



Lacey Planning Commission Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Wednesday, May 28, 2025

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. 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.

4. Approval of Agenda and Consent Agenda Items

- A. Approval of Agenda
- B. Approval of May 14, 2025 meeting minutes
 - 1. May 14, 2025 Minutes

5. Public Comment

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

6. Commission Members' Reports

7. Department Report

8. Public Hearing

9. New Business

- A. **Economic Development Strategy: Wesley Nguyen, Economic Development Coordinator and ECONorthwest Staff.** The Planning Commission will be briefed on the initial findings of the Economic Development Strategy which will identify short and medium-term actions to implement economic development initiatives

consistent with the Comprehensive Plan. No formal action is necessary on this item.

1. Economic Development Strategy Attachments

- B. **Sign Code Amendment—LMC 16.75.100.E Political Signs: Dave Schneider, City Attorney.** The Planning Commission will review a draft amendment to Lacey Municipal Code 16.75.100.E. related to the location of political signs. The amendment will be scheduled for a public hearing at the next regular meeting on June 11th.

1. Sign Code Amendments Attachments

- C. **Regional Transportation Plan Update: Allison Osterberg, TRPC Planning Manager.** The Planning Commission will be briefed on the update to the Regional Transportation Plan by Thurston Regional Planning Council (TRPC). No formal action is necessary on this item.

1. Regional Transportation Attachments

10. Old Business

11. Communications and Announcements

- A. Planning Commission Schedule

12. Next Meeting - May 28, 2025

13. Adjournment

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_z2F9oA5cRpyHBjga1sK4zA
Website:	https://cityoflacey.org/government/public-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=Ldr95BHXG18
Cable:	Channel 77 with your local cable provider
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 833 1159 7033)

Verbal Public Comment

Because state law (RCW 42.17A.555) prohibits the use of public facilities to promote or oppose any ballot measure, public comment for or against the Lacey Metropolitan Park District cannot be accepted at this meeting.

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

In-Person: Use the sign-up sheet located at the meeting location.
Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_z2F9oA5cRpyHBjga1sK4zA

Instructions and access details will be provided once registration is complete.

Written Public Comment

Please email written public comments to PlanningCommission@cityoflacey.org. The comment period will close two hours before the meeting time. Commissioners will receive all written public comments provided by this deadline. Comments may not be addressed during the meeting. All comments are part of the official record.

MINUTES

Lacey Planning Commission Meeting
Wednesday, May 14, 2025 – 6:00 p.m.
Lacey City Hall Council Chambers, 420 College St SE – and via Zoom

The meeting was called to order at 6:00 p.m. by Jeff Gadman

Planning Commission members present: Jeff Gadman, Tonya Moore, Robert Lane, Kyrian MacMichael, Spencer Zeman, Jennifer Mangione, Elliot Kirk & Gail Madden. Staff present: Ryan Andrews, Sarah Schelling, Wesley Nguyen, Martin Hoppe, Scott Egger.

Outside Consultant; Steven Goodsell-Fehr and Peers

Jeff noted a quorum present. Elliot read the Land Acknowledgement.

Robert Lane made a motion, seconded by Elliot Kirk to approve the agenda for tonight's meeting. Kyrian MacMichael made a motion, seconded by Jennifer Mangione to approve April 23, 2025 minutes. All were in favor, both motions carried.

- 1) **Public Comments:** Tim Claridge from Thurston County Youth Football League (TCYFL) and Julia Skidmore from Sonic Elite Cheer commented on changing the zoning or doing a conditional use permit for a warehouse they would like to lease. They will be presenting to the City Council in the future about how TCYFL leasing a warehouse in Lacey is good for the city.
- 2) **Commission Members Reports:** Kyrian MacMichael stated that she had been paying close attention to HB1217 that dealt with rent stabilization. She knows children who have been unhoused due to rent doubling and she said it was heartwarming that it passed. On Saturday May 16th, Kyrian attended the DEI Summit put on by The League of Women Voters. She attended many meetings with different local jurisdictions. The recommendations were to ensure that DEI is integrated into all jurisdiction decision making. She requested that the Planning Commission be given nametags for the times they do community outreach. Ryan Andrews told her that the City will provide the nametags.
- 3) **Department Report:** None
- 4) **New Business:** None
- 5) **Old Business:**
 - A. **Comprehensive Plan Update: Steven Goodsell, Transportation Engineer/Planner -Fehr and Peers; Wesley Nguyen, Economic Development Coordinator; Ryan Andrews, Community Planning Manager.** The Planning Commission reviewed the draft goals and policies for the Transportation, Economic Development and Utilities Elements of the Comprehensive Plan. This completed the Planning Commission's initial review of goals and policies prior to the release of the draft update to the Comprehensive Plan this summer.
- 6) **Communications and Announcements:** Ryan Andrews went over the Planning Commission schedule.
- 7) **Next Meeting:** May 28, 2025
- 8) **Adjournment:** 7:35 PM

To hear the full discussion of a specific topic, or the complete meeting, watch the recorded video available on YouTube: <https://www.youtube.com/watch?v=I77nTEyPKhw>



Planning Commission Staff Report

May 28, 2025

SUBJECT: 5-Year Economic Development Strategy

RECOMMENDATION: Receive a briefing on the initial findings of the Economic Development Strategy. No formal action is required.

STAFF CONTACT: Vanessa Dolbee, Director of Community and Economic Development
Sarah Schelling, Current Planning and Economic Development Manager 
Wesley Nguyen, Economic Development Coordinator 

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS: 1. Lacey Demographic and Economic Analysis, Draft.

PRIOR REVIEW: None.

BACKGROUND:

In December 2024, the City of Lacey initiated work on a five-year Economic Development Strategy, designed to guide City Council and staff in its economic development efforts over the next five years. The plan will combine data analysis and economic trends with a robust stakeholder engagement and outreach program to develop an actionable five-year strategy, complete with measurable goals and a robust implementation framework. This strategy will provide staff and stakeholders with tools necessary to begin implementation on day one. Rather than generating a long list of high-level recommendations, this plan will develop a detailed list of priorities and necessary implementation details to equip the city with tools necessary to execute the work ahead. The strategy will identify short- and medium-term actions items that are implementable at the local level. This initiative is being conducted in parallel with the City's Comprehensive Plan update, ensuring alignment and integration between both efforts.

The City of Lacey contracted with ECONorthwest to complete the study and began work in December 2024. ECONorthwest has completed the Lacey Demographic and Economic Analysis, Attachment 1. This study contains five primary sections looking at the community context, economic context, retail development opportunities, commercial real estate inventory and trends, and implications of Quiemuth Village Development. The report identifies key findings and demographic trends that will influence the development of the strategic plan.

NEXT STEPS:

Engage Lacey's stakeholders to ground the strategy in community insights, ensuring that recommendations reflect local priorities and realities. This will include both stakeholder interviews and an advisory community made of people from the local business community and the economic development ecosystem.

The final strategy will be presented to the Planning Commission in fall 2025.

Lacey Demographic and Economic Analysis

May 7, 2025

Executive Summary

This document presents a summary of current demographic and economic conditions that will shape Lacey's future growth and development. This analysis is the first step in a broader analysis of Lacey's economic landscape. Next steps involve interviews with business community members and the development of an economic development strategy. This work also aligns with the timeline and goals of Lacey's ongoing Comprehensive Plan update.

Key findings of this analysis are as follows:

Demographic and housing trends in Lacey reveal shifting community needs and opportunities for targeted policy responses. Lacey is becoming increasingly diverse with a growing share of Hispanic/Latino and foreign-born residents. Additionally, the city's aging population is expanding at a faster rate than the county's, suggesting a need for targeted senior services and amenities. The rental housing market also tells two stories: the housing stock is slightly more affordable compared to the rest of the county and attractive for workers in the region, and there are many senior living communities that meet a specific demand.

However, the city's workforce patterns demonstrate a heavy reliance on nearby employment centers, with most residents commuting outside Lacey for work, especially in health care and government sectors. Moreover, the largest employers in Lacey are in retail, government, and education industries, and there is a greater concentration of industrial space (i.e., warehousing and distribution) in Lacey. These economic patterns point to a continued need for transportation investments to support Lacey's economic growth. They also suggest a potential need to diversify the employment base by attracting higher-wage jobs.

Lacey's economy remains highly dependent on sales tax revenue, which has become more pronounced over the past decade and now comprises nearly half of the city's total tax revenue (general fund). However, retail leakage persists in key categories. Because other cities in Washington are also reliant on sales tax revenue, Lacey must continue to compete for more retail spaces and activities. This makes it difficult to prioritize attracting employers in higher-wage industries.

Resident surveys and other data show that many people frequently leave Lacey for specialty markets, higher-quality restaurants and cafés, clothing, entertainment (e.g., bookstores, theaters), and personal services (e.g., salons, medical), highlighting the need

for a more diverse and attractive retail environment that reflects more closely the ongoing demographic shifts in Lacey. The city's commercial real estate market reflects similar dynamics. While retail demand is strong in areas like Hawks Prairie, vacancy issues remain in Lacey Midtown.

Still, because Lacey operates in a regional economy, many people living outside Lacey shop in Lacey's general merchandise stores. For example, about half of visitors to Lacey's shopping areas originate from Olympia, while around 20 percent originate from Lacey.

Lacey's economic profile is shaped by a high reliance on external employment centers, especially in health care and government sectors, with the majority of residents commuting outside the city for work. Sales tax remains the city's largest revenue source, driven partly by construction activity and partly by general merchandise, which generates many visits and sales from people living outside Lacey. But there are retail leakages in categories such as restaurants, auto dealerships, and apparel. The city's commercial real estate market reflects these dynamics: industrial space (in Hawks Prairie) is in strong demand, retail lease rates are comparatively high, and office and retail vacancies remain concentrated (in Lacey Midtown). These geographic variations provide context for further analysis of future development opportunities and inform considerations for strategic planning and investment.

The proposed Quiemuth Village development may be a part of the answer. The development could add retail spaces while improving retail diversity. Moreover, it could be a catalyst for other developments near it. There are ongoing constructions and development proposals for retail, hotel, and residential uses on surrounding properties. In the short-term, these developments could generate new sales tax revenues from construction and furnishing activities. In the long-term, they can add to the City's sales tax revenues from retail and lodging tax revenues. New housing would not only generate more property taxes but also create the demand to support the new retail spaces. When more information about the proposed Quiemuth Village development is available, the City should re-evaluate the mix of retail, residential, and non-residential uses and consider complementary land uses and economic opportunities that could locate around the Quiemuth Resort and Village projects.

This document is organized into the following sections.

1. Community Context (page 3)
2. Economic Context (page 8)
3. Retail Development Opportunities (page 13)
4. Commercial Real Estate Inventory and Trends (page 19)



5. Implications of Quiemuth Village Development (page 26)

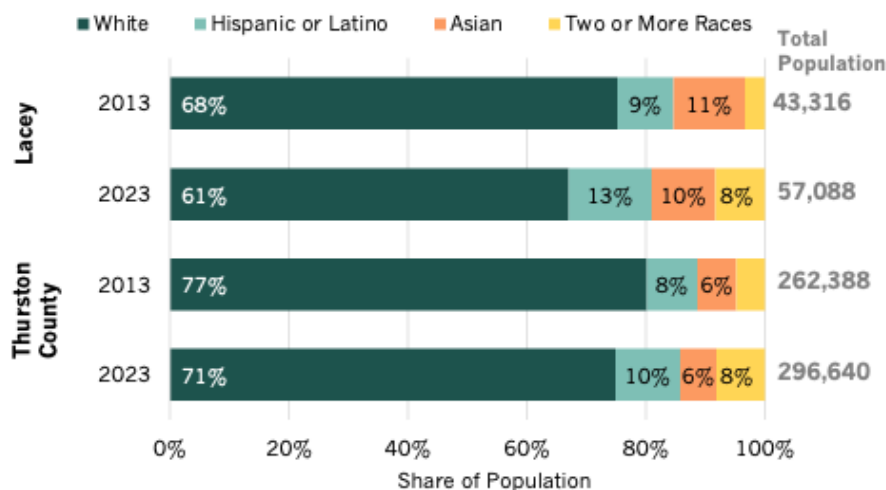


1. Community Context

Since 2013, Lacey has become more diverse, with a growing share of Hispanic or Latino residents and foreign-born residents. While household incomes have risen, they have not kept pace with the rest of Thurston County, suggesting economic growth has been somewhat slower in the city. This trend may be influenced by a rising senior population, a slight increase in single-person households, and a lack of notable increase in the share of people completing a bachelor’s degree or higher compared to the county. Also, rental units are more prevalent, and housing prices are lower in Lacey. These factors indicate Lacey is a growing community that is experiencing demographic shifts while being positioned as more affordable and less cost-prohibitive compared to the rest of Thurston County.

