

II. PROFILE

A. Historical Context

The early history of Lacey is similar in many ways to that of many undeveloped areas in Thurston County, with early dependence on a resource based economy such as farming and logging. Later, development of commerce and industry occurred, particularly after World War II.

The area now known as Lacey was first settled in 1848 by David and Elizabeth Chambers. Their donation land claim is now located in the modern-day retirement community of Panorama. Isaac Wood settled soon after in 1852, in what is Old Lacey Historic area, and later established a brewery in Olympia. In 1889, a logger named Isaac C. Ellis built a large racetrack and stables on 100 acres of land just west of what is now Homann Drive.¹ The Northern Pacific Railroad, which had agreed to lay tracks into the area when the racetrack was finished, completed the tracks and a station in 1891.² The Woodland Station, as it was named, was soon joined by a building originally built as a clubhouse that became the Woodland Hotel. These structures served the many visitors to the racetrack.

Citizens in the area petitioned for a post office.³ The name of Woodland could not be approved for the post office, as there was already a town named Woodland less than a hundred miles away. It is believed that O.C. Lacey, a local attorney may have suggested his own name for the post office. In 1903, the name of the railroad station was also changed to Lacey.

Farming and logging were the primary occupations in the community. The first mill at Long Lake was established in 1896. Later, the original Union Mill was erected on the northern tip of Long Lake. St. Martin's College, run by the order of the Benedictine Monks, opened its doors the same year.

The first school in Woodland (now Lacey) was built circa 1886 at the northwest corner of Carpenter Road and Pacific Avenue in a 14 x 20 foot building which held six to ten students. Since Woodland was primarily a farming area, the children had to be available to help with harvesting and attended school for only six months out of the year.

In 1892, David Fleetwood sold to the directors of School District #10 an acre of land across Carpenter Road from the original schoolhouse. A new slightly larger school was built on that acre. Like the first building, it had only one room. In 1901, an addition was added to accommodate the growing number of students. By 1912, the school's capacity was not large



¹ Deed Book #19, page 334

² *Morning Olympian*, May 22, 1891

³ Documents in National Archives, copies at the Lacey Museum

enough so the old building was torn down and a white one-room structure was built. Designed by Jack Griffin, it opened in the spring of 1928 and served as the Lacey School until 1967, when it became the administrative offices of the North Thurston School District. Until 1994, it stood at the corner of Carpenter and Pacific Avenue.

Until World War II, the primary residential neighborhood of Lacey consisted of a small concentration of homes north of Pacific Avenue and west of Carpenter Road, currently known as the Lacey Historic Neighborhood. Individual residences were scattered throughout the rest of the community. After World War II, Lacey experienced a housing boom.

A major contributing factor to this growth was the community's proximity to Olympia and Fort Lewis, as well as a decline in jobs associated with natural resource based industries. The installation of the private Huntamer Water System, with its low water rates, and the availability of low cost land requiring little or no excavation and clearing, made Lacey a prime area for development. New industries were becoming attracted to the area, starting in 1950 with Lacey Plywood and Continental Can. By 1961, Lacey had its own Chamber of Commerce and in 1963, Panorama City was constructed on 50 acres. Other developments followed rapidly, including the opening of Lacey Village Shopping Center in 1966. By this time, Lacey had grown so tremendously that Pacific Northwest Bell Telephone Company installed a Lacey exchange.

By the mid 1960's, the pressures of urbanization became so great that a change in status of the Lacey area became inevitable. Problems associated with transportation, sewage disposal, utility service, police protection, and other urbanization issues made it clear that only a city could provide the services necessary to fill the needs of the Lacey area. Annexation by the city of Olympia and incorporation as the city of Lacey were seen as the only two viable alternatives in being able to provide these services.

Incorporation efforts of the Lacey area provided much debate and substantial turf issues were involved concerning the loss of a significant portion of the local fire district and the possible absorption or overlapping of the North Thurston School District with the Olympia School District. The local fire district and the local school district played a significant role in determining the direction of the community. In association with the Lacey Chamber, both entities shared the primary responsibility for influencing the community to vote for incorporation.

Review of the growth and development taking place in the Lacey area during the 1950's and 1960's paints a textbook picture of the development of a suburban community. Along with this development came the growing pains that can be expected of young communities experiencing rapid urbanization. Community residents became aware that problems associated with urbanization were arising, but residing in the unincorporated county made addressing these problems more difficult.

During this same time period, it became increasingly evident that the status of Lacey would change. While the sentiment in the Lacey community was primarily anti-city, it became a common belief that there were only two choices for Lacey's future: incorporate or be annexed by Olympia. Robert Cummings described the threat of annexation of the Lacey area to Olympia stating: "Lacey boosters...were catapulted into action sooner than they had expected by a new annexation move...

Non-residents with substantial holdings in Lacey were circulating annexation petitions which would take the heart out of Lacey Market Square, the new rapidly expanding South Sound Shopping Center and most of Lacey's industry."⁴ In another article a few days later, Cummings reinforced the inevitability of incorporation or annexation, stating "...the proponents of incorporation say there is no middle ground...unless Lacey incorporates, annexation into the city of Olympia is inevitable...The truth of this argument was indicated on October 7, when a group organized and adopted the name "Lacey Citizens for the Greater Olympia Area"...this group's avowed purpose is to seek annexation if incorporation fails...The arguments attain the highest temperatures over which is the better choice, incorporation or annexation."⁵



The effort for incorporation of the city of Lacey had two powerful allies in the Fire District and the School District, but the alliance would not have been complete without the support of the Lacey business community. Forming a public/private alliance, the Lacey Chamber of Commerce supported the effort, thus becoming a third powerful ally.

The birth of the city of Lacey was due in part to intergovernmental challenges and turf struggles and the first two decades of its existence were a reflection of these relationships. Many had hoped



that intergovernmental relationships would strengthen and the city of Lacey and the city of Olympia would work out their differences over time. The first couple of years were particularly trying as the young jurisdiction was immediately met with an annexation by Olympia of a significant portion of business along Martin Way and residential property to the west. Lacey was unsuccessful in stopping the annexation and Olympia still holds a long narrow finger of high revenue commercial property that extends into the heart of the Lacey business community.

