City Council Regular Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, March 4, 2025	6:00 PM	Council Chambers and Online

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Land Acknowledgement**
   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.
5. **Approval of Agenda and Consent Agenda Items**
   A. Approval of the Minutes of February 11, 2025
   B. Approval of the Minutes of February 18, 2025
   C. Approval of wages, claims, and transfers for January 28 through February 21, 2025
6. **Public Recognitions and Presentations**
   A. Public Service Award: James Murray, Library Board
   B. Public Service Award: Kamber Good, Parks, Culture, and Recreation Board
   C. Public Service Award: Wendy Goodwin, Parks, Culture, and Recreation Board
7. **Proclamations**
   A. **American Red Cross Month**
   Larry Bleich, American Red Cross

8. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

9. Ordinances

A. **Ordinance 1673: Disposition of Surplus Real Property for Affordable Housing**
Dave Schneider, City Attorney

B. **Ordinance 1674: Revised LOTT Discharge and Industrial Pretreatment Regulations**
Peter Brooks, Water Resources Manager

C. **Ordinance 1675: Multifamily Tax Exemption Program Expansion**
Jennifer Adams, Housing Coordinator

D. **Ordinance 1676: 2024 Budget Encumbrance Carryover**
Troy Woo, Finance Director

10. Mayor's Report

A. Advisory Board Reappointment: Ruth Weigelt, Lodging Tax Advisory Committee

11. City Manager's Report

A. **Contract Award: Lift Station 11 Improvement Project (PW2022-11)**
Jason Kashani, Utility Engineer

12. Boards, Commissions and Committee Reports

A. Mayor Andy Ryder:

1. Mayors' Forum
2. Thurston Chamber Shared Legislative Committee
3. Transportation Policy Board (TPB)

B. Deputy Mayor Malcolm Miller:

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)
3. Thurston County Coalition Against Trafficking (TCCAT)
4. Joint Animal Services Commission (JASCOM)

C. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. TCOMM911
3. Opioid Abatement Council Independent Subcommittee

D. Councilmember Michael Steadman:

1. Nisqually River Council
2. Thurston County Law & Justice Council
3. Olympic Region Clean Air Agency (ORCAA)

E. Councilmember Carolyn Cox:

1. LOTT Clean Water Alliance
2. Regional Housing Council
3. Intercity Transit Authority

F. Councilmember Robin Vazquez:
1. Thurston Climate Mitigation Collaborative
2. Thurston Regional Planning Council (TRPC)

G. Councilmember Nicolas Dunning:
1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)

13. Council Discussion

A. **Metropolitan Park District**
Rick Walk, City Manager
Jennifer Burbidge, Parks, Culture, and Recreation Director
Troy Woo, Finance Director

14. Adjourn

Attendance and Public Comment

Attend 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/webinar/register/WN_bGNFQZj8ThOKUeh8NHwN9g
Website:	https://cityoflacey.org/government/public-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=9_cES5aFXd0
Cable:	Channel 77 with your local cable provider
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 890 5967 2737)

Verbal Public Comment
Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

a. Name
b. City of residence or connection to the City

c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person:	Use the sign-up sheet located in the Council Chambers.
Zoom:	Preregister using the following Zoom link no later than two hours prior to the meeting: https://us02web.zoom.us/webinar/register/WN_bGNFQZj8ThOKUeh8NHwN9g Instructions and access details will be provided once registration is complete.

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

Lacey City Council Worksession Minutes

Tuesday, February 11, 2025	6:00 PM	Council Chambers and Online

1. Call to Order

Mayor Ryder called the meeting to order at 6:00 p.m.

2. Roll Call

<u>Council Present</u>
Mayor Andy Ryder
Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein
Councilmember Michael Steadman
Councilmember Carolyn Cox
Councilmember Robin Vazquez
Councilmember Nicolas Dunning

<u>Planning Commission Present</u>
Chair Jeffrey Gadman (present until 8:00 p.m.)
Commissioner Gail Madden
Commissioner Kyrian MacMichael
Commissioner Robert Lane
Commissioner Elliot Kirk
Commissioner Spencer Zeman

<u>Staff Present</u>
Rick Walk, City Manager
Dave Schneider, City Attorney (remote)
Vanessa Dolbee, Community and Economic Development Director
Ryan Andrews, Planning Manager
Hans Shepherd, Senior Planner
Jennifer Adams, Housing Coordinator
Linsey Fields, Climate and Sustainability Coordinator
Brandy Legomina, Deputy City Clerk

3. Land Acknowledgement

Mayor Ryder presented the abbreviated Land Acknowledgment.

4. Approval of the Agenda

Councilmember Greenstein moved to approve the agenda, as published. Councilmember Vazquez seconded. The motion carried.

5. Public Comment

No verbal or written public comment was received.

6. Agenda Items

A. City Council/Planning Commission Comprehensive Plan Update
Vanessa Dolbee, Community and Economic Development Director
Ryan Andrews, Planning Manager

Dolbee introduced the Comprehensive Plan Updates for the Land Use, Transportation, Climate, and Housing Elements.

Andrews provided an overview of the 2025 Comprehensive Plan Update and listed achievements, such as the Neighborhood Commercial Amendment, Critical Areas Ordinance Update, Development Guidelines and Public Works Standards Update, Permit Processing Ordinance (SB 5290), Joint Plan Rezone Application, and Commute Trip Reduction Plan.

1. **Land Use Element: Future Land Use Maps**
Hans Shepherd, Senior Planner

Shepherd provided an overview of the Land Use Element of the Comprehensive Plan Update. Shepherd presented the Land Capacity analysis, citing Thurston Regional Planning Council's Buildable Lands Report. The analysis indicates that there is sufficient land and density to accommodate projected growth as an urban community, but falls short on the benchmark goal set by the Thurston County Climate Mitigation Plan. Shepherd noted new legislation, HB 1110, helps to increase the current land capacity without changing boundaries.

Shepherd presented results from the Geobudgeting Survey, which showed where community members would like to locate residential and commercial infrastructure throughout the city. Shepherd presented the proposed addition of the Future Land Use Map (FLUM) to the currently adopted Zoning Map and proposed priority alternatives to the FLUM. Discussion ensued.

2. **Transportation Element**
Steven Goodsell, Fehr & Peers

Goodsel provided an overview of the Transportation Element of the Comprehensive Plan Update. Goodsel detailed Transportation Element requirements, expanding on HB 1181: Active Transportation Facilities; Multimodal Planning and Level of Service; Climate-Related Metrics; ADA Transition Plan; State Facilities Funding; HB 1110 & HB 1337: Housing. Goodsel listed Washington State Department of Commerce and

Thurston Regional Planning Commission Transportation Element checklist requirements. Goodsel presented transportation themes including measurements of traffic stress, complete streets, sustainability, 2030 Transportation Plan forecasts based on 2012 conditions, and the 2018 Pedestrian and Bicycle Plan. Discussion ensued.

3. **Climate Change and Resiliency Element**
   Ron Whitmore and Robyn Wong, Raimi Associates
   Linsey Fields, Climate and Sustainability Coordinator

Fields presented the Climate Change Element of the Comprehensive Plan Update. Fields detailed HB 1181: Climate Planning mandates, which requires the City to create the Climate Element, Green House Gas (GHG) Emission Reduction Sub-element and Climate Resiliency Sub-element. Fields discussed GHG sub-element reduction requirements and the creation of the interdepartmental climate team who will work on goals and policies for the adoption of the comprehensive plan. Fields detailed Thurston County Mitigation Plan goals and the Washington State Department of Ecology goal of reducing GHG emissions.

Whitmore and Wong presented the Resiliency Sub-element of the Comprehensive Plan Update. The purpose of the resiliency sub-element is to avoid or reduce the adverse impacts of climate change in human communities and ecological systems through goals, policies, and programs consistent with credible science. Wong presented the project scope, workplan, and work completed to date. Wong expanded on the Plan and Policy Audit, Vulnerability and Risk Assessment, and presented current policy frameworks. Wong presented statistics on community input relating to climate experiences and priorities. Discussion ensued.

4. **Housing Element**
   Jennifer Adams, Housing Coordinator

Adams presented the Housing Element of the Comprehensive Plan Update. Adams presented population growth forecasts and statistics on low-income housing needs. Adams detailed legislative mandates set by HB 1220, which amends the Growth Management Act to require planning for housing by income bands, address racially disparate impacts, displacement and exclusion; HB 1110 and HB 2321, which focuses on the Middle Housing initiative and requires the adoption of an ordinance that incorporates development, zoning and other regulations to include middle housing types; and HB 1337, which requires cities to allow 2 Accessory Dwelling units; ESSSB 5258, which requires cities and counties to include unit lot subdivisions in their short plat regulations, and E2SHB 1998, which requires cities and counties to adopt development regulations allowing co-living. Discussion ensued.

7. Adjourn

Mayor Ryder adjourned the meeting at 8:55 p.m.

City Council Regular Meeting Minutes
Tuesday, February 18, 2025 - Council Chambers and Online

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1. Call to Order
Mayor Andy Ryder called the meeting to order at 6:00 p.m.

2. Roll Call
Council Present
Mayor Andy Ryder
Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein (remote)
Councilmember Michael Steadman
Councilmember Carolyn Cox
Councilmember Nicolas Dunning

Council Excused
Councilmember Robin Vazquez

Staff Present
Rick Walk, City Manager
Shannon Kelley-Fong, Assistant City Manager
Dave Schneider, City Attorney
Jenny Bauersfeld, Community Relations Specialist
Michelle Chavez, Human Services Coordinator
Elissa Fontaine, City Clerk

3. Pledge of Allegiance
Mayor Ryder led the flag salute

4. Land Acknowledgement
Mayor Ryder presented the abbreviated Land Acknowledgment.

5. Approval of Amended Agenda and Consent Agenda Items
A. Worksession Minutes of January 28, 2025

B. Council Minutes of February 4, 2025

C. Approval of wages, claims, and transfers for January 10, through February 7, 2025

Mayor Ryder requested to amend the agenda to add Resolution 1164 immediately before the Mayor's Report (*see Agenda Item 9.A).

Deputy Mayor Miller moved to approve the amended agenda and consent agenda. Councilmember Cox seconded. The motion carried.

6. Public Recognitions and Presentations

A. Lacey Youth Council Report

The following representatives presented reports:

Isabella Valerio, River Ridge High School
Lily Schneider, North Thurston High School
Luka Froehlich, Home School
Lydia Neat, Northwest Christian High School
Aryan Kumar, Timberline High School
Eliana Allin, Pope John Paul II High School and Youth Council

B. Public Service Award: John Grausam, Capital Area Regional Public Facilities District

Mayor Ryder and Council presented John Grausam with a public service award for his service on the Capital Area Regional Public Facilities District Board of Directors. Grausam was present to accept the award.

C. Public Service Award: Adam Gonzales, Lacey Veterans Services Hub

Mayor Ryder and Council presented Adam Gonzales with the distinguished public service award for his volunteer service with the Lacey Veterans Services Hub Transportation Program. Gonzales was present to accept the award.

D. Public Service Award: James Notter, Lacey Veterans Services Hub

Mayor Ryder and Council presented James Notter with the distinguished public service award for his volunteer service with Lacey Veterans Services Hub Transportation Program. Notter was present to accept the award.

7. Proclamations

A. Cancer Awareness Month

Nichole Woolsey, Senior Development Manager, American Cancer Society

Mayor Ryder and Council proclaimed February 2025 as Cancer Prevention Month. Woolsey and representatives of the American Cancer Society were present to accept the proclamation.

8. Public Comment

Verbal Public Comment
No (0) person(s) signed up to speak at the meeting in-person or remotely. No (0) person(s) registered to speak remotely.

Written Public Comment
No (0) written public comment(s) were received.

9. Resolutions

A. **Resolution 1164: Rescinding Resolution 1162, ULID 25 Public Hearing Date**
Dave Schneider, City Attorney
*Item added on February 18, 2025

Schneider presented draft Resolution 1164, rescinding Resolution 1162. Resolution 1162 previously fixed a hearing date of March 18, 2025, to consider the final assessment roll for the Utility Local Improvement District (ULID) 25. It was later determined that minor adjustments would be required, and the final assessment roll would not be prepared in time to meet the statutory requirements of a March 18, 2025, public hearing. Staff recommend adopting Resolution 1164, in order to fix a new hearing date once the necessary adjustments are completed, and the final assessment roll is prepared.

Councilmember Steadman moved to adopt Resolution 1164, rescinding Resolution 1162. Councilmember Dunning seconded. The motion carried.

10. Mayor's Report

Mayor Ryder announced he attended a Chinese New Year Event and thanked the Olympia Area Chinese Association for hosting.

A. Advisory Board Reappointment: Judith Doyle, Planning Commission
Mayor Ryder moved to re-appoint Judith Doyle to the Planning Commission. Deputy Mayor Miller seconded. The motion carried.

11. City Manager's Report

A. **Lacey Veterans Services Hub Update**
Michelle Chavez, Human Services Coordinator

Chavez provided a presentation on the Lacey Veterans Services Hub (Hub). The Hub provides a comprehensive range of supportive services, including assistance with Veterans Benefits, housing, employment, nutrition, education, healthcare, mental health, and legal aid. The presentation included an overview of services, history, project updates, statistics, and process improvements. Chavez also highlighted current partners, providers, the volunteer workforce, and a recent update to management operations.

B. **Lacey Neighborhood Grant Overview**
Jenny Bauersfeld, Community Relations Specialist

Bauersfeld presented a review of the annual Lacey Neighborhood Grant Program (LNGP). The matching-grant program awards up to $2,500 for projects that foster community pride, beautify the city, and expand community-member involvement. The LNGP is available to both formally recognized Homeowners Associations, and informal neighborhood groups located within city limits. Applications are due by Monday, March 31, 2025.

12. Boards, Commissions and Committee Reports

A. Mayor Andy Ryder:

1. Mayors' Forum
2. Thurston Chamber Shared Legislative Committee
3. Transportation Policy Board (TPB)

Mayor Ryder provided a report from the Transportation Policy Board.

B. Deputy Mayor Malcolm Miller:

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)
3. Thurston County Coalition Against Trafficking (TCCAT)
4. Joint Animal Services Commission (JASCOM)

Deputy Mayor Miller provided a report from JASCOM.

C. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. TCOMM911
3. Opioid Abatement Council Independent Subcommittee

Councilmember Greenstein provided a report from TCOMM911.

