I. INTRODUCTION

A. Growth Management Act

Thurston County and its cities were already involved in growth management and comprehensive planning prior to the enactment of the Growth Management Act. During the 1980's Lacey and Thurston County were in the forefront of many growth management-related initiatives including an inter-local agreement in 1983 which established urban growth areas and urban densities, delineated annexation areas, and specified that zoning in the Urban Growth Areas (UGA's) would not be changed when they were annexed. A second phase of inter-local planning was completed in 1988 with another Urban Growth Agreement which identified short and long-term growth boundaries and also established where the cities of Lacey, Olympia, and Tumwater could annex in the county. Additionally, the agreement only allowed cities to extend sewer service into the area within the short term urban growth boundary. Some of these principles were later incorporated into the State's Growth Management Act.

The Growth Management Act (GMA) is a comprehensive land use law in the state of Washington designed to manage growth. It was passed by the Legislature in 1990 (with an amendment in 1991) in a period of explosive growth in Washington, and the growing concern of its citizens that the state was losing its precious natural landscape to traffic congestion and sprawl. Between 1960 and 1990, the state experienced a 41% population increase, much of it occurring in the unincorporated areas outside of cities. In that same period, Lacey's population more than doubled from 8,806 at the time of its incorporation to 19,279 residents in 1990. With the passage of the Growth Management Act, all urban counties and their cities were required to plan comprehensively and for the future.

GMA has fourteen specific planning goals covering the broad spectrum of components that growth management must address in order to be effective. Lacey adopted its first GMA Plan in 1994, and has subsequently updated and revised the Plan, ensuring that the City complies with these concepts for management of growth under the GMA.

The GMA provides the following goal statements to define its growth management strategy (RCW 36.70A.020):

- ➤ **Urban Growth:** Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.
- > Reduce Sprawl: Reduce the inappropriate conversion of undeveloped land into sprawling low density development.
- Transportation: Encourage efficient multimodal transportation systems that are based on Regional priorities and coordinated with County and City Comprehensive Plans.
- ➤ Housing: Encourage the availability of affordable housing to all economic segments of the population of this state. Promote variety of residential densities and housing types, and encourage preservation of existing housing stock.
- ➤ Economic Development: Encourage economic development throughout the state that is consistent with adopted comprehensive plans; promote economic opportunity for all

citizens of the state, especially for unemployed and for disadvantaged persons; promote retention and expansion of existing businesses; recognize regional differences impacting development opportunities; and encourage growth in areas experiencing insufficient economic growth. All must be accomplished within the capacities of the state's natural resources, public services, and public facilities.

- Property Rights: Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.
- **Permits:** Applications for both state and local governmental permits should be processed in a timely and fair manner to ensure predictability.
- Natural Resource Industries: Maintain and enhance resource based industries, including productive timber and agricultural lands, and discourage incompatible uses.
- Open Space and Recreation: Encourage the retention of open space and development of recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks.
- Environment: Protect the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.
- Citizen Participation and Coordination: Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.
- ➤ Public Facilities and Services: Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time it is available for occupancy and use without decreasing current service levels below locally established minimum standards.
- ➤ Historic Preservation: Identify and encourage the preservation of lands, sites, and structures that have historical and archaeological significance.
- ➤ Shoreline Management: Per RCW 36.70A.480 Shorelines of the state, the goals and policies of the Shoreline Management Act, as set forth in RCW 90.58.020, are added as one of the goals of the Growth Management Act.

B. County-Wide Planning Policies

Because growth impacts are not localized between one jurisdiction and the next, an effective growth management effort must cross jurisdictional boundaries and require coordination between multiple governmental and quasi-governmental agencies and departments. In addition, urban growth areas include unincorporated lands and joint planning is required between the County and City. To provide direction on this coordination, GMA has a section that provides the framework for counties and cities to work together through "joint planning" which is to be provided for under "County-Wide Planning Policies" (CWPP's) which seek to "establish a county-wide framework from which county and city comprehensive plans are developed..." (RCW 36.70A.210).

CWPP's are intended to provide a process for establishment of joint planning and related policies and basic policy guidance on the range of planning issues jurisdictions face. State law provides a number of provisions detailing the intent and requirements of county-wide planning policies in section 36.70A.210 RCW. Some excerpts from this section that reflect the intent and focus are:

"...a "county-wide planning policy" is a written policy statement or statements used solely for establishing a county-wide framework from which county and city comprehensive plans are developed and adopted pursuant to this chapter."

"The legislative authority of a county that plans under RCW 36.70A.040 shall adopt a county-wide planning policy in cooperation with the cities located in whole or part within the county...."

RCW 36.70A.210, the section outlining requirements for county-wide planning policies and minimum requirements for those policies, lists the following minimum requirements:

A county-wide planning policy shall at a minimum address the following:

- 1) Policies to implement RCW 36.70A.110
- 2) Policies for promotion of contiguous and orderly development and provision of urban services to such development
- 3) Policies for citing public capital facilities of a county-wide or state-wide nature
- 4) Policies for county-wide transportation facilities and strategies
- 5) Policies that consider the need for affordable housing
- 6) Policies for joint county and city planning within urban growth areas
- 7) Policies for county-wide economic development and employment
- 8) An analysis of fiscal impact

CWPP's were agreed to by local jurisdictions and signed September 8, 1992. They mirror requirements of the GMA and were to provide a blue print for crafting GMA plans. All of the items listed as mandatory elements are covered in Thurston County's CWPP's. In addition, Thurston County has two sections not listed under minimum requirements; Environmental Quality and Process. Under the Process section, the policies outline the procedure to develop population projections and procedures for updating and amending the county-wide planning policies when appropriate.

In 2015, the CWPP's were amended to reflect the vision and principles adopted through a robust regional planning process titled "Sustainable Thurston"—better known as the *Regional Sustainability Plan*. The goals and policies of the plan were integrated directly into corresponding sections within the CWPP's to memorialize and recognize sustainability principles across all jurisdictions.

C. Urban Growth Areas

GMA requires each county and local jurisdiction planning under the Act to designate a specific UGA. As urban growth is confined to a designated UGA, planning for utility, transportation, capital facilities, and other services becomes easier and the cost of providing related infrastructure is more efficient and manageable. Additionally, confining urban growth to a UGA helps conserve rural areas for other purposes, such as resource conservation, agriculture, or timber production.

The urban growth boundaries have been utilized by Thurston Regional Planning Council (TRPC) and the city of Lacey, along with other data, to accomplish the vacant lands study and population estimates and projections for growth. The urban growth boundaries are the foundation for

implementation of the requirements for GMA planning. Lacey's Urban Growth Area outside of the city limits represents 10,503 acres or 16.4 square miles. The UGA was sized with enough capacity to accommodate growth for the next twenty years and encompass areas already characterized by urban growth. Areas characterized by urban growth include land use types developed prior to 1990 such as strip highway commercial and residential areas developed at a suburban density on septic systems. A majority of this land use type is represented at the edges of the UGA within the Seasons and Meadows planning areas. The size of the UGA also responds to the need to protect groundwater in the southeast portion of the Urban Growth Area within the McAllister Springs Geologically Sensitive Area. Allowing future growth in this area to be served by sewer ensures that City wells in the area are protected from impacts that could occur from an over proliferation of septic systems.