Lacey was born and shaped as much by the intergovernmental forces and politics of the time as it was by necessity due to the tide of urbanization and accompanying growth pains. Without the role played by the local Fire District, the North Thurston School District, or the support of the private sector via the Lacey Chamber, the city of Lacey might never have come to be.

4 Cummings, October 12, 1966

5 Cummings, October 14, 1966

B. Current Land Use Patterns

As discussed in the previous section, Lacey has a heritage as a suburban community. Land use patterns in the city of Lacey reflect this land use form with a series of arterials that pass through the heart of Lacey's downtown and extend through the length of the existing incorporated limits and Lacey's Urban Growth Area (UGA). Since the 1950's, people have moved to the Lacey area and generally commuted to work, primarily to either the Olympia area or Joint Base Lewis-McChord (JBLM). The construction of the interstate highway system in the 1950's and 1960's helped contribute to the ability to commute to other areas more efficiently. This resulted in a dispersed land use typical of suburban communities throughout the country, which have developed at somewhat lower urban densities - below four units per net acre, which is dependent upon the automobile as its primary mode of transportation.

The Lacey UGA has followed a leap frog development pattern along the major arterials, radiating out from the Olympia urban core. Lacey began developing in what is now identified as the Central Planning Area, with commercial development in the Woodland District and Central Business District area. Commercial development spread along the major arterials of Martin Way and Pacific Avenue. In the 50's and 60's, residential development spread south of Lacey Blvd. and over the next two decades began to move south along Ruddell and College in the same pattern.



In the mid 1990's development was guided by the first Comprehensive Plan, adopted in 1994, completed under the framework of the Growth Management Act (GMA) which designated an urban growth boundary for the City. The GMA requires that the County designate urban growth areas through a collaborative process with the City. The UGA includes the incorporated area of the City, and also includes unincorporated areas adjacent to the City that are large enough to accommodate the forecasted twenty-year population growth of the City. The urban growth boundary is a site-specific line separating an area where urban development densities and a full range of urban services are to be provided.

In 1995, a revised zoning code was adopted implementing the Plan for the Lacey incorporated area. The zoning code, with a few changes to address County issues, was adopted by the County in 1996. This code applied to Lacey's unincorporated growth area. These documents and the urban growth boundary paved the way for development of a number of new subdivisions meeting GMA goals. Subdivisions in the City generally began to be developed with smaller lots, higher densities, design review components, and narrower streets.

A prominent feature in Lacey's development pattern has been the number of lakes and associated wetlands in the urban area that include Chambers Lake, Lake Lois, Hicks Lake, Long Lake, Southwick Lake, and Pattison Lake. Woodland Creek also runs through the city of Lacey watershed area to the Sound. At the far east end of Lacey's growth area is the Nisqually Valley and the north boundary of the urban growth area is Puget Sound. Overall, most of the Lacey area is predominantly flat, adding to the desirability of development.

Railroads also helped to define Lacey's character and growth. The construction of the Northern Pacific Railroad was completed in our area in 1891. The right-of-way ran through the center of Lacey

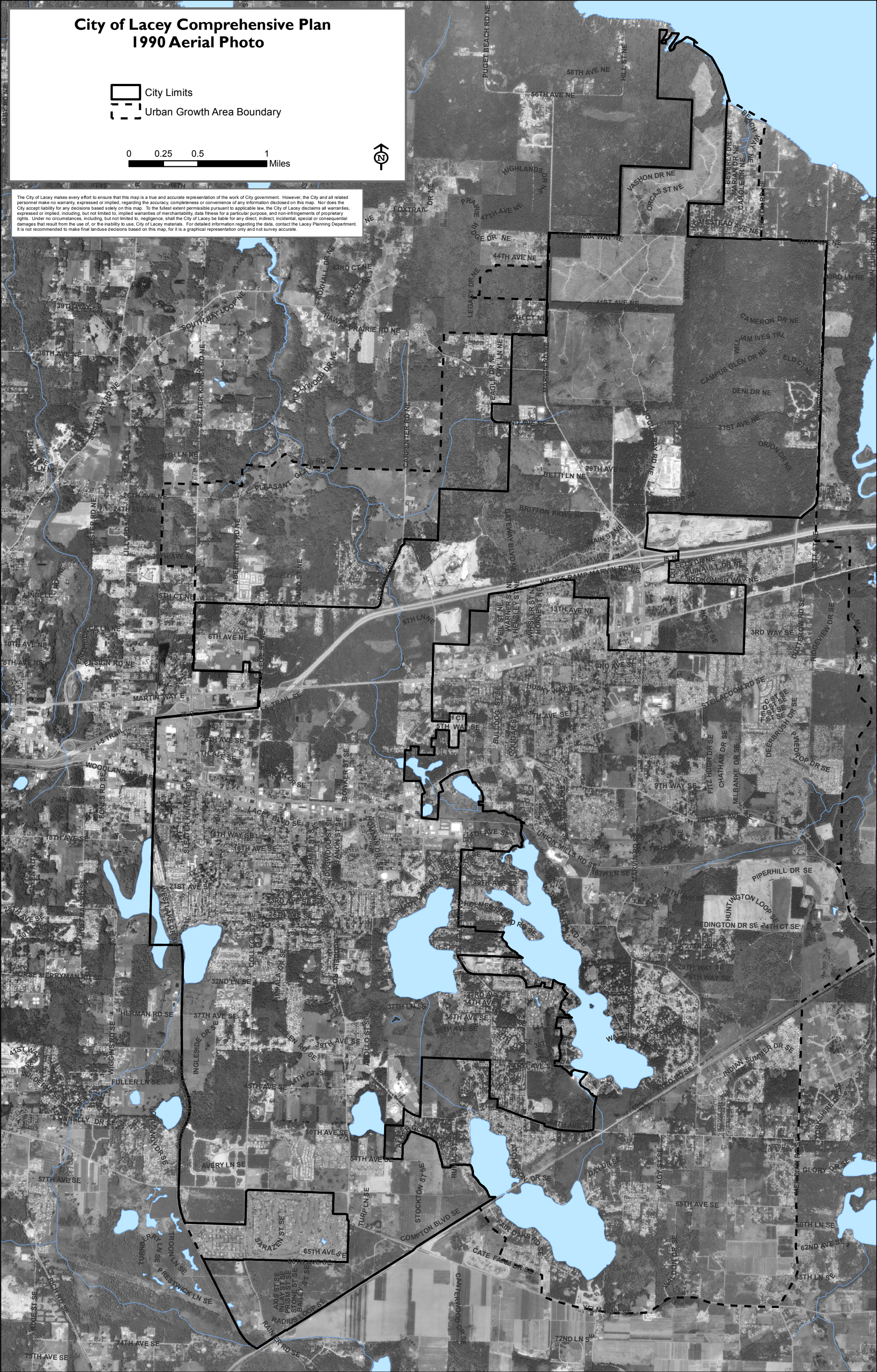
City of Lacey Comprehensive Plan
1990 Aerial Photo