Population Demographics

Exhibit 1. Race/Ethnicity by Geography, 2013-2023



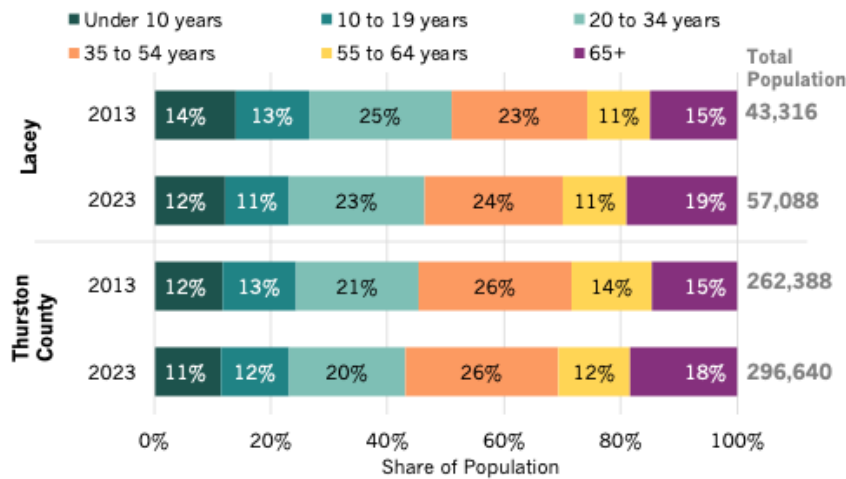
Source: ACS 5-year estimates, DP05.

Over the past 10 years Lacey and Thurston County saw a decline in the share of White population, decreasing 7 percentage points in Lacey and 6 percentage points in the county. During the same period, the Hispanic or Latino population grew more in Lacey (from 9 percent to 13 percent) than in Thurston County (from 8 percent to 10 percent), highlighting a faster rate of diversification in the city.

These trends suggest that both the city and county are becoming more racially and ethnically diverse, and Lacey experienced a slightly more pronounced demographic shift.



Exhibit 2. Age Distribution by Geography, 2013-2023



Source: ACS 5-year estimates, DP05.

Between 2013 and 2023, both Lacey and Thurston County experienced a slight decline in younger populations (those under 34 years). The senior (65+) population increased in both areas, indicating an aging trend. The senior population in Lacey is growing at a slightly faster pace. If current trends continue, seniors could account for 23 percent of Lacey's population by 2050, outnumbering residents under age 18.¹

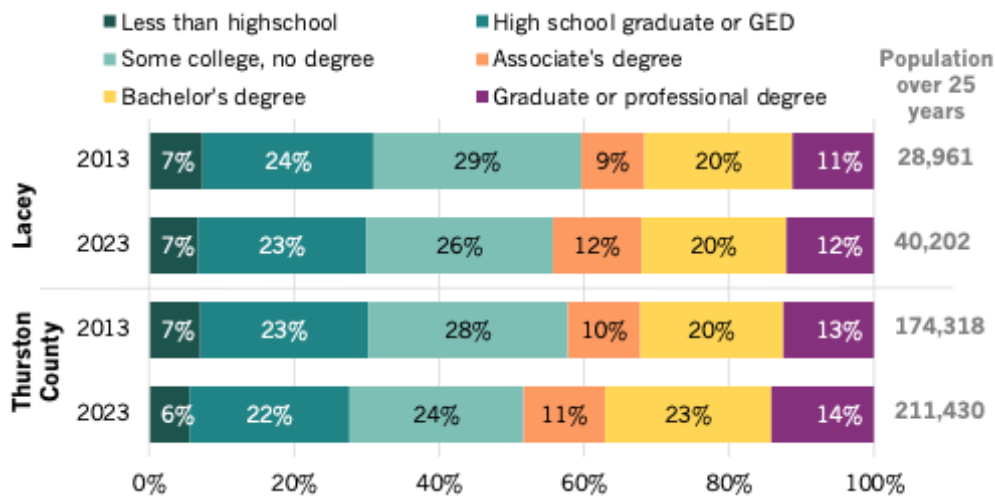
Educational Attainment

Educational attainment has stayed relatively stable since 2013. Thurston County showed a slight increase in higher education levels, particularly in bachelor's degrees. However, Lacey showed a slight increase in associate's degrees. This trend suggests that while educational attainment is slowly changing in the region, the educational profile is slightly different in Lacey. This may have implications for the types of jobs and skillsets that are growing.

¹ EConorthwest's population projection tool using cohort change ratio.



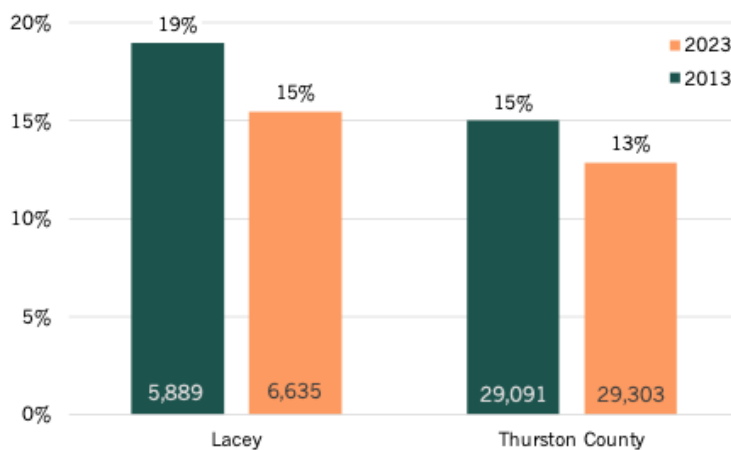
Exhibit 3. Educational Attainment by Geography, 2013-2023



Source: ACS 5-year estimates, S1501

Specific Population Characteristics

Exhibit 4. Veteran Share of Population over 18

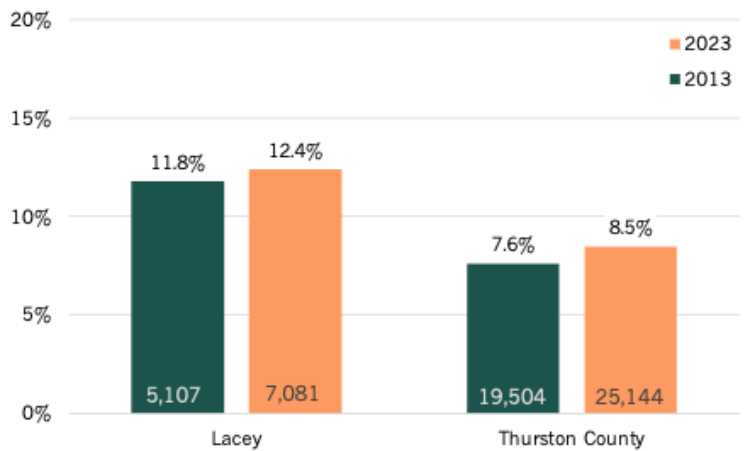


Source: ACS 5-year estimates, DP02

Lacey and Thurston County both experienced a decline in the share of veterans between 2013 and 2023, with Lacey dropping from 19 to 15 percent and the county decreasing from 15 to 13 percent. Given Lacey's proximity to Joint Base Lewis-McChord (JBLM), the city has historically had a higher veteran population. However, the decline in veteran representation may reflect broader demographic shifts, including an aging veteran population and fewer transitioning service members settling in the area.



Exhibit 5. Foreign Born Share of Population over 18

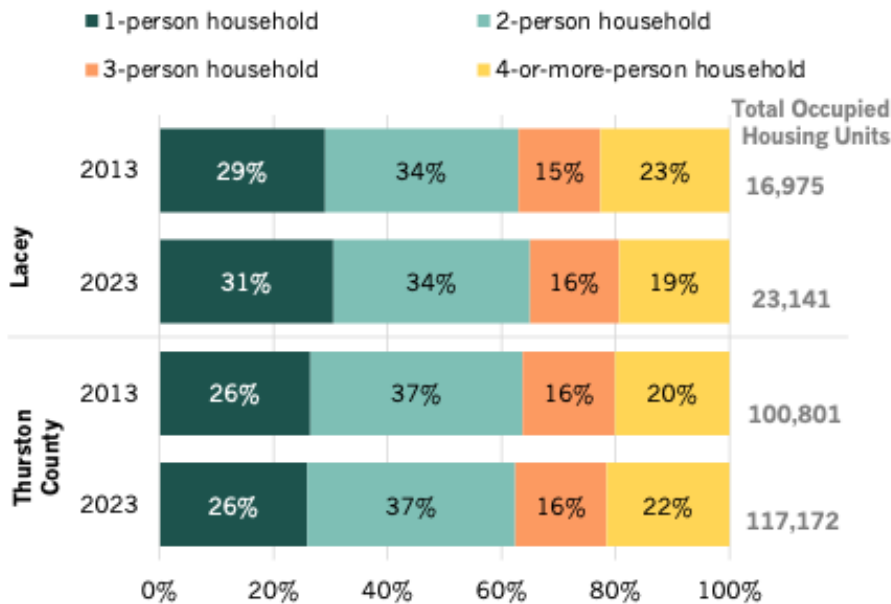


Between 2013 and 2023, the foreign-born population increased in both Lacey and Thurston County, with Lacey rising from 11.8 to 12.4 percent and the county from 7.6 to 8.5 percent. The increase in foreign-born residents suggests a growing diversity in the region, potentially contributing to shifts in local workforce and cultural dynamics.

Source: ACS 5-year estimates, DP02

Household Characteristics

Exhibit 6. Household Size by Geography, 2013-2023

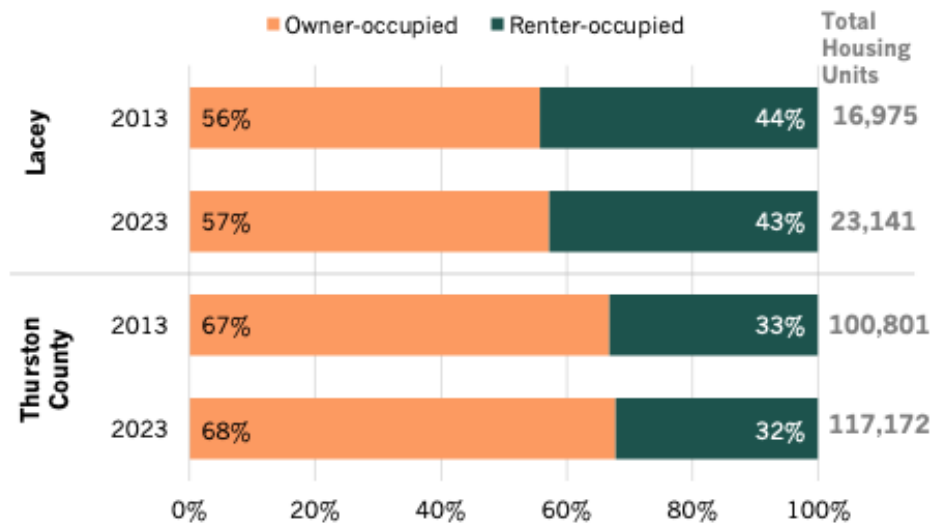


Household composition in both Lacey and Thurston County remained relatively stable between 2013 and 2023, with two-person households continuing to be the most common. Lacey saw a slight increase in one-person and three-person households, while the share of four-or-more-person households declined from 23 to 19 percent, indicating a small shift toward smaller households.

Source: ACS 5-year estimates, S2501

Despite these minor changes, overall household size distributions have remained consistent, even as the total number of occupied housing units grew in both the city and county.

Exhibit 7. Household Tenure by Geography, 2013-2023



Lacey has a higher proportion of renter-occupied housing (43 percent) compared to Thurston County (32 percent). The ratio of renters to owners has stayed consistent in both Lacey and Thurston County over the past 10 years.

Source: ACS 5-year estimates, DP04

Housing Prices

Mortgage payments and housing sales prices in Lacey are generally lower than in Thurston County.

Exhibit 8. Mortgage Payments and Home Sales Price, 2025

	AVERAGE MONTHLY MORTGAGE PAYMENT	MEDIAN SALES PRICE
Lacey	\$2,075	\$510,000
Thurston County	\$2,200	\$540,000

Source: ACS 5-year estimates, DP04; Redfin, March 2025

Typical rent payments also tend to be lower in Lacey than in Thurston County. As suggested by the numbers Exhibit 9, the rents of many units in Lacey are somewhat lower than similar units in Thurston County, on average. One-bedroom units tend to be much lower because there are many older, smaller units. But the average rents in Lacey's senior living communities are much higher. These units skew the average rent in Lacey upwards.