D. Local and Joint Plans

City of Lacey and Thurston County Land Use Plan for the Lacey Urban Growth Area Lacey adopted its first Land Use Element under the Growth Management Act in 1994. The 1994 Plan focused on establishing the desirable character, quality, and pattern of physical development of the City and its urban growth area. It specified an appropriate amount and location of various land uses, appropriate densities and intensities, and the timing of land uses in various locations. It also coordinated how Lacey and its UGA developed and how necessary infrastructure and capital improvements would be accomplished to serve the growth. The focus of the 1994 Plan also included:

- ➤ Establishment of joint planning with Thurston County and designation of the Lacey Urban Growth Area. The Plan recognized the importance of joint planning and establishment of implementation standards that are consistent in both the City and UGA.
- ➤ Establishment of Neighborhood Commercial zones throughout the City and UGA to provide day-to-day commercial opportunities within walking distance of all homes.
- Designation of mixed-use corridors to provide walkable, transit friendly areas for higher density residential uses with commercial services.
- ➤ The requirement for a range of residential zones within each planning area to provide housing opportunities for all demographic needs. It also required a mix of development types to avoid concentrated areas of high density housing that might focus low income demographics into one area and lead to neighborhoods with low diversity.

In 2003, the Land Use Element was reviewed and updated at the ten year mark to verify that the growth projections and land capacity analysis developed in 1994 remained valid and on track with development trends. The 2003 plan also focused on:

- Maintaining the variety of residential zoning districts to accommodate higher densities while providing a solid mix of housing choice and affordability.
- ➤ Affirming commercial and residential design policies. Residential design regulations have been subsequently updated to create walkable neighborhoods with varying roof lines and interesting streetscapes that are less dominated with garages. For commercial buildings, ensuring they are being located closer to streets with elevations that are pedestrian friendly and help define the street.

Clarifying policies related to economic development. This included an analysis of the Community Commercial Districts and a focus on diversification of employment opportunities.

Promoting the provisions for active and passive recreational opportunities through a network of parks and open spaces.

Sustainable Thurston

In 2011 Thurston Regional Planning Council (TRPC) successfully competed for a Sustainable Communities Program Grant from the Federal Department of Housing and Urban Development (HUD), enabling a multiyear process to develop a regional plan for sustainability - Sustainable Thurston. In the spring of 2011, the city of Lacey together with 29 other jurisdictional, agency and nonprofit partners within Thurston County signed a memorandum of understanding committing to actively participate in the regional planning effort. A task force comprised of representatives of the interjurisdictional partners was formed to act as an advisory body to TRPC, oversee the Sustainable Thurston process and present a draft plan to TRPC for adoption.

The task force created a number of subcommittees and panels made up of elected officials, representatives from local jurisdictions, commercial groups, and stakeholders. It also involved significant public participation in the form of community meetings and workshops.

Special committees of the task force were organized by subtopics that fall under the larger scope of "sustainability" such as Economic Development, Housing, Water Infrastructure, Schools and Transportation, Local Food Systems, Land Use, Transportation and Climate Change, Energy, and a number of others. Sustainability goals and policies, including background information and analysis and data developed by the task force, are available to local jurisdictions to consider for implementation according to the need and individual circumstances of local governments and stake holder organizations. While not expected to be mandatory for local jurisdictions, the goals, policies, technical information and strategies identified or developed by the Task Force generally have applicability to Lacey and will be incorporated in Lacey's Comprehensive Plan, as appropriate.

On December 6, 2013, the Thurston Regional Planning Council officially adopted *Creating Places* - *Preserving Spaces: A Sustainable Development Plan for the Thurston Region* and on February 27, 2014, the Lacey City Council passed Resolution 1007 which stated that the recommendations of the Plan will be integrated into City plans, regulations, and programs.

Urban Corridors Task Force

A focus on the urban corridors is not a new idea. As far back as 1994, Lacey made provision for development along our urban corridors to take advantage of potential higher density and mixed-use. Moderate Density and High Density zones were also located in consideration of arterial corridors and new zones were developed to encourage mixed use.

The Mixed Use High Density Corridor was developed for Martin Way and a Mixed Use Moderate Density zone was developed and applied to part of Pacific Avenue and Sleater Kinney Road. Much of this early effort followed a study by the Thurston Regional Planning Council (TRPC) and Olympia called "Evolution of a Corridor".

The Urban Corridors Task Force was a joint subcommittee of TRPC and the TRPC Transportation Policy Board. Between November 2009 and July 2012, the Task Force worked to establish an objective understanding of background conditions along the region's key urban corridors, identify and understand barriers to achieving adopted land use visions, and identify potential opportunities for addressing those barriers. Task Force members looked at the relationship between transportation and land use in these corridors, and worked to understand the market factors that influence the viability of infill and redevelopment projects in this region. The Task Force recommended a suite of measures to help jurisdictions transform this region's premier transit corridor, and to shape its form and location in priority districts. Much of the work related to urban corridors in Lacey will be to analyze the Moderate and High Density Corridor zones and adjust zoning standards and other implementation measures to ensure that the vision for the corridor is being achieved. This analysis will also need to be done in close coordination and partnership with Thurston County, as much of the Martin Way Corridor lies within county jurisdiction.

E. Land Use Regulations

A comprehensive plan means little if it is not implemented. To be successful, the plan must be implemented by the combined efforts of all stakeholders including private developers, residents, civic groups and local government through capital improvements. Many of the plan's goals and policies reflect and recognize this shared responsibility.

The City has created and will continue to develop regulations to ensure that growth and development occurs consistent with the community's values and goals as expressed in the Comprehensive Plan. These regulations include zoning, subdivision, building and environmental codes, and design review guidelines and standards.

F. Capital Facilities and Budgets

As communities grow, new schools, parks, libraries, streets, and additional police and fire services are needed to serve the increasing population. The Capital Facilities Element of the Comprehensive Plan lists the facilities that will be needed over the next twenty years, which is combined with a Capital Improvement Plan that details when the project will be constructed and financed. The City Council updates this list every year as part of the budget process. In addition to ongoing needs for repair and maintenance, the list of capital facility improvements includes the projects that will be needed to support growth in conformance with the Comprehensive Plan.

G. The Comprehensive Plan

The Comprehensive Plan establishes the desirable character, quality, and pattern of physical development of the City and its Urban Growth Area. It will specify an appropriate amount and location of various land uses, appropriate densities and intensities, and the timing of land uses in various locations. By reviewing the use of land and timing for development, it will coordinate how

Lacey and its UGA develop and how necessary infrastructure such as roads, utilities, and capital improvements are coordinated to serve and support the expected growth.

If we do not make conscious decisions about our limited land resources, decisions will be made for us. If we are to use our limited resources wisely, we must do more than react to land use issues, we must take positive action to direct our community's future land use and character. The Comprehensive Plan provides direction for achieving the community's goals and common vision by designating the location, timing, and types of uses, while coordinating the elements of the Plan responsible for the provision of necessary infrastructure and services.

This Land Use Element, as well as the Housing, Transportation, Capital Facilities and Utilities Elements, are continually updated through a joint planning process between Lacey and Thurston County, pursuant to requirements of the CWPP's and the knowledge that inter-jurisdictional cooperation is necessary to further the joint land use interests of Thurston County and Lacey citizens. These Comprehensive Plan elements include background information, goals, policies, maps, and other information to guide and inform the city of Lacey and Thurston County governmental actions within the Lacey UGA for the next twenty years.

There are some goals and policies that apply only to the incorporated city of Lacey. Goals or policies applying only to incorporated areas are clearly stated as such by having clear reference to Lacey. These goals and policies do not apply to areas under county jurisdiction, and therefore, the Lacey City Council would not be required to participate in the unincorporated county implementation phases of the Plan.

The list in the Appendix identifies the goals and policies of the Plan that do not rely on an annexation/urban development standards agreement for implementation by the County. Both jurisdictions will strive to implement all portions of the Comprehensive Plan. Future amendments will be coordinated similar to original adoptions.

All other discussions, identified issues, goals or policies are assumed to apply both to the City and the unincorporated UGA. However, many of the policies provide specific guidance for development standards necessary to implement goals identified in the Plan. The City will prepare specific implementing regulations in its zoning code and other development regulations to implement these policies. The County does not intend to prepare implementing legislation for development standards, but instead shall rely on an annexation/urban development standards agreement between the City and the County to adopt Lacey's implementing legislation, as specified in the joint policies.

