



**Wednesday, February 21, 2024
6:30 PM**

HOW TO ATTEND

- **In-person:** Council Chambers, Lakewood City Hall, 6000 Main St SW.
- **Virtually:** Online or by phone. Online: <https://us06web.zoom.us/j/86428836136>.
Phone: (253) 215- 8782 and enter participant ID: 864 2883 6136.
- **Livestream:** YouTube.com/CityofLakewoodWA

Persons requesting special accommodations or language interpreters should call 253-983-7767, as soon as possible in advance of the meeting so that an attempt to provide special accommodations can be made.

PUBLIC COMMENT

Public comments or testimony on public hearings is accepted by mail, email, or by in-person or virtual attendance. Mail comments to Karen Devereaux, Planning Commission Clerk, 6000 Main Street SW Lakewood, WA 98499 or email kdevereaux@cityoflakewood.us. Comments received by noon the day of the meeting will be provided to the commission electronically.

IN-PERSON/VIRTUAL COMMENTS

Those attending in person will be called on by the Chair. Those attending via Zoom should use the “raise hand” function to indicate they wish to speak. Once the Chair calls your name, you will be unmuted. First state your name and city of residence. Each person has 3 minutes. Attendees are allowed to speak during public comment or public hearings only.

WELCOME/CALL TO ORDER

ROLL CALL

APPROVAL OF MEETING MINUTES dated February 7, 2024

AGENDA UPDATES

PUBLIC COMMENT

PUBLIC HEARING

- Proposed Expansion of Downtown Residential Target Area (RTA) Map for Multifamily Tax Exemption (MFTE) Program

UNFINISHED BUSINESS

- None

NEW BUSINESS

- Draft Biennial Reviews of Downtown and Station District Subareas and Update re 2024 Tillicum Woodbrook Subarea Plan

NEXT STEPS

REPORTS FROM COUNCIL LIAISON, CITY STAFF, COMMISSION MEMBERS

Attachments

- Staff Report: Public Hearing re Downtown RTA Map for MFTE Program
- Staff Report: Draft Subarea Biennial Reviews



**Lakewood Planning Commission
February 7, 2024
Meeting Minutes**

MEETING PLACE/DATE

Lakewood City Hall (6000 Main St SW, Lakewood, WA) on 2/7/24.

WELCOME/CALL TO ORDER

Mr. Robert Estrada, Chair, called the meeting to order at 6:30 p.m.

ROLL CALL

Planning Commission Members Present Robert Estrada, Chair; Philip Combs, Vice Chair; Sharon Wallace, Mark Herr, Ellen Talbo, Philip Lindholm, and Linn Larsen.

Planning Commission Members Excused None

Staff Tiffany Speir, Long Range & Strategic Planning Manager; Becky Newton, Economic Development Manager; and Karen Devereaux, Administrative Assistant

Youth Council Liaison None in attendance

Council Liaison Councilmember Paul Bocchi

APPROVAL OF MINUTES

The minutes of the meeting held on January 17, 2024, were approved by voice vote 7-0 as written. M/S/C Combs/Wallace.

AGENDA UPDATES None.

PUBLIC COMMENT

Mr. Paul Krakow, Tacoma Golf and Country Club, spoke regarding a gated entry the private club would like to install. The current Lakewood Municipal code does not allow such. Mr. Krakow informed commissioners he is working with planning and legal department staff to create a code amendment which would allow others to put in gates. He stated property owners are making more requests for security measures to include lighting, fencing and secured entry gates for their communities.

UNFINISHED BUSINESS None.

NEW BUSINESS

Introduction to Lakewood Multifamily Tax Exemption (MFTE) Program

Ms. Becky Newton started the discussion with an overview of the MFTE Program to bring the newly appointed Commissioners up to date. Ms. Newton reviewed the latest updates to State code and explained the requirements for more comprehensive

reporting and auditing processes. Ms. Newton answered questions regarding the application and approval processes for these types of projects. A list of current and pending projects was provided.

Central Business District Proposed Expansion

During the November 6, 2023, City Council Public Hearing on MFTE public comment was received in support of expansion in the Central Business District (CBD) Residential Target Area (RTA) along Gravelly Lake Drive SW. Ms. Newton explained that City Council requested that this be addressed in the first quarter of 2024. It was explained that there is high potential to attract one or more projects within the designated expansion area. The CBD has the highest need for residential and commercial development per subarea plan.

The Planning Commission is to hold a public hearing on the topic at the February 21 meeting at 6:30 p.m. Their recommendation would then be forwarded to City Council.

REPORTS

Council Liaison Comments None.

City Staff Comments

Ms. Speir reviewed the upcoming meeting schedule with the Planning Commission:

- February 21: Public Hearing re MFTE Downtown RTA Map; 2024 Subarea Biennial Reviews

Commission Members Comments None.

NEXT MEETING The Planning Commission would next meet on February 21, 2024.

ADJOURNMENT Meeting adjourned at 7:49 p.m.

Robert Estrada, Chair 02/21/2024

Karen Devereaux, Clerk 02/21/2024



TO: Lakewood Planning Commission
FROM: Becky Newton, Economic Development Manager
DATE: February 21, 2024
SUBJECT: Public Hearing for Multifamily Tax Exemption Program
Central Business District Residential Target Area Expansion

Summary:

An overview of the Multifamily Tax Exemption (MFTE) program was presented to the Planning Commission on February 7, 2024.

The purpose of this meeting is to collect Public Hearing comments regarding expansion of the Central Business District Residential Target Area. The Planning Commission may choose to put forward a recommended motion.

What follows is information contained in the overview along with photos of Lakewood projects with tax exemptions currently in place.

Planning Commission Comments

- Consider pushing RTAs to other areas
- Continue to expand for future growth
- Not opposed to having MFTE allowable within proposed TIF boundary
- Previous Council Public Hearing not much public comment
- Like to see larger projects due to same administrative work by staff
- Focus on living wage jobs and industry/encourage good jobs
- Interested in maintaining land in public interest (i.e. PCLS)
- Tenant rights are over-reaching
- Planning Commission needs to help with incentives for Lakewood
- MFTE is one tool in the toolbox
- Concern about getting diversity in projects
- Look at forecast and needs
- Whatever will best help the City
- Let's get it done
- Look at condition of current MFTE projects
- Consider the retail component (not part of allowable MFTE)
- Consider how much we have benefited from this program
- Public safety is a factor for developers and property owners
- Over abundance of household struggling
- Be mindful of displacement/sensitive to distribution of incomes

Recommended Motion

To approve the proposed changes to the Central Business District (CBD) Residential Target Area boundaries.

Background:

What is the Multifamily Tax Exemption (MFTE) Program? The MFTE program provides opportunities for cities and counties to encourage the development of multifamily housing in certain areas. Originally, the program was focused on economic development and the creation of new multifamily housing. Over time, MFTE has also become an important tool to support the development of affordable housing and implement the goals of the Growth Management Act ([Chapter 36.70A RCW](#)).

Under state law, communities may choose to offer an eight-year property tax exemption for qualifying residential improvements that add new housing units in a "residential targeted area" designated by a local council. They may also offer 12- and 20-year exemptions for developments that include income-restricted units. If a property owner chooses to participate, they still pay property taxes on the value of the land and non-residential improvements.

The Washington State Legislature first codified the program in Chapter [84.14 RCW](#) in 1995, authorizing larger cities to adopt their own MFTE programs. Since then, the statute has been expanded to incorporate a greater focus on affordable housing and allow more jurisdictions to offer the program.

In 2021, [E2SSB 5287](#) amended several elements of the statute, including:

- Allowing a wider number of cities and counties to develop 12-year MFTE programs;
- Permitting 12-year extensions to existing tax exemptions in exchange for the provisions of income and rent-restricted housing units;
- Supplying tenant relocation assistance at the end of the MFTE period for tenants of rent-restricted units in projects approved after July 25, 2021, and projects receiving a 12-year extension;
- Requiring an evaluation of the risk of physical and economic displacement as the result of the program;
- Providing new reporting requirements for communities participating in the program.
- Allowing for a 20-year exemption in exchange for permanently affordable rental and owner-occupied housing;
- Requiring more comprehensive reporting and auditing processes.

What does Lakewood's program offer? Lakewood offers an eight-year program if the project is market rate, and a 12-year program if the project includes at least 20% affordable units.

Project owners may apply for a 12-year extension if the project includes a minimum of 20% affordable units, and the project is located within the Lakewood Station District or Springbrook areas.

What does “affordable” mean? For Lakewood, it is 80% of area median income.

MFTE Program Income Eligibility			
Family Size	Extremely-low Income (30 % income limit)	Low-Income (50% income limit)	Moderate-Income (80% income limit)
1	\$22,600	\$37,650	\$60,200
2	\$25,800	\$43,000	\$68,800
3	\$29,050	\$48,400	\$77,400
4	\$32,250	\$53,750	\$86,000
5	\$34,850	\$58,050	\$92,900
6	\$37,450	\$62,350	\$99,800
7	\$40,000	\$66,650	\$106,650
8	\$42,600	\$70,950	\$113,550
Under state law, MFTE does not require the construction of extremely-low income housing units, only low-income and moderate-income. Extremely-low income data is shown for comparative purposes only.			
Income limits effective June 15, 2023.			

What is the intent of the program?

- Encourage additional housing, all types, including permanently affordable housing, and market rate housing within areas of the City designated by the City Council as residential target areas;
- Achieve development densities which are more conducive to transit use;
- Promote economic investment and recovery and create family-wage jobs;
- Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing.

What are the minimum requirements?

- Location: Must be located within a residential target area;
- Size: The project must include a minimum of 15 units of multifamily housing;
- Permanent Residential Occupancy: At least 50 percent of the space designated for multifamily housing must be provided for permanent residential occupancy;
- Proposed Completion Date: New construction multifamily housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application;
- Compliance: The project must comply with the City’s comprehensive plan, building, housing, and zoning codes;

What is a Residential Target Area? Following a public hearing, the City Council may, in its sole discretion, designate one or more residential target areas (RTAs). Each designated RTA must meet the following criteria, as determined by the City Council:

1. The target area lacks sufficient available, desirable, and convenient residential housing to meet the needs of the public who would likely live in the residential target area, if desirable, attractive, and livable places were available; and
2. The providing of additional housing opportunity in the target area will assist in achieving the following purposes:
 - a. Encourage increased residential opportunities within the target area; or
 - b. Stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

What is the application process?

File with the Community and Economic Development Department the required application to include:

1. Preliminary floor and site plans;
2. A statement acknowledging the potential tax liability when the project ceases to be eligible;
3. For rehabilitation projects, an affidavit stating was sent a 120 calendar day notice and that each household was provided housing of comparable size, quality, and price; Also, secure from the City verification of the property's noncompliance with Chapter 15.05 LMC;
4. Verification by oath or affirmation of the information submitted;

What is the process for approval? The application must be reviewed and either approved or denied by the Community and Economic Development Director with 90 days. If the project is denied, the Director shall provide in writing the reasons for the denial. If approved, a Conditional Certificate and Agreement are signed by the City and applicant. A Final Certificate is issued upon certificate of occupancy, and compliance with the Agreement. The City then provides required documentation, along with a check for the fee to Pierce County. Property tax exemption begin the following year.

What are the current and proposed Lakewood projects?

Approved				
Project Name	Location	Exemption, no. of years	CC approval year	Units
Oak Grove Village	4724 Steilacoom	10	2006	254
Gravelly Townhomes	8911 & 8919 Gravelly	10	2006	28
Springbrook Apartments*	12632 Bridgeport Way SW	8	2016	219
Rainier Terrace*	4108 and 4110 108th St SW	8	2016	11
Town View Apartments*	5915, 5909 & 5903 Lake Grove	8	2017	30
Lake Grove Apartments (60-units)	5944 Lake Grove St SW	12	Not approved	0
Toto Townhomes	4606 108th St SW (not built yet)	12	2021	50
112th Street Townhouses*	4812 112th Street SW	8	2021	15
Bristol Apartments	9615 Bristol Ave SW (under construction)	8	2022	7
Subtotal				614
Pending				
Alliance Residential	5731 Main St SW	Unknown	TBD	390
Springbrook II	12527 Bridgeport	8	TBD	67
Subtotal				457
Grand total				1,072

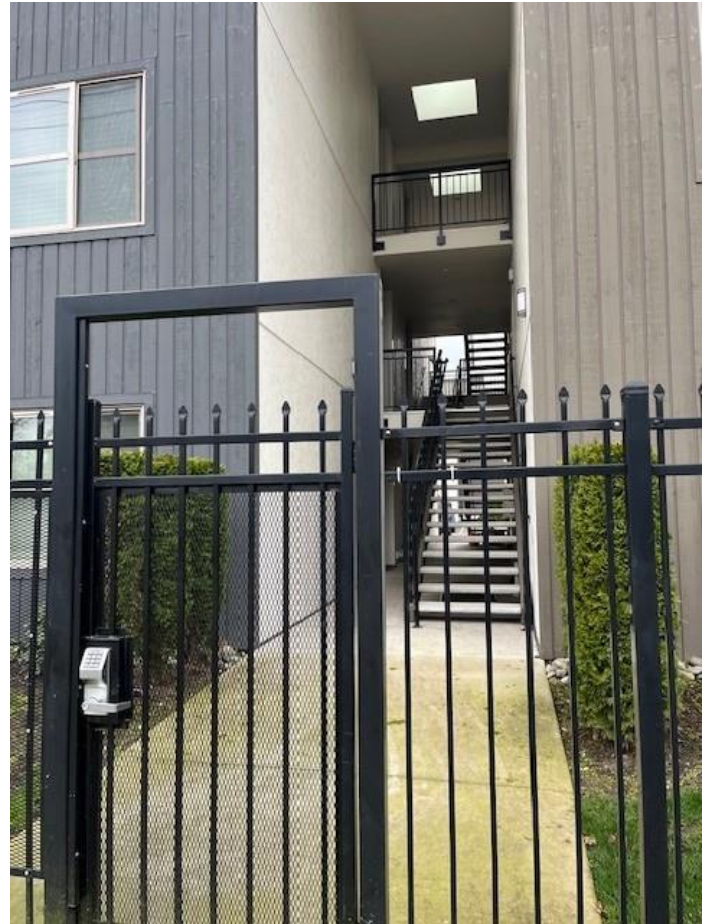
Springbrook Apartments (now Wellstone)