Exhibit 9. Average Asking Rent Per Unit

	STUDIO	1 BEDROOM	2 BEDROOMS	3 BEDROOMS
Lacey, Excluding Senior Living	\$1,423	\$1,182	\$1,710	\$1,963
Thurston County	\$1,525	\$1,552	\$1,783	\$2,057
Difference	-7%	-24%	-4%	-5%



Lacey, Senior Living Only	\$3,285	\$3,509	\$3,823	N/A
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Source: CoStar, March 2025

Household Income

Exhibit 10. Median Household Income and Compound Annual Growth Rate

Geography	Median Household Income		
	2013	2023	CAGR
Lacey	\$ 58,800	\$ 87,300	4.0%
Thurston County	\$ 62,200	\$ 94,000	4.2%

Source: ACS 5-year estimates, DP03.

Median household incomes in both Lacey and Thurston County have grown between 2013 and 2023. Thurston County retained a consistent higher median household income over the 10-year period.

The compound annual growth rate (CAGR) for household income in Lacey was 4.0 percent, slightly lower than Thurston County's 4.2 percent, indicating that while both areas experienced strong income growth, households in Lacey experienced a slightly slower pace.



2. Economic Context

Lacey operates in a regional economy where people cross jurisdictional borders for work. This is more pronounced in Lacey likely because there are large public sector and health care employers in Olympia, such as the state government, Providence St. Peter Hospital, and Kaiser Permanente.

Unemployment Rate

The unemployment rate is an indicator of the strength of the labor force. While a rate that is specific to Lacey is not available, regional figures can suggest the health of Lacey’s workforce. The unemployment rate in Thurston County was 4.6 percent by the end of 2024. While this level is similar to the statewide average, it is noticeably higher than in the Seattle metropolitan area, which tracks with the national average.

Exhibit 11. Unemployment by Region, December 2024

REGION	UNEMPLOYMENT RATE
Thurston County	4.6%
Washington	4.5%
Seattle-Tacoma-Bellevue Metropolitan Area	4.0%

Data Source: Washington Employment Security Department

Employers and Employment

According to the City’s latest annual financial report, the largest employers in Lacey are in the following industries²:

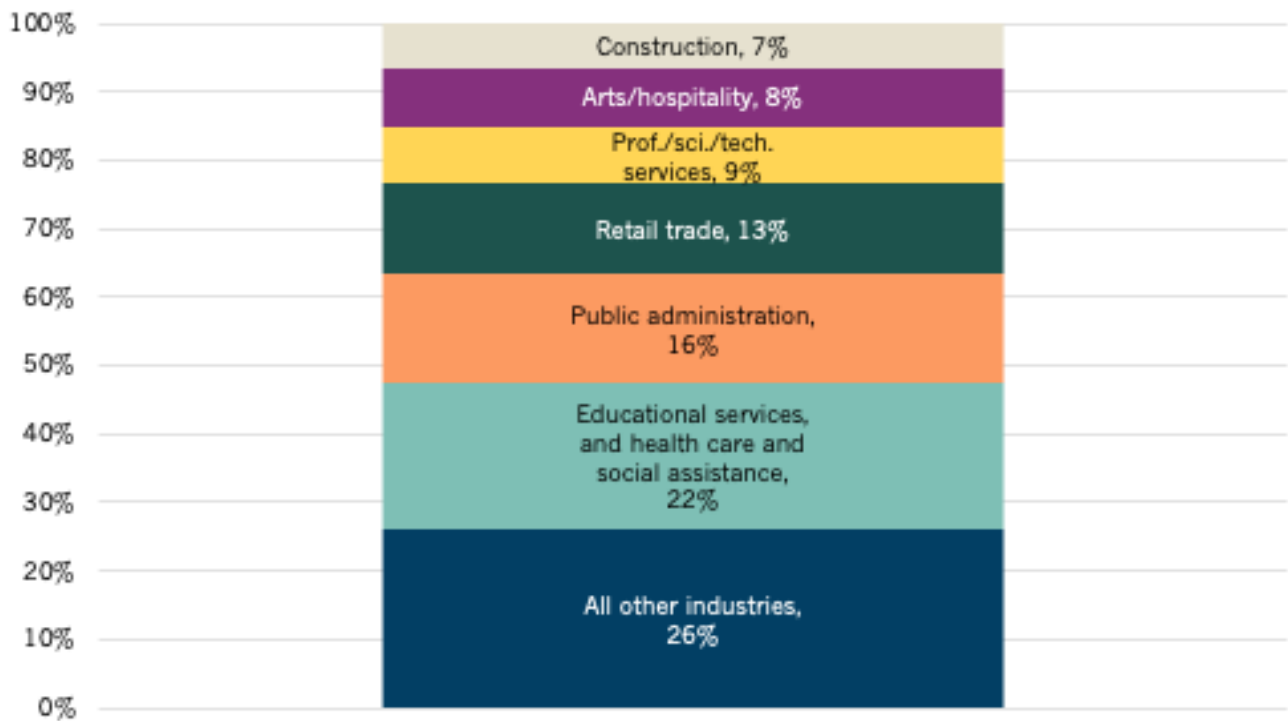
- ◆ Retail (12.1 percent of local employment): For example, Amazon, PetSmart, Harbor Wholesale, Medline Industries, and Walmart
- ◆ Government (8.4 percent): State of Washington and City of Lacey
- ◆ Education (7.7 percent): North Thurston Public Schools and St. Martin’s University

However, Lacey residents work in a variety of industries as shown in Exhibit 12. About half work in retail, government (public administration), education, or health care industries, while the other half work in other industries like professional, scientific, and technical services or construction, for example.

² 2023 Annual Comprehensive Financial Report. City of Lacey, WA, 2023.



Exhibit 12. Employment Industries of Lacey Residents



Source: ACS 5-year estimates, DP03

A key contrasting point between the two datasets—who works in Lacey versus where Lacey residents work—is that a disproportionate share of Lacey’s residents works in government (public administration), education, or health care industries. For example, about 8 percent of employment in the city is in government, but about 16 percent of Lacey residents work in government. This difference is likely due to the presence of large employers just across the border in Olympia, namely the State of Washington, Providence St. Peter Hospital, and Kaiser Permanente. A share of Lacey residents commute into Olympia to work at state government offices or health care service providers.

Commute Patterns

Lacey is similar to most cities in the region: most people live and work across jurisdictions. Most residents (83.5 percent) leave Lacey to work elsewhere, and most workers in Lacey (86.4 percent) come from elsewhere. This is a long-term, regional pattern, rather than a new phenomenon. The commuting pattern is mirrored in nearby cities, with an exception in Olympia, where a third of the employed residents work in the city.

Top origins and destinations are local population centers where there are greater employment options: Olympia, Tacoma, Tumwater, and Seattle.



Exhibit 13. Commute Patterns in Lacey and Nearby Cities

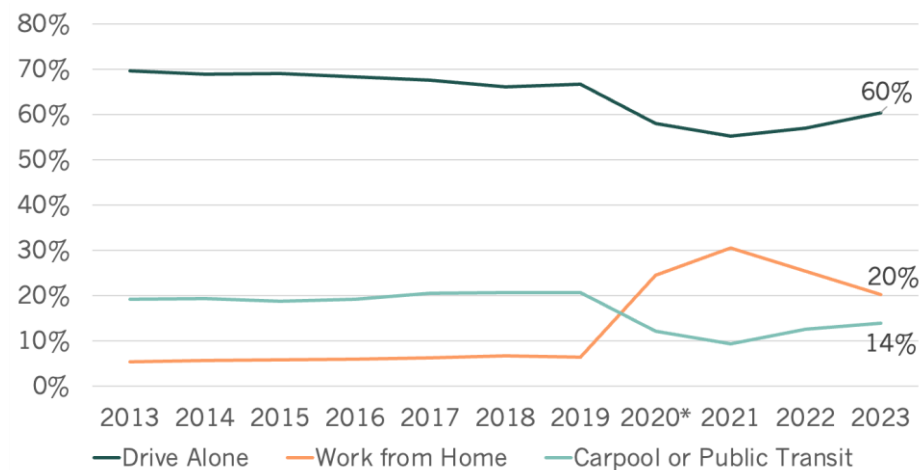
	RESIDENTS LEAVING FOR WORK		WORKERS FROM ELSEWHERE	
	2012	2022	2012	2022
Lacey (58,300 people)	83.1%	83.5%	85.4%	86.4%
Olympia (55,700 people)	64.4%	67.1%	83.7%	86.3%
Tumwater (27,200 people)	81.6%	83.0%	90.8%	92.3%
Lakewood (62,300 people)	80.4%	85.0%	86.5%	87.4%

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics and QuickFacts

A key policy implication for the City of Lacey is transportation needs. Because Lacey and the broader regional economy depend on connections between cities and markets, Lacey's residents and workers will continue to look for more efficient transportation options. Economic growth in Lacey will be closely tied to internal connections within the city as well as intercity connections.

Remote Work Trends

Exhibit 14. Commute Options, Puget Sound Region



The COVID-19 pandemic accelerated the shift to remote and hybrid work. Although the share of remote jobs peaked in 2021 then declined, it appears to have stabilized at roughly 20 percent. While Exhibit 14 lacks 2024 data, anecdotal evidence supports that this trend has held steady.

*Data for 2020 is less reliable due to limitations in the ability to survey households during lockdowns and social distancing measures. The 2020 data in this exhibit is estimated based on 2021 data.

Source: ACS 5-year estimates, B08301

At-Home Employment

According to business registration data, which includes self-reported information about business size, about 40 percent of businesses are home-operated businesses.³ These small businesses are generally self-operated or employing one or two other people. About half of the businesses are in the following industries⁴:

- ◆ Health care and social assistance (16 percent)⁵
- ◆ Professional, scientific, technical services (15 percent)⁶
- ◆ Retail (13 percent)
- ◆ Construction (10 percent)

³ Lacey endorsement data provided by the City of Lacey, March 2025.

⁴ Lacey endorsement data provided by the City of Lacey, March 2025.

⁵ Such as in-home care services and continuing care at retirement communities and assisted living facilities. This reported statistic may be inaccurate since the data is based on self-reported responses.

⁶ Such as accounting, consulting, computer science, and photography.



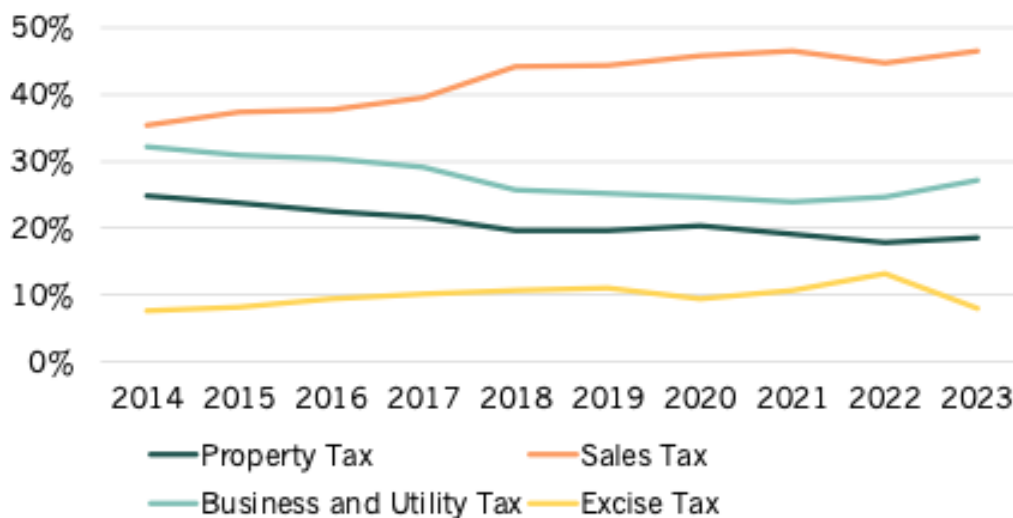
3. Retail Development Opportunities

Sales tax is the largest component of the City of Lacey’s tax revenues. It is driven partly by retail activity, and nearby cities are competing for it. In order to determine how Lacey can become a local destination, we evaluated three data points: retail leakage, retail void, and community feedback on Neighborhood Commercial Districts.

Sales Tax Trends

The main source of government revenue is sales tax, and it is growing. Comparing Lacey’s four types of taxes in Exhibit 15, sales tax was the largest component in 2014 (35 percent) and is still the largest component (46 percent by 2023).