H. Elements of the Comprehensive Plan, How They Relate and What They are Designed To Do

The City of Lacey Comprehensive Plan

The Comprehensive Plan is a coordinated development strategy for the city of Lacey. As a whole, the plan establishes the City's vision to proactively guide the growth of the community. Because many factors influence growth, a comprehensive approach is necessary in order to develop a plan that considers topics ranging from land use, transportation, utilities, parks, natural environment and economics. In accordance with the Growth Management Act adopted by the state of Washington, the city of Lacey has developed a Comprehensive Plan consisting of several "elements" as required by the Act, and elements considered optional by the Act. These elements are:

- Land Use Element
- Housing Element
- > Transportation Element
- Environmental Element
- Comprehensive Plan for Outdoor Recreation
- **▶** Water System Comprehensive Plan
- **▶** Wastewater Comprehensive Plan
- Stormwater Comprehensive Plan
- Capital Facilities Plan
- **Economic Development Element**
- Utilities Element
- Public Participation Plan

As a holistic document establishing the community's vision and how it will grow and evolve, it is paramount that the elements that make up the Comprehensive Plan be balanced, coordinated and consistent. For example, the Land Use Element establishes the land use pattern, density, and intensity that the transportation and utility systems must support. However, the Land Use Element should not create a plan that cannot be physically or financially supported by transportation, utility services, or private investment. Each element must be progressive, proactive, and mutually support the other elements in order for the Comprehensive Plan to guide the community for the twenty year planning horizon in a concurrent and predictable manner. This chapter provides an overview of each Comprehensive Plan element, the key issues, and the consistency and relationship of each element with the other elements.

The Land Use Element

The Land Use Element contains the community vision for the kind of city it aspires to be with the goals and policies that support the community vision. Through the Land Use Element and associated maps, land is designated for use that the City will need to accommodate growth forecasts. This includes the full range of land use activity necessary to make Lacey a great place to live, work, learn, shop, and play.

The Land Use Element must achieve and maintain desirable land use balances over the twenty-year

planning horizon. Balance within this Element must be struck: the balance between people's use of the land and lands left in a natural state; the balance between urban, rural, and resource types of uses; and the balance among different types of uses in the urban and rural areas relative to the demand for such land uses. As such, the Land Use Element acts as a community guide for decisions about when, where, and how future development takes place and where public facilities are located or should be located in the future.

Planning in Lacey has come with challenging constraints. Unlike a new town that can be planned from the start to create the most efficient distribution and form, Lacey incorporated in 1966 as a residential community consisting primarily of single-family detached structures on suburban-style lots. At the time of incorporation in 1966, Lacey had a population of only 8,806. Significant increase over the last several decades has resulted in a population of 47,540 in 2016. The annual population growth rate from 2000 to 2011 was 3.38 percent, well above both the national and state average. This significant rate of growth is projected to continue, with an estimated population of 53,090 by 2035. This does not consider potential annexations of areas in the Urban Growth Area surrounding Lacey, which could significantly increase this number.



Lacey started out as a city with little commercial retail tax base, limited employment base, very little diversity of land use, and was auto dependent. Traditional town planning with street grids was challenging because of Lacey's large lakes that limited regular connections both north to south or east to west. While parts of the older areas have isolated street grids, most of Lacey is composed of suburban designed arterials that serve collectors that generally connect local access streets to residential subdivisions.

Prior to the adoption of the Growth Management Act in 1990, Lacey's land use form and distribution had taken on the classic model of suburban sprawl. The low density residential pattern that had developed in Lacey was not conducive to multimodal transportation. The pedestrian in Lacey had become mostly obsolete, replaced by the automobile as homes were isolated from commercial services and other destination sites. As with many other suburban cities largely developed after World War II in Washington State and across the nation, Lacey's road infrastructure and utilities were stretched to serve the sprawling land form. The wider Lacey's streets became to provide capacity for automobiles, the more automobiles utilized the roads. Suburban development in Lacey had resulted in expensive infrastructure to provide, as well as maintain, over the long term.

With this as an inherited land use form, Lacey began planning under GMA and adopted its first GMA plan in 1994. Land use strategies under GMA were designed to reverse the land use trend that represented most of Lacey's growth pattern. The basic strategy of GMA is to contain sprawl by requiring urban growth boundaries. Within the UGA, a more efficient, affordable and sustainable land use would evolve through more compact and mixed-use development.

Early local work in Lacey's GMA plan provided opportunities for the vision of a new urban form.

Strategies included mixed use and high density along urban corridors; high density and mixed use within large tracts of land designated for development such as Village Centers; new subdivision standards that allowed smaller lots throughout the City; designations allowing higher densities; and locating a series of new Neighborhood Commercial and Community Commercial zones located at strategic nodes throughout the area to provide commercial services within close proximity of every neighborhood.

After two decades of experience under the Growth Management Act, Lacey's residential zones within the city limits are nearly built out, necessitating strategies to target appropriate areas and parcels for infill and mixed use. Residential land resources within the Urban Growth Area still exist but many are limited in their development potential because of utility and infrastructure needs, critical areas, and are a distance from the existing city limits making annexation difficult.

Commercial development in Lacey continues at a steady pace, however, economic development policies and activities need to continue to ensure Lacey stays competitive in the regional market-place. Additionally, opportunities need to be expanded so that Lacey residents can work here, ensuring that Lacey continues to move away from its bedroom community past.

In continuing the evolution to a more urban form, the plan recognizes opportunities for compact, mixed-use development and existing and future sub-area planning efforts within Lacey's Woodland District, within Lacey Gateway, along Lacey's defined mixed-use corridors, and other nodes with potential to serve as high density, mixed-use, or urban centers. In addition, strategies are introduced to provide commercial services and a greater range of transportation options for the existing low density areas to reduce reliance on the automobile. These strategies are expected to provide more functionality in accommodating day-to-day activity, and are expected to achieve a higher measure of sustainability.

To achieve the vision set out in the Land Use Element, updating development standards will be a priority. This includes development of form-based zoning concepts and updated land use standards. Outstanding design and innovation for successful place-making and designated priority sites and zones with incentives for development will also help ensure that the goals and policies of the Land Use Element are achieved. These strategies should be evaluated for their effectiveness to ensure that the City's vision is being implemented and adjusted accordingly should these strategies fall short of their goals.

The Housing Element

The Housing Element addresses a primary need for any city: shelter. Lacey's vision provides the opportunity for every citizen to have a range of affordable housing options in whatever neighborhood they choose to live.

Ideally, housing should be easily accessible to a person's destination site, with a range of transportation options to make the cost of living more affordable. These ideal qualities bring up a range of challenges, including providing an inventory of housing to meet population increases and the form of housing to provide choice to ensure Lacey's neighborhoods are walkable and easily accessible to destination sites. The Plan provides strategies to address these challenges.

The City is expected to increase from a 2015 population of 46,020 to 53,090 by 2035, representing an additional 7,070 people. This will require an estimated 3,730 residential units. Combining Lacey and the UGA, a growth from 80,230 to 107,720 is projected, requiring 12,220 additional units for the anticipated increase of 27,490 residents.

Demographics of Lacey are expected to change over the coming decades and this will impact housing demand. Lacey's residents over 65 represent about 14.1% of the population, which is slightly higher than the national average of 12%. This is expected to change to 20% by 2035. Changing demographics bring lifestyle influences. As aging baby boomers retire, many will want to down size and live in areas that are close to services.

The millennial generation, children born from the 1980's to the early 2000's, bring a new profile with a priority for smaller, more affordable housing close to services and social activity. There is an expected demand for housing similar to traditional neighborhood development (TND) which provides access to services and transportation options, and are walkable.