Rainier Terrace



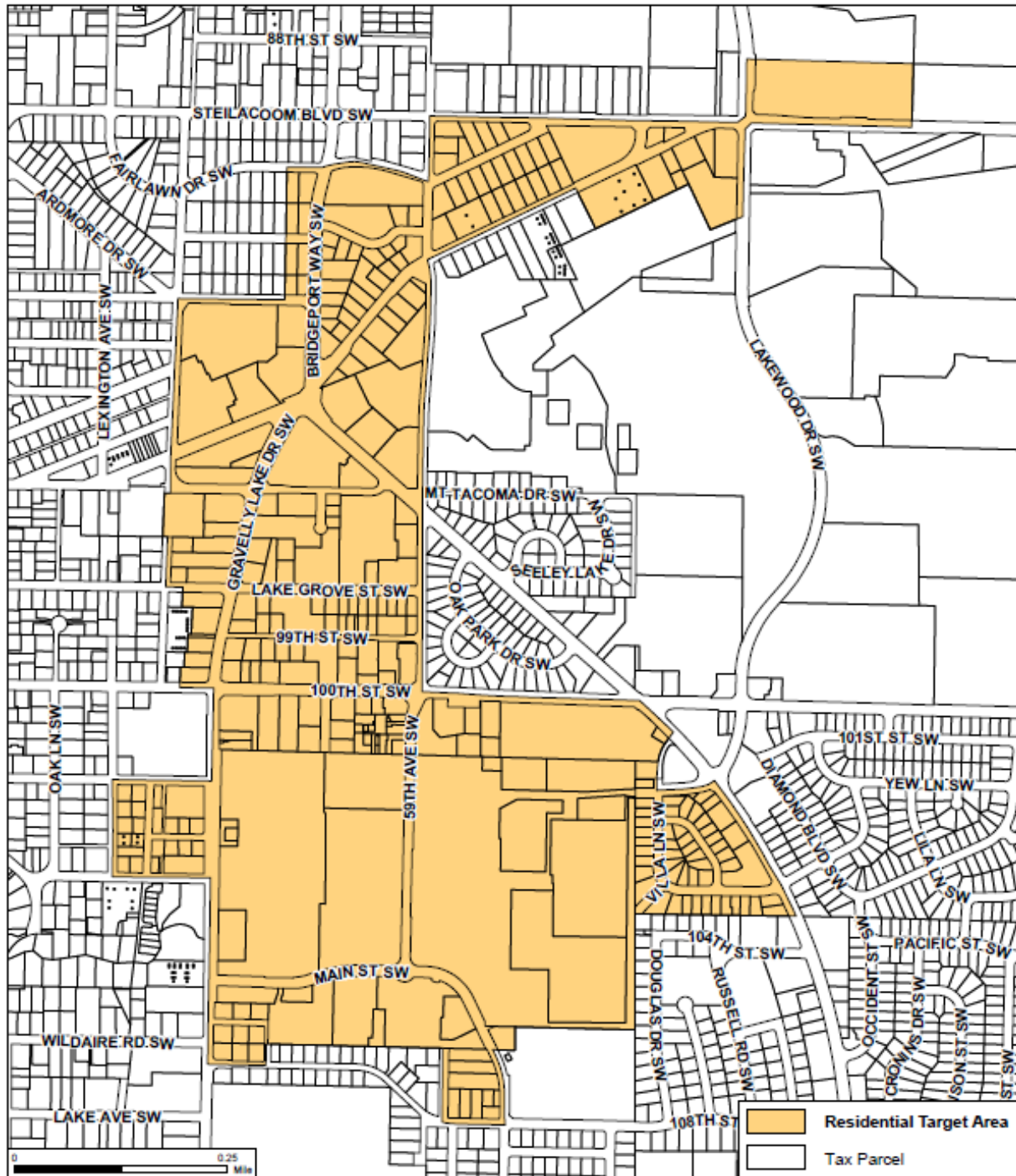
Town View Apartments



112th Street Apartments



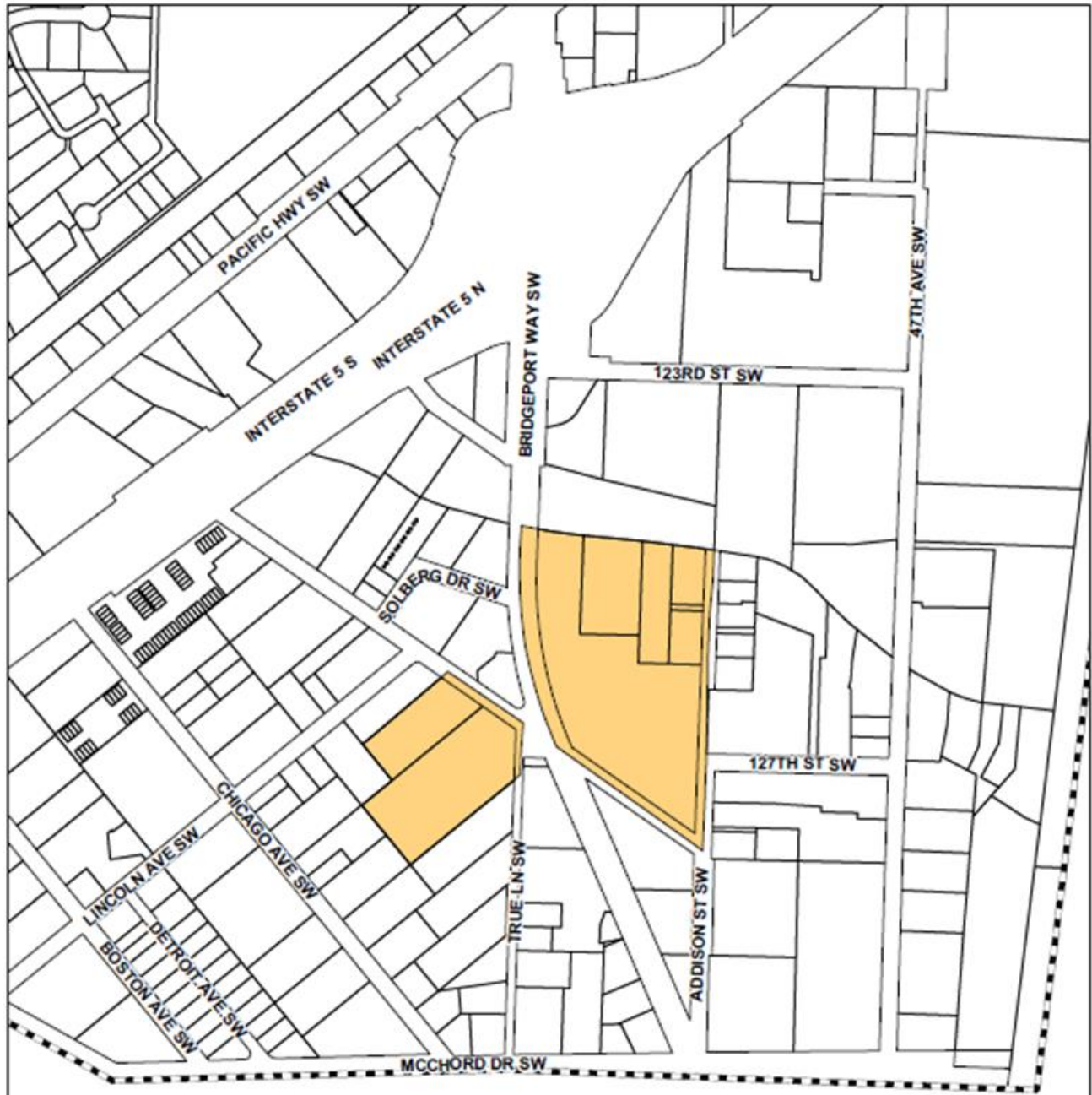
Lakewood RTAs



Central Business District Residential Target Area (RTA)

Map Date: August 15, 2023
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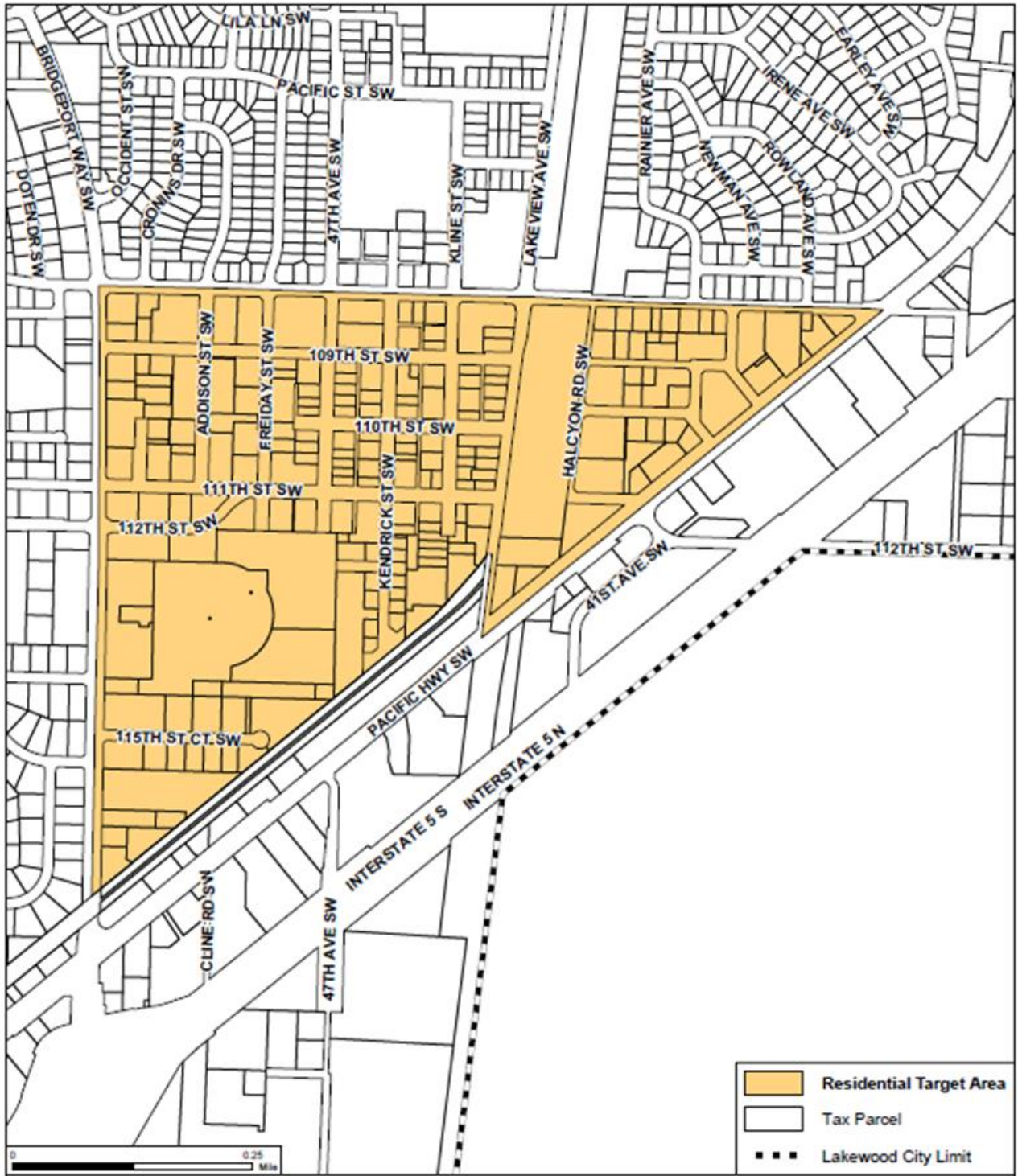
- Residential Target Area
- Tax Parcel
- Lakewood City Limit



Springbrook Residential Target Area (RTA)

Map Date: August 15, 2023
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Lakewood Station Residential Target Area (RTA)

Map Date: August 15, 2023
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Central Business District Expansion

In 2023 the City Council adopted [Ordinance 792](#) in order to comply with new state law. At that time it was decided not to expand existing, or add new RTAs.

During the November 6, 2023 City Council Public Hearing on MFTE public comment was received in support of expansion the Central Business District (CBD) RTA along Gravelly Lake Drive SW.

City staff carefully reviewed the CBD RTA map and proposed an expansion area that could be reasonably included within the CBD RTA only, and to encourage additional residential development.

The new map was included under City Council consent agenda for inclusion in adoption of Ordinance 792.

City Council adopted the ordinance after removing the updated map as they felt more review and discussion was needed.

City Council brought the ordinance back for reconsideration on December 4, 2023, particularly to include the newly proposed map. The reconsideration did not pass.

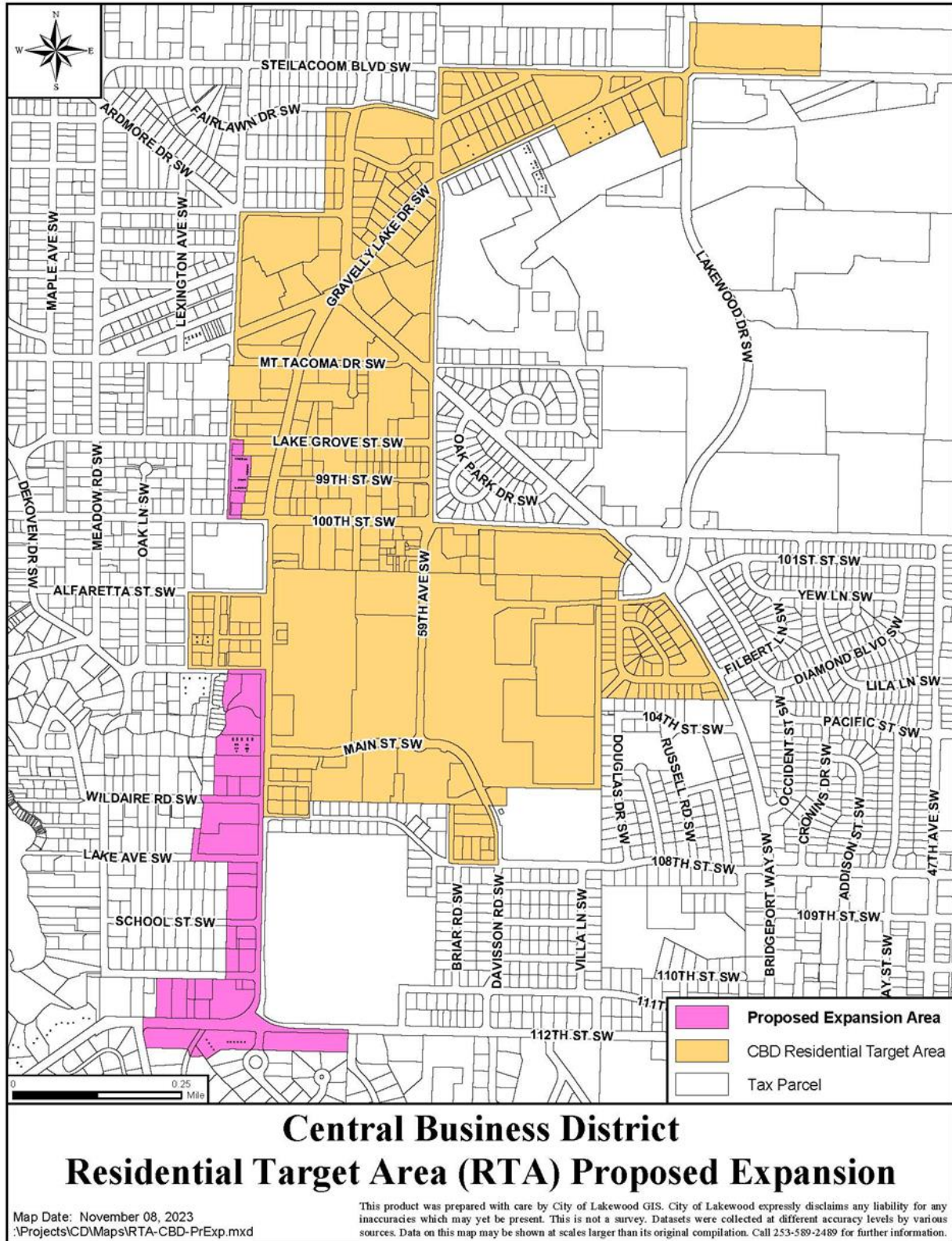
City Council requested that this be addressed Q1 2024.

Why are we reviewing this map only?

1. Per City Council request;
2. High potential to attract one or more projects within the designated expansion area;
3. CBD has the highest need for residential and commercial development per subarea plan;
4. Other areas to be considered once the Comprehensive Plan, and Tillicum plans have been updated.

The map for your consideration is included on the following page.

Central Business District (CBD) map with expansion area



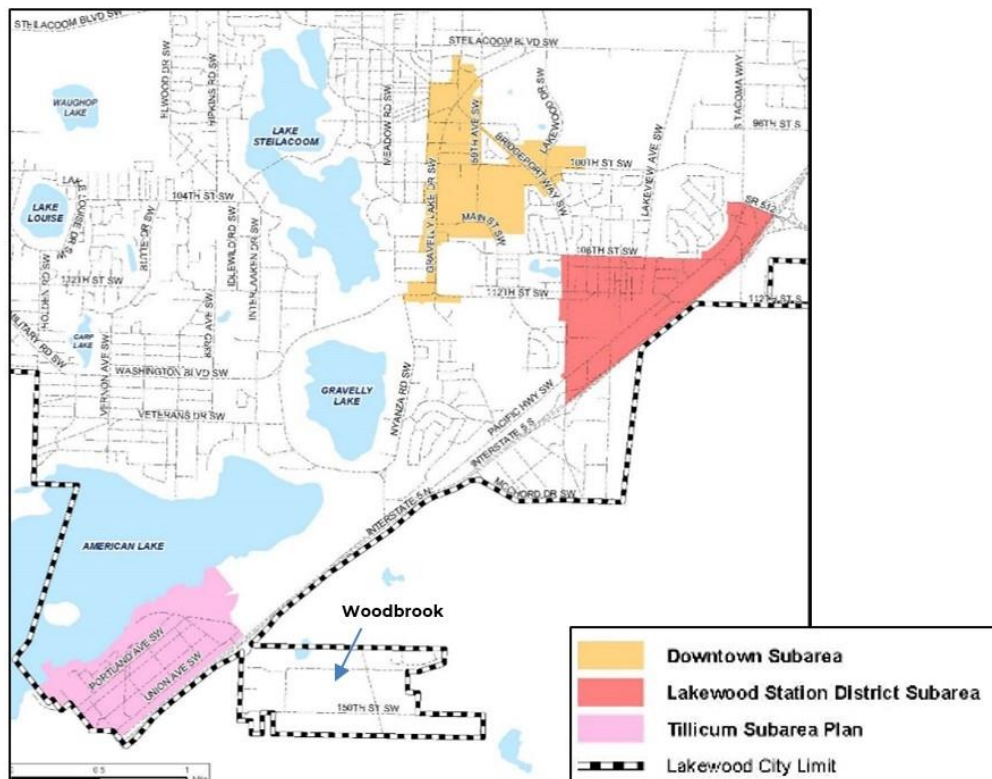
TO: City of Lakewood Planning Commission
 FROM: Tiffany Speir, Long Range & Strategic Planning Manager
 DATE: February 21, 2024
 SUBJECT: Lakewood Subarea Plan Updates: Downtown, Station District, Tillicum
 ATTACHMENTS: Draft 2024 Biennial Reviews for Downtown Subarea Package (**Attachment A**) and Station District Subarea Package (**Attachment B**)

BACKGROUND

In conjunction with the state-required 2024 review of the City's Comprehensive Plan and development regulations, Lakewood is conducting reviews of several optional planning elements, including:

- a biennial review of both the Downtown Subarea Plan, Planned Action Ordinance, and development regulations (DSAP package);
- a biennial review of the Station District Subarea Plan, Planned Action Ordinance, and development regulations (LSDS package); and
- replacing the 2011 Tillicum Neighborhood Plan with the 2024 Tillicum-Woodbrook Subarea Plan (TWSP.)

