



Lacey Planning Commission Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Wednesday, October 22, 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 October 8, 2025 meeting minutes
 - 1. October 8, 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

10. Old Business

- A. **Economic Development Strategy: Wesley Nguyen, Economic Development Coordinator and ECONorthwest Staff.** The Planning Commission will be briefed on the draft Economic Development Strategy which identifies 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. **Comprehensive Plan Update: Ryan Andrews, Planning Manager; Hans Shepherd, Senior Planner.** The Planning Commission will review the public testimony from the October 8th public hearing and conduct final deliberations on the 2025 Comprehensive Plan Update. After the conclusion of the work session, the Planning Commission is requested to make a formal recommendation to the City Council.

1. Comprehensive Plan Update Attachments

11. Communications and Announcements

A. Planning Commission Calendar

12. Next Meeting - November 12, 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_P9lwknkMRrSyhLUuAikO1g
Website:	https://cityoflacey.org/government/public-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=EXFOGi2uvtA
Cable:	Channel 77 with your local cable provider
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 848 8395 4652)

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:

- Name
- City of residence or connection to the City
- 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 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_P9lwknkMRrSyhLUuAikO1g

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, October 8, 2025 – 6:00 p.m.
Lacey City Hall Council Chambers, 420 College St SE – and via Zoom

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

Planning Commission members present: Jeff Gadman, Tonya Moore, Kyrian MacMichael, Judith Doyle, Spencer Zeman, Elliot Kirk, Jennifer Mangione and Robert Lane. Staff present: Vanessa Dolbee, Ryan Andrews, Hans Shepherd, Sarah Schelling, Shannon Vincent, Linsey Fields, Jennifer Adams, Erin Skelley, and Kathryn Bisser.

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

Spencer Zeman made a motion, seconded by Kyrian MacMichael to approve the agenda for tonight's meeting. Spencer Zeman made a motion, seconded by Tonya Moore to approve August 27, 2025 minutes. All were in favor, both motions carried.

- 1) **Public Comments:** None
- 2) **Commission Members Reports:** None
- 3) **Department Report:** None

Jeff Gadman suspended the regular meeting and opened the Public Hearing at 6:03 PM.

Public Hearing: 2025 Comprehensive Plan Update: Ryan Andrews, Community Planning Manager and Hans Shepherd, Senior Planner. The Planning Commission conducted a public hearing to take testimony on the 2025 update to the Comprehensive Plan as prescribed by the Washington State Growth Management Act. The Planning Commission took testimony on:

- A. Revisions to the Land Use (including a new Future Land Use Map), Transportation, Economic Development, Housing, and Utilities Elements of the Comprehensive Plan.
- B. Greenhouse Gas Reduction and Climate Resiliency Sub-Elements as required by RCW 36.70A.095.
- C. Amendments to development regulations to implement the Comprehensive Plan as required by RCW 36.70A.130 including zone consolidations and zoning text amendments.
- D. Community-identified rezone requests, as follows:
 1. 5500 Martin Way East: CBD 6 to OSI
 2. 180 Hoh Street SE: GC to MHDC
 3. 8407 Steilacoom Road SE: LD, MD, HD to OSI
 4. 6335 Pacific Avenue SE: LD to CBD 5
 5. 837 Carpenter Road SE: LHN to CBD 4
 6. 1302 Alder Street SE: OSI to LD
 7. 5000 Mullen Road SE: OSI to MD
 8. 2802 Boat Launch Street SE: LD to OSI
 9. Long Lake Natural Area: LD to OSI

A. Eight community members made comments:

- 1) **Will Russell, Resident and Deacon at Temple Baptist:** Mr. Russell had questions about the Mullen Rd development. Mr. Russell wondered how safety and traffic noise would be

handled with the proposed housing, what the timeline was for the rezone and how it would affect the surrounding neighborhoods and property values.

- 2) **Jim Keough, Resident:** Mr. Keough has concerns about the Mullen Rd project. He walks the neighborhood daily, and especially in the winter observes the site does not drain properly and water flows into the neighbor's yards. He also stated that the neighborhood is already difficult to get into.
- 3) **Larry Taylor, Resident:** Mr. Taylor spoke about the dangers of roundabouts. Specifically the one on Marvin and Britton Parkway NE and the proposed one at Martin and Duterrow.
- 4) **Chris Carlson, Hatton Godat Pantier Planning Manager:** Mr. Carlson thanked the Planning Commission and City staff for all their hard work on the Comprehensive Plan. He was there representing the Jackson's who own 6335 Pacific Ave SE. They would like the zoning changed from LD to HD to match the surrounding properties.
- 5) **Lauren Davies, Resident:** Ms. Davies has concerns about traffic safety on Mullen and Ruddell. Told the Commission that it was already very busy with significant accidents happening, and the proposed development would make it worse. She also had concerns that the City didn't engage with homeowners in the area.
- 6) **Aimee Powell, Resident:** Ms. Powell spoke about the Climate Mitigation Plan and how it was a good start fell short on several key areas.
- 7) **Lisa Warner, Resident:** Ms. Warner has concerns about the Mullen proposal. Stated it was already very difficult to get into the neighborhood and the visibility issues are intense.
- 8) **David Toyer: Toyer Strategic Advisors, Inc., President:** Mr. Toyer would like the City to consider adding the Light Industrial-Commercial (LI-C) zone in the proposed LMC 16.09.015 under the "Commercial Mixed Use" future land use designation.

No formal action on the Comprehensive Plan Update was needed. The Planning Commission will consider the testimony received and is expected to make a formal recommendation to the City Council at the October 22, 2025 regular meeting.

Jeff Gadman suspended the Public Hearing and opened the regular meeting at 6:55 PM

Jeff Gadman suspended the regular meeting and opened the Public Hearing at 6:55 PM

Public Hearing: Permit Processing and Development Code Procedures: Shannon Vincent, Senior Project Planner. The Planning Commission conducted a public hearing to take testimony on proposed amendments to the Lacey Municipal Code (LMC) and the Development Guidelines and Public Works Standards Manual (DGPWS) related to permit processing and development code procedures. The proposed amendments will relocate and update several chapters of LMC Title 16 and Chapter 1 of the DGPWS manual, consolidating them into a comprehensive Development Procedures title. There were no public comments made.

Jeff Gadman suspended the Public Hearing and opened the regular meeting at 7:11 PM

Spencer Zeman made a motion, seconded by Elliot Kirk to make a recommendation of approval on the Permit Processing and Development Code Procedures amendments to City Council. All were in favor, the motion carried.

4) **Old Business:** None

5) **Communications and Announcements:** Ryan Andrews provided the Planning Commission schedule.

6) **Next Meeting:** October 22, 2025

7) **Adjournment:** 7:15 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=TIHhdEN5Uds>



Planning Commission Staff Report October 22, 2025

SUBJECT: 5-Year Economic Development Strategy

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

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

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS: 1. Final Draft Report with Appendix A, B, & C

FISCAL NOTE: N/A

WORK PLAN GOAL AND STRATEGY: 1. Vibrant Place to Live, Work, and Play
2. Vibrant and Diverse Economy

PRIOR REVIEW: Planning Commission briefing on May 28, 2025; City Council Briefing on May 27, 2025

BACKGROUND:

The City of Lacey Economic Development Strategy is a five-year plan designed to guide the City's efforts to strengthen and diversify the local economy, enhance quality of life, and position Lacey as a vibrant regional hub for innovation, opportunity, and community. This initiative was led by the Community and Economic Development Department in partnership with ECONorthwest, and developed through robust stakeholder engagement, data analysis, and alignment with the City's Comprehensive Plan update and other adopted plans, including the Woodland District Strategic Plan, Branding Guide, and Depot District Subarea Plan.

The Strategy builds upon prior direction from City Council and aligns with City work plan goal to 'Be the Place to Play, Live, Work and Gather.' Its purpose is to provide a clear and actionable roadmap with measurable goals, defined roles, and a practical implementation framework that City staff and partners can begin using immediately.

In May 2025, City staff and the ECONorthwest consultant team presented the initial framework for the Economic Development Strategy to the Planning Commission. Since then, the team has conducted targeted stakeholder interviews, and engaged an advisory group of local business owners, and regional economic development partners to identify goals and strategies that ensure local priorities and perspectives are reflected in the final plan. The consultant team also conducted a comprehensive economic and demographic analysis, identified the City's comparative strengths and challenges, and developed actionable strategies that align with Lacey's vision.

The resulting Strategy identifies 12 targeted actions that could be implemented over the next 5 years. The City will lead implementation in close partnership with regional organizations, businesses and community groups. The plan also clarifies City roles and responsibilities relative to these partners and establishes an implementation framework to track progress and prioritize initiatives based on impact, feasibility, and available resources.

Strategic Goals and Vision:

The Strategy focuses on three overarching goals:

1. Define and promote Lacey's new economic identity – Strengthen Lacey's regional visibility, celebrate diversity, and promote its identity as a center for innovation and opportunity.
2. Expand Lacey's local economy – Support small businesses, entrepreneurs, and existing employers through targeted programming, affordable space strategies, and resource coordination.
3. Enhance quality of life and attract talent – Invest in placemaking, local commercial hubs, and community amenities that make Lacey's neighborhoods more connected, dynamic, and livable.

Implementation will occur in three phases over 5 years—launching foundational actions in Year 1, deepening partnerships and scale programs in Years 2–3, and evaluate and adapted in Years 4–5. Actions include expanding cultural and community events such as the Lacey Night Market, supporting workforce training and childcare initiatives, advancing equitable economic development policies, and revitalizing key commercial areas such as Lacey Midtown. Not all actions can be implemented at once, and current economic development staffing levels may be insufficient to accomplish all actions. As such, prioritizing key actions and establishing a work program for economic development will be the next step in selecting a shorter list of actions that can be implemented with existing City resources.

NEXT STEPS:

Staff and ECONorthwest will present the final draft of the report for your review and comment. Your feedback will be incorporate into the final report to be presented to Council later this year.

Lacey 2030: Innovation,
Opportunity, Community

ECONOMIC DEVELOPMENT STRATEGIC PLAN

October 2025

Prepared by



Prepared for

CITY OF **LACEY**





ACKNOWLEDGMENTS

ECONorthwest prepared this report with support from the guidance and input of several partners, including economic development staff at City of Lacey and an advisory group made up of representatives from Port of Olympia, Thurston Economic Development Council, MJR Development, Providence Hospital, and Twinstar/Peak Credit Union. We appreciate additional stakeholders and community leaders who provided critical input, including representatives from SWAE Night Market, Pacific Mountain Workforce Development, St. Martin's University, Jerk an' Tingz, MultiCare, and Capital Development Company.

That assistance notwithstanding, ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on their general knowledge of economic development, community assets, housing, employment, and regional economies. ECONorthwest staff contributing to this study included Brittany Bagent, James Kim, and Mackenzie Visser. ECONorthwest also relied on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

For more information about this report please contact:

Brittany Bagent

bagent@econw.com

ECONorthwest

503-200-5062





INTRODUCTION

Lacey, Washington, has a unique role in the Puget Sound region.

Known for its balance of business accessibility, a welcoming environment, and relative affordability, Lacey offers residents and businesses an attractive place to plant roots and grow. Its location near the state capitol in Olympia and easy access to Interstate 5, neighboring communities, and the Port of Olympia strengthen its appeal as both a well-connected community and a center for industrial and commercial growth.

Now, thanks to the City's past economic development plans and efforts, Lacey is a rising leader in the region that is set up for success. In recent years, Lacey has become the largest city and a new center for growth in Thurston County. Industrial developments in Hawks Prairie have attracted new jobs and households. The City is plugged into effective collaborations with businesses and economic development community partners across Thurston County. Small businesses, microenterprises, immigrants, and diverse groups of people are coming to Lacey to start their new chapters.

Lacey can lean into this momentum to further shape its future. Lacey's residents and businesses are eager to celebrate its diversity and growth which sets them apart from neighboring cities. Entrepreneurs who want affordable spaces and growing businesses that want new talent, may not yet see the opportunities in Lacey, but that will begin to change as the City continues to promote its local strengths. People are longing for local destinations and new experiences rather than outdated commercial and business districts. To fully realize its potential, Lacey will need an economic development strategy that strengthens its visibility across the region and positions it as a destination for innovation, opportunity, and community life.

KEY GOALS OF THE STRATEGY



- 1 Define and promote Lacey's new economic identity.**
- 2 Expand Lacey's local economy by supporting the growth of small businesses, entrepreneurs, existing and new employers.**
- 3 Enhance quality of life and attract visitors and talent by investing in bold placemaking.**

This economic development strategic plan builds on data analysis and stakeholder engagement to develop a series of actions the City can implement in the next 5 years.



PURPOSE OF THE STRATEGY

This strategy provides a clear, practical framework and specific actions for the City's economic development efforts over the next five years.

It is designed to be both aspirational and action-oriented, outlining a long-term vision while giving City staff, elected leaders, and organizational partners a framework to prioritize their work, coordinate effectively, and measure progress.

Economic development is inherently collaborative—duplicating efforts or working in isolation can dilute impact and limit outcomes. This strategy aligns the work of multiple partners and targets Lacey's resources toward the most impactful projects and programs. By combining data-informed analyses, deep community engagement, and a shared vision for the future, the economic development strategy positions Lacey to strengthen its role as a regional leader and a place where people choose to live, work, and invest.

The strategy and its actions are aligned with the City's long-term vision and priorities and it is informed by multiple discussions with key stakeholders, partner organizations, and an Advisory Group established to discuss early research then refine recommendations. It establishes a common understanding between the City staff and community members, and it prioritizes the City's next steps to build a thriving economy in a changing world.

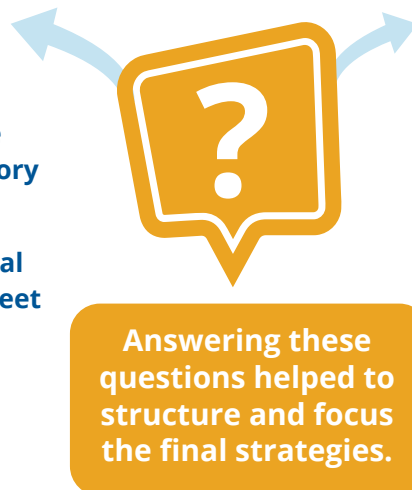
KEY QUESTIONS ADDRESSED IN THE STRATEGY

Effective strategic plans begin by asking the right questions.

In Lacey's case, the Advisory Group and project team explored what the City's next wave of economic growth could and should look like. The questions shaped the strategy's structure and focus, ensuring it responds directly to Lacey's unique opportunities and challenges.

Some questions were forward-looking...

- ◆ **What policies and investments could shape Lacey's economic trajectory over the next decade?**
- ◆ **How can older commercial areas be revitalized to meet changing market needs?**
- ◆ **What industries and retail sectors offer the best opportunities for diversification?**



Others were grounded in the City's existing strengths and activities...

- ◆ **Which programs—like training, business advisory services, community events, and direct business support—should continue or expand?**
- ◆ **Where are there gaps that could require new initiatives or partnerships?**



RESEARCH AND ANALYSIS

A successful strategy must be built on a clear understanding of local conditions.

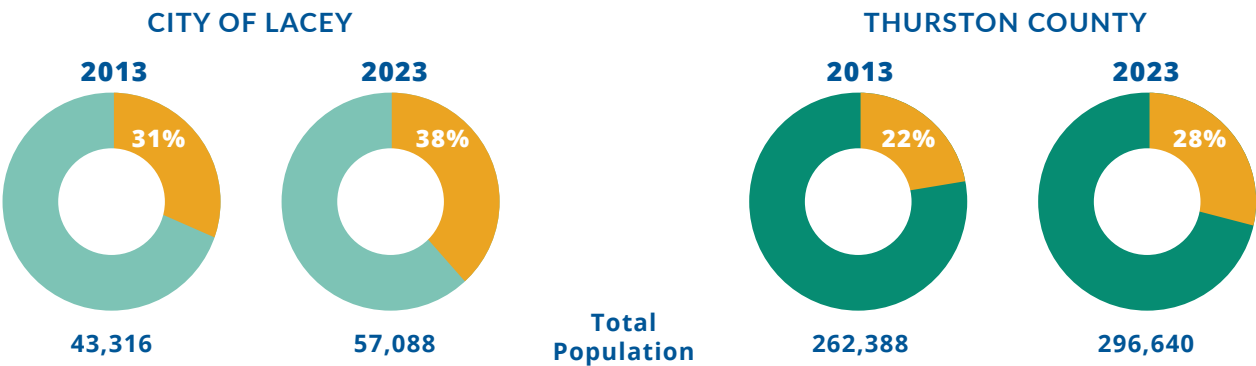
The City’s economic profile reveals a number of defining trends. Highlights from the demographic and economic analysis (Appendix A) are discussed below.

DEMOGRAPHIC DIVERSITY

Lacey is becoming **more diverse**, with a popoulation that is getting **older** and households that are getting **smaller**.

Growing diversity Is a regional trend Lacey can embrace.

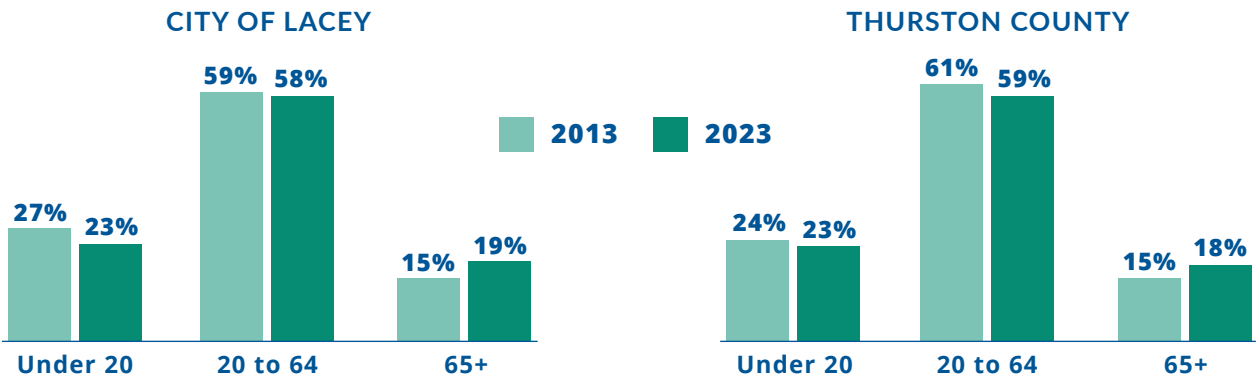
Exhibit 1. Share of People Identifying as Not White



Source: ACS 5-year estimates, DP05

Lacey’s recent growth has been led by older adults ages 65 and up.

Exhibit 2. Share of Residents by Age Category



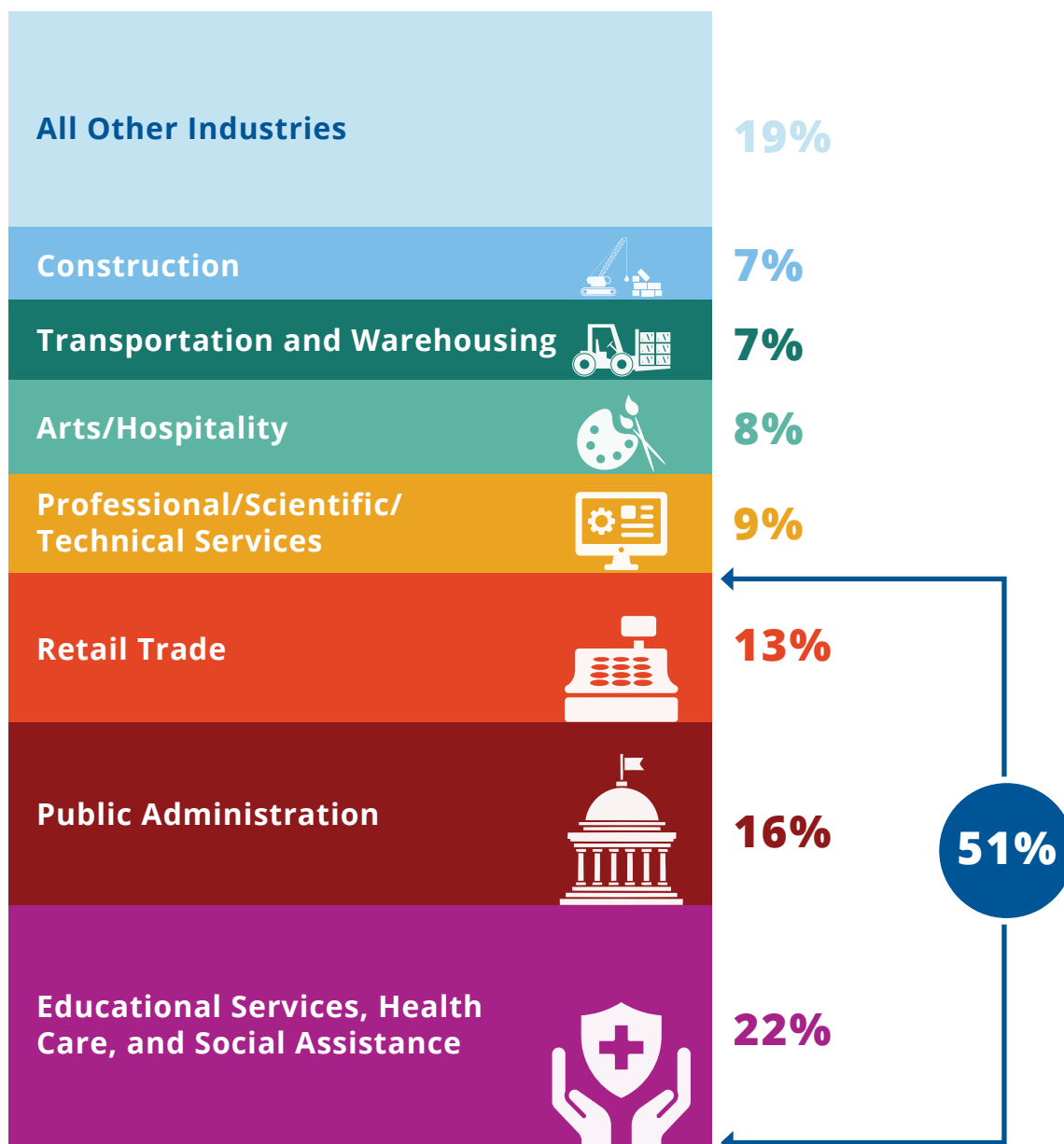
Source: ACS 5-year estimates, DP05

INDUSTRY AND EMPLOYMENT

About half of Lacey residents work in **retail, government, education, and healthcare**. More diverse employment opportunities can support greater economic resilience and upward mobility.

