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**JBLM McChord Field**

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# North Clear Zone

SOUTH SOUND MILITARY & COMMUNITIES PARTNERSHIP

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## ACTION & IMPLEMENTATION PLAN

Final  
May 11, 2017

**EXECUTIVE  
LEADERSHIP TEAM**

City of Lacey  
City of Lakewood  
Joint Base Lewis-McChord  
Pierce County

**STEERING COMMITTEE**

City of DuPont  
City of Tacoma  
City of University Place  
City of Yelm  
Thurston County  
Nisqually Tribe  
Washington State  
Military Department

**WORKING GROUP CHAIRS**

Clover Park School District  
Pierce Transit  
Puget Sound Energy  
South Puget Sound  
Community College  
Tacoma-Pierce County  
Health Department  
Tacoma-Pierce County  
Chamber of Commerce  
Thurston Regional  
Planning Council  
United Way-Pierce County  
Washington State  
Department of Transportation

**SSMCP.org**

6000 Main Street SW  
Lakewood WA 98499

**MISSION**

To foster effective communication, understanding, and mutual benefit by serving as the most effective point of coordination for resolution of those issues which transcend the specific interests of the military and civilian communities of the South Sound region.

**VISION**

The SSMCP is an innovative and flexible partnership uniquely positioned to provide regional leadership to bridge military and civilian communities.

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# INTRODUCTION



Figure 1  
**McChord Field North Clear Zone**





## NORTH CLEAR ZONE PROJECT OVERVIEW

During 2016 and 2017, the South Sound Military and Communities Partnership (SSMCP) developed a plan of action to bring the McChord Field North Clear Zone (NCZ) into compliance with federal guidelines for public and air safety.

The NCZ, as shown in Figure 1 (above), is a federally-designated 3,000-by-3,000-foot safety area adjacent to the north end of the McChord Field runway. It is partly within Joint Base Lewis-McChord (JBLM) and partly within the City of Lakewood. The part in Lakewood includes many light industrial business uses on privately-held properties. Based on federal guidelines, these uses pose public and flight safety risks and are incompatible with runway operations. Some of these uses are currently allowed under Lakewood's zoning code, and some are nonconforming uses. The businesses are valued community members and contribute to Lakewood's economy.

SSMCP recently completed the JBLM Joint Land Use Study (JLUS). The JLUS was a collaborative process designed to create a collective regional dialogue around the sometimes complex issues of balancing military operational demands and mission changes with the region's and local communities' land use plans, economic development and infrastructure needs, and goals for environmental sustainability. The JLUS was completed in 2015. One of the highest priority recommendations to come out of the JLUS was to develop a strategy and plan for addressing land use incompatibilities in the NCZ.





## NCZ ACTION & IMPLEMENTATION PLAN

This document contains the NCZ Action and Implementation Plan (AIP). The AIP sets forth a phased strategy consisting of six actions and corresponding implementation steps designed to be carried out in a specific sequence in order to achieve the desired end state and acceptable interim outcomes, while balancing benefits and costs among project stakeholders.

## AIP PLANNING PROCESS

Development of the AIP began in summer 2016 and was completed in spring 2017. An important first step was notifying property and business owners in the NCZ of the project, as well as the larger community, and giving them an opportunity to provide initial feedback. Project communications occurred throughout AIP development and included mailings, press releases, establishment and maintenance of a project webpage, an open house and one-on-one meetings with property and business owners, as well as meetings and briefings with staff and decision makers from the SSMCP, City of Lakewood, Pierce County, Tacoma Pierce County Chamber, Puget Sound Regional Council, Washington Military Alliance, State Legislature, Federal Legislature, JBLM, DoD Headquarters and Forterra. Appendix II includes a record of community and stakeholder engagement activities.

Another key early effort was working with stakeholders to develop project objectives, a desired long-term end state for the NCZ, and acceptable interim outcomes for the short- and mid-term. These are listed below and guided development of the AIP.

### Project Objectives

- » Ensure public and air safety
- » Bring use of the NCZ into FAA and DoD regulatory compliance
- » Preserve JBLM “Mission Assurance”
- » Implement the 2015 JBLM Joint Land Use Study
- » Maintain full airfield operational capacity and capability

### AIP Partners

*The following partners are responsible for taking actions to implement the AIP.*

- » State of Washington
- » Pierce County
- » City of Lakewood
- » Joint Base Lewis McChord
- » Department of Defense
- » South Sound Military & Communities Partnership

### Desired End State

The desired end state for the NCZ is compliance with Federal Aviation Administration (FAA) and Department of Defense (DoD) safety guidelines for Clear Zones. Based on these guidelines, there should be minimal or no human presence and no structures other than air navigation aids in the NCZ. Additionally, it is desired that the entire NCZ be actively managed as prairie habitat in the long term, consistent with federal guidelines for safety and for endangered species. It is anticipated that the desired end state will be achieved in the long term (10–20+ years) and that a number of intermediate actions will be taken towards it in the interim.

Achieving the desired end state will take time, coordination among partner agencies, identification of potential funding sources, successful award of grants or funds, completion of non-purchase actions and patience to implement. In the short- and mid-terms, the SSMCP and its partners seek to achieve the following phased, interim outcomes.

### Short-term Interim Outcomes (0–5 years)

*These outcomes apply to all three phases of the AIP, unless otherwise noted.*

- » A combination of strategies is used to work towards the desired end state
- » McChord Field remains capable of accommodating all military aircraft
- » Clear communications about the timing and implications of planned NCZ actions
- » Risks with the greatest potential to harm public and air safety are minimized
- » Property purchases from willing sellers proceed in accordance with NCZ strategy priorities
- » Support for local businesses in the NCZ, including informational assistance and financial assistance in relocating to nearby properties in the Lakewood area



- » Project stakeholders' concerns and interests are addressed within known resource constraints
- » The state of the NCZ is compatible with future military operations and training
- » Habitat restoration and preservation is pursued as a tool to enable environmental productivity while supporting the desired end state

#### Mid-term Interim Outcomes (5–10 years)

- » Demonstration of continued progress towards the desired end state
- » Ongoing partnerships and funding commitments at the local, state and federal levels
- » Reduction in operational risks to JBLM mission; no loss in mission readiness

#### Long-term Outcomes (10–20 years)

- » Use of eminent domain if needed to achieve desired end state (not preferred)

Following establishment of the desired end state and acceptable outcomes, the project team developed a recommended strategy for the NCZ. This effort included reviewing best practices from around the nation, identifying a wide range of potential tools to increase compatibility with federal safety guidelines, evaluating five different strategy options, and developing phased priorities for voluntary property acquisition and business relocation. See Appendix III, the NCZ Strategy Analysis Memo, for a record of this effort.

In the winter and early spring of 2017, the recommended strategy was presented to decision makers at the SSMCP, City of Lakewood, Pierce County and JBLM, as well as property and business owners in the NCZ and representatives from the state and federal legislature, Washington State Governor's Office, Washington Military Alliance, DoD, Forterra, and other project partners. Feedback on the recommended strategy was generally very positive. The recommended strategy has been carried forward in the AIP with some modifications to incorporate stakeholder input, and has been further developed and refined.