A difficult challenge for Lacey to overcome will be locating housing within close proximity to places of employment. Lacey's history and development included a number of local employment activities, such as logging, a local plywood plant and State government. The local military base also represents a main demographic for the community, with approximately 5,000 active duty personnel living in Lacey. Most employment locations have been within Lacey's downtown area; the Woodland and Central Business Districts. This area currently has few housing opportunities and is separated from residential areas.

A main strategy of the Land Use Element and the Housing Element is to target the Woodland District, the Urban Corridors, and the Hawks Prairie Business Districts with housing, as well as employment opportunities. New strategies in the Plan look to locate housing and work areas in close proximity, while encouraging mixed-use development. As part of targeting these areas for additional development, incentives will be used to make it more beneficial to the development community to build within these particular zones through financial incentives and administrative and code advantages. Incentives should target all demographics to provide housing to a range of citizens, including those within lower income groups.

Another issue is choice of housing location within any neighborhood. Past planning efforts have focused on promoting opportunities within any planning area for a range of demographic income profiles. Early plans had residential designations providing for a range of housing styles and density within each planning area. The current update takes this a step further, providing for a range of housing styles and home ownership and rental opportunities within each neighborhood area. Incentives have been developed to provide more housing at a higher density in targeted areas.

The Plan also addresses the issue of cost of housing, in concert with the Land Use Element, by providing opportunities for compact and small lot housing and a range of techniques to accommodate a higher density that can make it easier for the development community to build more housing for less cost. Land costs have always been the biggest expense in housing development. Being able to get more use on less land can lower land costs per unit substantially.

The Housing Element also looks at providing housing for the homeless, a demographic group that has often been overlooked. The Thurston County Homeless Census documents the number of Lacey citizens without homes. North Thurston Public Schools has documented many homeless children. The new update dedicates an entire section to identifying issues of homelessness, with a range of tools to bring to the table to combat homelessness. Temporary shelter opportunities are identified, as well as addressing the root causes of homelessness and providing alternatives for transition into a permanent housing situation.

The Transportation Element

The Transportation Element links together transportation and land use planning in Lacey. The City began transportation planning in concert with land use planning under the State Growth Management Act (GMA) in 1994. The primary vision in 1994, and still today, is to achieve and maintain an outstanding quality of life by growing smart as we accommodate projected population growth. This will require Lacey to continue to evolve to a more urbanized environment. As this transition occurs, it is the intent of the Transportation Element to provide the basis for a comprehensive transportation network that serves the transportation needs of the suburban Lacey of today while planning for the needs of an urbanized Lacey of tomorrow. To meet this task, the Transportation Element supports the policies of the City's Land Use Element, with a street system that continues to emphasize a multimodal transportation system supporting all transportation types.

Making the transportation network operate as efficiently as possible has been, and will continue to be, a key goal for the City. As the urban arterial network matures, Lacey will balance mobility and access with access management techniques and improved connectivity throughout the network. Development of a street grid providing drivers alternative routes throughout the City and an interconnected pedestrian network tying together neighborhood destination sites is a priority.

The City has been successful developing and implementing street standards designed to make pedestrian activity and use of bus services more convenient. Requirements for sidewalks, planter strips, street trees, and pedestrian scaled lighting have improved the pedestrian realm considerably. These efforts will be continued through neighborhood planning activity where residents can identify routes to schools, bus stops, and neighborhood destination sites and suggest pedestrian improvements to make walking safer and more comfortable throughout their neighborhood. Additionally, a future non-motorized transportation plan has been identified as a priority to ensure that the City maintains existing and future plans for safe and convenient pedestrian and bicycle facilities including sidewalks, trails, and street crossings.

Complete streets concepts will be refined and combined with transportation efficient land use policies, coordinated regional Commute Trip Reduction programs, and other demand management strategies. Close coordination with North Thurston Public Schools, Intercity Transit, and other government agencies will continue to reduce the drive alone rate and encourage other modes of transportation.

Lacey will continue to improve transportation options and efficiency of the transportation network through emerging technology. Intelligent Transportation System (ITS) technologies are improving mobility for transit, pedestrians, and vehicles. Signal technology identified in the 2012 Smart

Corridor project will provide additional time for buses that are behind schedule, adjust signal operations by time of day, provide pedestrians a head start in crossing the street at the beginning of signal phases, and identify alternate routes to relieve heavy congestion.

Sustainability is another emphasis in the Comprehensive Plan and is reflected in the Transportation Element. To help reduce transportation impacts on the environment, street designs incorporate low impact development techniques and Greenroads® style performance metrics. The Plan has provided for charging infrastructure needed to keep pace with emerging technologies like electric vehicles. Charging and alternative fueling stations are incorporated into the roadway design and in major commercial developments. This plan is adaptive and policies will provide the opportunity to respond to innovative approaches in meeting transportation needs and creating a more sustainable position.

The Transportation Element supports refined land use goals and policies and builds on the successes of the last decade in moving the City to a position that is less automobile dependent and is expected to increase the use and efficiency of other transportation options. This has been an emphasis since 1994 but has been problematic as Lacey has a suburban land use pattern that is predominantly single-family detached housing segregated from commercial services. This results in suburban travel patterns dependent upon automobile use.

With over twenty years of implementation of GMA strategies designed to reverse dependence on automobile use and suburban land use patterns, automobiles are still the dominate mode of transportation and suburban development the dominant land use form. Lacey has not had much success in promoting compact development and mixed use with density necessary to support transportation alternatives. This Plan accommodates the need of existing land use, but supports new policies in the Land Use Element designed to reverse this trend.

The vision for tomorrow is to have a balanced multimodal transportation network that offers convenient transportation options to support Lacey's existing land use and the expected transition under GMA to a more urbanized environment. This Plan reflects complete streets objectives that have an emphasis on use, safety, and efficiency for all travelers. Given current domination of automobile use over other transportation alternatives, the complete streets of the future will necessarily have an emphasis on walkability and development of an urban environment and street network that is more functional and inviting for pedestrians, as well as cyclists and bus ridership. Complete streets will evolve to include mass transit options as the urban landscape and density matures to support its use.

Environmental Protection and Resource Conservation Plan (Environmental Element)

Even prior to the GMA, Lacey has been a leader in environmental stewardship. Lacey has continued this legacy with cutting edge environmental legislation, including protection of wetlands and critical habitat, and development of urban forest management goals and policies implemented by LMC Chapter 14.32, Tree and Vegetation Protection and Preservation. Environmental legislation covers all required areas under GMA, including resource protection and protection of critical areas, as well as introducing innovative legislation in areas not required by GMA but necessary to achieve the goals of the Comprehensive Plan. The Plan includes a number of new programs including:

> Shorelines: The Shoreline Master Program (SMP) provides an incentive strategy for dedication of shoreline access to the public and preserving additional sensitive shoreline areas for public stewardship in exchange for additional development rights or credits.

- ➤ **Urban Forest Resources:** Refined urban forest and tree protection goals and policies provide new options for preserving the urban forest canopy and an improved street tree program.
- Agricultural Resources: Comprehensive urban agriculture goals and policies have been added into the Environmental Protection and Resources Conservation Plan, implemented by retooling the zoning ordinance to provide for a range of urban agriculture opportunities. This gives Lacey residents better access to fresh food and a more resilient local food system, while promoting sustainability.
- Water Resources and Aquifer Protection: Significant work for water resources conservation and protection, including mitigation planning for water rights, a new reclaimed water utility, and development of comprehensive stormwater standards designed to enable low impact development and protect aquifer areas.
- ➤ Carbon Reduction and Resiliency (CR2): The Carbon Reduction and Resiliency Plan provides a road map for Lacey's energy policy and is another cutting edge program that will be applied in work towards sustainability. This Plan sets benchmarks for carbon reduction and looks at sustainability issues.

