City of Lakewood 2016 Comprehensive Plan Update

1) Certification report dated August 31, 2017 (see page 2). As of this Executive Board action taken at the September 28, 2017 meeting, the City of Lakewood comprehensive plan is now fully certified for consistency with the transportation-related provisions of the Growth Management Act, VISION 2040, and Transportation 2040.

2) Report prepared for the City of Lakewood by BERK, dated February 22, 2017 (see page 10). This report concludes that the city’s comprehensive plan and zoning regulations can provide sufficient capacity to accommodate the employment target without having to amend future land uses in the city’s comprehensive plan.
BACKGROUND

A major emphasis of the Washington State Growth Management Act (GMA) is the need to coordinate local, regional, and state planning efforts. To advance this coordination, the GMA requires the Puget Sound Regional Council (PSRC) to formally certify that regional transit plans, countywide planning policies, and local comprehensive plans within the central Puget Sound region conform to: (1) established regional guidelines and principles, (2) the adopted long-range regional transportation plan, and (3) transportation planning requirements in the Growth Management Act. Within the central Puget Sound region, the multicounty planning policies have been established as the regional guidelines and principles under Revised Code of Washington (RCW) 47.80.026. Certification of local plans and policies is also a requirement for jurisdictions and agencies that intend to apply for PSRC funding or proceed with any project submitted into the Regional Transportation Improvement Program, regardless of funding source.

Within the central Puget Sound region, local governments and PSRC have worked together to develop an overall process for reviewing and certifying local, countywide, regional, and transit agency policies and plans. This process also provides an opportunity to coordinate and share information related to local and regional planning. A set of materials, compiled in a Plan Review Manual, provides details on the review and certification process, background, and framework. The manual also provides guidance and checklists for aligning plans and policies with VISION 2040, Transportation 2040, and Growth Management Act requirements.

DISCUSSION

This report summarizes the findings and recommendations regarding the City of Lakewood Comprehensive Plan, as updated in 2015 and further amended on November 21, 2016. PSRC last certified the City of Lakewood comprehensive plan in 2015. PSRC staff reviewed the comprehensive plan and coordinated with city staff in the development of this report.

CERTIFICATION RECOMMENDATION

Based on the review of the City of Lakewood Comprehensive Plan, the following action is recommended to the PSRC Growth Management Policy Board, Transportation Policy Board, and Executive Board:

The Puget Sound Regional Council certifies that the transportation-related provisions in the 2016 City of Lakewood Comprehensive Plan conform to the Growth Management Act and are consistent with multicounty planning policies and the regional transportation plan.

This report contains a summary of the PSRC review of the City of Lakewood 2016 Comprehensive Plan. The scope of the certification review, as guided by the Plan Review Manual and Checklist, is listed in high-level

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¹ The certification requirement in the Growth Management Act is described Chapter 47.80, Revised Code of Washington (RCW). The specific requirements for transportation elements in local comprehensive plans are spelled out in Chapter 36.70A.070, RCW. The Puget Sound Regional Council’s Interlocal Agreement, Section VII, also provides direction for the review of local comprehensive plans and countywide policies (Resolution A-91-01, amended March 1998). The Council’s Executive Board last updated its process for Policy and Plan Review in September 2003. The process is also described in VISION 2040, Part IV: Implementation.
bullets. Discussion in each topic area highlights exemplary elements of the plan, as well as issues identified through the certification review where future work on the part of the city is recommended.

**Part I: Conformity With Growth Management Act Transportation Planning Requirements**

**Scope of Review**

The Growth Management Act (RCW 36.70A.070(6)) includes several requirements related to transportation elements in local comprehensive plans. These requirements are summarized as follows:

- **Land use assumptions and forecasts of travel demand** that are internally consistent and consistent with growth targets.
- **Service and facility needs**, including inventories of existing facilities, and level-of-service standards and concurrency provisions that address multiple modes of travel, planned land uses and densities, and state highways.
- **Financing and investments**, including a multiyear financing plan and reassessment strategy to address potential funding shortfalls.
- **Intergovernmental coordination** with neighboring cities, counties, and regional and state agencies.
- **Demand management**, including programs to implement the Commute Trip Reduction Act.
- **Pedestrian and bicycle planning**, including project funding and capital investments, education, and safety.
- **Land uses adjacent to airports**, identifying relevant facilities, existing and planned uses, and policies that discourage incompatible uses.

Air quality is largely an interjurisdictional issue in which each jurisdiction's travel behaviors, measured through vehicle emissions, affect the regional airshed. The Washington Administrative Code (WAC) requires local transportation elements and plans to include “policies and provisions that promote the reduction of criteria pollutants” for mobile sources (WAC 173-420-080). When PSRC reviews plans, it also certifies that the comprehensive plans include air quality policies and provisions, including a commitment to meeting the requirements of applicable federal and state air quality legislation.

**Discussion: Exemplary Plan Provisions**

The City of Lakewood’s comprehensive plan effectively addresses many of the transportation planning requirements of the Growth Management Act. Highlights include:

- Provisions to support bicycle and pedestrian mobility, including an inventory of facilities, detailed discussion of the Americans with Disabilities Act transition plan, goals and policies that support a safe and convenient nonmotorized network, priority pedestrian and bicycle modal networks and planned investments. The plan includes policies to adopt a “Complete Streets” ordinance and coordinate with adjacent jurisdictions to design for coherent bike and pedestrian corridors (T-14.6, T-14.7).
- The plan includes multiple policies to support transportation demand management (TDM) and reduce dependence on single-occupant vehicle travel during peak commute hours. For example, the plan includes policies that require TDM improvements serving pedestrians, bicyclists, and transit riders as impact mitigation for new development. They also encourage employers not affected by the Commute Trip Reduction (CTR) law (with less than 100 employees) to offer CTR programs to their employees on a voluntary basis (Policies T-10.1, T-11.3).
- The plan includes updated language in Chapters 3.6 and 3.7 describing the military installation and economic profiles of Joint Base Lewis McChord which provides context for the goals and policies in the chapters.
- Goal LU-34 and supporting policies call for military-compatible land uses, airport safety and compatibility, and collaboration with Joint Base Lewis-McChord.
DISCUSSION: AREAS FOR FURTHER WORK
The certification review did not identify any major areas for further work needed to better align the plan with regional guidelines and principles on the transportation planning requirements of the Growth Management Act.

