



**LACEY CITY COUNCIL
WORKSESSION
THURSDAY, AUGUST 25, 2022
6:00 P.M. – 7:30 P.M.
REMOTE AND IN PERSON**

The Lacey City Council Worksession will be conducted both remote and in person.

The public may attend the meeting in person in the Council Chambers at Lacey City Hall, 420 College Street SE, Lacey, Washington, or you may view or listen to the meeting by using one of the following platforms:

Live through Zoom: <https://us02web.zoom.us/j/81592272355>

Live or as a recording on YouTube: <https://youtu.be/XSt6-3XOy2U>

Listen via telephone: (888) 788-0099 or (877) 853-5247 (Webinar ID 815 9227 2355)

AGENDA

6:00 QUASI-JUDICIAL PROCESS

*RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
(DISCUSSION)*

6:45 AUDIT CURRENT ZONING WITHIN CITY OF LACEY

*RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
(STAFF REPORT)*

7:30 ADJOURN



LACEY CITY COUNCIL WORKSESSION

August 25, 2022

SUBJECT: Neighborhood Commercial Designations and Implementation Code: LMC 16.36 Neighborhood Commercial District.

RECOMMENDATION: Provide guidance on whether the Community and Economic Development Department and the Planning Commission should begin review of the Neighborhood Commercial designation and implementation ordinance, LMC 16.36, including a public engagement strategy to receive neighborhood input.

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

ORIGINATED BY: City Council

ATTACHMENTS: 1. [LMC 16.36 Neighborhood Commercial zoning regulations](#)

FISCAL NOTE: 2080 hours in staff time. There will also be costs associated with materials, supplies and public engagement costs.

PRIOR REVIEW: None.

BACKGROUND:

The Meridian Market & Gas Conditional Use Permit Application, Project #20-310, was approved by City Council on June 2, 2022. This land use application sparked a large community reaction to a gas station being allowed in a Neighborhood Commercial Zone adjacent to single-family residential neighborhoods, city park and a public school. There was significant frustration that many of these concerns could not be addressed through the review of a Conditional Use Permit (quasi-judicial process) vested under the existing development codes. After completing the land use permitting process and listening to citizen comments, the Community and Economic Development Department is proposing to the City Council to consider reviewing the Neighborhood Commercial designation and

implementation codes based on a public engagement process to address neighborhood concerns. At the worksession, Community and Economic Development Staff will brief the City Council on the history of the Neighborhood Commercial designation, applicable Comprehensive Plan policies, implementation codes, and provide an overview of the neighborhood commercial sites within the City.

The existing Neighborhood Commercial zoning district was first established in 1980 with subsequent updates through the 1990's and into the 2000's. The intent of the zone is to provide small commercial uses in close proximity to residential areas that cater to the day-to-day needs of residents. The intent is to allow these types of uses near where people live so that they can accomplish daily tasks to limit the number of miles traveled to these types of uses elsewhere in the community.

The Land Use Element of the Comprehensive Plan contains goals and policies that apply to Neighborhood Commercial areas. These areas are identified in Chapter 3, Community Vision, as neighborhood nodes and as the focal point for the neighborhood. The Plan also identifies policies for these areas that the City provide neighborhood commercial zones near residential areas to provide opportunities for neighborhood shopping and services with a focus on pedestrian accessibility. These policies are consistent with the Sustainable Thurston Plan (adopted by the City in 2013), which sets the goal by 2035 that 72% of all (new and existing) households in our cities, towns, and unincorporated urban growth areas will be within a half-mile (comparable to a 20-minute walk) of an urban center, corridor, or neighborhood center.

The uses within the Neighborhood Commercial zone generally consists of uses accessed on a daily basis by neighborhood residents including coffee shops, cafes, day care centers, medical offices, post offices, etc. The existing zone does allow for residential uses but only when above commercial uses. Other development standards reflect the location of these zones near residential areas including a maximum building height of 35 feet (which is the same height requirement as the Low-Density Residential zone) and limitations on a maximum building size of 40,000 square feet for a building with multiple users and a limitation of 10,000 square feet where a building has a single use. Design review requirements in LMC 14.23 also address architectural design and neighborhood compatibility elements. Staff will review the existing zoning standards of the existing zone with the City Council at the meeting. The Neighborhood Commercial zoning chapter is attached.

Additionally, staff conducted an inventory of the existing Neighborhood Commercial-zoned lands within the community. The inventory will be presented at the work session and generally includes information on where these zones are located, development status (what has been developed vs. what has not yet developed), and what types of businesses are located in the existing developed areas.

The Council will be asked for a formal decision to refer the review of the Neighborhood Commercial designation to the Planning Commission for recommendations. If this project is added to the Planning Commission work program, the next steps will generally include:

- 1) CED staff conducting initial research and gathering information
- 2) Hold public forums with neighborhoods
- 3) Consolidate and assess neighborhood feedback
- 4) Brief Planning Commission
- 5) Develop alternatives
- 6) Hold public forums with neighborhoods on alternatives
- 7) Refine alternatives
- 8) Public hearing and Planning Commission recommendation

The above steps are a general outline. Depending on neighborhood feedback and Planning Commission discussion, there may be additional steps added for public engagement, research and discussion prior to a recommendation being issued. The public engagement strategy will focus on specific Neighborhood Commercial designations in each planning area and the needs of the adjacent neighborhoods. Depending on location, each Neighborhood Commercial designation may have some unique characteristics based on the surrounding built environment. It is anticipated that the initial community engagement efforts will focus first on the Neighborhood Commercial locations that are undeveloped, primarily in the northeast area, and then the designations that are primarily built. The anticipated timeline for this process is eight to twelve months, one FTE and material and public engagement costs.