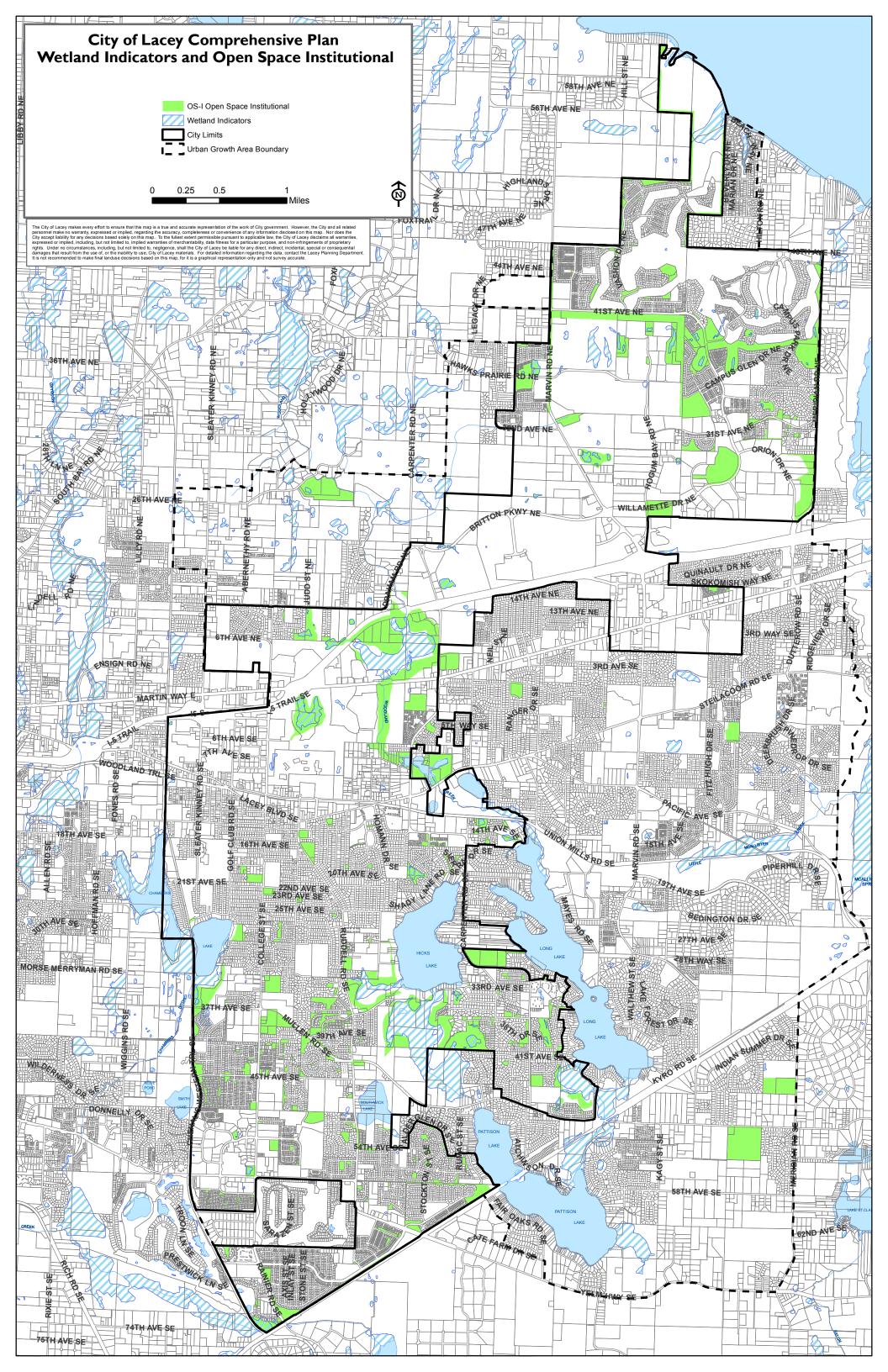
Overall, Lacey's Environmental Protection and Resource Conservation Plan, its implementing legislation and environmental policy, continues to be one of the most progressive and effective in the state. See Wetland Indicators and Open Space Institutional map on adjacent page.

Comprehensive Plan for Outdoor Recreation

The city of Lacey has demonstrated a dedication to parks and recreation activities since its incorporation. Our parks, open spaces, and facilities have made an important contribution to the quality of life experienced by those who live and work in Lacey and the region. Parks help focus the community, provide gathering places, create visual relief, and expand opportunities to interact with one another and our natural environment. Without the benefit of a comprehensive park system, Lacey would be a far less desirable place to live, work, and play.

Lacey is surrounded by exceptional natural beauty. Our lakes, forests and views of Mount Rainier and Puget Sound help create an inviting community identity. Our challenge for the future is to continue to provide adequate access to these community resources by developing a wide range of park facilities. As our community grows and recreational needs increase, we have an obligation to keep pace by providing adequate facilities for our residents. The Comprehensive Plan for Outdoor Recreation provides the City with direction to ensure that adequate facilities are available now and in the future.

The Comprehensive Plan for Outdoor Recreation describes the long-term plan to address the challenges of providing high quality parks and leisure services in a rapidly growing area. It addresses land acquisition, facility development expansion and renovation, and recreation services required to meet Lacey's current and future needs. The Plan is intended to be a working vision and blueprint to help the City plan for park and recreation improvements.



The scope of the Comprehensive Plan for Outdoor Recreation is not limited to the area within the present city limits of Lacey. The planning area for the purpose of this document is the Urban Growth Area (UGA) for Lacey as adopted in the Land Use Element of the Comprehensive Plan. The UGA has been divided into ten planning areas. These areas are slightly different from those used in the Land Use Element of the Comprehensive Plan. This has been done deliberately in an attempt to draw park boundaries that effectively represent the area in which residents may make casual or frequent park visits. Where the boundaries of the parks planning area correspond to those in the Land Use Element, the same name has been used. Additionally, the Comprehensive Plan for Outdoor Recreation supports the open space requirements of the Land Use Element, identifies goals of private open spaces, and establishes dedication policies.

As of 2015, the City holds approximately 1,100 acres of property for parks and open space purposes. The adjacent maps shows parks in Lacey and the UGA and identifies the ten parks planning areas.

Water System Comprehensive Plan (Water Utility Element)