 City Limits
 Urban Growth Area Boundary

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Miles



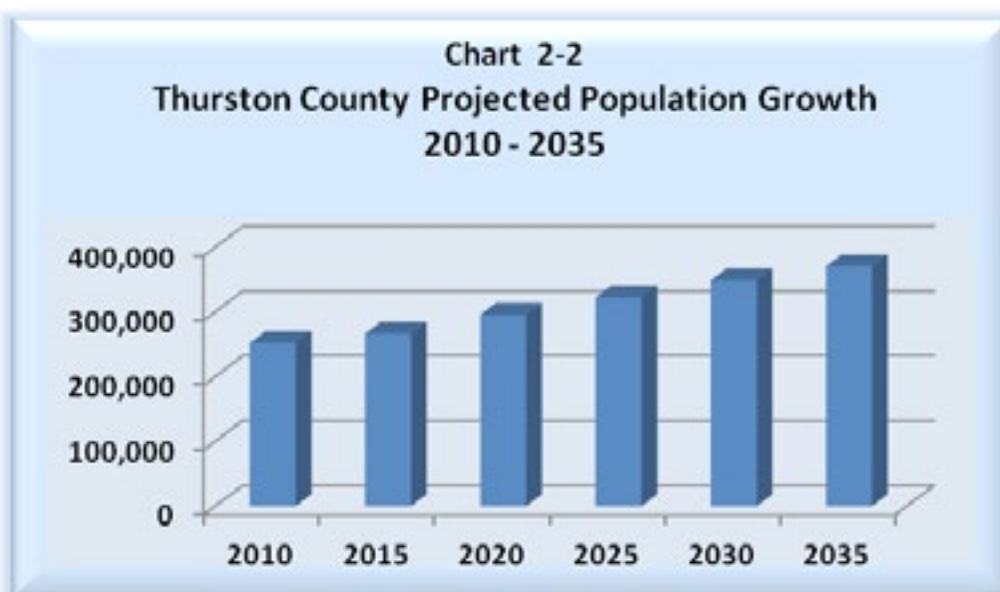
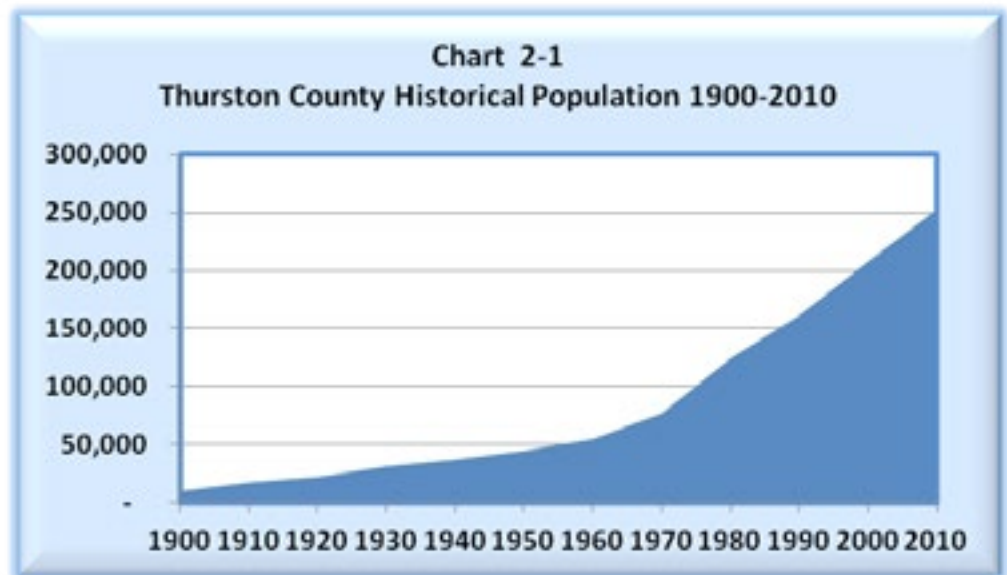
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and Lacey's UGA from east to west and along its southern boundaries northeast to southwest. In 1915, Pacific Avenue was constructed to parallel the railroad tracks. A 2.2 mile stretch of railroad right-of-way through the center of Lacey was purchased by the City and is now the Lacey Woodland trail. The historic Chehalis Western Railroad operated until the mid 1980's. The right-of-way ran north to south, along the western boundary of the City. In the 1990's the former rail line was converted to the Chehalis Western Trail, a regional trail system.

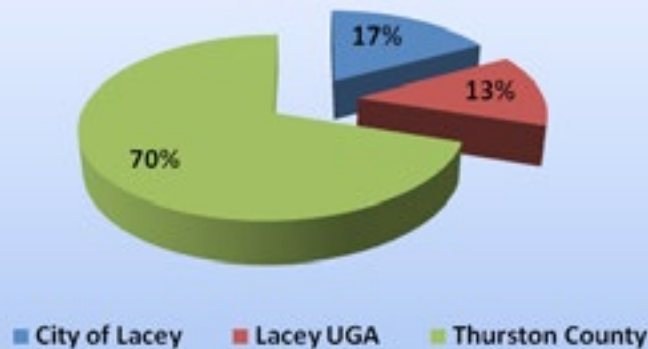
C. Population Projections and Vacant Land Studies

Historical information shows that since 1900, Thurston County's population growth has steadily increased with more dramatic increases starting in the 1960's. Between 1960 and 1970 the average annual growth rate was 4 percent; and by the 1980's, it had reached 6.2 percent. The population continued to grow in the 1990's and 2000's at a relatively steady pace with annual growth rates of 2.9 percent and 2.2 percent respectively (See Chart 2-1).