Lacey's workers are concentrated in a few key sectors.

Exhibit 3. Employment Industries of Lacey Residents

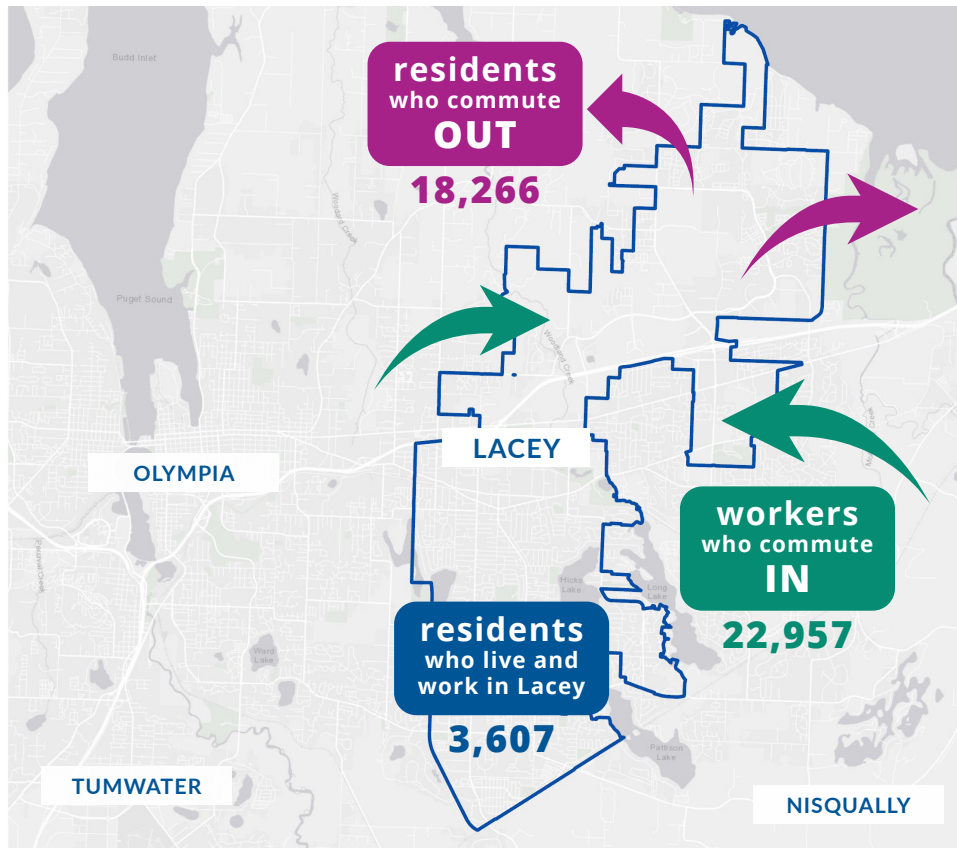


Source: ACS 5-year estimates, DP03

REGIONAL CONNECTIVITY

Like many cities in Washington, most residents commute out for work and most workers commute in from elsewhere, reflecting Lacey's integration into the **regional economy**.

Exhibit 4. Commute Patterns of Lacey Workers



RETAIL DYNAMICS

There are opportunities to meet Lacey residents' demand for **local dining** and **shopping**.

Exhibit 5. Retail Consumption Patterns

People **come** to Lacey for...

General Merchandise
Building Materials
Groceries
Sporting Goods
Jewelry

People **leave** Lacey for...

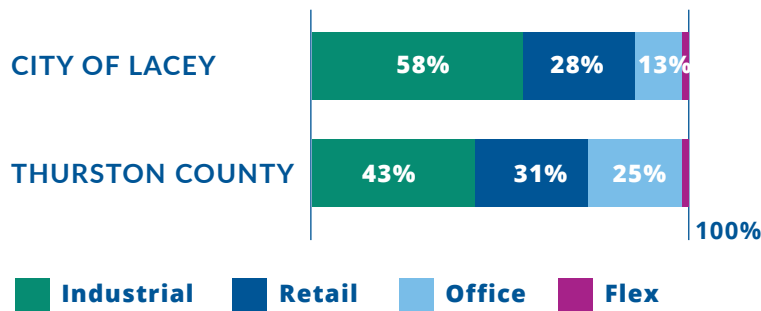
Restaurants and Cafés
Clothing Stores
Specialty Markets/Groceries
Entertainment and Leisure
Auto Dealers

REAL ESTATE MARKET

Certain areas such as Hawks Prairie are thriving and commanding higher commercial rents, while others like Lacey Midtown are in transition and poised for revitalization.

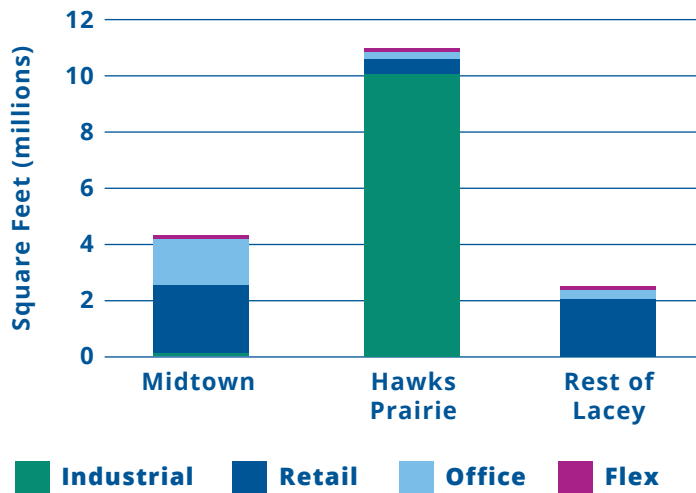
Industrial growth in Hawks Prairie has led to the need for a new focus on retail and/or office.

Exhibit 6. Types of Commercial Real Estate



Source: CoStar, March 2025

Exhibit 7. Commercial Real Estate Inventory by Planning Area



Source: CoStar, March 2025



KEY ENGAGEMENT THEMES

The consultant team conducted a series of **twelve in-depth stakeholder interviews** to gather insights on opportunities, challenges, and priorities directly from organizations and community members involved in the local and regional economy. The outreach and stakeholder interviews surfaced four consistent themes. These themes are reflected in the strategy framework, where they translate directly into goals and targeted actions. Additional details about engagement themes are available in Appendix B.

1. ELEVATING LACEY'S VISIBILITY AND IDENTITY

Lacey is viewed as the region's economic growth center, yet its identity could be more visible and clearly communicated to attract investment and talent.

Actions 1A, 1B, and 1C in this strategy focus on defining and promoting Lacey's economic identity, celebrating its diversity through cultural events, and adopting an economic development strategy that reflects community values.

2. STRENGTHENING AND SUPPORTING LACEY'S WORKFORCE

Lacey's location, relative affordability, and quality of life attract workers, but recruitment and retention are challenged by housing and childcare gaps.

This strategy calls for convening partners working in education, workforce, and industry to align training with local needs, designating liaisons to strengthen employer relationships, and exploring targeted incentives to support priority occupations.

Actions 1D, 2A, 2B, 2C, and 2D support employers and workers in Lacey.



3. CREATING VIBRANT SPACES AND COMMUNITY AMENITIES

Distinct neighborhoods, upgraded infrastructure, and community events are strengths, but more dining, entertainment, and gathering spaces are needed to enhance livability.

Actions include activating underused spaces with pop-up retail or cultural programming, strengthening year-round event calendars, and advancing placemaking projects in key commercial hubs. **Actions 3A, 3B, 3C, and 3D** align with this theme about placemaking.

4. EXPANDING OPPORTUNITIES FOR SMALL BUSINESSES

Stakeholders praised Lacey's approachable business support and programming, but they noted there is limited affordable space for small and micro-enterprises.

The action matrix includes expanding platforms like the Night Market, improving connections between entrepreneurs and resources, and exploring creative approaches to affordable commercial space development. **Actions 1A, 2A, 2B, 2D, 3A, 3B, 3C, and 3D** can support small business growth.



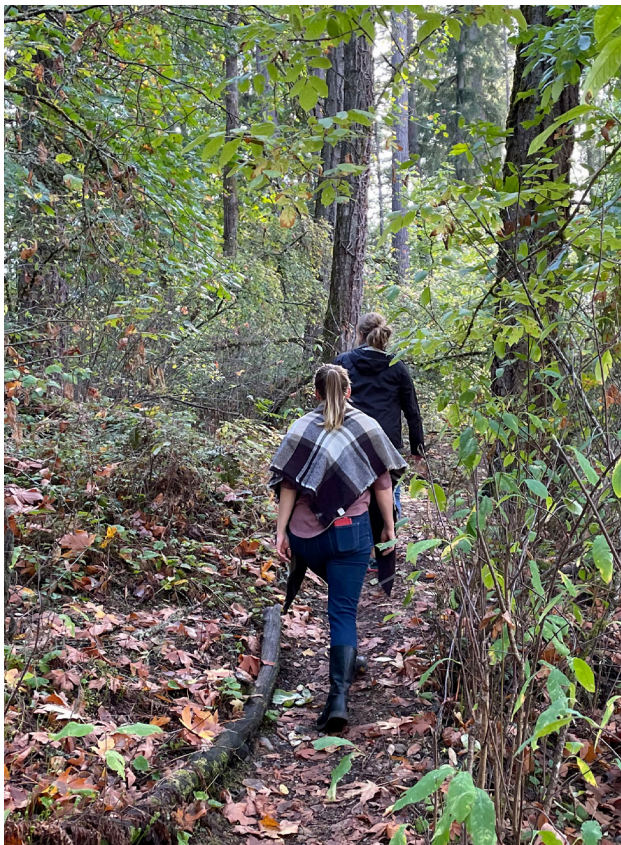


SWOT SUMMARY

To ground Lacey's economic development strategies in reality, the Advisory Group assessed Lacey's **strengths, weaknesses, opportunities, and threats (SWOT)**.

The SWOT exercise provided an opportunity for the Advisory Group to collectively reflect on Lacey's unique strengths, current challenges, and the external trends shaping its economic future. While the research and analysis presented earlier offers important insights, it is often lagging and incomplete. For that reason, it was critical to supplement the research with the on-the-ground perspectives of local leaders.

By engaging diverse voices, the SWOT process ensured that the strategic plan was grounded in both quantitative evidence and the lived experience and expertise of community stakeholders. This exercise was not only important for surfacing consensus around the City's competitive advantages and areas of vulnerability, but also for fostering shared ownership of the plan. The insights generated through the SWOT analysis directly informed the development of strategies and actions which helped to ensure they were realistic, targeted, and responsive to both opportunities and risks identified by those closest to the local economy.

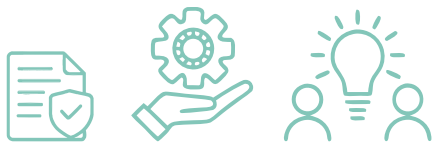




STRENGTHS

Localized assets and advantages the community can build upon.

- ◆ Lacey's location near Joint Base Lewis-McChord (JBLM), the state capital, and Pierce County and direct access to I-5 provide a clear advantage for both employers and residents.
- ◆ The City has a reputation for being business-friendly and supportive of entrepreneurs, with resources such as Thurston EDC Center for Business and Innovation and Lacey MakerSpace supporting small businesses and microenterprises.



OPPORTUNITIES

External trends or conditions the community can leverage.

- ◆ Ensuring diverse representation in public gatherings and highlighting multicultural retailers can reinforce Lacey's identity as an inclusive and welcoming place.
- ◆ Lacey can attract new residents leaving larger cities by leveraging its location and lower cost of living.
- ◆ Lacey can incentivize entrepreneurs to stay and build out a more robust creative economy.
- ◆ Targeted efforts can attract industries that provide higher-paying jobs and diversify the local economy.

WEAKNESSES

Internal limitations or gaps that hinder performance.

- ◆ From the perspective of residents and visitors, Lacey does not have a clear central business hub or a main street area, making it harder to establish a strong identity or a focal point.
- ◆ Long-term growth might be difficult to sustain with limited industry diversity and relatively fewer higher-paying jobs.
- ◆ There is also a perception that younger people are moving out of Lacey, highlighting the importance of amenities that support quality of life.

THREATS

External challenges or risks that could negatively impact success.

- ◆ The lack of a clear brand identity and cultural center may leave Lacey vulnerable to being overshadowed by neighboring communities that are growing and diverse.
- ◆ Economic factors outside the City's control such as tariffs and infrastructure condition of I-5 can affect travel and access to/from the city.
- ◆ Shifting politics and the changing preferences of younger generations may also reshape expectations for how the city grows and evolves.

VISION STATEMENT

Building on the SWOT analysis and information learned through engagement, the Advisory Group and the project team developed a vision statement for the economic development strategy. The vision statement captures the community's aspirations for Lacey's long-term future and sets the tone for the actions described in the strategy. It also guides the recommended priorities, investments, and partnerships.

By 2045, Lacey will be a vibrant city with an authentic identity in a rapidly changing region where everyone can live, work, shop, play, and imagine a better future.

Fueled by innovation, creativity, diversity, and regional collaboration, Lacey will cultivate a resilient economy that broadens opportunity and supports shared prosperity. Thriving small businesses, a supportive business culture, and local commercial hubs integrated into surrounding neighborhoods will create spaces for gathering, daily needs, and bold placemaking.





STRATEGY FRAMEWORK

The strategy creates a clear framework that connects goals to specific actions and implementation plans. This framework helps prioritize work, coordinate efforts, and adjust course as needed.

1

Define and promote Lacey's new economic identity.

It responds to the call for a stronger identity and visibility.

2

Expand Lacey's local economy by supporting the growth of small businesses, entrepreneurs, existing and new employers.

It builds on the entrepreneurial energy in the community while proactively supporting businesses that want to expand in Lacey.

3

Enhance quality of life and attract visitors and talent by investing in bold placemaking.

It focuses on place-based investments that make Lacey's neighborhoods and commercial areas vibrant and connected.



ACTIONS

Strategic actions that support economic development goals.



DESCRIPTIONS

Each action in the matrix is paired with a short description that explains the rationale behind its inclusion. This field provides additional context, outlines the reasoning and thought process, and clarifies language that may be technical, industry-specific, or unfamiliar to broader audiences. The goal is to make the intent of each action clear, accessible, and easier to understand within the overall strategy.



METRICS

Each action includes suggested metrics to help staff and partners track progress. In the first year of implementation, staff should establish a baseline for each metric. From there, set realistic goals for year-over-year change, whether that means doubling business participation, steadily increasing community engagement, or another measurable outcome. With these metrics in place, staff can more easily see which actions are advancing as intended and which may require additional focus or resources.



RECOMMENDED NEXT STEPS

This section outlines concrete, sequenced actions for the City and its partners to pursue. The sequencing suggests some next steps can be easier to accomplish earlier, while other actions may need to wait until later in the five-year implementation period. Staff can begin each step and highlight dependencies where certain actions should come first. Priorities and resources may shift over time, so adjustments to the timeline should be expected.



RECENT ACCOMPLISHMENTS

Identified for each action is a recent City action that is related to the action. The examples show that the actions align with City's previous or ongoing efforts.

ROLES



City Lead: The City will serve as the primary lead for implementation of designated actions, meaning that staff will be responsible for initiating, coordinating, and driving the effort forward. Responsibilities may include setting timelines, advocating for resources, facilitating stakeholder engagement, and ensuring accountability. The City will often leverage external support and will be the central organizing force and decision-maker.

City Support: In this role, the City will not lead the action directly but will play a meaningful supporting role alongside a partner organization or agency. Support may include helping to convene stakeholders, provide staff time or communication support, advocate for policy change, or contribute financial or other in-kind resources.



Partners: A list of key organizations is included, but this list is not exhaustive. Staff and project leads should regularly revisit and expand the list of partners throughout implementation to ensure that the right voices are at the table, particularly those representing emerging industries and evolving local priorities.



Resources: Each action will require a different level of effort from the City. Some will require reprioritizing existing resources, while others may require new expenditures.

\$ Build on existing policies/programs

\$**\$** Establish new policies/programs

\$**\$****\$** Capital expenditures



Best Practices: Other cities have successfully implemented similar actions, offering concrete examples for Lacey to learn from. These examples show how communities addressed comparable challenges and achieved measurable results. When staff find an example relevant, they should contact the project or initiative leads directly to learn how they designed the program, what they discovered during implementation, and what they would do differently.



IMPLEMENTATION AND TIMELINE

Implementing this strategy means turning shared aspirations into tangible results.

Many of the actions in **Appendix C** are designed to produce early wins, including visible changes or initiatives in the first 12 to 18 months that demonstrate progress and build momentum. Examples include expanding the Night Market, hosting cultural celebrations that highlight diversity, launching business outreach campaigns, and piloting new placemaking projects.

Over time, more complex initiatives such as exploring a new indoor food and cultural gathering space, pursuing affordable commercial space strategies, and aligning workforce training systems will create lasting impact. Regular progress reviews, transparent reporting, and adaptive management will keep the strategic plan relevant and ensure that Lacey remains on track toward its vision.

Implementation is expected to occur over three phases:

- ◆ **Year 1:** Launch foundational actions and build momentum.
- ◆ **Years 2-3:** Deepen partnerships and scale programs.
- ◆ **Years 4-5:** Evaluate and adapt; continue progress.

The City will lead implementation in close partnership with regional organizations, businesses, and community groups. Clear roles, established timelines, and measurable outcomes will keep the work coordinated and accountable. By treating this strategic plan as a living tool that is adaptable yet focused, Lacey can position itself for a dynamic and resilient economic future.

NEXT STEPS FOR CITY COUNCIL

- »» Identify staffing resources
- »» Prioritize key actions
- »» Establish a work program

This strategy document identifies 12 targeted actions that could be implemented over the next 5 years. However, not all actions can be implemented at once, and the current economic development staffing level may be insufficient. **To fully implement the actions that the City would lead, the City would need to acquire or reassign a City staff member.**

In the meantime, the City can select a shorter list of actions that could be implemented with existing City resources. The City's economic development team can then create a work program to prioritize the key actions. Once additional resources become available, the team can pursue remaining actions or improve the quality of delivering the prioritized actions.

Appendix A: Lacey Demographic and Economic Analysis

Lacey 2030: Innovation, Opportunity, Community

Economic Development Strategic Plan 2026-2030

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

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)

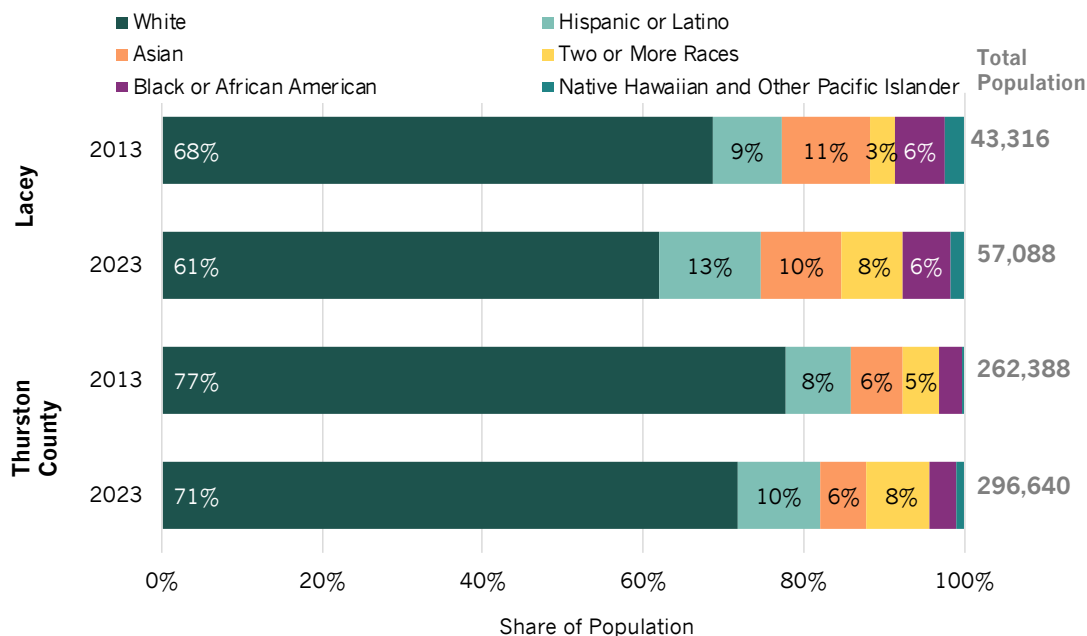


1. Community Context

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



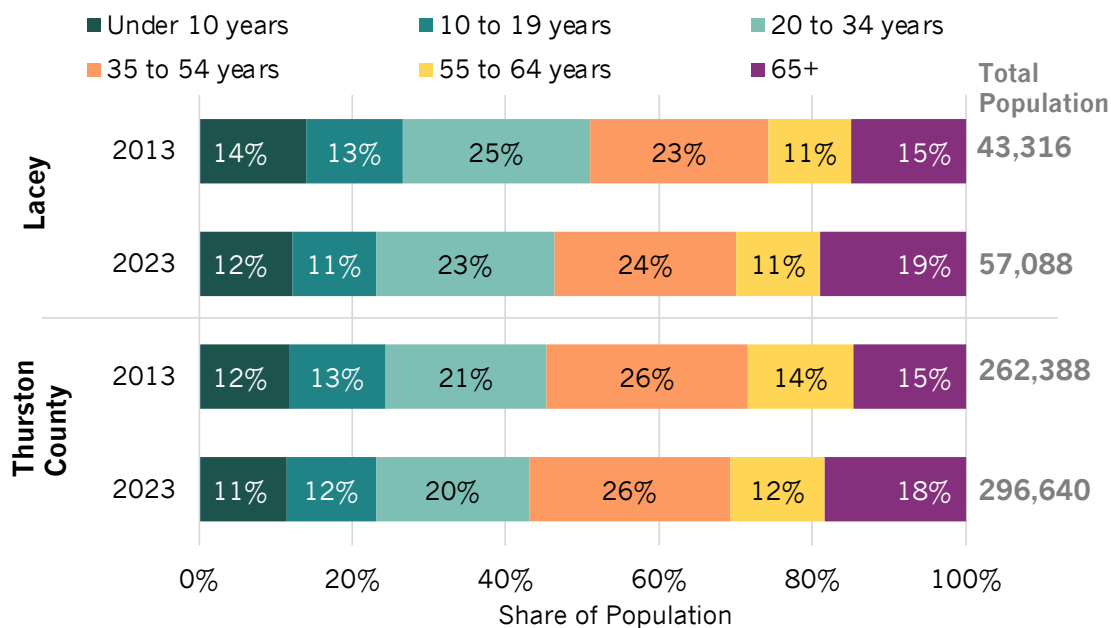
Source: ACS 5-year estimates, DP05.