The map below depicts the 2023 boundaries of the City's three subareas. The 2024 TWSP boundaries, when adopted, will incorporate the Woodbrook area.



Pierce County in Ordinance 2023-22s set the **2044 Lakewood housing growth targets** for all economic segments:

Permanent Housing Needs by Income Level (% of Area Median income (AMI))									
	Total	0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Emergency Units
		PSH*	Non-PSH						
'20 Unit Estimate	26,999	588	101	4,565	11,699	4,347	2,250	3,449	8
'44 Unit Allocation	9,378	1,212	1,367	1,739	1,375	592	536	2,287	574

*PSH = permanent supportive housing

Pierce County Ordinance 2022-46s set Lakewood's **2044 employment growth target** as **9,863 jobs** citywide.

The following table* summarizes where portions of the 2044 Lakewood housing and job growth targets are currently planned:

	2044 Citywide Growth Targets	2035 Targets ID'd for Downtown Subarea	2035 Targets ID'd for Station District Subarea	2044 Targets ID'd for outside subareas	2044 Citywide Emergency Housing Unit Target
Housing Units	9,378 net new units	2,257 net new units (~24% of citywide '44 target)	1,722 net new units (~18% of citywide '44 target)	5,399 (~58% of citywide '44 target)	574
Jobs	9,863 net new jobs	7,317 net new jobs (~74% of citywide '44 target)	1,276 net new jobs (~13% of citywide '44 target)	1,270 (~13% of citywide '44 target)	-

*This table updates the calculation of housing unit and job targets in the Downtown Subarea to reflect activity since the subarea plan effective date.

The Downtown and Station District Subarea Plans and their growth targets predate the passage of the 2021 "housing for all area median incomes (AMIs)" planning requirements as well as Lakewood's final 2044 citywide growth targets. As a result, the subareas' housing growth targets are being analyzed this year, and proposed updates will be included as part of the biennial reviews if needed.

DISCUSSION

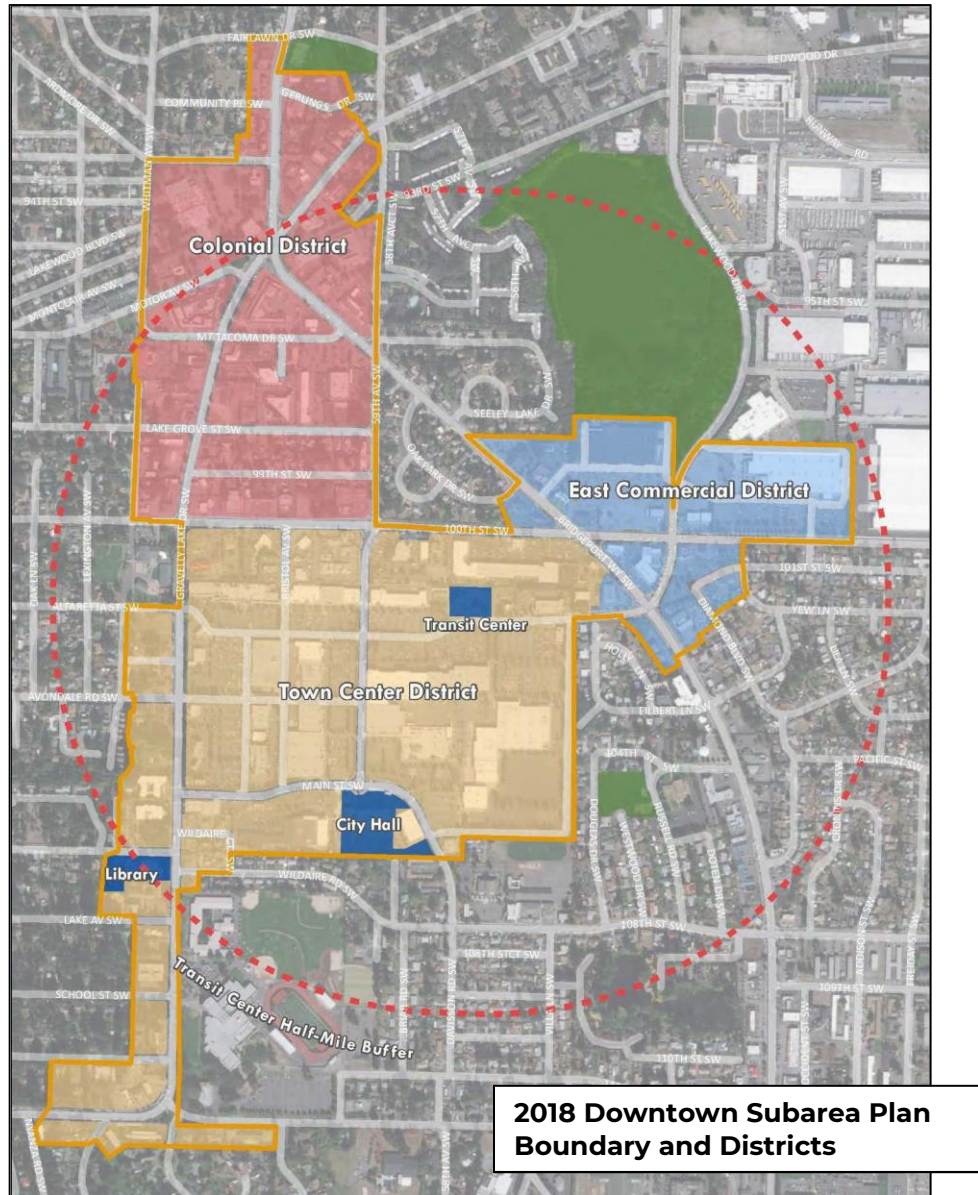
Downtown Subarea Plan, Development Code, and SEPA Planned Action Ordinance (DSAP package):

Lakewood adopted the DSAP package in 2018. As part of the adoption ordinance, the City Council established a biennial (every 2 years) review process that is described below the following map. In 2022, the Council updated the review schedule to be every 5 years after the 2024 review is completed.

The Downtown Subarea Plan's Vision Statement reads:

- Our vision for Downtown is that it is seen as the heart of Lakewood.
- Downtown is where people go to do fun things, see friends and neighbors, eat good food, and experience the cultural diversity of the City.

- Downtown brings a strong sense of pride for the community by celebrating all things Lakewood and bringing a strong sense of identity to the City and its people.
- Downtown is best experienced by walking or biking and is safe, inviting, accessible, and connected.
- Downtown has a mix of retail, restaurant, employment, and housing options that are cohesively and well-designed, and support civic life and a strong economy.



The City Council's criteria for the DSAP biennial reviews are included below:

Ordinance 695 (Subarea Plan and Development Regulations)

Urban Design Policies + Strategies

Strategy: Monitor the impact of the Downtown Code in implementing this Plan in 2024 and at least every five (5) years thereafter and **amend the Plan and its associated regulations as needed to improve outcomes.**

Ordinance 696 (Subarea SEPA Planned Action Ordinance)

Section 4. Monitoring and Review.

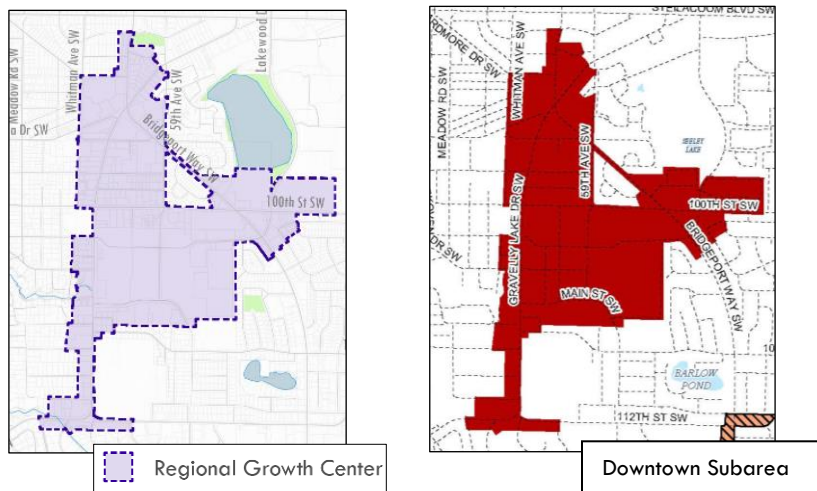
- A. The City should **monitor the progress of development** in the designated Planned Action area in 2024 and at least every five (5) years thereafter to **ensure that it is consistent with the assumptions of this Ordinance and the Planned Action EIS** regarding the type and amount of development and associated impacts and with the mitigation measures and improvements planned for the Planned Action Area.

- B. This Planned Action Ordinance shall be reviewed by the SEPA Responsible Official in 2024 and at least every five (5) years thereafter from its effective date in conjunction with the City's regular Comprehensive Plan review or docket cycle, as applicable. The review shall **determine the continuing relevance of the Planned Action assumptions and findings with respect to environmental conditions in the Planned Action Area, the impacts of development, and required mitigation measures (Exhibit B) and Public Agency Actions and Commitments (Exhibit C).** Based upon this review, the City may propose amendments to this Ordinance or may supplement or revise the Planned Action EIS.

Exhibit D. Transportation Cost Estimates

- 6. The Planned Action Share Transportation Fees will be incorporated into the City of Lakewood's master fee schedule. Fees shall be subject to review in 2024 and at least every five (5) years thereafter to affirm the cost basis.

Also in 2018, the City Council updated the PSRC-designated Lakewood Regional Urban Growth Area¹ boundaries to match the Downtown Subarea boundaries.



¹ Activity Units - Population + Employment in Downtown Lakewood

The Lakewood Urban Center was designated as a Regional Growth Center by the Puget Sound Regional Council (PSRC) in 1995. Guidance from PSRC is that center targets “must represent a significant portion of the jurisdictions’ overall housing and employment growth targets for the 20-year planning period” (PSRC 2014). The housing and/or employment targets for each center should exceed the center’s shares of existing housing and/or jobs and exceed the center’s shares of recent growth in housing and/or jobs. The 2011 PSRC guidance held that regional growth centers needed a minimum existing activity level (population + employment) of at least 18 “activity units” per gross acre. The 2018 level of Downtown Subarea activity units totaled less than 20 per acre.

The 2022 PSRC activity level minimum target level is 45 activity units per gross acre in regional growth centers. The Downtown Subarea Plan supports jobs and housing opportunities. The adopted subarea plan was drafted with 58-69 activity units per acre at buildout, depending on the calculation of gross acres (parcels and road centerlines or parcels only.) PSRC will conduct a review of Lakewood’s urban growth center per its 2022 Centers policies in 2025.

In 2025, the Puget Sound Regional Council (PSRC) will conduct a review of the Regional Urban Growth Center based on the agency’s updated Centers criteria. The City is reviewing the Centers criteria as it conducts the Downtown 2024 biennial review to verify the consistency with regional criteria as well as the status and progress of the growth center.

The City has identified the Downtown as the location for much of the City’s future residential and retail/commercial growth:

	2044 Citywide Growth Targets	2018 Downtown Data	2035 Targets ID'd for Downtown Subarea
Housing Units	9,378 net new units	419 units	2,257 net <u>new</u> units (~24% of '44 citywide target) 2,676 net <u>total</u> units
Jobs	9,863 net new jobs	5,000 jobs	7,317 net <u>new</u> jobs (~74% of '44 citywide target) 12,317 net <u>total</u> jobs - 1,346 retail - 5,814 office - 209 light industrial

***This table updates the calculation of housing unit and job targets in the Downtown Subarea to reflect activity since the subarea plan effective date.**

Past Downtown Subarea Plan Reviews

The first DSAP biennial review was conducted within 18 months of adoption and no actions were taken to update the package given its short life at that time. The second review was completed in 2022 and again, no changes were made, this time due to the slowed economy during the COVID-19 pandemic.

Draft 2024 Biennial Review

The **draft** 2024 DSAP biennial review is included here as **Attachment A**. In summary:

- The City has adopted a Downtown plan, code, incentives, and incorporated capital investments in its capital and transportation improvement plan.
- Tenant permits in existing spaces have been robust, but new construction has been limited. The growth in Downtown has been relatively limited compared to the planned capacity. However, for two and a half years between 2020 and 2022, Downtown was significantly impacted by COVID 19. Despite these challenges, the City has made progress.
- The City continues to seek public and private funding for catalyst projects that could lead to additional private investment. The City also wishes to find additional state and federal funding for streets and other amenities. State or federal funds are likely to be the primary funding of improvements since transportation mitigation fee collection has been limited and was never meant to address the full cost.
- The City has also been supporting a new mixed use housing development and park site with the Towne Center owner. In 2024 and beyond, the City

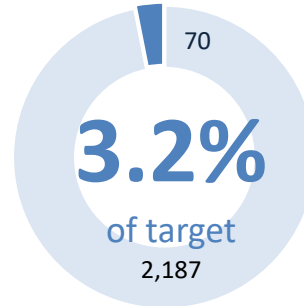
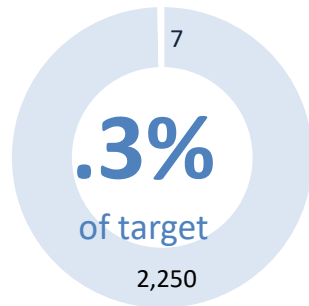
anticipates seeking state and federal funding and private investment into the Downtown.

- Group Home 5 is prohibited in the Downtown regulations at LMC 18B.200.220, but LMC 18A.40.120 indicates Group Home 5 (for secure community transition facilities) is allowed by Conditional Use Permit in the CBD zone. This difference should be addressed in housekeeping code amendments.

Housing Progress Growth Fall 2018- Summer 2023

City dwelling units permitted 2018-mid23

PSRC new dwelling units 2018-2022



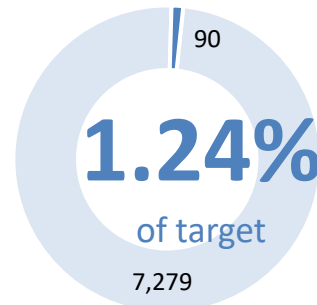
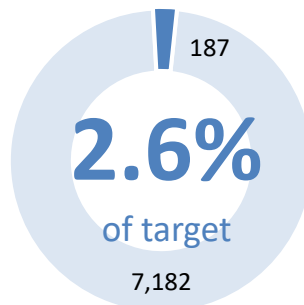
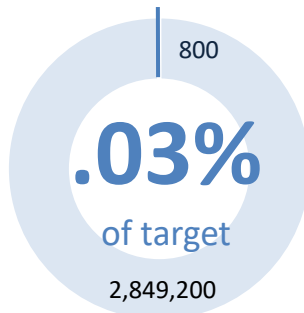
Sources: City of Lakewood, 2023; PSRC 2024; BERK 2024.

Employment Space and Jobs Progress Growth Fall 2018- Summer 2023

Employment sq. ft. permitted

Census OTM Jobs 2018-21

PSRC/ESD Jobs 2018-22



Sources: City of Lakewood, 2023; Census on the Map (OTM), 2021; PSRC 2024; BERK 2024.