Exhibit 15. Lacey Tax Revenues From Fiscal Years 2014 to 2023



Source: 2023 Annual Comprehensive Financial Report. City of Lacey, WA, 2023

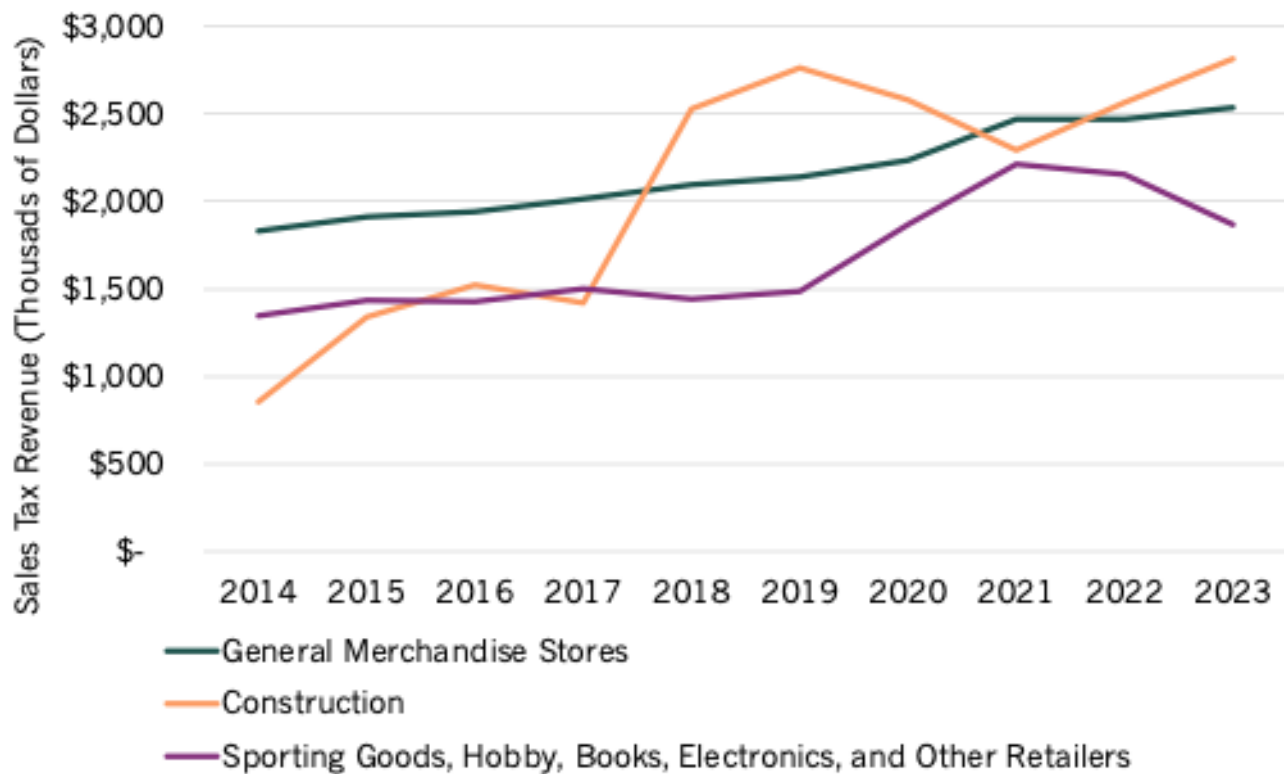
Exhibit 16 shows the top three components of Lacey’s sales tax revenue. It shows that the key drivers sales tax revenue are the following industry categories:

- ♦ General Merchandise Stores: This is usually the largest component, except when there is strong construction activity. This category includes wholesalers and large retailers—like Walmart and Target—but does not include grocery-only stores or department stores.
- ♦ Construction: This category of sales tax revenues is sensitive to economic cycles, rising when there is strong construction activity and falling during economic downturns. So, it provides a less steady source of sales tax revenues.



- ◆ Sporting Goods, Hobby, Books, Electronics, and Other Retailers: This category includes stores that sell specialized goods and occupy large building footprints, usually.

Exhibit 16. Lacey Sales Tax Revenue for Top Three Industry Categories



Source: 2023 Annual Comprehensive Financial Report. City of Lacey, WA, 2023

Sales tax is also an important driver of local tax revenues in other cities in the region. Exhibit 17 compares Lacey to three other cities: Olympia, Lakewood, and Federal Way. In all of these cities, sales tax makes up between 39 and 46 percent of tax revenues.

Exhibit 18 also shows the size of each city's tax revenue compared to the population size.

Comparing these two exhibits there are a few notable differences about the comparison cities when compared to Lacey:

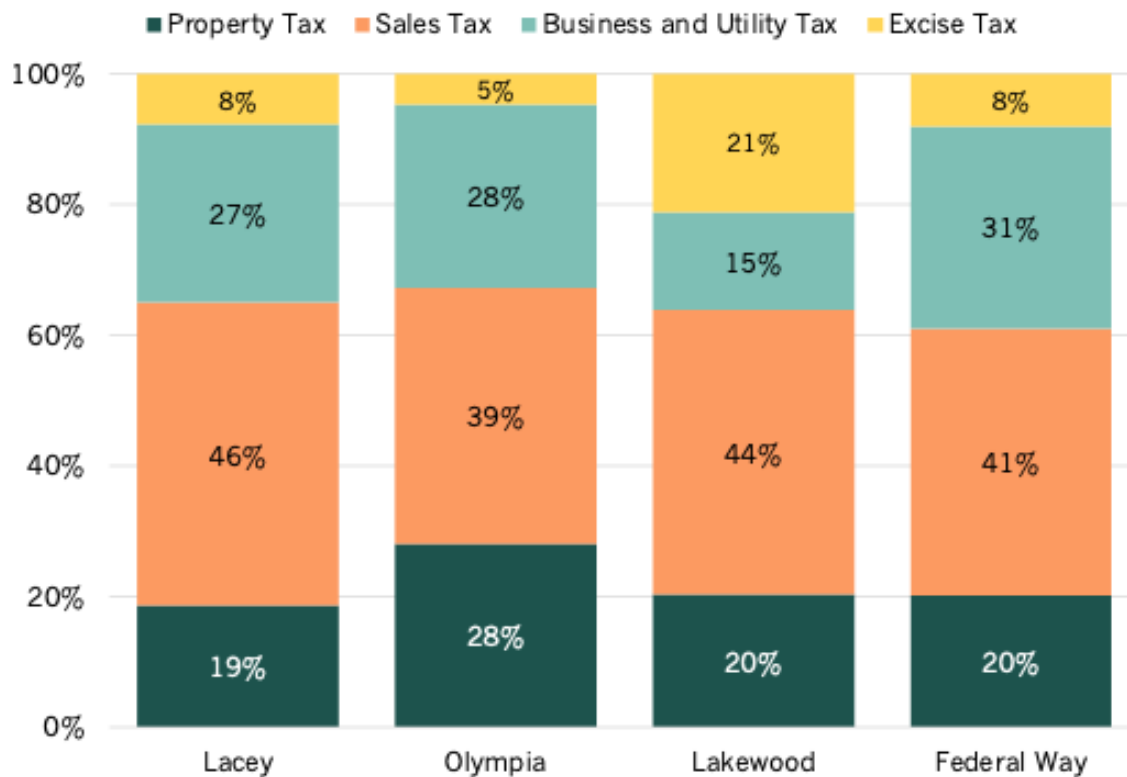
- ◆ In Olympia, property tax revenues make up a greater share of the city's tax revenues. This is partly because property values are higher and partly because there are higher density developments.
- ◆ In Olympia, the tax revenue per capita is about twice as large. This is not just because property values are typically higher in Olympia. This is because there are



much more taxable economic activities happening in Olympia (i.e., more properties, more retail and auto sales, more business revenues, etc.).

- ◆ About half of the excise tax revenues in Lakewood is attributable to gambling taxes. Lakewood’s gambling tax rates vary from 2 percent of net receipts for amusement games to 5 percent of gross receipts for bingo games and 11 percent of gross receipts for card games.⁷
- ◆ While the tax revenue components are similar between Lacey and Federal Way, the per-capita tax revenue is lower in Federal Way.

Exhibit 17. Tax Revenues by Source in Lacey and Comparison Cities in 2023



Source: 2023 Annual Comprehensive Financial Report. City of Lacey, WA, 2023; 2023 Annual Comprehensive Financial Report. City of Olympia, WA, 2023; 2023 Annual Comprehensive Financial Report. City of Lakewood, WA, 2023; 2023 Annual Comprehensive Financial Report. City of Federal Way, WA, 2023.

Exhibit 18. Average Tax Revenues per Capita in Lacey and Comparison Cities in 2023

LACEY	OLYMPIA	LAKEWOOD	FEDERAL WAY
\$834	\$1,698	\$613	\$612

Source: 2023 Annual Comprehensive Financial Report. City of Lacey, WA, 2023; 2023 Annual Comprehensive Financial Report. City of Olympia, WA, 2023; 2023 Annual Comprehensive Financial Report. City of Lakewood, WA, 2023.

⁷ City of Lakewood. “Taxes and Fees in Lakewood.” <https://cityoflakewood.us/finance/taxes-fees-in-lakewood/>



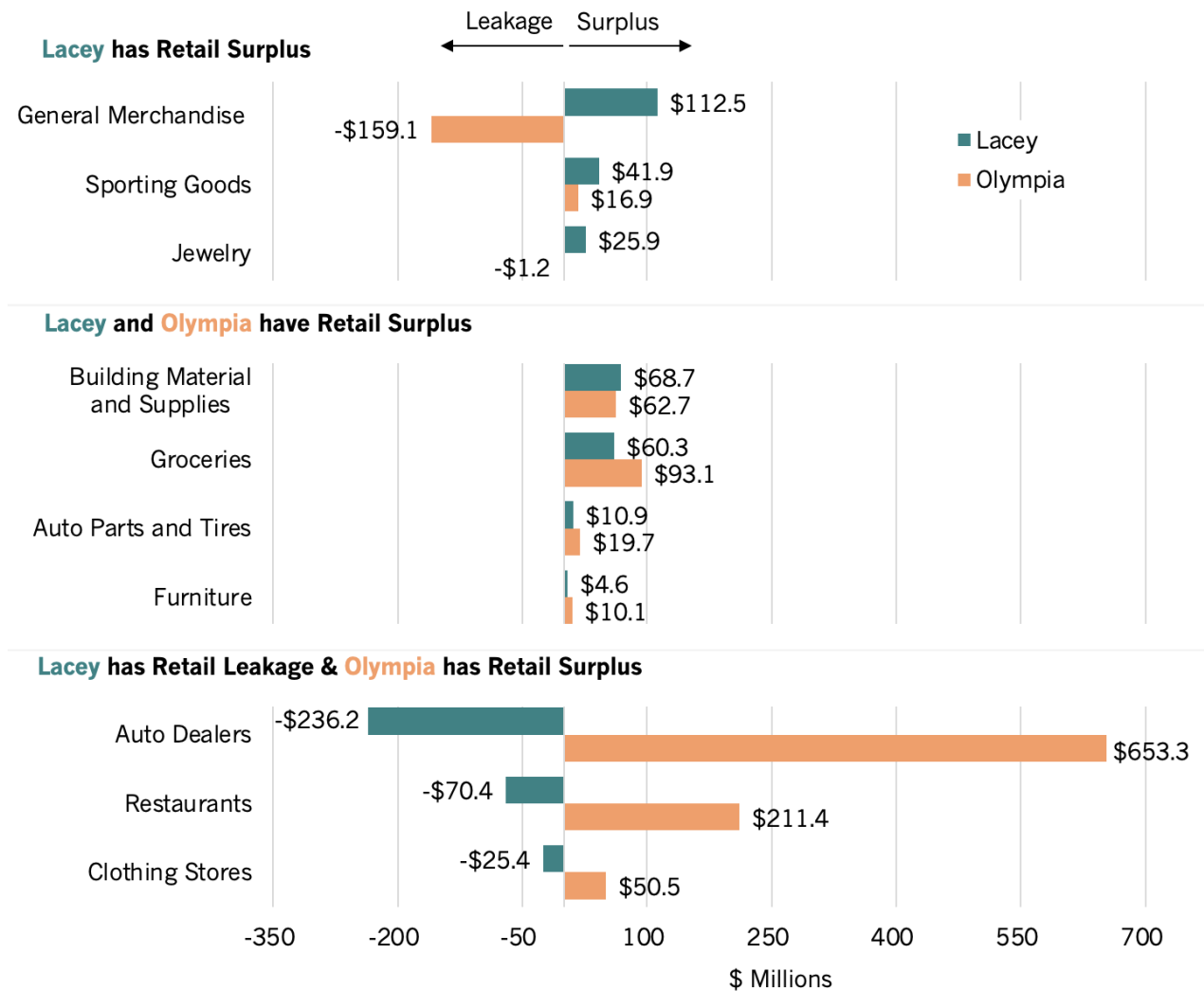
Retail Leakage

Retail leakage⁸ occurs when residents do not have competitive opportunities to purchase goods locally and must travel outside the primary market area (or purchase online) to find desired products. Exhibit 19 shows that there is an observed retail surplus across a few retail categories in Lacey. Olympia is offered as a comparison, but retail leakage from Lacey does not necessarily flow to Olympia.