Part II: Consistency With Regional Plans and Policies

OVERVIEW
This section discusses consistency with the adopted multicounty planning policies (established regional guidelines and principles under RCW 47.80.026) adopted in VISION 2040, and Transportation 2040, the region’s long-range transportation plan. In addition to the multicounty planning policies, VISION 2040 contains a regional growth strategy with a preferred distribution of the region’s residential and employment growth, as well as a number of implementation actions for local governments to carry out. VISION 2040 calls for local comprehensive plans to contain a brief statement of how the plan addresses the multicounty planning policies. Each policy area addressed in VISION 2040 is discussed in turn below.

Environment

SCOPE OF REVIEW
VISION 2040 calls for local comprehensive plans to address the following environmental policy topics:

- **Stewardship**, including addressing the natural environment throughout the plan, decisions based on best-available science, and regional environmental initiatives.
- **Earth and habitat**, including open space protection, restoration and protection of native vegetation, and coordination with adjacent jurisdictions.
- **Water quality**, including actions that maintain hydrologic functions and reduce water pollution in ecosystems, watersheds, shorelines, and estuaries.
- **Air quality and climate change**, addressing federal and state laws, reduction of pollutants, Puget Sound Clean Air Agency policies, and reduction of greenhouse gas emissions and adaptation to climate change.

DISCUSSION: EXEMPLARY PLAN ELEMENTS
The City of Lakewood comprehensive plan addresses the environmental policy topics in VISION 2040. Highlights include:

- ✓ The plan supports protection of open space and water access needs of future generations through acquisition, development and environmental stewardship (Goal LU-41). This is supported through policies to develop partnership and acquisition strategies to address open space, promote public awareness, develop a connected system of nonmotorized trails throughout the city, and ensure equitable access to parks across the city (LU-41.2, LU-41-5, LU-42.1, LU-42.2, LU-42.3, LU-42.4, LU-45.4).
- ✓ The plan supports protections for environmental critical areas, conservation, and enhancement of habitat areas for fish and wildlife (Goal LU-55 and LU-56). The plan includes policies to integrate environmental considerations into all planning efforts, such as identifying and protecting wildlife habitats (with an emphasis on protecting wildlife corridors and linking remaining habitat pockets), preserving native vegetation in riparian habitats, and integrating suitable native vegetation in residential and commercial landscapes (LU-56.1, LU-56.2, LU-56.3, LU-56.5).
- ✓ The plan includes multiple provisions to protect water quality, including “no net loss” of wetland function, to be implemented through working cooperatively with local water districts to maximize protection of wellheads and aquifers, educating residents and employers on Lakewood’s dependency on groundwater, maintaining groundwater monitoring programs, and implementing a well decommissioning program for all unused wells (LU-59.3, LU-61.9).
The plan includes a new element, Chapter 10: Sustainability, which provides a comprehensive approach to promoting sustainability and livability in the city.

Goal S-3 and supporting policies promote energy conservation to reduce carbon dioxide emissions.

Goal S-6 and supporting policies call for reducing greenhouse gas emissions and mitigating the impacts of climate change where reasonably feasible.

**DISCUSSION: AREAS FOR FURTHER WORK**

The certification review did not identify any major areas for improvement of the plan to better align with regional guidelines and principles on the environment.

**Development Patterns – Including Regional Growth Strategy**

**SCOPE OF REVIEW**

VISION 2040 calls for local comprehensive plans to address the following development patterns policy topics:

- **Urban areas**, including targets for housing and employment growth, compact communities that support transit and walking, and provisions for redevelopment of underused land.
- **Centers**, including planning for one or more central places as locations for compact, mixed-use development, with policies that prioritize funding to centers to advance development.
- **Unincorporated urban areas**, including policies that advance annexation and orderly transition of governance.
- **Resource lands**, including identification of steps to limit development.
- **Regional design**, addressing local provisions that apply the Transportation 2040 Physical Design Guidelines, energy efficient building, historic preservation, and enhanced sense of community.
- **Health and active living**, addressing healthy environment, physical activity and well-being, and safety.

**DISCUSSION: EXEMPLARY PLAN ELEMENTS**

The City of Lakewood comprehensive plan addresses the development patterns policy topics in VISION 2040. Highlights include:

- The plan supports the Transportation 2040 physical design guidelines through various policies that address pedestrian-oriented design and vibrant public spaces. For example, LU-16.1 calls for ensuring that commercial development and redevelopment contributes to Lakewood as a community and to the vitality of individual commercial areas within the city.

- Policies support the role of the Regional Growth Center. For example, LU-17.2 calls for promoting the central business district as the primary location for businesses serving a citywide market. Various policies also support transit-oriented development in the Lakewood Station area, promoting redevelopment of the central business district as a mixed-use urban center, revising land use and development regulations to require mixed-use development within the center for any new development (with the exception of standalone commercial pads and service commercial uses), and providing incentives for redevelopment of the Lakewood Station area to capitalize on growth and visibility associated with the commuter rail station (Goal LU-19, LU-19.9, LU-20.1, LU-25.4). The plan also calls for directing public investment toward the designated Regional Growth Center and areas targeted for high-density residential growth (CF-7.3).