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

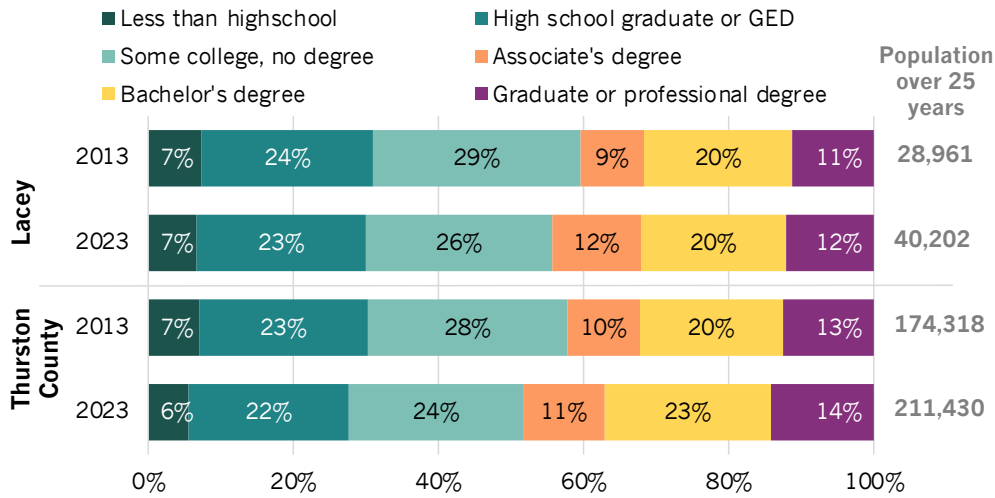
Educational Attainment

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.



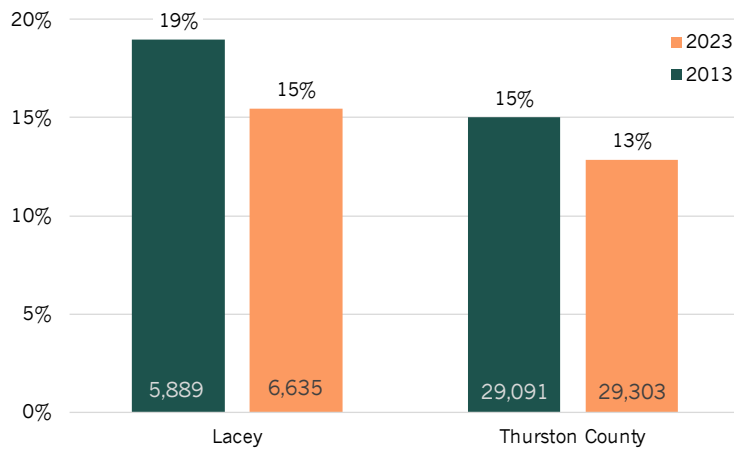
Exhibit 3. Educational Attainment by Geography, 2013-2023



Source: ACS 5-year estimates, S1501

Specific Population Characteristics

Exhibit 4. Veteran Share of Population over 18

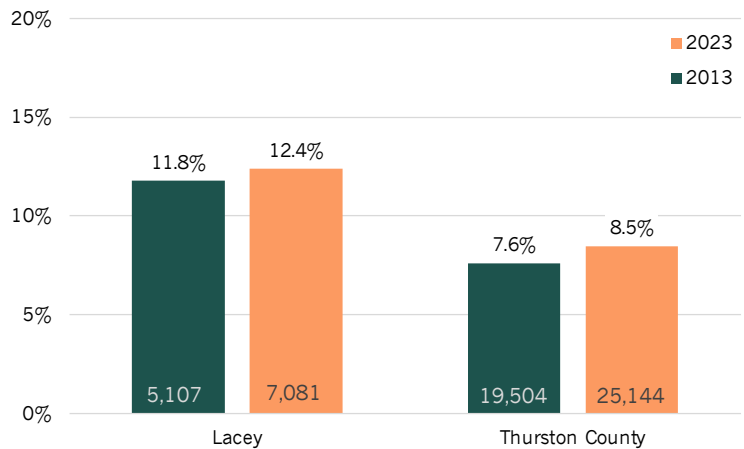


Source: ACS 5-year estimates, DP02

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

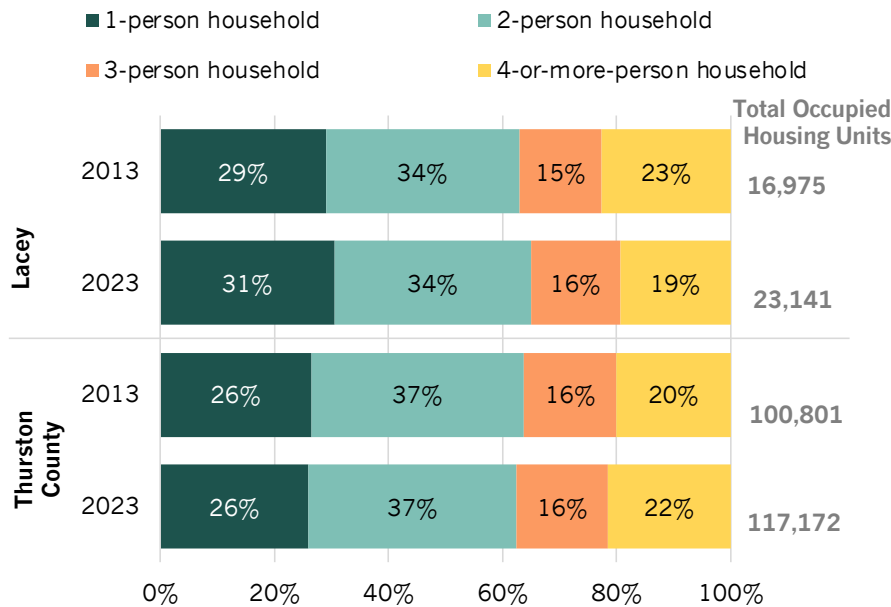


Between 2013 and 2023, the foreign-born population increased in both Lacey and Thurston County, with Lacey rising from 11.8 to 12.4 percent and the county from 7.6 to 8.5 percent. The increase in foreign-born residents suggests a growing diversity in the region, potentially contributing to shifts in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

Source: ACS 5-year estimates, DP02

Household Characteristics

Exhibit 6. Household Size by Geography, 2013-2023



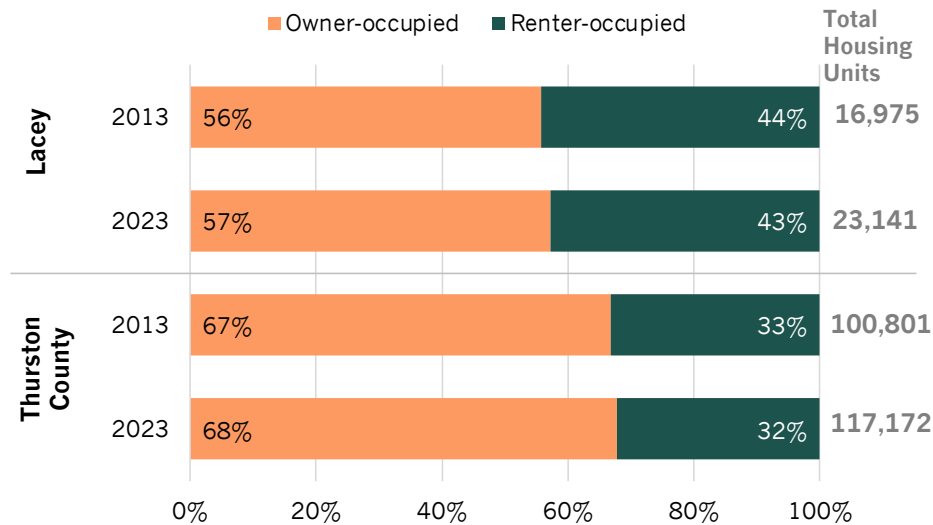
Household composition in both Lacey and Thurston County remained relatively stable between 2013 and 2023, with two-person households continuing to be the most common. Lacey saw a slight increase in one-person and three-person households, while the share of four-or-more-person households declined from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



	STUDIO	1 BEDROOM	2 BEDROOMS	3 BEDROOMS
Lacey, Senior Living Only	\$3,285	\$3,509	\$3,823	N/A

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:

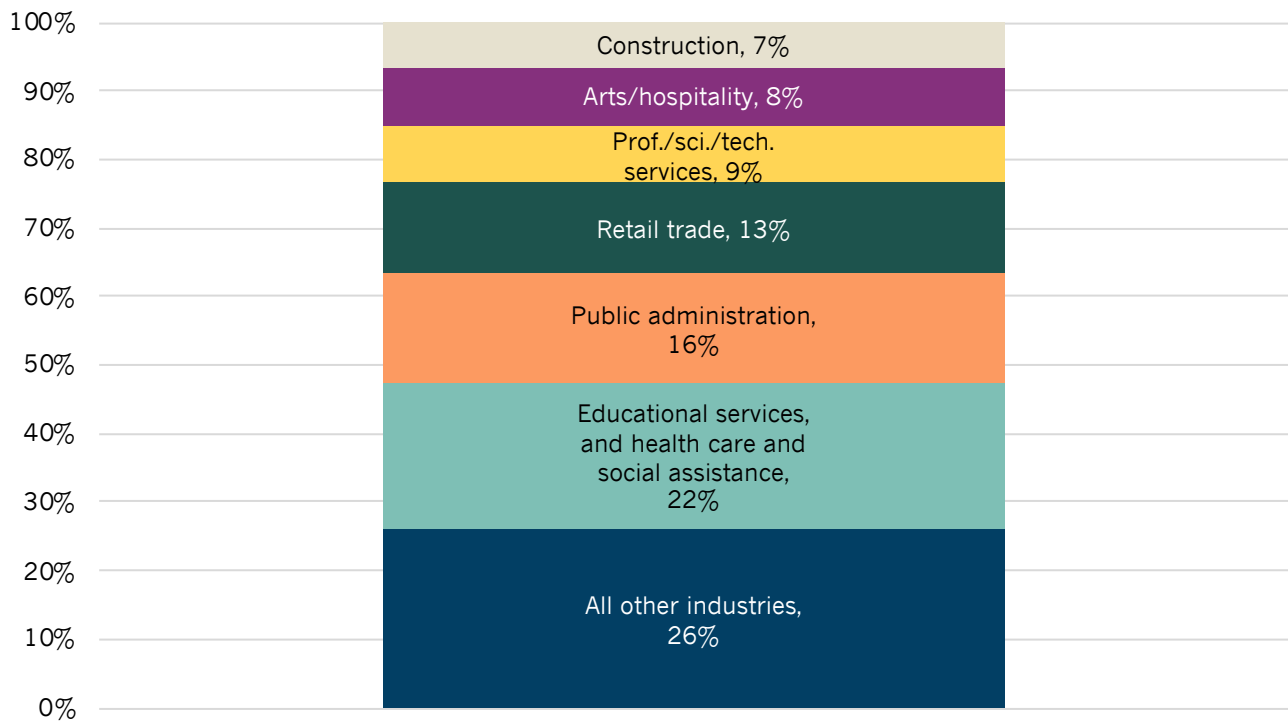
- ◆ Retail (12.1 percent of local employment): For example, Amazon, PetSmart, Harbor Wholesale, Medline Industries, and Walmart
- ◆ Government (8.4 percent): State of Washington and City of Lacey
- ◆ Education (7.7 percent): North Thurston Public Schools and St. Martin’s University

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

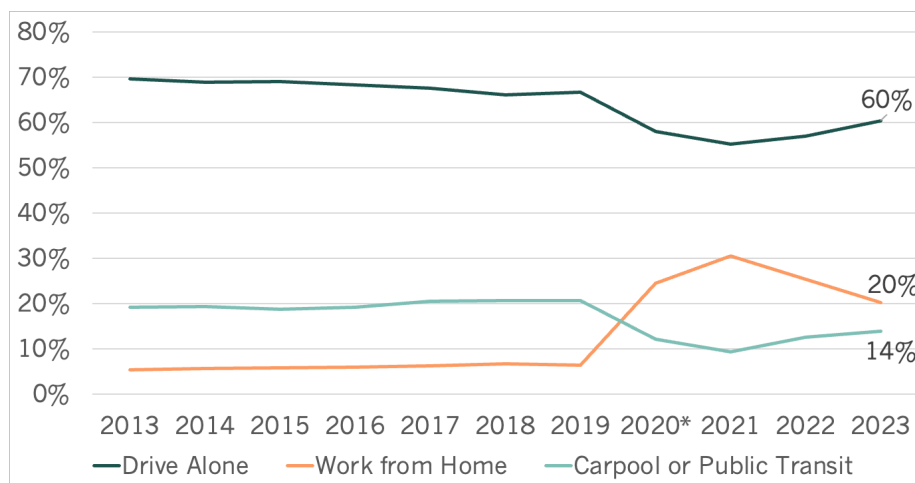
	RESIDENTS LEAVING FOR WORK		WORKERS FROM ELSEWHERE	
	2012	2022	2012	2022
Lacey (58,300 people)	83.1%	83.5%	85.4%	86.4%
Olympia (55,700 people)	64.4%	67.1%	83.7%	86.3%
Tumwater (27,200 people)	81.6%	83.0%	90.8%	92.3%
Lakewood (62,300 people)	80.4%	85.0%	86.5%	87.4%

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.



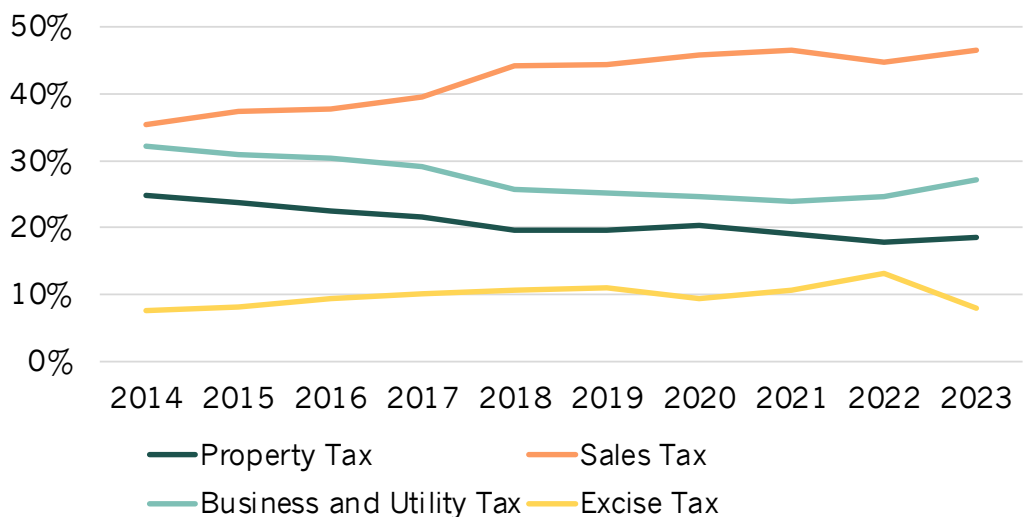
3. Retail Development Opportunities

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



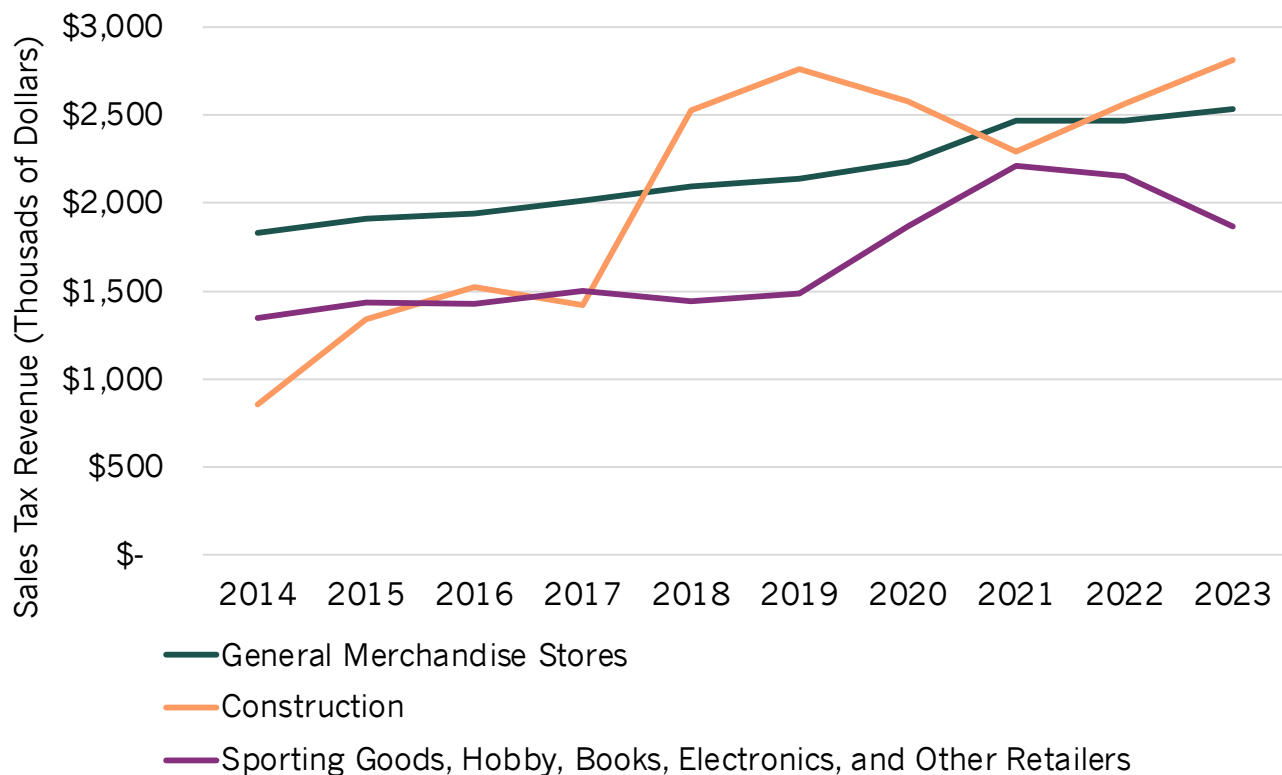
Source: 2023 Annual Comprehensive Financial Report. City of Lacey, WA, 2023

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:

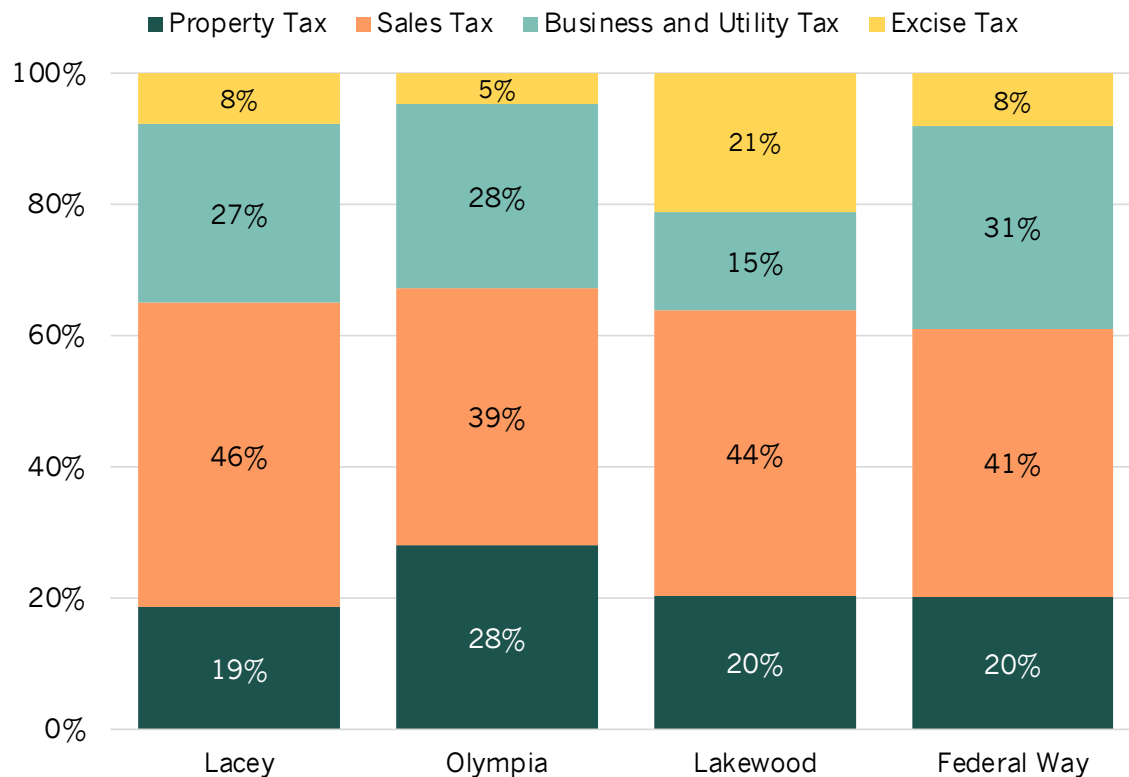
- ◆ In Olympia, property tax revenues make up a greater share of the city's tax revenues. This is partly because property values are higher and partly because there are higher density developments.
- ◆ In Olympia, the tax revenue per capita is about twice as large. This is not just because property values 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; 2023 Annual Comprehensive Financial Report. City of Federal Way, WA, 2023; U.S. Census Bureau Quick Facts