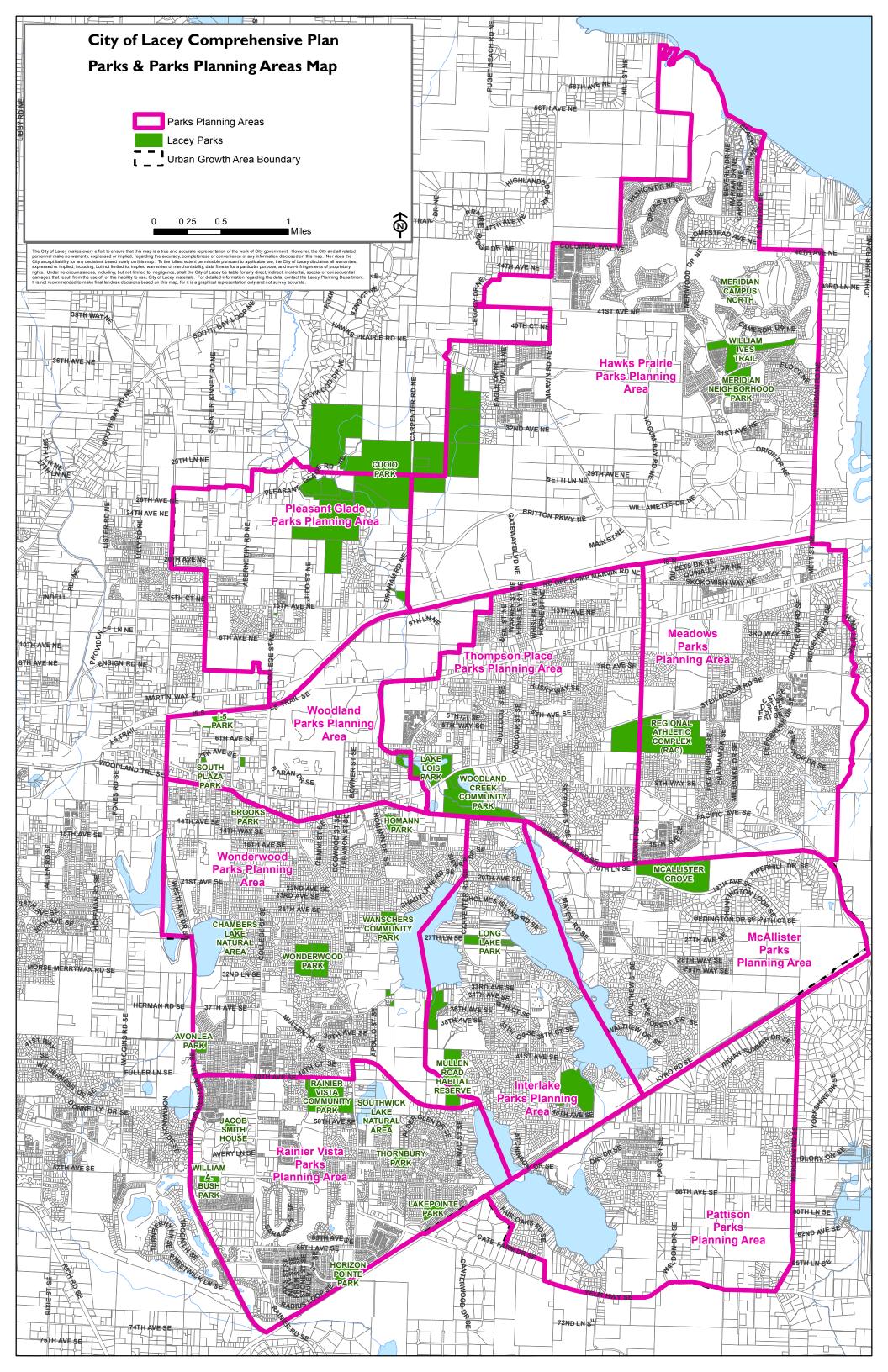
Water is a precious resource that is an essential requirement of life on this planet and, as such, it is a priority for all living things. In a hierarchy of human priorities, water will be above both food and shelter, as water is more critical to sustaining our life than anything other than air.

Because of its importance to the community and growth, it is a component critical to planning under GMA. The purpose of the City's Water System Comprehensive Plan (Water Plan) is to provide a long term planning strategy for provision of water to accommodate the long term needs of Lacey and Lacey's UGA. The Water Plan is based upon, and coordinated with, the land use strategies identified in the Land Use Element to provide a coordinated effort to manage growth. Lacey's water system falls under the GMA definition for a utility. As provided under WAC 365-195-800, regulations that impact development must be consistent with the Land Use Element. In this case, the Water Plan must help implement GMA strategies and expectations identified in the Land Use Element.

Across the state, water plans have not always been coordinated with land use plans. In the past, provision of water or other infrastructure to certain areas would often act as a catalyst for growth without comprehensive planning for how other utilities or services might be provided, or what distribution or land form may result. Because of this, GMA provides for comprehensive planning of all utilities in concert with a Land Use Element and limits extension of water outside of the UGA except in very limited circumstances.

Expected demand on Lacey's water system is based upon forecasted population growth that Lacey is obligated to service under the GMA. The Water Plan uses information developed in the Land Use Element, considering growth within particular planning areas and Transportation Analysis Zones (TAZ's), to provide a plan that supports and will help implement land use planning objectives. The City's water planning is therefore based upon, and is consistent with, the Land Use Element.

Any discussion about water planning also needs to recognize that water plans must satisfy laws designed for protecting public health. Specifically, Lacey's Water Plan must satisfy Department of Health (DOH) regulations in accordance with Chapter 246-290 of the Washington Administrative



Code (WAC), as presented in the Washington DOH regulations for "Group A" Public Water Systems. Regulations under this law deal with issues important to public health, such as water quality. Development of Lacey's Water Plan therefore needs to meet two sets of legislative mandates: smart growth under GMA and health aspects under DOH regulations.

The water system includes complex infrastructure related to appropriation, transmission, distribution and storage of water. The system includes:

- > Ten different pressure zones
- > Nineteen groundwater wells
- Approximately three hundred and fifty seven miles of pipe
- Seven reservoirs
- Six booster stations
- Thirteen reducing stations

The plan addresses GMA considerations and health concerns. Management of the system includes:

- Water demand analysis
- > Supply analysis
- Conservation issues and efficiency
- Protection of ground water sources
- Treating and testing for water quality
- General operations and maintenance
- > Financial planning for long term stability
- Administrative customer service functions to water customers and billing operations

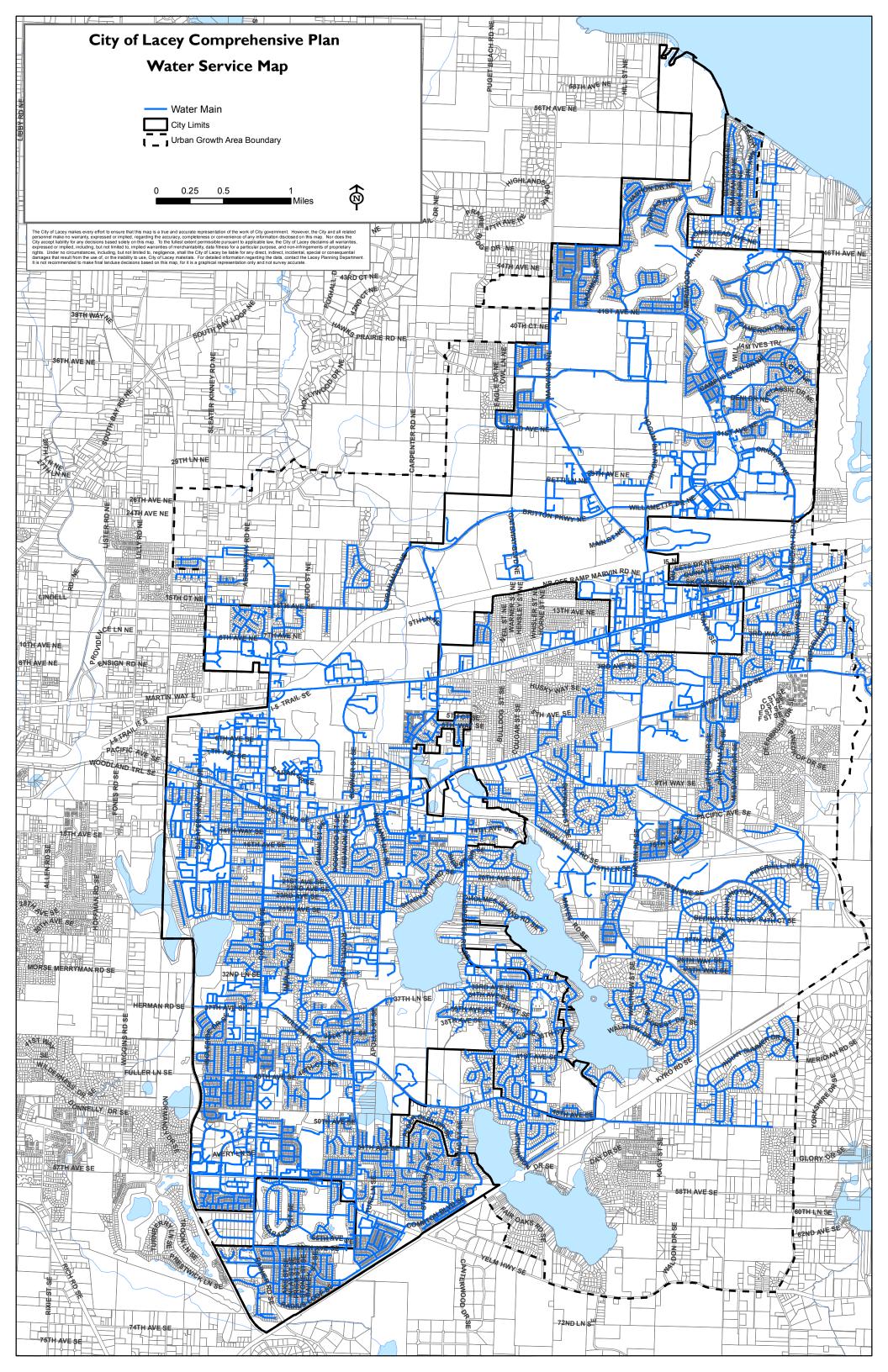
The Water Plan is updated every six years when the Plan evaluates the existing system and its ability to meet the anticipated requirements for water source, quality, transmission, storage, and distribution over a twenty-year planning period.