D. Councilmember Michael Steadman:

1. Nisqually River Council
2. Thurston County Law & Justice Council
3. Olympic Region Clean Air Agency (ORCAA)

Councilmember Steadman provided a report from ORCAA.

E. Councilmember Carolyn Cox:

1. Lacey-Olympia-Tumwater-Thurston Clean Water Alliance (LOTT)
2. Regional Housing Council
3. Intercity Transit Authority

Councilmember Cox provided reports from the Intercity Transit Authority and the Regional Housing Council.

F. Councilmember Robin Vazquez:

1. Thurston Climate Mitigation Collaborative (TCMC)
2. Thurston Regional Planning Council (TRPC)
3. Thurston County Board of Health

Councilmember Vazquez was excused and no reports were provided.

G. Councilmember Nicolas Dunning:

1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)

Councilmember Dunning provided reports from SWAC and the VCB.

13. Adjourn

Mayor Ryder adjourned the meeting at 7:28 p.m.

LACEY CITY COUNCIL MEETING
March 4, 2025

SUBJECT: **Disbursement Approval**

RECOMMENDATION: **By motion, approve payment of claims, wages, and transfers.**

STAFF CONTACT: Chelsea Yarwood, Accounting Manager CY
Alix Turcotte, Senior Accountant
Carrie Bode, Accounting Technician CB

ORIGINATED BY: Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 01/28/2025 through 02/21/2025. The disbursements consist of the following:

Checks:	Week of	Beg. Check No.	End. Check No.	Amount
	2/14/2025	278712	278782	175,928.84
	2/21/2025	278783	278826	158,529.39

Electronic Transfers:	Week of	Amount
	1/28/2025	38,173.84
	2/10/2025	30.30
	2/11/2025	10.00
	*2/12/2025	1,502.96
	2/12/2025	140.40
	2/12/2025	4,956.85
	2/12/2025	123,090.21
	2/12/2025	757.00
	2/14/2025	302,249.19
	2/21/2025	119,571.03

*Disbursements for employee out-of-pocket deductions and employee benefits.

Significant Disbursements:

Vendor		Amount	Description
Department of Revenue	$	123,090.21	January 2025 Excise Taxes
H D Fowler	$	123,671.83	Replace Irrigation Clocks

CITY OF LACEY
Official Proclamation

WHEREAS, in times of crisis, communities come together to care for one another; American Red Cross volunteers and donors exemplify this humanitarian spirit; and

WHEREAS, in 1881, Clara Barton founded the American Red Cross, turning her dedication of helping others into a bold mission of preventing and alleviating people's suffering; and

WHEREAS, today more than 140 years later, we honor the kindness and generosity of Red Cross volunteers, who continue to carry out Clara's lifesaving legacy; they join the millions of people across the United States who volunteer, give blood, donate financially, or learn vital life-preserving skills through the Red Cross; and

WHEREAS, in Lacey, the contributions of local Red Cross volunteers give hope to the most vulnerable in their darkest hours – whether it's providing emergency shelter, food, and comfort for families devastated by local disasters like home fires; and

WHEREAS, donating essential blood for accident and burn victims, heart surgery and organ transplant patients, and those receiving treatment for leukemia, cancer, or sickle cell disease; and

WHEREAS, the Red Cross partners with our own Lacey Veterans Services Hub and other veteran organizations to sponsor the Thurston County Veterans Resource Fair which provides vital resources for veterans as well as active-duty military throughout Thurston County; and

WHEREAS, their work to prevent and alleviate human suffering is vital to strengthening our community's resilience; and

NOW, THEREFORE, I, Andy Ryder, Mayor of the City of Lacey, on behalf of the Lacey City Council, do hereby proclaim March 2025, as

American Red Cross Month

in the City of Lacey and I encourage all community members to reach out and support its humanitarian mission.

Andy D. Ryder

Mayor Andy Ryder
March 4, 2025

LACEY CITY COUNCIL MEETING
March, 4, 2025

SUBJECT: **Disposition of Surplus Property for Affordable Housing**

RECOMMENDATION: **Motion:** Move to approve Ordinance #1673 to adopt new Chapter 2.74 of the Lacey Municipal Code.

STAFF CONTACT: Rick Walk, City Manager RW
Dave Schneider, City Attorney DS
Vanessa Dolbee, Director of Community and Economic Development VD
Ryan Andrews, Community Planning Manager RA
Jennifer Adams, Housing Coordinator JA

ORIGINATED BY: City Attorney

ATTACHMENTS: 1. Ordinance 1673

FISCAL NOTE: None.

HOUSING ACTION PLAN (2019): Strategy 1:(1) (a) Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing.

PRIOR REVIEW: None.

BACKGROUND:

RCW 39.33.015 authorizes municipalities (and other state agencies) to transfer, lease, or dispose of surplus public property for affordable housing. Provided the requirements of RCW 39.33.015 are met, a municipality has broad discretion to dispose of surplus property for affordable housing, to include a no cost transfer. One of the requirements is that the instrument transferring or conveying the property must contain a covenant or other restriction which requires the property to be used for affordable housing, with remedies that apply if the property is not used for that public benefit purpose. A second requirement is that the legislative authority of the municipality must enact rules to regulate the disposition of property for affordable housing. Currently, the Lacey Municipal Code does not address property disposition for this purpose.

The proposed Ordinance No. 1673 addresses this gap by establishing a new Chapter 2.74; Disposal of Surplus Property for Affordable Housing. The addition of this chapter authorizes the City to dispose of surplus property specifically to support affordable housing, in accordance with the provisions of RCW 39.33.015. Any disposition of surplus property would require Council approval via the adoption of a resolution. The resolution would identify the surplus property, describe the circumstances under which the property was obtained, identify the fund account to which any proceeds would be credited, and describe how the property should be disposed of, among other requirements.

Ordinance No. 1673 aligns with the City's ongoing efforts to expand housing options for low- and moderate-income households. Chapter 2.74 will provide a clear framework for the disposition of City surplus property to support affordable housing projects within the community.

NEXT STEPS:

Option 1: Approve Ordinance No. 1673 to adopt new Chapter 2.74 of the Lacey Municipal Code to allow the disposition of surplus property for affordable housing.

Option 2: Provide alternative direction to City staff for an option not listed here. Staff would return to City Council at a later date to discuss alternative option(s) pursued.

ORDINANCE NO. 1673

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY RELATED TO THE DISPOSITION OF SURPLUS PROPERTY FOR AFFORDABLE HOUSING, ADDING A NEW CHAPTER 2.74 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, RCW 39.33.015 authorizes cities to dispose of surplus real property owned by the City for public benefit purposes, defined therein as affordable housing for low-income and very low-income households; and

WHEREAS, RCW 39.33.015 provides that disposal of such surplus property may be at less than fair market value, including no cost transfers if agreeable by the City; and

WHEREAS, to take advantage of the provisions of RCW 39.33.015 the City must enact rules to regulate the disposition of property for public benefit purposes; and

WHEREAS, the City Council wishes to have the option available to surplus and dispose of City-owned real property for public benefit purposes in the event the City Council finds it is in the best interests of the City and its residents to do so; and

WHEREAS, the City Council finds and determines adoption of this ordinance to be in the public interest and in the best interest of the City and its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. A new Chapter 2.74 is hereby added to the Lacey Municipal Code, to read as follows:

Chapter 2.74 DISPOSAL OF SURPLUS REAL PROPERTY FOR AFFORDABLE HOUSING

2.74.010 Policy

2.74.020 Definitions

2.74.030 Resolution

2.74.040 Disposition Procedure

2.74.050 Limitation of Section

2.74.010 Policy

It is the policy of the City of Lacey that surplus real property may be disposed of for affordable housing purposes as authorized under RCW 39.33.015 when the City Council finds that affordable housing is needed within the City and the disposition of the property for affordable housing is in the best interest of the City and its residents.

2.74.020 Definitions

The definitions in RCW 39.33.015 as now existing and as amended are hereby adopted.

2.74.030 Resolution

A. The City Council shall adopt a resolution which clearly states that the property is considered surplus to the City's needs and that the property shall be disposed of for a public benefit purpose pursuant to RCW 39.33.015.

B. The resolution shall contain the following information:

1. A description of the property parcel size, general location, legal description and Thurston County Assessor's tax parcel number;
2. A description of the circumstances under which the property was obtained;
3. A description of any restrictions on the disposal of the property resulting from federal, state or other grant funding sources;
4. A statement identifying the fund account to which proceeds from its sale, if any, should be credited;
5. A summary of the history of municipal use, if any, or uses for which it might be held;
6. Assessor's value of the property;
7. A description of how the property should be disposed;
8. A summary of the easements, covenants or deed restrictions that will be imposed on the property as part of the disposition; and

9. A determination of the minimum sale or lease price, or if the sale or lease is for no cost, a statement that indicates such.

C. No appraisal or valuation information is necessary.

D. In the event that after surplus the City Council determines that the property will not be disposed of pursuant to RCW 39.33.015, the surplus resolution shall be rescinded, and the property will go through the normal surplus procedures

2.74.040 Disposition Procedure

A. Disposition of surplus real property for public benefit purposes of providing affordable housing may be at no cost, a long-term lease, or an amount determined appropriate by the City, even if that amount is less than the appraised, assessed or fair market value of the property.

B. Disposition of surplus real property may be by direct negotiation with a non-profit, 501(c)(3) or similar entity that provides affordable housing for City residents.

C. In the alternative, if the City Council deems it appropriate, disposition of surplus real property may be accomplished through an RFP procedure, sealed bid, or auction.

D. In all cases, the deed, lease or other instrument transferring or conveying the property shall include a covenant or other requirement that the property shall be used for a public benefit purpose and remedies that apply in the event the recipient of the property fails to use the property for the designated public benefit purpose or ceases to use the property for such purpose.

E. Recipients of surplus real property shall pay all costs of the transfer, including, but not limited to, appraisal costs, title fees, excise tax and recording fees.

2.74.050 Limitation of Section

This section is not applicable to surplus, sale, transfer, disposition or lease of City real property for purposes other than affordable housing pursuant to RCW 39.33.015.

Section 2. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly called meeting thereof, held this 4th day of March, 2025.

CITY COUNCIL

By:______________________
Mayor

Approved as to form:

____
City Attorney

Attest:

____
City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO 1673

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on March 4th, 2025, Ordinance No. 1673, entitled "AN ORDINANCE OF THE CITY OF LACEY RELATED TO THE DISPOSITION OF SURPLUS PROPERTY FOR AFFORDABLE HOUSING, ADDING A NEW CHAPTER 2.74 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION."

The main points of the Ordinance are described as follows:

1. The Ordinance adds a new Chapter 2.74 to the Lacey Municipal Code which authorizes the disposition of surplus property for affordable housing and sets forth the rules for doing so.

2. The Ordinance approves this Summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: _____________________, 2025.

LACEY CITY COUNCIL WORKSESSION
March 4, 2025

SUBJECT: **Ordinance Adopting Recently Revised LOTT Discharge and Industrial Pretreatment Regulations.**

RECOMMENDATION: **Motion: Move to approve ordinance #1674 adopting the recently revised LOTT Discharge and Industrial Pretreatment Regulations.**

STAFF CONTACT: Rick Walk, City Manager RW
Scott Egger, Director of Public Works SE
Peter Brooks, Water Resources Manager PCB

ORIGINATED BY: Public Works Department

ATTACHMENTS: 1. Ordinance #1674

FISCAL NOTE: This ordinance has no direct fiscal impact.

WORK PLAN GOAL AND STRATEGY: Environmental Protection

PRIOR REVIEW: None

BACKGROUND:

At the LOTT Board meeting of February 12, 2025, the LOTT Board adopted the revised "LOTT Discharge and Industrial Pretreatment Regulations". These regulations set forth uniform requirements for Users of the Publicly Owned Treatment Works (POTW) for the LOTT Alliance and the Cities of Lacey, Olympia, and Tumwater, and for Thurston County and enables the LOTT Alliance and the partner jurisdictions to comply with all applicable State and Federal laws.

The LOTT Publicly Owned Treatment Works (POTW), i.e. the Budd Inlet and Martin Way treatment facilities, operate under a National Pollution Discharge Elimination System (NPDES) permit issued by the Washington State Department of Ecology (Ecology). This permit requires that the effluent discharged from the POTWs do not exceed specified limits for a number of parameters. Either LOTT has to treat the wastewater to this standard, or it can require customers, chiefly certain commercial and industrial customers, to pretreat their wastewater. Clearly, requiring the polluter to pretreat their wastes keeps costs lower for the rest of the customer base. In addition, some wastewater constituents need to be removed via pretreatment to protect the wastewater collection system and wastewater maintenance workers. Examples include, fats, oils, and grease (FOG), strong acids and bases, flammable liquids, surfactants and foaming agents, and herbicides and pesticides.

LOTT enforces these pretreatment standards through the LOTT Discharge and Industrial Pretreatment Regulations (regulations). LOTT does this by issuing industrial pretreatment permits to those accounts whose wastewater exceeds certain standards. In a strict legal sense it is the City of Lacey who has the wastewater customer and thus has the legal authority to enforce the regulations. That is why the City of Lacey needs to adopt the regulations into the Lacey Municipal Code. However, as a service to the partners LOTT staff work in consultation with the LOTT partners to enforce the regulations. LOTT staff monitor those wastewater accounts holding pretreatment permits. If a permit violation is observed by a LOTT staff member, then that LOTT staff member drafts the Notice of Violation (NOV). The NOV is then reviewed by City of Lacey staff, printed on City of Lacey letterhead, and signed by the City of Lacey Public Works Director before being sent to the wastewater pretreatment permit holder. This collaborative process dramatically reduces the enforcement workload for City of Lacey staff.

Ecology recently issued LOTT a new updated NPDES permit. The regulations were revised to accommodate permit changes implemented by the Washington State Department of Ecology and to improve the clarity of the regulations. Historically, the City of Lacey has codified this regulation by reference in LMC 13.10.010. Ordinance #1674 contains language which will automatically adopt future updates of the regulation.

NEXT STEPS:

Option 1: Move to approve ordinance #1674 adopting the recently revised LOTT Discharge and Industrial Pretreatment Regulations.

Option 2: No change. This would leave LMC 13.10.010 out of date and thus not referring to the current LOTT regulation.

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.