ADVANTAGES:

1. Updating the Neighborhood Commercial zoning chapter will ensure that the regulations align with the community's vision for these areas.

DISADVANTAGES:

1. None identified.

Chapter 16.36

NEIGHBORHOOD COMMERCIAL DISTRICT

Sections:

- 16.36.010 Intent**
- 16.36.020 Permitted uses**
- 16.36.025 Prohibited uses**
- 16.36.030 Environmental performance standards**
- 16.36.040 Site area**
- 16.36.050 Building size**
- 16.36.060 Public right-of-way--Ingress, egress**
- 16.36.070 Parking**
- 16.36.080 Landscaping**
- 16.36.085 Architectural compatibility and site design**
- 16.36.090 Stormwater runoff**

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.

- A. The following uses are permitted in the Neighborhood Commercial zone provided the use occupies no more than ten thousand square feet of space and meets design review standards of Chapter [14.23](#) LMC. Provided further 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.

Antique store

Bakery

Banks and other financial services

Bar and cocktail lounge (c)

Barber shop

Beauty salon

Book store

Business and professional offices

Business support services

Cafes

Camera store

Clothing store

Coffee shop

Community clubs

Confection stores

Convenience stores

Cultural facilities

Day care

Deli

Drug store

Dry cleaner

Fabric and dry goods store

Florist

Food and liquor store

Gallery

Gas station (c)

Gift store

Grocery and produce

Hardware store and garden supply

Health club, gym

Instruction studio

Laundromat

Meat and fish shops

Medical offices

Music and dance studios

Neighborhood meeting hall and club facilities

Nursery and garden supplies

Personal services

Pet store

Photo shops

Post office

Radio, TV, music store

Residential uses above commercial

Restaurant except drive-through

Shoe and shoe repair stores

Small appliance and electronic equipment repair

Soda fountain

Specialty food

Stationery store

Tailor

Telecommuting services

Theater, under 50 seats

Toy store

Travel and other agencies

Urban agricultural uses as provided for and limited under Chapter [16.21](#) LMC

Variety store

Veterinarian

Video rental

(c)= Conditional uses, subject to conditional use review and approval.

B. Uses similar to uses listed above under A may be approved by the site plan review committee upon finding the use is consistent with the intent of this chapter and in the best interest of the surrounding neighborhood. (Ord. 1539 §84, 2019; Ord. 1368 §33, 2011; Ord. 1024 §41, 1995; Ord. 1024 §1, 1995).

16.36.025 Prohibited uses.

Uses other than those identified or described in LMC [16.36.020](#) are prohibited. (Ord. 691 §18, 1984).

16.36.030 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.

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 (uses with less than ten thousand square feet), low traffic generation, considerable walk-in trade, moderate lighting, and quiet operations. Operating hours may be twenty-four hours per day. Provided the site plan review committee may limit hours of operation for any activity that may have impacts to the surrounding neighborhood.

C. *Location.* Neighborhood commercial districts shall generally not be located within less than a one-half mile radius from another neighborhood commercial district or any other commercial district providing similar services or facilities.

D. *Storage.* Outside storage shall comply with the requirements of Chapter [16.57](#) LMC. (Ord. 1024 §42, 1995; Ord. 583 §2.22(C)(1), 1980).

16.36.040 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. (Ord. 1024 §42, 1995; Ord. 583 §2.22(C)(2)(a), 1980).

16.36.050 Building size.

The size of buildings shall be as follows:

- A. Maximum gross floor area of building for single use, ten thousand square feet;
- B. Maximum gross floor area of building for combination use, forty thousand square feet;
- C. Maximum building coverage, fifty percent;
- D. Maximum development coverage, seventy percent;
- E. Maximum building height, thirty-five feet;
- F. Setbacks:
 - 1. Front, maximum ten feet;
 - 2. Rear, minimum fifteen feet;
 - 3. Side, minimum ten feet. (Ord. 1220 §35, 2004; Ord. 1024 §42, 1995; Ord. 583 §2.22(C)(2)(b), 1980).

16.36.060 Public right-of-way--Ingress, egress.

- 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, with access from minor streets.
- B. *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, one for entering and one for leaving the site. (Ord. 1024 §42, 1995; Ord. 583 §2.22(C)(2)(c), 1980).

16.36.070 Parking.

- A. The number of parking spaces required shall be in accordance with Chapter [16.72](#) LMC and Table [16T-06](#).
- B. Parking spaces may be used for loading zones in this district, provided that loading operations shall not obstruct driveways.
- C. Off-street parking spaces are to be so arranged as to make it unnecessary for vehicles to back out into the public right-of-way.
- D. 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.
- E. All design, parking and pedestrian requirements for mixed use zones in Chapter [14.23](#) LMC shall also be satisfied. (Ord. 1220 §36, 2004; Ord. 1024 §42, 1995; Ord. 583 §2.22(C)(2)(d), 1980).

16.36.080 Landscaping.

- A. Requirements of Chapter [16.80](#) LMC shall be satisfied.
- B. A plan of all proposed landscaping shall be submitted along with the site plan for review by the site plan review committee. (Ord. 1220 §37, 2004; Ord. 1024 §42, 1995; Ord. 583 §2.22(C)(2)(e), 1980).

16.36.085 Architectural compatibility and site design.

All requirements of Chapter [14.23](#) LMC for mixed use zones shall be satisfied. (Ord. 1024 §43, 1995).

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. (Ord. 1496 §75, 2016; Ord. 1380 §1, 2012; Ord. 583 §2.22(C)(2)(f), 1980).

The Lacey Municipal Code is current through Ordinance 1619, passed April 7, 2022.

Disclaimer: The city clerk's office has the official version of the Lacey Municipal Code. Users should contact the city clerk's office for ordinances passed subsequent to the ordinance cited above.

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