



Lacey City Council Worksession **Amended*** Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, August 26, 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 the Agenda

5. Public Comment

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

6. Agenda Items

A. ~~Lacey Library Update~~

* Item removed on August 26, 2025

B. ~~Olympia-Lacey-Tumwater Visitor & Convention Bureau Update~~

* Item removed on August 26, 2025

C. **Martin Way Corridor Planning Update**

Allison Osterberg, Planning Manager Thurston Regional Planning Council

D. **2025 Budget Amendment Update**

Troy Woo, Finance Director

Chelsea Yarwood, Accounting Manager

E. **Supplemental Reports**

* Item added on August 26, 2025

7. Adjourn

Meeting Information:

Attendance (Remote or In-Person)

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

In-Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503
Zoom: https://us02web.zoom.us/webinar/register/WN_lhP5o7mQYaFdpSSy0LskQ
Website: <https://cityoflacey.org/government/public-meetings/>
Facebook: <https://www.facebook.com/cityoflacey>
YouTube: <https://www.youtube.com/watch?v=otxGjEEc3Js>
Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 865 9775 7637)

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_lhP5o7mQYaFdpSSy0LskQ

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.org. The 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.



connecting communities

MARTIN WAY CORRIDOR



Lacey City Council Work Session

August 26, 2025

Martin Way Corridor Study



Purpose

Develop a common vision of the Martin Way corridor, and policies to support that vision as the corridor develops in the future.

- Safety
- Bicycle and pedestrian facilities
- Transit
- Land Use
- Access Management
- Neighborhood Connectivity

