 8 vehicles at any one time. Stacking lanes and parking areas will be located to the side or rear of the building.</i> This language is based on any gasoline fueling station, not just those located within Neighborhood Commercial Districts.
	Staff Recommendation:	• No changes to draft language
	Alternative(s):	• Prohibit stand-alone gas stations
1	Housing for individuals with treatment or court ordered supervision	The draft code allows for residential uses. Residential care facilities are included within this definition. This is true for all residential zones within the City. Proposed changes would not impact this from currently adopted standards.
	Staff Recommendation:	• No changes to draft language
1	Project Vesting	Project vesting policies are found within our Development Guidelines and Public Works Standards . These policies are not included as part of this review or update.
	Staff Recommendation:	• No changes to draft language
3, 4, 6, 8, 12, 14, 15, 16, 17, 23, 26, 28, 30, 32, 33, 34, 36, 37, 38	Marvin Road Congestion	Different types of commercial zoning designations exist throughout the city. One of the policies of Neighborhood Commercial Districts is to “<i>Retain strategic sites for neighborhood commercial activities, providing neighborhood commercial activities within walking distance of all neighborhood areas.</i>” The primary patrons of these sites are from immediately adjacent neighborhoods and drive-by traffic. These districts lessen the need for additional/longer trips into general commercial zones. All site-specific developments will be required to study their potential traffic impacts as part of the permitting process – and mitigate where applicable.
	Staff Recommendation:	• No changes to draft language

5, 35	(In favor of) Increased housing flexibility/horizontal mixed use	The currently adopted code only allows for residential uses above ground floor commercial uses. The proposed draft would increase residential flexibility while ensuring residential uses are contingent on and secondary to the development of 15,000 sqft of commercial space
	Staff Recommendation:	• Add additional language to ensure required commercial components of a project are constructed as part of the first phase of development.
5, 35	Reduction in commercial sqft requirements	This is a commercially designated zone. Many other zoning districts exist within the city including mixed-use and residentially designated zones that allow for different mixes of commercial and residential uses. Opportunities exist for property owners to pursue zoning changes by submitting a rezone application.
	Staff Recommendation:	• No changes to draft language
	Alternative(s):	• Adjust language to be more responsive to the size of the parcel (assuming horizontal mixed-use within districts is permitted): ○ <i>Example: ground floor residential uses are not permitted to exceed 50% of the total ground floor uses within a district (until a minimum of 15,000 square feet of commercial/retail space has been constructed on site)</i>
5,6, 11, 12, 16, 29, 30, 33, 35	Affordable housing requirements (against)	With increased residential flexibility proposed within the current draft update, opportunities exist to incorporate additional requirements or incentives related to this type of use.
	Staff Recommendation:	• Remove affordability requirements from proposed draft language – accomplish through comprehensive plan and other city-wide approaches/strategies (Multifamily Tax Exemption Zones)
	Alternative(s):	• Create pathways to residential ownership (Townhouse/Condominium) • No changes to draft language *affordability language within parking section may need to be removed based on PC recommendation
5	Live/Work allowances	There is no cap/limit on the amount of live/work uses permitted within the district provided the use is consistent with required design elements.

		The only limitation for live/work uses is the amount that can be counted towards the minimum commercial requirements of these districts. This is intended to ensure anchor commercial tenants within the district.
	Staff Recommendation:	• Include language requiring ground floor commercial/retail/live/work uses to have a minimum height of 15 feet to properly accommodate proposed and future commercial uses.
5	Building footprint clarity	Existing draft language does not currently include “individual” within the description of different building types.
	Staff Recommendation:	• Add the word “individual” to descriptions of building types permitted within the district.
5	Increased square footage of building types (residential, commercial, mixed-use)	Building size recommendations are based on the size of buildings found in example districts within previous phases of this update (as identified through the public process). While the current draft offers a pathway for “standalone multifamily structures” the currently adopted code does not. Proposed building footprints were identified in recognition of desired district characteristics and an emphasis on human oriented spaces that seek to compliment surrounding neighborhoods.
	Staff Recommendation:	• Maintain draft code language for individual uses – cap at 6,000 sqft for individual buildings ○ Full-service grocery store 30,000 sqft / preschool 10,000 sqft • Increase multi-commercial use footprint maximums from 8,500 to 10,000 sqft for districts greater than 5 acres • Increase residential use footprint maximums from 8,500 to 10,000 sqft for districts greater than 5 acres • Increase mixed-use footprint maximums from 10,000 to 15,000 sqft for districts greater than 5 acres *Council Chambers are approximately 1,500 sqft *total building gross floor area maximums may need to be adjusted to reflect PC recommendations
	Alternative(s):	• No changes to draft language (10,000 sqft for individual uses to 40,000 sqft for multiuse) • A combination or different sqft range of options