# OVERVIEW OF ACTION & IMPLEMENTATION PLAN

The AIP sets forth a phased strategy consisting of six actions and corresponding implementation steps designed to be carried out in a specific sequence in order to achieve the desired end state and acceptable interim outcomes, while balancing benefits and costs among project stakeholders. Figure 2 on the following page provides a graphic overview of the AIP timeline.

## PHASING

Implementation is planned to take place in the following three phases:

**Phase 1:** Short-term (0–5 years)

**Phase 2:** Mid-term (5–10 years)

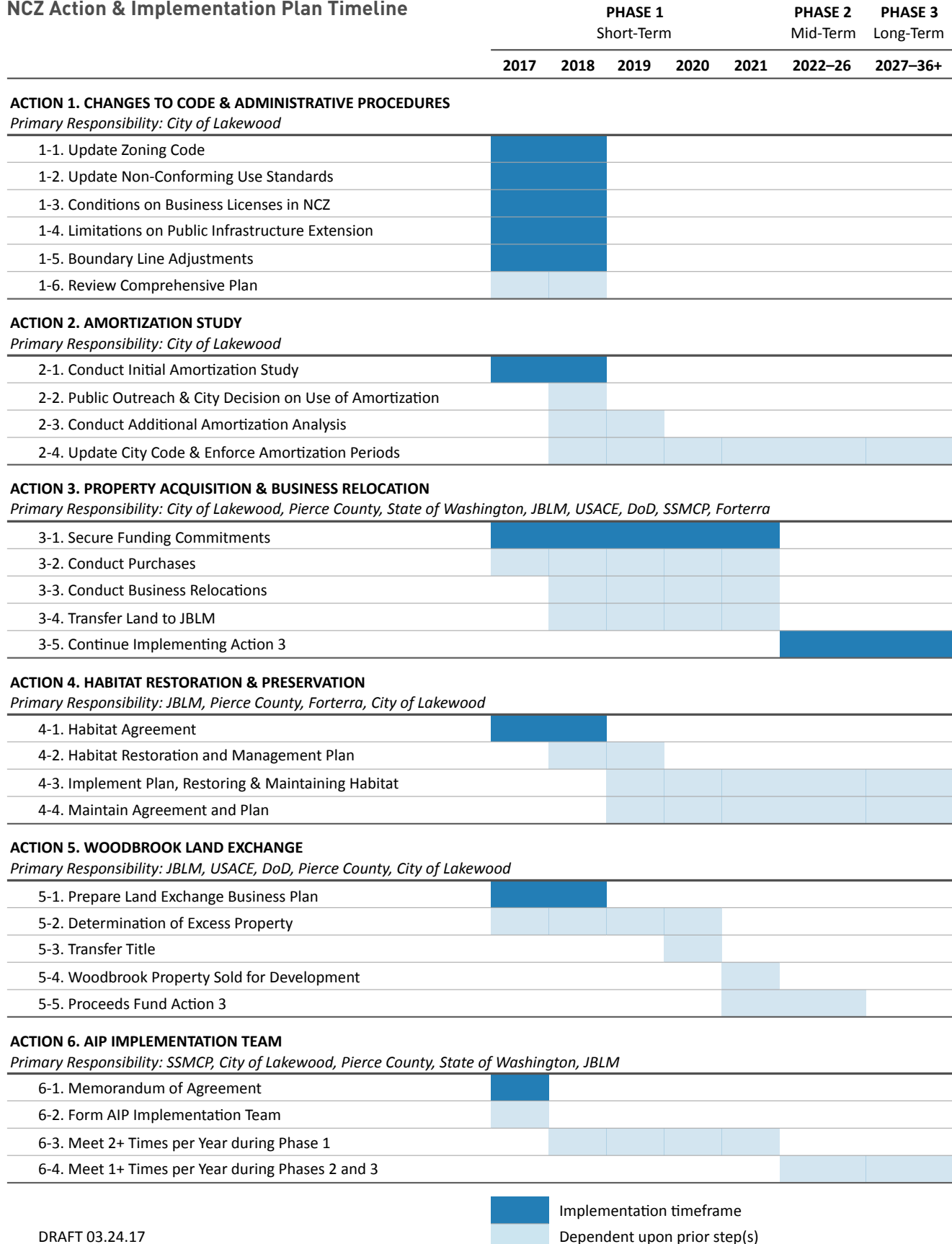
**Phase 3:** Long-term (10–20 years)

## ACTIONS

The six actions in the AIP are listed as follows. Implementation of all six actions is planned to begin in Phase 1. Actions 1 and 2 are planned to be completed in Phase 1. Actions 3, 4 and 6 are planned to continue into the long-term. Action 5 is expected to be completed in the mid-term. Implementation steps for each action are described in Section II of the AIP

- 1. Changes to City of Lakewood Code and Administrative Processes** (Phase 1): The City of Lakewood makes changes to its municipal code and administrative processes to increase consistency of zoning regulations with federal safety guidelines, tighten nonconforming use standards, place conditions on businesses licenses to enforce employee density standards, place limitations on public infrastructure expansion, and make boundary line adjustments. As part of this work, the City reviews its Comprehensive Plan to ensure the changes to code and processes are consistent.
- 2. Amortization Study** (Phase 1): The City of Lakewood conducts a study to evaluate whether adopting an amortization program is needed to support the eventual transition of nonconforming uses to conforming uses in the NCZ, given changes to zoning and nonconforming use regulations made by the City under Action 1. If so, the study further explores the feasibility of adopting an amortization program for the NCZ and the appropriate methodology to determine sufficient amortization periods. Depending on the study outcomes, the City may adopt an amortization program to phase out nonconforming uses over the long-term.
- 3. Voluntary Property Acquisition and Business Relocation** (Phases 1–3): SSMCP partners including the City of Lakewood, Pierce County, State of Washington, JBLM, DoD and Forterra work to