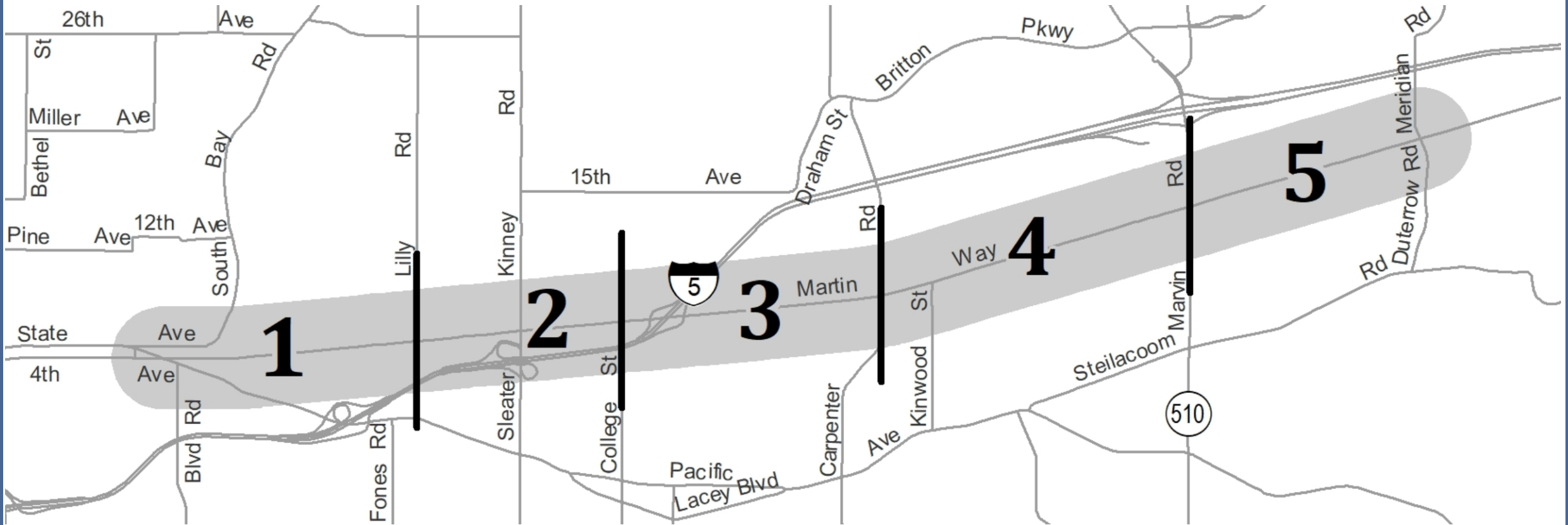
Partners



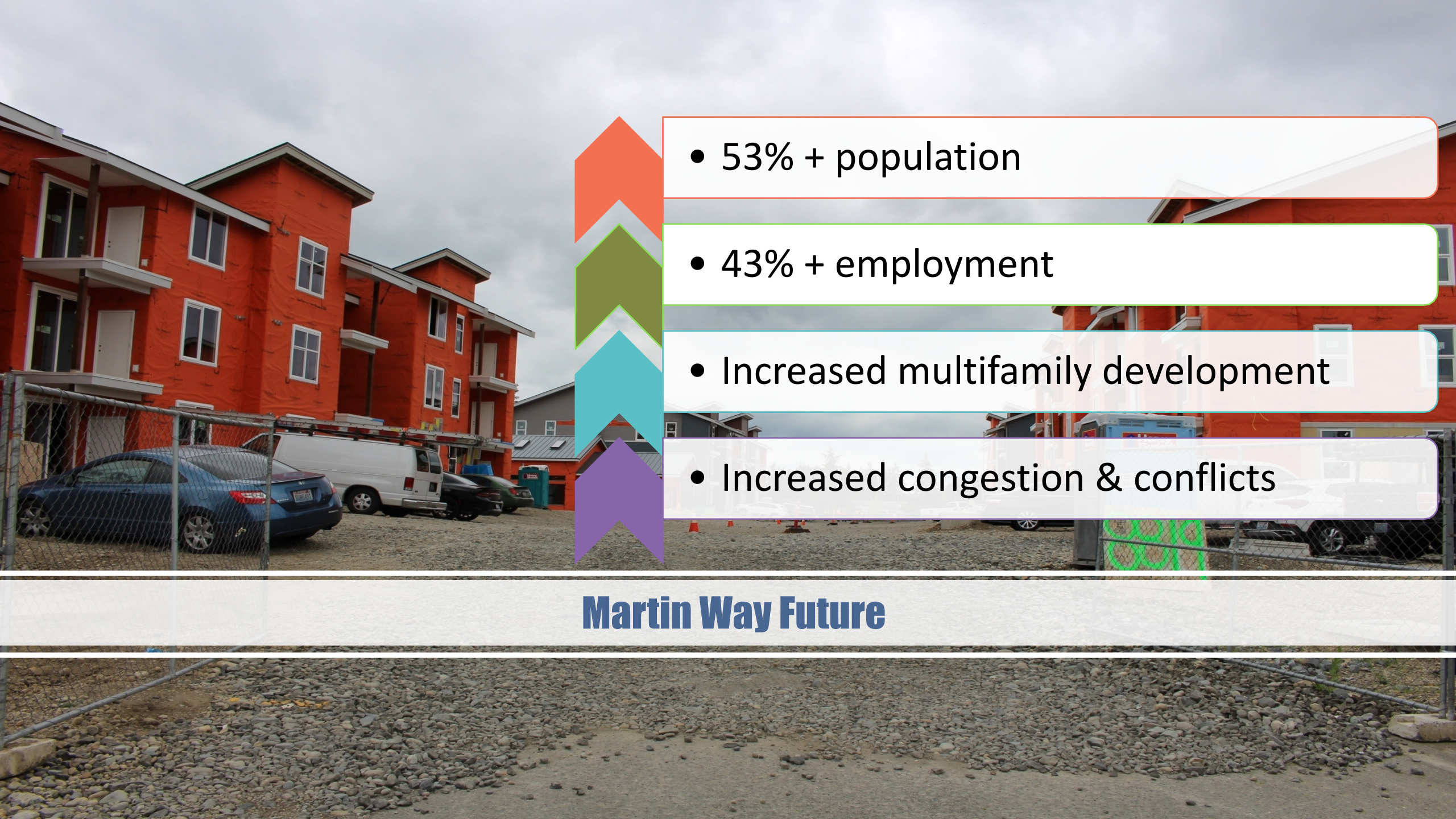
INTERcity
TRANSIT

Funding

- Federal Surface Transportation Block Grant
- Matching local funds



Martin Way Corridor Extent



- 53% + population

- 43% + employment

- Increased multifamily development

- Increased congestion & conflicts

Martin Way Future

Martin Way Corridor

Vision

The Martin Way Corridor is an **attractive mixed-use, high-density** residential and commercial area where people **enjoy walking, shopping, working, and living**. Over time, it will **transition away from automobile-dominated use** to a more **pedestrian-friendly streetscape** that also encourages **bicycling** and supports high-capacity transit.

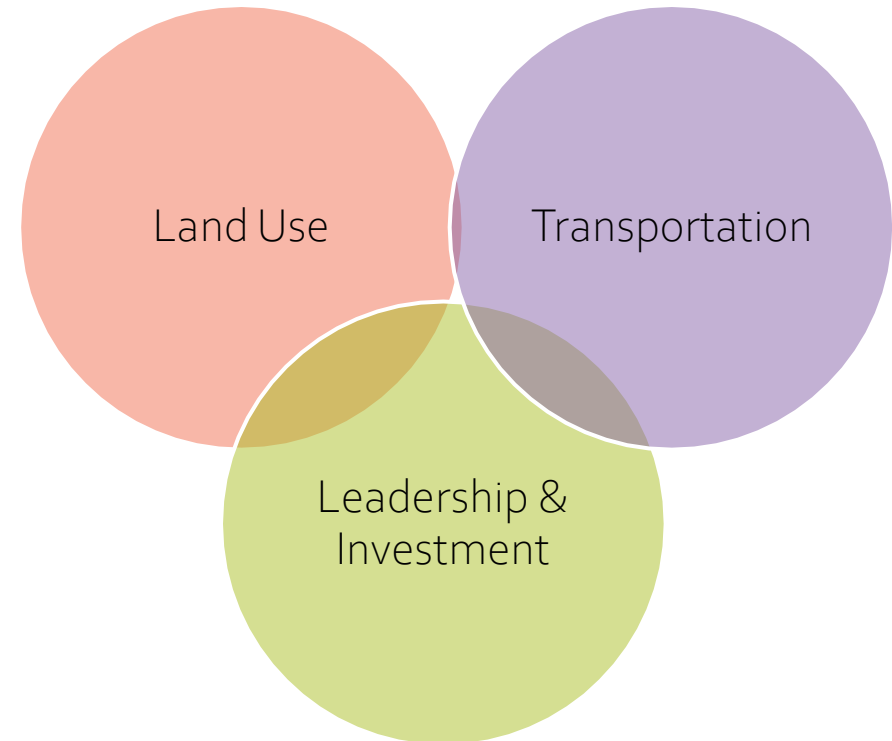
Goals

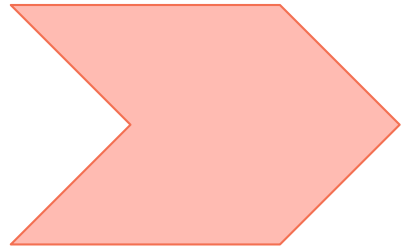
- Improve safety for all users and all modes
- Support inclusive growth
- Balance needs of different users
- Increase connectivity
- Improve continuity
- Build a sense of place

Martin Way Future

Today

Future





Land Use

Vision

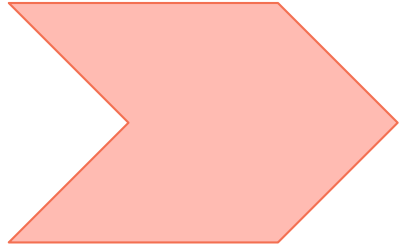
- Distinct, dense hubs of activity (housing + jobs) at key nodes
 - Emphasis on affordable housing
 - Supports transportation connections

How do we get there?