5, 6, 13, 14, 17, 18, 20, 23, 25, 27, 28, 29, 30, 32, 33, 36, 37	Tree/habitat protections - dedicated tracts – incentives	Comment(s) specific to NCD location at the corner of 41st and Marvin Rd where a 50-foot tree track has been a requirement of this site as a condition of the Hawks Prairie development. This is in excess of the standard requirement for commercial sites. As a baseline, all NCDs are required to maintain 20% of the site as pervious/open space. Tree tracts are required to cover a minimum of 5% of commercial sites greater than 1 acre. Tree related activities are subject to Chapter 14.32 including 14.32.066 (Tree replacement and establishment of new trees).
	Staff Recommendation:	Better addressed at the City (not district) level. No changes to draft language.
	Alternative(s):	Add language to incentivize tree preservation on site/offer density bonus for dedicated tree tracts in excess of 10% of the district.
5	SPR language for multifamily parking	Off-street parking is not currently permitted between buildings and the right-of-way. This was carried forward from the adopted code and a practice used in other areas of the city as it supports human oriented places and prioritizes non-motorized forms of transportation.
	Staff Recommendation:	No changes to draft language
	Alternative(s):	Add language to allow SPR committee to adjust requirements for multifamily uses.
8, 10	Parking overflow/increase parking requirements	Proposed code language seeks to reduce parking impacts through expanded on-street options, incentives for parking garages, and additional language supporting and incentivizing other modes of transportation. Parking specific standards can be found within Lacey’s Development Guidelines and Public Works Standards .
	Staff Recommendation:	Better addressed at the City (not district) level. No changes to draft language.
9, 11, 12, 13, 16, 17, 18, 19, 21, 22, 23, 28, 29, 31, 37, 38	Limit/prohibit Multifamily-Apartment uses at 41 st & Marvin - Preference for single family (if anything)	Mixed-use multifamily structures are currently permitted within the adopted code. Draft changes seek to further soften neighborhood to commercial transitions through horizontal mixed-use. The existing street network was constructed to accommodate moderate-density residential districts within the Edgewater and Jubilee neighborhoods. These neighborhoods built out at lower levels of density than initially anticipated. As a result, capacity still exists within this street network based on adopted levels of service.
	Staff Recommendation:	No changes to draft language *height and privacy related topics are discussed in a later section of this document.

	Alternative(s):	- Do not permit ground floor residential - Require all (or a subset of) ground floor residential to be Townhomes
9	Light rail/trolley to 41 st & Marvin	Intercity transit routes and the transportation section of the Lacey comprehensive plan are in the process of being updated. These conversations can be better addressed through those updates.
	Staff Recommendation:	No changes to draft language
10	Increase street widths to accommodate bikes and SUVs / prohibit bulb-outs	Proposed design criteria seeks to improve the safety of pedestrians and cyclists above currently adopted standards. Widening streets to accommodate larger SUVs will have an adverse effect on district safety as it will encourage faster vehicle speeds.
	Staff Recommendation:	No changes to draft language
10	Add bike lanes, ADA features	Bike and ADA specific infrastructure is typically installed at the time of district/project development and primarily addressed through Lacey's Development Guidelines and Public Works Standards. Any project that is proposed within a Neighborhood Commercial District will be required as part of the permitting process to install bike and ADA specific amenities.
	Staff Recommendation:	Better addressed at the City (not district) level. No changes to draft language.
10	Garage doors, tempered glass, outdoor seating, security features, sound proofing, free libraries, air conditioning, elevators, dog parks, and covered/rentable gathering spaces	Listed uses are permitted provided they remain consistent with the design criteria of the district.
	Staff Recommendation:	No changes to draft language