Figure 2

**NCZ Action & Implementation Plan Timeline**

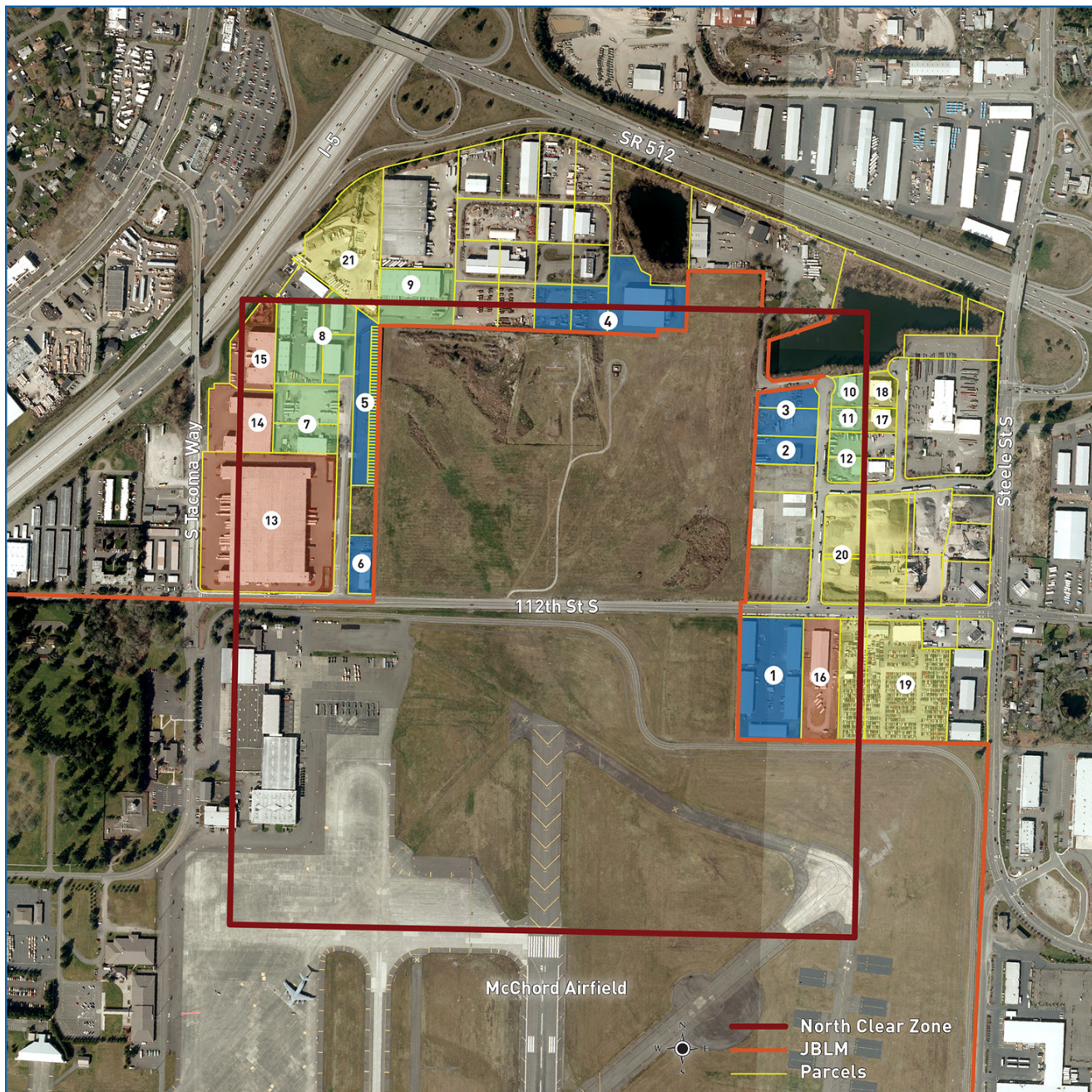
obtain funding from a variety of sources for voluntary purchase of properties and relocation of businesses currently located in the NCZ, based on phased purchase priorities (see Figure 3). The property acquisition cost estimates in Figure 3 include consideration of business relocation costs and closing costs. See Appendix IV for the individual property valuation estimates prepared by Montro & Johnston Appraisals on behalf of SSMCP in 2016, as well as comparative valuations. Appendix V contains the business relocation and closing cost estimates.

4. **Habitat Restoration and Preservation** (Phases 1–3): SSMCP partners including the City of Lakewood, Pierce County, JBLM and Forterra enter into an agreement to form and manage the entire NCZ as a prairie habitat area for the streaked horned lark, a listed threatened species compatible with McChord Field operations.
5. **Woodbrook Land Exchange** (Phases 1–2): JBLM works with Pierce County and the City of Lakewood to complete a land exchange that raises funds for voluntary property acquisition and could also provide a potential future home for light industrial businesses currently located in the NCZ.
6. **AIP Implementation Team** (Phases 1–3): Following completion of the AIP, leaders at the SSMCP, City of Lakewood, Pierce County, State of Washington and JBLM sign a Memorandum of Agreement to work together to carry out the AIP. SSMCP then forms an AIP Implementation Team to coordinate execution of the AIP actions and implementation steps.





Figure 3  
Phased Property Purchase Priorities & Cost Estimates



#### PRELIMINARY PROPERTY PURCHASE PRIORITIES

**PHASE 1.....\$ 16.1 M**  
Near-term..... 0–5 years

1. Windmill Warehouse Park
2. Sherman Brothers
3. Puget Paving Yard
4. Tactical Taylor
5. Storage Condos
6. Mercedes Auto & Image Auto

**PHASE 2.....\$ 12.3 M**  
Mid-term..... 5–10 years

7. CDS Truck School
8. Evergreen Industrial Block
9. Golden Moving
10. Puget Paving
11. NW Cascade & Granite
12. Dirk's Truck Repair

**PHASE 3.....\$ 31.6 M**  
Long-term..... 10–20 years

13. Lakewood Corporate A
14. Lakewood Corporate B
15. Lakewood Corporate C
16. Carrig & Dancer

**Remaining Properties.....\$ 20.1 M**

- |                  |                      |                         |
|------------------|----------------------|-------------------------|
| 17. NW Propeller | 19. Pick-n-Pull Yard | 21. Miles Asphalt Plant |
| 18. FS Solutions | 20. Tucci & Sons     |                         |





## ACTIONS & IMPLEMENTATION STEPS

## ACTION 1

# CHANGES TO LAKEWOOD CITY CODE AND PROCESSES

### SUMMARY

Action 1 includes several components: updating the City of Lakewood's zoning code to increase consistency with federal safety guidelines (LMC 18A.30.730), tightening nonconforming use standards (LMC 18A.02.800), placing conditions on business licenses in the NCZ to enforce employee density standards, placing limitations on public infrastructure extensions, boundary line adjustments, and review and updates to the Comprehensive Plan to ensure consistency with the aforementioned changes, such as amending the Comprehensive Plan Map and amending text in the plan regarding non-conforming use policies. The City will complete the Action 1 implementation steps through amendments to the City Code and to the Comprehensive Plan, and through adoption of administrative policies and processes. The City anticipates conducting this work in 2018.

### CONSIDERATIONS

Action 1 implementation steps are interrelated and are also closely aligned with those in Actions 2–4. The extent to which the City modifies allowable uses in the NCZ will affect the extent to which the City may wish to revise its nonconforming use standards, and will also inform the amortization study conducted under Action 2. In addition, Actions 1–4 will have a set of interrelated impacts on the use and value of property in the NCZ, which will require special attention to ensure property rights are protected consistent with Washington State and federal law. For example, revisions to the City Code must be reasonable and lawful in terms of their overall impact on property use and value. Given the complexity and interrelated nature of Actions 1–4, the City Attorney will be closely involved in completion of these tasks.

### ACTION 1 DETAILS

#### IMPLEMENTATION PHASE

Phase 1

#### RESPONSIBLE PARTIES

**Primary:** City of Lakewood and City Attorney

**Secondary:** JBLM and other interested parties (review and comment)

#### ANTICIPATED FUNDING

City of Lakewood

#### ANTICIPATED COSTS

Staff time to implement





## PHASE 1 IMPLEMENTATION STEPS

1. **Update Zoning Code to Increase Consistency with Federal Safety Guidelines** Review the list of allowed land uses in the City's Clear Zone (CZ) zoning district and compare them with federal safety guidelines. Determine which allowed land uses are most compatible (e.g. uses involving the least number of people and above-ground structures) and which are least compatible, as well as the economic value the uses provide for property owners. Consider any additional land uses that may be appropriate for the NCZ and are not currently permitted. Based on this evaluation, update the list of allowed land uses in the CZ zoning district to increase consistency with federal safety guidelines, working with the City Attorney to ensure that property rights are protected as required under state and federal law.
2. **Update Nonconforming Use Standards** Review and strengthen nonconforming use standards within the requirements of applicable land use laws. This could include adopting stricter standards for nonconforming uses and structures that would discourage most replacements, nonessential improvements and maintenance, and expansions inconsistent with allowed land uses in the CZ zone. It could also include adopting provisions for loss of nonconforming use status after a cessation of use. It is well-settled in Washington that local governments may adopt reasonable abandonment or discontinuance periods for incompatible, nonconforming land uses. Following loss of nonconforming use status, properties would be transitioned to conforming land uses consistent with current land use regulations.