- Establish locations and design standards for nodes
- Establish anti-displacement policies and affordable housing incentives
- Establish placemaking and landscaping expectations



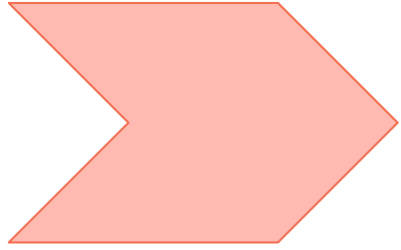
Image Credit: Center for a New Urbanism



Land Use Actions

Underway & Short Term

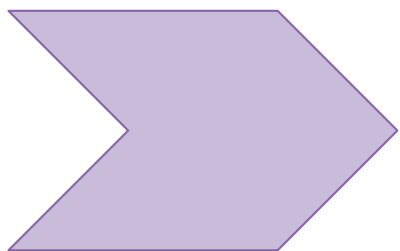
- **Comprehensive Plan Updates – supportive policies**
 - Establish a nodal approach to land use on corridor (high density infill, transportation connections)
 - Ensure future land use and development along the corridor supports inclusive growth (preservation of existing affordable housing).
 - Ensure future land use and development supports multimodal transportation networks, including future transit expansion
 - Employ financial incentives to support development of affordable housing and transportation improvements
 - Design and develop public spaces that build character and a sense of community.



Land Use Opportunities

HB 1491 – Promoting transit-oriented housing development

- Adopted in 2025
- Sets minimum development standards, density bonuses, housing affordability requirements near transit “station areas”
 - Bus station area = within UGA, within ¼-mile of a designated bus rapid transit stop
- “Station area” definition doesn’t apply to Thurston region now, but could in the future
- Commerce to develop model ordinance in 2027
- Potential for future grant funding



Transportation

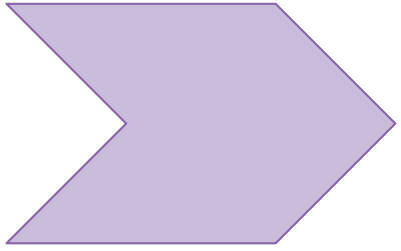
Vision

- Invest in high-impact changes at key locations to improve safety and mobility
- Enhance access to transit
- Create a complete and comfortable network of pedestrian and bicycle connections

How do we get there?

- Fill gaps in the sidewalk network and create safe crossing options
- Support options for continued expansion of transit
- Manage access (driveways and medians)
- Develop low stress, connected bike routes
- Improve intersections and develop a network of streets to support route options

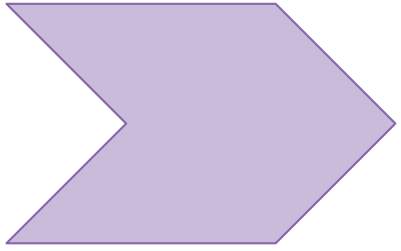




Transportation Actions

Underway & Short term

- **Intercity Transit/Thurston County:** East Martin Way Gateway Station Roundabout
- **Olympia:** Martin Way Pedestrian Safety Improvement Project
- **TRPC (all partners):** Martin Way Crossing Strategy
- **Intercity Transit:** System redesign and development of new crosstown route