According to the Washington State Office of Financial Management, this rapid growth is forecasted to continue. Estimates show a growth of population from 252,564 to 370,600 by the year 2035 for Thurston County (See Chart 2-2).

Chart 2-3
2012 Population Allocation Between Lacey, Lacey UGA,
and the Rest of Thurston County



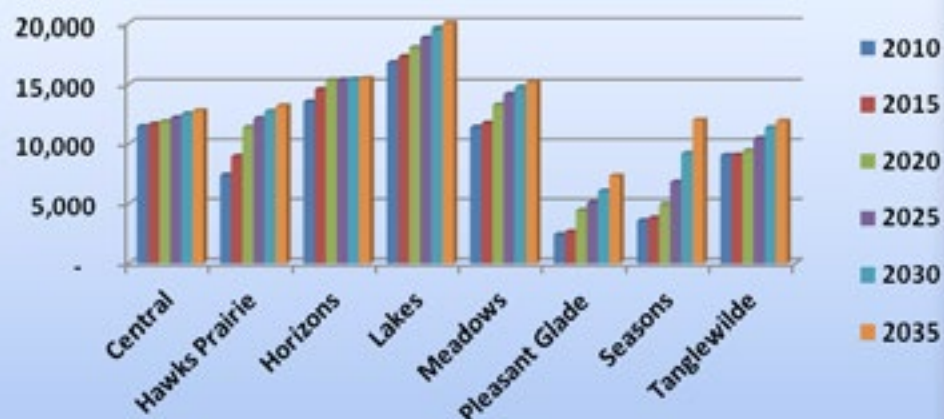
Data indicates that historically the population of the city of Lacey has been around 11 percent of the total Thurston County population. According to 2012 population allocation data, Lacey's percentage of the County population has grown to 17 percent of the overall population. Lacey and its Urban Growth Area account

for approximately 30 percent of the population in Thurston County (See Chart 2-3). The percentage of population allocation for Lacey and the UGA are anticipated to remain constant for the twenty-year planning period.

To allocate future population, the City utilized reports prepared by the Thurston Regional Planning Council (TRPC). TRPC's analysis reviewed vacant land resources both in and out of the Urban Growth Area. Findings in the *2014 Buildable Lands Report for Thurston County* were used to chart potential growth areas over the next twenty-year planning period to allocate population increases for each area in five-year increments. The report was also used to determine whether the current adopted growth boundaries have adequate vacant land resources to accommodate anticipated growth over the next twenty-year period.

TRPC prepared an estimate of population growth for each UGA of the County. In addition, TRPC broke population estimates down by Lacey's individual planning areas. These planning areas are based loosely on transportation analysis zones, which derive information from census blocks. The City's

Chart 2-4
Planning Area Population Projections 2010 - 2035



UGA is divided into eight planning areas and population projections have been applied to each of these areas. A profile of these planning areas relating to growth estimates is shown in Chart 2-4. Under this scenario, Lacey and its UGA are expected to grow from the 2015 population of 80,230 to a total of 107,720 by the year 2035. Residents in the city of Lacey would account for 53,090 people while the population in the growth area is anticipated to contain 54,630 people. These projections reflect an average annual growth rate of 1.72 percent (See Chart 2-5).



As can be seen in the comparison of planning area growth rates, the most significant growth is anticipated for Seasons, Meadows, Hawks Prairie, and Horizons planning areas. These areas have the most vacant buildable lands and potential for development given past housing trends. Pleasant Glade has ample available land resources, but development limitations such as wetlands, the Woodland Creek corridor, and the unavailability of sewer may require rethinking of much of the area's suitability for inclusion in the UGA. The Woodland and Central Business Districts have potential to accommodate significant growth through employment, redevelopment, and high density multifamily development forms. However, considering vacant land, infilling the Central Planning area may take more time based on market conditions favoring single-family residential development.

Based upon the availability of vacant land, only a small amount of growth was allocated to the Central Planning Area in TRPC's *Population and Employment Forecast* update (2012). Generally, growth was allocated to areas outside the City and within Lacey's UGA that hold the majority of Lacey's buildable land resources. This results in a different land use form and distribution than the alternative that would focus density into the urban core and along urban corridors in a compact, mixed-use development form. The allocations were developed to reflect expected outcomes and to reflect existing zoning and market conditions, as opposed to preferred outcomes or the vision that will be identified in the Plan.

The forecast for population allocation includes a number of considerations. Some of the most important factors include market forces, historical trends, and zoning designations on buildable

land. Buildable land resources in Lacey's UGA are primarily zoned in two zoning districts, the Low Density 0-4 and Low Density 3-6. Areas are also included in the McAllister Springs Geologically Sensitive Area (MGSA) zoning classification. These zoning classifications were designed for a suburban market by providing exclusively for single-family, detached homes on individual lots. Other housing forms are prohibited in these Low Density zoning designations. See Property Development Status map on adjacent page.

In the last decade, over 75 percent of the growth in dwelling units was in the single-family detached form. This demonstrated a strong market demand for single-family detached housing in Lacey and the competitiveness of Lacey's buildable land resources and zoning classifications to support this development.

Given market demands and expected availability of water service to all of Lacey's buildable land resources within the UGA, and the fact that the current zoning classifications in the UGA support a suburban development form, the trend for development of single-family detached homes in a suburban development pattern would be expected to continue. Currently, there are several subdivision applications for the Lacey UGA that have been submitted to the county to vest plat applications under lower-density residential zoning.