ORDINANCE NO. 1674

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY RELATED TO LOTT DISCHARGE AND INDUSTRIAL PRETREATMENT REGULATIONS, AMENDING SECTION 13.10.010 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the City has previously adopted the LOTT Discharge and Industrial Pretreatment Regulations as revised in 2007 and modified in 2008 as the official rules and regulations of the City for discharges into the City's Wastewater System; and

WHEREAS, On February 12, 2025, the LOTT Board adopted revisions to said regulations; and

WHEREAS, the City Council finds adoption of said revisions to be in the public interest and in the best interest of the City and its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. Section 13.10.010 of the Lacey Municipal Code is hereby amended to read as follows:

LOTT Discharge and Industrial Pretreatment Regulations.

That certain document titled "LOTT Discharge and Industrial Pretreatment Regulations," as revised in 2025 and as the same may hereafter be amended, revised or modified~~07, and modified in 2008~~, is hereby adopted as the official rules and regulations of the City of Lacey setting forth industrial pretreatment requirements and regulations of discharges into the City's wastewater system. For purposes of said regulations, the term "City" shall mean the City of Lacey.

Section 2. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly called meeting thereof, held this 4th day of March, 2025.

CITY COUNCIL

By:______________________
Mayor

Approved as to form:

____
City Attorney

Attest:

____
City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO 1674

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on March 4th, 2025, Ordinance No. 1674, entitled "AN ORDINANCE OF THE CITY OF LACEY RELATED TO LOTT DISCHARGE AND INDUSTRIAL PRETREATMENT REGULATIONS, AMENDING SECTION 13.10.010 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION."

The main points of the Ordinance are described as follows:

1. The Ordinance adopts the 2025 revisions to the LOTT Discharge and Industrial Pretreatment Regulations as adopted by section 13.10.010 of the Lacey Municipal Code.

2. The Ordinance approves this Summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: _____________________, 2025.

LACEY CITY COUNCIL MEETING
March 4, 2025

SUBJECT: **Adoption of Ordinance 1675 – Multifamily Tax Exemption Program Expansion**

RECOMMENDATION: **Motion:** Move to approve Ordinance 1675 to adopt the Multifamily Tax Exemption (MFTE) Program Expansion

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STAFF CONTACT: Rick Walk, City Manager RW
Vanessa Dolbee, Director of Community and Economic Development VD
Ryan Andrews, Community Planning Manager RA
Jennifer Adams, Housing Coordinator JA

ORIGINATED BY: City Council

ATTACHMENTS:
1. Ordinance 1675
2. Resolution No. 1161
3. Exhibit A (Neighborhood Commercial District Description)
4. Exhibit B (Neighborhood Commercial District Maps)

FISCAL NOTE: None.

PRIOR REVIEW:
1. October 8, 2024, Council Work Session
2. January 21, 2025, City Council Meeting (Resolution No. 1161, Public Hearing)

BACKGROUND:

On December 18, 2014, the Lacey City Council adopted Ordinance 1452, which identifies the requirements for a local MFTE program and designated the Woodland District as a Residential Target Area (RTA) as defined by the RTA designation requirements of RCW 84.14.040. The Council adopted the 8-year option with no affordability requirements and the 12-year option requiring a minimum of 20% and a maximum of 30% of units meet affordability requirements, which is codified within Lacey Municipal Code (LMC) Chapter 3.64.

MFTE Expansion:

As Lacey continues to grow, expanding the MFTE program into additional residential targeted areas defined by RCW 84.14.040, presents a strategic opportunity to support housing development and affordability in other areas of the city. Expanding this program requires careful consideration to ensure that expansion will continue to align with the City's long-term housing and economic development goals, and considerations of staff capacity to track, monitor, and report on projects utilizing the program.

At its October 8, 2024 work session, City Council directed staff to pursue the next steps required to expand the multi-family tax exemption (MFTE) program. The Council agreed to explore the following options for the expansion, all of which include an affordable housing component:

1. Include the Neighborhood Commercial District as a Residential Target Area (RTA) for the 12-year MFTE program and the 20-year MFTE program.

2. Expand the MFTE program in the Woodland District to include the 20-year MFTE program.

3. Include a 12-year MFTE extension option for the 8-year and the 12-year MFTE programs in both the Neighborhood Commercial and Woodland Districts.

An issue for consideration by City Council is the currently adopted MFTE Ordinance, LMC 3.64, places a maximum total number of affordable units in a project at 30%. To implement City Council's direction to expand the MFTE program to achieve affordable housing, the 30% maximum requirement would hinder the effectiveness of expanding the program as described above unless Council removes the 30% maximum affordable unit threshold.

During a City Council Meeting on January 7, 2025, Council adopted Resolution No. 1161, establishing a public hearing date for the MFTE program expansion for January 21, 2025. The purpose of the public hearing was to seek public comment on and consider the designation of the Neighborhood Commercial District as a residential targeted area. In addition, the public hearing allowed for comment on the program options recommended for inclusion in the expansion process.

The hearing was conducted on January 21, 2025 and no comments were received. After the public hearing, the City Council then agreed to move forward with the guidance provided during the October 8, 2024, Council work session, and directed staff to prepare draft language for an update to Chapter 3.64 (Multifamily Tax Exemption Program) of the Lacey Municipal Code (LMC).

Staff Recommendation

Staff recommends approval of Ordinance 1675 to expand the MFTE program into the Neighborhood Commercial (NC) District, offer the 12-year and 20-year MFTE options in the NC District, add the 20-year MFTE option in the Woodland District, and offer a 12- year extension option (for 8-year and 12-year MFTE programs) in both the NC and Woodland Districts. In addition, staff recommends removing the maximum number of qualifying affordable units not to exceed 30% provision currently contained in LMC 3.64.040A.1.b.

NEXT STEPS:

Option 1: Approve Ordinance 1675 to expand the MFTE program to the Neighborhood Commercial District and expand MFTE program options in the Neighborhood Commercial and Woodland Districts.

Option 2: Approve Ordinance 1675, with an amendment to strike the provisions limiting the maximum number of qualifying affordable units to 30% in Ordinance Section 4., LMC 3.64.040A.1.b.

Option 3: Provide direction to City staff on potential modifications to Ordinance 1675. After providing additional direction, City staff would then return to the Lacey City Council for further review and final action, at a later date.

ORDINANCE NO. 1675

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY RELATED TO THE MULTIFAMILY TAX EXEMPTION PROGRAM, AMENDING SECTIONS 3.64 010, 3.64.020, 3.64.030 AND 3.64.040, ALL OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, In 1995 the Washington State Legislature initiated the multifamily tax exemption (MFTE) program, codified at RCW 84.14, to incentivize residential development in urban centers, designated as “Residential Targeted Areas,” in Washington jurisdictions; and

WHEREAS, the MFTE program functions as a tool to encourage residential opportunities, including affordable housing, in the urban centers of cities planning under the Growth Management Act and to stimulate multi-family housing development; and

WHEREAS, the purpose of the tax exemption is to facilitate reinvestment and redevelopment in the area around the residential project that would, over time, provide additional commercial services, and to increase revenues for the tax districts to continue to provide public services; and

WHEREAS, On December 18, 2014, the Lacey City Council adopted Ordinance 1452, which identifies the requirements for a local MFTE program and designated the Lacey Woodland District as a Residential Targeted Area; and

WHEREAS, As Lacey continues to grow, expanding the MFTE program into additional residential targeted areas presents a strategic opportunity to support housing development and affordability in other areas of the city; and

WHEREAS, Expanding the MFTE program requires careful consideration to ensure that expansion will continue to align with the City’s long-term housing and economic development goals, and considerations of staff capacity to track, monitor, and report on projects utilizing the program; and

WHEREAS, On January 7, 2025, the Lacey City Council adopted Resolution No. 1161 setting a public hearing date to seek public comment on and consider the designation of the Neighborhood Commercial District as a residential targeted area; and

WHEREAS, On January 21, 2025, upon proper notice pursuant to the requirements of RCW 84.14.040(3), the Lacey City Council conducted a public hearing at which no comments were received; and

WHEREAS, the City Council finds and determines adoption of this ordinance to be in the public interest and in the best interest of the City and its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. Section 3.64.010 of the Lacey Municipal Code is hereby amended to read as follows:

3.64.010 Purpose.

A. As provided for in Chapter 84.14 RCW, the purpose of this chapter is to provide limited, eight,~~- or~~ twelve, or twenty-year exemptions from ad valorem property taxation for qualified new multifamily housing located in designated residential targeted areas.

B. To promote and incentivize the development, and redevelopment, of a balanced socio-economic mix of housing within the residential target areas as a catalyst for additional investment and development of land uses that create~~s a~~ vibrant, urban ~~mixed use~~mixed-use districts.

Section 2. Section 3.64.020 of the Lacey Municipal Code is hereby amended to read as follows:

3.64.020 Definitions.

For the purposes of this chapter, the following definitions shall apply:

A. "Administrator" means the director of the city of Lacey community and economic development department or designee assigned to carry out this chapter.

B. "Affordable housing" means residential housing that is rented by or sold to a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low- or moderate-income households.

C. “Household” means a single person, family, or unrelated persons living together.

D. “Low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development.

E. “Moderate-income household” means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development. For cities located in high-cost areas, “moderate-income household” means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent, of the median family income adjusted for family size, for the county where the project is located.

F. “Multiple-unit housing” means a building having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

G. “Owner” means the property owner of record.

H. “Permanent residential occupancy” means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

I. “Rehabilitation improvements” means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

J. “Residential targeted area” means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, “residential targeted area” may not include a campus facilities master plan.

K. “Substantial compliance” means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

L. “Urban center” means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

1. Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies; and
2. Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and
3. A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.
4. Exception. Neighborhood Commercial districts that do not otherwise meet the criteria outlined in this definition may still be considered ‘urban centers’ for the purposes of the multifamily tax exemption program, at the discretion of the Community and Economic Development Department Director. This exception applies to districts designated for future urban center characteristics in accordance with LMC 16.36 (Neighborhood Commercial District) and contingent upon demonstrating substantial progress toward meeting these criteria.

Section 3. Section 3.64.030 of the Lacey Municipal Code is hereby amended to read as follows:

3.64.030 Residential target area, hearing on resolution, target area designation and standards.

A. *Woodland District Target Area Classification.* Those areas as located within the Woodland District zoning district as shown on the city of Lacey ~~Comprehensive Plan and Land Use~~Zoning Map~~s~~ are designated as residential target areas.

B. *Neighborhood Commercial Target Area Classification.* Those areas as located within the Neighborhood Commercial District zoning district as shown on the city of Lacey Zoning Map are designated as residential target areas.

C. Designation of additional residential target areas shall follow the process and procedures identified in RCW 84.14.040.

Section 4. Section 3.64.040 of the Lacey Municipal Code is hereby amended to read as follows:

3.64.040 Tax exemption for multifamily housing in target areas.

A. *Duration of Exemption.* The value of improvements qualifying under this chapter is exempt from ad valorem property taxation as follows:

1. For properties for which applications are submitted after the date of adoption of the ordinance codified in this chapter, the value is exempt:

   a. For properties in the Woodland District Target Area only, for eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the final certificate of tax exemption; or

   b. For properties in any residential target area, for twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the final certificate of tax exemption, if the property otherwise qualifies for the exemption and the applicant/owner rents or sells at least twenty percent of the multifamily housing units as affordable housing to low and moderate-income households as further defined in this section. Provided, the total number of qualifying affordable housing units does not exceed thirty percent of the total number of housing units within the same project.

(1) For rental projects, at least twenty percent of the multifamily housing units in the project must be rented throughout the duration of the twelve-year exemption period as affordable housing to low-income households at eighty percent or less of area median income.

(2) For ownership projects, at least twenty percent of the multifamily housing units in the project must be sold as affordable housing to low- or moderate-income households at one hundred twenty percent or less of area median income.

c. For properties in any residential target area, for twenty successive years beginning January 1st of the year immediately following the calendar year of issuance of the final certificate if the property otherwise qualifies for the exemption and meets the conditions in this subsection. For the property to qualify for the twenty-year exemption under this subsection, at least twenty-five percent (25%) of the units must be built by or sold to a qualified nonprofit or local government partner that will assure permanently affordable homeownership, as defined in RCW 84.14.021(6), for eligible households with incomes at 80% area median income or less and support the residents of these units. The remaining seventy-five percent (75%) of units may be rented or sold at market rates. Units allocated for affordable homeownership must be managed by a government agency or nonprofit organization specifically to maintain these units in permanent affordability. The market-rate units in the project will also receive the tax exemption.

B. *Limits on Exemption.* The exemption does not apply to the value of land or to the value of non-housing-related improvements not qualifying under this chapter, nor does the exemption apply to increases in assessed valuation of land and nonqualifying improvements. This section also does not apply to increases in assessed valuation made by the county assessor on nonqualifying portions of building and value of land, nor to increases made by lawful order of a County Board of Equalization, the Department of Revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

C. *Extension of Exemption.* The owner of property that received a tax exemption pursuant to subsection (A)(1)(a) or (b) may apply for an extension of an additional 12 successive years. No extension will be granted for property that received a 20-year tax exemption pursuant to subsection (A)(1)(c) of this section.

1. Only one extension may be granted.
2. Failure to timely apply for an extension shall be deemed a waiver of the extension.
3. For the property to quality for an extension:
    a. The property must have qualified for, satisfied the conditions of, and utilized the 8-year or 12-year exemption sought to be extended;
    b. The owner must timely apply for the extension on forms provided by the city within 18 months of expiration of the original exemption;
    c. The property must meet the requirements of this chapter for the property to qualify for an exemption under subsection (a) of this section as applicable at the time of the extension application; and
    d. The property must continue to rent or sell at least 20 percent of the multifamily housing units as affordable housing units for low-income households for the extension period.
4. Prior to the expiration of any 12-year extension period, the property owner must provide written notice to all tenants residing in designated affordable units if those units will be transitioned to market-rate housing. Such notice must be given no less than one year prior to the change in affordability status and must include information regarding any applicable relocation assistance in accordance with RCW 84.14.020(8), as amended.

Section 5. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 6. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 7. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly called meeting thereof, held this 4th day of March, 2025.

CITY COUNCIL

By:______________________
Mayor

Approved as to form:

____
City Attorney

Attest:

____
City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO 1675

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on March 4th, 2025, Ordinance No. 1675, entitled "AN ORDINANCE OF THE CITY OF LACEY RELATED TO THE MULTIFAMILY TAX EXEMPTION PROGRAM, AMENDING SECTIONS 3.64 010, 3.64.020, 3.64.030 AND 3.64.040, ALL OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION."