⁸ Retail leakage shows an existing gap, representing the difference between demand and supply within specific geographic boundaries. A **negative value** represents leakage of retail opportunity outside the market area, and potential for that demand to instead be met locally. A **positive value** represents a surplus of retail sales, a market where customers are drawn in from outside the market area.



Exhibit 19. Retail Surplus and Leakage by City



Data source: Claritas

Lacey outsells Olympia in general merchandise (which includes stores such as Target and Walmart and excludes general grocery stores and department stores), sporting goods, and jewelry. Lacey and Olympia perform similarly on retail sales in building materials, groceries, auto parts, and furniture. However, there is retail leakage from Lacey when it comes to auto dealers, restaurants, and clothing stores. While there may be a higher barrier to entry for auto dealers because of high capital costs and limited franchise opportunities, these data points suggest Lacey could focus on growing the diversity of its restaurant and apparel store options.



Foot Traffic and Visitors

There are several key retail areas in Lacey, including South Sound Center and Market Square (along Sleater Kinney Road SE), Hawks Prairie Village Mall (along Marvin Road NE), and Summerwalk Village (on College Street SE and Yelm Highway SE). Visits per year to these retail areas range from 5 to 12 million. Around 50 percent of visitors to these shopping areas originate from Olympia, and around 20 percent originate from Lacey. As a local destination for general merchandise, many people living outside Lacey shop in Lacey's stores. Most visitors are at home prior to visiting the retail area and return home post shopping.⁹

Place.ai's Void Analysis tool¹⁰ suggests types of businesses that may be lacking in particular areas. In South Sound Center and Hawks Prairie Village Mall, the five most common types of businesses that seemed to be lacking are the following.

- ◆ Restaurants (e.g., American, Mexican, seafood)
- ◆ Groceries (e.g., ethnic/international, independent/local)
- ◆ Attractions (e.g., bowling, museum, etc.)
- ◆ Cannabis dispensaries
- ◆ Cafés/bakeries

While these data points alone do not lead to conclusive findings, they provide an additional perspective for identifying retail development opportunities in Lacey.

Neighborhood Commercial District Survey

At the end of 2022, the City of Lacey conducted a survey of its residents, workers, and visitors to gather community perspectives ahead of the next update to its Neighborhood Commercial Districts. A majority of the responses came from residents in Hawks Prairie Planning Area. About half of those who responded were born in 1970 or later (younger than 55 years), and the other half were born earlier than 1970 (55 years or older).

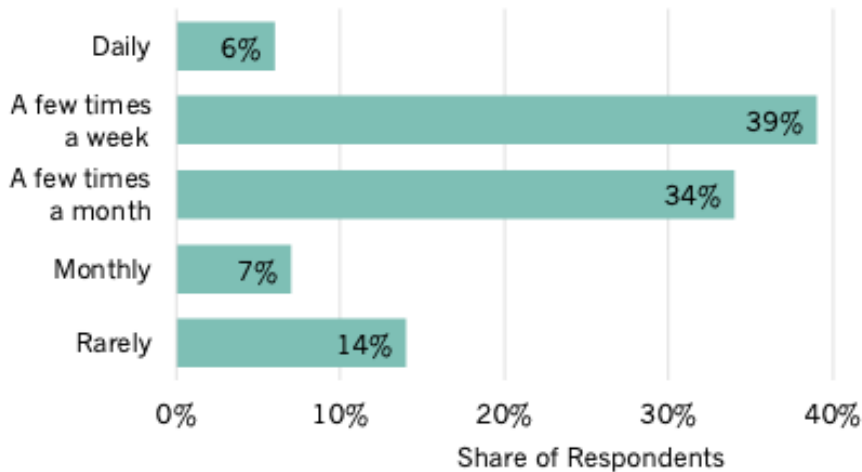
One of the survey questions read: "How often do you travel outside the City of Lacey for your shopping and services-related needs (groceries, home goods, restaurants, gyms, barber, etc.)?" In response, about 45 percent said they traveled outside the city more than once a week, and 79 percent said they did so more than once a month. The responses suggest most people are frequently leaving Lacey to find specific goods or services.

⁹ These data points are from Placer.ai.

¹⁰ Placer.ai assesses void by ranking retailers by their relative fit score (based on demographic fit, cannibalization risk, average monthly foot traffic and co-tenancy fit) to see what specific retailers or retail types fill that void.



Exhibit 20. Frequency of Shopping Outside Lacey



Source: City of Lacey. Neighborhood Commercial District Survey Results. 2023

Some of the most frequent retail or service-related businesses people sought out included the following.

- ♦ **Specialty Markets:** Respondents often travel to communities that offer a wider selection of fresh, organic, or international groceries. A large number of respondents shop at Trader Joe's, Whole Foods, and specialty grocery stores like Asian markets.
- ♦ **Restaurants and Cafés:** Dining options are a key reason people visit other areas. Respondents seek out higher-quality restaurants, coffee shops, and unique dining experiences not available locally. Many prefer sit-down establishments over fast-food options.
- ♦ **Clothing and Department Stores:** Shoppers frequently visit stores such as Macy's, Nordstrom, and REI for clothing and outdoor gear. Many noted that their local options are limited, and they travel to other areas for better selection and quality.
- ♦ **Entertainment, Leisure, and Personal Services:** People frequently visit bookstores, movie theaters, hair salons, medical services, and family-friendly attractions. Some noted a desire for more entertainment options and specialized providers, such as boutique gyms and holistic health services, closer to home.

4. Commercial Real Estate Inventory and Trends

Retail rents are typically higher in Lacey than in the rest of Thurston County, suggesting a relatively strong demand for retail spaces. Highest asking rents are observed in Hawks Prairie. Lacey's industrial (i.e., warehouse) spaces are larger, reflecting the presence of large logistics facilities in Hawks Prairie.



Weakness in Lacey’s commercial real estate is concentrated in Lacey Midtown. There are retail vacancies, both small and large spaces. While Lacey has made a significant progress in reducing office vacancies over the last ten years, large vacancies remain in state government buildings. However, there are recent developments that suggest Lacey Midtown is in the early stages of ongoing enhancement.

Commercial Inventory

Exhibit 21 shows the supply of commercial real estate in Lacey and Thurston County. In both places, industrial spaces are the most common, followed by retail and office spaces. Proportionally speaking, there is a greater concentration of industrial space (i.e., warehousing and distribution) in Lacey. There are very few flex spaces, which are adaptable commercial spaces that can function as both office and warehouse/industrial areas.

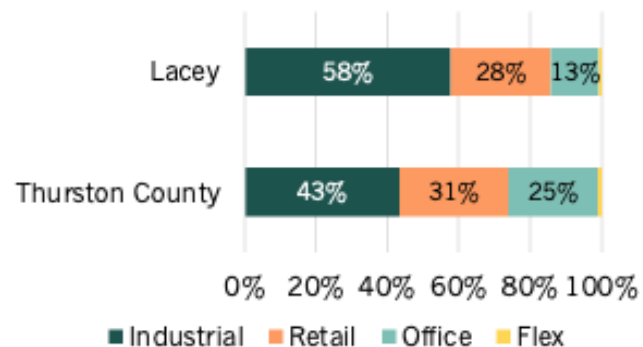
Exhibit 21. Commercial Real Estate Inventory (Square Feet)

	LACEY	REST OF THURSTON COUNTY	THURSTON COUNTY TOTAL
Industrial	10,300,000	10,900,000	21,200,000
Retail	5,000,000	10,000,000	15,000,000
Office	2,400,000	9,700,000	12,100,000
Flex	113,000	469,000	582,000
Total	17,813,000	31,069,000	48,882,000

Source: CoStar, March 2025

When looking at the makeup of the commercial real estate inventory in each place, Exhibit 22 shows that Lacey has proportionately greater amount of industrial and less amount of office space. This reflects the presence of logistics facilities in Hawks Prairie and office buildings in Olympia.

Exhibit 22. Commercial Real Estate Shares

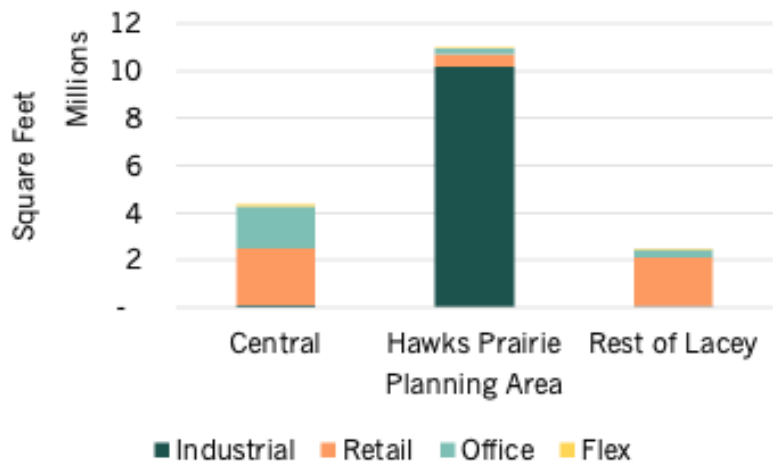


Source: CoStar, March 2025

Commercial real estate looks different across Lacey. There is a mix of retail and office in Lacey Midtown and the Depot District areas of the central Lacey. Commercial real estate in northeast Lacey and Hawks Prairie areas is mostly industrial. While there are a couple of retail centers in other parts of Lacey, they are not as large as the retail businesses in Lacey Midtown and the Depot District areas in central Lacey.



Exhibit 23. Commercial Real Estate Inventory (Square Feet) By Planning Area



Source: CoStar, March 2025

Vacancy and Lease Rates

There are a few notable differences in the vacancy and average lease rates between Lacey and the county, which can be observed by comparing the data in Exhibit 24 and Exhibit 25.

- ◆ **Industrial:** The average lease rate is lower in Lacey. However, industrial buildings are typically at least twice as large. Since larger spaces tend to have lower per-square-foot lease rates, the lower rate in Lacey is not unexpected.
- ◆ **Retail:** The average lease rate is somewhat (7.5 percent) higher in Lacey. At the top end, for example, the asking rate for newest spaces in Hawks Prairie was \$44 per sq. ft., as of early 2025. The average building size is slightly higher. This suggests there is a strong demand for retail space in Lacey. However, as shown in Exhibit 28, retail vacancy in Lacey ticked upwards during the second half of 2024. Many of the vacant spaces are in and near the South Sound Center (Lacey Midtown) where properties are older. As shown in Exhibit 29, vacant retail spaces vary widely in size.
- ◆ **Office:** The average lease rate is somewhat (7.0 percent) higher in Lacey. The vacancy rate used to be very high (above 10 percent until 2018), but it has come down to a healthy rate (below 4.0 percent) in recent years (see Exhibit 30). Still, about half of the vacant office properties and nearly 75 percent of the vacant office spaces are in state government buildings located in Lacey Midtown.