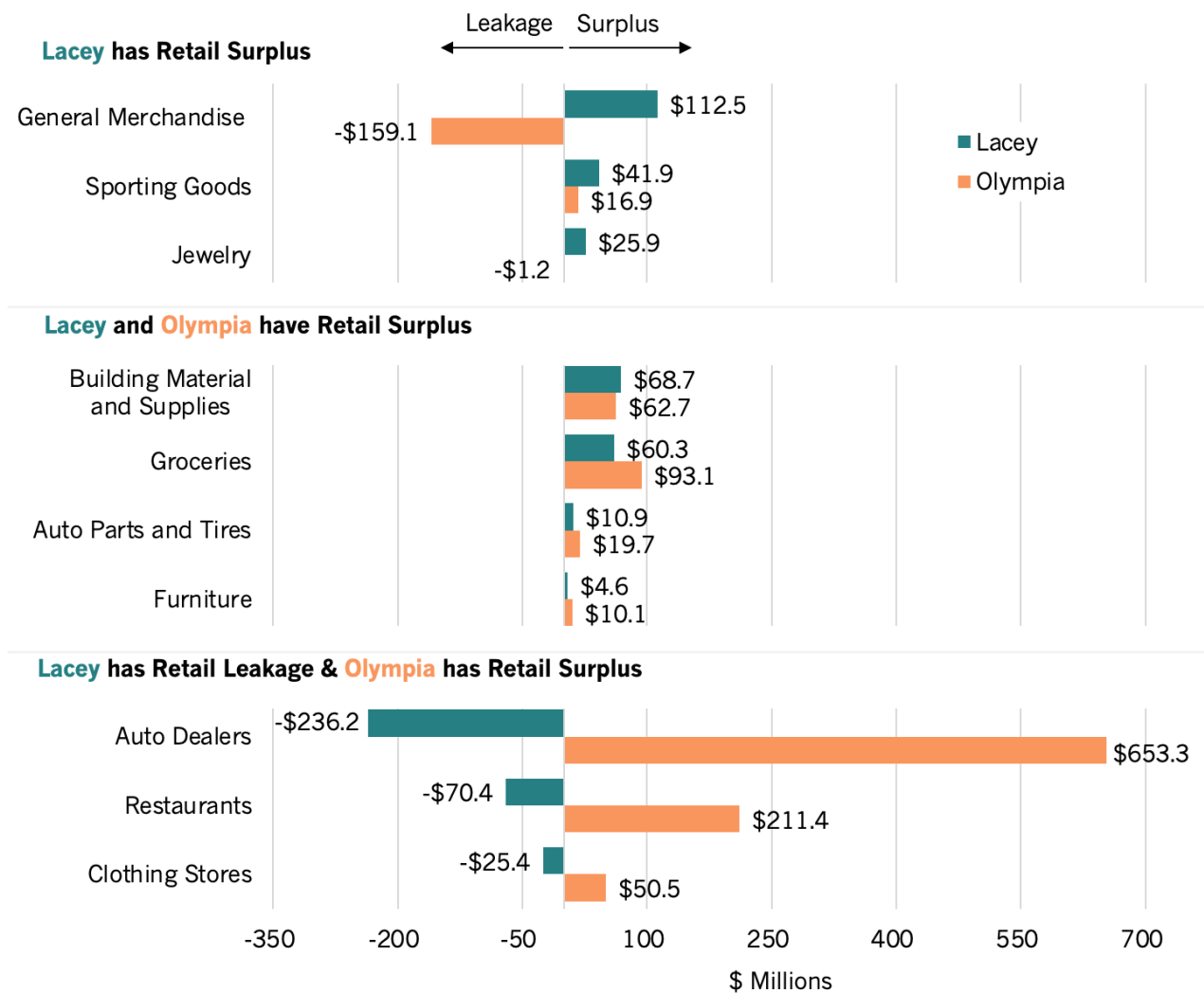
⁷ City of Lakewood. "Taxes and Fees in Lakewood." <https://cityoflakewood.us/finance/taxes-fees-in-lakewood/>



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.

Exhibit 19. Retail Surplus and Leakage by City



Data source: Claritas

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.



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

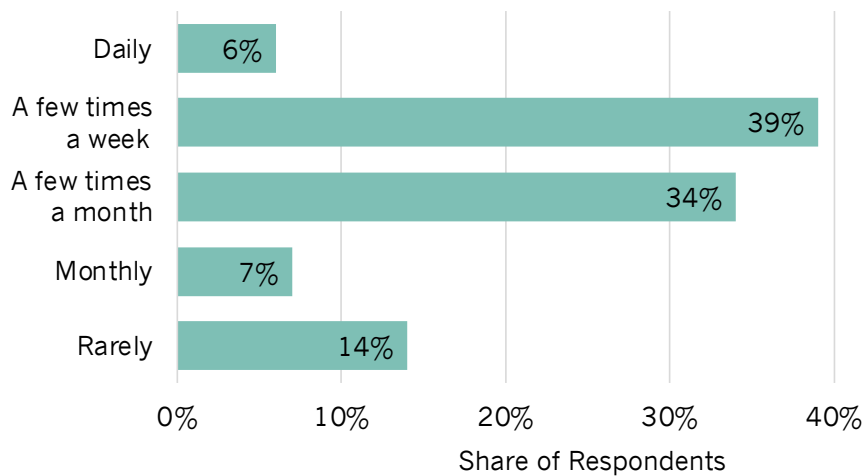
⁹ These data points are from Placer.ai.

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.



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.

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.

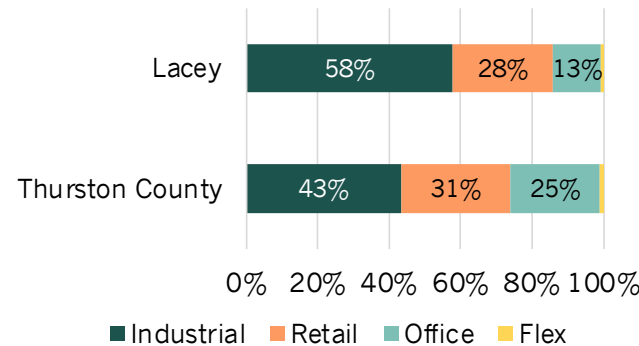
Exhibit 21. Commercial Real Estate Inventory (Square Feet)

	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

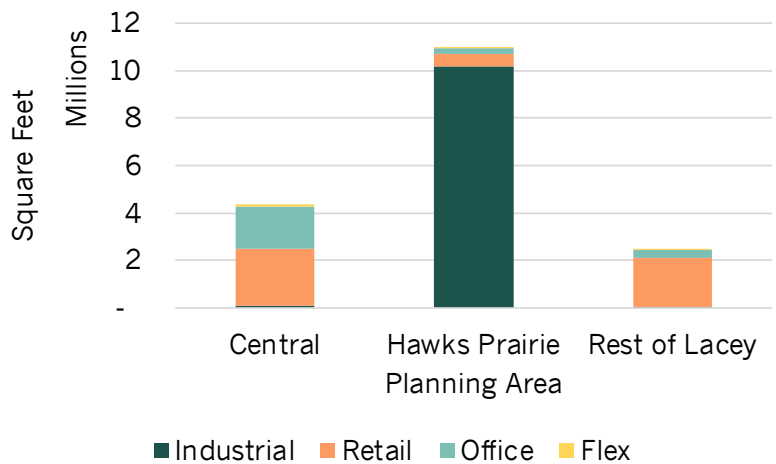


Source: CoStar, March 2025



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

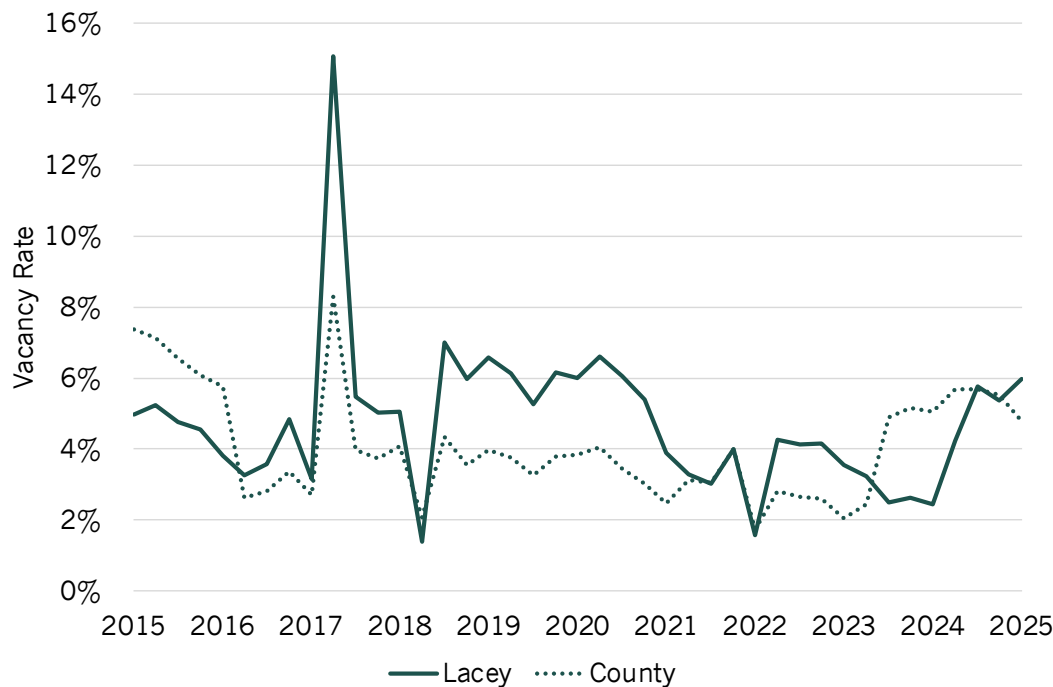
Exhibit 25. Commercial Real Estate in Thurston County

	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

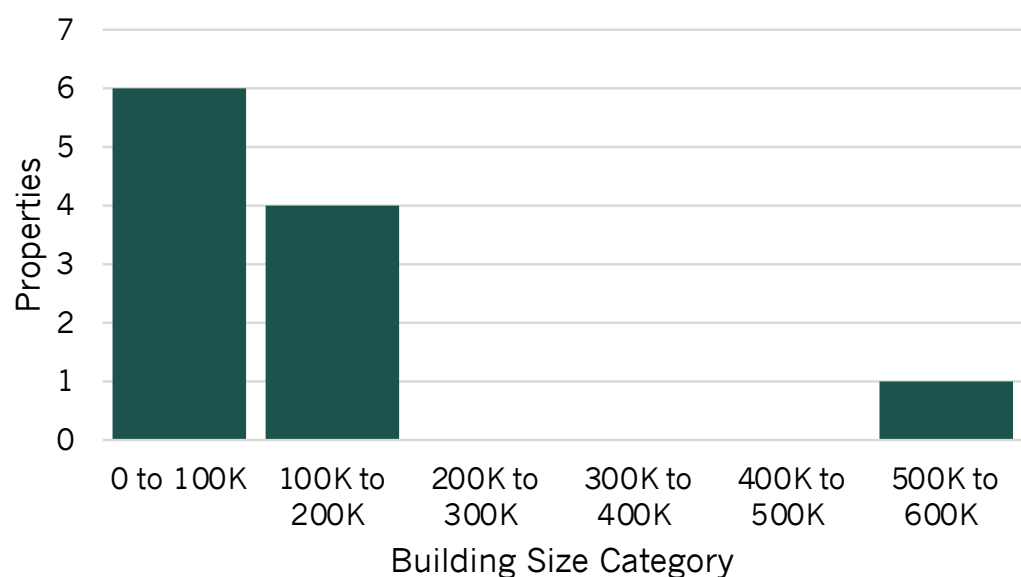


Exhibit 26. Industrial Vacancy Rate in Lacey and Thurston County



Source: CoStar, March 2025

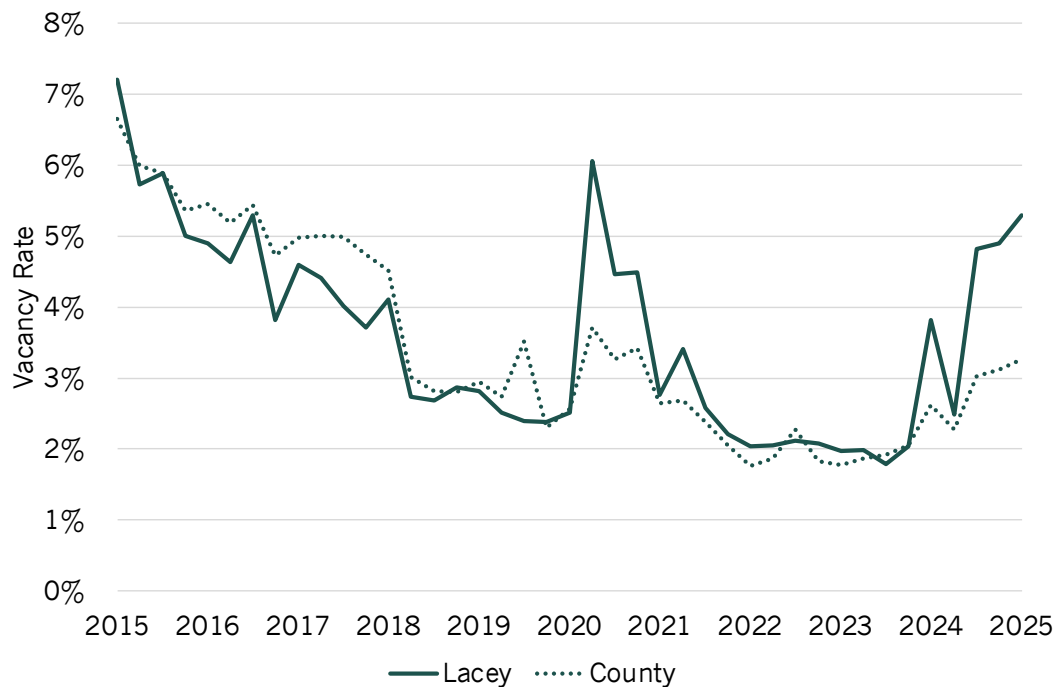
Exhibit 27. Industrial Vacant Space (Sq. Ft.) by Building Size Category (Total: 11 Properties)



Source: CoStar, March 2025

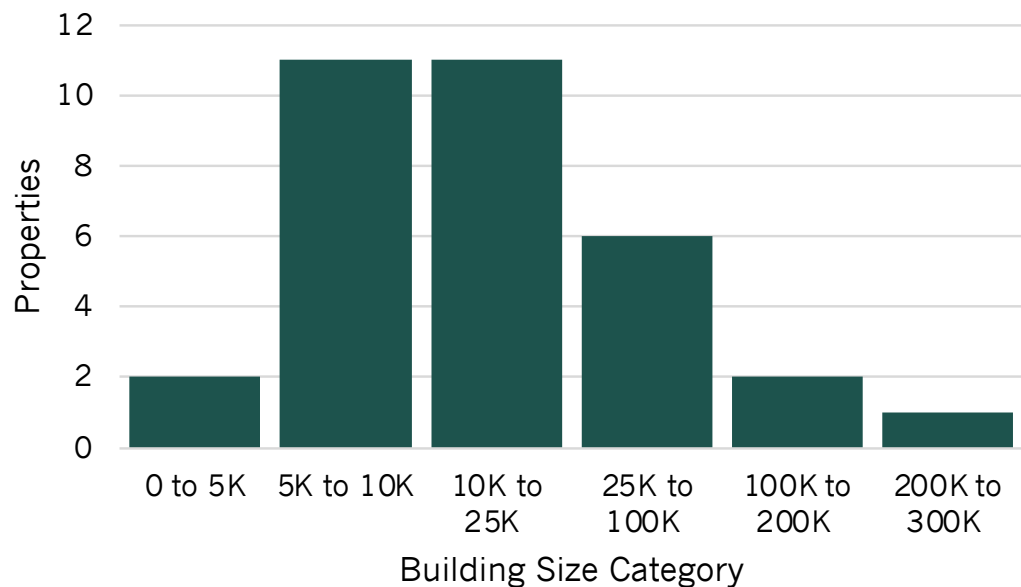


Exhibit 28. Retail Vacancy Rate in Lacey and Thurston County



Source: CoStar, March 2025

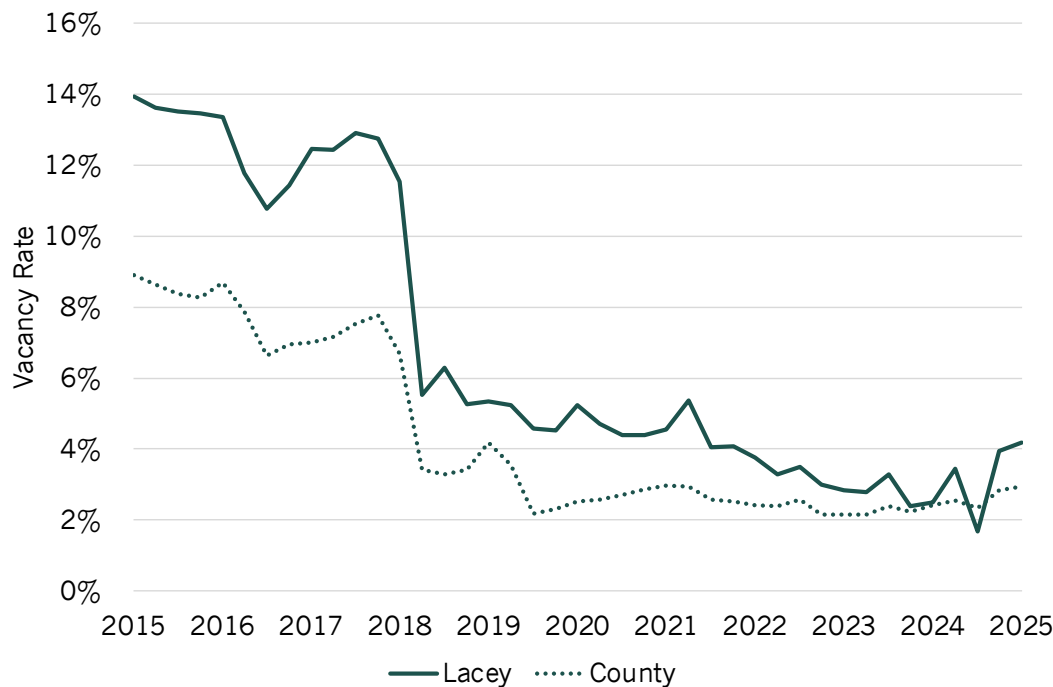
Exhibit 29. Retail Vacant Space (Sq. Ft.) by Building Size Category (Total: 33 Properties)



Source: CoStar, March 2025

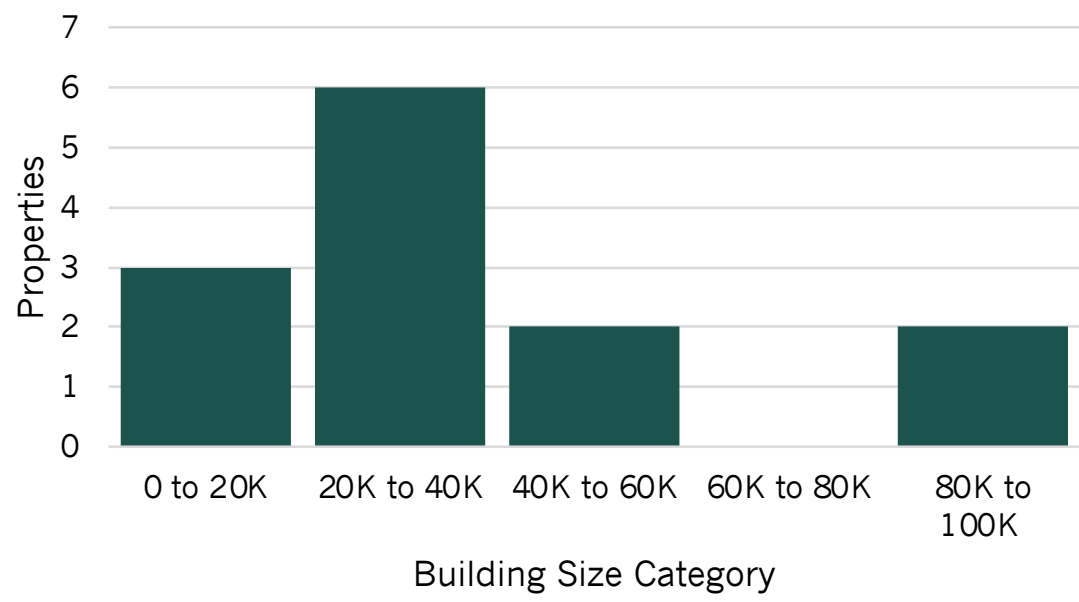


Exhibit 30. Office Vacancy Rate in Lacey and Thurston County



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>



Appendix B: Community Engagement Findings

Lacey 2030: Innovation, Opportunity, Community

Economic Development Strategic Plan 2026-2030

To inform the City of Lacey's Economic Development Strategy, ECONorthwest conducted a series of twelve in-depth stakeholder interviews to gather insights on opportunities, challenges, and priorities directly from organizations and community members involved in the local and regional economy. While we have anonymized interview findings to encourage transparency, to date, these interviewees have included (in no particular order):

- ◆ Michael Cade, Thurston Economic Development Center (EDC)
- ◆ Sean Moore, Thurston EDC Center for Business & Innovation
- ◆ Mike Reid, Port of Olympia
- ◆ Darin Goss, Providence Hospital
- ◆ Erika Titus, Providence Hospital
- ◆ David Tuyó, Twinstar Credit Union
- ◆ Mike Raskin, MJR Development
- ◆ Jason Huang, SWAE Night Market
- ◆ William Westmoreland, Pacific Mountain Workforce Development
- ◆ Nathan Peters, St. Martin's University
- ◆ Tevin Campbell, Jerk an' Tingz
- ◆ Cecelia Loveless, MultiCare
- ◆ Chris Blume, Capital Development Company

We are deeply grateful to these individuals for volunteering their time and expertise to support the project. These conversations (held both virtually and in-person) helped validate the data findings and also provided qualitative nuance, identifying gaps that data alone cannot always reveal. A summary of the key themes discussed in these interviews is below.