- Various policies address land use compatibility and coordination with neighboring Joint Base Lewis-McChord. For example, Goal LU-35 calls for facilitating the host community relationship with the military installations through city-wide planning for the provision of housing, services, and civilian employees. This would support operations on the military installations and provide a high quality of life for military personnel and their families in Lakewood.
Goal LU-47 and supporting policies promote food security, food systems, and local food production for all residents.

**DISCUSSION: AREAS FOR FURTHER WORK**

The city should address the following comments at the earliest opportunity through future amendments to the comprehensive plan, subarea plans, or functional plans:

- To address an employment capacity shortfall identified in the 2015 plan review process, the city analyzed the 2014 Pierce County Buildable Lands report’s underlying assumptions. The city also evaluated the report’s alternative capacity analysis methodologies to determine whether it accurately reflected the city’s ability to provide sufficient capacity for its employment target. The City of Lakewood should update the employment growth target capacity assumptions and analysis in the comprehensive plan, consistent with the report dated February 22, 2017, at the time of the next major update.

- The land use map element includes information on potential annexation areas. VISION 2040 calls for all unincorporated lands within the urban growth area to transition into cities and assumes this transition to be largely complete by 2040. The city is encouraged to continue working with Pierce County and other relevant parties to plan for the future of potential annexation areas and, as appropriate, incorporate policies and provisions to support efforts such as coordinating development standards, transferring permitting authority, and addressing service and infrastructure financing.

**Housing**

**SCOPE OF REVIEW**

VISION 2040 calls for local comprehensive plans to address the following housing policy topics:

- **Increased housing production opportunities**, including diverse types and styles for all income levels and demographic groups.

- **Affordable housing needs**, including an assessment of existing and future housing needs based on regional and local factors, including household income, demographics, special needs populations, and adequacy of existing housing stocks.

- **Regional housing objectives** in VISION 2040, including promotion of housing diversity and affordability, jobs-housing balance, housing in centers, and flexible standards and innovative techniques.

**DISCUSSION: EXEMPLARY PLAN PROVISIONS**

The city’s comprehensive plan effectively addresses the housing provisions contained in VISION 2040. Highlights include:

- The plan includes multiple policies that address affordable housing production and preservation. Strategies include supporting non-profit agencies and the Pierce County Housing Authority in providing additional housing, evaluating surplus city land for suitability for development of affordable housing before the property is sold, using federal funds (including Community Development Block Grants and HOME funds), to support low- and moderate-income affordable housing, and working with other Pierce County cities to address regional housing issues.

- The plan advances housing variety and choice by supporting projects that incorporate innovative lot and housing types, clustered detached and semi-attached houses, and a variety of lots and housing types within a site. It also encourages the construction of cottages on small lots through incentives such as density bonuses (LU-2.38, LU-2.40).

- The plan emphasizes providing housing for people with special needs, such as seniors, people with disabilities and the homeless (Goal LU-3). Policies call for supporting the housing programs of social service organizations. They encourage universal design in residential construction or retrofitting of homes to allow aging in place. They support the establishment and operation of emergency shelters.
and the location of special needs housing in areas accessible to public transportation (LU-3.2, LU-3.3, LU-3.4, LU-3.10, LU-3.12).

**Discussion: Areas for Further Work**
The certification review did not identify any major areas for improvement of the plan to better align with regional guidelines and principles on housing.

**Economy**

**Scope of Review**
VISION 2040 calls for local comprehensive plans to address the following economic development policy topics:

- Include an economic development element that addresses: business, people, and places.
- **Retention and recruitment efforts** that support family-wage jobs, industry clusters that export goods and services, and small businesses that are locally owned.
- **Equitable benefits and impacts**, including provisions and programs that promote economic vitality in distressed areas or areas with disadvantaged populations.
- **Adequate housing growth in centers** through collaboration with the private sector and provision of infrastructure.

**Discussion: Exemplary Plan Provisions**
The city’s comprehensive plan effectively addresses many of the economic provisions of VISION 2040. Highlights include:

- An economic development element supported by a detailed analysis of economic trends, conditions, opportunities, and challenges. The plan provides an overview of economic development priorities for subareas within the city and comparisons to nearby jurisdictions.
- Multiple policies recognizing the mission and viability of Joint Base Lewis McChord, including supporting the South Sound Military Communities partnership and supporting workforce development programs for military personnel transitioning out of military service (Policies ED-7.1-7.7).
- Provisions supporting economic development activities that provide or retain living-wage jobs for people with low and moderate incomes. These include developing a low-interest loan program, tax credits and other incentives for businesses to create or retain jobs for low- and moderate-income workers and developing a technical assistance program to create or retain jobs for these individuals. They also support giving businesses access to low-interest loans for on-site infrastructure improvements, rehabilitation, acquisition, and other commercial improvements that create or retain jobs for these workers (PS-21.1).

**Discussion: Areas for Further Work**
The certification review did not identify any major areas for improvement of the plan to better align with regional guidelines and principles on economic development.
Transportation

Scope of Review
VISION 2040 and Transportation 2040 call for local comprehensive plans to address the following transportation policy topics:

- **Maintenance, management, and safety**, including clean transportation with reductions in pollution and greenhouse gas emissions, environmental factors, health and safety, stable and predictable funding sources, system and demand management strategies, and security and emergency response.
- **Support for the regional growth strategy**, including system improvements that align with planned growth, prioritized investments that support compact development in centers, joint- and mixed-use development, complete streets and improvements to promote biking and walking, and context-sensitive design.
- **Improved transportation options and mobility**, including alternatives to driving alone, facilities and services for special needs transportation, avoidance of new or expanded facilities in rural areas, and financing methods.
- **Linking land use and transportation**, including integrating Transportation 2040 physical design guidelines in planning for centers and transit station areas, and land development tools that promote transportation alternatives.