- In the last two years, there has been activity to gain funding for parks, roads, and other amenities and to attract interest in Downtown catalyst sites but funding or development has not yet been secured. Since the adoption of the Downtown Plan the project completed has continued to be the Festival Street in the Colonial District.
- The City has not consistently collected traffic mitigation fees, though most development has not had a net increase in trips in the subarea since it is largely re-occupying existing spaces.

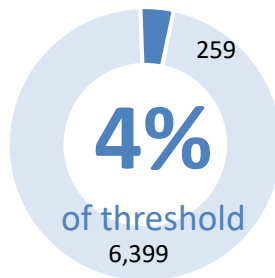
- The City has collected some funds that could be used for the capital projects identified in the Planned Action Ordinance (PAO) should it desire to do so. However, the amount collected is less than 20% of the cost of improvements (e.g., traffic signals) and it would take several more years at the current rate to collect 50% of the funds as anticipated in the PAO.
- Should the City determine it no longer wishes to collect the SEPA mitigation fee at this time, the City would rely on local, state, or federal funds to implement the improvements and/or apply the same traffic impact analysis process used throughout the rest of the City (see LMC 12.09.028 and .032.) Based on the GMA’s concurrency requirements, should development cause intersections to exceed adopted levels of service, the City could restrict development unless the improvements are implemented.

Downtown Subarea Transportation Mitigation Fees (TMF) and Corresponding Data

Name	Net New Trips	Calculated TMF	TMF collected under Administrative Policy
Total	258.88	\$1,062,638.21	\$142,297.85

Source: City of Lakewood, 2023.

Traffic Trips as Share of Planned Action Threshold



Source: City of Lakewood, 2023; BERK 2023.

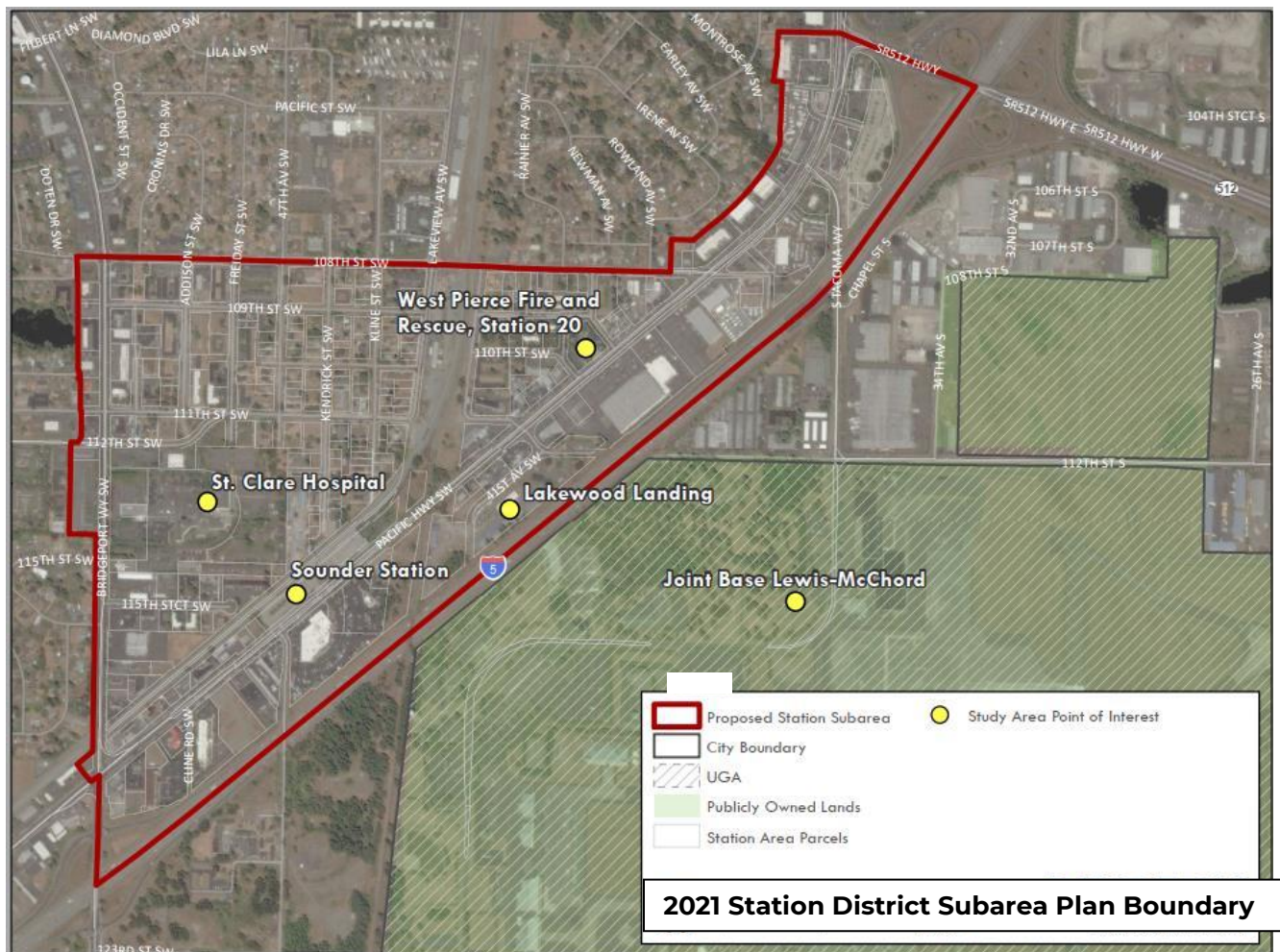
Lakewood Station District Subarea Plan, Development Code, and Planned Action Ordinance (LSDS package)

The City Council adopted the LSDS package in 2021. As its name suggests, it is located around the Sound Transit Sounder Station.

The Station District Subarea Plan Vision reads:

The Lakewood Station District is a multi-modal commuter hub of Lakewood and the southern terminus of Sound Transit's commuter rail service.

- The Lakewood Station District provides an amenity-rich, transit-oriented development node surrounding the Lakewood Station.
- This District offers a mixture of intensive land uses and activities supportive of direct regional transportation access via the Lakewood commuter rail station and I-5.
- The District implements development standards to foster a high quality, pedestrian-oriented urban environment including incentives to encourage a dense mix of commercial and medical office, regional and local retail, services and hospitality, and high-density residential uses offering ownership and rental housing opportunities, all supported by direct regional transportation access.



Again, the Station District Subarea Plan’s adopted growth targets predate requirements to plan for housing affordable to specific economic segments, and proposed updates will be included as part of the biennial review if needed.

	2044 City Growth Targets	2021 LSIDS Data	2035 Growth Targets ID'd for Station District Subarea
Housing Units	9,378	864 units	1,722 net <u>new</u> units (~18% of citywide '44 target) 2,586 net <u>total</u> units
Jobs	9,863	2,300 units	1,276 net <u>new</u> jobs (~13% of citywide '44 target) - service - retail 3,576 net <u>total</u> jobs

The Station District subarea does not include a Center of Municipal Importance (CoMI) within its boundaries; however, it was identified as one of the City’s Urban Design Focus Areas in 2022 (along with the Tillicum and Downtown Subareas) in the Comprehensive Plan.

Of note: When adopted, the LSIDS package assumed that a major mixed-use development called “Lakewood Landing” would be built within the LSIDS boundaries. Since then, a portion of the land identified for Lakewood Landing has been purchased and is being developed as a “micro-fulfillment” center (i.e., last mile delivery.) As a result, Lakewood Landing as envisioned will not be built, and the assumptions regarding Lakewood Landing’s development and its estimated job and housing unit provision will be removed as part of the LSIDS’ 2024 biennial review.

The City Council’s criteria for the LSIDS biennial reviews are included below:

Section 4. Monitoring and Review.

A. The City should **monitor the progress of development** in the designated Planned Action area biennially to ensure that it is consistent with the assumptions of this Ordinance and the Planned Action Threshold Determination regarding the type and amount of development and associated impacts and with the mitigation measures and improvements planned for the Planned Action Area.

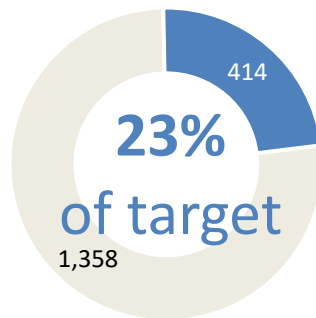
B. This Planned Action Ordinance shall be reviewed by the SEPA Responsible Official every two (2) years from its effective date in conjunction with the City’s regular Comprehensive Plan review or docket cycle, as applicable. The review shall **determine the continuing relevance of the Planned Action assumptions and findings with respect to environmental conditions in the Planned Action Area, the impacts of development, and required mitigation measures** (Exhibit B and Exhibit C). Based upon this review, the City may propose amendments to this Ordinance or may supplement or revise the Planned Action Threshold Determination.

The **draft** 2024 biennial review of the Station District Subarea Plan is included in **Attachment B**. In summary:

- In 2024 and beyond, the City anticipates continued investments by the City, Sound Transit, and private developers into the Station District Subarea.

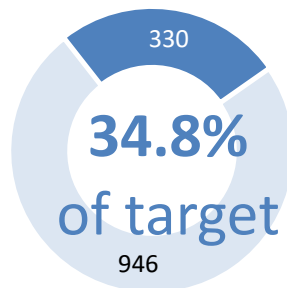
- Despite the challenges, the Station District has made strong progress on housing type variety and affordability. The City continues to seek funding for pedestrian and park amenities.
- Potential areas of reconciliation or exploration in 2024 include:
 - o Group homes types 4 and 5 are prohibited in LMC 18C.200.220 in the C1 zone but are allowed by Conditional Use Permit in LMC 18A.40.120. Amendments to reconcile the conflict should be addressed.
 - o The City could consider adding allowances for ADUs in zones in the Station District that allow duplex, triplex, or townhome units. This could be examined in the Comprehensive Plan EIS.

Achievement of Dwelling Units Created



Source: City of Lakewood, 2023; BERK 2024

Achievement of Jobs Created

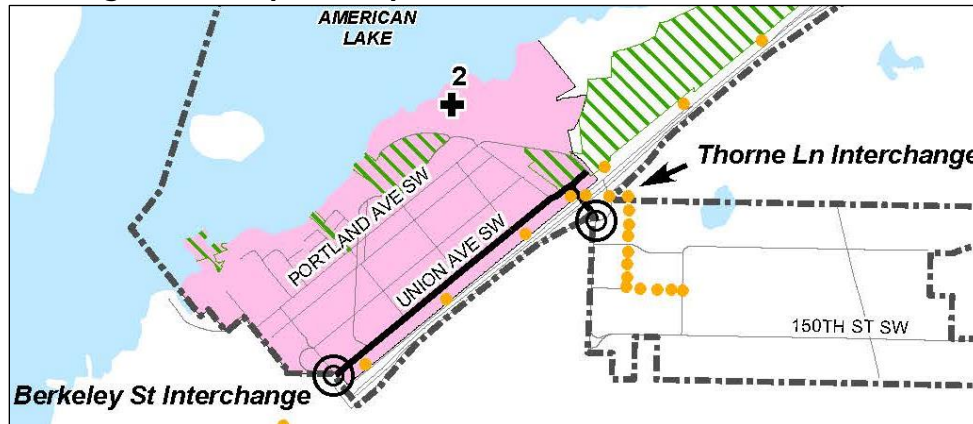


Source: City of Lakewood, September 11, 2023 Economic Development Update; BERK 2024.

Tillicum Neighborhood Plan (TNP):

The 2011 TNP predates other subarea plans adopted in Lakewood as well as the 2020 Census results, the construction of the new I-5 Thorne Lane and Berkeley interchanges, the adoption of VISION 2050 and updated Countywide planning policies (CPPs), and several substantial changes to the state Growth Management Act (GMA) related to housing, climate change, and equity as issues local governments must address in policy and regulation.

Tillicum Neighborhood (Subarea) Plan Boundaries in relation to I-5 Interchanges



The Tillicum area is the subject of Comprehensive Plan in multiple sections:

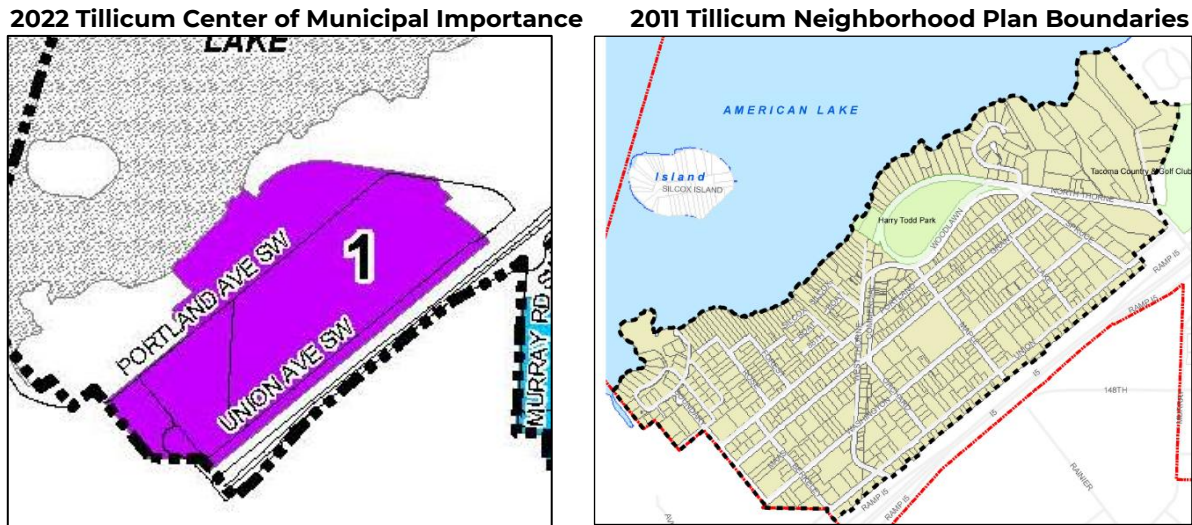
- Comprehensive Plan Sections 2.5.1.
- Section 3.11, including Goal LU-52. Comprehensive Plan LU 52.5 directs to “Implement and as necessary update the Tillicum Community Plan.”
- Goal LU-53, and Policies LU-53.1 through LU-53.4
- Comprehensive Plan Section 4.5 discusses the Tillicum area in detail.
- Goals UD-10 and ED-5 are also focused on Tillicum.
- Goal U-8 and Policy-8.3 identifies Tillicum as an area to which to provide sewer service.
- Land-Use Implementation Strategy 11.3.12 directs to “Continue with redevelopment efforts in Tillicum and the preparation of development regulations and design standards as described in the Tillicum Neighborhood Plan originally adopted in June 2011 and updated thereafter.”
- Within the Comprehensive Plan’s Transportation Implementation Strategies is direction to “Provide local support for the construction of a Sounder Station in Tillicum. The station could also serve as an Amtrak station if Amtrak service is added to the Sound Transit rail line.”

The 2011 TNP near-term (5 years), ongoing (5-20 years), and long-term (20+ years) actions tables were tied to the subarea plan’s goals and tasks. They included priorities and time frames, which were intended to provide guidance to decision-makers as they implemented the actions.

In 2014, the City adopted a Center of Municipal Importance (CoMI) within the TNP boundaries. CoMIs were originally designated to focus development and funding to

areas that are important to the local community. Lakewood's residential CoMIs were intended to promote compact, pedestrian oriented development with a mix of uses, proximity to diverse services, and a variety of appropriate housing options.

In 2022, the Tillicum CoMI boundaries were expanded to reflect completion of sewer extensions and the Thorne Lane and Berkeley I-5 interchanges, but are still contained 100% within the Tillicum Neighborhood Plan boundaries:



2023-2024 Tillicum Neighborhood Plan Review

The Tillicum Neighborhood Plan was originally developed in 2009 and adopted in 2011 per Resolution 2011-09 as a subarea plan under RCW 36.70A.080(2). As part of the 2022 Comprehensive Plan amendment cycle, the City adopted a status update that reported that 38 of the 68 Implementation Strategies included in the Tillicum Neighborhood Plan were done or ongoing. The remaining 30 strategies were not done for a variety of reasons (e.g., lack of funding, lack of other resources, changed circumstances, etc.)

A more substantive and comprehensive update to the Tillicum Plan is being conducted as part of the 2024 Comprehensive Plan Periodic Review, including the addition of the Woodbrook area and its redesignation as the Tillicum-Woodbrook Subarea Plan (TWSP.) Once adopted, the TWSP may also be subject to regular reviews over time by the City similar to those conducted for the Downtown and Station District subarea plans.