Consider the interrelationships between updates to nonconforming use standards and other implementation actions. The reasonableness of non-conforming use standards will be affected by updates to the allowed uses in the CZ zoning district that make currently allowable uses incompatible in the future. Also, if a determination is made not to pursue amortization of nonconforming uses in the NCZ (see Action 2), the City may place greater emphasis on increasing compatibility in the NCZ through nonconforming use standards.

3. **Conditions on Business Licenses in NCZ** Make administrative policy changes to more effectively enforce the employee density restrictions in the CZ zoning district, through issuance of Conditional Business Licenses (authorized by City Code Section 5.02.150) to any new business established in the NCZ. Since business licenses must be renewed annually, consider a requirement for an annual City inspection to ensure consistency with the business license condition(s). The City Code currently limits the number of people per acre for uses in the CZ zoning district (§ 18A.30.730). These limits may be further tightened as part of the zoning code update.

- 4. Limitations on Public Infrastructure Extension** Consider adopting a resolution and updating the Capital Improvement Program to limit maintenance and expansion of City-provided infrastructure in the NCZ to the minimum necessary to protect public health and safety or that is otherwise required by law, and encourage other infrastructure providers to do the same. Public infrastructure includes roads and utilities such as water, sewer and electric. Limiting expansion of public infrastructure in the NCZ would help to discourage incompatible development in the NCZ and would also allow the City to invest limited resources in areas planned for future growth.
- 5. Boundary Line Adjustments** Consider making boundary line adjustments to the parcels that intersect the NCZ, creating separate parcels along the NCZ boundary. The purpose of this action would be to increase the applicability of CZ zoning district regulations to lands within the NCZ.
- 6. Review City of Lakewood Comprehensive Plan** Review the Comprehensive Plan to ensure the changes to city codes and processes outlined in Action 1 are consistent, making revisions to the Comprehensive Plan as part of the City's annual amendment process. Anticipated changes include updates to the Comprehensive Plan Map and to text in the plan regarding non-conforming use policies.



# ACTION 2

## AMORTIZATION STUDY

### SUMMARY

Depending on the changes to zoning and nonconforming use regulations made by the City under Action 1, there may be a need for additional tools to support the transition of nonconforming uses to conforming uses in the NCZ over the long-term. Under Action 2, the City will conduct an initial study exploring whether adopting an amortization program for the NCZ is needed to support the desired end state, if it would be feasible to do so, and if so what methodologies would be appropriate to use to determine amortization periods. If the City chooses to move forward with an amortization program for the NCZ, additional amortization studies could be required, and the City Code would be updated to implement the amortization program. If the City significantly restricts the allowed uses in the CZ zoning district or adopts abandonment/discontinuance provisions under Action 1, adopting an amortization program for the NCZ may not be needed.

Zoning amortization programs require the eventual conversion, by the property owner, of nonconforming uses to conforming uses according to an adopted timeline. In the context of the NCZ, the City of Lakewood would establish a fixed timeframe, or timeframes, after which any uses inconsistent with current or future NCZ zoning would be prohibited. The objective with amortization is to give property owners sufficient time to recover certain capital costs and investments through the continued operation of the property as a nonconforming use. Amortization periods vary but may advance the termination of nonconforming uses sooner than standard abandonment/discontinuance provisions otherwise would. They depend on the time needed to recoup legally-protected returns on the use of property and should be informed by the input of legal counsel, land use economists, and accountants, based on area-specific data on land uses and investments.

### CONSIDERATIONS

An amortization program may be useful if it provides a way for nonconforming land uses in the CZ zoning district to be converted to conforming uses sooner than under the City's nonconforming use standards. If the City makes changes to its nonconforming use standards as part of Action 1 that have the potential to support the transition of nonconforming uses to conforming uses sooner than under an amortization program, the City may determine that an amortization program is unnecessary.

The City will also consider the feasibility of adopting an amortization program for the NCZ. This will be influenced by a number of factors, informed in part by the experiences of other communities in Washington and around the country using this approach to address non-conforming

### ACTION 2 DETAILS

#### IMPLEMENTATION PHASE

Phase 1

#### RESPONSIBLE PARTIES

**Primary:** City of Lakewood and City Attorney

**Secondary:** Amortization experts

#### ANTICIPATED FUNDING

City of Lakewood

#### ANTICIPATED COSTS

Staff time, plus professional services needed to perform legally-defensible amortization feasibility study

*If a decision is made to adopt an amortization program:*

**Additional Amortization Studies (if needed):** Staff time and professional services

**Updates to City Code:** Staff time

uses. Amortization is commonly used for the eventual elimination of low-investment structures like signs or billboards, but has been applied to other uses as well, like adult uses. The feasibility of adopting an NCZ amortization program will also depend in large part on the updates to the allowed land uses in the CZ Zoning District under Action 1, and specifically the extent to which economically viable uses and/or value remain at the end of the amortization period. The City will also consider the level of effort required to implement an amortization program. While the initial amortization feasibility study may arrive at a generally applicable amortization period or methodology, additional studies could be needed to determine reasonable amortization periods for properties with differences in uses and history. Also, property owners would be afforded the opportunity to comment on the program and to demonstrate amortization periods appropriate in their circumstances.

Given the complexity of determining the need for an amortization program and of developing a defensible amortization program, the City Attorney will be closely involved in completion of Action 2.

## PHASE 1 IMPLEMENTATION STEPS

- 1. Conduct Initial Amortization Study** As a first step in the study, City staff evaluate changes made under Action 1 to zoning and nonconforming use regulations in order to determine if an amortization





program is needed to support the desired end state. If the answer is yes, identify funding sources to pay for outside expertise needed to assist City staff evaluate the feasibility of an NCZ amortization program in the context of other actions called for in this AIP and identify amortization periods or methodologies applicable to NCZ properties. Conduct the study in close coordination with the City Attorney. Amortization methodology approaches may include:

- » A fixed amortization methodology formula that would identify a single timeframe appropriate for amortizing all incompatible properties in the NCZ;
- » Development of fixed amortization formula that could be applied by staff on a property-by-property basis, with the cooperation of individual land owners; or
- » The development of individualized, case-by-case, amortization formulas and time periods for each parcel remaining in incompatible use in the NCZ.

## 2. Conduct Public Outreach and Make Decision on Use of Amortization

Make a decision on whether to move forward with an amortization program for the NCZ. The decision process should include outreach to the public and NCZ property owners to share the study results and gauge their reaction to and support for the concept of amortization.