Discussion: Exemplary Plan Elements
The City of Lakewood comprehensive plan addresses the major transportation emphases in VISION 2040 and Transportation 2040, including maintenance, management, and safety; support for the Regional Growth Strategy; and providing greater options and mobility. Highlights include:

- Policy 13.1.5 directs the city to design transportation facilities to fit within the context of the built or natural environments in which they are located (T-1.2).
- The plan emphasizes special needs transportation by ensuring mobility choices for people with special transportation needs, including persons with disabilities, the elderly, the young, and low-income populations. The plan also emphasizes minimizing the negative impacts of transportation improvement projects on low-income, minority, and special needs populations (T-9.2, T-9.3).
- Mode split goals for the Lakewood Regional Growth Center to reduce the work-related drive-alone mode share from 83 percent (year 2010) to 70 percent by 2030 through coordinated improvements to HOV, transit, and nonmotorized facilities (T-12.4).
- Goal TU-10 and supporting policies promote the design and development of complete streets and safe access for all modes of transportation.

Discussion: Areas for Further Work
The certification review did not identify any major areas for improvement of the plan to better align with regional guidelines and principles on transportation.

Public Services

Scope of Review
VISION 2040 calls for local comprehensive plans to address the following public services policy topics:

- **Promote more efficient use of existing services**, such as waste management, energy, and water supply, through conservation—including demand management programs and strategies.
- **Promote renewable energy and alternative energy sources**.
- **Plan for long-term water needs**, including conservation, reclamation and reuse.
DISCUSSION: EXEMPLARY PLAN PROVISIONS

The Lakewood comprehensive plan update contains policies that address the public services provisions of VISION 2040. Highlights include:

- Policies to promote conservation, demand management, and efficient use of public services. For example, Policy U-2.2 encourages conservation in coordination with other utility providers and jurisdictions. CF-1.6 calls for reducing the rate of energy consumption through conservation and alternative energy forms to extend the life of existing facilities and infrastructure.
- Various policies to ensure that new growth is served by sewers and to develop a citywide system to eliminate current service deficits (Goal U-8, Policies U-8.1-8.14).
- The plan calls for promoting energy conservation by complying with conservation standards in public buildings, working with utility companies to promote and educate the public about energy conservation strategies, converting existing traffic signals to LED fixtures, and promoting the use of renewable energy to meet the region’s energy needs (Goal U-16, U-16.1-16.3, CF-1.6, and CF-1.6).
- Provisions address long-term water availability, such as requiring water conservation features such as low-flow toilets, showerheads, and faucets in the design of all new construction, promoting drought-tolerant landscaping through development standards, encouraging industrial and commercial users to incorporate appropriate water conservation measures into their operations, and promoting increased use of reclaimed water (Policies U-18.1-18.4, CF-1.5).

DISCUSSION: AREAS FOR FURTHER WORK

The certification review did not identify any major areas for improvement of the plan to better align with regional guidelines and principles on public services.

Conclusion

PSRC staff thanks the city for working through the plan review and certification process. PSRC is available to provide assistance for future plan updates. Additional planning resources can also be found at https://www.psrc.org/plan-review-manual. If the city has questions or needs additional information, please contact Laura Benjamin at LBenjamin@psrc.org or (206) 464-7134.
DATE: February 22, 2017

TO: David Bugher – City of Lakewood

FROM: Kevin Gifford – Senior Associate

RE: City of Lakewood Employment Capacity Analysis

INTRODUCTION

The City of Lakewood’s Comprehensive Plan was originally adopted in 2000. It was subsequently amended from year-to-year, and with major updates occurring in 2004 and 2014/15. The Puget Sound Regional Council (PSRC) regularly reviews city and county comprehensive plans. This review is to check on coordination between local, regional, and state planning efforts in relation to VISION 2040, and the Growth Management Act. If a comprehensive plan is found to be in compliance, it is certified as such. Certification allows a city or county to obtain federal regional transportation improvement program funds. Lakewood’s plan was certified by PSRC in 2012.

Lakewood’s plan was again reviewed by PSRC 2015 and 2016, at which time PSRC imposed conditional certification. Lakewood was notified of this action in correspondence dated March 31, 2016. Later, on April 21, 2016, the PSRC Executive Board conditionally certified the Lakewood Comprehensive Plan.

The condition of certification has been excerpted below:

The city must address the following provisions of the Growth Management Act and VISION 2040 in order to maintain certified status:

The state Growth Management Act requires local comprehensive plans to provide sufficient capacity to accommodate growth that is anticipated during the 20-year planning period. The growth targets adopted by Pierce County show that Lakewood is expected to plan for an additional 9,565 housing units and 12,907 jobs by 2030. If extended to a plan horizon year of 2035, the targets would be higher. The 2014 Pierce County Buildable Lands report found that the city currently has capacity to accommodate the housing unit target, but can only accommodate 9,062 additional jobs, leaving an employment capacity shortfall of 3,845. The city is in the process of developing a subarea plan for the regional growth center and revising zoning for the center, which is expected provide additional employment capacity.