Exhibit 24. Commercial Real Estate in Lacey

	VACANCY	AVERAGE LEASE RATE (\$ PER SQ. FT.)	AVERAGE SIZE (SQ. FT.)
Industrial	5.7%	\$8.52	106,186



Retail	5.2%	\$24.18	13,333
Office	4.0%	\$26.30	15,686
Flex	0%	\$15.11	9,417

Source: CoStar, March 2025

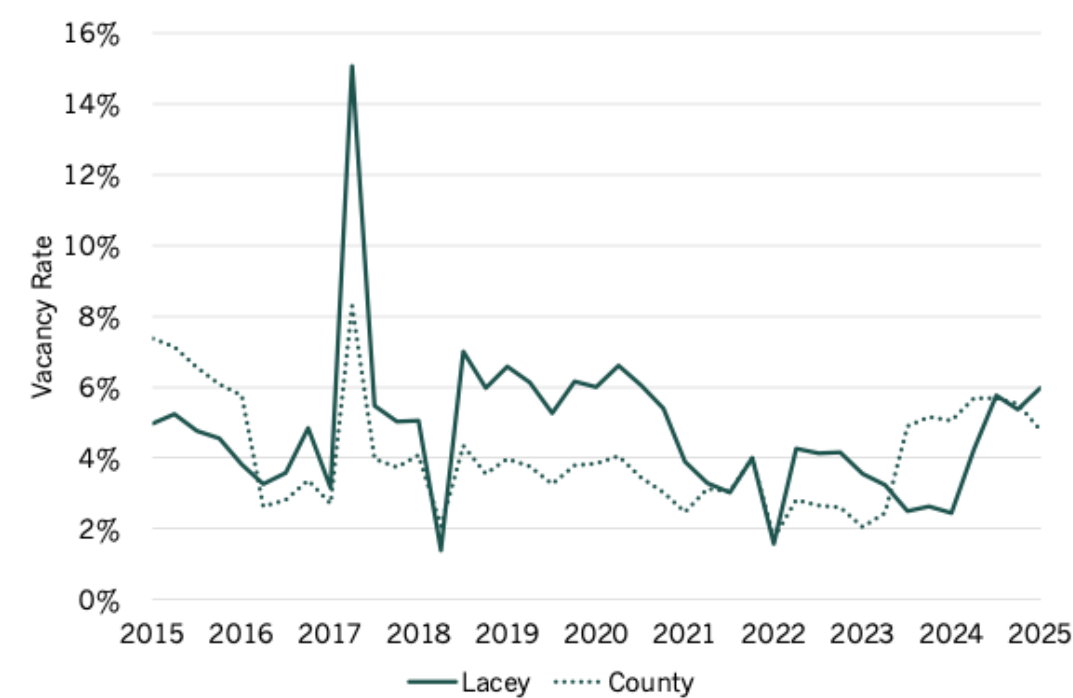
Exhibit 25. Commercial Real Estate in Thurston County

	VACANCY	AVERAGE LEASE RATE (\$ PER SQ. FT.)	AVERAGE SIZE (SQ. FT.)
Industrial	5.4%	\$9.45	43,802
Retail	3.1%	\$22.49	10,799
Office	2.8%	\$24.58	13,067
Flex	1.1%	\$15.00	13,857

Source: CoStar, March 2025

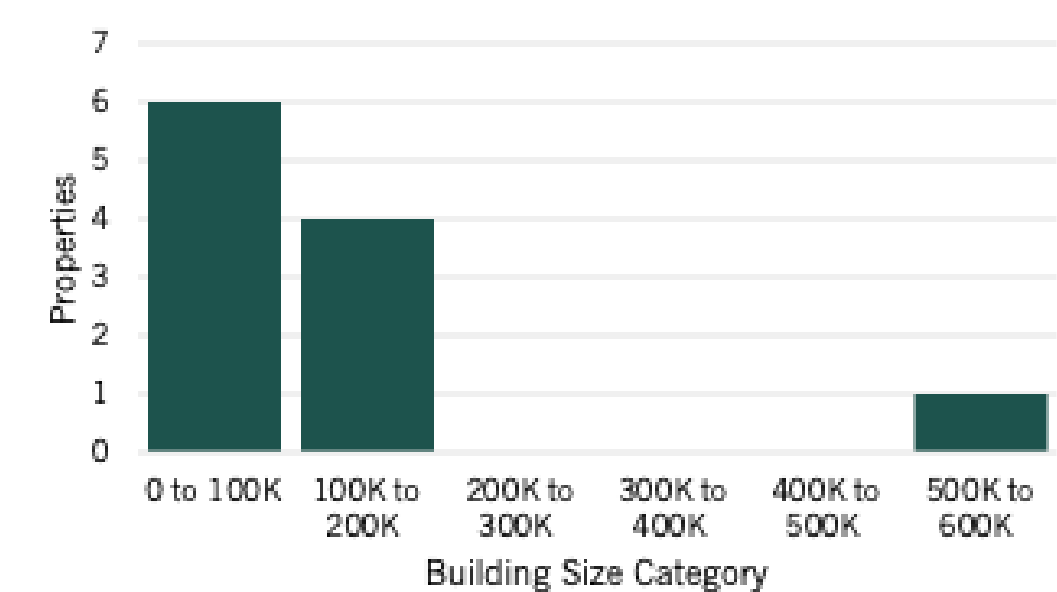


Exhibit 26. Industrial Vacancy Rate in Lacey and Thurston County



Source: CoStar, March 2025

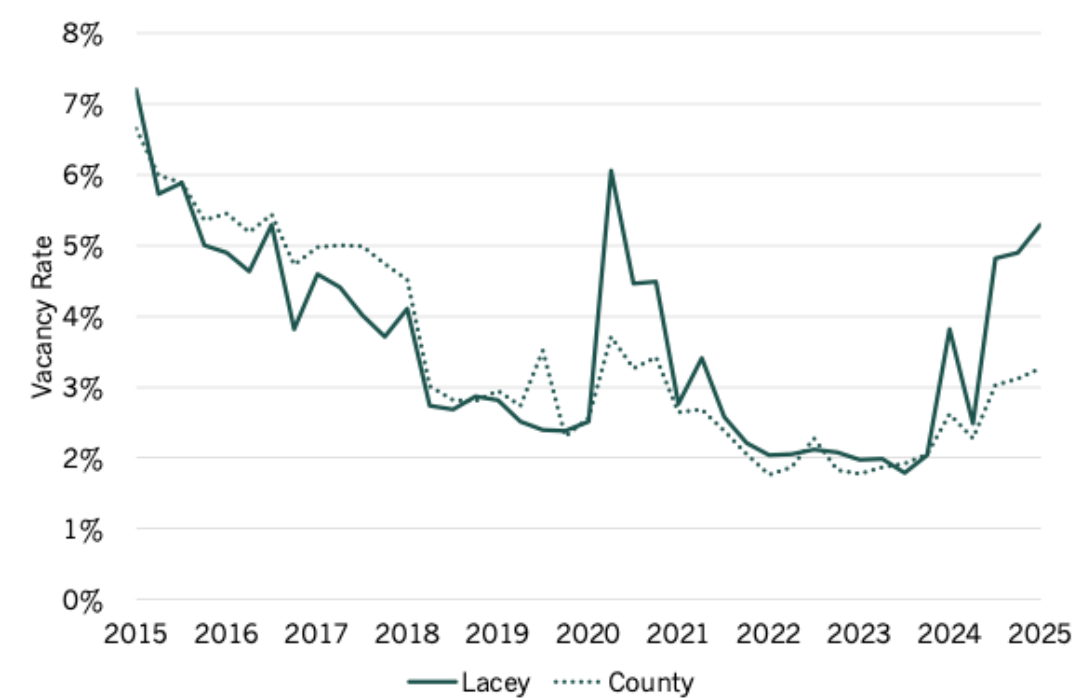
Exhibit 27. Industrial Vacant Space (Sq. Ft.) by Building Size Category (Total: 11 Properties)



Source: CoStar, March 2025

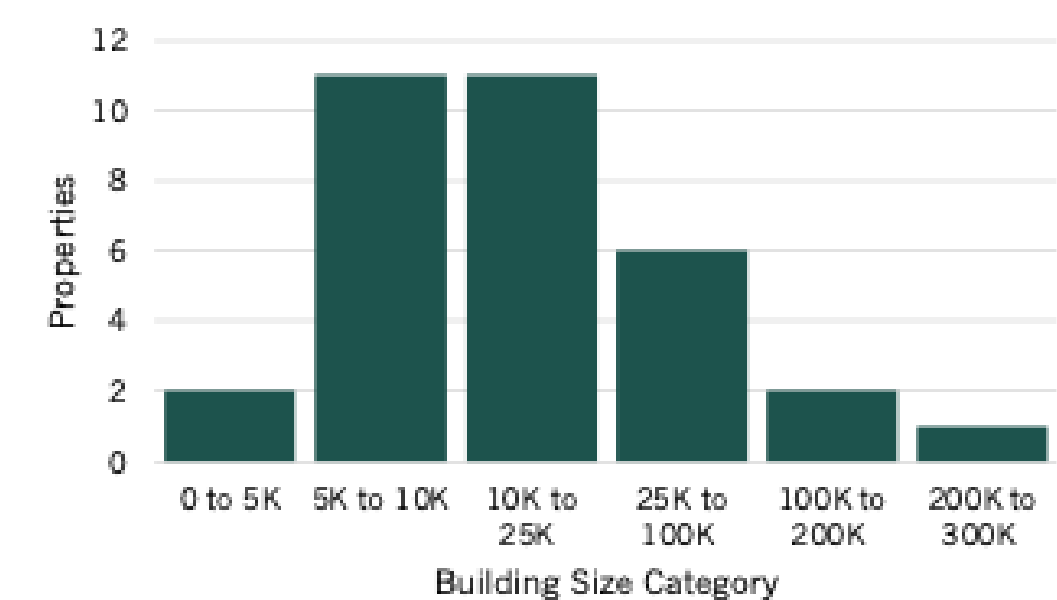


Exhibit 28. Retail Vacancy Rate in Lacey and Thurston County



Source: CoStar, March 2025

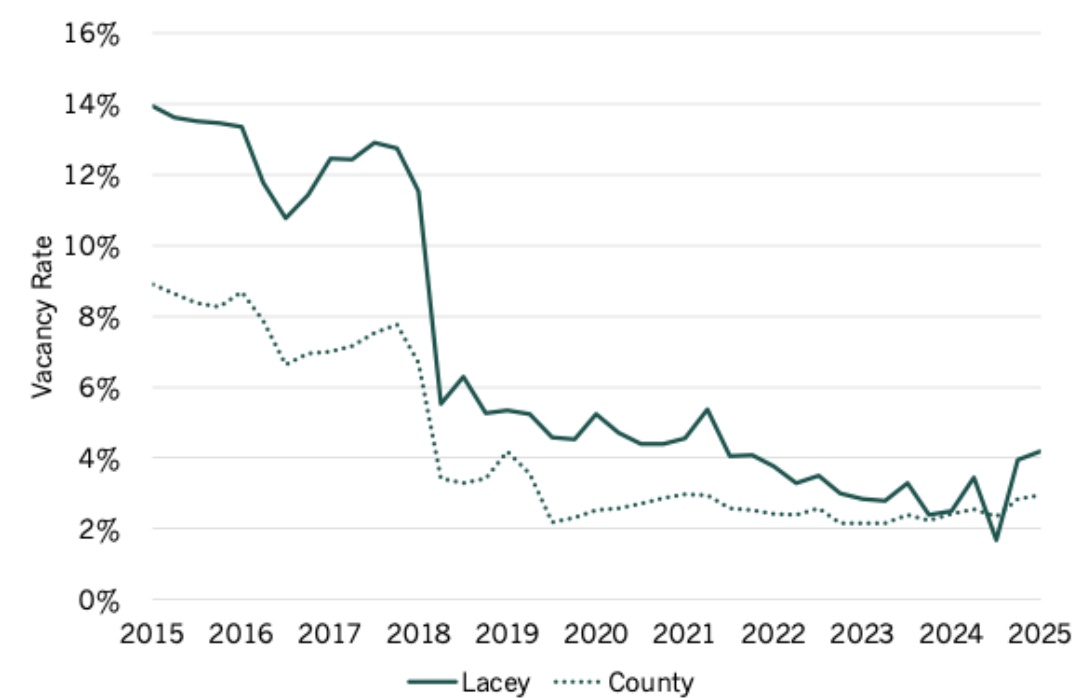
Exhibit 29. Retail Vacant Space (Sq. Ft.) by Building Size Category (Total: 33 Properties)



Source: CoStar, March 2025

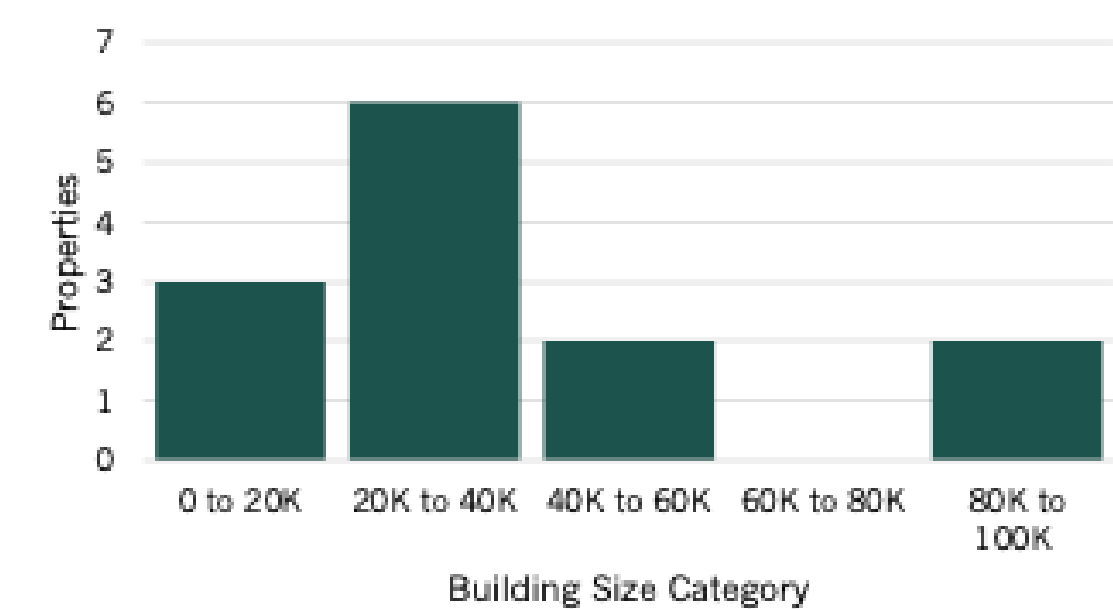


Exhibit 30. Office Vacancy Rate in Lacey and Thurston County



Source: CoStar, March 2025

Exhibit 31. Office Vacant Space (Sq. Ft.) by Building Size Category (Total: 13 Properties)



Source: CoStar, March 2025



Recent Developments

LACEY MIDTOWN

Although there are notable retail and office vacancies in Lacey Midtown, new developments are slowly starting to replace underutilized buildings.