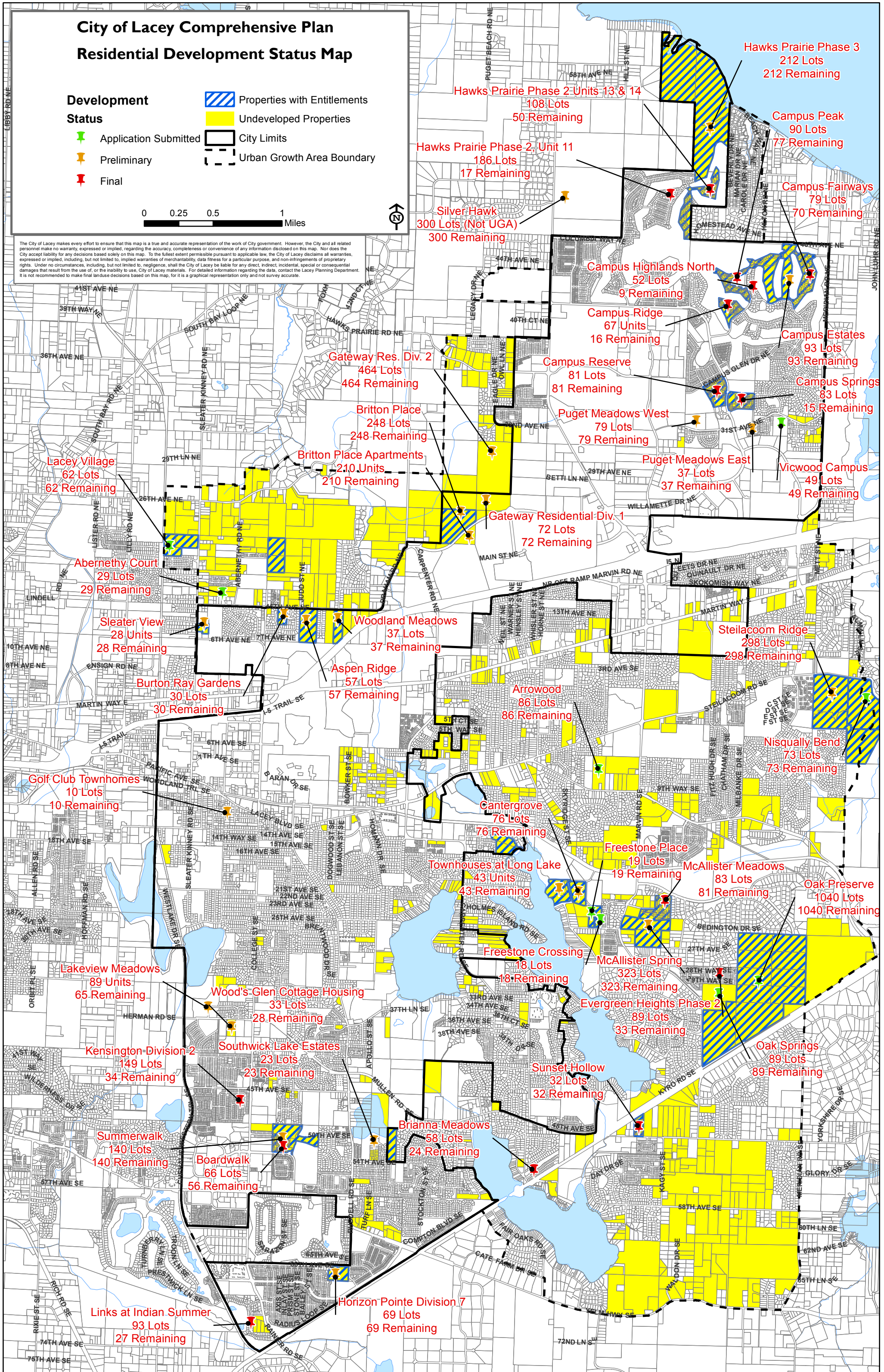
Population allocation within the UGA, but outside its urban core and mixed-use corridors, has been supported in the allocation forecast given the minimal success of previous efforts to stimulate growth of compact, mixed-use development in these areas. From the time of its adoption in 1994, the Comprehensive Plan provided goals and policies to support urban density and mixed use in the core and along the Martin Way Urban Corridor. However, market forces, supported by residential zoning designations that require segregated use in a single-family land use pattern and the availability of relatively non-encumbered vacant land, continued to expand Lacey's suburban form.

Although gross and net residential densities within the City and the UGA increased after the passage of the GMA and zoning was changed throughout the urban area, recent data shows reversing trends. Gross density is expected to decrease in the planning period due to projects being developed on lands that contain large amounts of critical areas considerations.

Overall, growth accommodated within the City and the UGA has satisfied the general goal of keeping new development in the UGA. To this extent, local GMA strategies have achieved a measure of success. However, development within the City and UGA has continued to be developed in a suburban fashion. Despite past efforts, benefits of development in an urban form that will conserve buildable land resources, support urban services, and provide a full range of housing choices and transportation options have yet to be realized.

Lacey's Central Business Districts, Woodland District, Lacey Gateway and the Martin Way Urban Corridor are thought to have significant development potential if the market and zoning strategies support the preferred alternative land use form. If Lacey is to achieve an urban form and move away from suburban style development, new strategies will be required. To provide additional emphasis on achieving a more sustainable development form, the Plan will bring new strategies to influence market development choices, including incentives that will target particular areas for preferred growth.

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The Tanglewilde/Thompson Place area is also largely built out, with only limited area for growth. The Lakes area includes environmentally sensitive areas, which is expected to limit potential for density. However, the Lakes Planning Area is also the largest planning area, and one of the more desirable areas considering its lake amenities, which could contribute to significant population increases.

Overall, the amount of vacant land resources identified within the UGA boundaries supports the earlier assumptions made in 1988, and again in 1994, 2003, and 2007, that the boundaries can accommodate growth for the next twenty-year period. Subsequent studies discussed below further support this finding.

It also needs to be noted that if efforts to stimulate development in Lacey's core and the urban corridors are successful, population allocations developed in TRPC's 2012 *Population and Employment Forecast* update will need to be adjusted to account for more development in these areas. This would require review of population modeling assumptions made in the Transportation Element and Lacey's Utility Element, as these elements have been developed to provide services based upon the 2007 *Population and Employment Forecast*, which is fairly consistent with the 2012 update.

D. Land Use

Critical information required for preparation of a land use element includes existing land use and economic data. It is important to know how much property is currently devoted to various types of land uses and where such land uses are located.