Transportation Opportunities

MARTIN WAY

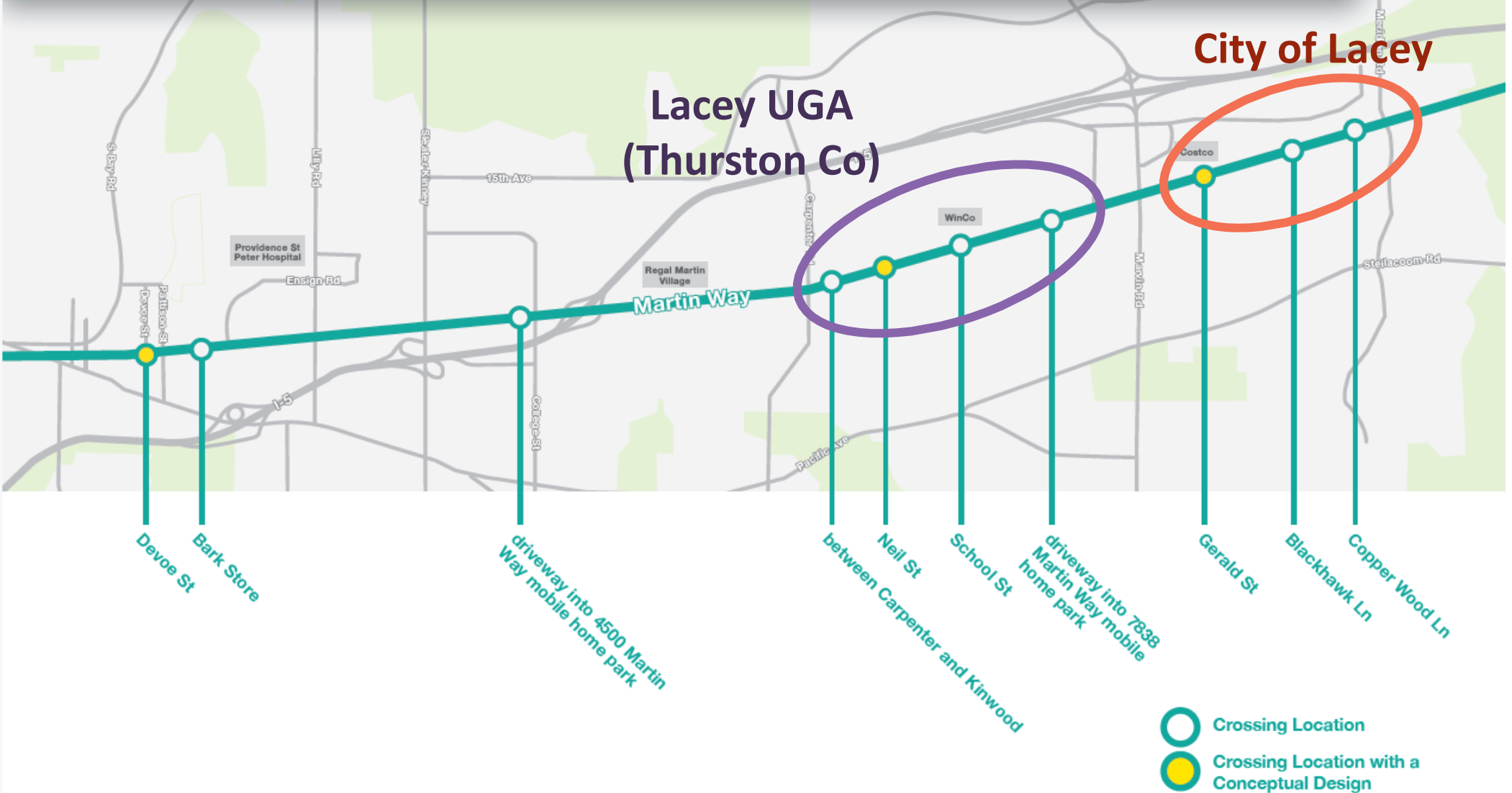


CROSSING STRATEGY

- Sandy Williams Connecting Communities Pilot Program - \$700,000
- Project Objectives
 - ✓ Identify and prioritize additional crossing locations
 - ✓ Identify needed supportive improvements for pedestrian safety
 - ✓ Preliminary designs
- Location Prioritization Criteria: Accessibility, Safety, Equity