- ◆ New retail: Several buildings along Pacific Ave SE were demolished in 2021 and have been replaced with new retail, such as Banfield Pet Hospital, Chipotle (a fast-casual Mexican grill), Sharetea (a bubble tea shop), and 7-Eleven (a convenience store). There still remains about 1 acre of undeveloped land, which could see a couple of new retail establishments.
- ◆ New housing: A new apartment with 50 market-rate units is replacing an old office building on Woodland Square Loop SE. It is expected to open this year.

Exhibit 32. Pacific Avenue Developments



Source: CoStar



Exhibit 33. 629 Building in Lacey Midtown



Source: CoStar

HAWKS PRAIRIE

The southern portion of Hawks Prairie area near Marvin Road NE is filling up with neighborhood centers and new retail. There also are new retail developments near the Hawks Prairie area along Martin Way E. These new retail spaces are contributing to both higher retail lease rates and temporary increases in retail vacancies in Lacey.

Lacey is also beginning to see the development of a new hospitality sector. While many hotels exist next to Lacey Midtown along Interstate 5, new hotels are entering the market in anticipation of Quiemuth Resort and Quiemuth Village projects. There are two proposed developments for hotels along Marvin Rd NE. Residence Inn by Marriott would finish construction by 2026 and have 136 rooms. Homewood Suites by Hilton would finish construction by 2028 and have 142 units.¹¹

¹¹ Information on development proposals are based on data in CoStar.



5. Implications of Quiemuth Village Development

The next, large wave of development in Lacey is expected to be the Quiemuth Resort and Quiemuth Village projects. The Nisqually Indian Tribe is planning to develop a casino it would own and operate in the Quiemuth Resort property. The Tribe also purchased a 174-acre property around the Quiemuth Resort property and is planning to develop a mixed-use community that includes a mix of multifamily housing, retail, grocery, and entertainment venues. If the proposed project successfully completes federal review processes and is financed, it could lead to a new economic development opportunity.

The analysis below does not include the Quiemuth Resort property because the fiscal implications for the City of Lacey are expected to be minimal. The analysis assumes the City would not be able to collect taxes, and municipal services would be provided by the Nisqually Indian Tribe.

Exhibit 34. Property Boundaries for Proposed Quiemuth Resort and Village Developments



Source: Nisqually Indian Tribe



According to the Environmental Assessment (EA) report submitted to the Bureau of Indian Affairs in August 2024, the proposed development of Quiemuth Village would include a mix of commercial, retail, recreational, lodging, and housing uses. The EA outlined two alternatives. Alternative 1 would have more retail uses and a travel center for fueling trucks. Alternative 2 would have less retail uses but have a school, more outdoor recreational facilities, and a neighborhood gas station.

Exhibit 35. Land Use Summary for Proposed Quiemuth Village Development

LAND USE	ALTERNATIVE 1 COMMERCIAL-HEAVY MIXED-USE	ALTERNATIVE 2 RECREATION-HEAVY MIXED-USE
Commercial and Retail	929,500 sq. ft.	588,500 sq. ft.
School	none	30,000 sq. ft.
Recreational Facilities	7.4 acres	53.1 acres
Lodging Facilities	200 rooms	200 rooms
Housing	320 units	320 units
Fuel Pumps	10 diesel / 16 gasoline (travel center/truck stop)	10 gasoline (gas station)
Total Parking	4,655 spaces	3,186 spaces

Source: Quiemuth Village Environmental Assessment, 2024

Implications for the City of Lacey

As presented above, sales tax is the largest component of the City of Lacey’s tax revenues and a key driver of municipal revenues in the region. Therefore, cities are competing to establish local retail destinations that could generate local sales and reduce retail leakage. Moreover, it is important to attract types of retail that the residents want.

The proposed development can be one of the answers to Lacey’s retail development needs. Alongside the resort property, the proposed mixed-use neighborhood is not only going to be a regional attraction but also aligned with the City’s needs.

- ◆ New retail spaces would add opportunities for new retail activities. Alternative 1 would add about 18 percent and Alternative 2 would add about 11 percent compared to 5 million square feet of retail in the city.
- ◆ The proposed types of retail include those that residents want, namely retail and dining, upscale grocery, golf, and family entertainment (e.g., theater, bowling alley, arcade).

Additionally, lodging tax could become more important for the City of Lacey. The resort property would be supported by potentially up to 480 new lodging facilities. The Quiemuth



Village development expects 200 rooms, and two adjacent hotels could add 278 rooms if the developments move forward as proposed. These new rooms would more than double the number of hotel rooms in Lacey.¹²

In addition to the retail and hotel developments discussed above, new housing developments near Quiemuth Village are currently under consideration. Ainsley at Lacey would be a 291-unit market-rate apartment located north of Britton Parkway NE and east of Shady Glen Court NE. Plans¹³ suggest there would be a second phase of the development, which could add about 260 more units.¹⁴ There are also proposals to build about 400 units along 15th Avenue NE.¹⁵ These would be 3-story apartments¹⁶ located about halfway between Quiemuth Village and Lacey Midtown.

Because the Nisqually Indian Tribe has not yet decided on either of the two proposed alternatives, the City of Lacey is assessing its options while waiting for more information. When a final development proposal is available, the City should re-evaluate the mix of retail, residential, and non-residential uses and consider complementary land uses that could locate around the Quiemuth Resort and Village projects.

¹² According to CoStar, there are 381 hotel rooms in Lacey with an average daily rate of \$117 and occupancy rate of 63.6 percent. These number do not include short-term rentals or vacation rentals.

¹³ City of Lacey. #23-0058 – Britton Place Short Subdivision. <https://cityoflacey.org/projects/britton-place-short-subdivision-23-0058/>

¹⁴ Boone, Rolf. “500-unit apartment proposal in NE Lacey is now official, city information shows.” November 27, 2021. <https://www.theolympian.com/news/local/article256120642.html>

¹⁵ Data from CoStar

¹⁶ CPH Consultants. Site Plan Review Application Canfield Apartments. August 2, 2024. <https://cityoflacey.org/wp-content/uploads/sites/3/2024/10/3-Canfield-Project-Narrative.pdf>





Planning Commission Staff Report

May 28, 2025

SUBJECT: Sign Code Ordinance – Proposed Amendments

RECOMMENDATION: Review proposed amendments to the City of Lacey's sign code ordinance (LMC 16.75.100) in preparation for a future public hearing. The amendments would permit the placement of political signs within the portion of public right-of-way adjacent to private property.

STAFF CONTACT: Ryan Andrews, Community Planning Manager *RA*
David Schneider, City Attorney *DS*

ORIGINATED BY: City Attorney's Office

ATTACHMENTS: Proposed amendments to LMC 16.75.100

PRIOR REVIEW: None.

BACKGROUND:

City staff proposes an amendment to Lacey Municipal Code Section 16.75.100 to allow for the placement of political signs within the portion of public right-of-way adjacent to private property, specifically within areas commonly referred to as the "parking strip" or "planter strip" – the space between the street and the sidewalk. Under the current code, the placement of political signs is limited to private property and expressly prohibited within the public right-of-way.

This amendment is prompted by concerns raised by community members as to the constitutionality of the city's sign regulations. Specifically, whether the city's prohibition on political signs within public rights-of-way is compliant with both Washington State and United States constitutional law governing free speech in public forums. The concerns raised are that the restriction constitutes a content-based regulation of speech and limits expression in a public forum, inconsistent with the rulings in *Collier v. City of Tacoma*, 121 Wn.2d 737 (1993) and *Reed v. Town of Gilbert*, 576 U.S. 155 (2015).

The proposed amendment to Lacey Municipal Code Section 16.75.100 would eliminate the location-based restriction on political signs that currently confines them to private property and would permit their placement within planter strips and similar public rights-of-way adjacent to private property. The amendment will maintain any applicable safety, size, and duration standards that apply to signage in general.

Of note, this amendment only permits the signage within public rights of way *adjacent* to private property. This limitation is based on RCW 42.17A.555, which prohibits local government from using or allowing the use of “public facilities” to support/oppose any ballot measure or any candidate for elective office. As such, the city cannot allow the use of its property for campaign purposes, to include rights-of-way over its property.

This proposed amendment helps ensure that the City of Lacey’s sign code aligns with constitutional standards and continues to support the community’s right to free political expression in appropriate public spaces.

NEXT STEPS:

The Planning Commission will conduct a Public Hearing as set by staff.

16.75.100 Temporary signs.

The following signs are classified as temporary (nonpermanent). Temporary signs are permitted subject to the applicable limitations:

A. *Construction Signs.* A sign permit is required. Such signs may be displayed only after a building permit is obtained and during the period of construction on the construction site. Only one such sign is permitted per construction project for each public street upon which the project fronts. The applicable limits are as follows:

1. In all zones other than single-family residential zones, no construction sign shall exceed thirty-two square feet in sign area (printed copy on one side only) or ten feet in height, nor be located closer than ten feet from the property line or closer than thirty feet from the property line of the abutting owner.
2. In single-family residential zones, no construction sign shall exceed thirty-two square feet in sign area (printed copy on one side only) or ten feet in height, nor be located closer than ten feet from the property line of the abutting owner.

B. *Grand Opening Displays.* No sign permit is required. Such temporary signs, posters, banners, strings of lights, clusters of flags, balloons or other air- or gas-filled figures, and searchlights are permitted for a period of seven days only to announce the opening of a completely new enterprise or the opening of an enterprise under new management. All such materials shall be removed immediately upon the expiration of seven days. Such displays are permitted only in districts where the enterprise so advertised is allowed under district zoning regulations. Searchlights may be permitted by any business or enterprise provided the beam of light does not flash against any building or does not sweep an arc of forty-five degrees from vertical.

C. *Special Event Signs.*

1. *Public Special Event.*
 - a. Special event signage as defined in LMC [16.75.020\(MM\)](#) is allowed subject to the standards contained in this chapter.
 - b. No sign permit is required.

- c. *Period of Display.* Such signs may be displayed thirty days prior to an event and must be removed within seven days after the event's conclusion.
- d. *Standards.* Such temporary signs shall not be larger than four square feet. Said signs shall not be located in the right-of-way, posted or attached to telephone poles, power poles or other public utility facilities. The event committee for which the sign is displayed shall be responsible for its removal and subject to the penalties as provided in this code. Searchlights may be permitted by any business or enterprise provided the beam of light does not flash against any building or does not sweep an arc of forty-five degrees from vertical.

2. *Business Sales Event.*

- a. A sign permit is required, specifying event periods and other information ensuring conformance with the standards herein.
- b. *Period of Display.* No more than thirty days in a calendar year. This may include up to four events in a calendar year provided the total number of days the sales event signage is displayed for does not exceed thirty.
- c. *Standards.* Sales event signage may include posters, banners, strings of lights, clusters of flags, balloons or other air- or gas-filled figures. Such displays are permitted only in districts where the enterprise so advertised is allowed under district zoning regulations.

D. *Real Estate Signs.* No sign permit is required. All exterior real estate signs must be of wood or plastic or other durable material. The permitted signs, with applicable limits, are as follows:

- 1. *Residential "For Sale" and "Sold" Signs.* Such signs shall be limited to one sign per street frontage not to exceed five square feet in sign area, placed wholly on the property for sale, and not to exceed a height of seven feet.
- 2. *Residential Directional "Open House" Signs.* Such signs shall be limited to one sign per street frontage on the premises for sale and three off-premises signs. However, if a real estate broker has more than one house open for inspection in a single development or subdivision, he/she is limited to four off-premises "open house" signs in the entire development or subdivision. Such signs are permitted only during daylight hours and when

the real estate broker is in attendance at the property for sale. No such sign shall exceed five square feet in sign area.