Water system improvement projects have been developed to meet the changing demands of regulatory impacts and population growth, as well as infrastructure repair and replacement. The Plan also identifies planning level costs of the improvement projects and provides a financial plan for funding the projects. See Lacey's Water Service map on adjacent page.

Wastewater Comprehensive Plan (Sewer Utility Element)

Like water coming out of the faucet, we may not always think about or appreciate the complex infrastructure and system of pipes, pump stations and sophisticated treatment facilities required to carry our wastewater away to be safely treated and recycled into the ecosystem. Like the water system, the Wastewater Plan is subject to both GMA and public health statutes.

Also, like the Water System Plan, wastewater treatment facilities can be a major catalyst to where growth occurs and needs to be coordinated with the Land Use Element. Also, like water, very limited extensions of the sewer utility are allowed beyond the limits of the Urban Growth Area. As such, it is very important wastewater treatment facilities are located and operated to support growth planned under GMA to support community objectives.



Lacey's Wastewater Plan is based upon forecasted population growth and the location and intensity of land use as identified in the Land Use Element. It is therefore consistent with Lacey's Land Use Element.

Lacey's wastewater utility consists of a collection of:

- > Sewer pipelines
- Pump stations to provide pressure necessary to move effluent
- > STEP (septic tank effluent pump) systems designed to bridge the gap between septic tank drain field systems and sewer

These systems collect and transport wastewater to LOTT (stands for *L*acey, *O*lympia, *T*umwater and *T*hurston County) treatment facilities. In addition to basic sewer infrastructure, Lacey recently began a reclaimed water utility. This water utility can be used for non-potable needs to reduce total water consumption. It therefore helps stretch our water resources as a conservation step and another water resource that can be applied to certain uses (such as irrigation for parks and water supplied to flush toilets).

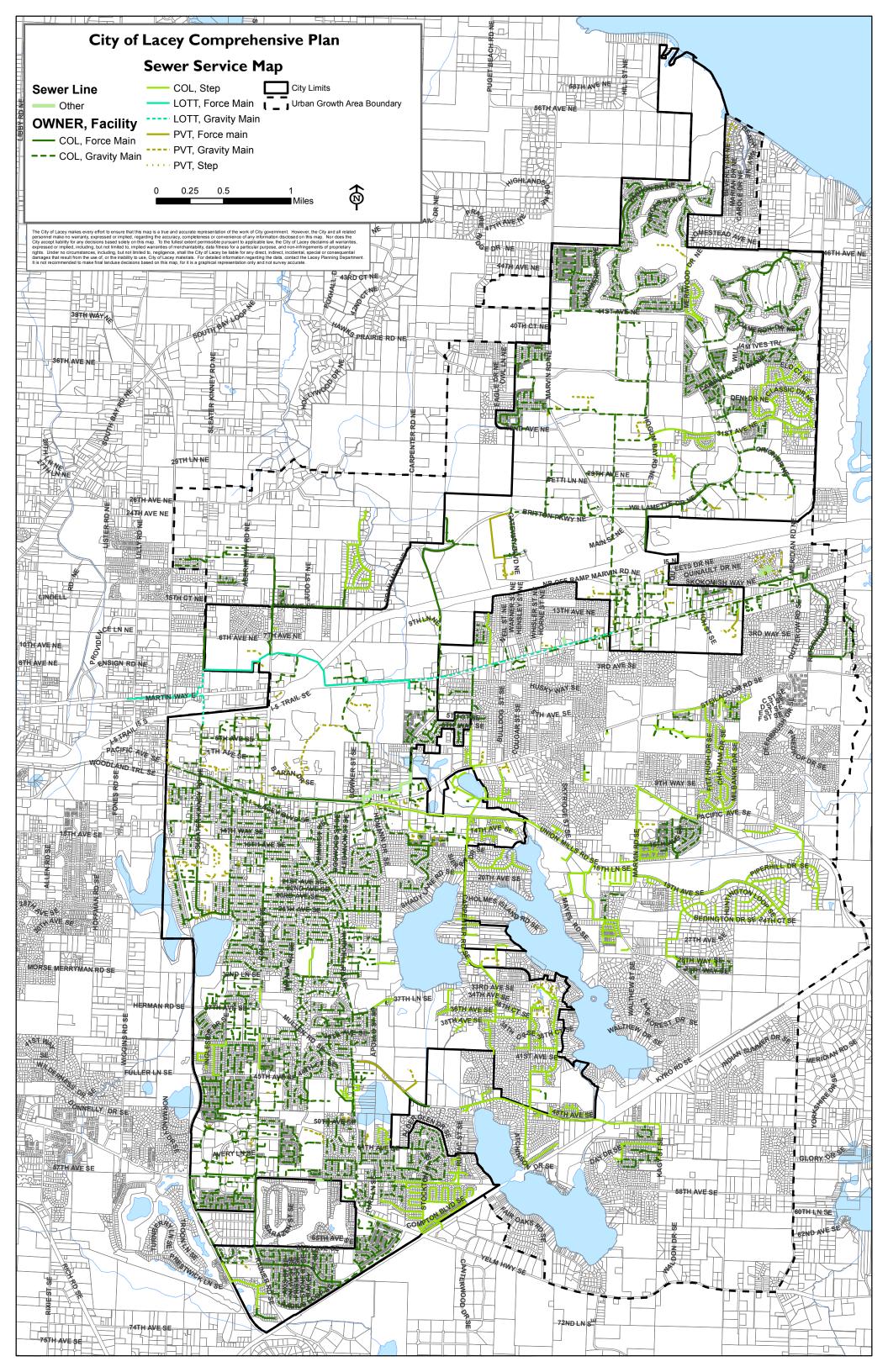
Sewer is a utility designed to enhance public health by providing a means of disposing of sewage effluent as opposed to septic tanks and drain fields that are a concern for ground water contamination of ground water resources. Large areas in the unincorporated UGA currently do not have sewer and rely on septic tank drain fields. See Lacey's Sewer Service map on adjacent page.

Stormwater Comprehensive Plan (Stormwater Utility Element)

Rainfall runoff was historically considered a nuisance, and runoff management consisted primarily of reducing the potential flood hazard. In recent decades, the focus has been expanded to include runoff water quality. Stormwater management has shifted toward mitigation of water pollution as stormwater became recognized as the leading cause of pollution in Washington's urban waterways, including Puget Sound. While the prevention of flooding and water pollution remains as primary goals, stormwater is now increasingly considered as a resource to be utilized. Currently, stormwater management is shifting away from the old approach of collecting runoff and piping it away to large ponds for disposal, and moving toward providing for pollutant removal and recycling of rainwater via infiltration in small facilities near where it falls. This way, stormwater is a water resource, replenishing groundwater while more closely preserving natural hydrology.