FUNDED BY WASHINGTON'S
**CLIMATE
COMMITMENT
ACT** 

Crossing Locations



MARTIN WAY

Gerald Street Crossing



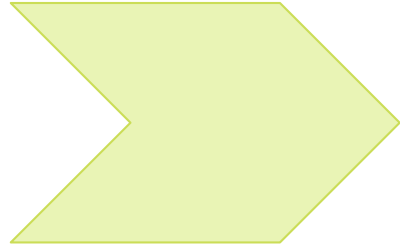
Medians reduce pedestrian exposure to vehicles



Bus stop relocation for ease of crosswalk access



New sidewalk connections improve mobility and access



Leadership & Investment

Vision

Martin Way is a community priority, with public and private champions, and significant new investment.

How do we get there?

- Continue regional coordination
- Investigate financial tools and incentives that can support affordable housing and transportation improvements
- Foster public/private partnerships and recruit anchor institutions



*Image Credit: TRPC; Week Without Driving
September 2021*



QUESTIONS?



Project Contacts

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Martin Way Crossing Strategy

Aidan Dixon, Senior Planner

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LACEY CITY COUNCIL WORKSESSION

August 26, 2025

SUBJECT: 2025 Budget Amendment

BRIEFING: Review proposed budget amendments to the 2025 adopted and subsequently amended budget.

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

ORIGINATED BY: Finance Department

ATTACHMENTS: None

FISCAL NOTE: As outlined in the staff report

**WORK PLAN GOAL
AND STRATEGY:** None

PRIOR REVIEW: None

BACKGROUND:

During the year, changes to the budget are required due to actions by the City Council, unexpected levels of activity during budget development, and the award of grants or other external funds. Historically, the budget has been amended immediately prior to the development of the next year's proposed budget document. The final adoption of the annual budget amendment is scheduled for September to assist with the development of the 2026 Budget document.

The following are significant budget amendments that have been identified since the adoption of the 2025 Budget and first amendment in June. The full details of the proposed budget amendments are attached to the proposed ordinance as exhibit "A".

Current Expense Fund (General Fund)

- The City entered into an MOU with Thurston County in order to partially fund the Lacey Veterans Services Hub operation. The County contributed \$60,000 toward the lease of the premises equivalent to two years of lease payments.

- Budget dollars for the Home Electrification and Appliance Rebate (HEAR) program are being moved from the professional services account to the special projects account. To reconcile the expenditures within the 2025 Budget, an amendment of \$408,580 is requested. There is no net effect on the budget.
- The bids for the bridge replacement project at Woodland Creek Community Park came in higher than anticipated. This created a potential shortfall of just under \$60,000. If the shortage occurs, partial funds have been identified by repurposing \$15,000 from the Woodland Creek Food Forest Irrigation Meter.

Capital Equipment Fund (General Fund)

- In anticipation of the completion and opening of Cuoio Park Phase 1A, extra park maintenance is required. An additional \$210,315 is requested for the equipment. The equipment includes a mower (\$175,000), all-terrain vehicle (\$22,315) and equipment trailer (\$13,000). A flatbed truck discussed with the June 2025 budget amendment was ordered in April ahead of the closure of the State purchasing agreement. The remaining equipment will be purchased later in the year following the opening of the park.

Arterial Street Fund

- A budget amendment is needed for the completion of the following Arterial Street capital project:
 - Grant funded right of way acquisition for College & 16th Ave Roundabout - \$4,152,147

Transportation Benefit District Fund

- \$700,000 is requested for College Street Extension paving. The project is ahead of schedule, this paving was originally scheduled for 2026, so the current budget did not contemplate this amount.

Community Development Block Grant Fund

- The City has finalized plans for the Community Development Block Grant funding and anticipates to receive \$348,393 in program funding.