15, 16, 28, 29, 32, 33, 36, 38	Height/privacy impacts	Specific language exists within the draft code to mitigate height and use related impacts on adjacent properties. In instances where property lines are shared with low-density/single family uses, additional protections have been proposed within the draft update in excess of currently adopted regulations. <u>Proposed measures in draft code:</u> • A fifteen-foot buffer of Type 1 landscaping is required between the building wall and any abutting single-family residential property line and shall include a six-foot sight obscuring wall or fence. • Elevations above thirty-five feet will be stepped back at a ratio of 1.5 feet of stepback for every 1 foot of elevation when located along a property line shared with a low-density residential use. • All rooftop patios and gathering spaces, utility boxes, antennas, and other rooftop fixtures shall be located away from the roofline in a way that reduces their visual impacts on adjacent residential uses. • Upper-story balconies facing existing single-family residential uses on buildings exceeding thirty-five feet shall be constructed with opaque sides a minimum of forty-two inches high. • Where applicable, ground floor residential uses will be located away from primary district corners and as a buffer between adjacent residential properties and commercial uses located within the district. *Heights are further limited through the use of gross floor area requirements.
	Staff Recommendation:	• No changes to draft language
	Alternative(s):	• Maintain currently adopted standards (less protections for adjacent uses) • Link building height maximums to heights of adjacent zones
10, 11, 16, 18, 19, 20, 22, 30, 31, 32, 33, 34, 36, 38	Crime/Property values/HOA Amenities	Commercial and residential uses are permitted within these districts as currently adopted. Newly proposed draft language would place additional design requirements on these potential uses if they were to be proposed in the future.
	Staff Recommendation:	• No changes to draft language

28	Impervious surfaces	Permeable paving options are a permitted use as defined within Chapter 16.06 of the Lacey Municipal Code. Use cases and design guidelines can be found within the Lacey Stormwater Design Manual . Any project proposed on site will be required to meet these standards.
	Staff Recommendation:	• Better addressed at the City (not district) level. No changes to draft language.
39	Reduced parking requirements – Parking maximums	Proposed code language seeks to reduce parking impacts through expanded on-street options, incentives for parking garages, and additional language supporting and incentivizing other modes of transportation. Parking specific standards can be found within Lacey’s Development Guidelines and Public Works Standards .
	Staff Recommendation:	• Better addressed at the City (not district) level. No changes to draft language.