The majority of Lacey's commercial land use is located in the Central area, with a large Community Commercial District in the Horizons Planning Area at the corner of College St. and Yelm Highway. There are presently two undeveloped Community Commercial zones in the Hawks Prairie Planning Area at Marvin and Hawks Prairie Roads and on Willamette Drive. There is a large General Commercial zone in the Tanglewilde/Thompson Place and Meadows Planning areas at the Martin Way and Marvin Road interchange. More recently, a significant amount of property has been designated and master planned for commercial development in the Hawks Prairie Planning Area in the Hawks Prairie Business District.

In order to identify existing land uses and future land use needs, the City is utilizing TRPC's 2012 *Population and Employment Forecast* and the 2014 *Buildable Lands Report*. Information from those updates are being used to provide a profile of the City and UGA so land use assumptions can be made regarding future land use needs and resources.

To ascertain the forecasted need for different land use types, a jurisdiction should aim for comparable percentages of land to what is currently utilized, unless significant shifts in the commercial and industrial bases are anticipated. Based upon this expectation, the vacant land available should be allocated to maintain existing percentages while also providing an adequate inventory of commercial and industrial land to support economic development goals.

E. Vacant Land Resources and Sizing of the Urban Growth Area

While the UGA has adequate vacant land resources to accommodate anticipated growth for the next twenty-year period, existing incorporated land, when considered alone, does not. Given the GMA's emphasis on guiding urban development to urban growth areas, an important issue is to determine whether the existing incorporated area can accommodate expected growth and if it can't, how much bigger does the urban growth area boundary need to be? To properly review this issue, a discussion of purpose and intent for establishment of the growth boundary, as well as the background for development of the UGA in north Thurston County, is required.

The proposed urban growth areas were established in 1988. The Urban Growth Management Subcommittee of the Thurston Regional Planning Council drew the boundaries based primarily on what areas were already urbanized, considering developed and vested development sites; current and proposed zoning and land use designations; and the regional sewer phasing plan.

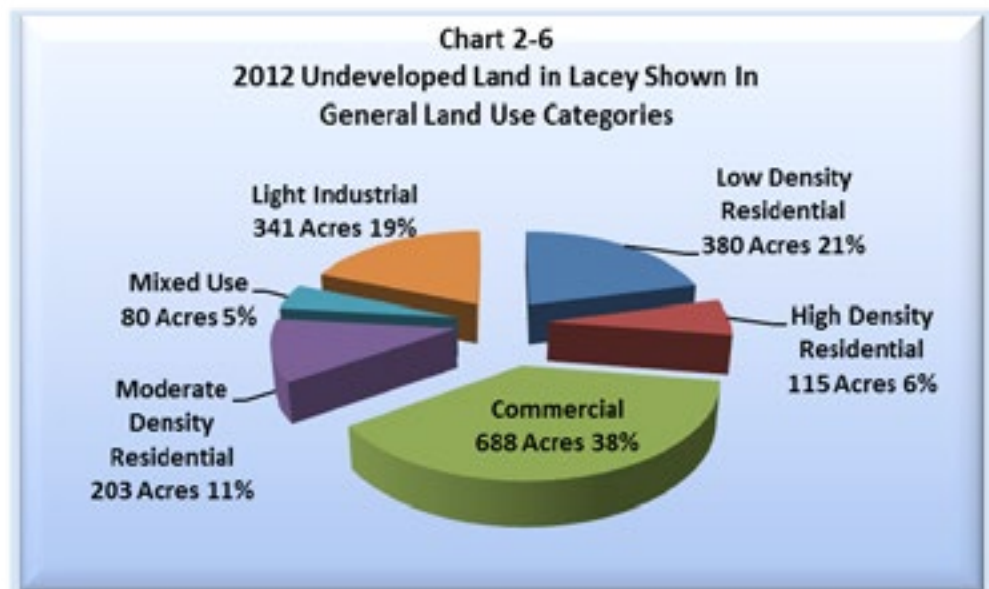
The primary emphasis in establishing the growth boundaries was to protect rural resource lands from sprawling development, in particular, those areas with agricultural or forest land resources. In drafting the urban growth area boundaries, agricultural and forest areas were protected.

The other major emphasis in drafting the UGA was to consider those properties already developed out to urban densities that were on septic tank and drain field and those areas that had vested projects expected to develop that were going to be on septic tank and drain field. This was of particular concern as the Lacey area is very sensitive considering aquifer protection and is considered at high risk for contamination of groundwater resources that provide 100% of the area's potable water.

If urbanized areas or vested projects are within the UGA, those areas can be serviced with sewer, eliminating a primary cause of potential groundwater contamination. If they are outside the UGA, they will likely not be provided with sewer. An example of this is the McAllister Park development in the Seasons Planning Area which was vested through court action for development of several hundred units on septic tank and drain field. If the UGA was drafted to exclude this development, it could have legally been allowed to develop and build out at full densities on septic tank and drain field. It was to the County and City's benefit to provide sewer to this development to ensure that these units were connected to sewer. This issue was particularly significant since McAllister Park is adjacent to the McAllister Springs Geologically Sensitive Area (MGSA).

After the initial establishment of the growth boundaries, a vacant land study was conducted by TRPC, with assistance by the City, to better identify vacant land resources in the UGA. Subsequent follow up studies were undertaken by Lacey with Thurston County staff. Graphic results of these vacant land studies were shown in the land use map provided in the 1994 Comprehensive Plan. This map also showed the current city limits for graphic representation of vacant lands within the City and the County growth area.

The most recent *Population and Employment Forecast* refines information provided in these earlier studies and identifies properties inside and outside the City proposed to be designated for residential, as well as other land uses. This report shows that approximately 115 vacant acres in the City were designated for High Density Residential, 203 acres for Moderate Density Residential, and 380 acres for Low Density Residential. Chart 2-6 shows the percentage of buildable acres in Lacey in general land use categories.



Conversely, Chart 2-7 shows the percentage of developable and undevelopable acres in general land use categories. In the UGA, there are an additional 90 acres of buildable land in High Density, 182 in Moderate Density, 1,116 in Low Density, and 589 acres in the MGSA.