The city must amend the plan to reflect any future land use plan changes that may result from adoption of the center subarea plan or other changes, such as providing additional capacity elsewhere in the city and document that those changes have resulted in sufficient capacity to accommodate the 20-year land use assumptions and growth targets.

This condition could require amendments to the comprehensive plan or development regulations; if that is the case, PSRC requires that all amendment actions be completed by December 31, 2017.
Actions include: 1) a work plan to be approved by the Lakewood City Council; 2) submission of a draft amended comprehensive plan and supporting documents that address the condition to PSRC for review and comment in advance of adoption; and 3) once the condition is adequately addressed, submission of the adopted amended comprehensive plan and supporting documents for review and certification by PSRC.

PURPOSE OF THIS REPORT
This report has been prepared to address PSRC’s conditional certification requirement. The report reviews the assumptions underlying the Pierce County Buildable Lands Report Analysis and evaluates alternative capacity analysis methodologies to determine whether the Buildable Lands Report accurately reflects the amount of employment capacity available in Lakewood. The report concludes that the City’s comprehensive plan and zoning regulations can accommodate sufficient growth without having to amend the City’s planning documents.

EMPLOYMENT TARGETS
The Pierce County Council established a 2030 employment growth target of 38,336 jobs for the City of Lakewood. Exhibit 1 shows the City’s adopted 2030 employment target, as well as an estimate of existing employment as of 2010, as reported in the 2014 Pierce County Buildable Lands Report (Pierce County BLR) and the additional employment growth necessary to meet the adopted 2030 target of 38,336 jobs.

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<td>25,259</td>
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<td>13,077</td>
<td>11,495</td>
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<td>12,908</td>
</tr>
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</table>

1. Per 2014 Pierce County BLR report, total employment allocation is reduced by 12.1% to account for mobile workers and employees working from home.
2. Displaced Employees represent existing employees associated with underutilized parcels that would be displaced due to redevelopment of those properties.

Source: Pierce County BLR 2014

As shown above, Lakewood needs capacity for 12,908 additional jobs to meet its 2030 employment target. In addition, the City is required to plan for additional growth through its current 20-year planning period, which extends through 2035. If we estimate 2035 employment needs based on a “straight-line” projection of the 2010-2030 growth trend, Lakewood would have a total 2035 employment target of 41,203 jobs, and increase of 2,867 over the adopted 2030 target. While there is no recommended interjurisdictional method among Pierce County jurisdictions to extend targets from 2030 to 2035, Lakewood is classified by PSRC as a Core City; under VISION 2040, Core and Metropolitan cities are anticipated to accommodate a large portion of future growth in the Puget Sound region.
AVAILABLE LAND CAPACITY

Available land capacity in Lakewood is documented in the Pierce County 2014 BLR. This report analyzes the amount of land that is available for development, either vacant or underutilized, and calculates the amount of employment that can be generated by developing or redeveloping that land to its maximum capacity.

Exhibit 2 shows the net developable acreage (after exclusion of environmentally sensitive areas unsuitable for development), employment density assumptions, and overall employment capacity for the City of Lakewood, as documented in the 2014 Pierce County BLR.

<table>
<thead>
<tr>
<th>Type</th>
<th>Zoning District</th>
<th>Net Acres</th>
<th>Employees per Acre</th>
<th>Employment Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>NC-1</td>
<td>6.87</td>
<td>28.34</td>
<td>195</td>
</tr>
<tr>
<td></td>
<td>NC-2</td>
<td>57.68</td>
<td>28.34</td>
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<td></td>
<td>TOC</td>
<td>29.22</td>
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<td></td>
<td>CBD</td>
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<td></td>
<td>C-1</td>
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<tr>
<td></td>
<td>C-2</td>
<td>58.78</td>
<td>28.34</td>
<td>1,666</td>
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<td>IBP</td>
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<tr>
<td></td>
<td>AC-1</td>
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<td>28.34</td>
<td>359</td>
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<tr>
<td></td>
<td>PI</td>
<td>28.39*</td>
<td>28.34</td>
<td>805*</td>
</tr>
<tr>
<td>Industrial</td>
<td>I-1</td>
<td>1.99*</td>
<td>15</td>
<td>30*</td>
</tr>
<tr>
<td></td>
<td>I-2</td>
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<td>15</td>
<td>485*</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>9,062*</td>
</tr>
</tbody>
</table>

* The 2014 Pierce County BLR’s employment capacity summary table (Table 11, page 119) contains several errors. The table transposes acreages between several zoning categories and incorrectly calculates available capacity. Values marked with an asterisk are incorrect, but this table reproduces the Pierce County report table for reference. A detailed discussion of these errors is provided later in this memo.

Source: Pierce County BLR 2014

As shown above, the Pierce County BLR shows a total 2014 employment capacity for Lakewood of 9,062 jobs. This represents a deficit of 3,846 jobs compared to the City’s adopted 2030 employment target. When compared to the projected 2035 employment target described in the previous section, this deficit increases to 6,366 jobs, as shown below in Exhibit 3.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>9,062</td>
<td>12,908</td>
<td>-3,846</td>
<td>15,428</td>
<td>-6,366</td>
</tr>
</tbody>
</table>

Source: Pierce County BLR 2014
BUILDABLE LANDS ANALYSIS

This section describes the analysis performed by BERK to determine how the City of Lakewood can address the projected employment deficits described in the previous sections. Our analysis focused on the following:

- Correcting typographical, mathematical, and zoning assignment errors in the 2014 Pierce County BLR that resulted in under-reporting available employment capacity in Lakewood;
- Examining whether the assumptions behind the land capacity calculations reported in the Pierce County BLR are appropriate for Lakewood and how adjusted employment densities would affect employment capacity; and
- Developing a customized land capacity assessment approach for Lakewood, based on adopted development regulations for the city’s commercial zones and estimated maximum floor area ratios (FARs).