3. *Undeveloped Commercial and Industrial Property "For Sale or Rent" Signs.* One sign per street frontage advertising undeveloped commercial and industrial property for sale or rent. The sign shall not exceed thirty-two square feet in sign area and seven feet in height.

4. *Developed Commercial and Industrial Property "For Sale or Rent" Signs.* One sign per street frontage advertising a commercial or industrial building for rent or sale is permitted while the building is actually for rent or sale. If one face of the building is less than ten feet from the building line, the sign shall be placed on the building or in a window. The sign shall not exceed seven feet in height and, if freestanding, shall be located more than fifteen feet from any abutting property line or a public right-of-way line. Said sign shall not exceed thirty-two square feet in sign area.

5. *Undeveloped Residential Property "For Sale" Signs.* One sign per street frontage advertising undeveloped residential property for sale is permitted not exceeding thirty-two square feet in sign area. Said sign must be placed more than thirty feet from the abutting owner's property line and may not exceed a height of seven feet.

6. Subdivisions approved after the effective date of the ordinance codified in this chapter are permitted one cluster of flagpoles (not to exceed five flagpoles) in front of sales offices to advertise the new development.

E. *Political Signs.* No sign permit is required. Political signs or posters may be placed upon private property or within the portion of the right-of-way adjacent to private property between the street and sidewalk (or in the unpaved section of the right-of-way where there is no sidewalk), commonly referred to as the "parking strip" or "planter strip," and determined to be a traditional public forum. ~~only and~~ Political signs shall not be larger than ten square feet of sign area and shall not be posted or attached to telephone poles, power poles or other public utility facilities. Such signs must be removed seven days after the election in which the candidate or issue advertised on a sign has been determined. For a successful candidate in a primary election the sign may remain until the final election, but shall be removed within seven days after the election. The candidate or committee for which the sign is displayed shall be responsible for its removal and/or is subject to the penalties as provided in this code.

F. *Community Banners or Cloth Signs.* Such signs may be permitted and extend across a public street by permission of the city manager or appointed representative. Such signs may only be placed at city-designated locations and erected by city personnel.

G. *Banners.* Such signs may be permitted on private property. Banners may be used to advertise a sale, other special events, or for new businesses waiting for a permanent sign. Notification to the city is required prior to hanging the banner. This notification shall include acknowledgement of the banner requirements, the dates the banner will be used and location of the banner. Businesses are only allowed one banner per wall with a maximum of two banners per business at any one time. All banners must comply with the following:

1. *Maintenance Standards.* All banners must be legible, made of durable materials, and must be well maintained.
2. *Time Limitation.* Banners are limited to two thirty-day placements per calendar year.
3. *Location on Property.* Banners must be located completely on a wall, and tacked down on four corners. Banner size shall be regulated to a maximum of ten percent of the architectural elevation per wall.

H. *Sandwich Board Signs.* Only businesses that cater to pedestrians such as: restaurants, retail businesses that sell clothing, gifts, accessories, small markets, or other similar uses as determined by the director of community and economic development shall be allowed to have sandwich board signs. Such signs shall only be pedestrian-oriented in nature and businesses will only be allowed a maximum of one sandwich board sign. These signs are subject to the following conditions:

1. *Notification.* Notification to the city is required prior to displaying a sandwich board sign. This notification shall include acknowledgement of the sandwich board sign requirements, list of materials used, and rendering of the sign, including the dimensions. Liability for all sandwich board signs placed in the right-of-way is that of the business placing the sign.
2. *Size.* The area of the sign shall not exceed nine square feet per side in size and shall not be wider than three feet.
3. *Maintenance Standards.* Signs shall be constructed out of materials able to withstand typical Northwest weather. Such materials may be metal, finished wood, chalkboard, white

board or plastic; signs and copy shall be of professional quality. Owners of sandwich board signs shall be required to keep their signs in a legible, intact, and well maintained manner.

4. *Display Time.* Signs may only be displayed during business hours. If business hours continue past daylight hours, precautions should be taken to place the sign in a location where it is readily visible after dark. This shall not be construed to allow the wiring of a sign for lighting.

5. *Location.* Signs may be located no further than twelve feet from the entrance to the business. Such signs shall not be placed in a location which is within the vision triangle or any location which will impede vehicular traffic. Further, such signs shall not be placed in a manner which will block or otherwise obstruct the safe use of sidewalks, building entrances or stairs by pedestrians, including pedestrians who are visually impaired or otherwise handicapped.

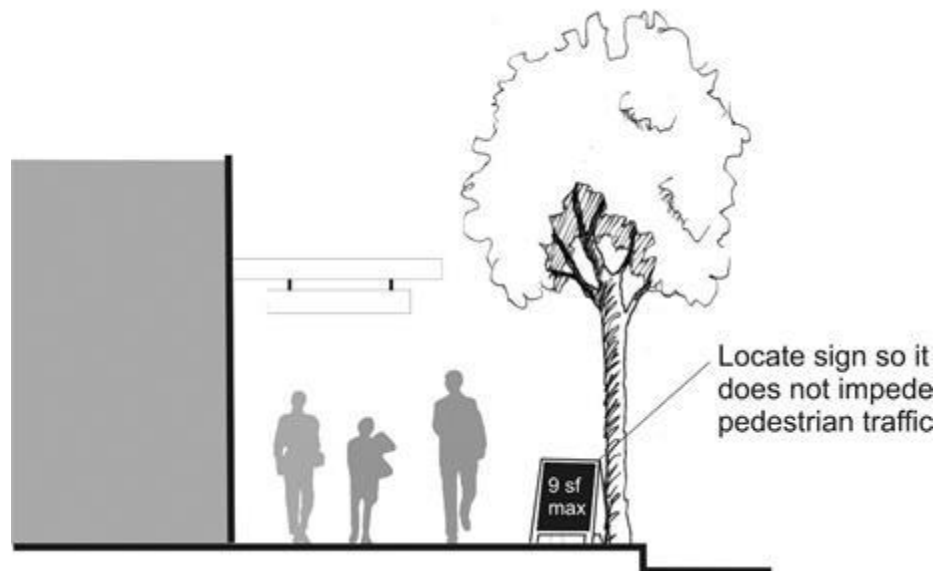


Figure 16.75.100(H-1). Sandwich board sign standards

Exception. For multi-tenant centers where most businesses are located more than twelve feet from the public ROW, center owners or their representatives may apply for a permit to depart from this standard, provided the following provisions are met:

- a. A maximum of one sign per one hundred feet of ROW frontage;

- b. Signs may be placed in the public ROW on one side of sidewalk in a manner that allows a minimum of five feet of horizontal clearance for pedestrians.

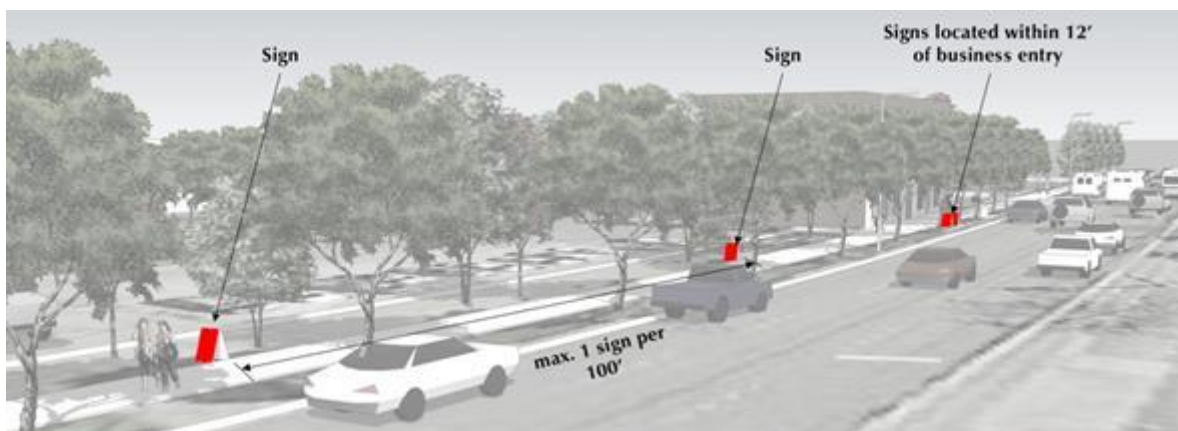


Figure 16.75.100(H-2). Illustrating sandwich board sign provisions

The first two signs on the left are more than twelve feet from their respective business entries, but allowed per the exception provision above. The cluster of sandwich board signs in the distance to the right are all within twelve feet of their respective business entries.

I. *Feather Signs.* Feather signs are prohibited except where used for a grand opening event and/or business sales event (subsections B and (C)(2) of this section) or by permit for multi-tenant centers meeting the criteria below.

- a. Applicants: multi-tenant center owners or their representatives. Number of signs permitted: a maximum of one sign per one hundred feet of ROW frontage;
- b. *Location of Signs.* Signs may be placed outside the public ROW on the back side of the sidewalk, as shown in Figure 16.75.100(I).
- c. Maximum height of signs: thirteen feet.
- d. The use of consistent size and shape of feather signs is encouraged where more than one sign is permitted.



Figure 16.75.100(I).

Where permitted for multi-tenant centers, feather signs shall be placed at intervals of no more than one sign per one hundred lineal feet of frontage and located behind the sidewalk.

J. *Garage Sale (Yard Sales, Moving Sales, Patio Sales)*. No sign permit is required. Such sign shall be limited to one sign on the premises and three off-premises signs. No such sign shall exceed four square feet in sign area. The sign or signs may be displayed only during the sale and must be removed the day the sale ends. The person or persons for which the sign or signs are displayed shall be responsible for its removal and/or are subject to the penalties as provided in this code.

K. *Seasonal Sales*. No sign permit is required. Vendors who receive a temporary business license as defined in LMC [5.12.015](#) for seasonal or temporary sales activities (e.g., Christmas trees) are permitted one sign not to exceed twenty square feet in sign area. This sign shall be mounted to the booth or trailer used for temporary sales. (Ord. 1539 §127, 2019; Ord. 1454 §2 (part), 2015).

The Lacey Municipal Code is current through Ordinance 1676, passed March 4, 2025.

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

[City Website: CityofLacey.org](http://CityofLacey.org)

[Hosted by General Code.](#)



Planning Commission Staff Report

May 28, 2025

SUBJECT: Regional Transportation Plan Update

RECOMMENDATION: Receive a briefing on the update to the Regional Transportation Plan by Thurston Regional Planning Council staff. No formal action is needed.

STAFF CONTACT: Ryan Andrews, Community Planning Manager *RA*
Katrina Van Every, TRPC
Allison Osterberg, TRPC

ORIGINATED BY: Thurston Regional Planning Council

ATTACHMENTS: [Regional Transportation Plan](#)

PRIOR REVIEW: None.

BACKGROUND:

The Regional Transportation Plan (RTP) provides a blueprint for how the Thurston County region's transportation system will work in the future. The RTP serves many functions: it acknowledges and plans for the diversity of transportation needs in our region; it supports coordination amongst jurisdictions; it identifies long-term regional projects that will change the way people move throughout the region; and more. Updated every five years by Thurston Regional Planning Council (TRPC), the RTP fulfills state and federal requirements for transportation planning at the regional level, ensuring continued coordination and a regional vision for our transportation system.

TRPC released a draft of the plan in April and received public comments through May 9, 2025. The RTP is scheduled to be approved by TRPC on July 11, 2025.

The draft RTP and other updates are available at: www.trpc.org/rtp

NEXT STEPS:

TRPC staff will provide a briefing on the draft update to the RTP. No formal action is necessary from the Planning Commission.

5/15/25

CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting
May 28, 2025**

Packets due: May 23, 2025

1. **Work Session:** Regional Transportation Plan, Chelsea Embree, TRPC
2. **Work Session:** Economic Development Strategy, EcoNorthwest
3. **Work Session:** Sign Code Amendment (City Attorney)

**Planning Commission Meeting
June 11, 2025**

Packets due: June 6, 2025

1. **Public Hearing:** Sign Code Amendment
2. **Work Session:** Middle Housing Code Amendments
3. **Work Session:** Zoning Code Amendments
4. **Work Session:** Land Use Maps

**Planning Commission Meeting
June 25, 2025**

Packets due: June 20, 2025

1. **Public Hearing:** 6-Year TIP
2. **Work Session:** Development Procedures Code Update
3. **Work Session:** Metropolitan Parks District Info

**Planning Commission Meeting
July 9, 2025**

Packets due: July 3, 2025

1. **Work Session:** Comprehensive Plan Draft and Outreach Next Steps

July 23: Meeting Canceled (Tentative)