The TWSP planning and public engagement processes launched in the summer of 2023. The City identified key stakeholder groups and individuals to form a steering committee. The update will include a thorough review and rewrite of the subarea plan that will be formally reviewed as part of the full 2024 Comprehensive Plan Periodic Review package.

In 2011, the TNP identified 2,189 housing units and 2,089 workers (not jobs) within the subarea. These demographics will be updated in keeping with the 2020 Census and more recent available data.

ATTACHMENT A

Third Biennial Review: Downtown Planned Action

Prepared by: BERK Consulting, Inc. | Prepared for: City of Lakewood | DRAFT February 14, 2024

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Introduction

This document contains the third biennial review of the 2018 Downtown Subarea Plan (DSAP) and Planned Action Ordinance which includes the Town Center, Colonial, and East Commercial districts per Ordinance 695 and 696.

Ordinance 696 establishing the Planned Action requires reviewing the following every two years.

- The City should monitor the **progress of development** in the designated Planned Action area biennially to ensure that it is consistent with the assumptions of this Ordinance and the Planned Action EIS regarding the type and **amount of development** and associated impacts and with the mitigation measures and **improvements planned** for the Planned Action Area.
- The review shall determine the continuing relevance of the Planned Action assumptions and findings with respect to environmental conditions in the Planned Action Area, the **impacts of development, and required mitigation measures** (Exhibit B) and **public agency actions and commitments** (Exhibit C). Based upon this review, the City may propose amendments to this Ordinance or may supplement or revise the Planned Action EIS.

The review includes land use, improvements and actions in the set forth in the DSAP approved in Ordinance 365.

The review in this third assessment addresses the Ordinance monitoring requirements as well as the potential effect of recent housing legislation. This review includes the following:

- Monitor the progress of development to ensure that it is consistent with the assumptions of this Ordinance and Planned Action EIS regarding the type and amount of development and associated impacts with the mitigation measures and improvements.
- Review the Planned Action share of transportation fees to affirm the cost basis.
- Monitor the progress on the big ideas of the DSAP package including the Green Street Loop, new public streets, Central Park, revised Gravelly Lake Drive, Catalyst sites, and Festival Street.
- Update the Implementation Strategy Status.
- Consider effect of recent legislation per HB 1220, HB 1110, and HB 1337 regarding housing types, affordability, design, and parking.
- Describe the status and performance of Downtown as Puget Sound Regional Council (PSRC) Regional Urban Growth Center.

Progress on Growth Thresholds

Measuring Growth through Development

The DSAP package was adopted in October 2018 and has been in effect for 5 years and 3 months, 2 years of which were affected by the COVID 19 pandemic which altered in-person services and food customer visits and business employment.

Since the adoption of the DSAP package, 29 projects within the subarea have been discussed with the City through formal permit submittal. Approximately, 4 new buildings or new occupancies have opened, and 25 remodels have occurred. Exhibit 1 provides detailed description of each of the permits.

Exhibit 1. Downtown Commercial and Residential Permits (January 2019-June 2023)

Date	Use Type	Permit description	Work Type	Status	Square Feet
1/4/2019	Commercial	Dutch Bros	New Building	Final	800
1/29/2019	Commercial	Jamba Juice	Remodel	Final	1,185
2/12/2019	Commercial	Ultra (Shell)	Remodel	Final	
5/1/2019	Commercial	Ultra	Remodel	Final	11,105
7/23/2019	Commercial	Angels Academy	Remodel	Final	
10/22/2019	Commercial	Patron Investments	Remodel	Final	2,169
12/6/2019	Commercial	Benchmark Physical Therapy	Remodel	Final	1
12/11/2019	Commercial	Tee Upper Cuts	Remodel	Final	1,045
12/16/2019	Commercial	Edward Jones	Remodel	Final	1
1/31/2020	Residential	Bristol Apts	New Building	Final	7 units

Date	Use Type	Permit description	Work Type	Status	Square Feet
2/10/2020	Commercial	Awns Tailoring & Cleaning	Remodel	Final	1,080
2/11/2020	Commercial	Sugar Faced Sweets	Remodel	Final	800
3/20/2020	Commercial	Lakewood Place Office	Remodel	Final	
3/26/2020	Commercial	Unique Nails	Remodel	Final	
8/19/2020	Commercial	Angels Academy	New Occupancy Only	Final	900
12/30/2020	Commercial	State of Wa	Remodel	Final	
1/21/2021	Commercial	Asian Cnsl/Trtmt Srvs	Remodel	Final	1,068
2/10/2021	Commercial	Kally Threading	New Occupancy Only	Final	
4/8/2021	Commercial	Xfinity	Remodel	Final	2,175
6/30/2021	Commercial	Ubreakifix	Remodel	Final	
9/30/2021	Commercial	Catapult Adventure Park	Remodel	Final	
10/8/2021	Commercial	Mathnasium	Remodel	Final	1,365
11/9/2021	Commercial	Crumbl Cookie	Remodel	Final	
2/24/2022	Commercial	Old Navy	Remodel	Final	
7/1/2022	Commercial	Huynn Dds	Remodel	Under Construction	
9/11/2022	Commercial	Daiso	Remodel	Final	
1/13/2023	Commercial	Davita	Remodel	Under Construction	
3/23/2023	Commercial	Starbucks	Remodel	Under Construction	
4/6/2023	Commercial	Dauids Bridal	Remodel	Pending	

Total 29 permits

Source: City of Lakewood, 2023, BERK 2023

As of June 30, 2023, 800 square footage of new commercial space, and 7 dwelling units have been added. See Exhibit 2 below.

Exhibit 2. Downtown - Permit History 1/1/2019 – 6/30/2023

Use Type	Permits	Units	Square Footage
Commercial New Building	1	0	800 sq ft.
Commercial Remodel	25	0	-----
Commercial New Occupancy Only	2	0	-----
Residential New Building	1	7	-----
Total	29	7	800

Source: City of Lakewood, 2023, BERK 2023

While City records show 7 building permits, PSRC data shows 70 units added since 2020 using block data from OFM’s small area estimates. City staff have developed relationships with over 30 key mixed use builders, providing a range of housing and commercial development in order to attract tenants.

In aggregate, since the adoption of DSAP package, 187 jobs have been added in the study area based on Census on the Map Data between 2018 and 2021 (the date of adoption and the last year available). However, PSRC data for the Center shows only a 90 jobs increase between 2018 and 2022; however, 150 jobs increased between 2021 and 2022 showing some recovery since the pandemic. This is due to new occupancies in existing spaces and new development.

Comparison of Development to Growth Thresholds

Downtown Lakewood is intended to attract significant numbers of additional office and retail jobs as well as new high-density housing. Between 2018- 2035 a total of 2,257 residential dwelling units is targeted; to date there have been a total of 7 units created, 0.3% of the goal. By the growth horizon of 2035 (matching the adopted Comprehensive Plan) the Downtown should add 2,250 dwelling units.

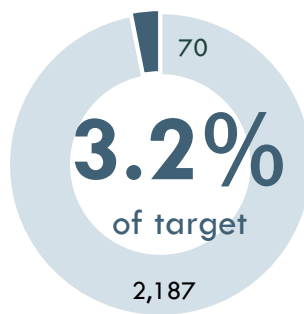
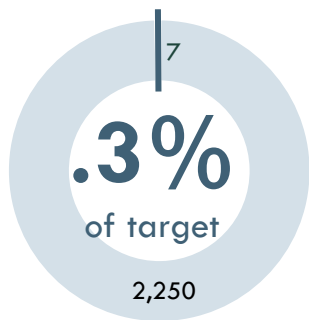
Although there have only been 7 dwelling units created, it is not representative of the housing projects being planned. There have been steps to build a new 420 unit mixed-use project downtown by KITE Realty Group and Alliance Residential Company. The 2023-24 Budget notes: “Our economic development team has also engaged directly with more than 30 major regional and out of state mixed use and multifamily developers for Downtown development with a focus on a mix of middle market housing types and affordable units.”

Between 2018 -2035 a total of 2.85 million square feet of commercial square feet was anticipated. To date, there has been an increase of 800 square feet of commercial space, 0.03% of the goal. Between 2018-2035, a total of 7,369 new jobs were targeted with all the development and investment into downtown. To date, 187 jobs have been added reviewing Census on the Map, 2.5% of the goal. Over the next twelve years, the downtown will need to add 7,182 jobs. See Exhibit 3 and Exhibit 4 below.

Exhibit 3. Progress Growth Fall 2018- Summer 2023 – Housing

City dwelling units permitted 2018-mid23

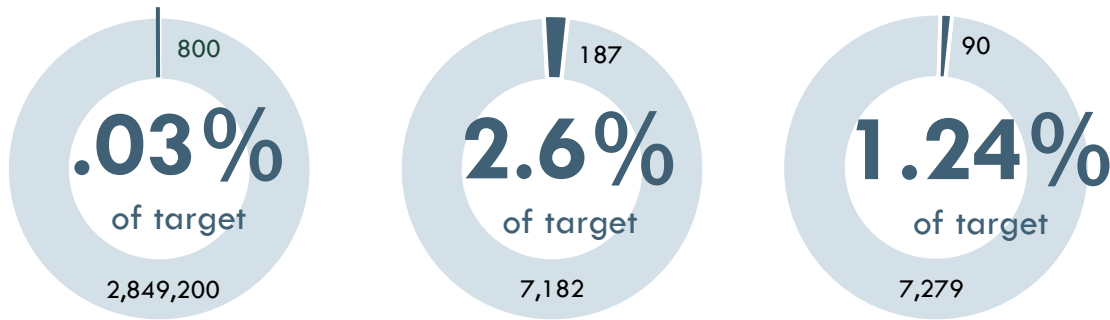
PSRC new dwelling units 2018-2022



Sources: City of Lakewood, 2023; PSRC 2024; BERK 2024.

Exhibit 4. Progress Growth Fall 2018- Summer 2023 – Employment Space and Jobs

Employment sq. ft. permitted Census OTM Jobs 2018-21 PSRC/ESD Jobs 2018-22



Sources: City of Lakewood, 2023; Census on the Map (OTM), 2021; PSRC 2024; BERK 2024.

Measuring Growth through Traffic Fees and Trips

Since the adoption of the DSAP package, a total of \$1,062,633.52 was assessed in Downtown Subarea transportation mitigation fees (TMFs) on 51 projects. However, out of 51 projects only 4 projects paid the TMF based on the City’s TMF program that reviews prior uses within a building to calculate TMFs and other reasons for not collecting TMF fees. There have not been any new TMF collected since the last biennial review in 2021.

To date (November 2018- 2023) a total of \$142,297.85 has been collected in TMFs. Exhibit 5 is a comprehensive list of the developments that paid TMFs.

Exhibit 5. Development TMF and Corresponding Data

Permit	Date	Gross New Trips	Net New Trips	TMF
BBQ Petes	3/19/2019	34	28.10	\$61,085.49
Dutch Bro’s Gravelly	6/12/2019	26.53	26.53	\$57,677.75
New Bristol Apartments	6/13/2019	2.52	2.52	\$5,477.72
Rush Bowls	7/18/2019	17.49	8.31	\$18,056.88
Total		80.54	65.46	\$142,297.85

Source: City of Lakewood 2023.

A comprehensive list of all projects, their corresponding net new trips and TMF payment amount is listed in Exhibit 6.

Exhibit 6. Traffic Mitigation Fee (TMF) Reviews: 2018-August 2023

Name	Address	Date	Net New Trips	Proposed TMF	TMF collected
Dutch Bros	6229 Lake Grove St SW / 9642 Gravelly Lake Dr SW	26-Nov-18	36.60	\$79,557.42	\$0.00
Little Feet	10011 Bridgeport Way SW	5-Dec-18	-4.11	\$0.00	\$0.00
Hot Yoga	10240 Bridgeport	12-Dec-18	-5.04	\$0.00	\$0.00
Burger Restaurant	10011 Bridgeport Way SW Suite 1400	18-Dec-18	16.69	\$36,283.40	\$0.00
Beyler Consulting	5920 100th St SW	15-Jan-19	0.31	\$682.43	\$0.00
Bristol Apts	9615 Bristol Ave SW	30-Jan-19	3.08	\$6,695.00	\$0.00
Jamba Juice	10321 Gravelly Lake DR SW #F	4-Feb-19	2.45	\$5,331.98	\$0.00
ULTA	10310 59th Ave SW	12-Feb-19	-3.00	\$0.00	\$0.00
Myung Park	5213 101st St SW	20-Feb-19	2.04	\$4,428.37	\$0.00
People Systems	10209 Bridgeport Way SW	5-Mar-19	0.83	\$1,806.84	\$0.00
BBQ Petes	6111 Lakewood Towne Center Blvd SW #A	19-Mar-19	28.10	\$61,085.49	\$61,085.49
Sky Bridge Therapies	9124 Gravelly Lake Dr	27-Mar-19	3.62	\$7,864.45	\$0.00
Revive Yoga	11004 Gravelly Lake Drive	17-Apr-19	-9.56	\$0.00	\$0.00
Phommavongsay	9100 Bridgeport Way SW	22-May-19	0.00	\$0.00	\$0.00
Altitude Trampoline	5831 Lakewood Towne Center Blvd	10-Jun-19	-23.40	\$0.00	\$0.00
Dutch Bro's Gravelly	6229 Lake Grove St SW / 9642 Gravelly Lake Dr SW	12-Jun-19	26.53	\$57,677.75	\$57,677.75
New Bristol Apartments	9615 BRISTOL AVE SW	13-Jun-19	2.52	\$5,477.72	\$5,477.72
Angels Academy	9103 Bridgeport Way SW	12-Jul-19	10.01	\$21,754.39	\$0.00
Rush Bowls	5700 100Th St SW	12-Jul-19	12.78	\$27,771.54	\$0.00
Rush Bowls	5700 100Th St SW	18-Jul-19	8.31	\$18,056.88	\$18,056.88
Lakewood Wellness Clinic		8-Aug-19	-5.75	\$0.00	\$0.00
Sugar Faced Sweets	11122 Gravelly Lake Dr SW	12-Aug-19	-0.86	\$0.00	\$0.00
Nail Salon (undecided name)	5221 100th St SW	14-Aug-19	-15.44	\$0.00	\$0.00
Studio Fitness	9601 Gravelly Lake Dr SW	27-Aug-19	1.80	\$3,921.35	\$0.00
Tee Upper Cuts	6111 Lakewood Towne Center Blvd SW Suite B	28-Aug-19	-11.16	\$0.00	\$0.00
Clover Park Professional Square	10828 Gravelly Lake Dr. SW, Suite 209	19-Sep-19	2.57	\$5,594.45	\$0.00
MMG Speech & Language Therapy, LLC	9881 Bridgeport Way SW	19-Sep-19	-28.43	\$0.00	\$0.00
Patron LLC. No name yet	9116 Gravelly Lake Dr. SW	3-Oct-19	0.00	\$0.00	\$0.00
Edward Jones	6020 Main St SW Suite D	16-Dec-19	0.00	\$4.70	\$0.00
Benchmark Physical Therapy	9514 Gravelly Lake Dr SW	7-Jan-20	0.00	\$0.00	\$0.00
Awns Tailoring & Cleaning	6111 Lakewood Towne Center Blvd SW, Suite C.	7-Feb-20	0.00	\$0.00	\$0.00
Emmert	9320 to 9330 Bridgeport Way SW	19-Feb-20	252.00	\$547,772.40	\$0.00
Staffing Office	10011 Bridgeport Way SW #800	3-Mar-20	-15.77	\$0.00	\$0.00

Name	Address	Date	Net New Trips	Proposed TMF	TMF collected
Taqueria El Antojo #2	6112 100th Street SW	25-May-20	0.00	\$0.00	\$0.00
Asian Counseling-Treatment Services	9100 Bridgeport Way SW	3-Mar-21	0.00	\$0.00	\$0.00
Asian Counseling-Treatment Services	9100 Bridgeport Way SW	5-Mar-21	0.00	\$0.00	\$0.00
Lowe's	5115 100th St SW	22-Mar-21	0.00	\$0.00	\$0.00
Chick-Fil-A	5429 100th St SW	25-Mar-21	0.00	\$0.00	\$0.00
Lakehaus Beer and Wine	11138 Gravelly Lake Dr SW	19-May-21	25.19	\$30,422.00	\$0.00
U-Break-I-Fix	10011 Bridgeport Way SW, Suite 1400	30-Jun-21	0.00	\$0.00	\$0.00
Xfinity	5605 Lakewood Towne Center Blvd SW	13-Jul-21	0.00	\$0.00	\$0.00
Mathnasium	5700 100th St SW, Suite 370	19-Sep-21	0.00	\$0.00	\$0.00
US Bank	9310 Bridgeport Way SW	20-Sep-21	0.00	\$0.00	\$0.00
Growing Tots	9805 Gravelly Lake Dr SW	8-Oct-21	42.47	\$92,317.91	\$0.00
N Brothers Bakery	6020 Main St SW	29-Mar-22	4.36	\$9,477.33	\$0.00
Zesty Steakhouse	9905 Bridgeport Way SW	6-Apr-22	0.00	\$0.00	\$0.00
People's Plaza	9315 Gravelly Lake Dr SW	3-Jun-22	0.00	\$0.00	\$0.00
Therapeutic Associates	10011 Bridgeport Way SW Ste #700	22-Jun-22	0.00	\$0.00	\$0.00
Take 5 Oil	9810 Gravelly Lake Dr SW	21-Nov-22	14.55	\$31,627.34	\$0.00
Kings Kitchen	11104 Gravelly Lake Drive SW	6-Jan-23	0.00	\$0.00	\$0.00
Dasio	6111 Lakewood Towne Center Blvd SW	6-Jan-23	-11.70	\$0.00	\$0.00
Charlie Sushi	6125 100th St SW	6-Jan-23	0.00	\$0.00	\$0.00
America's Best Contacts & Eyeglasses	5700 100th St SW	18-Apr-23	-28.07	\$0.00	\$0.00
America's Best Contacts & Eyeglasses	5700 100th St SW	18-Apr-23	0.78	\$1,697.96	\$0.00
Lakewood Interim Library	10202 Gravelly Lake Dr SW	27-Jul-23	-78.87	\$0.00	\$0.00
Buffalo Wild Wings Go	10011 Bridgeport Way SW Ste #1100	3-Aug-23	2.45	\$5,329.11	\$0.00
Total			258.88	\$1,062,638.21	\$142,297.85

Source: City of Lakewood, 2023.