Key Findings

DEFINING LACEY'S IDENTITY

Lacey is often regarded as the economic engine of Thurston County, characterized by growth in logistics, creative partnerships, and a reputation for inclusivity and diversity. However, stakeholders noted that the city's strengths and identity could be more visible regionally and could be promoted more consistently to attract investment and talent.

- ◆ **Lacey is regarded as the primary economic center in the region, with a concentration of growth and resources.** Regional economic development partners described the city as the largest hub of commerce and investment activity in the area, with a significant share of Thurston County's growth occurring in Lacey. Stakeholders pointed to the I-5 diamond interchange as a key investment that unlocked new development opportunities east of the freeway, particularly for warehouse users looking for access to regional transportation corridors.
- ◆ **There is an opportunity to strengthen Lacey's economic identity and visibility.** Participants shared that the city's strengths, such as its diversity, military and higher education connections, and logistics access, are not always visible regionally and could be promoted more consistently to attract investment.
- ◆ **Market shifts are making Lacey feel more similar to larger communities to the north.** Participants noted that growth in logistics, warehousing, and regional trade is increasing competition for space and shaping Lacey's economic landscape. Some observed that this shift brings new opportunities but also creates pressure on land and infrastructure.
- ◆ **The Lacey MakerSpace and other partnerships demonstrate Lacey's collaborative approach to economic development.** Stakeholders described the Lacey MakerSpace as a unique regional asset that combines resources from the City, higher education institutions, and the economic development council to support entrepreneurship, workforce training, and innovation. This model of partnership was highlighted as an example of how major economic development leaders in Lacey work together to create shared spaces, leverage funding, and provide support for both established businesses and early-stage ventures.
- ◆ **Lacey's diversity and inclusivity are seen as distinctive strengths.** Stakeholders consistently described Lacey as a welcoming, open-minded community that embraces cultural diversity and new ideas. Small business owners, event organizers, and regional partners highlighted that the city's supportive environment has helped attract entrepreneurs from a wide range of backgrounds and create spaces, such as the Night Market and Food Truck Depot, where diverse vendors and customers feel represented and included.



FOSTERING SMALL BUSINESS GROWTH

Small businesses and entrepreneurs value Lacey's approachable support systems, including grants and community programming, but could benefit from additional opportunities for community exposure and accessible commercial space.

- ◆ **Lacey's support systems are perceived as approachable and practical, offering resources that help small businesses get started, grow, and navigate requirements.** Entrepreneurs shared that grants, business coaching, and connections to resources from the EDC were essential to launching and growing their operations. Business owners and community partners also emphasized that City staff are approachable, responsive, and collaborative, and that Lacey's leadership has consistently fostered a culture of problem-solving and creativity that supports innovation.
- ◆ **City initiatives and community programming have provided important platforms for early-stage businesses.** Participants highlighted the Food Truck Depot and Night Market as key venues for building customer bases and increasing visibility, noting that these spaces have supported a diverse group of vendors. Entrepreneurs and event organizers described consistent programming as a primary factor in sustaining sales and building customer relationships.
- ◆ **Lack of affordable spaces limits microenterprises from transitioning to small businesses.** Stakeholders, particularly food entrepreneurs, emphasized that while Lacey provides supportive entry points such as grants, the Food Truck Depot, and markets, there are few affordable options for businesses ready to grow beyond mobile operations. Limited and costly commissary kitchens, combined with a shortage of smaller-scale commercial spaces suitable for early expansion, were described as barriers to scaling up.
- ◆ **Sustaining growth depends on attracting more residents to live in the community.** Stakeholders noted that long-term demand for business services and lending relies heavily on continued population growth to create new customers, expand the workforce, and generate tax revenue.

SUPPORTING LACEY'S WORKFORCE

Lacey's location and sense of community are seen as key assets for attracting students and staff. At the same time, employers recognized opportunities to improve recruitment and retention efforts, highlighting gaps in workforce training, housing, and childcare.

- ◆ **The city's combination of location, affordability, and access to nature and transportation is seen as an advantage for families and professionals.** Stakeholders cited proximity to I-5, Seattle-Tacoma International Airport, and recreational areas as appealing to employees seeking both convenience and a high quality of life. Additionally, stakeholders mentioned the City's character, sense of community, and



school quality help make Lacey an attractive option, especially compared to larger cities with higher costs.

- ◆ **Healthcare demand is driving continued investments in clinics and specialty facilities.** Organizations described current and planned projects, including specialty care expansions and new clinics to meet population growth. Several noted that the region's aging population is also contributing to increased demand for healthcare services.
- ◆ **Technical and specialized staff often need to be recruited from outside the area.** Employers reported that technology, healthcare, and other specialized roles can be challenging to fill locally, often necessitating regional or national searches.
- ◆ **Housing affordability and access to childcare are challenges for recruitment and retention.** Employers consistently identified these issues as the most significant barriers to attracting and keeping employees, noting that even with good wages, employees often commute from other cities because attainable housing or childcare options are limited near their workplaces.
- ◆ **Workforce training programs face funding and capacity constraints.** Workforce development stakeholders explained that while the city has good access to training infrastructure, limited funding can make it hard to expand non-degree credential programs. Interviewees also observed that many schools focus heavily on college preparation and could better connect students to careers in logistics, manufacturing, or other technical fields, which are strong industries in Lacey and do not typically require a college degree.

BUILDING VIBRANT SPACES AND AMENITIES

While Lacey's amenities and community events are important anchors, stakeholders described opportunities to expand dining, entertainment, and gathering spaces to better serve residents and support recruitment.

- ◆ **Lacey's multiple neighborhoods create distinct centers of community and commerce.** Stakeholders noted that, although Lacey does not have a traditional downtown, it has developed several distinct areas where small businesses, restaurants, and community services are clustered. For example, stakeholders noted that amenities, parks, and streetscape investments have all contributed to establishing Midtown's identity as a vibrant, connected district. These enhancements were described as critical to sustaining long-term interest and fostering a strong sense of place in the area.
- ◆ **Infrastructure upgrades are enhancing access and setting the stage for more vibrant commercial hubs.** Stakeholders noted that recent sidewalk and streetscape improvements have supported smaller tenants by improving visibility and walkability around their businesses. Looking ahead, the proposed roundabout at College Street and Seventh Avenue in Midtown is expected to improve pedestrian access, strengthen



connections between Saint Martin's University and Midtown, and contribute to a more cohesive and inviting commercial district.

- ◆ **There is interest in holding more frequent and year-round community events.** Stakeholders noted that while summer events are very beneficial, sales tend to decline during the winter months, and holding events more frequently could help maintain revenue and customer engagement throughout the year. Interviewees also suggested that expanding event programming could strengthen neighborhood identity and help attract families and professionals to Lacey.
- ◆ **Increased dining, entertainment, and gathering spaces could improve employee retention and appeal to younger professionals.** Several participants noted that additional restaurants, social venues, and nightlife options could support the recruitment of employees and the retention of graduates. Developers also pointed to consistent leasing of new apartments and commercial spaces as evidence of sustained market interest in creative, mixed-use development, emphasizing that projects offering food, recreation, and gathering spaces are outperforming single-use models.

Taken together, these insights highlight both the strengths that position Lacey as a regional economic hub and the areas where targeted investments and policy changes could further strengthen the city's competitiveness. Stakeholders emphasized the importance of maintaining Lacey's collaborative approach to economic development, supporting small business growth through accessible spaces and consistent programming, and investing in workforce readiness, housing, and amenities that make the community attractive to both residents and employers. These themes will help shape an Economic Development Strategic Plan that reflects local values and priorities, complementing additional research to recommend actionable strategies and partnerships that support the city's long-term vision.



GOAL 1: DEFINE AND PROMOTE LACEY'S NEW ECONOMIC IDENTITY**ACTION 1A: Celebrate and promote Lacey's diversity with cultural events and community storytelling that bring people into the city**

Lacey's population and businesses are growing more diverse which is a distinctive economic asset that enhances the city's competitiveness, cultural vibrancy, and appeal to new residents, visitors, entrepreneurs, and employers. Lacey is viewed as being an inclusive and welcoming place, but these strengths are not always messaged or widely known outside of the community. To fully leverage this strength, the City should develop and implement a public narrative that elevates diversity as a core part of Lacey's economic identity. This narrative can reinforce the City's values, strengthen civic pride, and attract businesses and talent seeking an inclusive environment.

 Metric	Number of city-sponsored cultural events (estimate attendees when feasible)
 Recommended Next Steps	1. Expand on the Night Market and other community events by adding rotating cultural themes. 2. Create a "Faces of Lacey" entrepreneur series by profiling diverse small business owners and startup founders in newsletters and digital platforms. 3. Develop a diversity-forward marketing campaign on the City's website that highlights Lacey's diverse businesses, cultural events, and community leaders through storytelling and testimonials.
 Recent Accomplishments	The Night Market recently hosted a themed cultural event that drew over 10,000 people.
 City Role	City lead
 Potential partners to engage	Thurston EDC, Port of Olympia, St. Martin's University, business owners, Night Market, and local cultural and heritage-based organizations
 Resources	\$ (Building on existing policy/program)
 Best Practice Location(s)	Bellevue, Bothell, Redmond, Shoreline, National
 Best Practice Description	Cities have strengthened their economic development strategies by weaving diversity and inclusivity into their public identity. For example, national efforts like Welcoming Week, launched by Welcoming America, provide a framework for communities to highlight inclusivity through events that foster connection between immigrants and non-immigrants.
 Best Practice Web Link	https://welcomingamerica.org/initiatives/welcoming-week

GOAL 1: DEFINE AND PROMOTE LACEY'S NEW ECONOMIC IDENTITY**ACTION 1B:**
Define and adopt an economic development vision

Lacey is the largest city in Thurston County and now has both assets and partnerships that can play a stronger regional role. There are regional growth opportunities Lacey is well-positioned for. At the same time, most community members and stakeholders want the city's identity to be focused on local commercial hubs, businesses, and gathering spaces that serve city residents. To move forward with clarity, the City needs to define a shared strategic direction for economic growth.

 Metric	Number of leaders and community members engaged in the visioning process
 Recommended Next Steps	1. Convene City Council members and senior department leads for a facilitated workshop to arrive at a common understanding of Lacey's economic identity and its neighborhood identities and define a vision for economic development building on the vision in Lacey's Economic Development Strategy. 2. Ask community members and local employers for their input on the vision statement via a survey and/or public meetings. 3. Integrate into the city's economic development planning and decision-making processes a refined version of the vision statement.
 Recent Accomplishments	Through the Economic Development Strategy process, developed draft language for an economic development vision.
 City Role	City lead
 Potential partners to engage	Community members, small and large employers, branding experts
 Resources	\$ (Building on existing policy/program)
 Best Practice Location(s)	Boise, ID
 Best Practice Description	Boise's Vista Vision Neighborhood Plan shows the importance of adopting a clear vision statement to guide economic development and placemaking. City leaders recognized that without a unifying identity, the corridor's growth risked being fragmented, so they created a shared statement that established priorities and rallied stakeholders.
 Best Practice Web Link	https://www.cityofboise.org/media/2108/vista_neighborhood_plan.pdf

GOAL 1: DEFINE AND PROMOTE LACEY'S NEW ECONOMIC IDENTITY**ACTION 1C: Communicate Lacey's economic identity with targeted investors and developers**

Lacey can strengthen its investor and developer recruitment by clearly communicating its vision and brand. For those looking to deploy their capital, community identity and vision are key factors they consider—alongside market conditions and financial feasibility.

 Metric	Number of investors and developers engaged in economic identity work
 Recommended Next Steps	1. After developing an economic development vision, simplify it into a clear brand and integrated into a pitch to communicate with potential investors and developers. 2. Meet with brokerage firms that offer advisory services to tell them about Lacey's brand and strengths and how they can invest capital that complements local businesses. 3. Maintain clear, accessible websites with opportunity site maps, permitting guides, and local data.
 Recent Accomplishments	Lacey is leading Thurston County's national rankings (#1 for density of middle class, #2 for hotspot for economic growth, #2 for women's business travel destination, and #8 for overall economic performance)
 City Role	City lead
 Potential partners to engage	Thurston EDC
 Resources	\$\$ (Starting new policy/program)
 Best Practice Location(s)	Tacoma, WA
 Best Practice Description	Tacoma has successfully advanced its investor recruitment efforts by creating a prospectus for its Opportunity Zone, giving investors a concise and compelling profile of economic opportunities. This clear communication of vision and assets helps investors quickly understand where and how to direct their capital.
 Best Practice Web Link	https://makeittacoma.com/wp-content/uploads/2019/03/Tacoma-OZ-Prospectus-Final-1.pdf



GOAL 1: DEFINE AND PROMOTE LACEY'S NEW ECONOMIC IDENTITY



ACTION 1D: Partner with the Port of Olympia and Thurston EDC to ensure the City of Lacey has dedicated access to Foreign Trade Zone (FTZ) expertise to support local businesses and raise awareness of FTZ benefits.

Foreign Trade Zone designation can be a powerful tool to help Lacey businesses compete globally by reducing costs, streamlining customs processes, and attracting new investment. With the Port of Olympia and Thurston EDC moving forward on a shared FTZ staff position, it is essential that Lacey is a visible and proactive partner. This ensures city staff, council, and local businesses have a direct resource to navigate FTZ opportunities, while positioning Lacey as a leader in leveraging trade tools to grow jobs and expand its economic base.

 Metric	Number of Lacey businesses engaged on FTZ opportunities annually and at least two updates provided to City Council per year on FTZ outreach and outcomes
 Recommended Next Steps	1. Meet with the Port of Olympia and Thurston EDC to formalize Lacey's role and level of support for the shared FTZ position. 2. Clarify expectations for how the FTZ expert will support Lacey specifically (staff resource, council updates, business outreach, website content, etc.). 3. Enter into a formal partnership or MOU that includes Lacey's role, contribution, and communication protocols. 4. Schedule biannual progress reports to City Council and regular check-ins with city staff to ensure alignment and accountability.
 Recent Accomplishments	Staff reviewed with the Port the FTZ process. There is ongoing coordination with the Port and the EDC.
 City Role	City support
 Potential partners to engage	Port of Olympia, Thurston EDC
 Resources	\$\$ (Starting new policy/program)
 Best Practice Location(s)	Everett, WA
 Best Practice Description	Everett has strengthened its trade and logistics sector by partnering with the Port of Everett and Snohomish County to jointly market its Foreign Trade Zone (FTZ). The City also hosts quarterly business roundtables, creating an accessible forum to answer questions and build stronger relationships with companies interested in international trade.
 Best Practice Web Link	https://lynnwoodtimes.com/2024/07/02/foreign-trade-zone-roundtable/



GOAL 2:

EXPAND LACEY'S LOCAL ECONOMY BY SUPPORTING THE GROWTH OF SMALL BUSINESSES, ENTREPRENEURS, EXISTING AND NEW EMPLOYERS



ACTION 2A: Empower and scale home-based businesses and microenterprises by leading them through microenterprise accelerator programs.

Home-based businesses and microenterprises are often led by women, immigrants, and BIPOC entrepreneurs, and they form a vital and growing part of Lacey's economy. Thurston EDC's business assistance programs would help businesses formalize their operations, increase their business capacity, and transition into storefronts. The City can encourage small and new businesses to grow by helping them prepare for and participate in the EDC's programs. The City can also leverage the Washington State Cottage Food Law to support food-based businesses operating from home.

 Metric	Number of participating home-based businesses and microenterprises
 Recommended Next Steps	1. Provide coaching and technical assistance for businesses interested in joining the Night Market or participating in Thurston EDC's business assistance programs like Washington APEX Accelerator, Business Enterprise Startup Training (BEST), Quick Startup, and Pop-Up Markets. 2. Collaborate with Thurston EDC, Lacey MakerSpace, and Pacific Mountain Workforce Development Council to tailor curriculum for home-based businesses and microenterprises, covering topics such as licensing, branding, digital marketing, zoning, and cottage food production rules. 3. Build relationships with local foundations or landlords who might be willing to provide discounted pop-up spaces for program participants. 4. Consider providing interpretation, translation, and childcare as needed to reduce barriers to participation in business assistance programs. 5. Recognize and celebrate program graduates. Invite program alumni to mentor future participants or co-host events to build a peer support network.
 Recent Accomplishments	Coordinated with the EDC to clarify roles and identify unique actions that the City can take.
 City Role	City lead
 Potential partners to engage	Thurston EDC, Lacey South Sound Chamber, Thurston County Chamber, Night Market, PacMountain, Makerspace, credit unions, and Enterprise for Equity
 Resources	\$\$ (Starting new policy/program)
 Best Practice Location(s)	Thurston County, WA
 Best Practice Description	The Washington APEX Accelerator assists businesses through the government-contracting marketplace. The EDC participates with the Pierce County microenterprise accelerator program and provides mentoring, counseling, and technical assistance for positioning small businesses for government contracting opportunities.
 Best Practice Web Link	https://businessresources.thurstonedc.com/programs/washington-apex-accelerator

GOAL 2:

EXPAND LACEY'S LOCAL ECONOMY BY SUPPORTING THE GROWTH OF SMALL BUSINESSES, ENTREPRENEURS, EXISTING AND NEW EMPLOYERS



ACTION 2B: Strengthen and Expand the City's Business Retention & Expansion (BRE) program by creating a business resource navigation team

To ensure that Lacey's existing businesses remain a vital and growing part of the local economy, the City should formalize and expand its Business Retention & Expansion (BRE) program by establishing a Business Resource Navigation Team. This team would serve as a proactive, cross-functional unit that coordinates directly with city departments and regional partners to support businesses navigating site expansion, permitting, workforce challenges, and infrastructure needs. This may require designating a special projects position. The desired outcome for this action is to ensure that Lacey expands job opportunities with living wages so employees can afford to live and work in the city.

 Metric	Number of business owners that City of Lacey's BRE team meets with and offers support
 Recommended Next Steps	1. Designate a Business Resource Navigation Lead position that can coordinate city resources and regularly coordinate with partner organizations. 2. Identify a network of people that can function as the Business Resource Navigation Team as needed. Include representatives from city departments and regional partners and setup a protocol for quick internal coordination when businesses identify barriers. 3. Develop a suite of business-facing materials including key city contacts, step-by-step guidance for common business needs, available incentives or programs, and local testimonials to build visibility. Consider translating materials into primary languages spoken throughout Lacey then distribute materials when meeting with targeted businesses, at City events, and through partner networks. 4. Regularly analyze business feedback to identify pain points in permitting, space constraints, or infrastructure investments and share findings with Council to guide zoning reforms, tenant improvement incentives, or flexible land use policy updates.
 Recent Accomplishments	Coordinated with the EDC to clarify roles and identify unique actions that the City can take.
 City Role	City lead
 Potential partners to engage	Thurston EDC, Thurston County Chamber
 Resources	\$ (Building on existing policy/program)
 Best Practice Location(s)	Spokane Valley, WA
 Best Practice Description	Spokane Valley created a Rapid Response Team to fast-track projects, helping businesses navigate permitting, public works, planning, and other processes to quickly establish or expand their operations. This initiative was especially effective in supporting the launch of the American Aerospace Materials Manufacturing Center Tech Hub, ensuring employers had direct assistance to overcome barriers and accelerate investment.
 Best Practice Web Link	https://aerospacetechhub.com/phase-2-pr/ Other city resources: https://www.spokanevalleywa.gov/178/Business-Resources

GOAL 2:

EXPAND LACEY'S LOCAL ECONOMY BY SUPPORTING THE GROWTH OF SMALL BUSINESSES, ENTREPRENEURS, EXISTING AND NEW EMPLOYERS



ACTION 2C: Strengthen regional business recruitment support

Lacey should continue its active role in business recruitment efforts while also ensuring that the City's own economic development goals are reflected in regional outreach and attraction strategies. The City should also be prepared to respond quickly to direct inquiries from prospective businesses by sharing tailored information and connecting them with the Thurston EDC.