The main points of the Ordinance are described as follows:

1. The Ordinance adds the Neighborhood Commercial zoning district as a residential target area for the Multifamily tax exemption program.

2. The Ordinance adds a twenty-year option to the Multifamily tax exemption program.

3. The Ordinance approves this Summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: _____________________, 2025.

RESOLUTION NO. 1161

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY NOTIFYING THE PUBLIC OF THE COUNCIL'S INTENT TO DESIGNATE A RESIDENTIAL TARGET AREA, DESCRIBING THE BOUNDARIES OF THE AREA TO BE DESIGNATED, AND SETTING A DATE FOR A PUBLIC HEARING.

WHEREAS, In 1995 the Washington State Legislature initiated the multifamily tax exemption (MFTE) program, codified at RCW 84.14, to incentivize residential development in urban centers, designated as "Residential Targeted Areas," in Washington jurisdictions; and

WHEREAS, The MFTE program functions as a tool to encourage residential opportunities, including affordable housing, in the urban centers of cities planning under the Growth Management Act and to stimulate multi-family housing development; and

WHEREAS, The purpose of the tax exemption is to facilitate reinvestment and redevelopment in the area around the residential project that would, over time, provide additional commercial services, and to increase revenues for the tax districts to continue to provide public services; and

WHEREAS, On December 18, 2014, the Lacey City Council adopted Ordinance 1452, which identifies the requirements for a local MFTE program and designated the Lacey Woodland District as a Residential Targeted Area; and

WHEREAS, As Lacey continues to grow, expanding the MFTE program into additional residential targeted areas presents a strategic opportunity to support housing development and affordability in other areas of the city; and

WHEREAS, Expanding the MFTE program requires careful consideration to ensure that expansion will continue to align with the City's long-term housing and economic development goals, and considerations of staff capacity to track, monitor, and report on projects utilizing the program; and

WHEREAS, RCW 84.14.040(2) states that a governing authority may adopt a resolution of intent to designate one or more residential targeted areas, thereby notifying the public of its intent; and

WHEREAS, In accordance with RCW 84.14.040(2) the resolution must state the time and place of a hearing to be held by the governing authority to consider the designation of the targeted area; and

WHEREAS, Notice of the public hearing shall be published once each week for two consecutive weeks, not less than seven days, nor more than thirty days before the date of the hearing in accordance with RCW 84.14.040(3).

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. The City Council hereby states its intent to designate those certain properties as described on Exhibit A and shown on Exhibit B, attached hereto and incorporated by this reference as if set forth in full herein, as a residential targeted area.

Section 2. A public hearing to seek public comment on and consider the designation of this area as a residential targeted area will be held at a regular meeting of the City Council on January 21, 2025 at 6:00 p.m. or as soon thereafter as possible in the Lacey City Council Chambers located at Lacey City Hall, 420 College Street S.E., Lacey, Washington. The hearing will be noticed in accordance with RCW 84.14.040(3).

Section 3. The City Clerk is authorized to make necessary corrections to this resolution including, but not limited to, the correction of scrivener's/clerical errors, references, resolution numbering, section/subsection numbers and any references thereto.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 7th day of January, 2025.

LACEY CITY COUNCIL

By ____________________

Mayor

Attest:

____
City Clerk

Approved as to form:

____
City Attorney

Exhibit "A"

Neighborhood Commercial District Description

There are eight (8) neighborhood commercial areas in the Lacey city limits designed to offer residents convenient, walkable access to essential services and informal gathering spots within their communities. These districts are strategically located to complement surrounding residential areas, providing a range of neighborhood-focused amenities that prioritize local needs over attracting larger, auto-dependent crowds. Emphasis is placed on pedestrian-friendly layouts, and community -oriented spaces where people can shop, dine, and connect without needing to travel far from home.

These commercial areas are carefully integrated into neighborhoods to maintain compatibility with residential surroundings, offering hubs for everyday needs and a sense of community identity. As Lacey grows, these districts are expected to become even more central to community life, supporting higher density and increased commercial activity while remaining tailored to neighborhood-scale uses.

The City's comprehensive zoning map identifies the eight (8) neighborhood commercial districts within the city limits; further locationally defined as follows:

- Marvin Road & 41st Ave NE (Edgewater)
- Willamette Drive & Campus Glen (Meridian Market)
- Willamette Drive & 31st Ave NE (Tilden Apartments)
- College Street SE & Mullen Road SE (The Farm)
- College Street SE & 45th Ave SE (Stonegate)
- Yelm Hwy SE & Ruddell Road SE (Thornbury Crossing)
- Mullen Road SE & Carpenter Road SE (Interlake Grocery)
- Yelm Hwy SE & Balustrade Blvd SE (Horizon point)

Exhibit "B" – Neighborhood Commercial District Maps

North Lacey NC

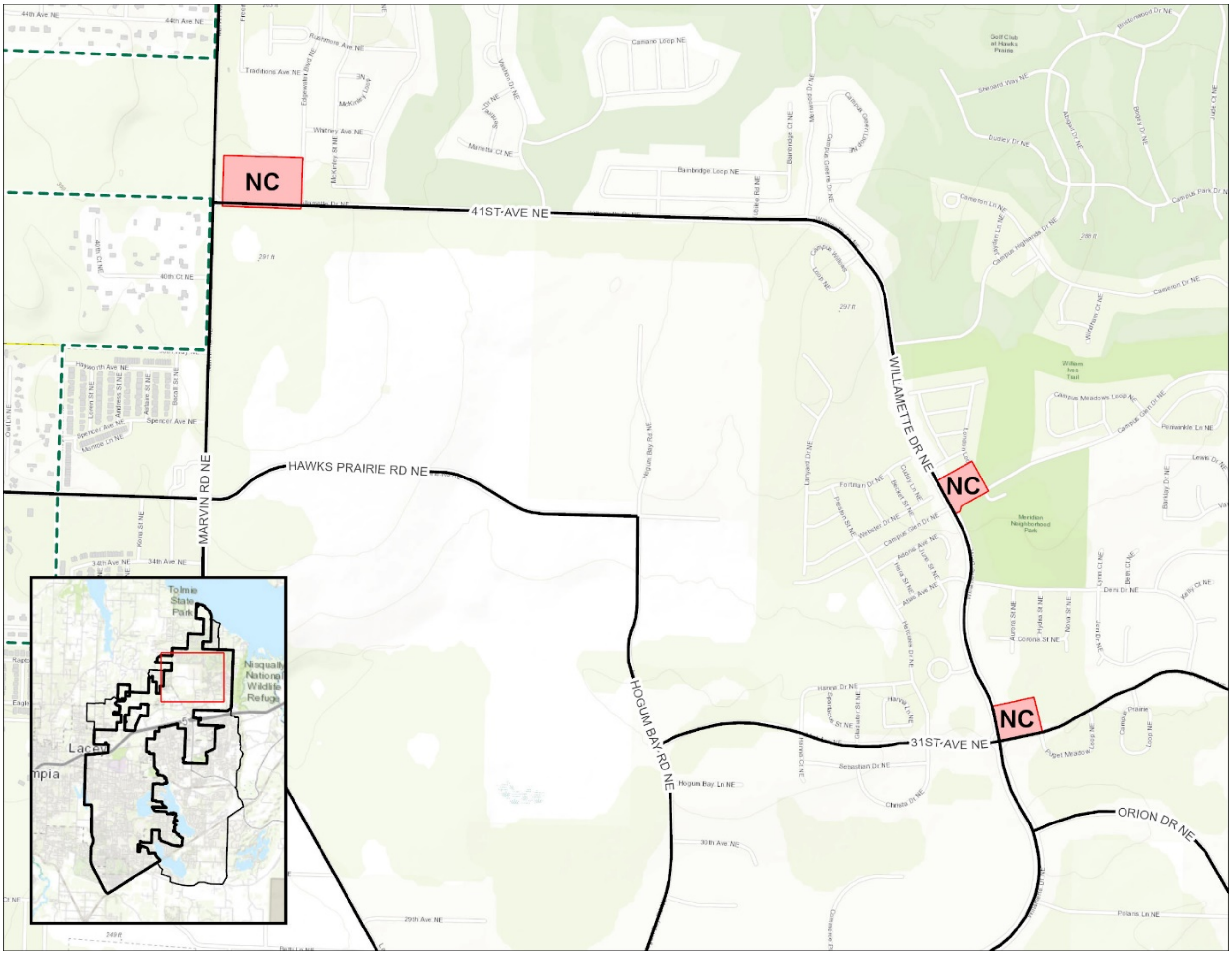
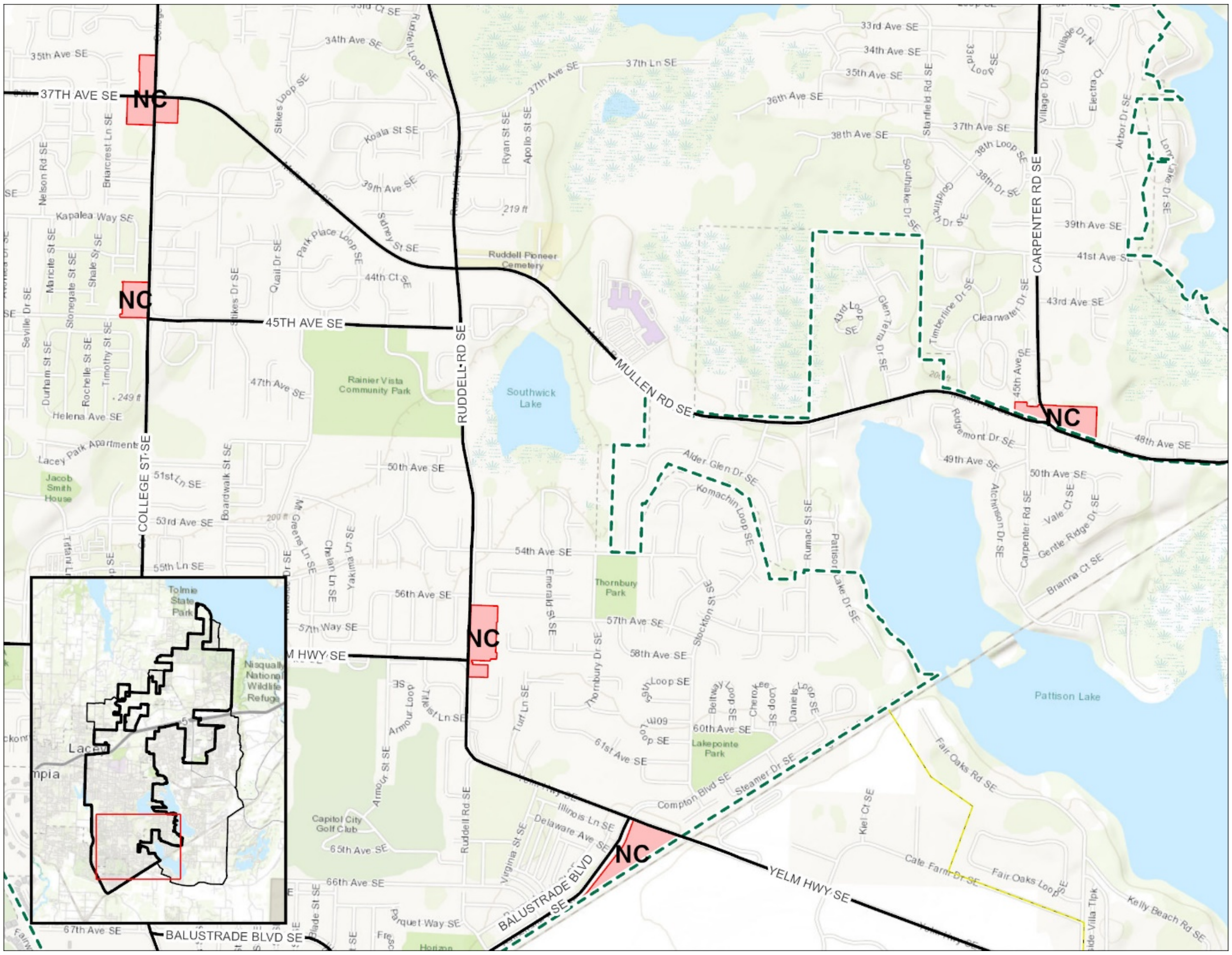


Exhibit "B"

South Lacey NC



LACEY CITY COUNCIL MEETING
March 4, 2025

SUBJECT: **2024 Budget Encumbrance Carryovers**

RECOMMENDATION: **Motion to: Adopt the 2024 Budget Encumbrance Carryover ordinance, No. 1676, amending the 2025 Budget.**

STAFF CONTACT: Rick Walk, City Manager RW
Troy Woo, Finance Director TW
Chelsea Yarwood, Accounting Manager CY

ORIGINATED BY: Finance Department

ATTACHMENTS: 1. Ordinance No. 1676

FISCAL NOTE:

WORK PLAN GOAL AND STRATEGY:

PRIOR REVIEW:

BACKGROUND:

Despite thorough budget planning and efforts to finalize projects and purchases before the year-end closing, staff may not always be able to complete every initiative within the designated calendar year. Various factors, including unforeseen delays, procurement challenges, and project complexities, can impact the timely execution of planned expenditures.

These uncompleted initiatives continue to be priorities and are expected to be finalized during the 2025 fiscal year. To ensure continuity and adequate budget appropriations, it becomes necessary to carry forward previously approved budget appropriations into the next year. This process maintains funding for these ongoing commitments without disrupting their progress.

The proposed budget amendments for the upcoming year are specifically limited to carryover encumbrances and capital projects. These adjustments ensure that previously allocated resources remain available to fulfill obligations and complete preciously approved expenditures, ultimately supporting the City's long-term objectives and operations.

The encumbrance and capital carryover requests are limited to purchase orders that were initiated in the previous year, professional service agreements, and capital projects that were authorized in the previous year's budget. The outstanding purchase order carryover requests are limited to significant (over $2,500) unfilled material, equipment, and supply orders. Professional service agreements and capital project carryover requests do not have a dollar threshold. The funds requesting the carryovers must have adequate fund balance before the requests can be granted.