Buildable lands analysis is based on approximately eight steps, which are illustrated in Exhibit 4. These steps include identifying vacant and underutilized lands (Steps 1 and 2), deducting critical areas and land needed for rights of way and public facilities (Step 3, 4, and 5), and applying assumed densities or floor area ratios and employee square footage rates (Steps 6 and 7). The Pierce County BLR followed a similar process, and this analysis assumes that the report’s identifications of vacant and underutilized parcels and areas impacted by critical areas are correct. As stated above, this analysis examines the applied market factor reductions (Step 6) and assumed employment densities (Step 8) to determine if additional employment capacity exists.

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
<th>Step 6</th>
<th>Step 7</th>
<th>Step 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify Vacant Parcels</td>
<td>Identify Underutilized or Redevelopable Parcels by Zone</td>
<td>Deduct Areas Impacted by Critical Areas</td>
<td>Deduct Future Roads/R-O-W Needs</td>
<td>Deduct Future Public Facilities Needs</td>
<td>Deduct Capacity to Account for Market Factor</td>
<td>Based on All Factors to Estimate Net Buildable Acres by Zone</td>
<td>Apply assumed densities to residential acres and apply floor area ratios to buildable acres and use employee rates to determine employment capacity</td>
</tr>
</tbody>
</table>

Source: BERK Consulting 2016

Pierce County BLR Errors and Omissions

As described in the introduction to this memorandum, review of the Pierce County 2014 BLR revealed several errors that resulted in under-reporting of employment capacity in Lakewood. The Pierce County BLR presents a detailed breakdown of vacant and underutilized commercial acreage by zoning district, including reductions for non-commercial uses and land unavailable for development, in Table 9 (BLR pages 116-118). A summary of developable acreage by zoning district is provided in Table 11 (BLR page 119), but this summary table contains several inconsistencies with the detailed reporting in Table 9. It appears that several acreage numbers were transposed when this table was generated, resulting in incorrect capacity calculations for the PI, I-1, and I-2 zones.

In addition, the net commercial acreage for each zone in the Pierce County BLR does not accurately reflect current zoning boundaries in Lakewood, and the ARC zone was omitted from the report altogether. Based
on information in Table 9 of the BLR and the City’s latest zoning map, a corrected summary table is presented below in Exhibit 5.

**Exhibit 5. City of Lakewood Employment Capacity – Pierce County BLR Corrected**

<table>
<thead>
<tr>
<th>Type</th>
<th>Zoning District</th>
<th>Net Acres</th>
<th>Employees per Acre</th>
<th>Employment Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>NC-1</td>
<td>6.87</td>
<td>28.34</td>
<td>195</td>
</tr>
<tr>
<td>Commercial</td>
<td>NC-2</td>
<td>57.68</td>
<td>28.34</td>
<td>1,635</td>
</tr>
<tr>
<td>Commercial</td>
<td>TOC</td>
<td>31.04(^1)</td>
<td>28.34</td>
<td>880(^1)</td>
</tr>
<tr>
<td>Commercial</td>
<td>CBD</td>
<td>22.19</td>
<td>28.34</td>
<td>629</td>
</tr>
<tr>
<td>Commercial</td>
<td>C-1</td>
<td>16.08(^1)</td>
<td>28.34</td>
<td>456(^1)</td>
</tr>
<tr>
<td>Commercial</td>
<td>C-2</td>
<td>58.78</td>
<td>28.34</td>
<td>1,666</td>
</tr>
<tr>
<td>Commercial</td>
<td>IBP</td>
<td>94.81(^1)</td>
<td>28.34</td>
<td>2,687(^1)</td>
</tr>
<tr>
<td>Commercial</td>
<td>AC-1</td>
<td>12.66</td>
<td>28.34</td>
<td>359</td>
</tr>
<tr>
<td>Industrial</td>
<td>PI</td>
<td>3.83(^2)</td>
<td>28.34</td>
<td>109(^2)</td>
</tr>
<tr>
<td>Industrial</td>
<td>ARC</td>
<td>7.58(^3)</td>
<td>28.34</td>
<td>215(^3)</td>
</tr>
<tr>
<td>Industrial</td>
<td>I-1</td>
<td>28.39(^2)</td>
<td>15</td>
<td>426(^2)</td>
</tr>
<tr>
<td>Industrial</td>
<td>I-2</td>
<td>1.99(^2)</td>
<td>15</td>
<td>30(^2)</td>
</tr>
</tbody>
</table>

**Total Employment Capacity** 9,284

1. Corrected zoning acreage/employment capacity based on City zoning mapping.
2. Correction of transposition/mathematical errors in Pierce County BLR.
3. Zone omitted from Pierce County BLR.

Source: Pierce County BLR 2014; City of Lakewood, 2016.

**Market Factor and Employment Density Assumptions**

BERK also reviewed the market factor and employment density assumptions used in the BLR to determine if these factors are appropriate for Lakewood and whether vacant and underutilized lands could potentially support greater densities than assumed in the report.