Neighborhood Commercial Districts

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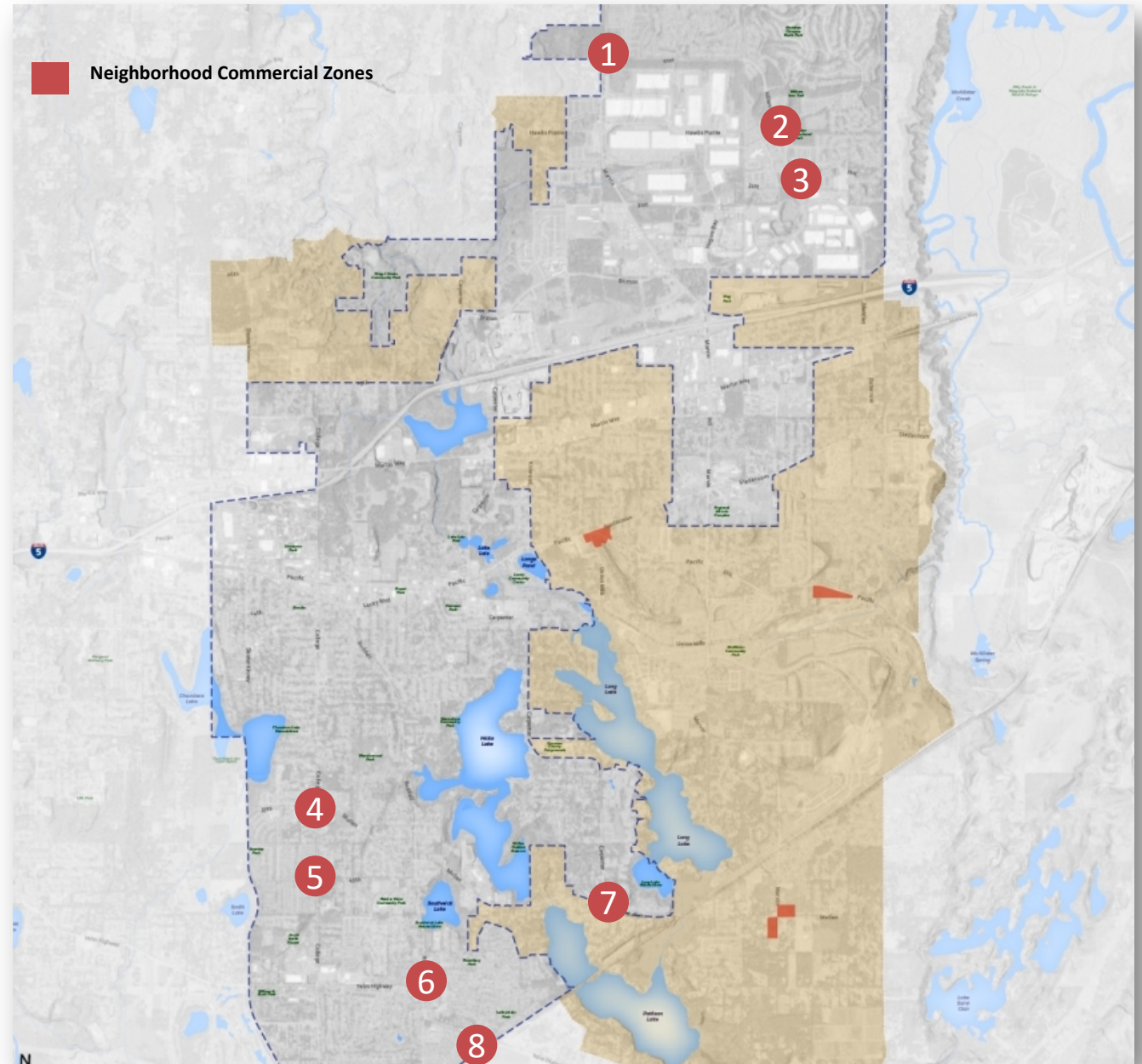
Council Worksession
March 13th, 2024

Existing Locations

8 locations within Lacey*

1. Marvin Road & 41st Ave NE (Edgewater)
2. Willamette Drive & Campus Glen (Meridian Market)
3. Willamette Drive & 31st Ave NE (Tilden Apartments)
4. College Street SE & Mullen Road SE (The Farm)
5. College Street SE & 45th Ave SE (Stonegate)
6. Yelm Hwy SE & Ruddell Road SE (Thornbury Crossing)
7. Mullen Road SE & Carpenter Road SE (Interlake Grocery)
8. Yelm Hwy SE & Balustrade Blvd SE (Horizon Point)*