General Obligation Bond Fund

- This is a correction to an account code used in the June 2025 Budget Amendment for the 2025 Limited Tax General Obligation (LTGO) bond principal of \$395,000. There is no net effect on the budget.

Building Improvement Fund

- Property has become available for the City to purchase that would benefit shop operations. The property would be split amongst the shop functions including Parks Maintenance, Streets, Water, Wastewater, and Stormwater. The estimated purchase price is \$600,000.

Parks and Open Space Fund

- Washington Recreation and Conservation Office grant funds have been awarded to the City making it possible to pursue two needed parks improvements. One of the projects is intended for improvements to Rainier Vista that includes pickleball courts, softball safety nets, and ping pong tables. The grant amount is up to \$500,000 with a City match of \$419,618 for a total project cost of \$919,618. Thurston Pickleball Club will be contributing \$25,000 and PARC (Park Arts Culture Recreation) Foundation will be contributing \$5,000 so the City's portion will be reimbursed \$30,000. The second project is intended for replacement of the William A. Bush Park ages 5-12 playground. The grant amount is up to \$220,710 with a City match of \$220,710 for a total project cost of \$441,420. Gateway Rotary will be contributing \$110,000 so the City's portion will be reimbursed \$110,000.

Water Operations Fund

- During recent annual maintenance of the chlorine generator at the ATEC facility, it was discovered that some parts were heavily worn and no longer available from the manufacturer. The need to order a new chlorine generator became imminent. The cost is estimated at \$133,357.
- The continued annual growth in utility billing customers has resulted in the need to increase the contractual services budget by \$426,988 to cover bill printing and credit card merchant service fees.
- Staff continues to develop a formal recommendation to implement an accelerated meter replacement program. This proposal is in response to significant system challenges. Currently, thousands of water meters have failing transmission units and are not sending consumption information. Resulting in the need to manually read these meters creating increased workload and inefficiencies in data collection. Furthermore, nearly 10,000 legacy meters are incompatible with the latest data transmission units and must be systematically phased out. Finance and Public Works staff are developing a project strategy to complete the meter replacement program. The project will scope will likely propose the addition of temporary personnel or the engagement of a professional services contractor to execute a high-volume replacement effort. Currently, the existing Automated Meter Infrastructure (AMI) Technicians prioritize daily operational tasks, which means meter replacements are a secondary role. This current staffing model is insufficient to complete the necessary replacements within an acceptable timeframe. Dollar

impact may not be formalized with the upcoming amendment. A special amendment may come before Council prior to the end of 2025.

Water Capital Fund

- Budget amendments are needed for the completion of the following Water capital projects:
 - Golf Club Water - \$9,627
 - 2022 Source 29 Rehab - \$18,406
 - Source 24 Well Rehab - \$17,239
 - Source 07 Well Rehab - \$16,997
 - Southridge Water Improvement - \$5,000
 - Vista Village Water Improvement - \$5,000
 - Reclaimed Water Plan - \$20,190

Wastewater Capital Fund

- Budget amendments are needed for the completion of the following Wastewater capital projects:
 - Liftstation 19 Replacement- \$4,519
 - Golf Club Wastewater - \$6,778
 - Tolmie Park - \$261,901
 - Marvin Road Sewer Location - \$483,921
 - LOTT Mullen Rd Main - \$650,000
 - Vista Village Wastewater Improvements - \$5,000

Stormwater Capital Fund

- A budget amendment is needed for the completion of the following Stormwater capital project:
 - Southridge Stormwater Improvement - \$5,000

The following table contains the current budget amendment request amounts by fund type:

<u>Fund Type</u>	Total Proposed <u>Amendment</u>
General Fund	351,023
Special Funds	5,200,540
Debt Funds	-
Capital Funds	1,177,618
Utility Funds	2,326,024
Internal Service Funds	-
	9,055,205

Staff requests that the City Council review the proposed budget amendments prior to consideration of the ordinance at an upcoming City Council meeting.