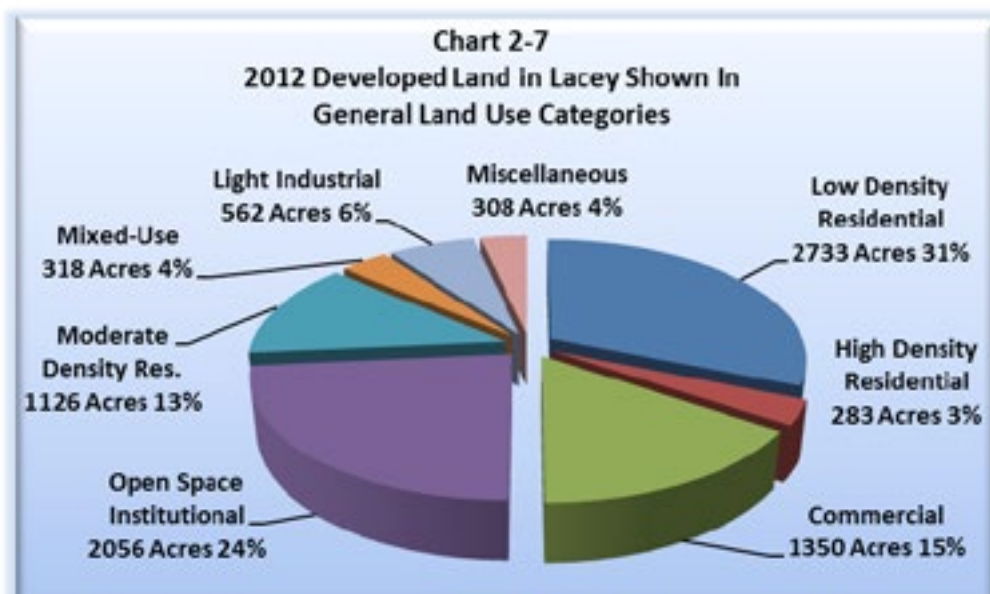


Chart 2-8 displays all of the developed land in specific land use categories and the percentage of total buildable land reserves still available.

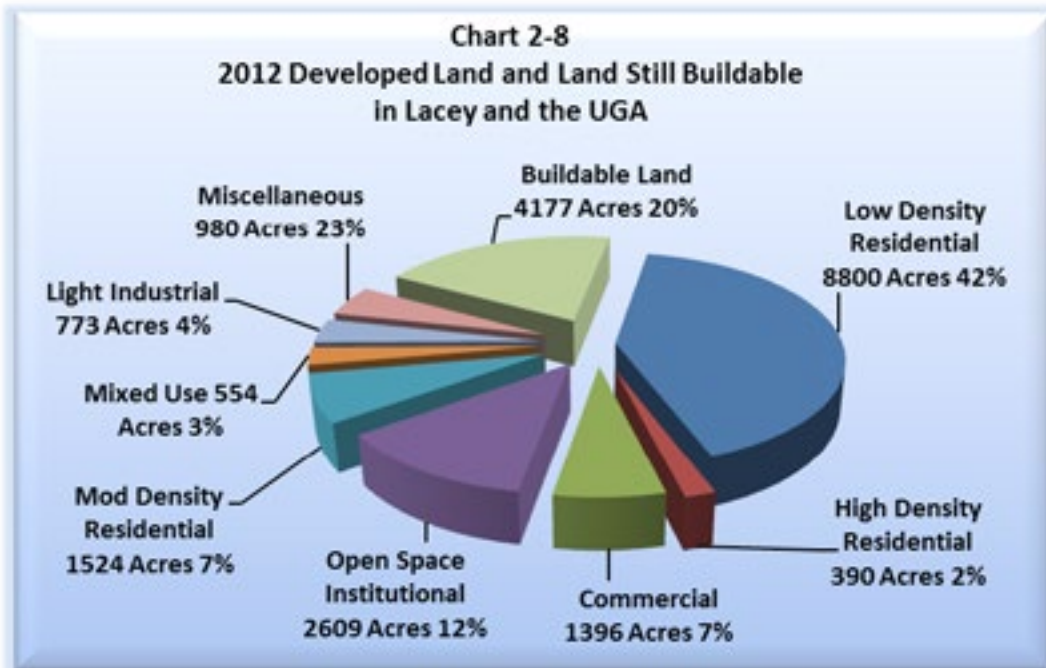


Table 2-1 shows the number of developed and buildable acres in Lacey by zoning district.

Table 2-1			
Developed and Buildable Land Resources in the City of Lacey			
Data From the 2012 Thurston Regional Planning Council Land Supply Analysis			
	Developed & Undevelopable	Buildable	Total Acres
Business Park	103	134	237
Cemetery	37	-	37
Central Business District	694	102	795
Community Commercial District	75	45	120
General Commercial	218	54	273
Hawks Prairie Business District	210	331	541
High Density Residential	283	115	398
Lacey Historic Neighborhood	70	19	89
Lake	271	-	271
Light Industrial/Commercial	40	2	42
Light Industry	522	339	860
Low Density Residential (LD 0-4)	2,092	319	2,411
Low Density Residential (LD 3-6)	571	42	612
Mineral Extraction	33	-	33
Mixed Use High Density Corridor	61	15	76
Mixed Use Moderate Density Corridor	8	22	30
Moderate Density Residential	1,126	203	1,329
Neighborhood Commercial	14	22	36
Office Commercial	3	-	3
Open Space Institutional	1,442	-	1,442
Open Space Institutional/Park	243	-	243
Open Space Institutional/School	371	-	371
Village (Urban) Center	5	36	41
Woodland District	244	7	251

Table 2-2 shows developed and buildable land resources in both Lacey and the UGA by zoning district.