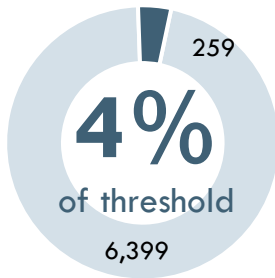
The City has not consistently collected traffic mitigation fees though most development has not had a net increase in trips in the subarea since it is largely re-occupying existing spaces. The City has collected some funds that could be used for the capital projects in the Planned Action Ordinance should it desire that. However, the amount collected is less than 20% of the cost of improvements (e.g., signals; see Exhibit 8) and it would take several more years at the current rate to collect 50% of the funds as anticipated in the Planned Action Ordinance. Should the City determine it no longer wishes to collect the SEPA mitigation fee at this time, the City would rely on local, state, or federal funds to implement the

improvements. Based on concurrency, should development cause intersections to exceed levels of service the City could restrict development unless the improvements are implemented.

Comparison of Traffic Trips to Threshold

To date, there has been a total of 258.88 net new trips, which is 4% of the 6,658 trip threshold between 2018 and 2035. See Exhibit 7.

Exhibit 7. Traffic Trips as Share of Planned Action Threshold



Source: City of Lakewood, 2023; BERK 2023.

Progress on Downtown Plan Vision & Concept

In the last two years there has been activity to gain funding for parks, roads, and other amenities and to attract interest in Downtown catalyst sites but funding or development has not yet been secured. Since the adoption of the Downtown Plan the project completed has continued to be the Festival Street in the Colonial District. See Exhibit 8.

Exhibit 8. Matrix of Big Ideas and Status

Project	Description	Progress (star scale)	Update	Cost (\$)
Green Street Loop	Improve public streets, and circulation for pedestrians and bicyclists		In 2020, the Green Street was added to the City Six Year Transportation Improvement Program (TIP) and Parks Legacy Plan update. Identified as a legislative priority to bring federal funding to the creation of the Green Street Loop. The City will resubmit the “Green Loop” street portion of the Downtown Subarea Plan project to the federal RAISE grant program seeking grants. The City will also consider its next federal earmark request for delegation consideration in 2025. (2024 Federal Policy Agenda)	\$21,692,000 (2024-29 TIP)

Project	Description	Progress (star scale)	Update	Cost (\$)
New Public Streets	Create a dense and walkable street grid	★★★★	In 2019, projects along 100 th Street and Lakewood Drive, and 59 th and 100 th added to Six Year TIP for traffic signals, street lighting, and sidewalks.	59 th Ave SW and Towne Center Blvd. SW Sidewalks, Lighting, Paving: \$3,000,000 100 th St SW and Bridgeport westbound right turn pocket: \$781,000 Gravelly Lake Drive / Avondale Signal: \$931,000 Gravelly Lake Dr./ 112 th St. SW Signal: \$931,000 (All: 2024-29 TIP not programmed yet)
Central Park	Create a new urban park just north of City Hall	★★★★	In the 2021-2026 Parks Capital Facility Program, includes construction of a 2 acre Downtown Park. In the process of developing a purchase and sale agreement to KITE Realty Group to acquire 2 acres.	\$17,525,000 (2 acre) or \$35,000,000 (4 acre) (2020 Legacy Plan and 2023-24 budget)
Revised Gravelly Lake Drive	Allow for expanded sidewalks and a multi-use path on the east side of the street	★★★★	In 2019, added to the City's Six Year Comprehensive TIP. In 2021 received \$4 million grant from Transportation Improvement Board (TIB). In early 2023, Motor Ave Gateway Arcs unveiled.	100% cost (in rounded 2018 \$) \$1,178,000 +19,410,000 (2nd biennial report)
Catalyst Sites	Weave together public improvements in infrastructure and amenities with infill and redevelopment by the private sector	★★★★	In 2022, the City continued to plan and seek funding for catalyst projects that spark additional private investment. The 2023-24 Budget notes the City has been working with over two dozen developers to attract interest in mixed use development.	
Festival Street	Construct the Colonial Plaza Project	★★★★	In 2019, the City completed a public gathering space at the Colonial Plaza.	Not applicable – completed.

Key

- ★★★★ Included in Capital Plans or State or Federal Funding Requests, Funding Pending
- ★★★★ Project Funded and Programmed
- ★★★★ Project Under Construction
- ★★★★ Project Complete

The City has implemented some actions, has ongoing programs, and other action remain to be implemented. See Exhibit 9.

Exhibit 9. Implementation Strategy Status

Element/Topic	Plan Action	Timeline	Department	Status
Urban Design + Land Use	Update the City's Future Land Use Map and Zoning Map to designate the entire Study Area as "Downtown."	Short-term	Community Development	<input checked="" type="checkbox"/> Completed 2018
	Adopt a hybrid form-based code that combines design elements with traditional zoning to regulate Downtown development. Use Overlay Districts, Street Types, Building Frontage Standards, and a simplified list of allowed land uses in the subarea.	Short-term	Community Development	<input checked="" type="checkbox"/> Completed 2018
	Adopt standards to address the transition and minimize impacts from more intense development Downtown to lower-density residential neighborhoods.	Short-term	Community Development	<input checked="" type="checkbox"/> Completed 2018
	Encourage integrated mixed-use urban development, including housing, in the Downtown.	Ongoing	Community Development	<input type="checkbox"/> Ongoing 2023-24 Budget notes contact with over 30 major regional and out of state mixed use and multifamily developers for Downtown development.
	Train staff on maintenance and implementation of a hybrid form-based development code.	Short-term	Community Development	<input checked="" type="checkbox"/> Completed 2018
	Remove underlying deed restrictions and/or covenants that prohibit office, high density residential, and/or mixed-use development or open space.	Mid-term	Community Development	<input checked="" type="checkbox"/> Not completed
	Conduct a parking study in the Downtown to understand the existing demand for parking and identify opportunities for redevelopment of existing surface parking lots to support the implementation of this Plan.	Short-term	Community Development	<input checked="" type="checkbox"/> Not completed
	Update the City's parking requirements to "right size" the requirements based on the results of the parking study and to encourage shared parking and flexibility in meeting parking requirements. The updated parking requirements should consider parking maximums.	Short-term	Community Development	<input checked="" type="checkbox"/> Partial. The standards were updated at time of Downtown code. Shared parking encouraged. No maximums.
	Monitor the impact of the Downtown Code in implementing this Plan at least in 2024 and at least every five (5) years thereafter and amend the Plan and its associated regulations as needed to improve outcomes.	Short-term; Ongoing	Community Development	<input checked="" type="checkbox"/> Continuous <input checked="" type="checkbox"/> Amended 5-Year
	Develop a Lakewood-specific business attraction and retention program with	Ongoing	Community Development, Public	<input type="checkbox"/> Ongoing

Element/Topic	Plan Action	Timeline	Department	Status
Economic Development	regional economic development partners including opportunities for incubator businesses.		Works Engineering, Parks and Recreation, Economic Development	Business Retention and Expansion (BRE) Program continues – 2022 to Q2 2023 BRE Visits – 200 citywide. ¹
	Identify and implement incentives that would encourage new businesses to locate in Downtown Lakewood.	Short-term; Ongoing	Economic Development	<input type="radio"/> MFTE program continues ² <input type="radio"/> Review of TMF in 2024
	Provide resources for entrepreneurs and small businesses, including information available in multiple languages, and recruit key business services to the area.	Short-term; Ongoing	Economic Development	<input type="radio"/> BIPOC Accelerator Program citywide
	Support a business improvement district and continue ongoing initiatives to make downtown Lakewood clean and safe.	Short-term	Economic Development	<input checked="" type="checkbox"/> Not implemented.
	Activate empty and underutilized places such as parking lots.	Short-term	Community Development, Economic Development	<input checked="" type="checkbox"/> Not implemented.
	Seek neighborhood businesses that provide daily goods and services in the CBD.	Ongoing	Economic Development	<input type="radio"/> Ongoing
	Invest in civic amenities and infrastructure consistent with this Downtown Plan to attract business owners and investors who create living wage jobs.	Mid-term	Community Development, Public Works Engineering, Parks and Recreation	<input type="radio"/> Ongoing – see Exhibit 8.
	Explore the feasibility of a business incubator in Downtown and consider incorporating economic gardening for microenterprises into it.	Mid-term	Economic Development	<input checked="" type="checkbox"/> Not implemented.
	Work with local financial institutions on providing low interest loans for qualified small local businesses.	Short-term; Ongoing	Economic Development	<input checked="" type="checkbox"/> Finance including loans advertised. ³
	Implement “crime prevention through environmental design” principles at the time of design and through maintenance programs.	Short-term; Ongoing	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Applied in review. <input checked="" type="checkbox"/> Addressed in Common and Open Space Standards (LMC 18B.500.530).
	Improve regular police patrols through extension of public streets.	Mid-term	Community Development, Public Works Engineering, Police Department	<input checked="" type="checkbox"/> Public streets not yet created.
	Evaluate regulations, procedures, and fees to remove barriers to business formation and development while	Short-term	Community Development	<input checked="" type="checkbox"/> Review of TMF in 2024.

¹ See: https://cityoflakewood.us/wp-content/uploads/2023/10/EcDev_Council_11Sept2023.pdf.

² See: <https://buildyourbetterhere.com/mfte-incentives>.

³ See: <https://cityoflakewood.us/business-resources/#Finance>.

Element/Topic	Plan Action	Timeline	Department	Status
	remaining effective and reasonable to achieve the Vision of this plan.			
Housing	Adopt form-based development regulations that improve the quality of attached and mixed-use housing development and create a walkable attractive Downtown.	Short-term	Community Development	○ Completed.
	Revise land use and development regulations to promote mixed-use development within the CBD.	Short-term	Community Development	○ Completed.
	Adopt transitional height and landscape standards to ensure compatibility with abutting lower-density areas.	Short-term	Community Development	○ Completed.
	Engage affordable housing organizations about opportunities and partnerships to increase housing in the Downtown.	Short-term; Ongoing	Community Development, Economic Development	○ Ongoing 2023-24 Budget notes contact with over 30 major regional and out of state mixed use and multifamily developers for Downtown development including affordable housing.
	Explore opportunities for transitional housing and services with homelessness service providers to address the health, social, and shelter needs of homeless in Lakewood.	Short term; Ongoing	Community Development, Economic Development	○ Addressing community-wide needs: Ongoing. Lakewood, Tacoma, and Pierce County jointly purchased a former hotel for use as an emergency shelter through 2023. The site is in Tacoma. ⁴ The City is working with Living Access Support Alliance (LASA) to expand their facility, which opened in 2015. ⁵
	Foster neighbor engagement and create a sense of safety through “crime prevention through environmental design” principles integrated into development designs.	Ongoing	Community Development	<input checked="" type="checkbox"/> Applied in review. <input checked="" type="checkbox"/> Addressed in Common and Open

⁴ See: The 94-room “Aspen Court” facility shelters up to 120 people. After 2023, the facility will become permanent supportive housing.

⁵ Per City Budget 2023-24 abutting the Downtown to the immediate northeast: LASA is a local nonprofit that provides emergency housing, rapid rehousing and transitional housing in Lakewood, in addition to case management, and a range of other services to prevent homelessness. Recent LASA projects include the expansion of the Center to improve access to general health and hygiene for those experiencing homelessness. Additionally, the City worked with LASA to help finance and acquire additional property to expand their existing facilities as well as helping LASA develop a long range social services plan to help meet community needs. LASA anticipates developing between 50 and 60 new affordable rental housing units on its site, with development phases over two distinct project builds. The first phase proposes to construct 25 units of new affordable rental housing units and is expected to begin construction in 2023-24; the second phase is still being developed and would likely begin construction two years after the first phase of development is completed and placed into service. Total project costs for the initial 25 units of affordable housing is projected at \$10.5 million.

Element/Topic	Plan Action	Timeline	Department	Status
				Space Standards (LMC 18B.500.530).
	Explore expanding current tax abatement programs and other incentives.	Long Term	Community Development	<input checked="" type="checkbox"/> MFTE program addresses the Downtown area and continues. <input type="checkbox"/> City is considering amending the target area in 2024. ⁶
Street Grid, Streetscapes and Public Spaces	Require land uses and development to support an active, safe, and engaging public realm in Downtown streets, parks, and public spaces.	Mind-term; Ongoing	Community Development, Economic Development, Public Works Engineering, Parks and Recreation	<input checked="" type="checkbox"/> Frontage standards adopted. <input checked="" type="checkbox"/> Central Park and Green Street Loop not implemented.
	Expand the number of events held in public spaces in Downtown by building off the success of the Lakewood Farmer's Market.	Short-term; Ongoing	Public Works Engineering, Community Development	<input checked="" type="checkbox"/> Farmers Market Continues. <input checked="" type="checkbox"/> More events at Motor Avenue Festival Street.
	Implement public and civic investment programs such as: public spaces, art, seasonal events; streets, streetscapes, and parks; and environmental remediation.	Mid-term	Public Works Engineering, Community Development, Parks and Recreation	<input checked="" type="checkbox"/> Not implemented.
	Adopt regulations for right-sized parking requirements, a larger on-street parking network, parking facilities within in structures or located away from the edges of streets and public spaces, and encouraged shared parking.	Short-term; Ongoing	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Parking standards modified in Downtown code.
Transportation	Amend City design and engineering standards to implement Downtown street sections.	Short-term	Public Works Engineering	<input checked="" type="checkbox"/> Not addressed. ⁷
	Ensure development standards require new development to provide convenient pedestrian connections to bus stops.	Short-term	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Not addressed directly. Pedestrian walkways required between streets and buildings and at mid-block. Bus shelters not addressed in street standards. Complete streets considers how to integrate transit.
	Provide pedestrian facilities and amenities, local access, on-street parking, and active streets on designated retail streets in the Downtown.	Ongoing	Public Works Engineering	<input checked="" type="checkbox"/> Code addresses. <input checked="" type="checkbox"/> Capital investments in sidewalks pending. See Exhibit 8.

⁶ See: <https://cityoflakewood.us/notice-of-city-of-lakewood-planning-commision-public-hearing-on-the-proposed-regulations-regarding-property-tax-exemptions-for-multifamily-housing/>.

⁷ See: https://cityoflakewood.us/public_works_engineering/engineering-services/.