Each fund is presented individually in the proposed carryover amendment list to provide a clear and transparent breakdown of the budget adjustments. The list is structured with three key columns of financial data for each line item:

- 2025 Budget: The first column displays the amount currently approved for that specific line item in the adopted 2025 budget.

- Budget Amendment: The second column reflects the additional amount requested for the line item as part of the carryover amendment.

- 2025 Budget as Amended: The final column shows the updated total for the line item, incorporating the proposed adjustment, should the amendments be approved.

To illustrate the overall financial impact, total lines are included at the bottom of each fund's section. These totals indicate both the pre-amendment and post-amendment budget appropriation amounts, which is particularly important as the budget is formally adopted by the total fund amount rather than by individual line-item details.

Additionally, each line item includes a brief explanation or description to provide context regarding the nature of the proposed adjustment.

The following table contains the total proposed budget amendment amounts by fund type:

Fund Type	Amendment
General Fund	$ 7,049,735
Special Funds	375,000
Debt Funds	-
Capital Funds	4,701,009
Utility Funds	6,197,115
Internal Service Funds	670,556
Fiduciary Funds	-
	$ 18,993,415

NEXT STEPS:

Option 1: Adopt Ordinance No. 1676 authorizing the completion of unfinished 2024 projects, initiatives and purchases.

Option 2: Provide direction to City staff on which 2024 appropriations should not be carried over into 2025. An amendment to Ordinance can be included in the motion or City staff can be directed make adjustments to the Ordinance for future consideration.

Option 3: Some other option not contemplated in the above options.

ORDINANCE NO. 1676

CITY OF LACEY

AN ORDINANCE AMENDING THE 2025 FISCAL YEAR BUDGET AND ORDINANCE NO. 1670 ADOPTING SAID BUDGET TO RE-APPROPRIATE 2024 BUDGETED AMOUNTS FOR PROJECTS NOT COMPLETED IN 2024 AND ADOPTING A SUMMARY FOR PUBLICATION.

WHEREAS, at the end of the 2024 fiscal year, certain funds which had been appropriated had not been spent because the programs, improvements, contracts or orders had not, as yet, been completed, and

WHEREAS, in order to complete such programs, projects and orders, and to pay the cost thereof, it is necessary that such funds be re-appropriated in the 2025 budget, NOW, THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. The 2025 fiscal year budget and Ordinance No. 1670 adopting said budget are hereby amended in the manner set forth on Exhibit A, which is attached hereto and made a part hereof as though fully set forth at length.

Section 2. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, on this 4th day of March, 2025.

CITY COUNCIL

By:______________________

Mayor

Approved as to form:

____
City Attorney

Attest:

____
City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1676

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on March 4, 2025, Ordinance No. 1676 entitled "**AN ORDINANCE AMENDING THE 2025 FISCAL YEAR BUDGET AND ORDINANCE NO. 1670 ADOPTING SAID BUDGET TO RE-APPROPRIATE 2024 BUDGETED AMOUNTS FOR PROJECTS NOT COMPLETED IN 2024 AND ADOPTING A SUMMARY FOR PUBLICATION.**"

A section by section summary of this ordinance is as follows:

Section 1 amends the 2025 fiscal year budget and Ordinance No. 1670, adopting said budget by re-appropriating funds from the 2024 fiscal year budget which were not expended because the programs, projects, contracts and orders were not completed in 2024.

Section 2 provides provisions for corrections.

Section 3 approves this summary.

A copy of the full text of this ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: March 6, 2025

2025 Budget Amendments - Ordinance No. 1676   Exhibit "A"

Account Numbers	Account Description	2025 Budget	Budget Amendment	2025 Budget as Amended	Comments
	Current Expense Fund				
Revenues					
001-0000-308-0000	Beginning Cash	10,401,838	4,942,535	15,344,373	Beginning Cash/Cash Reserves
001-0000-334-0420	State Grant / Dept of Commerce	-	67,941	67,941	Comp Plan Update Grant
001-0000-334-0420	State Grant / Dept of Commerce	67,941	288,452	356,393	Climate Grant
001-0000-334-0420	State Grant / Dept of Commerce	356,393	71,275	427,668	Middle Housing Grant
Total Current Expense Fund Revenues		65,495,408	5,370,203	70,865,611	
Expenditures					
001-0801-552-5817	Agreements / Social Svc-Local Grants	300,000	300,000	600,000	2024 Human Services Grant Program Awards
001-0802-565-4001	Homeless Services / Homeless Services	-	100,000	100,000	TOGETHER! Host Homes
001-0802-565-4001	Homeless Services / Homeless Services	100,000	15,000	115,000	Genesis House
001-0802-565-4102	Professional Services/Permanent Support Housing	-	3,000,000	3,000,000	Regional Permanent Supportive Housing Project
001-0805-565-6001	Capital Outlays / Capital Outlays-Equipment	-	2,111	2,111	Veteran Services Hub Training and Meeting Room Equipment
001-0805-594-6501	Social Services / Veterans Services HUB	-	403,338	403,338	Veteran Services Hub Accessibility
001-0903-513-4101	Professional Services / Prof. Svc-Other	50,000	20,000	70,000	Equity Map
001-3301-576-4101	Professional Services / Prof. Svc-Other	52,690	34,923	87,613	Parks Facility Condition Assessment
001-3301-576-4101	Professional Services / Prof. Svc-Other	87,613	20,000	107,613	Public Works Shop Yard Improvements
001-3601-572-4803	Repairs & Maintenance / Rep & Maint-Facilities	41,521	65,000	106,521	Library HVAC Equipment Replacement
001-3701-558-4101	Professional Services / Prof. Svc-Other	32,000	288,452	320,452	Climate Planning Grant
001-3701-558-4101	Professional Services / Prof. Svc-Other	320,452	71,275	391,727	Middle Housing Grant
001-3701-558-4101	Professional Services / Prof. Svc-Other	391,727	67,941	459,668	Comp Plan Update Grant
001-3701-558-4101	Professional Services / Prof. Svc-Other	459,668	1,964	461,632	GMA Housing
001-3701-558-4920	Special Projects	480,000	11,025	491,025	Annexation Study
001-3701-558-7000	Planning & Comm. Devel. / Economic Development	700,000	259,126	959,126	ECoNorthwest ($75K), ADA Improve. at the Depot ($100K), Food Truck Feasibility Study ($84,126)
001-3701-558-7000	Planning & Comm. Devel. / Economic Development	959,126	40,000	999,126	Springboard/Incubation/Entrepreneur
001-3701-558-7000	Planning & Comm. Devel. / Economic Development	999,126	50,000	1,049,126	Lacey Midtown Branding
001-7401-574-3101	Supplies / Office & Operating Supply	750	15,000	15,750	Woodland Creek Food Forest Irrigation Meter
001-7401-574-4101	Professional Services - Other	22,000	50,000	72,000	Young Child & Families Center Feasibility Study
001-7401-574-4101	Professional Services - Other	72,000	40,473	112,473	McKinney House Parcel Assessment & Wetland Delineation Report
001-7401-574-4101	Professional Services - Other	112,473	24,575	137,048	Community Outreach & Engagement Specialist
001-7410-574-4101	Professional Services - Other	2,300	15,000	17,300	Historic Preservation Consultant
001-7501-597-1102	Transfers Out / Transfer Out 302 Fund	394,577	475,000	869,577	Transfer to fund Records Management System Replacement
Total Current Expense Fund Expenditures		65,495,408	5,370,203	70,865,611	

	Public Safety Fund				
Revenues					
004-0000-308-0000	Beginning Cash	-	380,000	380,000	Beginning Cash/Cash Reserves
Total Public Safety Fund Revenues		2,130,962	380,000	2,510,962	
Expenditures					
004-2107-521-6410	Capital Outlay / Capital - Police	-	380,000	380,000	Four New Police Cars - Public Safety Positions
Total Public Safety Fund Expenditures		2,130,962	380,000	2,510,962	

Account Numbers	Account Description	2025 Budget	Budget Amendment	2025 Budget as Amended	Comments
	Street Fund				
Revenues					
101-0000-308-0000	Beginning Cash	101,043	13,000	114,043	Beginning Cash/Cash Reserves
Total Street Fund Revenues		4,930,251	13,000	4,943,251	
Expenditures					
101-4201-543-4101	Professional Services / Prof. Svc-Other	35,981	13,000	48,981	Public Works Shop Yard Improvements
Total Street Fund Expenditures		4,930,251	13,000	4,943,251	

	Arterial Street Fund				
Revenues					
102-0000-308-0000	Beginning Cash	11,484,306	375,000	11,859,306	Beginning Cash
Total Arterial Street Fund Revenues		17,289,608	375,000	17,664,608	
Expenditures					
102-4101-595-9001	Preliminary Engineering	1,967,600	375,000	2,342,600	Carry forward preliminary engineering cost various transportation construction projects
Total Arterial Street Fund Expenditures		17,289,608	375,000	17,664,608	

	Building Improvement Fund				
Revenues					
301-0000-308-0000	Beginning Cash	11,542,406	3,037,980	14,580,386	Beginning Cash/Cash Reserves
Total Building Improvement Fund Revenues		37,315,228	3,037,980	40,353,208	
Expenditures					
301-0101-514-6004	Capital Outlays / Capital Outlays - Buildings	36,935,228	3,037,980	39,973,208	Police Station and Training Center
Total Building Improvement Fund Expenditures		37,315,228	3,037,980	40,353,208	

	Capital Equipment Fund				
Revenues					
302-0000-308-0000	Beginning Cash	726,359	811,532	1,537,891	Beginning Cash/Cash Reserves
302-0000-397-1101	Transfers In / Transfer In 001,003,005	495,620	475,000	970,620	Transfer in funding for Records Management System Replacement
Total Capital Equipment Fund Revenues		1,358,012	1,286,532	2,644,544	
Expenditures					
302-0102-519-6404	Capital Outlays / Community Relations	-	60,000	60,000	Document Management System
302-0102-519-6410	Capital Outlays / Police	214,360	411,634	625,994	Records Management System Replacement
302-0102-519-6410	Capital Outlays / Police	625,994	14,128	640,122	Body Worn and Taser Equipment
302-0102-519-6410	Capital Outlays / Police	640,122	14,293	654,415	Remaining Upfit for Detective Police Vehicle
302-0102-519-6410	Capital Outlays / Police	654,415	14,530	668,945	#414 Ford Police Utility (Police)
302-0102-519-6410	Capital Outlays / Police	668,945	15,373	684,318	#428 Ford Police Utility (Police)
302-0102-519-6410	Capital Outlays / Police	684,318	4,886	689,204	#462 Ford Police Utility (Police)
302-0102-519-6410	Capital Outlays / Police	689,204	4,910	694,114	#477 Ford Police Utility (Police)
302-0102-519-6416	Capital Outlays / Parks and Recreation	-	857	857	Park Rules Signage
302-0102-519-6417	Capital Outlays / Capital-City Streets	369,610	59,499	429,109	#313 F550 Bucket Truck (Streets)

Account Numbers	Account Description	2025 Budget	Budget Amendment	2025 Budget as Amended	Comments
302-0104-559-6001	Capital Outlays / Economic Development	-	436,422	436,422	Midtown District Economic Development Investments
302-0105-597-0201	Transfers Out / Transfer Out 301 Fund	-	250,000	250,000	Transfer to fund Bush Park Playground Replacement
Total Capital Equipment Fund Expenditures		1,358,012	1,286,532	2,644,544	

	Parks & Open Space Fund				
Revenues					
303-0000-308-0000	Beginning Cash	-	511,894	511,894	Beginning Cash/Cash Reserves
303-0000-367-0000	Miscellaneous Revenue / Contributions	-	110,000	110,000	Gateway Rotary Contribution for Bush Park Playground Replacement
303-0000-397-1101	Transfers In / Transfer In 001,003,005	6,066,000	250,000	6,316,000	Transfer in funding for Bush Park Playground Replacement
Total Parks & Open Space Revenues		7,348,084	871,894	8,219,978	
Expenditures					
303-0106-576-6001	Capital Outlays / Capital Outlays-Equipment	-	300,752	300,752	Park Facilities Security Camera Expansion
303-0106-576-6003	Capital Outlays / Capital Improvements	7,225,550	442,000	7,667,550	Bush Park Playground Equipment
303-0106-576-6003	Capital Outlays / Capital Improvements	7,667,550	59,394	7,726,944	Wonderwood Park Trail and Court Upgrades
303-0106-576-6003	Capital Outlays / Capital Improvements	7,726,944	44,748	7,771,692	Woodland Creek Park Bridge & Crossing
303-0106-576-6003	Capital Outlays / Capital Improvements	7,771,692	25,000	7,796,692	Outdoor Ping Pong Tables - Rainier Vista
Total Parks & Open Space Expenditures		7,348,084	871,894	8,219,978	

	RAC Capital Fund				
Revenues					
307-0000-308-0000	Beginning Cash	1,553,000	791,135	2,344,135	Beginning Cash/Cash Reserves
Total RAC Capital Revenues		3,391,658	791,135	4,182,793	
Expenditures					
307-0106-576-6001	Capital Outlays / Capital Equipment	-	227,705	227,705	RAC Fencing (Softball Fields #1 and #2)
307-0106-576-6003	Capital Outlays / Capital-Improvements	-	15,000	15,000	RAC Wi-Fi Pre-Design
307-0106-576-6219	Capital Outlays / Sport Com-Prel Design	1,500,000	230,529	1,730,529	RAC Phase 3 Predesign
307-0106-576-6221	Capital Outlays / Sport Com-Contractor Prim	-	317,901	317,901	RAC Parking Lot Construction
Total RAC Capital Expenditures		3,391,658	791,135	4,182,793	

	Water Utility Fund				
Revenues					
401-0000-308-0000	Beginning Cash	-	241,347	241,347	Beginning Cash/Cash Reserves
Total Water Utility Fund Revenues		25,025,651	241,347	25,266,998	
Expenditures					
401-3401-534-4101	Professional Services / Prof. Svc-Other	107,550	32,000	139,550	Public Works Shop Yard Improvements
401-3402-514-3137	Supplies / Meter	1,400,000	29,224	1,429,224	Large Water Meter Replacements
401-3403-534-3148	Supplies / Repairs & Maintenance	512,300	100,000	612,300	Hawks Prairie Water Treatment Facility Filter Media Replacement
401-3403-534-6001	Capital Outlays / Capital Outlays-Equipment	102,648	21,297	123,945	Water and Wastewater Office Remodel
401-3404-534-3119	Supplies / Inventory	230,000	40,389	270,389	Water Parts Inventory
401-3404-534-6001	Capital Outlays / Capital Outlays-Equipment	74,030	18,437	92,467	Water and Wastewater Office Remodel
Total Water Utility Fund Expenditures		25,025,651	241,347	25,266,998	