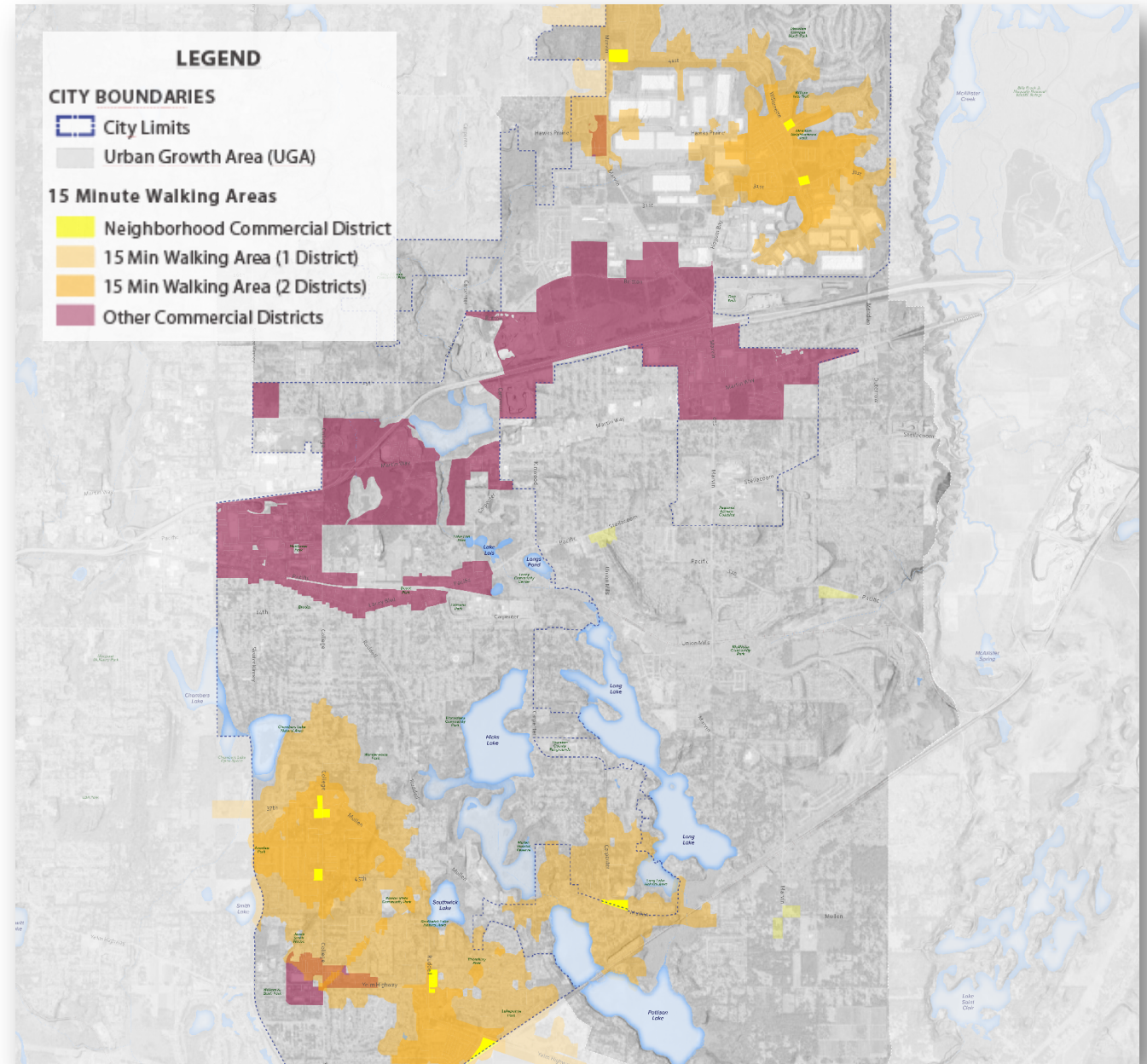
➤ *Village overlay governs uses

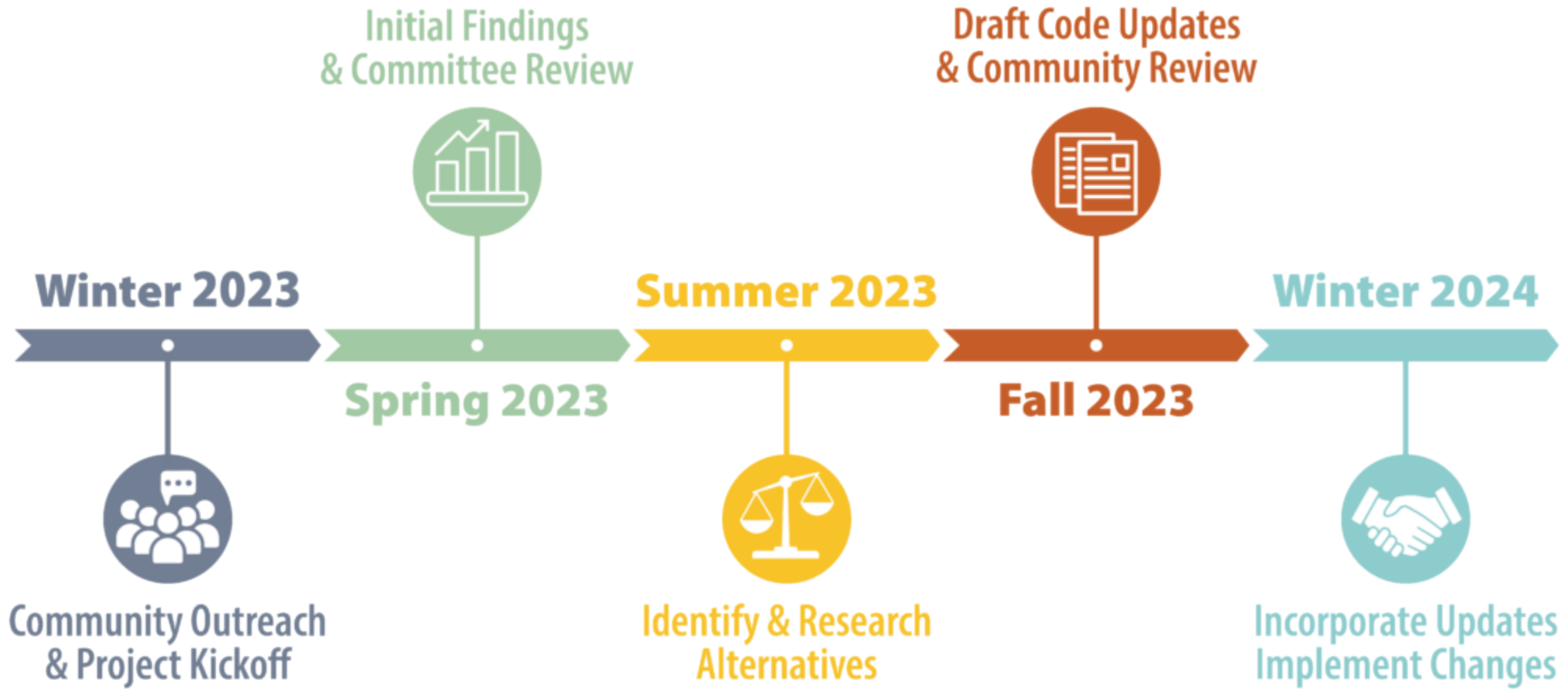


District Characteristics

Seek to fill the service area gaps of other commercial districts within our community.

- Generally the smallest of our commercial districts
- District buildings, limited in size & general scale
- Local customer draw
- Pedestrian oriented design





Public Hearing - March 13th, 2024

- Notices:
 - Notices to all property owners within 600 feet (300 feet is standard)
 - Direct email notices to all interested parties
 - Publications through city channels and website
- Comments & Attendance
 - 7 individuals provided public testimony
 - Approx. 25 in person attendees
 - 39 written comments
 - Written public testimony extended through March 20th, 2024
- Common Themes:
 - Gas stations, loss of trees, impacts on neighboring communities, neighborhood character, traffic, 41st & Marvin location
 - Community willingness to wait for “right fit”
 - All Public Comments included in meeting packet



Primary Discussion Topics – Gas Stations

Existing Code:

- Permitted as a conditional use

PC Recommendation:

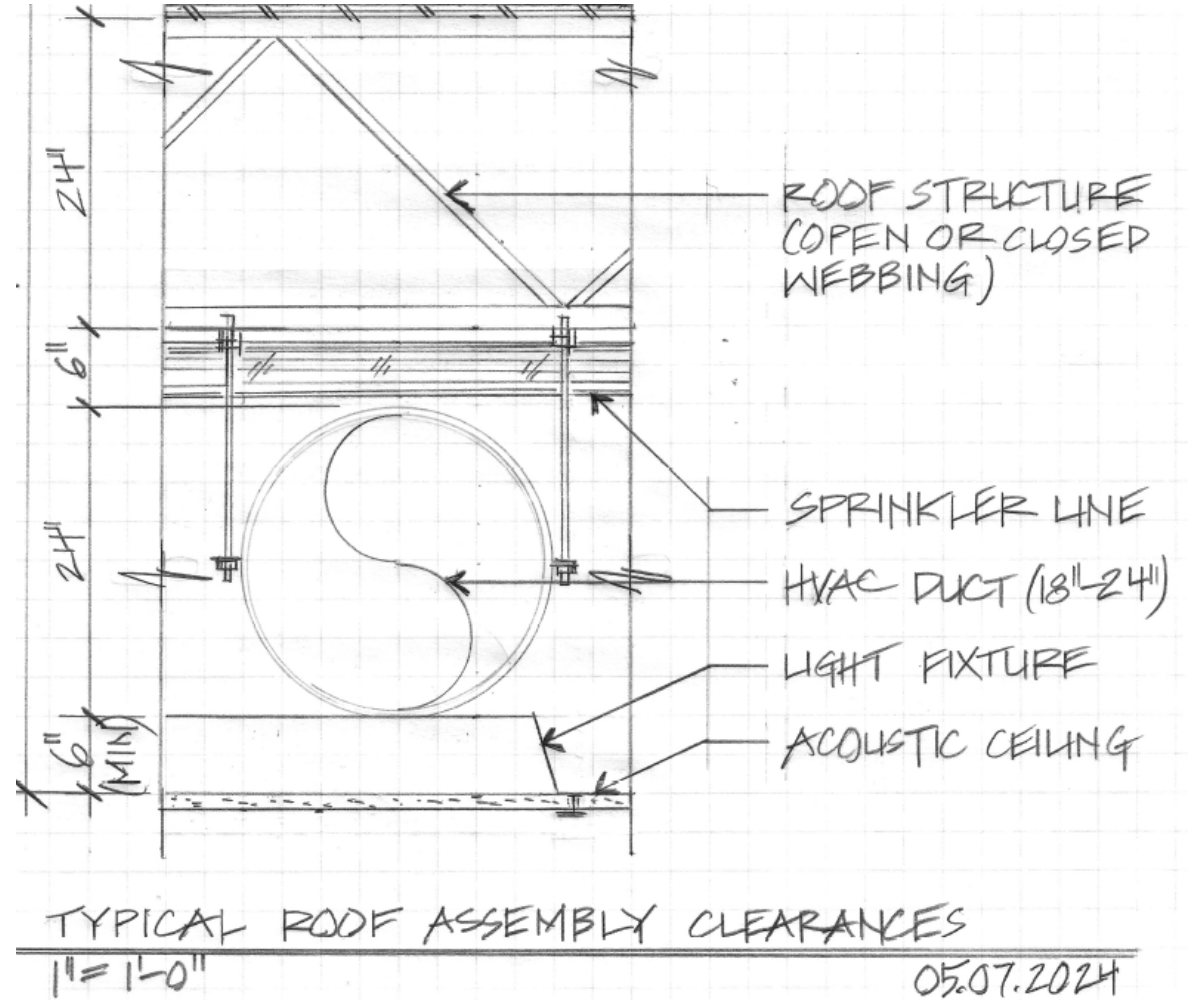
- Prohibited: Gasoline Fueling Stations
- Permitted: Gasoline fueling stations existing or vested on the effective date of the ordinance codified in this section.

Alternatives Considered:

- As an accessory use to a grocery store
- Not within 1.5 miles of another station



Primary Discussion Topics – Ground Floor Heights



Primary Discussion Topics – Ground Floor Heights

Existing Code:

- Addressed through IBC

PC Recommendation:

- Ground floor commercial and live/work uses must have a minimum height of 15 feet to accommodate proposed and future commercial uses.*

Alternatives Considered:

- Minimum height requirement of 15 feet for first 15,000 sqft of ground floor commercial space.

Example District: Commercial Minimums	
Olympia	15 feet
Tacoma	12 feet with incentives to 17 feet
University Place	15 feet
Bellingham	12 to 14 feet depending on the district
DuPont	25 feet for two story commercial buildings

** concerns over post development commercial conversions to residential uses*

Primary Discussion Topics – Trees

Existing Code:

- Addressed through Landscaping and Tree/Vegetation Preservation Chapters → *Commercial Zones*

PC Recommendation:

- Multifamily lot standards consistent with *Table 14T-18* shall apply to all portions of the district.

Alternatives Considered:

- Increased size of tree tracts
- Potential bonus (coverage/density)

Table 14T-18		
Type of Development	Lot Size	Required Now or Saved Trees
Developing Multifamily Lots	All	4 trees per 5,000 ft²
Developing Commercial or Industrial	All	2 Trees per 10,000 ft²

Primary Discussion Topics – Affordable Housing

Existing Code:

- Not directly addressed

PC Recommendation:

- Ground floor residential units must meet affordable housing definitions as identified within [RCW 36.70A.030\(5\)](#).
 - Units must be maintained as affordable for at least 50 years.

Alternatives Considered:

- Multifamily Tax Exemption (City approach)
- Townhouses as pathway to homeownership

RCW 36.70A.030 Definitions:

"Affordable housing" means, residential housing whose monthly costs, including utilities, do not exceed thirty percent of the monthly income of a household whose income is:

- a) For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located; or
- b) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located.

Thank You

<https://cityoflacey.org/NCD/>