**Market Factors**

As shown in Exhibit 4, a land capacity analysis typically applies a discount to account for land that is nominally available for development but which may not actually develop to its full capacity in the foreseeable future. Because this often occurs for reasons related to real estate market conditions, this discount is generally referred to as a “market factor” and is included to provide a more conservative and realistic estimate of available land capacity. Different market factors are often used for vacant and underutilized land; since underutilized land often contains existing structures that must be demolished or built around, the market factor reduction for underutilized land is often greater than for vacant land. The 2014 Pierce County BLR assumed a 10% market factor for all vacant land and a 20% market factor for underutilized residential land. However, the BLR assumed a much higher market factor of 50% for underutilized commercial land.
The 2014 Pierce County BLR applied a similarly high market factor to underutilized commercial land in the communities of Buckley, Carbonado, Eatonville, Gig Harbor, Orting, Puyallup, Roy, Ruston, South Prairie, Steilacoom, Sumner, University Place, and Wilkeson. However, with the exception of Puyallup, the employment targets for these communities are substantially lower than Lakewood’s. Except for Tacoma and the urban areas of unincorporated Pierce County as a whole, Lakewood’s employment growth target is higher than any other community in Pierce County. Given PSRC’s regional growth strategy, established in VISION 2040, of relying on Metropolitan and Core Cities to accommodate a large share of future population and employment growth, the use of a 50% market factor for underutilized commercial land in Lakewood may be overly conservative.

Among those Pierce County communities that did not apply a 50% market factor to underutilized commercial land, most fell into the range of 25-35%, including the cities of Tacoma (25%), Fife (30%), and Bonney Lake (35%). Tacoma and Fife are nearby communities to Lakewood, also located in the I-5 corridor, and Bonney Lake functions as a commercial hub for the northeastern Pierce County plateau. Applying a market factor within this range would include more underutilized commercial land as available for development and increase Lakewood’s employment capacity.

**Employment Density Assumptions**

As shown in Exhibit 5, the 2014 Pierce County BLR applied an employment density of 28.34 jobs per acre across all of Lakewood’s commercial and mixed-use zones and an employment density of 15 jobs per acre for industrial zones. Differentiating between commercial and industrial zones in this manner is standard practice for land capacity analyses. However, Lakewood has ten different commercial and mixed use zones, designed to allow commercial development at a range of scales and densities. Applying a single employment density assumption across all commercial zones potentially ignores the differences between these zones and effectively assumes that low-intensity neighborhood commercial zones will have similar employment density to high-intensity commercial, mixed-use, and business park zones. The 2014 Pierce County BLR cites a Lakewood employment survey for the use of these employment densities but does not provide a citation date or the original survey, so BERK was unable to review the methodology used to establish these employment densities.

Lakewood’s Commercial zoning districts (Central Business District (CBD), Transit-Oriented Commercial (TOC), and Commercial (C1, C2, and C3)) are intended to promote commercial development and be the primary employment centers for the city. In particular, the purpose of the CBD zone is to be a regional commercial center with urban densities and intensities (LMC 18A.30.510). In accordance with this, it would be reasonable to differentiate some or all of these zones with higher employment densities, similar to other regional-serving commercial areas in nearby communities, such as Tacoma.

**FAR-Based Capacity Model**

As described in the previous section on Market Factor and Employment Density Assumptions, applying a standard employment-per-gross-acre density assumption across all commercial zones may not accurately reflect the differences between individual zones. As an alternative to the gross employment per acre approach, a Floor Area Ratio (FAR) based approach would represent the type and amount of commercial development that would be allowed under the development regulations for each specific zone.

BERK developed an FAR-based capacity model to test the employment capacity of the CBD zone under current zoning regulations. The model calculated a maximum commercial FAR for each vacant or underutilized site in the CBD based on the following assumptions:
MEMORANDUM

HELPING COMMUNITIES AND ORGANIZATIONS CREATE THEIR BEST FUTURES

- Maximum building height of 90 feet (LMC 18A.30.560.E);
- No minimum building setbacks (LMC 18A.30.560.D) and maximum building coverage of 100% (LMC 18A.30.560.C);
- Commercial uses would occupy 75% of developable space, in keeping with Pierce County Buildable Lands assumptions;
- Overall buildable site area is reduced by to account for surface parking and internal site circulation; and
- Market factor reductions from the 2014 Pierce County BLR are maintained (10% for vacant land, 50% for underutilized land).

Using floor-to-floor heights of 15 feet, commercial buildings in the CBD would be a maximum of 6 stories tall to comply with the 90-foot height limit. Applying 100% building coverage and a parking reduction of 20% would result in a maximum building FAR of 4.8, and accounting for the commercial/residential split yields a maximum commercial FAR of 3.6. The model applied this full-intensity commercial FAR to CBD parcels of one acre or larger. Because construction of a six-story commercial building may not be feasible on smaller lots, parcels smaller than one acre were modeled at half of full intensity (commercial FAR 1.8).

The model applied the appropriate commercial FAR factor to each developable CBD property to calculate gross buildable commercial space, and then divided this by the assumed average amount of space per employee (400 square feet) to estimate the property’s employment capacity. This factor for amount of space per employee was chosen to account for a mix of office and retail jobs in the CBD; urban retail jobs typically require approximately 500 square per employee, and office jobs typically require much less space.

Application of the FAR method to the CBD zone would significantly increase employment capacity in this area. Under the Pierce County BLR assumptions, the CBD has capacity for approximately 629 jobs. Using the FAR method, the CBD could accommodate up to 6,927 jobs.