The Lacey Storm and Surface Water Utility has stayed on the leading edge of this trend. However, until recently, the utility has lacked the proactive guidance of a coordinated plan. In 2013, Lacey's first Stormwater Comprehensive Plan (SCP) was completed. This plan will guide the programs and activities of the Storm and Surface Water Utility, ensure compliance with regulatory mandates, and provide accountability to utility ratepayers.

The plan will serve as a long term planning tool for Lacey's Storm and Surface Water Utility. The utility operates and maintains an extensive stormwater collection and conveyance system, including dozens of water quality treatment facilities and infiltration systems. Among our many other activities, the City sweeps streets, responds to hazardous spills, provides outreach and educational



services related to water pollution prevention, and administers regulations to ensure that land development projects mitigate their potential flooding or water quality impacts.

The Stormwater Comprehensive Plan focuses on three primary elements: Stormwater Management Program, Capital Improvement Program (CIP) and a financial analysis for the Storm and Surface Water Utility.

Lacey's Stormwater Management Program (SWMP) encompasses virtually all of our activities and efforts related to rainfall runoff water, which are primarily dictated by the National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit. The permit, first issued in 2007, mandates compliance with increasingly rigorous requirements within specific program components including public education and outreach, public involvement and participation, illicit discharge detection and elimination, controlling runoff from construction and development sites, municipal operations & maintenance, stormwater monitoring, and annual reporting. To ensure Lacey's continued compliance with the permit, the Stormwater Comprehensive Plan summarizes policies and goals, identifies stormwater management program's gaps and needs, and provides recommendations for improvements.

By the end of 2016, the City's NPDES Phase II permit will require mandatory integration of low impact development (LID) techniques into City regulations and design standards. Implementation of these standards will not only be important for NPDES compliance, but will ensure that techniques are used to protect ground and surface water resources.

The objective of the City's SWMP is to meet the following three goals: protect and enhance surface and groundwater resources to provide beneficial uses to humans, aquatic life, and wildlife; manage the storm drainage system to protect public safety and minimize property damage caused by flooding and erosion; and provide adequate funding for the program through an equitable stormwater utility rate structure.

Capital Facilities Plan

Capital facilities planning is essential to consider financing improvements the Land Use Element has envisioned for the community. Without a means of financing capital improvements, implementation of the plan cannot happen. Lacey's Capital Facilities Plan (CFP) helps Lacey use its limited funds wisely and most efficiently to maximize funding opportunities. The CFP helps the City determine what capital needs priorities and financial opportunities exist to fund needed projects.

Lacey's CFP accomplishes the following objectives:

- > Provides adequate public facilities to serve existing and new development
- Reduces the cost of serving new development with public facilities
- Ensures that these facilities will be in place when development occurs

As required by GMA, the CFP contains the following elements:

An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities

- ➤ A forecast of the future needs for such capital facilities
- ► The proposed locations and capacities of expanded or new capital facilities
- ➤ A six-year plan that will finance such capital facilities within projected funding capacities with funding sources of public money for such purposes clearly identified
- ➤ A requirement to reassess the Land Use Element if probable funding falls short of meeting existing needs and to ensure that the Comprehensive Plan Elements, including the Capital Facilities Element, are coordinated and consistent

To cover coordination between the elements of Lacey's Comprehensive Plan, Lacey's CFP includes the following sections:

- General Government
- Parks
- > Transportation
- > Sewer
- Storm Drainage
- Water
- Reclaimed Water Utility

The CFP describes the improvements needed in each of these elements, identifies the cost, funding mechanisms, and timing. It is a six-year plan of capital projects that is updated on a regular basis. Lacey plans to dovetail Capital Facility Plan updates with the annual budgeting process so capital improvement and financing questions are considered every year when budgeting decisions are being made.

The GMA requires jurisdictions fully planning under the GMA to include a Capital Facilities Element in their Comprehensive Plan. The Capital Facilities Element is also required before a jurisdiction can impose GMA impact fees and before imposing certain taxes, such as the real estate excise tax, and to qualify for state funding for capital facilities.

Economic Development Element

The Economic Development Element (Element) is focused on ensuring community prosperity and a healthy economy: an economy that is characterized by quality job creation and retention, and the resources to provide adequate services.

The Element sets forth goals and policies to build on the community's strengths and opportunities, while mitigating its weaknesses, and potential threats. The goals focus on business retention and expansion: encouraging entrepreneurs to start businesses in Lacey, existing businesses to stay and grow, as well as targeted attraction of new businesses to Lacey. The Element's policies, as well as the implementation measures in the Economic Development Strategy, lay out plans to ensure that Lacey continues to foster an environment where businesses can thrive; where services are ready when needed; and where processes are clear, predictable, fast, and efficient.

Lacey is a community of 80,230 residents. Of that, 46,020 live within the city limits, with the rest residing in the Urban Growth Area (UGA.) Given Lacey's proximity to the State Capital and Joint

Base Lewis-McChord (JBLM), it is not surprising that government is the number one industry cluster. Approximately 5,200 Lacey residents work in the public sector, which comprises 30% of the workforce in Lacey. The other major clusters are: retail trade 17%; accommodation & food service 11%; and healthcare, finance & insurance, and information technology at 5% each. Manufacturing, which has a high economic impact, represents just 2%, which is below the 3% in Thurston County and well below the 10% rate for the State.

Looking ahead, by 2035 it is estimated that the Lacey community will have a population of 107,720. Of that, 53,090 will be within the city limits, with the remainder—more than half—in the UGA. Demographically, Lacey, along with the rest of the nation, will grow a little older, and more ethnically diverse. Education attainment will likely remain as a strength. Education achievement may actually improve as legislative actions in response to court cases, and voter initiatives to better fund public schools and reduce class sizes, are implemented. Given Lacey's significant growth in both land area and population over the last twenty years, the continuing growth that the City will experience over the next twenty years will begin to be characterized by more redevelopment of existing, under utilized sites, and less new development of greenfield sites.

Nearly 40% of the new jobs forecast to be created in Lacey in the next twenty years are concentrated in three sectors that are often lower paying, and that offer few fringe benefits to employees. These include Personal and Repair Services, Food Service and Accommodations, and Retail Trade. Manufacturing jobs, which typically have the highest economic impact, are forecast to grow by only 90 positions by 2035. As a result, a focus of the Economic Development Element is on job recruitment for employers that provide living wages so that Lacey residents can work in the community where they live.

Continued rapid population growth in the Seattle area, and the continuing rapid rise in the cost of living, and enhanced regulations, may create opportunities beyond just normal job growth for Lacey. As available land in the central Puget Sound area becomes scarcer, more expensive, more difficult to assemble into large parcels, and more expensive to develop, opportunities may come to Lacey to increase the percentage of high-economic-impact manufacturing jobs. This would bring the percentage more in line with the rest of the State. These opportunities may be enhanced if the practice of "re-shoring" manufacturing jobs that had once been moved overseas continues to increase. Re-shoring can occur due to transportation costs, or concerns businesses have abroad with political or economic instability, protecting intellectual property, increased labor costs, or increased regulation.

Lacey's collaborative approach to economic development, characterized by a culture of collaboration and partnership with citizens, property owners, developers, and entrepreneurs to minimize obstacles to their success, has been referred to as "the Lacey way." Effective collaboration between the economic development partners, which is so much a part of the culture of the area, is envisioned to continue and may be enhanced further if a Comprehensive Economic Development Strategy (CEDS) is developed to better define roles, responsibilities, and protocols. This effective collaboration between partners has been a hallmark of success and is further reinforced through the Economic Development Element to ensure establishment of new businesses while fostering business retention and expansion.