Account Numbers	Account Description	2025 Budget	Budget Amendment	2025 Budget as Amended	Comments
	Wastewater Utility Fund				
Revenues					
402-0000-308-0000	Beginning Cash	-	680,601	680,601	Beginning Cash/Cash Reserves
Total Wastewater Utility Fund Revenues		28,783,956	680,601	29,464,557	
Expenditures					
402-3501-535-4101	Professional Services / Prof. Svc-Other	154,487	28,000	182,487	Public Works Shop Yard Improvements
402-3501-535-6001	Capital Outlays / Capital Outlays-Equipment	130,856	90,519	221,375	#383 Vactor (Sewer)
402-3503-535-6001	Capital Outlays / Capital Outlays-Equipment	231,263	21,297	252,560	Water and Wastewater Office Remodel
402-3504-535-6001	Capital Outlays / Capital Outlays-Equipment	4,110	519,487	523,597	Vactor for New 2025 Crew
402-3504-535-6001	Capital Outlays / Capital Outlays-Equipment	523,597	21,297	544,894	Water and Wastewater Office Remodel
Total Wastewater Utility Fund Expenditures		28,783,956	680,601	29,464,557	

	Stormwater Utility Fund				
Revenues					
403-0000-308-0000	Beginning Cash	-	7,000	7,000	Beginning Cash/Cash Reserves
Total Stormwater Utility Fund Revenues		6,186,159	7,000	6,193,159	
Expenditures					
403-4201-538-4101	Professional Services / Prof. Svc-Other	47,059	7,000	54,059	Public Works Shop Yard Improvements
Total Stormwater Utility Fund Expenditures		6,186,159	7,000	6,193,159	

	Water Construction Fund				
Revenues					
410-0000-308-0000	Beginning Cash	9,350,136	4,210,564	13,560,700	Beginning Cash/Cash Reserves
Total Water Construction Fund Revenues		27,831,958	4,210,564	32,042,522	
Expenditures					
410-3418-534-9001	Preliminary Engineering	2,417,000	484,275	2,901,275	Carry forward preliminary engineering cost various water construction projects
410-3418-534-9005	Construction Engineering	1,890,750	292,309	2,183,059	Carry forward construction engineering costs various water construction projects
410-3418-534-9013	Construction/Utilities	22,522,250	3,433,980	25,956,230	Carry forward utility construction costs various water construction projects
Total Water Construction Fund Expenditures		27,831,958	4,210,564	32,042,522	

	Wastewater Construction Fund				
Revenues					
411-0000-308-0000	Beginning Cash	3,748,358	865,288	4,613,646	Beginning Cash/Cash Reserves
Total Wastewater Construction Fund Revenues		18,300,000	865,288	19,165,288	
Expenditures					
411-3518-535-9001	Preliminary Engineering	2,374,500	160,662	2,535,162	Carry forward preliminary engineering cost various wastewater construction projects
411-3518-535-9005	Construction Engineering	1,221,750	55,268	1,277,018	Carry forward construction engineering costs various wastewater construction projects
411-3518-535-9013	Construction/Utilities	14,703,750	649,358	15,353,108	Carry forward utility construction costs various wastewater construction projects
Total Wastewater Construction Fund Expenditures		18,300,000	865,288	19,165,288	

Account Numbers	Account Description	2025 Budget	Budget Amendment	2025 Budget as Amended	Comments
	Stormwater Construction Fund				
Revenues					
412-0000-308-0000	Beginning Cash	-	192,315	192,315	Beginning Cash/Cash Reserves
Total Stormwater Construction Fund Revenues		2,289,820	192,315	2,482,135	
Expenditures					
412-4218-542-9001	Preliminary Engineering	411,750	167,526	579,276	Carry forward preliminary engineering cost various stormwater construction projects
412-4218-542-9005	Construction Engineering	80,250	2,010	82,260	Carry forward construction engineering costs various stormwater construction projects
412-4218-542-9013	Construction/Utilities	963,000	22,779	985,779	Carry forward construction costs various stormwater construction projects
Total Stormwater Construction Fund Expenditures		2,289,820	192,315	2,482,135	

	Equipment Rental				
Revenues					
501-0000-308-0000	Beginning Cash	573,775	670,556	1,244,331	Beginning Cash/Cash Reserves
Total Equipment Rental Fund Revenues		4,941,990	670,556	5,612,546	
Expenditures					
501-4801-548-6002	Capital Outlays - Replacement	1,711,999	190,501	1,902,500	#313 F550 Bucket Truck (Streets)
501-4801-548-6002	Capital Outlays - Replacement	1,902,500	407,398	2,309,898	#383 Vactor (Sewer)
501-4801-548-6002	Capital Outlays - Replacement	2,309,898	13,559	2,323,457	#414 Ford Police Utility (Police)
501-4801-548-6002	Capital Outlays - Replacement	2,323,457	12,716	2,336,173	#428 Ford Police Utility (Police)
501-4801-548-6002	Capital Outlays - Replacement	2,336,173	23,203	2,359,376	#462 Ford Police Utility (Police)
501-4801-548-6002	Capital Outlays - Replacement	2,359,376	23,179	2,382,555	#477 Ford Police Utility (Police)
Total Equipment Rental Fund Expenditures		4,941,990	670,556	5,612,546	

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CITY OF LACEY

STAFF REPORT
March 4, 2025

SUBJECT: **Lift Station 11 Improvement Project**

RECOMMENDATION: **Motion to: Award Lacey Contract Number PW 2022-11 to low bidder Barcott Construction, LLC from Chehalis, Washington in the amount of $1,113,312.39**

STAFF CONTACT:
Rick Walk, City Manager RW
Scott Egger, Public Works Director SE
Peter Brooks, Water Resources Manager PCB
Teri O'Neal, Senior Utility Engineer TSO
Jason Kashani, Utility Engineer JSK
Tyson Poeckh, Project Administrator TP

ORIGINATED BY: Public Works Department

ATTACHMENTS: Attachment #1 Bid Tab Summary
Attachment #2 Project Vicinity Map

FISCAL NOTE: Funding for this contract is provided through fund source 411-3518-535.90 and there are sufficient funds for this project.

PRIOR REVIEW: Council approved the 2025 Wastewater Capital Funds as part of the 2025 Budget. The Lift Station 11 Improvements project is listed as a 2025 Wastewater Capital Fund project.

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BACKGROUND:

Lift Station 11 is located at 6480 Glen Ct SE is a vacuum primed pump station that was constructed in 1980. This project proposes to convert the vacuum primed pump station to a submersible pump station.

Upgrades include new electrical components which will provide fully automated diagnostics and control of the facilities. Work will also include construction of a new wet well with mechanical pumps, a valve vault to meet current OSHA regulations for more efficient maintenance, and other site improvements that will extend the life of this station.

The project was advertised for three weeks and bids were opened January 30, 2025. Ten bids were received and ranged from a low of $1,113,312.39 to $2,992,963.74 and the

Engineer's Estimate is $1,392,334.34. Barcott Construction, LLC from Chehalis, Washington, is the low bidder. A Bid Summary Sheet is attached.

Barcott Construction, LLC is qualified and capable of performing the work. Project start date is anticipated in April 2025 with 250 working days allotted to complete the work. The project is expected to be completed by May 2026.

NEXT STEPS:

Option 1: Approve the motion to award Lacey Contract Number PW 2022-11 to low bidder Barcott Construction, LLC from Chehalis, Washington in the amount of $1,113,312.39

Option 2: Do not approve the motion to award Lacey Contract Number PW 2022-11 to low bidder Barcott Construction, LLC from Chehalis, Washington.

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.

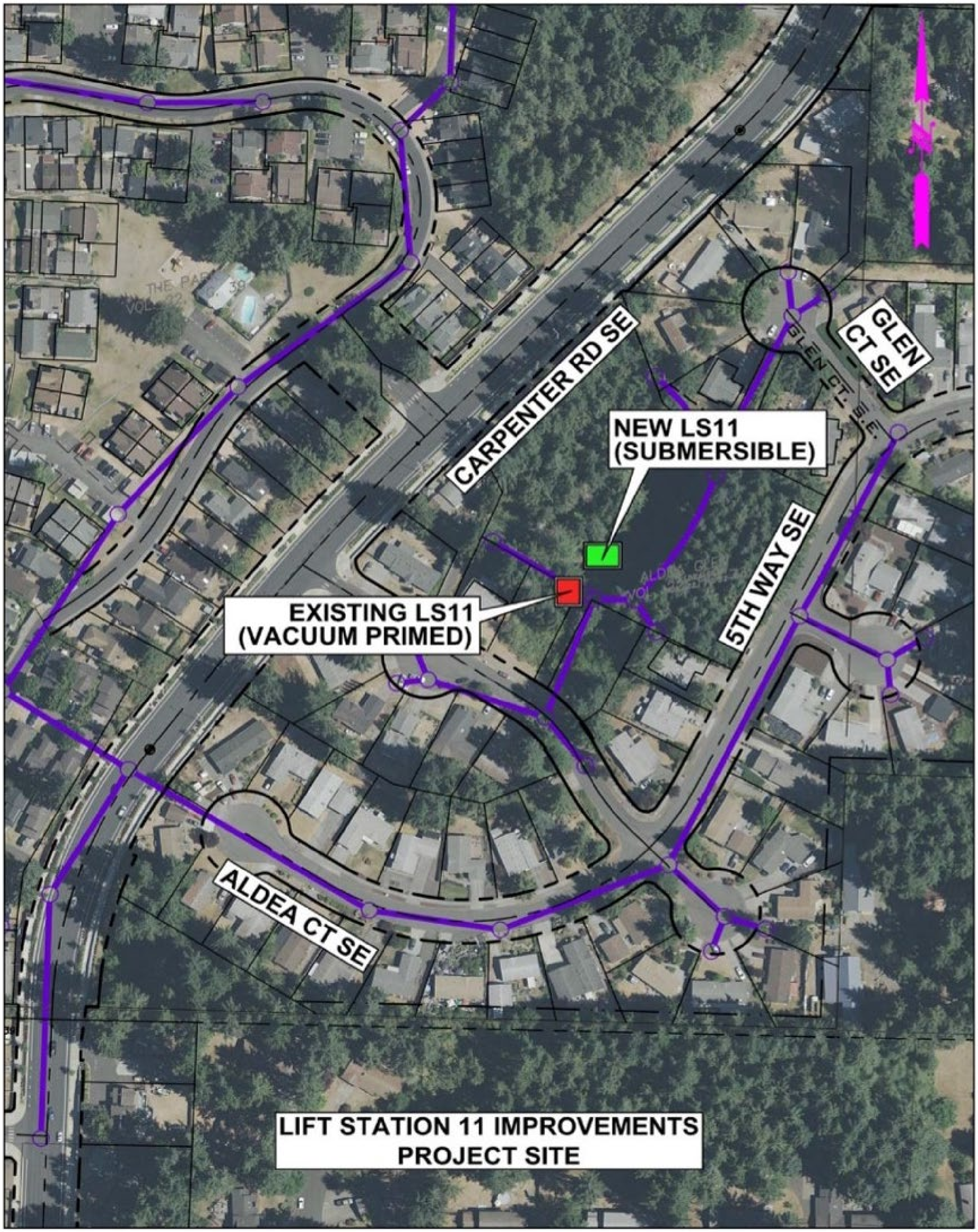
Attachment #1
BID SUMMARY:

CITY OF LACEY
Lift Station 11 Improvements
PW 2022-11

CONTRACTOR	LOCATION	BID	POS.
Barcott Construction LLC	Chehalis	$1,113,312.39	1
Pape & Sons Construction, Inc	Gig Harbor	$1,114,870.13	2
Rognlin's	Aberdeen	$1,127,419.81	3
Halme Excavating Inc	Battle Ground	$1,160,768.61	4
Western United Civil Group LLC	Yacolt	$1,160,900.25	5
Northwest Cascade, Inc	Puyallup	$1,213,868.89	6
CR Construction	North Bend	$1,253,541.90	7
R.W. Scott Construction	Auburn	$1,826,206.61	8
Sound Pacific Construction LLC	Gig Harbor	$1,865,832.45	9
Nisqually Construction Services	Olympia	$2,992,963.74	10
ENGINEER'S ESTIMATE $1,392,334.34			

Attachment #2

Project Vicinity Map:



CITY OF LACEY
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LACEY CITY COUNCIL WORKSESSION
March 4, 2025

SUBJECT: **Metropolitan Park District (MPD)**

DISCUSSION: **Briefing and discussion regarding next steps for Lacey MPD**

STAFF CONTACT: Rick Walk, City Manager RW
Jen Burbidge, Parks, Culture and Recreation Director JB

ORIGINATED BY: Parks, Culture and Recreation Department

ATTACHMENTS: 1 – Parks Improvement Funding Workgroup Recommendation

FISCAL NOTE: N/A

WORK PLAN GOAL AND STRATEGY:

Vibrant Place to Live, Work, & Play: C. Complete Greg Cuoio Park & Greenways – Phase 1 A (M&O)

Vibrant Place to Live, Work, & Play: E. Continue initiatives to advance indoor recreation & cultural opportunities

Vibrant & Diverse Economy: F. Focus on RAC Phase III & other sport facility developments

PRIOR REVIEW:
City Council Worksession – April 23, 2024
City Council Worksession – May 28, 2024
City Council Meeting – June 4, 2024
Parks Improvement Funding Workgroup – August 19 through December 9, 2024
City Council Meeting – December 17, 2024
City Council Worksession – January 14, 2025
City Council Retreat – January 30 & 31, 2025

BACKGROUND:
The Parks Improvement Funding Workgroup (PIFW) recommendation was presented to the City Council at the December 17, 2024 Council meeting. After the presentation and discussion, the City Council directed the recommendation be scheduled for the January 14, 2025 City Council Worksession.

At the January 14, 2025 worksession staff provided an overview of current parks, culture, and recreation funding, past community engagement results and community feedback, the PIFW process and recommendation and framework of a Metropolitan Park District (MPD). The goal of the worksession was to inform the City Council, address questions and receive Council direction, specifically on the following:

1. Confirm or amend the recommended Parks Capital Improvement Program (PCIP) order of priorities.
2. The appropriate levy to fund the identified priorities.
3. Direction on whether to move forward a ballot measure.
4. The appropriate date to propose a ballot measure.