**Blended FAR and Employment Density Model**

After review of the issues identified in the previous sections, BERK developed a consolidated employment capacity model for the City of Lakewood in cooperation with City of Lakewood staff. This blended approach combines the FAR-based method described for the Central Business District with acreage-based calculations using updated employment density factors, as identified by City staff. In addition, the model assumes a reduction in the market factor for underutilized properties from 50% (assumed by the Pierce County BLR) to 35%, comparable to other commercial hubs in northern Pierce County.
Exhibit 6. Lakewood Employment Capacity – Blended FAR and Employment Density Model

<table>
<thead>
<tr>
<th>Zone</th>
<th>Net Commercial Acres</th>
<th>Employees per Acre</th>
<th>Corrected Baseline Capacity</th>
<th>Adjusted Employees per Acre</th>
<th>Employment Capacity: FAR and Employment Density Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC1</td>
<td>12.66</td>
<td>28.34</td>
<td>359</td>
<td>12.00</td>
<td>152</td>
</tr>
<tr>
<td>AC2</td>
<td>-</td>
<td>28.34</td>
<td>-</td>
<td>12.00</td>
<td>-</td>
</tr>
<tr>
<td>ARC</td>
<td>7.58</td>
<td>28.34</td>
<td>215</td>
<td>25.00</td>
<td>243</td>
</tr>
<tr>
<td>C1</td>
<td>16.08</td>
<td>28.34</td>
<td>456</td>
<td>25.00</td>
<td>485</td>
</tr>
<tr>
<td>C2</td>
<td>58.78</td>
<td>28.34</td>
<td>1,666</td>
<td>25.00</td>
<td>1,754</td>
</tr>
<tr>
<td>C3</td>
<td>-</td>
<td>28.34</td>
<td>-</td>
<td>25.00</td>
<td>-</td>
</tr>
<tr>
<td>CBD</td>
<td>22.19</td>
<td>28.34</td>
<td>629</td>
<td>FAR</td>
<td>6,927</td>
</tr>
<tr>
<td>I1</td>
<td>28.39</td>
<td>15.00</td>
<td>426</td>
<td>15.00</td>
<td>535</td>
</tr>
<tr>
<td>I2</td>
<td>1.99</td>
<td>15.00</td>
<td>30</td>
<td>15.00</td>
<td>39</td>
</tr>
<tr>
<td>IBP</td>
<td>94.81</td>
<td>28.34</td>
<td>2,687</td>
<td>15.00</td>
<td>1,565</td>
</tr>
<tr>
<td>NC1</td>
<td>6.87</td>
<td>28.34</td>
<td>195</td>
<td>25.00</td>
<td>206</td>
</tr>
<tr>
<td>NC2</td>
<td>57.68</td>
<td>28.34</td>
<td>1,635</td>
<td>25.00</td>
<td>1,803</td>
</tr>
<tr>
<td>PI</td>
<td>3.83</td>
<td>28.34</td>
<td>109</td>
<td>20.00</td>
<td>100</td>
</tr>
<tr>
<td>TOC</td>
<td>31.04</td>
<td>28.34</td>
<td>880</td>
<td>45.00</td>
<td>1,627</td>
</tr>
<tr>
<td>Total</td>
<td>341.88</td>
<td></td>
<td>9,284</td>
<td>15,436</td>
<td></td>
</tr>
</tbody>
</table>

2010 - 2030 Employment Need: 12,908
2010 - 2035 Employment Need: 15,428
2030 Surplus/Deficit (3,624) 2,528
2035 Surplus/Deficit (6,144) 8

Source: Pierce County, 2014; City of Lakewood, 2016; BERK Consulting, 2017

As shown in Exhibit 6, the blended approach assumes lower employment densities than the Pierce County BLR in most zones, but it anticipates much higher levels of employment in the TOC and CBD zones, reflecting the purpose of these zones as regional-serving commercial districts and the intensity of development allowed under current development regulations. Based on the assumptions listed above, the blended approach would provide sufficient employment capacity to meet Lakewood’s 2030 and 2035 employment targets.
SUMMARY & CONCLUSIONS
BERK’s analysis concludes that the City of Lakewood has substantially greater employment capacity available than is represented in the 2014 Pierce County Buildable Lands Report. As documented in this memorandum, a combination of techniques can be applied to show that Lakewood can accommodate the next 20 years of growth.

- **Pierce County BLR**: Correction of typographical/mathematical errors in the BLR and proper allocation of growth capacity in the ARC zone for employment instead of housing would provide a corrected baseline capacity of 9,284 jobs.

- **Market Factor Assumptions**: While the market factor reductions applied by the Pierce County BLR to underutilized commercial land in Lakewood is consistent with the assumptions applied to most of the communities in Pierce County, reduction of this factor could substantially increase available employment capacity. Initial review indicates that this market factor assumption may be overly conservative, thereby placing an artificial constraint on employment capacity in Lakewood. Further discussion with Pierce County may be warranted to fully understand how this assumption was developed for the 2014 BLR.

- **FAR Method**: Assessing employment capacity based on the maximum Floor Area Ratio allowed under Lakewood’s adopted development regulations appears to generate significantly more employment capacity than the current method used in the Pierce County BLR. This memorandum tested the method only for the CBD zone as a proof of concept, but the methodology could be extended to the other commercial zones. The primary advantage of this approach is that it can reflect the detailed development regulations for each zone (maximum height, maximum lot coverage, etc.) and apply them on a site-by-site basis. While this method may not necessarily reflect development intensities as they have been achieved in Lakewood historically, it does represent the level of development that Lakewood has explicitly allowed and made possible through adoption of these development regulations.

- **Blended Employment Capacity Model**: Using the FAR, employment density, and market factor assumptions described in this memorandum, the City of Lakewood would have sufficient capacity to meet its 2030 and 2035 employment targets. While these employment densities may not reflect historical employment trends in Lakewood, they represent the level of development that is allowed under adopted land use policies and development regulations.

- **Zoning Amendments**: BERK’s analysis concludes that the City of Lakewood’s adopted zoning regulations can accommodate substantially greater employment than is represented in the 2014 Pierce County BLR. As such, no zoning amendments to increase density or convert non-commercial land to commercial uses are recommended at this time.