 Metric	Number of businesses that relocate to Lacey resulting from recruitment support
 Recommended Next Steps	1. Continue active engagement with Thurston EDC's business recruitment team by attending events, hosting joint site visits, and collaborating on sector strategies that align with Lacey's priorities. 2. Work with Thurston EDC to ensure Lacey's available sites, infrastructure investments, and workforce assets are reflected in regional promotional materials. 3. Maintain an updated concise, visually compelling one-pager that showcases priority development sites, infrastructure strengths (i.e. I-5 access, utilities, broadband), workforce pipeline, and business friendly policies so materials are ready for site selectors and businesses that reach out. 4. Establish a clear internal process for handling relocation or expansion inquiries ensuring timeline and coordinated responses, then connect interested businesses with the Thurston EDC for deeper discussions. 5. Build Lacey's economic development expertise by participating in conferences and other professional development events targeted toward practitioners.
 Recent Accomplishments	There is ongoing coordination with the EDC.
 City Role	City support
 Potential partners to engage	Thurston EDC
 Resources	\$ (Building on existing policy/program)
 Best Practice Location(s)	Portland, OR
 Best Practice Description	Prosper Portland's Business Advancement Team provides direct support to businesses who sell goods and services outside of the region and provide additional programming for businesses in the city's target industries. The team focuses on attracting traded sector businesses through recruitment and expansion support and growing traded sector jobs while supporting diverse hiring. They lead this work in partnership with regional organizations charged with bi-state business recruitment including Greater Portland Inc.
 Best Practice Web Link	https://prosperportland.us/our-work/business-advancement-team/

GOAL 2:

EXPAND LACEY'S LOCAL ECONOMY BY SUPPORTING THE GROWTH OF SMALL BUSINESSES, ENTREPRENEURS, EXISTING AND NEW EMPLOYERS

**ACTION 2D:**

Partner to strengthen the region's childcare ecosystem

Access to affordable, high-quality childcare is critical to workforce participation, talent retention, and inclusive economic growth. Businesses across the region have identified childcare as a top barrier for employee recruitment and stability. Therefore, the City of Lacey should actively partner with regional stakeholders leading solutions that address childcare availability and affordability, especially as implementation of new state legislation accelerates.

 Metric	Number of priority sites identified to support childcare in Lacey
 Recommended Next Steps	1. Support Thurston EDC and ReadyNation's business roundtables via outreach to employers, developers and providers. 2. Coordinate with the City's Planning Department to identify potential regulatory adjustments and anticipate needs related to infrastructure or site design. 3. Identify and promote priority sites for childcare development by considering small-scale or mixed-use models to expand access. 4. Share information about available incentives and technical assistance for new or expanding childcare operators.
 Recent Accomplishments	There is ongoing coordination with the EDC. In compliance with SB 5509, the City is updating its development regulations to allow childcare centers in more places.
 City Role	City support
 Potential partners to engage	Thurston EDC, Thurston Childcare Action Council
 Resources	\$ (Building on existing policy/program)
 Best Practice Location(s)	Walla Walla Valley, WA
 Best Practice Description	The Walla Walla Valley addressed childcare barriers through a multi-sector partnership that brought together cities, business leaders, school districts, and health systems to advocate for and invest in childcare solutions. This collaboration aligned local governments, employers, and education providers to better match services with site-specific needs while reflecting community values.
 Best Practice Web Link	https://outsidewallawalla.com/grow-them-wild/

GOAL 3

ENHANCE QUALITY OF LIFE AND ATTRACT VISITORS AND TALENT BY INVESTING IN BOLD PLACEMAKING (LOCAL COMMERCIAL HUBS & COMMUNITY GATHERING SPACES)



ACTION 3A: Support experiential retail, entertainment destinations, and creativity in Midtown with investments in public spaces and zoning code updates that allow temporary uses

Lacey's Midtown has served as a local hub for workers, shoppers, students, and visitors. As the area transitions from traditional shopping and employment uses to an innovation district, the City needs to help create spaces where people visit frequently and for multiple reasons.

Metric	Number of pop-ups, festivals, and outdoor markets permitted per year
Recommended Next Steps	1. Update land use and zoning codes to allow mixed-use development and flexible, temporary uses in Midtown such as pop-ups, festivals, and outdoor markets. 2. Invest in public spaces that support social interaction, activate the nighttime economy and promote walkability through features like lighting, plazas, and interactive art. 3. Establish a Midtown Experience Council or working group of local stakeholders (businesses, artists, students, property owners) that can coordinate programming, events, and marketing. This inaugural volunteer group would last 12 to 24 months.
Recent Accomplishments	Development Procedures code update will be modifying an existing chapter of the city code to allow for more temporary uses. Council has prioritized efforts to upgrade park, develop banners.
City Role	City lead
Potential partners to engage	City staff, MJR, CDG
Resources	\$\$\$ (Capital expenditures)
Best Practice Location(s)	Everett, WA; Tacoma, WA
Best Practice Description	Everett's Special Event Permit Program has helped transform its urban districts into vibrant destinations by simplifying the process for hosting activities ranging from block parties to concerts. By making events easier to organize, the city encourages frequent, diverse community gatherings that draw residents and visitors alike. Tacoma has activated its urban districts by simplifying the permitting process for temporary uses of the public right-of-way, making it easier for businesses, organizations, and community members to host pop-up events and activities. This flexibility has allowed neighborhoods to test new ideas, bring people together, and create lively, people-centered spaces.
Best Practice Web Link	https://www.everettwa.gov/195/Special-Events https://www.tacomavenues.org/special-events-and-film-permits

GOAL 3

ENHANCE QUALITY OF LIFE AND ATTRACT VISITORS AND TALENT BY INVESTING IN BOLD PLACEMAKING (LOCAL COMMERCIAL HUBS & COMMUNITY GATHERING SPACES)



ACTION 3B: Activate the Karen Fraser Trail as a catalyst for Depot District revitalization

The Karen Fraser Trail is a significant asset that is under-leveraged in the City's placemaking and economic development toolkit. Enhancing this trail segment can increase foot traffic, support small business visibility, improve public safety and aesthetics, and elevate the Depot District's appeal to residents, visitors, and entrepreneurs. The City should invest in trail-facing improvements to invite engagement between the trail and adjacent businesses. These improvements can strengthen the neighborhood's identity, promote healthy and outdoor recreation, and build stronger economic linkages between the Food Truck Depot and nearby retail and services.

 Metric	Number of new art installations along Karen Fraser Trail
 Recommended Next Steps	1. Design a pilot program that provides technical assistance to property owners and business owners adjacent to the trail for improvements including facade enhancements, signage, and public art, landscaping, lighting, and outdoor seating. 2. Issue a call for public art and trail activation strategies from local artists to create murals, sculptures, or interactive signage along the corridor. 3. Explore partnership opportunities with Olympia Federal Savings and other community lenders to create a low-interest loan program for implementation. 4. Program seasonal events or pop-up activations to encourage trail usage and increase business visibility.
 Recent Accomplishments	The City has not yet decided on an economic development action related to trails.
 City Role	City lead
 Potential partners to engage	Olympia Federal Savings and other community lenders
 Resources	\$\$\$ (Capital expenditures)
 Best Practice Location(s)	Bellingham, WA
 Best Practice Description	Bellingham leveraged its waterfront trail system through Waypoint Park & Waterfront Trail Events, activating the area with rotating pop-ups, art markets, food trucks, and live performances. This strategy tied into broader redevelopment goals while generating immediate visibility, momentum, and entrepreneurial opportunities in a transitioning district.
 Best Practice Web Link	https://www.bellingham.org/explore-bellinghams-waterfront-

GOAL 3

ENHANCE QUALITY OF LIFE AND ATTRACT VISITORS AND TALENT BY INVESTING IN BOLD PLACEMAKING (LOCAL COMMERCIAL HUBS & COMMUNITY GATHERING SPACES)



ACTION 3C: Invest in vibrant, year-round gathering spaces and community programming that enhance livability

Quality of life is a key driver of economic competitiveness. To retain and attract talent, make memorable places for visitors, and create more opportunities for small businesses, Lacey should invest in spaces that enhance livability and strengthen neighborhood identities. Building on the success of the Food Truck Depot and events such as the Night Market, the City can expand its presence in “third spaces” and explore new destinations that support connections, entrepreneurship, and a strong sense of place.

 Metric	Number of “third spaces” identified or programmed
 Recommended Next Steps	1. Deepen City engagement in existing events by collaborating with partners to activate parks and underused spaces for programming that reflects Lacey’s cultural diversity. 2. Work with planners to identify and assess a potential permanent location for the Food Truck Depot that provides access, visibility, and proximity to complementary uses such as housing and parks. 3. Explore the potential for an indoor destination such as a food hall, taproom, incubator, cultural market, or hybrid event venue by assessing demand and financial viability and potential anchor tenants. 4. Highlight third space developments in talent and business recruitment messaging and use storytelling to position Lacey as a vibrant, inclusive place for talent.
 Recent Accomplishments	The City has started the process for a feasibility study of a permanent food truck plaza
 City Role	City lead
 Potential partners to engage	City staff, neighborhood groups, businesses, event coordinator, Thurston EDC, small businesses
 Resources	\$\$\$ (Capital expenditures)
 Best Practice Location(s)	Tumwater, WA
 Best Practice Description	Tumwater’s Craft District demonstrates how investing in “third spaces” can strengthen community identity and create new opportunities for entrepreneurship. By clustering multiple vendors around a central common area, including breweries, restaurants, bakeries, and boutique services, the Craft District offers both a destination for visitors and a hub of everyday activity for residents.
 Best Practice Web Link	https://www.experienceolympia.com/directory/tumwater-craft-district/

GOAL 3

ENHANCE QUALITY OF LIFE AND ATTRACT VISITORS AND TALENT BY INVESTING IN BOLD PLACEMAKING (LOCAL COMMERCIAL HUBS & COMMUNITY GATHERING SPACES)



ACTION 3D: Support development by providing incentives for local businesses throughout the city

For many small businesses and new business owners, a key barrier is the cost of getting started. They often need small spaces to test their ideas before growing their businesses. Near-term costs may seem daunting for entrepreneurs who are not certain about how soon they will reach profitability. The city can assist in this process for businesses in targeted neighborhood-centered commercial hubs.

 Metric	Number of new business licenses processed for local business owners
 Recommended Next Steps	1. Offer permit fee waivers or utility rebates (water, sewer, stormwater) to property owners who lease at below-market rents to small or underrepresented businesses (e.g., BIPOC-owned, first-time business owners). 2. Explore operating a pilot program for year-round pop-up shops that offer spaces under 100 sq. ft. 3. Identify place-based eligibility requirements to ensure City-supported new businesses are located in commercial corners of neighborhoods that lack strong identity.
 Recent Accomplishments	The Night Market has been a low-barrier path for food service businesses to get started.
 City Role	City lead
 Potential partners to engage	City staff, small business owners
 Resources	\$\$\$ (Capital expenditures)
 Best Practice Location(s)	Mesa, AZ Bothell, WA
 Best Practice Description	Mesa, Arizona, has supported entrepreneurship in its Midtown district by offering development incentives, including expedited permit reviews and reduced water rates, to lower the barriers for new businesses. These tools give small businesses and startups the breathing room they need to test ideas and grow while keeping near-term costs manageable. Bothell's Pop Shops on Main program helps new entrepreneurs start by providing an affordable space, shared utilities, and technical resources. Instead of paying traditional rent, participants contribute a small share of their monthly revenue while also gaining access to business workshops, peer roundtables, and coaching.
 Best Practice Web Link	https://www.mesaaz.gov/Business-Development/Urban-Transformation/Downtown-Incentives https://www.bothellwa.gov/Faq.aspx?QID=752



Planning Commission Staff Report Comprehensive Plan Update October 22nd, 2025

SUBJECT: Comprehensive Plan Series: Public Hearing Review

RECOMMENDATION: The Planning Commission will review public testimony on the 2025 Comprehensive Plan draft and make a recommendation to the City Council or provide staff with direction on additional actions needed before a recommendation can be made to City Council.

STAFF CONTACT: Vanessa Dolbee, Community and Economic Development Director *VD*
Ryan Andrews, Community Planning Manager *RA*
Hans Shepherd, Senior Planner *HS*

ORIGINATED BY: Community & Economic Development Department

ATTACHMENTS:

1. Previous Comprehensive Plan Materials in Series ([Linked](#))
2. Comprehensive Plan Website ([Linked](#))
3. Draft Comprehensive Plan Materials ([Linked](#))
4. Title 16 Zoning Draft Text Amendments ([Linked](#))
5. Submitted Public Comments (Attached)
6. Public Comment Staff Analysis (Attached)

PRIOR REVIEW: The Planning Commission was last briefed on the Comprehensive Plan as part of the October 8th, 2025 Planning Commission meeting.

BACKGROUND:

The Growth Management Act (GMA) requires every city to review and update its Comprehensive Plan and associated development regulations at least once every ten years. This review is intended to address relevant changes in the GMA and respond to changes in land use and population growth.

The Revised Code of Washington ([Section 36.70A.070](#)) goes on to further identify and define the mandatory elements of the Comprehensive Plan including requirements for the designation, location, extent, and general distribution of various land uses.

Once completed, this update will include community derived goals and policies on topics ranging from climate and sustainability, transportation, economic development, housing, land uses, and capital facilities. Sections of this update will also include a Future Land Use Map based on community growth projections, zoning amendments, and code revisions.

Public Hearing:

A public hearing was held on Wednesday, October 8th, 2025, at 6 p.m. in the Lacey Council Chambers to collect additional feedback from the community and hear directly from individuals interested in this update process.

Public comments submitted as part of the public hearing ranged from general statements of support to remaining areas of focus. Testimony covered a diversity of subjects including general themes, the use of prescriptive language, the importance of resilient actions, and site-specific feedback.

Public comments received as part of this hearing process have been included as an attachment to this staff report (Attachment 5). Following a review of submitted public comment, project staff collected additional information and resources to further inform the topics and concerns raised. This information can be found within Attachment 6 of this packet.

NEXT STEPS:

Following a review of comments received through the public hearing process, the Planning Commission will consider the staff analysis, suggest any additional amendments to the draft update of the 2025 Comprehensive Plan, and make a formal recommendation to the Lacey City Council. Should additional information be needed prior to making a formal recommendation, the Planning Commission is requested to direct staff on the necessary information.

As a resident of the directly adjacent neighborhood to this property I have some very explicit concerns—not with the intended use of the property but rather with the practicalities of zoning for a relatively intense development on land that does not drain well nor has the necessary supporting infrastructure for such development. My primary concerns are the following:

1. Drainage: The 5.3 acres of land formerly owned by LOTT (and before that the NTPS district) do not drain well and will require significant and expensive infrastructure investment in order to properly handle drainage onsite (as required by Lacey code) resulting from the intensive development (12 units per acre) envisioned by this zoning change. The geological report commissioned by the school district, when it developed Komachin Middle School across the street and considered developing these 5.3 acres, concluded that "Since the till is for all practical purposes impermeable, we expect that runoff from the site approaches 100 percent, especially during period of heavy or prolonged rainfall. Control and disposal of runoff will be a major issue for the project's civil engineers.". This prediction proved true—as the school district began logging, leveling and development of the Komachin site in 1990-1991 our neighborhood experienced significant flooding in both January 1991 and November 1991; weather service rainfall records show that precipitation of this level occurs naturally in this area every 5-6 years.

Further evidence of this drainage difficulty can be found in LOTT's plan to develop the property; a development which LOTT later canceled. In 2006 LOTT publicly declared that it planned to only develop approximately 2 acres of the property for the purposes of treating reclaimed water. A news article from the time states "About three of the five acres would remain in native vegetation."

2. Inappropriate drainage requiring replacement/additional infrastructure: Neighborhood properties directly adjacent to the old LOTT property deal with seepage through their yards in high rain years. In fact, in 1990, the school district constructed and paid for an easement to allow a drain from their property (now the old LOTT property being considered for rezoning) to be constructed and then piped under one neighbor's yard into the street drain serving the South Park #5 neighborhood; this drainage is currently then "dumped" into the drainage area for the neighborhood (which is mostly paid for and maintained by the neighborhood). Building on the old LOTT site will increase the amount of rainwater drained from that site into the South Park #5 neighborhood. Any development of the old LOTT site should be required to shut off that drain and handle the water onsite—but this will add to the infrastructure cost of the site (especially if developed to 12 units per acre).
3. Insufficient traffic access: Mullen Road, which is directly adjacent to this property, currently has a center lane planting strip which extends almost to each end of the property as it intersects with Mullin. There is only a 25-30 foot opening in the center lane planting strip at each end of the property—which will be insufficient for cars to use

to enter Mullen or take a left turn from Mullen at the west of end of the property and will only be useful for cars taking a left turn into the property from the east end of the property--and does not allow sufficient room to turn left from the east end of the property. In addition, Mullen curves relatively sharply from its direct east-west direction at the College Street intersection to a more NW-to-SE direction as it goes past the property—creating a blind spot for any car trying to turn out of the west side of the property (especially to turn left). Finally, directly west of the property there is both a pedestrian crossing and the driving entrance/exit to Komachin—further inhibiting any left turns out of the west end of the property. The end result of these driving complications is that one will not be able to safely turn west from this property to drive to College Street—where the primary connections are for going to stores and other services. To fix these issues either the city or the developer will need to invest significant funds to alter the current center lane structure on Mullen.

In addition it should be noted that, given the current structure of Mullen Road, there will be no opportunity for residents or visitors to this planned development to park extra vehicles on Mullen, They will therefore need to park any vehicles exceeding the provided parking slots either at the parking lot for Komachin Middle School or at the adjacent Baptist Church parking lot.

Sincerely,

Jim Keogh and Jane Nibler-Keogh
5110 39th Ave SE
Lacey, WA 98503

Dear Planning Commission

Please read the attached letter to the Commission. I think you need to take actions on two intersections. One is built and is a disaster, and one is proposed, and, I think, will be even worse.

I alerted the Lacey City Council leaders to these intersections in a separate letter dated September 9th, as well as Thurston Board of County Commissioners on August 1st, and Intercity Transit on September 3rd. All letters are attached, and links to pertinent internet articles are below.

[Consulting firm recommends original plan for roundabout on Martin Way | The JOLT News Organization, a 501\(c\)\(3\) Nonprofit](#)

[\[New Study\] The Most Crash-Prone Intersections in Washington](#)

['Traffic lights are so dictatorial' ... but are roundabouts on the way out? | Cities | The Guardian](#)

[London prepares to remove roundabouts to improve safety | Traffic Technology Today](#)

Sorry for so much information, but this is an important subject that needs to be examined, discussed, and, I think, fixed. Thank you.

Larry E Taylor
9642 Regency Loop SE
Olympia, WA 98513

We, the citizens of Lacey, and the Lacey Urban Growth Areas, appreciate all the work the Planning Commission has done on our behalf. The Comprehensive Plan is quite extensive, and impressive. From key goals, plans to achieve those goals, and breakdowns of the details to do so, certainly show a path forward for our communities and surrounding areas.

There's one thing the plan does not spell out. Is what we've done so far successful? Are there things we need to fix, and then use that fix as a guide in implementing future plans? And we think the answer is yes, we need to fix something really badly, and not do it again in the future.

That 'thing' that needs fixing is the roundabout at the intersection of Marvin Road and Willamette Drive and Britton Prky. It's the worst single intersection in all of WA state! And no one is talking about fixing it! We brought this to Lacey civic leaders attention September 9th. See the attached letter, chart and links for all the crash data. From Lacey's own data, crashes have gone from less than one per year to as many as 55/year! Wow! Mucho auto repairs, insurance rates go up, Lacey's liability rates go up, loss of use of vehicles for days, weeks, etc.

How do we fix it? Convert it back to stop lights! Yes, it will slow down your rush through that intersection, but you're more likely to not have an accident! That intersection is currently a mess! Yes, planning has to occur, budgets have to be done, etc. Is this urgent? We think so. This has been going on since 2001. The engineers do not want to change it. We've talked to them. Lacey civic leaders, including the planning commission, need to step forward and take action. Just like the Lacey Safety Action Plan says so. You find a problem, you make a plan, and you fix it!

And can this 'Lesson Learned' apply to future plans? We think so. If the 'Plan' is truly Comprehensive, it must put safety first. Otherwise, all the talk about walking and biking in the future plan won't happen. So, if we fix a very dangerous intersection, should we build another one? We don't think so. But that's the plan in Intercity Transit putting a multilane roundabout in an even busier intersection at Martin/Duterrrow/Meridian, just so their buses can turn around! Say what? You must be kidding! We think this is a very, very bad idea. This needs to be squashed immediately! Let's plan for safer neighborhoods, not necessarily faster ones.

We, the concerned citizens in Lacey's Urban Growth Areas, ask the Planning Commission to take action. We do not want what Lacey already has, and we hope Lacey's fixes its problem. Otherwise, we will become the owners of the newest, most dangerous intersection.

We, the concerned citizens of Lacey and the surrounding Lacey Urban Growth Areas, are concerned about a very dangerous intersection in Lacey. As a matter of fact, it's the most dangerous single intersection in the whole state of Washington. Wow! Is Lacey proud of this unsavory distinction? We, as neighbors and citizens, certainly are not. Does Lacey even know?

Please take a look at the attached '(New Study) The Most Crash Prone Intersections in Washington'. This study is recent (March, 2025) and from Wells Trumbull Law firm using WA State Police data. Of the top six worst intersections, four are roundabouts! And the top two are!

The worst, in Lake Stevens, is a series of four roundabouts in close proximity. But that's not Lacey's problem. But the second one, at Marvin/Willamette/Britton Pkwy, is owned by Lacey. Please see 'Marvin Roundabout' chart. Before this intersection was converted to a roundabout in 2001, it was very safe, at under one accident/year. Since then, accidents have gone as high as 55/year! A 'relief lane' was added, but doesn't help much. And with the current police officer shortage, many accidents are no longer recorded (folks exchange info).

We think Lacey needs to take action to fix this intersection, the 'worst of the worst'. So how do you do that? What was safe? A stop lighted intersection! All these roundabout crashes at this intersection are causing everyone's insurance rates to go up! Are you willing to pay \$20, \$30, even \$50 more per month? We certainly don't want to! And the city of Lacey will be paying higher liability insurance rates!