*If a decision is made to adopt an amortization program:*

**Conduct Additional Amortization Analysis:** *If needed, identify funding sources and conduct additional amortization studies to determine defensible amortization periods. The City Attorney may also explore the use of development agreements (aka amortization agreements) and the option of using a limited amortization period as partial compensation to land owners wishing eventually to sell their property.*

**Update City Code and Begin Implementing Amortization Program:** *Codify the amortization program in the City Code and begin implementation.*



## ACTION 3

# PROPERTY ACQUISITION & BUSINESS RELOCATION

### SUMMARY

Of the remaining privately held properties in the NCZ, most are in active commercial or industrial use. Action 3 funds phased fee simple acquisition of these lands from willing sellers, and funds and facilitates voluntary relocation of existing businesses within the Lakewood area, transferring properties to the ownership of SSMCP members and into land uses compatible with federal safety guidelines and long-term management as prairie habitat (see Action 4). Action 3 requires a high level of coordination among governmental agencies and SSMCP partners, including working together to acquire a significant amount of funding to carry out implementation steps. Properties have been prioritized for purchase by phase according to public safety and flight safety risks, as well as environmental considerations. Cost estimates for each property were developed by an independent appraisal firm on behalf of SSMCP in 2016; see Figure 3 and Appendix V. Certain properties are not planned for purchase due to their location along the edges of the NCZ and because their current uses within the NCZ do not present safety risks.

### ACTION 3 DETAILS

#### IMPLEMENTATION PHASES

**Phases 1–3**

#### RESPONSIBLE PARTIES

**Primary:** City of Lakewood and City Attorney, JBLM, DoD, Pierce County, Forterra, US Army Corps of Engineers Seattle District, SSMCP

**Secondary:** Environmental consultants, environmental organizations/agencies, demolition consultants/contractors, State of Washington

#### ANTICIPATED FUNDING

City of Lakewood, JBLM, Pierce County, Forterra, State of Washington, DoD

#### ANTICIPATED COSTS

Likely costs associated with Action 3 include property purchase price, environmental studies, environmental cleanup (if applicable), transaction costs (closing costs and title work), business relocation costs (if applicable), and demolition and clearing.

**Property Acquisition & Business Relocation:** Cost estimates are based on property valuations conducted on behalf of SSMCP in 2016

*Phase 1: \$16.1 million*

*Phase 2: \$12.3 million*

*Phase 3: \$31.6 million*

**Phase I ESAs, and Phase II ESAs** (if needed): Professional services

**Site Remediation** (if needed): TBD based on ESAs

**Demolition & Disposal:** Professional services

**Land Transfer and Title Clearance Services:** Purchasing entity staff time, US Army Corps of Engineers staff time and real estate fees (to be funded through DoD)

Prior to property acquisitions, Phase 1 Environmental Site Assessments (ESA) will be conducted for each property as part of due diligence to identify potential environmental contamination. For each acquisition, the SSMCP partner planning to purchase the property will conduct the ESA, or the seller may conduct the ESA so long as it meets the requirements of the purchasing party. ESAs are investigations conducted according to industry standards defined by ASTM International. They are an important tool in establishing protection for a buyer from federal cleanup liability. Based on past NCZ land uses, there is the potential for contamination. Based on the outcomes of the Phase 1 Assessments, Phase 2 Assessments may be needed; these would identify any site remediation requirements and would be taken into account when negotiating property purchase and sale agreements. Following property acquisition and business relocation, existing structures will be removed and any necessary site remediation carried out.

Figure 4 provides a graphic depiction of the process that will be used for Action 3. The US Army Corps of Engineers Seattle District will act as real estate agent for all JBLM land acquisitions or sales. Action 3 assumes land purchases will be made from willing sellers. Eminent domain is not a preferred approach and will only be considered in the long-term if there are no other options for achieving the desired end state.

## CONSIDERATIONS

- » Action 3, if fully funded, is highly effective, fairly efficient, and as of winter 2017 a number of NCZ property owners had expressed interested in participating.
- » Action 3 is interrelated with other AIP actions. Some property owners may wish to continue to operate a nonconforming use for a period of time that would allow them to recoup a portion of their investments, but also be interested in voluntary sale and/or relocation to recoup the balance. This has implications for Actions 1 and 2. In addition, Action 4's habitat restoration effort is largely dependent upon Action 3, and Action 5's land exchange would help to raise funds for voluntary property purchases and business relocation.
- » In order to minimize risk to SSMCP partners, any potential environmental liability related to purchase of NCZ properties must be taken into account during completion of this Action. Conducting ESAs prior to property purchase will help SSMCP and its partners understand these potential liabilities before committing to a purchase. In addition, legal documents will need to be prepared by local counsel to facilitate the purchase and/or relocation arrangements entered into by willing property owners.
- » The City of Lakewood plans to provide business relocation support in the form of background information to assist business owners in identifying suitable sites for relocation, having experience providing this service. SSMCP partners have limited experience with providing funds in support of business relocation, and

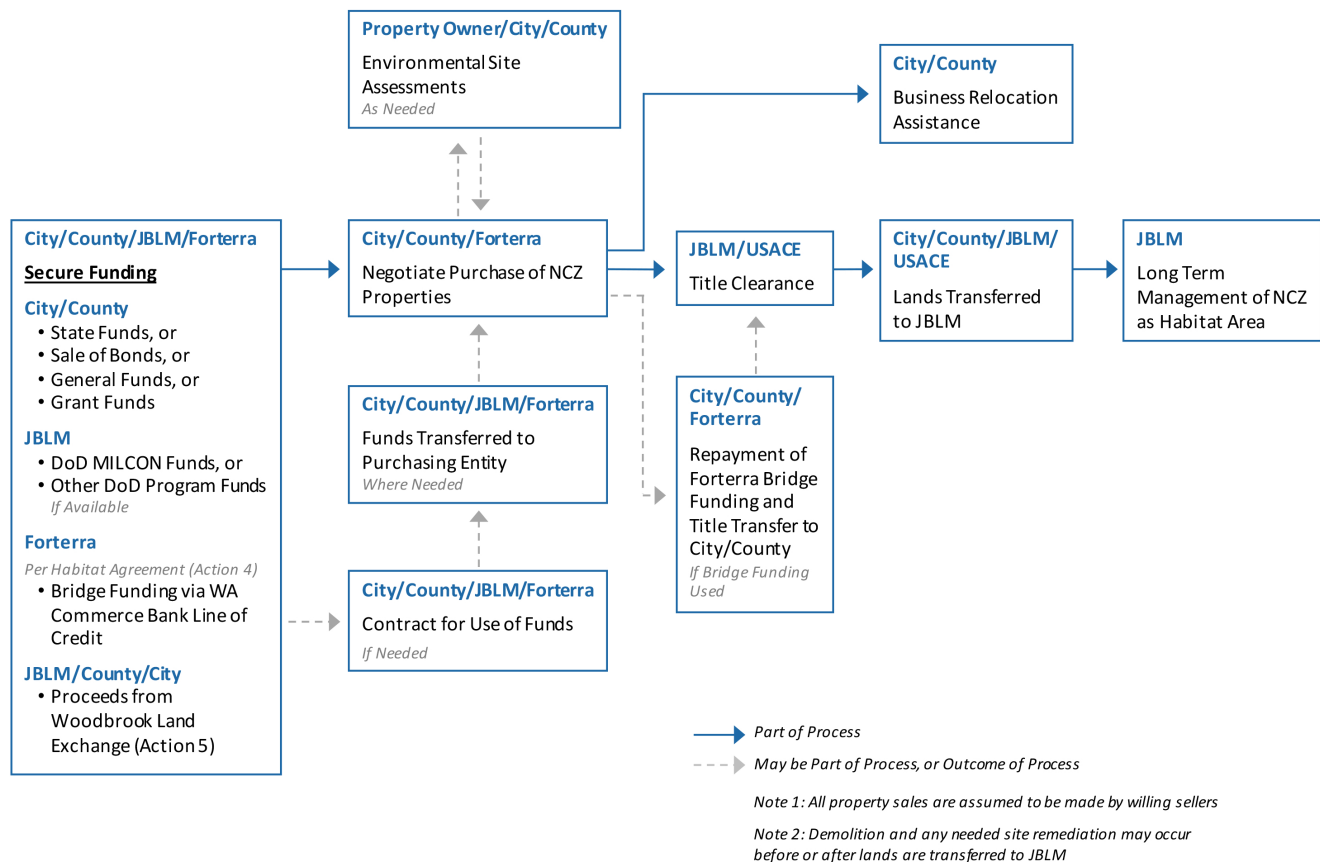
would likely look to other sources for needed funding. Depending on the source, these funds may come with specific requirements/procedures for business relocation.