After discussion, the Council confirmed the need to move forward with a ballot measure proposal, and identified August 5th, 2025 as an appropriate date to propose the ballot measure and informally confirmed the levy recommended by the Workgroup, $5,942,851. The Council had a robust conversation around the park capital improvement and replacement program (PCIP) about projects to be prioritized and emphasized. The conversation focused on aquatics projects and projects that could be realized quickly, providing community benefit, if a measure is approved. After a robust discussion of community, workgroup and council priorities, direction was given for staff to develop a draft informational and communication plan to inform the next conversation regarding the PCIP in relation to the proposed ballot measure.

Council also discussed the boundary of the proposed MPD and whether the boundary should extend beyond the city limits and include the entire unincorporated urban growth area. After discussion of potential pros and cons, Council asked staff to conduct some research and bring additional information to the next discussion regarding the MPD.

On January 30, 2025, the first day of the City Council retreat, the Council revisited the question of the boundary of the proposed MPD. The Council held a robust discussion of the opportunities, benefits and challenges of either an MPD that is coterminous with the city's jurisdictional boundary or a boundary that also includes the full unincorporated urban growth area. At the conclusion of the discussion, Council voted to direct staff to proceed with a resolution for the MPD conterminous with the City limits. Council also re-affirmed scheduling the proposed ballot measure for August 5, 2025.

With the previous decisions by Council on the MPD boundary and the ballot date, the purpose of the March 4th Council Worksession is to focus on the following four items:

1. Review MPD ballot project timeline and key dates.

2. Confirm the levy amount to place before the voters.

   The Parks Improvement Funding Workgroup reviewed the PCIP and associated maintenance responsibilities. The Workgroup recommended a levy of $5,942,851. Their recommendation is based on their assessment that a levy rate of $0.45 per 1,000 assessed valuation would fund the top 5 capital projects and top 5 replacement projects on the PCIP, and associated maintenance and operation costs.

3. Confirm priority projects.

   Based on levy discussion, review the PCIP and have Council weigh in on the list of projects and which ones should be emphasized. Council and Workgroup discussions have been focused specifically on projects. Another way to convey value is to transition to themes. The project themes would cover a) Aquatics & Indoor Facilities; b) Trails & Preservation of Outdoor Spaces, and c) Outdoor Amenities. Individual project examples would be listed under the corresponding themes.

Staff will provide informational presentations on each of the above items with the goal of having Council discussion and ultimately direction on the MPD timeline and milestone dates, proposed levy amount, and priority projects. If time allows, staff will provide a brief overview and status of the communication strategy to set the stage for the next Council discussion.

2024

Parks Improvement Funding Workgroup

Recommendation

Prepared for:
Lacey City Council

Voting Members: Chair Evette Temple, Vice Chair Rachel Murata, Mark Brown, Cathy Cook, Jim Eychaner, Karen Ideker, Brooklyn McReynolds, Phillip Roybal, Cheri Wilkins

Non-Voting Members: Wendy Goodwin (Parks, Culture and Recreation Board), Jon Hegwood (Commission on Equity), Lauren Howard, Haley Ortega, Daphne Retzlaff (Planning Commission), Ruth Weigelt (Lodging Tax Advisory Committee)

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Executive Summary

The Parks Improvement Funding Workgroup (Workgroup) was formed by the Lacey City Council's enactment of Resolution No. 1148 then Resolution No. 1156 to review parks expansion and replacement projects identified in the six-year Parks Capital Improvement Program (PCIP), analyze all available funding options, and recommend to the Lacey City Council a funding package identifying funding sources, including recommended amounts, to implement a prioritized list of parks capital projects.

The Workgroup is comprised of fifteen community members—nine voting members and six non-voting members.

The Workgroup's charge highlights funding challenges in the Lacey Parks system as the City of Lacey balances the need for park improvements amidst aging infrastructure, increasing maintenance needs, and a growing population, thus pointing to a need for a dedicated and sustainable funding.

Throughout eight meetings and one tour of select Lacey parks, the Workgroup received several presentations from City of Lacey staff on various aspects and challenges of operating, maintaining, and developing a parks system; discussed the community's priorities and needs as identified in the Lacey Parks Culture and Recreation (LPCR) Comprehensive Plan; reviewed the projects on the PCIP; and analyzed various types of funding mechanisms that could meet the needs of the City in maintaining the Lacey Parks system.

The Workgroup arrived at the conclusion that establishing a Metropolitan Park District (MPD) would leverage a stable and predictable property tax levy for parks funding, and recommends Lacey City Council draft a ballot measure for voter approval.

The Workgroup also recommends staff continue to seek funding through a variety of sources such as reviewing existing parks reserves, pursuing sponsorships and grants, assessing program, vendor and rental fees, pursuing Washington State Legislature funding, and that City Council review Lodging Tax priorities.

The combination of an MPD and diversifying the City of Lacey's parks funding amongst various sources would provide the funding needed to complete the projects on the PCIP while providing flexibility for maintenance and operation needs of the parks system.

Further, the Workgroup established a prioritized ranking of the PCIP projects by considering top-requested amenities, maintenance needs, service gaps, staff resources to manage capital projects, and community priorities.

Methodology

As the City of Lacey considered parks, culture and recreation funding and the challenges and opportunities presented in the Lacey Parks, Culture and Recreation Comprehensive Plan, the Lacey City Council sought to establish a workgroup of diverse and collaborative community members to provide park funding strategy recommendations to the Lacey City Council.

The Parks Improvement Funding Workgroup ("Workgroup") comprises fifteen diverse and collaborative community members, some of whom serve on other City of Lacey advisory boards, thus drawing expertise from those boards to serve the Workgroup. The Workgroup contains nine voting members and six non-voting members. While only voting members cast final votes on actionable items, all members participated in meaningful discussions and group activities to inform the Workgroup's recommendation.

- Voting Members: Chair Evette Temple, Vice Chair Rachel Murata, Mark Brown, Cathy Cook, Jim Eychaner, Karen Ideker, Brooklyn McReynolds, Phillip Roybal, Cheri Wilkins

- Non-Voting Members: Wendy Goodwin (Parks, Culture and Recreation Board), Jon Hegwood (Commission on Equity), Lauren Howard, Haley Ortega, Daphne Retzlaff (Planning Commission), Ruth Weigelt (Lodging Tax Advisory Committee)

Workgroup Members held public meetings approximately twice monthly from August through December 2024 to fulfill their assigned purpose. The structure of each meeting often contained subject-matter expert presentations from City of Lacey staff (staff), discussion amongst Workgroup Members, polls, and breakout activities.

August 19, 2024 Meeting
This meeting provided a framework for the expectations of the Workgroup and a roadmap for future meetings.

Staff provided the following presentations to the Workgroup.
- Advisory board stipend program and demographic survey
- Open public meetings and public records training
- Advisory Board Handbook overview
- Parliamentary Procedures overview
- Draft Rules of Procedure

- Workgroup goals, deliverables, and an overview of the future meeting schedule and meeting themes

September 16, 2024 Meeting

The Workgroup elected presiding officers and adopted the Workgroup Rules of Procedure. The Workgroup took a survey, similar to previous surveys given to community members, to assess how the Workgroup's priorities initially align with community priorities. Staff provided the following presentations to the Workgroup.

- An overview of the 2023 Lacey Parks, Culture and Recreation Comprehensive Plan process and community engagement efforts which identified the community's top priorities as a public swimming pool; access to and preservation of outdoor open space and natural areas; spray parks, indoor recreation opportunities, expanded walking trails; and development of the sports fields the City of Lacey has planned.
- Maintenance and operations overview and challenges
- Introduction to the Parks Capital Improvement Program (PCIP)

September 30, 2024 Meeting

This meeting highlighted the challenges set forth for the Workgroup.

- Existing funding sources necessitate the identification of new sources of revenue
- Predictable and stable revenue sources are needed for new and existing facility maintenance and operation costs.
- The capacity for new revenue resources is limited, so prioritizing the PCIP will be challenging.

Staff reviewed potential new funding sources, including the challenges and benefits of each. Workgroup Members participated in a group activity to further consider funding solutions.

- Program, vendor, and rental fees
- Sponsorships
- Grants and donations
- City of Lacey's General Fund Revenue
- Lodging Tax
- Committed and assigned reserves within the City of Lacey's Governmental Funds
- Excess property tax levy: General Obligation Bonds
- New Public Facilities District
- Metropolitan Park District (MPD)
- Impact Fees
- Cultural Access Program

October 4, 2024 Parks Tour

Staff led Workgroup Members on a tour of the following select Lacey Parks associated with projects on the PCIP. This provided an opportunity for the Workgroup to see some of the park system's amenities and needs first-hand while connecting PCIP projects to the community's priorities as identified in the LPCR Comprehensive Plan. A summary of each PCIP project and the associated costs can be found in *Appendix A*.

- Brooks Park
- Rainier Vista Community Park
- Wonderwood Park
- Wanschers Park
- Depot Park
- Homann Park
- Virgil S. Clarkson Senior Center
- Woodland Creek Community Park
- Meridian Neighborhood Park
- Greg Cuoio Community Park

October 14, 2024 Meeting
Staff provided an overview of the City of Lacey's capital projects, design process, and existing projects in the extensive City-wide queue. The Workgroup Members who attended the tour shared their insights/highlights. Staff provided a detailed review of all the projects on the PCIP, which included:

- Project descriptions and photos
- Capital costs and ongoing maintenance and operational costs
- Benefits to the community
- How the project meets community needs as identified in the Lacey Parks, Culture and Recreation (LPCR) Comprehensive Plan

The PCIP project overview demonstrated the challenge for the Workgroup of prioritizing projects since all projects would fill a significant community need.

October 28, 2024 Meeting
Workgroup members preliminarily ranked the PCIP in small groups then reported their top projects to the Workgroup. The activity allowed the Workgroup Members to collaborate and understand different perspectives, demonstrating that each group had different prioritization approaches. Discussion topics and considerations included:

- Why projects rank high or low
- Previous community input
- Consideration for new vs. replacement projects
- Overall project costs

November 4, 2024 Meeting
Staff presented additional information to connect the PCIP projects to the major themes in the LPCR Comprehensive Plan derived from public input.

- Aquatics & Indoor Recreation: Pool and Indoor Playground, Spray Park #1(Central Lacey), Spray Park #2 (Southwest Lacey), Spray Park #3 (Northeast Lacey), Spray Park #4 (Southeast Lacey)

- Indoor Recreation: Pool and Indoor Playground, Lacey Museum & Cultural Center

- Trails, access to open space and preservation of natural areas: Greg Cuoio Park Next Phase, Long Lake Park Development, Meridian Campus North Park Development, Wonderwood Park Trails Resurfacing

- Development of the sports fields the City of Lacey has planned: Meridian Park Sports Fields Development, Regional Athletic Complex (RAC) Infield Turf Replacements, RAC Soccer Netting

- Outdoor amenities favored by the public (disc golf, pickleball, skate park/pump track and playgrounds): Meridian Parks Potential Pickleball Courts, Skate Features and/or Pump Track; Rainier Vista Park Pickleball Courts & Outdoor Table Tennis, RAC Playground Replacement - Baseball Complex, RAC Playground Replacement - Large Central Playground, Rainier Vista Park Playground Replacement, Thornbury Park Playground Replacement, RAC Playground Replacement - Soccer Fields

Staff provided a review of all available funding mechanisms. The Workgroup assessed which options were viable, long-term, stable revenue sources for the top ten projects identified from the group's activity during their October 28th meeting. The revenue options selected by the Workgroup included an MPD funding mechanism; reassigning some of the committed reserves from the City of Lacey's Governmental Funds; and a recommendation to continue pursuing a breadth of additional funding mechanisms to diversify revenue sources, leveraging City funds where possible.

The Workgroup determined these options were not well-suited based on the Lacey Parks system's current needs:

- City of Lacey's General Fund Revenue: limited funds available combined with an abundance of needs across City of Lacey operations

- Excess property tax levy: General Obligation Bonds: sunsetting funds that are unable to support maintenance and operation needs

- New Public Facilities District: can only be used for a regionally agreed upon project(s) and would require a regional partnership

- Impact Fees: unpredictable source of revenue that does not provide a long-term solution and cannot be used towards maintenance and operation needs

- Cultural Access Program: not legally applicable to City operations as funds are directed to non-profits

November 18, 2024 Meeting
The Workgroup confirmed their intent to recommend an MPD with a continued commitment from the City Council of General Fund for LPCR and Parks Maintenance; potentially reassigning committed reserves from the City of Lacey's Governmental Funds; and for LPCR staff to continue to pursue diverse, smaller funding options.

Staff presented various MPD levy rate options, potential revenue generated by each option, the associated impacts to taxpayers, and the potential to issue debt through MPD revenue. The Workgroup took non-binding surveys on maintenance and operations funding allocations and ranked the PCIP projects. The outcomes from the surveys created a starting point for group consensuses on:

- Ranking the PCIP
- Selecting an MPD levy rate
- Selecting projects to fund by reassigning some of the committed reserve funds in the City of Lacey's Governmental Funds
- Selecting an MPD revenue allocation for maintenance and operation needs

December 9, 2024 Meeting
Workgroup Members reviewed and discussed the Draft Parks Improvement Funding Workgroup Recommendation. The recommendation was adopted unanimously on December 9, 2024.

Recommendation

The culmination of the Parks Improvement Funding Workgroup was to provide a formal recommendation to the Lacey City Council and fulfill the Workgroup's purpose of recommending a funding package with identified funding sources, including recommended amounts, to implement a prioritized list of parks capital projects. The Workgroup's intent is to generate additional funding for LPCR.

Funding Mechanisms

- Establish a Metropolitan Park District (MPD)
  After considering numerous funding options, the Workgroup determined that establishing an MPD is the most viable path to providing predictable and dedicated funding to manage, maintain, and improve Lacey Parks. Local examples of MPD

success in other jurisdictions provide a model for implementation. The Workgroup encourages the Lacey City Council to draft a ballot measure for voter approval accordingly.

- Continued Commitment
  If the Lacey City Council elected to pursue an MPD, the Workgroup encourages the City Manager and Council to continue a commitment to support LPCR, and Parks Maintenance through the City of Lacey's General Fund.