Table 2-2			
Developed and Buildable Land Resources in Lacey and the Lacey UGA			
Data From the 2012 Thurston Regional Planning Council Land Supply Analysis			
	Developed & Undevelopable	Buildable	Total Acres
Agriculture	63	156	219
Business Park	103	134	237
Cemetery	37	-	37
Central Business District	701	102	802
Community Commercial District	75	45	120
General Commercial	218	54	273
Hawks Prairie Business District	216	331	547
High Density Residential	390	205	595
Lacey Historic Neighborhood	70	19	89
Lake	880	-	880
Light Industrial/Commercial	67	73	140
Light Industry	706	362	1,068
Low Density Residential (LD 0-4)	6,033	795	6,828
Low Density Residential (LD 3-6)	1,670	682	2,352
McAllister Geologically Sensitive Area	1,027	589	1,616
Mineral Extraction	51	-	51
Mixed Use High Density Corridor	215	76	292
Mixed Use Moderate Density Corridor	47	44	90
Moderate Density Residential	1,524	385	1,909
Neighborhood Commercial	29	43	72
Office Commercial	3	-	3
Open Space Institutional	1,615	-	1,615
Open Space Institutional/Park	451	-	451
Open Space Institutional/School	371	-	371
Open Space School	172	-	172
Village (Urban) Center	48	75	123
Woodland District	244	7	251

Population forecasts completed by TRPC in 2012 provided new numbers for local cities to use in determining growth needs and existing capacity of land resources. Review of these numbers has identified some possible concerns with available capacity given trends of the 2007 market and issues related to limitations of some UGA land resources that are expected to reduce its capacity. Capacity of buildable land resources to meet forecast demands of population is probable, but not certain. To consider capacity, the City weighed several growth scenarios.

Recent population figures forecast an increase of 27,490 persons in the next twenty-year planning period within the City limits and unincorporated Urban Growth Area. Based upon this population projection, Lacey and the UGA would have the need to provide for 12,220 additional housing units

by the year 2035. If development were to occur at the current lowest density options permitted in the code, Lacey would be short of capacity by several thousand units. However, as density increases under options provided within Lacey's zoning code, capacity increases significantly.

Recent data suggests strong demographic shifts that show a growing need for varied housing types and smaller housing. These demographic shifts are guided by the aging baby boomer generation and the millennials. The millennial generation is most commonly defined as people born between the 1980's to the early 2000's. In 2013, 14.1 % of the population in Thurston County was 65 years of age and older. By 2035, this number is expected to rise to 20%. The growing elderly population is increasing the number of households with one or two people. The millennial generation is continuing to finish their education and enter the work force. This generation is increasingly delaying marriage, having children, and home ownership. An increasing number are also delaying obtaining a driver's license and are seeking housing choices in walkable urban areas with easy access to jobs, education, goods and services, and recreational opportunities. Given existing demographic trends, land reserves are expected to be sufficient. If changes are made to the existing code to increase land conservation through strategies such as higher minimum density for certain zones, varied housing types, and more successful incentives to achieve compact development, capacity increases significantly to accommodate growth well into the next twenty-year growth period.

In evaluating land use and zoning options, it would be wise to think beyond the minimum twenty-year planning period GMA requires. Wise management of land resources could increase Lacey's available land resources significantly, helping to realize the goal to be a more sustainable community.

Lacey accommodated significant growth in the last planning period. Of all the local jurisdictions, Lacey's code was designed to be market friendly by providing options for density and housing choice. The intent of the Plan was to accommodate the needs of the market. In addition, by including a range of innovative and progressive techniques for increasing density for single-family detached development, Lacey provided new and less expensive ways of developing this form of housing.

The 1994 Plan and implementing legislation met objectives for single-family detached development in the last planning period and demonstrated a market resilient code. This strategy met the needs of the previous planning period. However, new goals and objectives need to be developed for conservation and use of land resources and long term sustainability. In addition to providing opportunities and being resilient to market conditions, Lacey needs to ensure development regulations are meeting the current vision, goals, intent, and best practices outlined in the Plan.

It is projected that 60,000 new jobs will be created in Thurston County during the twenty-year planning period. Approximately 95 percent of these jobs will be located in urban areas; with 72 percent of these expected to locate in areas zoned for commercial uses (including mixed-use zoning districts). Eight percent of new jobs are expected in areas zoned for industrial uses, with the remaining 20 percent located in areas zoned for residential uses.

Employment forecasts prepared by TRPC indicate that by the end of the planning period, 18,180 new jobs will be added to the city of Lacey and its Urban Growth Area current job total of 28,940. In 2010, the jobs per capita rate for Lacey was 0.56 compared to Olympia's rate of 1.10 and Tumwater's rate of 1.22. Job projections indicate that the anticipated jobs per capita rate for Lacey will increase to 0.71 by 2035 but will still be below the rates of our neighboring urban cities. Thurston County, as a whole, has more people commuting out of the county to work than into the county. This trend results in a net outbound commute factor. A major factor for this trend is Joint Base Lewis-McChord. JBLM is now the second largest employer in the state, with Boeing being the largest. Thurston County has 5,250 resident active duty military personnel living in the county, with the highest percentage residing in Lacey.

Forecasting the future need for industrial and commercial land is complex. An adequate land supply requires a full range of options to choose from including unimproved land, availability of infrastructure, and existing and vacant buildings. Commercial and industrial land supply is identified by comparing existing land use and zoning. Vacant or partially-used lands in commercial and industrial zones and a portion of land in mixed-use zones are included in the estimate of the land supply for industrial and commercial development. Redevelopable land is a small but growing part of the developable land base. Redevelopment occurs when old or outdated buildings are removed and replaced with new ones or when excess parking areas are removed to allow for additional buildings.

The 2014 *Buildable Lands Report* identified the minimum number of commercial and industrial land needs for the planning period based on dividing employee growth by the average number of employees per acre. It is projected that Lacey and its UGA will need 316 acres of commercial or mixed-use land and 206 acres of industrial lands. Currently, the planning area contains 752 acres of vacant or partially-used commercial or mixed-use zoned land and 253 acres available for redevelopment. The current industrial-zoned land supply that is vacant or partially-used is 436 acres with 76 acres of land available for redevelopment. The available commercial, mixed-use, and industrial land supply exceeds the projected need based on current trends. A planned robust effort to focus on economic development and job growth could warrant the need for additional land.

The Plan is intended to identify ways to utilize available buildable lands to the community's best advantage. This will require strategic location of density, land uses, and employment opportunities. As Lacey moves forward, it is the intent to conserve available land resources; provide for economic and job growth; consider which zones can accommodate changes to meet the stated goals and policies in the Plan, and define changes that can be made to facilitate a more compact, mixed-use form given the context of existing land use within our community.