- » Demolition and any needed site remediation could occur before or after lands are transferred to JBLM for long-term management.

## PHASE 1 IMPLEMENTATION STEPS

- 1. Secure Funding Commitments for Property Purchases and Business Relocation** Work to secure funding for Phase 1 property purchase priorities (estimated total \$16.1 million in 2017 dollars), as well as funds to enable response to opportunities to purchase properties in the NCZ as they become available, regardless of priority status:
  - a. Request State and Federal funding.
  - b. Establish the opportunity to use Forterra bridge financing (i.e. line of credit) through a habitat agreement as described under Action 4. Identify funding sources that can be used to repay bridge financing within required timeframes, such as State or Federal funds.

Figure 4  
Action 3 Land Acquisition & Business Relocation





- c. Begin work on Action 5 to raise funds through a JBLM land exchange (funds may not be available until Phase 2).
  - d. Consider providing City and County funding for Phase 1 priority purchases, in addition to in-kind contributions to AIP implementation, for instance general funds or funds raised through a bond measure or a grant.
2. **Conduct Purchases** Work with local counsel to negotiate and execute purchase and sale agreements, including identifying any environmental liabilities through ESAs and determining how such liabilities will be resolved.
  3. **Conduct Business Relocation** Work with the City of Lakewood to provide business relocation assistance. Conduct needed demolition, disposal and site remediation after business relocation, either before or after lands are transferred to JBLM.
  4. **Transfer Land to JBLM** Following acquisition of NCZ properties, coordinate with JBLM and the US Army Corps of Engineers Seattle District to transfer the properties to JBLM for long-term ownership and management.

## PHASES 2–3 IMPLEMENTATION STEPS

5. **Continue Implementing Action 3** Building on the groundwork laid in Phase 1, continue to implement Action 3. Periodically review the phased property purchase priorities to ensure they reflect current conditions. The five properties identified in Figure 3 as “Remaining Properties” are not currently planned for purchase, due to their location along the edges of the NCZ and because their current uses within the NCZ do not present safety risks. It is anticipated that these properties will continue current business operations. Though the intent is to not purchase these properties as part of the AIP, the City of Lakewood may consider boundary line adjustments as a way to improve public safety, as discussed under Action 1.



## **ACTION 4**

# **HABITAT RESTORATION AND PRESERVATION**

### **SUMMARY**

Action 4 goes beyond purchase and clearance of privately-held NCZ properties and aims to transition the entire NCZ into a protected prairie habitat area for the streaked horned lark. The streaked horned lark is a listed threatened species already nesting on JBLM, and whose range could be expanded into the NCZ. The lark is compatible with McChord Field operations; it lives on the ground in the region's native bunch grass and is tolerant of aircraft noise and other disturbances. Action 4 involves working with environmental partners including Forterra to establish a habitat agreement and to develop a habitat restoration and management plan. It is anticipated the entire NCZ would be included in the habitat area over the long term, including portions already owned by JBLM and Pierce County and portions currently in private ownership.

### **CONSIDERATIONS**

- » Completion of Action 4 is dependent upon completion of Action 3.
- » If ESAs conducted as part of Action 3 reveal environmental con-





tamination on privately-held properties, cleanup will be required before habitat restoration can begin for those sites.

- » Initial habitat restoration and management work can begin in Phase 1 prior to new property acquisitions. JBLM plans to start habitat restoration on the existing NCZ land owned by JBLM as an early step in Phase 1. JBLM's Department of Public Works Environmental Division is responsible for initiating this effort.
- » As privately-held NCZ parcels are acquired the intent is to expand the habitat area and transfer all lands to JBLM for active management.
- » The City of Lakewood and Pierce County would only be involved in habitat management until lands were transferred to JBLM.
- » Forterra support for real estate transactions is anticipated as part of the habitat agreement. This could include Forterra supporting community engagement around transactions, accepting and holding donations on behalf of the NCZ effort until they can be deployed, or temporarily buying and holding properties using a line of low-interest credit through Commerce Bank of Washington in the range of \$5 million. The option of Forterra buying and holding properties in this manner would provide flexibility to take advantage of emergent opportunities to purchase properties when other sources of funding are not available, but Forterra would need to be repaid in the short term and repayment would entail costs in addition to the purchase price. The additional costs would include

## ACTION 4 DETAILS

### IMPLEMENTATION PHASES

**Phases 1–3**

### RESPONSIBLE PARTIES

**Primary:** City of Lakewood, Pierce County, JBLM, Forterra (as defined in a habitat agreement)

**Optional:** Additional environmental organizations or agencies

### ANTICIPATED FUNDING

City of Lakewood, Pierce County, JBLM, Forterra, possibly other partners

### ANTICIPATED COSTS

**Preparation of Habitat Agreement:** Staff time, plus legal counsel or professional services if needed

**Preparation of Habitat Restoration and Management Plan:** Staff time, plus professional services if needed

**ESAs:** (See Action 3)

**Property Acquisition/Business Relocation/Demolition/Disposal:** (See Action 3)

**Site Remediation (if Needed):** (See Action 3)

**Habitat Restoration:** Supplies, equipment and staff time; plus professional services if needed; possible volunteer assistance

**Habitat Management:** Supplies, equipment and staff time; plus professional services if needed

accrued interest from the line of credit, transaction fees charged by Forterra, and direct costs such as taxes and insurance paid by Forterra while holding the property. State and Federal funds are likely sources that could be used to repay Forterra.

## PHASE 1 IMPLEMENTATION STEPS

- 1. Establish Habitat Agreement** Negotiate, prepare and adopt a habitat agreement between the City of Lakewood, Pierce County, JBLM, Forterra and potentially other environmental organizations or agencies. The agreement would define the habitat area, how it would be restored and managed, and the financial expectations of the parties.

As part of the process of forming the habitat agreement, explore whether additional financing sources such as DoD Army Compatible Use Buffer (ACUB) funds can be made available to support the AIP as a result of designation of the habitat area.