Element/Topic	Plan Action	Timeline	Department	Status
	Prioritize the design and construction of the Green Loop, including the revision on Gravelly Lake Drive SW.	Ongoing	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Pending. See Exhibit 8.
	Provide sidewalks and/or upgraded sidewalk conditions within the Downtown area along the Green Loop roadways and along connections to parks and recreational spaces.	Ongoing	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Pending. See Exhibit 8.
	Construct high quality bicycle facilities for riders of all ages, including bicycle lanes and multi-use paths to provide safe east-west and north-south routes in the Downtown.	Long-term	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Pending. See Exhibit 8.
	Actively pursue the acquisition of the proposed public streets based on the priorities established in the Implementation Plan and as strategic opportunities arise.	Short-term	Public Works Engineering	<input checked="" type="checkbox"/> Pending. See Exhibit 8.
	Work with Pierce Transit, Sound Transit, and other partners to offer incentives to small employers that promote multimodal travel.	Short-term	Public Works Engineering	<input checked="" type="checkbox"/> Not addressed.
	Provide a high level of transit stop amenities, including pads, bus shelters, and traveler information within the Plan area.	Short-term	Pierce Transit, Public Works Engineering	<input checked="" type="checkbox"/> Not addressed.
	Conduct a parking study in the Downtown to understand the existing demand for parking and identify opportunities for redevelopment of existing surface parking lots to support the implementation of this Plan.	Short-term	Community Development	<input checked="" type="checkbox"/> Not addressed.
	Update the City's parking requirements to "right size" the requirements based on the results of the parking study and to encourage shared parking and flexibility in meeting parking requirements.	Short-term	Community Development	<input checked="" type="checkbox"/> Partial. The standards were updated at time of Downtown code. Shared parking encouraged. No maximums.
	Pursue opportunities to add on-street parking consistent with the street concept plans and support the redevelopment of existing surface parking lots and prioritize access to street level retail uses.	Short Term; Ongoing	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
Parks, Open Spaces, & Trails	Implement the Lakewood Legacy Plan urban parks level of service standard.	Mid-Term	Parks and Recreation, Community Development	<input checked="" type="checkbox"/> Standard in place. Park in capital plan. Implementation pending.
	Explore grant and other funding opportunities for public space improvements and programming.	Mid-term	Parks and Recreation, Community Development, Public Works Engineering, Administrative Services	<input type="checkbox"/> In progress, including federal funds.

Element/Topic	Plan Action	Timeline	Department	Status
	Authorize partial fees in lieu of onsite parks and recreation facilities to contribute to central and linear park implementation.	Short-term	Parks and Recreation, Community Development	<input checked="" type="checkbox"/> Completed. Addressed in code.
	Acquire land for and develop a central park in Downtown to provide citizens with recreation and cultural features.	Long-term	Community Development, Public Works Engineering	<input type="checkbox"/> In progress with KITE.
	Develop the Green Loop to connect the Downtown's parks, recreation, cultural, transit, and retail assets.	Short-term	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Pending, see Exhibit 8.
	Explore the potential to designate a cultural district within Downtown to celebrate art and creativity and to attract funding.	Mid-term	Parks and Recreation	<input checked="" type="checkbox"/> Not implemented.
	Program and host events (e.g., farmers market, parades, holiday festivals or Oktoberfest) for Downtown public spaces.	Short-term; Ongoing	Parks and Recreation	<input type="checkbox"/> Ongoing. Farmers market. Added in Motor Avenue.
	Create streetscapes and trails that link the Downtown area to parks and recreational facilities outside of Downtown.	Mid-term	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
Stormwater	Feature low impact development and green stormwater infrastructure along the Green Street Loop.	Short-term	Public Works Engineering, Community Development	<input checked="" type="checkbox"/> Pending, see Exhibit 8.
	Use native and/or drought tolerant landscaping in the Downtown.	Short-term	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
	Provide educational signage at aboveground stormwater facilities and/or added natural features.	Short-term	Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
	Encourage that open ponds be an amenity for the Downtown, with both natural landscape and urban access and edge treatments.	Short-term	Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
	Address protection and potential restoration of piped streams in development to improve downstream function.	Mid-term	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
	Require a conservation easement or other regulatory structure for piped streams to ensure the possibility of creek daylighting is not precluded by future redevelopment.	Mid-term	Community Development, Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
	Identify types of acceptable low impact development and green stormwater infrastructure techniques for small parcels in the Plan area. Be open to emerging ideas.	Short-term; Ongoing	Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
Utility Infrastructure	Facilitate the creation of public streets to maximize development potential that meets the Downtown Plan vision.	Mid-term	Public Works Engineering, Community Development	<input checked="" type="checkbox"/> Pending. See Exhibit 8.

Element/Topic	Plan Action	Timeline	Department	Status
	Develop a water line replacement phasing plan in conjunction with the Lakewood Water District that dovetails with the installation of public street to reduce the costs of utility relocation.	Short-term	Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
	Coordinate with Pierce County on the relocation of sewer lines as public streets are developed.	Short-term; Ongoing	Public Works Engineering	<input checked="" type="checkbox"/> Not implemented.
	Promote energy-saving building materials and site designs (e.g., LEED or similar ranking systems) through development regulation incentives.	Short-term; Ongoing	Community Development	<input checked="" type="checkbox"/> Part of Master Plan Development Incentives.
Community Partnerships	Create a Downtown Plan Advisory Commission with staff support to assist with implementation efforts.	Mid-term	Community Development, Economic Development	Not implemented.
	Connect businesses to other Lakewood business support organizations' missions and programs including the Lakewood Chamber of Commerce.	Short-term; Ongoing	Community Development, Economic Development	<input type="checkbox"/> Ongoing.
	Work with Lakewood Chamber of Commerce on a "buy local" initiative that builds on the small business movement.	Short-term	Economic Development	<input type="checkbox"/> Ongoing.
	Seek community partnerships for the programming and management of public spaces for active use.	Mid-term; Ongoing	Parks and Recreation	<input type="checkbox"/> Ongoing.
	Explore becoming a designated Main Street program through the State of Washington.	Short-term	Community Development, Parks and Recreation	<input checked="" type="checkbox"/> Not implemented.

Effects of New State Legislation

Recently a number of state laws are affecting the City's implementation of its Comprehensive Plan and regulations. See Exhibit 10. There is a potential to amend some parts of the code to address the new legislation, though since the zoning (Central Business District – CBD) focuses on multifamily and mixed use housing rather than single-family housing.

Exhibit 10. Legislation and Implications

Legislation Description	Potential Implications for Plans/Regulations
HB 1220 requires counties and cities to plan for projected housing needs by income band and removal of regulatory barriers.	Downtown capacity through 2035 is 2,257 which is 23% of the 9,863 citywide 2044 housing target.
HB 1220 requires accommodation of emergency shelters and permanent supportive targets and removal of regulatory barriers.	Downtown allows a density bonus for affordable units (up to 125 units per acre instead of 100 units per acre). Emergency and permanent supportive housing allowed in Downtown in LMC 18A.40.120, Special Needs Housing. Group

Legislation Description	Potential Implications for Plans/Regulations
<p>HB 1110 increases middle housing in areas traditionally dedicated to single-family detached housing.</p> <p>Requires cities to: allow at least six of nine middle housing types in predominantly single-family zones; allow only administrative design review of objective standards; require between two and six middle housing units on each lot depending on city and county population thresholds; provide process and criteria for extensions of implementation; and the bill directs Commerce to provide technical assistance including rulemaking and certification authority. It also amends RCW 43.21C to exempt certain actions from environmental review.</p>	<p>Homes 4 and 5 are prohibited in the Downtown regulations, while Group Home 5 is prohibited in the Downtown regulations at LMC 18B.200.220, LMC 18A.40.120 indicates Group Home 5 (for secure community transition facilities) is allowed by Conditional Use Permit in the CBD zone. This difference should be addressed in housekeeping code amendments.</p> <p>The City will be exploring alternatives in an EIS focused on housing, and most likely middle housing outside of Downtown. If the City needs to demonstrate housing affordable to low income bands, some Downtown regulations may be revisited.</p> <p>In the CBD zone, detached single-family dwellings are prohibited except along one street in the southeast called the Low-Impact Mixed-Use Roads District. CBD zone is not dedicated to single-family dwellings. Duplex and triplex homes are also not allowed except in the Low-Impact Mixed-Use Roads District. In the Low-Impact Mixed-Use Roads District the City could review and amend regulations as needed to address middle housing.</p>
<p>HB 1337 requires the adoption or amendment of municipal zoning regulations to allow for at least two accessory dwelling units (ADUs) on all lots located in all zoning districts within an urban growth area that allows for single family homes. It also limits parking requirements based on distance from transit and lot size and removes barriers to separate sale and ownership of ADUs.</p>	<p>CBD Zone does not allow single family homes except along one street in the southeast called the Low-Impact Mixed-Use Roads District. The City could review and amend regulations as needed to address accessory dwelling units.</p>

Performance as a Regional Growth Center

Downtown Lakewood was designated as a regional growth center by the Puget Sound Regional Council (PSRC). PSRC certified downtown Lakewood’s Subarea Plan to meet criteria for a center plan concept, and environment, land use, housing, economy, public services, and transportation elements.

In the Final EIS, the Downtown subarea was anticipated to have achieved minimum activity units and the future capacity was more than the 45 activity units per gross acres needed. See Exhibit 11.

Exhibit 11. Downtown Final EIS 2018 – Activity Units

Feature	Existing (2014)	Alternative 2: Preferred
Activity Units: Population + Jobs	6,157	14,430
Activity Units with 319 acres including gross parcels and ROW to centerline	19.32	57.80
Activity Units with 268.95 gross parcel acres	22.89	68.50

Notes: Parcel data demonstrates 419 dwelling units and a resulting potential base population of 909 within the Study Area. Based on 2011 criteria, new regional growth centers must have a minimum existing activity level (population + employment) of at least 18 activity units per gross acre. The future target is to have a minimum target activity level of 45 activity units per gross acre.

Source: City of Lakewood, BERK, 2018.

PSRC has developed center monitoring information. Based on that data, the subarea boundary is a little larger than anticipated in the Final EIS, and the population is a little lower than prior estimated. However, the area shows gradual increases in activity units. See Exhibit 12.

Exhibit 12. PSRC Center Data with 333 Acres

Year	Housing	Population	Jobs	Activity Units
2018			5,230	15.7
2019			5,120	15.4
2020	230	550	5,070	16.9
2021	240	560	5,170	17.2
2022	300	700	5,320	18.1

Source: PSRC Regional Growth Centers, 2024.⁸

Conclusion

The City has adopted a Downtown plan, code, incentives, and incorporated capital investments in its capital and transportation improvement plan. Tenant permits in existing spaces have been robust but new construction has been limited. The growth in Downtown has been relatively limited compared to the planned capacity. However, for two and a half years between 2020 and 2022 downtown was significantly impacted by COVID 19. Despite these challenges, the City has made progress.

The City continues to seek public and private funding for catalyst projects that could lead to additional private investment. The City also wishes to find additional state and federal funding for streets and other amenities. State or federal funds are likely to be the primary funding of improvements since transportation mitigation fee collection has been limited and was never meant to address the full cost.

⁸ See: <https://psrcwa.shinyapps.io/centers-monitoring/>.

The City has also been supporting a new mixed use housing development and park site with the Towne Center owner. In 2024 and beyond the City anticipates seeking state and federal funding and private investment into the Downtown.

Group Home 5 is prohibited in the Downtown regulations at LMC 18B.200.220 but LMC 18A.40.120 indicates Group Home 5 (for secure community transition facilities) is allowed by Conditional Use Permit in the CBD zone. This difference should be addressed in housekeeping code amendments.

First Biennial Review: Station District Planned Action

Prepared by: BERK Consulting, Inc. | Prepared for: City of Lakewood | DRAFT February 14, 2024

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Introduction

Lakewood’s Comprehensive Plan identifies the Lakewood Station District Subarea (LSDS) as a new pedestrian-oriented high-density employment and residential district about a half mile around the Sounder Station. LSDS is intended as Lakewood’s multi-modal commuter hub with supporting policies that call for a transit-oriented development district and the use of bonus densities and incentives to achieve a rich mix of land uses around the station including regional offices, major institutions, high density residential, neighborhood businesses, and open space.

This memorandum contains the first biennial review of the 2021 Station District Subarea Plan per Lakewood Ordinance 751 and 752. These ordinances require a review be conducted every two years and amendments be considered if appropriate.

Ordinance 752, Section 4: Monitoring and Review.

- A. The City should monitor the progress of development in the designated Planned Action area biennially to ensure that it is consistent with the assumptions of this Ordinance and the Planned Action Threshold Determination regarding the type and amount of development and associated impacts and with the mitigation measures and improvements planned for the Planned Action Area.
- B. This Planned Action Ordinance shall be reviewed by the SEPA Responsible Official every two (2) years from its effective date in conjunction with the City’s regular Comprehensive Plan review or docket cycle, as applicable.

This memorandum provides an update on growth and development in the Station District since 2021 by:

- Tracking the progress of development, and associated impacts;
- Monitoring progress on the “big features” including transit-oriented development, hybrid form, affordable housing and homeownership, and walkable district;
- An update on the Implementation Plan Status; and
- Amendments to reflect HB 1220, HB 1110, and HB 1337.

Progress on Growth Thresholds

Included below is a summary of growth through development projects that are ongoing or completed in the Station District through 2023.

The Station District package was adopted on June 3, 2021, and has been in effect for 2 years. Before and since plan adoption the subarea businesses were affected by COVID 19 through May 2023 when the federal Public Health Emergency for COVID-19 expired.

Measuring Growth through Development

Since the adoption of the Station District package, 70 projects within the subarea have been discussed with the City through formal permit submittal. Two new businesses have opened, six apartments, and 50 townhouses were permitted. Exhibit 1 provides a detailed description of each permit.

Exhibit 1. Development Permits in Station District June 2021 to June 2023

Date	Use Type	Permit Description	Work Type	Status	Sq. Ft.
6/4/2021	ESF	Emerald City Enhanced Svc Facility	New Building	Final	
11/15/2021	Commercial	Brown Bear Auto	Addition	Final	
1/6/2022	Residential	Pacific Hiway Multifamily	Pre-app	Final	
2/28/2022	Commercial	Dominos	Remodel	Under Construction	
3/4/2022	Residential	Halcyon Apartments	New Building	Final	
3/28/2022	Residential	Toto Twnhms	New Building	Pending	
4/12/2022	Commercial	Brown Bear Car	New Building	Final	540
6/21/2022	Commercial	West Pierce Fire & Rescue (Station #20)	Remodel	Final	
9/12/2022	Commercial	Pet Doctor	Remodel	Pending	
10/5/2022	Commercial	Joy Joys Bakery, LLC	New Occupancy Only	Final	2,125
10/27/2022	Residential	Lakewood Apartments	New Building	Final	
11/2/2022	Commercial	The Tilted Rock	New Occupancy Only	Final	4,121.5
12/13/2022	Residential	Lakewood Station Apartments	New Building	Pending	

Date	Use Type	Permit Description	Work Type	Status	Sq. Ft.
12/20/2022	Residential	Kendrick Street Apartments	Pre-app	Final	
1/26/2023	Residential	Villazzo Suites	Pre-app	Final	
1/27/2023	Commercial	Lakewood Neighborhood Fulfillment Center	Remodel	Final	1,28,574 (Suite A)
2/13/2023	Commercial	Cafe Happys Lounge (Suite E)	New Occupancy Only	Final	2,400
2/21/2023	Commercial	Island Family Market	New Occupancy Only	Final	662
4/19/2023	Commercial	Starbucks	Remodel	Under Construction	
5/16/2023	Commercial	Apex Motors	New Occupancy Only	Pending	
5/22/2023	Commercial	Los Guerreros Grocery Store	Pre-app	Final	
6/26/2023	Commercial	New Spa	Remodel	Pending	

Source: City of Lakewood, 2023; BERK 2024.

Permits submitted between June 1, 2021 and June 30, 2023, would allow a total of 414 dwelling units, and x square footage of commercial space. See Exhibit 2.

Exhibit 2. Station District Permit History 6/1/2021 – 6/30/2023

Use Type	Permits	Units	Preapplication	Square Footage
Commercial New Building	2	0		
Commercial Remodel	7	0	Includes: 1 store	
Commercial New Occupancy Only	5	0		
Residential New Building (Apartments)	6	364 MF3: 284 TOC: 80	Includes: MF3: 24 units TOC: 18 units	
Residential New Building (Townhouses)	50	MF3: 50		
Total	70	414		

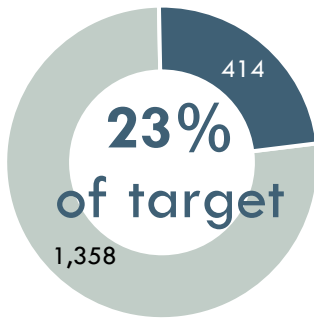
Source: City of Lakewood, 2023; BERK 2024.