- Tax Rate
  The Workgroup initially considered a $0.40 levy rate per $1,000 assessed value but determined that rate would not generate enough revenue over five years to fund the Workgroup's top-five prioritized new capital projects on the PCIP. After considering a $0.50 levy rate per $1,000 assessed value, the Workgroup was concerned the potential impact on taxpayers would be too high.

  To balance the revenue needed for the parks system and the potential impact on taxpayers, the Workgroup recommends the ballot measure reflect a $0.45 levy rate per $1,000 assessed value. At that rate, an MPD is projected to generate $5,942,891 annually. With an average residential property assessment of $500,000, the annual property tax is estimated at $225.

  Understanding that inflation will adversely affect the revenue generated from an MPD over the lifetime of the levy, the Workgroup encourages the City Manager and City Council to consider a phased increase up to the maximum levy rate.

- Debt Issuance
  The Workgroup acknowledges the benefits and limitations of utilizing MPD revenue to issue debt through General Obligation bonds. Debt issuance would reduce spending flexibility due to long-term debt repayment obligations but would allow for an influx of immediate funding. Without the utilization of a debt issuance, the revenue would maintain a higher-level of spending flexibility but could delay projects due to limited initial cash flow. Taxpayer tolerance should be considered in this decision.

- Maintenance and Operation (M&O) Needs
  To account for deferred parks facility maintenance and replacement needs, outstanding capital replacement projects, and potential future unexpected maintenance costs— a fixed percentage of MPD revenue should be allocated to maintenance. Initially, forty percent of MPD revenue should be allocated to M&O, leaving sixty percent for new capital projects. Over time as new projects are built it is expected the percentage allocated for new parks facility maintenance needs will increase.

- Community Education
  Given the impact on taxpayers and the establishment of an MPD contingent on voter approval, the Workgroup encourages the Lacey City Council to allow ample time for community education after the ballot measure is finalized, before election day. The City of Lacey should directly engage in community education opportunities as appropriate.

- <u>Diversify Revenue</u>
  While an MPD is the most viable option for sustainable and dedicated parks funding, the Workgroup also recommends staff continue to seek funding through a variety of sources.

  - Existing Reserves Committed for Parks Facilities
    The Workgroup recommends the Lacey City Council coordinate with staff to reassign select existing reserves committed or assigned for parks facilities in the City of Lacey's General Fund to the following projects on the PCIP. These projects are deferred maintenance needs, relatively low-cost, and one-time in nature—making them an appropriate fit for reserve funding. Funding should be reassigned from the existing reserves committed to the *Trail System – Bike/Ped Plan* ($250,000) and the *Parks Comp Plan Priorities* ($93,750) given the applicable nature of the intent of each of those reserve categories towards the PCIP projects identified below. The Workgroup requests that the Lacey City Council and City Manager identify other potential reserve funds that could be committed or assigned to cover the remaining funding gaps for these projects.

    - Homann Park Picnic Area Renovation ($324,000)
    - Wonderwood Park Trails Resurfacing ($200,000)
    - Lakepointe Park Tennis & Basketball Court Renovation ($40,000)
    - RAC Irrigation Control Update ($44,800)

  - Sponsorships and Grants
    The Workgroup encourages staff to evaluate their capacity to leverage sponsorships and grants further to generate additional revenue, including Community Development Block Grants.

  - Program, Vendor, and Rental Fees
    The Workgroup encourages staff to continue to regularly assess their fee structures for revenue generation. Fee structures should also remain competitive, affordable, and inclusionary.

  - State Legislature Funding

The Workgroup encourages the City to strategically consider projects for Washington State Legislature Direct Appropriation Funding. Workgroup Members noted past successes of the City and other jurisdictions in acquiring funding for a variety of parks projects, including senior centers.

- Lodging Tax (LT)
  The Workgroup acknowledges an opportunity for the City Council to prioritize additional LT funds for operation of parks facilities that draw visitors from outside the county and generate hotel stays such as the RAC, Lacey Museum, and future Greg Cuoio Park. In addition, staff should strategize applications to the Lodging Tax Advisory Committee to optimize potential funding from LT towards the most appropriate needs within the Lacey Parks system.

Prioritized Parks Capital Improvement Program
To best suit the needs of the Lacey Parks system, the Workgroup determined that the revenue generated from an MPD should include a dedicated allocation towards both *new capital projects* and *maintenance and operation needs*. Consequently, the Workgroup ranked the two categories on the PCIP separately.

The Workgroup prioritized projects with consideration of the community's top-requested amenities, maintenance needs, service gaps, and community priorities. While prioritizing projects, the Workgroup gave preference to ensuring an assortment of amenities requested in the LPCR Comprehensive Plan were listed high in the ranking to be inclusive of the variety of Lacey Parks users. For example, the top five new capital projects selected by the Workgroup meet several community priorities identified in the LPCR Comprehensive Plan and listed here:

- Park development in under-served areas
- Leverage partnerships to bring opportunities to community members
- Increases to outdoor water access
- Indoor recreation opportunities
- Increases to indoor water access
- Additional trails and preservation of natural spaces
- Additional sports fields in the spaces the City of Lacey already has planned

A summary of each PCIP project and the associated costs can be found in *Appendix A*.

- New Capital Projects
  1. Meridian Park Potential Pickleball Courts, Skate Features, and/or Pump Track
  2. Spray Park #1, Central Lacey
  3. Pool & Indoor Playground (Potential Partnership)
  4. Greg Cuoio Park Next Phase
  5. Meridian Park Sports Field Development

6. Virgil S. Clarkson Senior Center Phase 3 Development & Parking Lot
7. Rainier Vista Park Pickleball Courts Expansion & Outdoor Table Tennis
8. Meridian Campus North Park Development
9. Long Lake Park Development
10. Brooks Park Development
11. Lacey Depot Park Parking Lot Expansion
12. Lacey Museum & Cultural Center
13. Spray Park #2, Southwest Lacey
14. Spray Park #3, Northeast Lacey
15. Spray Park #4, Southeast Lacey

- Replacement / Maintenance and Operation Projects
    1. Huntamer Park Playground Replacement
    2. Homann Park Picnic Area Renovation
    3. Wonderwood Park Trails Resurfacing
    4. RAC Infield Turf Replacements (Fields 1& 2)
    5. RAC Baseball Complex Playground Replacement
    6. RAC Baseball Complex Concrete Improvements
    7. Lakepointe Park Tennis & Basketball Court Renovation
    8. RAC Irrigation Control Update
    9. RAC Large Central Playground Replacement
    10. RAC LED Fields Lights Conversion
    11. Rainier Vista Park Playground Replacement
    12. RAC Soccer Fields Netting
    13. Thornbury Park Playground Replacement (5-12)
    14. RAC Soccer Fields Playground Replacement

Appendix A

Parks Capital Improvement Program Project Overview

The Parks Improvement Funding Workgroup reviewed and prioritized twenty-nine projects from the Parks Capital Improvement Program (PCIP). The projects were identified in the 2023 Lacey Parks, Culture and Recreation Comprehensive Plan and total $56,938,240.

Some projects on the PCIP were not included in the Workgroup's review because funding was identified for the project or partnerships necessary for the project have not been confirmed.

New Capital Projects - $48,484,200 (M&O $1,891,880)

<u>Meridian Park Potential Pickleball Courts, Skate Feature, and/or Pump Track</u>
$600,000
Develop the park with a skate feature, pump track, and/or outdoor pickleball courts.

<u>Spray Park #1 Central Lacey</u>
$522,000 (M&O $56,000)
Develop a spray park in Central Lacey, possibly at the North Thurston Public Schools Young Child and Family Center site.

<u>Pool and Indoor Playground</u>
$5,000,000
The project cost is pending a stable funding source and partnership at the NTPS Young Child and Family Center site. The recreation components of the project could include an indoor pool, indoor playground, outdoor spray park, and/or nature playground. The City of Lacey would likely contribute toward the pool and/or indoor playground portion of the capital project.

<u>Greg Cuoio Park Next Phase</u>
$6,920,000 (M&O: $362,880)
Develop Phase 1B to include restrooms, utilities, frontage improvements for safety, landscaping with irrigation, and additional trails to include a cross-country course, a dog park and/or playground zipline.

Meridian Park Sports Field Development
$2,864,000 (M&O: $56,000)
Develop the sports fields identified in the original master plan which included a soccer field and two softball fields.

Virgil S. Clarkson Senior Center Phase 3 Development & Parking Lot
$5,060,000 (M&O: $62,000)
Develop Phase 3 building and parking lot expansion due to overcrowding. The senior center parking lot is often full, resulting in the use of the community center parking lot. It isn't practical or safe for seniors – often with mobility constraints - to walk such a long distance to access the senior center.

Rainier Vista Park Pickleball Courts Expansion and Table Tennis
$988,000
Develop four pickleball courts, two outdoor table tennis courts, and safety netting. The additional pickleball courts will alleviate the long wait times and could generate additional revenue from tournaments.

Meridian Campus North Park Development
$3,172,000 (M&O: $56,000)
Create a master plan and develop the 5-acre parcel located in Northeast Lacey. The property is undeveloped and located within the under-served Meridian Campus neighborhood.

Long Lake Park Development
$7,832,000 (M&O: $112,000)
Update the master plan and develop Long Lake Park, incorporating the 1.8-acre adjacent parcel purchased in 2022. Improvements to the existing park site include decreasing the beach slope, changing the beach material to sand, and improving ADA access to the beach.

Brooks Park Development
$636,000 ($11,000)
Create a master plan and develop the park, focusing on adding amenities for the site. Currently, the park is a small 1-acre green space with no amenities.

Lacey Depot Parking Lot Expansion
$270,000
Develop an additional parking lot as part of the Lacey Museum and Cultural Center project. This project is needed in the near term to accommodate the activities and events currently held at the Lacey Depot.

Lacey Museum and Cultural Center

$13,000,000 (M&O: $1,008,000)
Develop the Lacey Museum and Cultural Center (LMCC), a project that has been among the City of Lacey's long-term goals for over 2 decades. The LMCC will provide an opportunity for education, equity, and inclusion. The LMCC will provide indoor recreation opportunities through cultural classes, events, and rental opportunities.

Spray Park #2 Southwest Lacey
$540,000 (M&O $56,000)
Develop a spray park in Southwest Lacey, possibly at Rainier Vista Park.

Spray Park #3 Northeast Lacey
$540,000 (M&O $56,000)
Develop a spray park in Northeast Lacey, possibly at Meridian Park.

Spray Park #4 Southeast Lacey
$540,000 (M&O $56,000)
Develop a spray park in Southeast Lacey. A park site has not been identified.

Replacement /Maintenance and Operations Projects - $6,505,160 (M&O $56,000)

Huntamer Park Play Area Replacement
$486,000 (M&O: $56,000)
Replace the 19-year-old climbing structure that has fiberglass damage. Each feature is a single piece. Once there is significant damage to the structure, the entire piece must be removed, resulting in fewer amenities.

Homann Park Picnic Area Renovation
$324,000
Replace the asphalt in the picnic area that is cracked, buckling, and creating a safety hazard. Two large Douglas Fir trees in the picnic area have grown too large for the enclosure and will die from girdling in the near future. This project can be done proactively, saving the trees from dying. If the trees die, the project will still be necessary to excavate and remove the stumps.

Wonderwood Park Trails Resurfacing
$200,000
Resurface the trail from Stikes Drive to Brentwood Drive, which has experienced significant wear and tear. The asphalt is buckling from tree roots, creating a hazard for park users.

RAC Infield Turf Replacements
$496,000

Replace the synthetic turf on softball fields 1 and 2. Depending on the amount of use, synthetic turf needs to be replaced every 9-10 years. These fields were the first replaced and will be ready for replacement again soon. Maintaining the RAC at a high level is essential to attract tournaments.

<u>RAC Playground Replacement - Baseball Complex</u>
$406,000
Replace the playground that is out of warranty and becoming more challenging to maintain. Because of the use of sports complex visitors and regular park visitors, the RAC playgrounds are the heaviest used playgrounds. The heavy use has degraded the toys at a more rapid rate than any other playground. While they are not the oldest, they have the most repairs.

<u>RAC Baseball Complex Concrete Improvements</u>
$360,000
The baseball complex has porous concrete, allowing water to pass through and reducing runoff. Over time, dirt has clogged the pores. A long-term solution is needed because annual maintenance costs are now $10,000 - $15,000.

<u>Lakepointe Park Tennis and Basketball Court Surfacing</u>
$40,000
Improve the courts by adding acrylic surfacing to the existing asphalt and repair large cracks on the basketball, pickleball, and tennis courts.

<u>RAC Irrigation Control Update</u>
$44,800
The irrigation control update will optimize water use, save staff time, and allow for remote control. The manufacturer stopped producing parts for the existing controllers.

<u>RAC Playground Replacement - Large Central Playground</u>
$504,000
Replace the playground that is out of warranty, and becoming more challenging to maintain. Because of the use of sports complex visitors and regular park visitors, the RAC playgrounds are the heaviest used playgrounds. The heavy use has degraded the toys at a more rapid rate than any other playground. While they are not the oldest, they have the most repairs.

<u>Regional Athletic Complex LED Field Lights Conversion</u>
$2,160,000
Replace the current lights with more energy-efficient LED lighting. The conversion to LED is a logical step for long-term cost savings and should be done before the existing warranty expires in 2028-2029, depending on use.

Rainier Vista Park Playground Replacement
$600,000
Replace the playground that is over 21 years old and out of warranty. Replacement parts are not available. As a result, rather than repair or replace parts of play structures, they are removed entirely.

RAC Soccer Netting
$199,360
Add netting to three of the soccer fields to keep balls within the play area. This is a safety issue for park users walking around the soccer fields and frustrating for players when they have to chase out-of-bounds balls.

Thornbury Park Playground Replacement
$406,000
Replace the playground equipment for ages 5-12. Originally installed in 1997, it is among one of the City of Lacey's oldest play areas. It is out of warranty, and replacement parts are not available. As a result, rather than repair or replace parts of play structures, they are removed entirely.

RAC Playground Replacement - Soccer Fields
$280,000
Replace the playground that is out of warranty, and becoming more challenging to maintain. Because of the use of sports complex visitors and regular park visitors, the RAC playgrounds are the heaviest used playgrounds. The heavy use has degraded the toys at a more rapid rate than any other playground. While they are not the oldest, they have the most repairs.