The Lacey Safety Action Plan (SAP) is meant to 'improve transportation safety', so let's do so! Compare the bad Marvin roundabout to other intersections, such as the stop lighted intersection at Martin/Duterrrow/Meridian. Which has fewer crashes? Martin. Which has the most traffic? Martin. Which is safer? Martin. What intersection does Intercity Transit want to convert to a roundabout in Lacey's Urban Growth Area? Martin! Wow! Stupid? You betcha! We've already talked to two Lacey engineers about the 'convert back'. Boy, did we get attitude. No way, not gonna happen, nothing wrong with that intersection, driver's need to learn them. One thing about the Lacey SAP, it's supposed to "account for human error". Then let's do!

Who else has had problems with roundabouts? The Brits (see attached article). They have been converting the 'worst of the worst' back for ten years now. But their engineers didn't want it. The British Civic Leaders had to stand up and say, "Enough". Please, let's do the same. (Not all roundabouts are bad. But when the results are this bad, we need to fix/remove it.)

Intercity Transit hired SCJ Alliance to do a traffic feasibility study of putting a roundabout at the intersection of Martin Way and Duterrow/Meridian Roads in the Hawks Prairie area. The contractor recommends the roundabout as the first choice just so IT can turn their buses around and meet an arbitrary 15-minute interval on a Martin Way east/west route.

We, the community of Ridgeview II, think this is a very bad idea for several reasons. We have included actual data and statistics to back this up, which their study is sadly lacking.

First of all, look at the March 2025 article from the Wells Trimble law firm, what I call the Dirty Thirty of worst intersections. Of the six most dangerous intersections in all of WA state, four are roundabouts! And the top two are! This is exactly the opposite of what they say! 'Roundabouts are generally safer, etc.' Not so! Where is their actual data? They don't have any!

Number two on the list is in our backyard at Marvin/Willamette/Briton Pkwy roundabout. Please see chart with a tally of accidents before and after it was installed. (This was obtained from Lacey city via record request.) From 1995-2000 there were 5 accidents over six years. That's less than 1/year, considered very safe. That roundabout opened in late 2001. Since then, accidents have literally gone thru the roof. Did they double? Triple? Quadruple? No! They went as high as 55 times higher! Over 20 years from 2002-2022, the average was 30/year! The last few years, due to a police shortage, many accidents are no longer reported. Insurance information is exchanged and that's it. Melanie Lipke, one of our neighbors, works at the Providence clinic nearby. She said they hear crashes there "all the time", sometimes multiple per day. Two of their doctors were in "really bad accidents" there; "one's truck was totaled!"

There is also an alternate roundabout at the intersection of Meridian/Orion, just .5 miles north from the proposed site. To get there, go around, and back would take only 2 minutes. So, instead of making an arbitrary 15-minute route, make it 17, or 20. Safety would be preserved, money would be saved, and accidents would be much, MUCH lower. Dah, it's a 'no brainer'.

So, we, the residents of Ridgeview 1 & 2, Nisqually Bluffs, and Steilacoom Ridge, ask the BoCC to not only say "NO!" to this idea and put it in writing, but also demand the bad roundabout at Marvin be removed and changed back to a stop lighted intersection. No one wants to be on top of the 'Dirty Thirty' list. Safety is most important! Your leadership is direly needed on this idea!

Larry E Taylor

9642 Regency Loop SE, Olympia, WA 98513

We, the communities of Ridgeview 1 & 2, Nisqually Bluff, and Steilacoom Ridge, ask that Intercity Transit reconsider the installation of a roundabout at the intersection of Martin Way and Duterrow/Meridian Roads. We think this is a very bad idea, for many reasons.

First of all, the current, stop lighted intersection is very safe. We've lived near there for 30 years. Over the years, incremental changes have made that intersection safer and safer, especially since this is a major throughfare with much traffic.

Second, there's an example of a good intersection gone bad very close by since converting it to a roundabout. That would be at Marvin Rd and Willamette Dr/Britton Pkwy. That intersection went from less than one accident/year to as high as 55/year! Wow! That's almost 5/month! See attached chart. With a police officer shortage, many accidents aren't reported now.

Look at the attached "30 Worst Intersections in Washington". Four of the worst six are roundabouts! And the top two are! The top one, in Lake Stevens, is actually 4 roundabouts in close proximity. So that makes No. 2, at Marvin/Willamette/Britton, the **single** worst intersection in the state! That intersection needs to be converted back to a stop lighted intersection. They even installed a 'relief' lane, which didn't help much. Two Lacey engineers told me "There's nothing wrong with that roundabout, drivers need to learn to drive them". That's a real cop-out, like saying Boeing didn't have a problem, it must be the pilots.

Many roundabouts have been removed after the installation because they were found to be too dangerous. The Brits, for example, are removing the worst of the worst. They have been removing them for over 10 years now. (See attached article.) Several cities, like Henderson, NV, are removing their worst because of too many accidents. We believe our worst, at Marvin, will be overridden by the new, proposed roundabout at Martin because of the higher traffic volume.

We ask the Authority of Intercity Transit to stand up and say, "We find this option not to be the best one". Instead of an arbitrary 15-minute east/west route, the buses could easily turn around at Meridian/Orien and add only 2-3 minutes to the route. So, the route could easily be 18 or 20 minutes, without compromising safety, or spending millions to ruin a perfectly safe intersection.

We will be addressing the city of Lacey to change their dangerous intersection back to stop lights. Thank you.

Larry E Taylor, 9642 Regency Loop SE, Olympia, WA 98513

MARVIN ROUNDABOUT

Row Labels	1995	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Grand Total
2400 MARVIN RD NE	1		1	1	1	1							1					1	1									3	7
2425 MARVIN RD NE		1	1		1			1		1						1	4	5	2	2	5	3	2	3	2	4		3	41
2430 MARVIN RD NE					2	3	1									1											1		6
2444 MARVIN RD NE																											1		1
2477 MARVIN RD NE																1		1						1					6
2500 MARVIN RD NE							1			1						1		1							1				1
2521 MARVIN RD NE																											1		1
2527 MARVIN RD NE																	1	2	3	4	4	4	4	3		2		1	25
2533 MARVIN RD NE																						1							1
7900 BRITTON PKWY NE													1										1						2
BRITTON PKWY NE / MARVIN RD						1		3		1						11	3												52
BRITTON PKWY NE / WILLAMETTE DR																													7
BRITTON PKWY NE/BRITTON WILLAMETTE ROUND									1														2	1					3
BRITTON PKWY NE/BRITTON WILLAMETTE ROUNDABOUT																									1		1		2
BRITTON PKWY NE/MARVIN RD NE																	6	6	8	6	6	6	7			1	5	1	45
BRITTON PKWY NE/WILLAMETTE DR NE																	1	3	1			1					1		7
BRITTON WILLAMETTE ROUNDABOUT/BRITTON PK																							2						2
BRITTON WILLAMETTE ROUNDABOUT/MARVIN RD																						1	8	3	5				17
BRITTON WILLAMETTE ROUNDABOUT/MARVIN RD NE																							1	1	7	10	2		21
BRITTON WILLAMETTE ROUNDABOUT/WILLAMETTE																							2	4					6
BRITTON WILLAMETTE ROUNDABOUT/WILLAMETTE DR NE																									2				2
MARVIN RD NE / BRITTON PARK WAY					1	1																							2
MARVIN RD NE / BRITTON PARKWAY					1																								1
MARVIN RD NE / BRITTON PARKWAY NE						1																							1
MARVIN RD NE / BRITTON PKWY																													78
MARVIN RD NE / WILLAMETTE																													1
MARVIN RD NE / WILLAMETTE DR						1																							46
MARVIN RD NE / WILLAMETTE RD						1																							1
MARVIN RD NE / WILLAMETTE RD																													74
MARVIN RD NE/BRITTON PKWY NE																													38
MARVIN RD NE/BRITTON WILLAMETTE ROUNDABOUT																													55
MARVIN RD NE/BRITTON WILLAMETTE ROUNDABOUT																													52
MARVIN RD NE/WILLAMETTE DR NE										1																		1	2
WILLAMETTE DR NE																													
WILLAMETTE DR NE / BRITTON NE PKWY											1																		1
WILLAMETTE DR NE / BRITTON PKWY																													3
WILLAMETTE DR NE / MARVIN RD						1																							21
WILLAMETTE DR NE/BRITTON PKWY NE																													5
WILLAMETTE DR NE/BRITTON WILLAMETTE ROUNDABOUT																													3
WILLAMETTE DR NE/BRITTON WILLAMETTE ROUNDABOUT																													4
WILLAMETTE DR NE/MARVIN RD NE																													28
Grand Total	1	1	2	1	6	10	2	8	10	9	20	28	33	34	26	30	39	31	46	36	55	47	52	29	47	30	30	8	671

Roundabout installed

Good Evening, my name is Laurie Davies, I live at 5109 39th Avenue SE, Lacey.

I am here to speak to two sections of the Comprehensive Land Use Plan.

In the draft plan, the City cited several guiding principles for development of the plan. Among those principles were to maintain and improve open space and walkable/drivable transportation corridors.

I attended the open house and provided comment regarding the transportation issues along 37th Avenue, Mullen Road, and College Street.

With the addition of the Luxury Townhomes on Schilter Farms, traffic on Mullen, 37th, and College has increased two fold. There are no sidewalks on 37th after the Luxury townhomes and no sidewalks at all on the north side of the 37th from the City Limits to College. This area is within the walking zone of Komachin Middle School and is not safe for the numerous students using 37th to get to the school. I didn't see anything in the draft plan to correct that situation.

Traffic control on Mullen is practically nonexistent. The only secured cross walks are at College, in front of the middle school, and Ruddell half a mile to the east. This poses risks for children going to and from school. In 2023 a 14 year old n student was very seriously injured trying to cross Mullen in

the long stretch between established crosswalks east of the school. I would like to see increased safety measures installed along Mullen to improve the walkability of the Mullen Street Corridor. Most people exceed the posted speed limit of 35 mph and there have been numerous accidents at or near the Stikes Dr and Mullen Rd intersection.

Second, I want to address the proposed rezoning of the Mullen Road property across from Komachin Middle School. The property is currently zoned institutional open green space and by the City's own records is a seasonal forested wetland. As a resident of Southpark Division 5 for 35 years, I can attest to the significant stormwater issues the neighborhood has experienced since the development of Komachin School. The forested wetland provides some relief. Removal of the trees and development of the five acre parcel will likely have a negative impact on the homeowners in Southpark Division 5 and our undersized stormwater facility. I suggest the zoning remains open space and the city look for more suitable property for low income housing.

Finally, I would like to close with a comment regarding this hearing. The City Manager commented last week in a

newsletter celebrating the purchase of the Mullen property, and streamlined permitting for the housing development as a seemingly accomplished fact. It makes this whole hearing and solicitation of public comment feel disingenuous.

Public Testimony – Lacey Planning Commission, October 8, 2025

Good evening Commissioners,

My name is Aimee, and I am a long time Lacey resident and have lived in greater Thurston County almost my entire life.

Lacey's draft plan presents a strong climate vision, but it relies on the cover of equity language, not the actual language of equity as defined by the American Planning Association. APA's Planning for Equity Policy Guide calls for measurable, enforceable actions that reduce disparities and embed equity into every policy, not just aspirational statements. Lacey's plan uses terms like "explore," "consider," and "support," in goals for underserved communities but avoids the verbs APA says matter most: "require," "fund," and "protect."

Technically, the plan falls short in several key areas:

- Building decarbonization is encouraged but not mandated. The plan lacks any requirement for all-electric new construction, and the City's own Work Program confirms that no projects are planned under TCMP Strategy B4.
- Energy transparency is absent. There's no policy requiring energy performance disclosure at point of sale or lease, despite regional efforts to develop a Home Energy Score ordinance.
- EV infrastructure is supported in principle, but Policy T-4A offers no mandate for EV-ready wiring in new development. The Transportation Element confirms that most EV stations are on public property, leaving renters and lower-income residents behind.
- Waste reduction is virtually unaddressed. The plan omits organics collection and consumption-based emissions strategies, and the City's Work Program explicitly states "no projects planned" under TCMP Strategy W4.
- Funding for equity programs is unstable. Chapter 7 of the Transportation Element identifies a \$28 million shortfall in the estimated 20-year Capital Revenue, and the Work Program shows that most climate initiatives rely on grants, with no dedicated equity fund or climate impact fee. Proposed mitigation efforts include costs that are passed onto residents among the options.

**Subject: Climate Equity Impact Analysis: Lacey 2025 Draft Comprehensive Plan
Public Hearing: October 8, 2025**

Location: Lacey City Hall, Council Chambers, 420 College St. S.E.

Time: 6:00 p.m.

Purpose: Public comment on the 2025 Comprehensive Plan Update

The following is my analysis of the climate action in Lacey's 2025 Draft Comprehensive Plan and the associated gaps, impacts, and recommendations. This analysis is grounded in the principles outlined in the American Planning Association's Planning for Equity Policy Guide (2019). I have compared Lacey's 2025 Draft Comprehensive Plan against the Thurston Climate Mitigation Plan (TCMP) Appendix 10.3 Communitywide Actions List and the Lacey Municipal Code. I tried to outline successes, identify gaps in implementation, consider equity concerns, and highlight opportunities to strengthen support for a climate-friendly economy.

Overview

Lacey's Comprehensive Plan incorporates climate action throughout all of its elements, including land use, housing, transportation, utilities, resilience, and economic development. The Climate & Sustainability section is notably strong and closely aligns with the objectives of the Thurston Climate Mitigation Plan (TCMP). Nonetheless, many of the plan's goals are not supported by enforceable requirements, and the plan misses significant opportunities to strengthen climate resilience within the local economy.

What Lacey Is Doing Right

Lacey's Comprehensive Plan features strong climate policies, including ambitious targets for infill development, increased density, and a 50% reduction in annual per capita vehicle miles traveled by 2045 (a shared goal within the county). It upholds standing protections for tree canopy and critical areas through enforceable codes, advances environmental justice, supports sustainable business growth and clean energy jobs, and offers comprehensive backing for walking, biking, and public transit infrastructure.

Overall Finding

The draft plan establishes a strong visionary framework for climate equity but relies almost exclusively on voluntary, incentive-based, and exploratory mechanisms. This creates a high risk that the climate transition will be inequitable, reinforcing existing burdens on vulnerable populations while failing to mandate proportional contributions from private development.

Key Gaps, Impacts, & Recommendations

1. Gap: Lack of Mandates for Building Decarbonization in the Private Sector

- Draft Plan Language: The plan encourages electrification and retrofits but uses non-binding language like "prioritize" (G-2A), "explore partnerships" (G-2D), and "consider subsidies" (G-2B). Goal G-8B only mandates phasing out natural gas in City-owned facilities.
 - TCMP Comparison: TCMP actions B6.2 ("Update municipal code to require electric appliances in new construction") and B6.4 ("Ban all new natural gas connections") are not adopted.
 - LMC Check: LMC Title 16 (Zoning) and Title 15 (Buildings) contain no mandates for all-electric new construction or building electrification retrofits.

Equity Impact: Low-income residents and renters will be left in older, inefficient homes reliant on volatile fossil fuel prices, while wealthier residents can afford retrofits. This creates a "clean energy divide" and exacerbates energy cost burdens.

Recommendation: Amend the plan and subsequent LMC to include a mandate for all-electric appliances in all new construction and a timeline for electrification requirements for major renovations.

2. Gap: No Building Energy Performance Benchmarking & Disclosure

- Draft Plan Language: The plan is silent on requiring energy performance ratings at point of sale or lease.
 - TCMP Comparison: TCMP actions B1.1 (residential) and B2.1 (commercial) for mandatory energy benchmarking and disclosure are not included.
 - LMC Check: No relevant sections exist in the LMC.

Equity Impact: Without transparency, low-income renters and homebuyers lack information about their future energy costs, often moving into the least efficient, most expensive-to-operate buildings. This is a critical market failure that disproportionately harms vulnerable households.

Recommendation: Adopt a policy in the Housing and Climate elements requiring energy performance benchmarking and disclosure for all rental and real estate transactions.

3. Gap: Weak Requirements for EV Infrastructure in New Development

- Draft Plan Language: The plan "supports" and "develops... infrastructure" (G-8C, T-4A) but does not require EV-ready wiring or a percentage of EV parking in new commercial or residential buildings.

- TCMP Comparison: TCMP actions T3.1 (EV parking in new construction) and T3.5 (EV-ready building code) are not mandated.
- LMC Check: LMC 16.73 permits EV stations but does not require pre-wiring or dedicated capacity for future installation.

Equity Impact: EV access will remain a luxury for those with single-family homes and disposable income, failing to serve renters and lower-income residents. This delays an equitable transition to clean transportation.

Recommendation: Strengthen policy T-4A to mandate EV-ready requirements for all new residential and commercial off-street parking spaces in the next LMC update.

4. Gap: Absence of a Waste & Consumption Reduction Strategy

- Draft Plan Language: The plan has virtually no policies addressing waste diversion, composting, or consumption-based emissions.
 - TCMP Comparison: TCMP actions W4.1 (residential composting), W4.2 (commercial composting), W4.9 (organics collection), and W6.1 (consumption emissions education) are entirely absent.
 - LMC Check: LMC Title 13 (Utilities) governs waste collection but does not mandate organics separation or set diversion targets.

Equity Impact: Waste facilities and the impacts of landfill emissions are often located near or have disproportionate impacts on low-income communities. The plan misses a key opportunity to reduce these localized environmental justice impacts and create green jobs in waste management.

Recommendation: Introduce a new element or integrate policies into the Climate and Utilities elements to establish mandatory residential and commercial organics collection and a city-wide waste diversion goal.

5. Gap: Over-Reliance on Incentives and Lack of Dedicated, Equitable Funding

- Draft Plan Language: Policies for equity-focused programs consistently use language like "explore subsidies" (G-5G), "identify grants" (R-8D), and "maintain and explore subsidies" (G-2B). There is no established, dedicated funding source.
 - TCMP Comparison: TCMP actions B5.1 ("Sell municipal bonds or create a local tax levy for local clean energy projects") and B7.3 ("regional climate impact fee") are not proposed.
 - LMC Check: The LMC includes development impact fees for transportation, parks, and schools, but no "climate impact fee" or dedicated revenue stream for equitable climate programs.

Equity Impact: Programs for low-income residents remain perpetually underfunded, subject to grant cycles and political will, while city and private investments in general infrastructure proceed unimpeded. This guarantees that equity is the first priority to be cut.

Recommendation: Direct the City to conduct a feasibility study for a dedicated climate equity fund, financed by a climate impact fee on new non-residential development or a local levy.

6. Gap: Insufficient Protection from Climate-Driven Displacement

- **Draft Plan Language:** While the plan excellently identifies displacement risk (Housing Element p.25) and has a policy to "support redevelopment projects in assessing displacement risks" (H-7A), it lacks concrete, mandatory anti-displacement tools.
 - **TCMP Comparison:** While not a direct TCMP action, this is a core climate equity issue. The plan does not include strategies like "right to return" or mandatory community benefits agreements for climate resilience projects.
 - **LMC Check:** The LMC lacks any zoning overlays or regulatory tools specifically designed to prevent displacement in areas targeted for climate resilience or transit-oriented investments.

Equity Impact: Investments in climate-resilient, walkable neighborhoods can increase property values and rents, directly displacing the existing low-income residents the plan aims to protect.

Recommendation: Strengthen policy H-7A to require a formal anti-displacement plan and community benefits agreements for any public climate resilience or major infrastructure project in identified high-risk areas.

Conclusion: A Plan of Aspiration vs. Operation

The verbiage in Lacey's Comprehensive Plan does reflect the community's concern, but not in a simplistic "business bad, community good" way.

The "Aspirational" Verbiage is overwhelmingly progressive, equitable, and community-focused. It reads as a direct response to past criticisms and a genuine desire to do better.

The "Operational" Verbiage, the concrete mechanisms, mandates, and primary economic drivers, remains firmly rooted in a pro-growth, pro-business model that relies on market-friendly incentives.

In summary, the draft plan's climate equity impact is fundamentally compromised by its reluctance to regulate the private sector and its failure to secure dedicated funding. The

result is a plan that, despite its progressive language, risks reinforcing the very inequities it seeks to solve.

Final Note

Any community member who feels Lacey favors businesses would find ample evidence in the plan's operational core and its avoidance of hard mandates on the private sector. They would likely argue that the strong equity language is a "paper shield" that lacks the enforcement teeth of the pro-business provisions. The plan seeks to have it both ways: using the language of justice and equity to build consensus, while maintaining an economic development engine that historically and structurally prioritizes growth and business interests, often at the risk of exacerbating the very disparities the plan aims to solve. The true test will be which set of verbs, "require" and "fund," or "consider" and "explore," guides decision-making when specific, contentious projects are proposed.

October 8, 2025

Lacey Planning Commission

City of Lacey
420 College St SE
Lacey, WA 98503

RE: Comments on Draft Comprehensive Plan (October 2025)

Dear Commissioners,

On behalf of Olympia Master Builders (OMB), thank you for the opportunity to comment on the City of Lacey's Draft Comprehensive Plan. We appreciate the extensive work staff and the Commission have undertaken to bring the plan into alignment with state mandates while seeking to ensure livability and economic vitality. As representatives of the local homebuilding industry, we are committed to providing constructive, specific feedback that will help the Final Plan translate into timely and feasible production of diverse housing types at attainable prices.

OMB supports several positive elements in the draft, including:

- Clear emphasis on infill and coordinated infrastructure to streamline development.
- Annexation policies tied to service readiness.
- Transparency around regional housing need (14,000+ new homes by 2045).
- Transit-supportive policies including parking reform along corridors.

