

Project Narrative

CubeSmart Retail Bldg. Conversion

HGP 23-030

C2 Holdings, LLC is proposing a modification to the existing Horizon Pointe Village Center Master Plan to allow the conversion of a ~8,300 square foot retail shell building to a self-storage facility within the site's Neighborhood Commercial Designation.

The Horizon Pointe Village Center (HPVC) Master Plan was first approved by the Lacey City Council in 1998.

Since the original approval of the HPVC, there have been two amendments. The first amendment occurred in 2004 and was proposed due to significant market demand for single-family detached products. The 2004 amendment resulted in the designation of 1,231 single-family lots and 122 triplex condominium units as well as relocation of the Horizon Pointe neighborhood park. The 2004 amendment resulted in completion of all elements of the original HPVC being completed except for the commercial component identified in the Plan.

The second amendment to the HPVC was approved by the City in May of 2017. This amendment allowed for development of self-storage in the HPVC Neighborhood Commercial Designation. The approval of the amendment was conditioned that a retail component be retained.

As a result of the second amendment being approved, 5 self-storage buildings totaling approximately 87,500 square feet were developed in the portion of the HPVC Master Plan Neighborhood Commercial Designation. In addition, the applicant designed, permitted, and constructed a ~8,300 square foot retail building in accordance with the Hearing Examiner decision.

The self-storage component of the project has been highly successful in offering a complimentary service to the surrounding neighborhood. Vacancy rates for storage units in the facility have averaged 6 percent since project completion and there are waiting lists for some specific size units.

The retail building on the other hand has drawn no interest from prospective tenants since the inception of construction. The applicant has expended significant resources to construct and maintain the building with no return on investment or ability to pay debt service, property taxes or utilities for their investment.

Real estate professionals engaged by the applicant have advised that retail at the HPVC Neighborhood Commercial is not viable for the following reasons:

1. Competition with other nearby commercial centers. Existing retail centers less than a one-and-one-half mile of the site include Thornbury Crossing neighborhood commercial center, the Summerwalk Village commercial properties, Little Prairie Center shopping center, Lacey Crossroads/Lowe's development, and Rainier Commercial Park.
2. Lack of traffic visibility.
3. Soft market for retail space.
4. Demographics in the vicinity of the site.

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The retail building shell facades were designed to incorporate modulation and materials in harmony with the character of the neighborhood. It should be noted that the conversion of the retail building shell will not result in significant changes to the exterior appearance of the building.

In closing, the applicant has worked cooperatively with the City of Lacey to achieve the original vision of the HPVC Master Plan and designed the retail shell building to harmoniously fit into the Horizon Pointe neighborhood. Unfortunately, for the reasons stated above retail use(s) at this location are not viable for the foreseeable future.