- 2. Develop Habitat Restoration and Management Plan** JBLM leads development of a habitat restoration and management plan to support the habitat agreement. The plan describes streaked horn lark habitat needs, compatibility with McChord Field operations, and provides detailed implementation steps and responsibilities for NCZ habitat area restoration and management work based on the anticipated phasing for Action 3. Work may include initial and ongoing activities such as invasive species removal, planting native bunch grass, mowing and herbicide application during the lark's migratory season, and monitoring the habitat area.

## PHASES 1–3 IMPLEMENTATION STEPS

- 3. Implement Plan, Restoring and Maintaining Habitat** Implement the habitat restoration and management plan.
- 4. Maintain Agreement and Plan** Maintain and update the habitat agreement and the habitat restoration and management plan as needed based on current conditions.





## ACTION 5

# WOODBROOK LAND EXCHANGE

### SUMMARY

Action 5 consists of a land exchange process that will raise revenue to purchase NCZ properties from willing sellers and transfer those properties to JBLM for long-term management as prairie habitat, as described under Actions 3 and 4. The land exchange will begin with preparation of a business plan by JBLM, Pierce County and the City of Lakewood to guide implementation. The next step will be DoD's process for making a determination of excess property at JBLM, and will be followed by a series of steps completed in coordination with Pierce County and the City of Lakewood. These steps include Pierce County receiving title to the land under the reversionary clause in the original property deed, Pierce County conveyance of land ownership to the City of Lakewood without a monetary exchange as allowed under state statute (RCW 36.34.250–270), the City of Lakewood preparing the land for use as a future office/industrial park and selling the land for development, and proceeds from land sales being used to make NCZ land purchases from willing sellers and to provide business relocation assistance. Purchased NCZ lands will be conveyed to JBLM ownership, thus completing the land exchange. Figure 5 provides a graphic depiction of the land exchange process. It is possible that Pierce County may choose to sell the property directly to a land developer rather than transferring it to Lakewood for eventual sale, eliminating one step in the process.

Lands eligible for exchange were identified by JBLM in 2016 through an analysis of potential excess properties. The lands considered as part of the analysis were located on the base perimeter and if removed would neither impact mission readiness nor significantly reduce the JBLM land footprint. Five potential land exchange properties were identified, and one was considered of a size, location and configuration that could be of value for future use as a commercial office/industrial park. This parcel, referred to as the “Woodbrook” property, was deemed appropriate for a land exchange to support the NCZ desired end state and acceptable interim outcomes.

### CONSIDERATIONS

- » Action 5 supports implementation of Action 3 and Action 4.
- » Action 5 will require close coordination among responsible parties to navigate the DoD and Pierce County processes required to ultimately transfer the Woodbrook Property to the City of Lakewood.
- » Ideally the City of Lakewood will be able to prepare the Woodbrook property for office and industrial use in time for NCZ businesses

### ACTION 5 DETAILS

#### IMPLEMENTATION PHASE

Phases 1–2

#### RESPONSIBLE PARTIES

**Primary:** JBLM, DoD, US Army Corps of Engineers Seattle District, Pierce County, City of Lakewood

#### ANTICIPATED FUNDING

JBLM, DoD, Pierce County, City of Lakewood, SSMCP

#### ANTICIPATED COSTS

**Land Exchange Business Plan:** Staff time

**Land Transfer and Title Clearance Services:** US Army Corps of Engineers staff time and related expenses (to be funded through DoD), County and City staff time

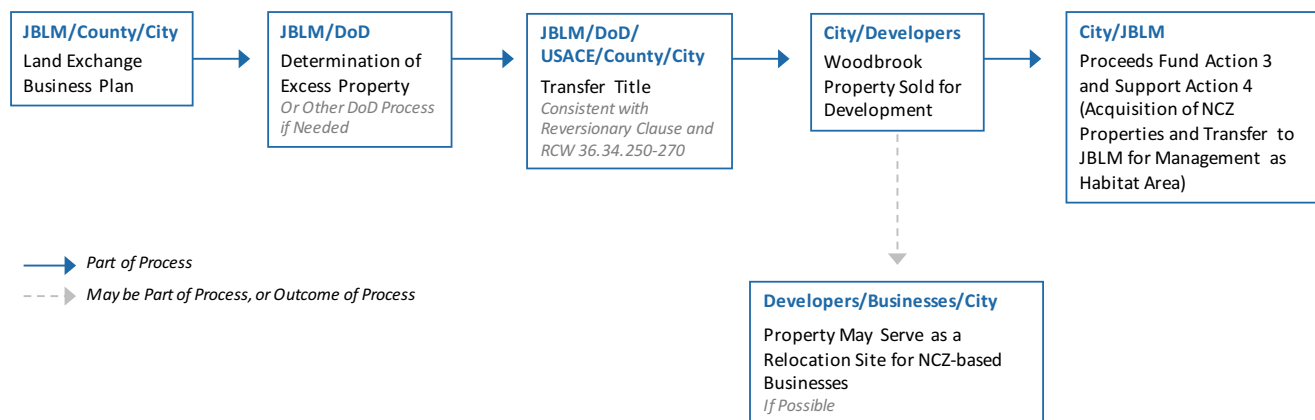
**Development of Woodbrook Industrial Park:** TBD depending upon the City of Lakewood's plans for the property

to have the option of relocating here as Action 3 is implemented. This will however be dependent upon the time required to complete the land exchange process, to prepare the Woodbrook property for development (e.g. installation of infrastructure), and on coordination with potential developers and property buyers. The City is already working to transition lands within its jurisdiction that are adjacent to the Woodbrook property to light industrial uses, as called for in its Comprehensive Plan. This area of the City is also referred to as Woodbrook and is expected to be an option for business relocation sooner than the land exchange site. Action 5 would essentially expand this area.

## PHASE 1 IMPLEMENTATION STEPS

- 1. Prepare a Land Exchange Business Plan** The responsible parties work together to develop a business plan to guide the land exchange. The business plan may include the business concept, leadership structure, partners and roles, identification of properties included, target markets, planned outcomes and end users, financing requirements, legal structure, funding sources, fiscal analysis and phasing plan.
- 2. Determination of Excess Property** JBLM determines the Woodbrook property to be excess to JBLM. DoD identifies the necessary steps for issuing a final determination of excess property and the requirements for final ownership and use of the land. This may include working with the City to demonstrate its plans for the intended use of the property and sale proceeds. The determination of excess property may take a few years, given past similar DoD processes.
- 3. Transfer Title:** Following the official declaration by DoD that the Woodbrook property is excess to JBLM missions, Pierce County receives title to the property under the reversionary clause contained in the original deed of Pierce County lands to the Department of the Army. The reversionary clause allows Pierce County to receive title to the property if it is no longer needed by DoD. The

Figure 5  
Action 5 Land Exchange



County then transfers title to the City of Lakewood at no cost consistent with the provisions of state statute (RCW 36.34.250-270). The US Army Corps of Engineers Seattle District assists with the title transfer.

- 4. Woodbrook Property Sold for Development** The City of Lakewood prepares the Woodbrook property for development. Steps may include zoning the property for office/industrial park use, and provision of infrastructure potentially financed through the sale of revenue bonds. The City then sells the Woodbrook property for development.
- 5. Proceeds Fund Action 3** The City of Lakewood uses proceeds from the Woodbrook land sales to purchase NCZ properties and conduct business relocation, as described under Action 3. Consistent with Actions 3 and 4, the acquired properties are transferred to JBLM for long-term ownership and management as a habitat area.