Comparison to Established Goal

Development thresholds for land use were established at 1,772 net residential dwelling units between 2020 -2035. This assumes 760 units in Lakewood Landing (30 acres vision for mixed-use development, rich in amenities for residents, businesses and the surrounding neighborhood) and 962 new units from residential growth in the rest of the subarea over a 20 year period.

With 414 dwelling units, the Station District is at 23% of the development threshold; none of the units are on Lakewood Landing. See Exhibit 3.

Exhibit 3. Progress of Dwelling Units Created



Source: City of Lakewood, 2023; BERK 2024.

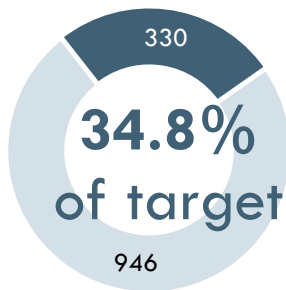
Between 2020-2035 1,276 net jobs are planned (1,105 new jobs in district, plus 171 jobs for Lakewood Landing).

Census on the Map job counts from the base year in the Subarea Plan Existing Conditions Report to the year of adoption show no meaningful changes.

- 2019: 1,945
- 2020: 1,988
- 2021: 1,940

A proposal for a Neighborhood Fulfillment Center would allow for 330 jobs. A Springhill Suites hotel would have 122 units with service employment though number of jobs is not known. Based on the anticipated direct jobs of the Neighborhood Fulfillment Center, about 35% of the jobs target would be met. See Exhibit 4.

Exhibit 4. Jobs and Achievement of Threshold



Source: City of Lakewood, September 11, 2023 Economic Development Update; BERK 2024.

Measuring Growth through Traffic Trips

The number of new PM peak hour trips anticipated in the Planned Action Area and reviewed in the Planned Action Threshold Determination for 2035 is 1,950 vehicle trips. To date, the City has not tracked the trips.

Based on published trip rates for Pierce County’s Traffic Impact Fee Calculator the 414 dwelling units would produce about 282 trips without discounts for existing development, and this would represent 14.5% of the trip threshold. Commercial trips would be in addition, e.g., the hotel. The fulfillment center is a remodel and the net new trips are not known if any.

Since the Planned Action Ordinance has a trip threshold it is recommended that the City specifically track the trips even though mitigation fees are not applied.

Progress on District Vision & Concepts

The Station District has seen robust investments in housing, including affordable housing with higher densities near the station, consistent with the form-based code. The City anticipates some non-motorized access improvements though it is not yet programmed. See Exhibit 5.

Exhibit 5. Station District Plan Features and Implementation Status

Feature	Description	Progress	Update
Hybrid Form-Based Code	Allows for the continuation of a variety of uses but with a uniformed development standard that creates an identifiable look and feel for the district.	★★★★	Hybrid form-based code went into effect on June 3, 2021 to support improved streetscapes that accommodate pedestrian travel, and create a diverse new urban neighborhood.
Transit Oriented Development	Proximity to local and regional transit, residential densities would be up to 40 units per acre (MF3) and up to 54 units per acre in the mixed use zone.	★★★★☆	Devco Apartments abut Sounder Station to north and would equal about 49 units per acre with 245 units on 5 acres. Toto Townhomes are about 32 units / acre with about 50 units on 1.57 acres.
Affordable Housing and Homeownership	Residential and development will target housing serving households at 65-110% of AML.	★★★★☆	Five-acre property was purchased by Devco focused on multifamily to build an affordable housing development (245-units). 100% affordable to those earning 60% area median income. Scheduled to begin in March 2024, and expected to be ready for lease in the Fall of 2026. Townhomes developed promoting homeownership opportunities. It uses the multifamily tax exemption (MFTE) incentive and includes affordable units.
Walkable District	New streetscapes and sidewalk improvements will make getting around safer and more comfortable for people on foot.	★★★★☆	In 2022-2023 in collaboration with Sound Transit, the City hosted an open house to determine street, bridge and path improvements to prioritize, several projects were identified including the 47th Avenue SW bridge and a shared use path from 115th street Court SW to Lakewood Station. The project is estimated at \$1.502M and would be grant funded per the 2024-29 TIP but the project is not yet identified for construction in the 6-year period.

Key



Development Initiated but Limited | Capital Project Programed but not Funded



Development is on Pace | Capital Project Funded

Development is ahead of Pace | Capital Project is Under Construction

Development is Nearing Threshold | Capital Project is Complete

Implementation Plan Status

Within two years a number of action items have been completed or are in progress. Several need to be pursued particularly regarding pedestrian and park amenities. See Exhibit 6.

Exhibit 6. Implementation Plan Action and Status

Topic	Direction	Timeline	Department	Status
Land Use & Design	Support the master planning of the Lakewood Landing site for mixed-use development so it will provide opportunities for high density housing, employment, business, and public space.	Ongoing	Community Development and Economic Development	<input checked="" type="checkbox"/> City has pursued master planning. <input checked="" type="checkbox"/> A developer has not been secured.
	Pursue opportunities for enhancing landscaping or adding linear parks within the public right-of-way to integrate green spaces and open spaces into the LSDS.	Long term	Community Development and Parks and Recreation	<input checked="" type="checkbox"/> Not addressed.
	Work through the <i>Legacy Plan 2020</i> to identify opportunities for public parks facilities within a 10-minute walk of subarea residents.	Midterm	Parks and Recreation	<input checked="" type="checkbox"/> Not addressed.
	Identify standards and guidelines that support transitional parking arrangements so space used for parking can be transitioned to other uses as the area becomes less auto-dependent.	Short term	Community Development	<input checked="" type="checkbox"/> Not implemented.
Housing	Monitor the impact of the Lakewood Station District Overlay and amend the Plan as needed to improve outcomes.	Ongoing	Community Development	<input type="checkbox"/> Ongoing with first report in 2024.
	Allow the highest density housing in mixed-use areas and in the Transit-Oriented Commercial zone where the availability of amenities within walking distance will encourage non-motorized transportation alternatives.	Ongoing	Community Development	<input checked="" type="checkbox"/> Implemented zone recommendations.
	Encourage and support missing middle housing types such as duplexes, triplexes, and small-scale multifamily as infill development in the residential area to improve housing choice and preserve affordability.	Ongoing	Community Development	<input checked="" type="checkbox"/> Plan and code encourage.
	Support the development of ground-related rowhouses as an affordable home ownership option for LSDS residents.	Ongoing	Community Development	<input type="checkbox"/> Townhouses are attracted. Ongoing need continues.
	Support the development of housing that meets the needs of military households.	Ongoing	Community Development	<input type="checkbox"/> Multiple housing types addressed in subarea.

Topic	Direction	Timeline	Department	Status
	Partner with affordable housing organizations to support the expansion of subsidized housing in the LSDS by building new projects or by purchasing and rehabilitating existing housing.	Ongoing	Community Development	<input type="radio"/> Affordable housing approved. Ongoing need continues.
	Work with the Washington Homeownership Center to find opportunities for investment in the LSDS.	Ongoing	Community Development	<input checked="" type="checkbox"/> Not implemented. Could broaden strategy to any organization promoting homeownership opportunities.
	Consider expansions of existing affordable housing incentive programs and new affordability incentives in the LSDS, including the extension of the applicability area for the multi-family property tax exemption.	Short term	Community Development	<input checked="" type="checkbox"/> MFTE applies to area.
	Consider programs to support residents in the LSDS as the area redevelops and reduce involuntary displacement such as a housing navigator program, a notice of intent to sell ordinance, just cause eviction protections, and right of first refusal incentives.	Short term	Community Development	<input checked="" type="checkbox"/> Not implemented. Address anti-displacement measures.
	Develop community benefit agreements with large investors in the LSDS.	Ongoing	Community Development	<input checked="" type="checkbox"/> Unknown (Devco?)
	Provide information and support to help investors navigate affordable housing financing programs.	Short term	Community Development and Economic Development	<input checked="" type="checkbox"/> Not implemented.
Housing, continued	Identify partners to support funding and a program that will rehabilitate existing homes such as a home repair program.	Short term	Community Development	<input checked="" type="checkbox"/> Home repair assistance available.
Economic Development, Business, & Employment	Promote St. Clare Hospital and satellite medical office and supportive commercial uses. Connect the residential neighborhood to the hospital with improved pedestrian and linear park opportunities.	Short term	Community Development and Economic Development	Not implemented.
	Support the master planning of the Lakewood Landing site for mixed-use development to expand opportunities for employment and retail development. See <i>related Land Use policy</i> .	Ongoing	Community Development and Economic Development	<input checked="" type="checkbox"/> City has pursued master planning. <input checked="" type="checkbox"/> A developer has not been secured.
	Partner with developers to identify projects eligible for participation in the Lakeview/Kendrick Street Opportunity Zone.	Midterm	Community Development and Economic Development	City has advertised collaboration in the Opportunity Zone.
	Provide resources for entrepreneurs and small businesses, such as grant/loan programs, to support and recruit small, local businesses in the LSDS.	Ongoing	Economic Development	<input type="radio"/> Ongoing Business Retention and Expansion (BRE) Program continues – 2022 to Q2

Topic	Direction	Timeline	Department	Status
				2023 BRE Visits – 200 citywide. ¹
	Encourage micro-retail, or businesses that cater to specific demographic segments of the community, with business development resources and support available in other languages and flexibility in the design of cultural spaces	Ongoing	Economic Development	○ BIPOC Accelerator Program citywide
	Invest in infrastructure and civic amenities consistent with this Plan to attract business owners and investors.	Long term	Public Works	○ City is partnering with Sound Transit on infrastructure for improved connectivity.
Transportation	Apply a hybrid form-based code to support improved streetscapes that accommodate pedestrian travel.	Ongoing	Community Development	<input checked="" type="checkbox"/> Completed and adopted.
	Add signalization improvements at Pacific Highway and Sharondale Street to prevent traffic delays, and at Bridgeport Way and the I-5 northbound/southbound off ramps to prevent queuing that extends onto the freeway.	Long term	Public Works	○ Included in TIP (\$904,000)
	Work with Sound Transit and Pierce Transit on the timing and location of non-motorized improvements to avoid gaps and overlaps in the system.	Ongoing	Public Works	○ Ongoing Coordination, and in TIP with Grant Funds
	Require street frontage improvements that enhance walkability and support economically viable and quality residential development.	Ongoing	Community Development and Public Works	<input checked="" type="checkbox"/> Included in adopted plan and code.
	Publicly invest in the development and construction of streetscapes to support redevelopment in the LSDS.	Ongoing	Community Development and Public Works	<input checked="" type="checkbox"/> Not implemented.
Utilities	Coordinate with public service and utility providers during the update and development of long-range plans and system improvement plans to ensure there is adequate support for anticipated growth and development of the LSDS subarea.	Midterm	Public Works	○ Ongoing.
	Work with public service and utility providers to ensure that capital improvement plans include the projects necessary to support development in the LSDS subarea.	Midterm	Public Works	○ Ongoing.

Source: City of Lakewood, 2021; BERK 2024.

¹ See: https://cityoflakewood.us/wp-content/uploads/2023/10/EcDev_Council_11Sept2023.pdf.

Effects of New State Legislation

Recent legislation is affecting the City’s approach to housing policies and development regulations in Lakewood. Exhibit 7 identifies key pieces of legislation and the implication for plans and regulations in the Station District.

Exhibit 7. Legislation and Implications

Legislation Description	Potential Implications for Plans/Regulations																																																
<p>HB 1220 requires counties and cities to plan for projected housing needs by income band and removal of regulatory barriers.</p> <p>HB 1220 requires accommodation of emergency shelters and permanent supportive targets and removal of regulatory barriers.</p>	<p>Station District capacity through 2035 is 1,722 housing which is 17.5% of the 9,863 citywide 2044 housing target.</p> <p>Incentives for affordable housing include a master plan process for flexibility for mixed income developments. A Multifamily Tax Exemption was also provided.</p> <p>LMC 18A.40.120, Special Needs Housing: Emergency housing is allowed in the TOC and C1 and C2 zones in the subarea. Permanent supportive housing is allowed in all residential, multifamily, commercial and mixed use zones in the study area, excluding the Air Corridor 1. Group homes types 4 and 5 are prohibited in LMC 18C.200.220 in the C1 zone but are allowed by Conditional Use Permit in LMC 18A.40.120. Amendments to reconcile the conflict should be addressed.</p> <p>The City will be exploring alternatives in a Comprehensive Plan EIS focused on middle housing and parking. If the City needs to demonstrate housing affordable to low income bands, some Station District regulations may be revisited.</p>																																																
<p>HB 1110 increases middle housing in areas traditionally dedicated to single-family detached housing.</p> <p>Requires cities to: allow at least six of nine middle housing types in predominantly single-family zones; allow only administrative design review of objective standards; require between two and six middle housing units on each lot depending on city and county population thresholds; provide process and criteria for extensions of implementation; and the bill directs</p> <p>Commerce to provide technical assistance including rulemaking and certification authority. It also amends RCW 43.21C to exempt certain actions from environmental review.</p>	<p>Zones in the study area are listed below along with allowed residential types. None of the zones in the study area are dedicated to single-family detached housing.</p> <table border="1" data-bbox="716 1270 1474 1743"> <thead> <tr> <th>Station District Zone</th> <th>Detached Single Family</th> <th>Accessory Dwelling Unit</th> <th>Duplex, Triplex</th> <th>Townhouse/ Rowhouses</th> <th>Multifamily</th> </tr> </thead> <tbody> <tr> <td>AC1</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>C1</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>C2</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>MF3</td> <td></td> <td></td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>NC2</td> <td></td> <td></td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>TOC</td> <td></td> <td>X</td> <td></td> <td></td> <td>X</td> </tr> <tr> <td>PI</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p><i>18A.40.110 base with overrides in 18C.200.220</i></p> <p>The MF3 zone has attracted affordable housing developments including middle housing, which was a goal of the plan. For example, rowhouses, townhouses, and triplexes were added as specific allowed uses to the MF3 zone in 18C.200.220. Projects</p>	Station District Zone	Detached Single Family	Accessory Dwelling Unit	Duplex, Triplex	Townhouse/ Rowhouses	Multifamily	AC1						C1						C2						MF3			X	X	X	NC2			X	X	X	TOC		X			X	PI					
Station District Zone	Detached Single Family	Accessory Dwelling Unit	Duplex, Triplex	Townhouse/ Rowhouses	Multifamily																																												
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MF3			X	X	X																																												
NC2			X	X	X																																												
TOC		X			X																																												
PI																																																	

Legislation Description	Potential Implications for Plans/Regulations
	<p>in MF3 have included 50 townhomes that are affordable. Attached duplex and triplex units allowed in the NC2 zone could be in the form of a flat or townhouse.</p>
<p>HB 1337 requires the adoption or amendment of municipal zoning regulations to allow for at least two accessory dwelling units (ADUs) on all lots located in all zoning districts within an urban growth area that allows for single family homes. It also limits parking requirements based on distance from transit and lot size and removes barriers to separate sale and ownership of ADUs.</p>	<p>None of the zones in the Station District allow for single family detached dwellings. Only one zone, TOC, allows ADUs.</p> <p>The TOC zone is a mixed use zone that allows for multifamily and mixed uses as well as ADUs. Where allowed, ADUs may occur in conjunction with duplex, triplex, townhome, or other housing unit in 18A.40.110 and note B.1.</p> <p>The City could consider adding allowances for ADUs in zones in the Station District that allow duplex, triplex, or townhome units. This could be examined in the Comprehensive Plan EIS.</p>

Conclusion

In 2024 and beyond the City anticipates continued investments by the City, Sound Transit, and private developers into the Station District Subarea. Despite the challenges, the district has made strong progress on housing type variety and affordability. The City continues to seek funding for pedestrian and park amenities.

Potential areas of reconciliation or exploration in 2024 include:

- Group homes types 4 and 5 are prohibited in LMC 18C.200.220 in the C1 zone but are allowed by Conditional Use Permit in LMC 18A.40.120. Amendments to reconcile the conflict should be addressed.
- The City could consider adding allowances for ADUs in zones in the Station District that allow duplex, triplex, or townhome units. This could be examined in the Comprehensive Plan EIS.