At the same time, we recommend refinements to ensure the plan's strong goals convert into feasible outcomes. Please see Attachment A for detailed Issue, Impact, and Recommendation items with suggested policy language.

For further information or questions please contact our Government Affairs Director, Jessie Simmons, at ga@omb.org or (360)754-0912 ext. 102.

Respectfully,



Jessie Simmons
Government Affairs Director
Olympia Master Builders

Attachment A – Detailed Policy Recommendations

City of Lacey Draft Comprehensive Plan (October 2025)

Infill Priority vs. Delivery Tools (LU-1C / LU-1E)

- **Issue:** Plan prioritizes infill and aligning infrastructure with land use but lacks explicit permit-streamlining and fee-certainty measures.
- **Impact:** Infill can stall if reviews, frontage standards, and utility upgrades add uncertainty.
- **Recommendation:** Add consolidated review tracks (≤ 120 days), publish fee/infrastructure schedules, and allow alternative compliance for frontage/utility standards.

Annexation Timing (LU-1D)

- **Issue:** Policy requires ‘consideration’ of infill before annexation but lacks clear service triggers.
- **Impact:** Edge projects can be indefinitely delayed, limiting starter home supply.
- **Recommendation:** Define annexation triggers tied to service readiness within 3 years and housing-production benchmarks.

Housing Need & Capacity

- **Issue:** Plan acknowledges 14,000 new homes needed by 2045 with adequate land capacity.
- **Impact:** Without implementation levers, ‘paper capacity’ may not yield actual housing.
- **Recommendation:** Include annual implementation tables with permit targets, lot entitlements, infrastructure timelines, and fee transparency.

Transit Amenities (GT20/PT20.*)

- **Issue:** Projects expected to provide costly transit amenities without offsets.
- **Impact:** Adds per-unit costs and may discourage corridor housing.
- **Recommendation:** Allow transit amenities to qualify for impact fee credits or SEPA offsets.

Residential Density (LU-3B)

- **Issue:** Higher minimum density goals may conflict with rigid lot standards.
- **Impact:** Middle housing and small-lot SF may be infeasible without flexibility.
- **Recommendation:** Adopt flexible standards (e.g., smaller lots, FAR controls, courtyard housing).

Mixed-use & Industrial Flexibility (LU-4B/LU-4E)

- **Issue:** Encourages corridor commercial/industrial but lacks expedited pathways.
- **Impact:** Slows catalytic vertical mixed-use and job space development.
- **Recommendation:** Approve vertical mixed-use administratively and expand flex space by right with performance standards.

Concurrency & Multimodal Mitigation

- **Issue:** Regional plan consistency may lock in rigid roadway LOS.
- **Impact:** Corridor housing could be blocked despite transit or bike improvements.

- **Recommendation:** Allow multimodal mitigations to satisfy concurrency in designated centers/corridors.

Affordable Housing Toolkit

- **Issue:** Recognizes need but lacks clear production incentives.
- **Impact:** Goals for ≤80% AMI units remain aspirational without tools.
- **Recommendation:** Adopt annual toolkit (fee reductions, pre-approved plans, tax exemptions, expedited permits).

Neighborhood Commercial / Complete Neighborhoods (LU-2A, LU-2B)

- **Issue:** Contemplates 20-minute neighborhood concepts but lacks by-right allowances.
- **Impact:** Delays services that support housing viability.
- **Recommendation:** Permit corner stores, live-work, and small daycare by right with performance standards.



TOYER STRATEGIC ADVISORS, INC.

3705 COLBY AVE, SUITE 1 | EVERETT, WA 98201

425-322-5226 | toyerstrategic.com

October 7, 2025

Lacey Planning Commission
420 College Street SE
Lacey, WA 98503

RE: PROPOSED LMC 16.09.015, COMP PLAN FUTURE LAND USE DESIGNATIONS & IMPLEMENTING ZONES

Dear Commissioners:

Our firm provides land use and economic development consulting to a wide range of public and private sector clients and over the years we've worked on several Lacey projects, especially in the Hawks Prairie business and industrial areas.

As proposed in the draft plan, the Commercial Mixed Use designation will be the primary future land use designation abutting the Light Industrial future land use designation.

Thus, as you contemplate the City's "Future Land Use Designations" and the associated implementing zones for each, we respectfully request the Commission consider adding the Light Industrial-Commercial (LI-C) zone as an implementing zone in the proposed LMC 16.09.015 under the "Commercial Mixed Use" future land use designation for the following reasons:

1. The LI-C zone allows for a mix of commercial (primarily), as well as residential and light industrial uses. This makes it a mixed use zone.
2. The boundary where the Commercial Mixed Use and Light Industrial future land use designations abut is a unique area that will benefit from allowing a greater range of implementing zones to encourage a mix of employment and housing.
3. The city's proposed zoning code indicates that *"the same zoning may be aligned with different land use designations to better reflect current and future land use conditions."* We believe strongly that making this addition will help better reflect and reconcile existing and future land use conditions.
4. This addition would not change the proposed zoning map. However, it would provide flexibility that LI-C zoning could be considered in the future on case by case basis through the rezone process.

This adjustment is consistent with proposed Goal LU-1 and its related mixed-use and infill policies, including proposed Policy LU-1B, *"Prioritize mixed-use development to provide greater access to jobs, amenities and services."* This is also consistent with proposed Policy LU-4E, which calls for the city *"to allocate areas to support new small-scale light industrial/commercial and flex spaces."*

Thank you for your time and consideration. Should you have any questions, please do not hesitate to reach out.

Sincerely,

David Toyer
President

CC: Vanessa Dolbee, Director, CED
Ryan Andrews, Planning Manager, CED
Hans Shepard, Senior Planning, CED



October 7, 2025

Lacey Planning Commission
420 College Street SE
Lacey, WA 98503

1302 ALDER ZONING CHANGE

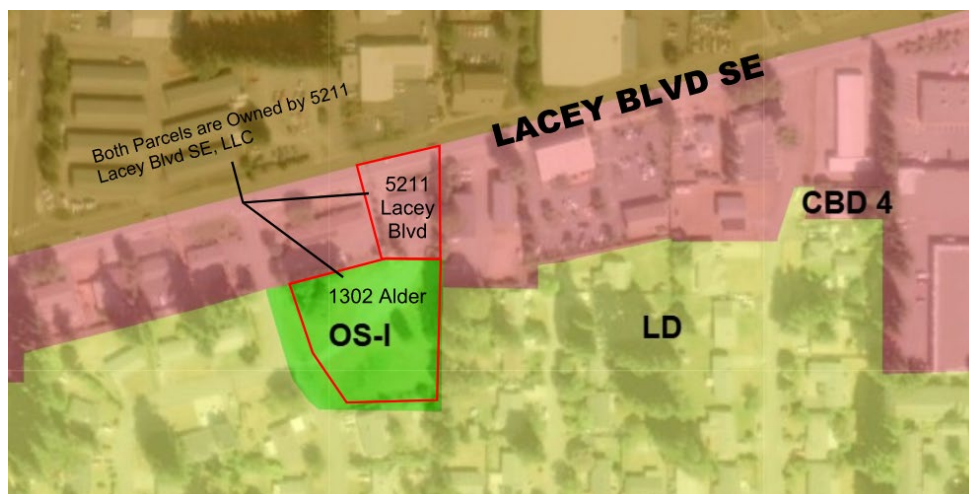
Dear Commissioners:

On behalf of 5211 Lacey Blvd SE, LLC, who owns 1302 Alder Street SE, we respectfully request that the Planning Commission recommend the proposed redesignation and rezone of their ±1.13 acre parcel from OSI to LD as part of the Comprehensive Plan update.

As mentioned in some of your earlier Planning Commission meetings, the owner is interested in residential development of the parcel, but the parcel was unfortunately zoned OSI years ago – likely because the subject parcel (aka Lot 2 of College View Plan, Division 1) was identified on a plat map as a “Playground” when the subdivision was recorded in 1955. However, Lot 2 was never required to be open space, was never dedicated to the public or managed/controlled by a homeowner’s association, was never developed with any playground or like equipment, and it has never been used as public or private open space.

The first step in allowing this site to be developed is the redesignation and rezone from OSI to LD. After this, our client can take action to remove the “Playground” designation from the face of the plat.

As seen in the image below, the subject parcel is surrounded on three sides by existing LD zoning. Thus, the proposed zoning change is consistent with the adjacent zoning.



By recommending this redesignation and rezone from OSI to LD, the Commission will help resolve a long-standing issue that has prevented a viable infill parcel from being developed consistent with City goals and policies.

Thank you for your time and consideration. Should you have any questions, please do not hesitate to reach out.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Toyer", with a stylized flourish at the end.

David Toyer
President

CC: Vanessa Dolbee, Director, CED
Ryan Andrews, Planning Manager, CED
Hans Shepard, Senior Planning, CED
5211 Lacey Blvd SE, LLC (Client)



Planning Commission Public Comments – Staff Analysis – Attachment 6

1. Mullen Road Property

- a. Public comments summary: Concerns over traffic, density, adjacent uses, high ground water, school impacts, sidewalks.
- b. Staff recommendation: Adjust proposed rezone from Moderate Density to Low Density Residential to better align with adjacent uses and existing development intensities.
 - i. At this stage, no permit application has been submitted to the City, and no permits have been issued. All applicable reviews, including SEPA and the standard permitting process, will be required before any approvals are granted.

The Housing Authority will be holding a neighborhood meeting on October 30th from 6:00-8:00 p.m. at Komachin Middle School to share information about the proposed development and gather input from neighbors. This will provide an opportunity for discussion about site buffers, tree preservation, and other design elements.

2. Climate Comments

- a. Public comments summary: Concerns over the use of language, specifically prescriptive over supportive statements.
- b. August 12th, 2025 Council Worksession Guidance: When asked about this topic, guidance was given to maintain existing supportive language within the draft while aligning with the Thurston Climate Mitigation Plan where adopted policies exist.
- c. Staff recommendation: The Comprehensive Plan identifies the operational intent for the future while specific codes and regulations dictate actions and how decisions are made. The following list includes examples of Comprehensive Plan policy language changes to better align with City Council and community guidance.
 - i. *Policy G-2A: ~~Consider~~**Prioritize** the use of lower-carbon building materials in new construction and building retrofits to reduce embodied carbon.*

- ii. *Policy G-8.C: ~~Transition City fleets to zero-emission vehicles and d~~ **Develop supportive infrastructure and programs for zero-emission vehicles.***
- iii. *Policy R-8.D: ~~Seek homeowner financing.~~ **Support resilience upgrades for low-income residents.** Identify grants and low-cost financing options **and develop programs (e.g. rebates, subsidies, giveaways)** to help low-income homeowners **and renters** make resilience upgrades to homes.*
- iv. *Policy R-9.B: ~~Eliminate tree hazards to power lines to reduce fire risk and power outages during storms and high wind events.~~ **Maintain trees and other vegetation around** power lines to reduce fire risk and power outages during storms and high wind events.*
- v. *Policy T-2.A: ~~Embrace~~ **Implement** a safe system approach to transportation, which comprehensively considers the transportation system for all users with safe vehicles, safe speeds, safe roadway designs, safety educational outreach, and post-crash care.*

3. Marvin/Willamette Roundabout

- a. Public comments summary: Concerns over traffic and safety along the Marvin Way Willamette Road Roundabout.
- b. Scott Egger Response (sent via e-mail October 11th, 2025):
 - i. Dear Mr. Taylor,

Thank you for sharing your concerns to the Lacey City Council about the roundabout at Marvin and Willamette, and about roundabouts in general. In the opening paragraph of your letter to the Lacey City Council you state... "We, the concerned citizens of Lacey and the surrounding Lacey Urban Growth Areas, are concerned about a very dangerous intersection in Lacey. As a matter of fact, it's the most dangerous single intersection in the whole state of Washington...". Your statement appears to be based on an article that you referenced that is titled "The Most Crash-Prone Intersections in Washington" which was published by Wells Trumbull, PLLC, a law firm that specializes in personal injury law.

The Wells Trumbull publication does not have any statements that claim the Marvin and Willamette roundabout is a "very dangerous" intersection, nor does it state the Marvin and Willamette roundabout is "the most dangerous single intersection in the state of Washington." However, the Wells Trumbull publication does use the term "most crash-prone." The crash data from the Washington State Patrol data base summarized in the Wells Trumbull publication shows that the Marvin & Willamette roundabout has the second most crashes in the state for the period analyzed (2021-2024.) When reviewing crash data for safety it is important to review the statistics

related to “injury” crashes and “fatalities”. Those statistics directly relate to safety. Last year, you provided a similar report that provided the number of total crashes, minor injury crashes, severe injury crashes, and fatal crashes. When the data is sorted by “minor injury” the roundabout at Marvin Road and Britton Parkway ranks 50th with 7 minor injury crashes as compared to an intersection in Kent that experienced 47 minor injury crashes. When the data is sorted by “severe injury” the roundabout at Marvin Road and Britton Parkway experienced 1 severe injury crash as compared to an intersection in Kent that experienced 6 severe injury crashes. The data in the table you provided did not list any fatal crashes at the roundabout at Marvin Road and Britton Parkway. By comparison there are 5 intersections on the list that experienced fatal crashes. Two of the intersections experienced 2 fatal crashes each and 3 of the intersections experienced 1 fatal crash each.

There was a crash at the Marvin and Willamette roundabout in July 2024 that resulted in a fatality. Lacey transportation engineers review crash records when injuries and fatalities are involved. This fatal crash involved a vehicle that rear-ended a bus at the entrance to the roundabout. The collision report noted the vehicle was travelling “at a high rate of speed with no intention of slowing down” when it rear-ended the bus. The crash was not caused by the roundabout, and if this situation occurred at a signalized intersection, it could have resulted in a T-bone collision which could have resulted in multiple fatalities.

You state in your letter that “Before this intersection was converted to a roundabout in 2001, it was very safe, at under one accident/year. Since then, accidents have gone as high as 55/year!” The number of crashes at an intersection is somewhat proportional to traffic volume. When traffic volumes increase, the number of crashes increase as well. Back in 2001, the Marvin/Willamette roundabout was a 3-way intersection, and there was very little development north of I-5. Additionally, there was no traffic coming or going west of the roundabout because Britton Parkway was still under construction. I’ve inserted two aerials below that show the considerable change in development from 2001 shortly after roundabout was constructed to 2025.

You can also see in looking at the 2025 aerial that Lacey north of I-5 is almost fully developed along the Marvin corridor. There is no value in comparing the number of crashes in 2001 to the number of crashes in 2024 due to the extreme change in conditions and traffic volumes over that period of time.

Thank you for providing a link to the article “London prepares to remove roundabouts to improve safety” which was published in Traffic Technology Today. Their goal is to correct unsafe intersections and eliminate death and serious injury from the transportation network. We fully agree with that philosophy. The article focused on a

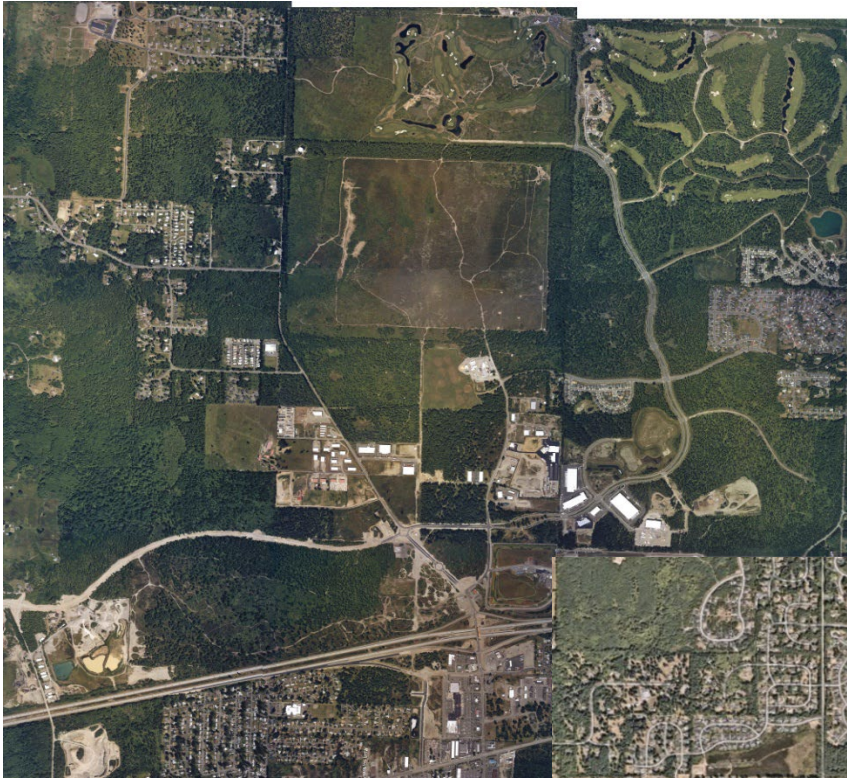
roundabout that had 22 crashes involving cyclists which included on fatality. The roundabout at Marvin and Willamette does not have a history of crashes involving cyclists. The bike lanes at the Marvin and Willamette roundabout are directed through the crosswalks which have flashing beacons which provide enhanced safety for bicyclists and pedestrians.

Our goal is to design, build, operate, and maintain a transportation system that is safe for all modes of transportation including pedestrians, bicyclists, cars, trucks, and buses. As you know there are many roundabouts in the City of Lacey and this region. At this time there are over 550 roundabouts in Washington State and over 10,000 roundabouts in the United States. With that said we will look into providing additional resources to help educate citizens who are not familiar with the rules of driving roundabouts.

Please feel free to contact me at 360-438-2649 if you would like to discuss your concerns.

Sincerely,

Scott Egger, P.E. Public Works Director



4. Olympia Master Builders Comments

- a. Public comments summary: Concerns over development standards and potential impacts (increased cost or time) to developer community.
- b. Staff response:
 - i. The Olympia Master Builders comments are already addressed in the Comprehensive Plan, existing development regulations, or other existing programs, therefore, no adjustments to the Plan's goals and policies or other supporting information needs to be revised as a result.

Infill Priority vs. Delivery Tools

SB 5290 requires shot clock review times for application processing. The City publishes its fee schedules (see city website) and allows alternative compliance for frontage/utility standards including frontage deferral agreements.

Annexation Timing

Properties adjacent to municipal boundaries are required to annex prior to connecting to city utilities. Properties outside of adjacent areas are allowed to sign a power of attorney agreement stating that the City can act on their behalf for annexation matters. This agreement is required to be signed prior to utility connection.

Housing Need and Capacity

The City sets the framework for accommodating new units but cannot guarantee that the private sector builds the units.

Transit Amenities

The City does not charge transportation impact fees or other SEPA impact fees related to transit. We do charge a transportation mitigation fee through the Local Transportation Act (RCW 39.92) which ensure a development pays for its proportionate share of the impact to an identified transportation project.

Mixed Use and Industrial Flexibility

The City allows vertical mixed use and flex spaces in corridor zones.

Concurrency and Multimodal Mitigation

The City allows for this through the designation of Strategy Corridors which require alternative mitigation in corridors that have been previously built to their maximum configuration.

Affordable Housing Toolkit

Done through fee reductions of affordable projects, pre-approved ADU plans, Multi Family Tax Exemptions.

Neighborhood Commercial

Corner stores, live-work and daycares allowed as permitted uses. State law changes through SB 5509 allow daycare centers a permitted use in most zoning districts (excludes industrial and open space zones).

5. 1302 Alder Street SE Rezone Request

- a. Public comments summary: Supports rezone of single parcel from Open Space Institutional to Low Density Residential.
- b. Staff recommendation: Consistent with proposed updates of 2025 Comprehensive Plan as currently drafted.

6. Implementing zones of Commercial Mixed-Use Future Land Use designation

- a. Public comments summary: Request for Light Industrial-Commercial zones to be included as implementing zone of the Commercial Mixed-Use Future Land Use designation.
- b. Staff recommendation: Six Future Land Use designations have been developed as part of the 2025 Comprehensive Plan Update. These designations include the following:
 - i. General Commercial
 - ii. Light Industrial
 - iii. Commercial Mixed Use
 - iv. Transitional Mixed Use
 - v. Residential
 - vi. Open Space Institutional

The Commercial Mixed-Use designation was identified based on the existing locations of zoning districts that permit a mix of residential and commercial uses.

The Light Industrial designation was identified based on the existing locations of zoning districts with an industrial emphasis. This includes the Light Industrial-Commercial and Light Industrial zoning designations as identified within the Lacey Zoning Map.

To ensure adequate separation and minimize conflicts between industrial and residential uses, the Industrial-Commercial Zone was not included within either of the commercial/residential mixed-use districts within the Future Land Use Map. This ensures a greater level of community and City Council review in the event that such a proposal is submitted to the city in the future.

7. General Comments on Update to Comprehensive Plans

- a. Public comments summary: A general collection of comments was submitted to Lacey, Olympia, Tumwater, and Thurston County. Draft Comprehensive Plans were not read in detail before comment submittal.

Staff recommendation: While not all comments are specific to Lacey or the information contained within the City of Lacey 2025 Comprehensive Plan Update, the comments as generally expressed are in alignment with the goals and policies and overall intent of the Lacey Comprehensive Plan where related.

10/10/25

CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting
October 22, 2025**

1. **Work Session:** Economic Development Strategy
2. **Work Session:** Comprehensive Plan Recommendation

Packets due: October 17, 2025

**Planning Commission Meeting
November 12, 2025**

1. **Work Session:** Middle Housing and Co-Housing Regulations Briefing

Packets due: November 7, 2025

**Planning Commission Meeting
November 26, 2025**

Meeting Cancelled (Day before Thanksgiving)

Packets due: November 21, 2025

**Planning Commission Meeting
December 10, 2025**

1. **Public Hearing:** Co-Housing Regulations
2. **Work Session:** 2026 Docket and Work Plan

Packets due: December 5, 2025

December 24: Meeting Cancelled (Christmas Eve)