## ACTION 6

### AIP IMPLEMENTATION

#### SUMMARY

The AIP was developed with the help of a core team of staff from the SSMCP, City of Lakewood, Pierce County and JBLM. Following completion of the AIP, an important early step will be for leaders at the SSMCP, City of Lakewood, Pierce County, JBLM and the State of Washington to sign a Memorandum of Agreement (MOA), committing to work together to carry out the AIP and also to commit staff resources to an AIP Implementation Team. It is anticipated that the team will be officially formed under the umbrella of SSMCP and will function similarly to the core team that developed the AIP, with the SSMCP Program Manager serving as a point of contact. Membership will include staff representatives from each MOA signatory. The team will initially meet at least twice annually to coordinate implementation of the AIP, focusing on Phase 1 implementation steps for which there are multiple responsible parties.

#### CONSIDERATIONS

- » Achieving the desired end state for the NCZ will require continued coordination between MOA signatories to carry out the AIP actions and implementation steps. While certain actions are relatively straightforward, such as Actions 1 and 2 for which there is only one responsible party, others have multiple responsible parties and interdependencies. The AIP Implementation Team's coordination of Actions 3, 4 and 5 will be especially important in successfully executing the AIP and managing the various real estate transactions required for implementation of the AIP.
- » A core team including representatives from the City of Lakewood, Pierce County, JBLM, and SSMCP worked together to develop the AIP, with support from Forterra and staff from the Washington Office of the Governor and from state and federal legislators. This group established an effective a working relationship and strong partnership that will serve as the foundation for consistent, long-term leadership by the AIP Implementation Team in working together towards the NCZ desired end state and implementation of the AIP. Figure 6 on the following page shows the anticipated roles and responsibilities for each AIP implementation step.

#### ACTION 6 DETAILS

##### IMPLEMENTATION PHASE

Phases 1–3

##### RESPONSIBLE PARTIES

**Primary:** SSMCP, City of Lakewood, Pierce County, JBLM, State of Washington

##### ANTICIPATED FUNDING

SSMCP, City of Lakewood, Pierce County, JBLM, State of Washington

##### ANTICIPATED COSTS

Staff time

## PHASE 1 IMPLEMENTATION STEPS

- 1. Establish Memorandum of Agreement** SSMCP, the City of Lakewood, Pierce County, State of Washington and JBLM sign a Memorandum of Agreement (MOA) to work together to carry out the AIP, and to dedicate staff resources to assist in coordinating implementation.
- 2. Form AIP Implementation Team** An AIP Implementation Team is formed under the umbrella of the SSMCP. Team membership includes representatives from each MOA signatory. The City of Lakewood may contract with a real estate attorney or with Forterra to execute property acquisitions and transfers to JBLM over time, and if so their representative would also attend the meetings.
- 3. Meet 2+ Time Per Year During Phase 1** The AIP Implementation Team meets at least twice annually to provide status updates on the AIP implementation steps for which the MOA signatories are responsible, and to coordinate on implementation steps for which there are multiple responsible parties. The SSMCP facilitates these meetings on an as-needed basis.
- 4. Meet 1+ Time Per Year During Phase 1** The AIP Implementation Team meets once annually, or more often as needed, to continue to coordinate AIP implementation.



Figure 6  
Roles & Responsibilities for AIP Implementation Steps

	Lead Role	Supporting Role	Initiation Timeframe
<b>ACTION 1. CHANGES TO CODE &amp; ADMINISTRATIVE PROCEDURES</b>			
1-1. Update Zoning Code	City		2017
1-2. Update Non-Conforming Use Standards	City		2017
1-3. Conditions on Business Licenses in NCZ	City		2017
1-4. Limitations on Public Infrastructure Extension	City		2017
1-5. Boundary Line Adjustments	City		2017
1-6. Review Comprehensive Plan	City		2017
<b>ACTION 2. AMORTIZATION STUDY</b>			
2-1. Conduct Initial Amortization Study	City	Consultants	2017
2-2. Public Outreach & City Decision on Use of Amortization	City		After initial study
2-3. Conduct Additional Amortization Analysis	City	Consultants	Depends on decision
2-4. Update City Code & Enforce Amortization Periods	City		Depends on decision
<b>ACTION 3. PROPERTY ACQUISITION &amp; BUSINESS RELOCATION</b>			
3-1. Secure Funding Commitments	<i>See below</i>		
<i>a. Request state funding</i>	City	State	2017
<i>b. Consider sale of bonds, use of general funds or grant funds</i>	City, County		2017
<i>c. Request DoD Funding</i>	JBLM	DoD	2017
<i>d. Initiate Woodbrook land exchange</i>	JBLM, DoD	USACE, County, City	2017
<i>e. Provide access to line of credit or other transaction assistance</i>	Forterra	City	2017
3-2. Conduct Purchases	<i>See below</i>		
<i>a. Determine who will initiate negotiations and for which properties</i>	AIP Implementation Team	SSMCP	After funding secured
<i>b. Negotiate purchases</i>	City, County, JBLM or Forterra	Consultants	After funding secured
3-3. Conduct Business Relocations	City	Agency that secured funding	After funding secured
3-4. Transfer Land to JBLM	Agency that acquired property	JBLM, USACE	After funding secured
3-5. Continue Implementing Action 3	AIP Implementation Team	SSMCP	After funding secured
<b>ACTION 4. HABITAT RESTORATION &amp; PRESERVATION</b>			
4-1. Habitat Agreement	Forterra, City	County, JBLM	2017
4-2. Habitat Restoration and Management Plan	JBLM	City, County	After prior step
4-3. Implement Plan, Restoring & Maintaining Habitat	JBLM	City, County	After prior step
4-4. Maintain Agreement and Plan	JBLM	City, County	After prior steps
<b>ACTION 5. WOODBROOK LAND EXCHANGE</b>			
5-1. Prepare Land Exchange Business Plan	JBLM, County, City	USACE	2017
5-2. Determination of Excess Property	JBLM, DoD	USACE	After prior step
5-3. Transfer Title	County	JBLM, USACE, City	After prior step
5-4. Woodbrook Property Sold for Development	City		After prior step
5-5. Proceeds Fund Action 3	City	AIP Implementation Team	After prior step
<b>ACTION 6. AIP IMPLEMENTATION TEAM</b>			
6-1. Memorandum of Agreement	City, County, JBLM, State	SSMCP	2017
6-2. Form AIP Implementation Team	SSMCP	City, County, JBLM, State	2017
6-3. Meet 2+ Times per Year during Phase 1	AIP Implementation Team	SSMCP	2017
6-4. Meet 1+ Times per Year during Phases 2 and 3	AIP Implementation Team	SSMCP	2022

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# APPENDICES

- I. CITY OF LAKEWOOD RESOLUTION NO. 2017-09
- II. RECORD OF NCZ PROJECT COMMUNICATIONS
- III. NCZ STRATEGY ANALYSIS MEMO
- IV. NCZ PROPERTY VALUATION COMPARISON
- V. NCZ PROPERTY VALUATIONS SUMMARY

