

City of Tenino

149 Hodgen Street South

Tenino, WA 98589

City Council Meeting

Tuesday, July 28, 2026 at 6:30 PM

Agenda

WORK SESSION

CALL TO ORDER

AGENDA APPROVAL

1. Agenda Approval

Recommended Action: Motion to approve the 07/28/2026 Agenda as presented.

APPROVAL OF MINUTES

- [2.](#) Approval of Minutes

Recommended Action: Motion to approve the 07/14/2026 Minutes as presented.

CONSENT CALENDAR

3. Consent Calendar for June 24, 2026 through July 14, 2026 consisting of:

Payroll EFT's in the amount of \$41,483.95 and Claims Checks #34265 through #34281 and EFT's in the amount of \$50,718.74 for a Grand Total of \$92,202.69.

Liquor License Renewals: None

Recommended Action: Move to approve the consent calendar as presented.

EXECUTIVE SESSION

PRESENTATIONS

PUBLIC COMMENTS

PUBLIC HEARING

PROCLAMATIONS

OLD BUSINESS

NEW BUSINESS

- [4.](#) Malissa Burgess, Tenino City Planner to ask the council for approval to move forward with the Short-Term Rental Code update research per Planning Commissions request.

Discussion regarding the City pursuing a Short Term Rental ordinance.

Presenting:

Recommended Action: Motion to approve moving forward the Short Term Rental Code
Update research.

RESOLUTIONS

ORDINANCES

[5.](#) Ordinance 944 FY 2026 Budget Amendment #1

Recommended Action: Motion to approve Ordinance 944 as presented.

REPORTS

6. Outside Agency

- 1) Chamber of Commerce
- 2) Economic Development Council (EDC)
- 3) South Thurston Economic Development Initiative (STEDI)
- 4) ARCH Commission 5) Experience Olympia & Beyond (VCB)
- 5) Timberland Regional Library
- 6) South Thurston Fire & EMS
- 7) Thurston County Sheriff's Office

7. 13. Committees/Commissions

- 1) Civil Service Commission
- 2) Finance Committee
- 3) Planning Commission
- 4) Public Safety Committee
- 5) Public Works Committee

8. 14. Staff

- 1) Director of Public Works
- 2) Code Enforcement/Building Inspector
- 3) PARC Specialist
- 4) Clerk/Treasurer
- 5) Mayor

9. 15. **Liaisons**

- 1) Bucoda/Tenino Healthy Action Team (BTHAT)
- 2) Solid Waste Advisory Board
- 3) TCOMM/911
- 4) Tenino School Board
- 5) Thurston Regional Planning Council (TRPC)
- 6) Transportation Policy Board
- 7) Thurston County Commissioner's Office
- 8) Legislature
- 9) Oregon Trail Days

PUBLIC COMMENTS 2

ANNOUNCEMENTS

ADJOURNMENT

File Attachments for Item:

2. Approval of Minutes

Recommended Action: Motion to approve the 07/14/2026 Minutes as presented.

City Council Meeting Tuesday, July 14, 2026

Minutes

WORK SESSION

Mayor Watterson convened the work session at 6:30 pm with:

PRESENT

Councilmember Linda Gotovac

Councilmember Elaine Klamn

Councilmember Jeff Eisel

Councilmember Adam Carney

Councilmember Tianne Curtiss

1. - Utility Rate Update
 - Food Bank Solar Project
 - PFAS Settlement
 - School Resource Officer
 - HB2015 Sales Tax Update
 - Utility Clerk Update
 - E-Bike/Motorcycle Update
 - Honor Wall Update
 - Joint Animal Services

Mayor Watterson gave the Council Updates on the topics on Agenda.

CALL TO ORDER

Mayor Watterson convened the regular Council Meeting at 7:30PM with:

PRESENT

Councilmember Linda Gotovac

Councilmember Elaine Klamn

Councilmember Jeff Eisel

Councilmember Adam Carney

Councilmember Tianne Curtiss

Flag Salute

AGENDA APPROVAL

2. Agenda Approval

Recommended Action: Motion to approve the 07/14/2026 Agenda as presented.

Motion made by Councilmember Gotovac, Seconded by Councilmember Eisel.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember Eisel, Councilmember Carney, Councilmember Curtiss.

APPROVAL OF MINUTES

3. Approval of Minutes

Recommended Action: Motion to approve the 06/23/2026 Minutes as presented.

Motion made by Councilmember Klamn, Seconded by Councilmember Gotovac.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember Eisel, Councilmember Carney, Councilmember Curtiss.

CONSENT CALENDAR

4. Consent Calendar for June 24, 2026 through July 14, 2026 consisting of:

Payroll EFT's in the amount of \$116,275.57 and Claims Checks #34221 through #34264 and EFT's in the amount of \$156,541.76 for a Grand Total of \$272,817.33.

Liquor License Renewals: None

Recommended Action: Move to approve the consent calendar as presented.

Motion made by Councilmember Gotovac, Seconded by Councilmember Curtiss.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember Eisel, Councilmember Carney, Councilmember Curtiss.

EXECUTIVE SESSION

None.

PRESENTATIONS

None.

PUBLIC COMMENTS

Karen Parker - Mima Acres resident of Tenino. Requested to go on record for her concerns and questions regarding the Meat Packaging Facility that has been proposed to be put in at the Agricultural Park. How do they plan to control the odor, how will the waste be taken care of, where will the water required for this facility come from? City Water or outside source?

Ron Sorenson - returned to discuss if the Mayor has had a chance to review his idea from a previous council meeting regarding making Hemp Money for Tenino like we do the Wooden Money. Reuse and potentially generate money for the City.

John O'Callahan - wants to bring up the Veterans Memorial this weekend at the Tenino City Park at 11AM, inauguration of those who served. A grant is just about to be approved from the Veterans Association. He spoke about E-bikes and thanked the Council for their Letter of Recommendation to the

Board. There is conversations about the E-bikes for underage riders, where parents are responsible as well as the youth.

PUBLIC HEARING

5. 2026 Budget Amendment Hearing

Ordinance No. 944

Notice is hereby given that the Tenino City Council will hold a Public Hearing 1st reading to receive comments on the 2026 Budget Amendment on Tuesday, July 14, 2026 at 07:30 pm, at the Council Chambers located at 149 S. Hodgden St., *Tenino, WA*.

Clerk Treasurer Presented the Public Hearing 1st reading.

Mayor Watterson read the Public Hearing Procedure: Opened the Public Hearing Comment section at 7:49PM, No Public Comments. Closed Public Hearing Comment section at 7:50PM.

Audience and Council Comments opened at 7:50PM. No Comments. Closed at 7:51PM

C/T Reddick reported that the Second reading will be at the end of the month.

PROCLAMATIONS

None.

OLD BUSINESS

None.

NEW BUSINESS

None.

RESOLUTIONS

None.

ORDINANCES

None.

REPORTS

6. Outside Agency

1) Chamber of Commerce - Lunch Forum July 15th at Noon at the Sandstone & Quarry Bar. Ribbon cutting Saturday July 18th at 1PM at Cassie's Creation in the Sandstone Building. Oregon Trail Days next weekend, July 24, 25, 26. Schedule of the event on the Chambers website.

2) Economic Development Council (EDC) - new ScaleUp trainings for business can be found at www.thurstonedc.com.

3) South Thurston Economic Development Initiative (STEDI) - meeting July 17th at 8AM at the Stone City Events Center.

7) Thurston County Sheriff's Office - Lt. McIver presented June's Calls for Service report. Total 128 Calls which is up from previous months, but the officers have also had more traffic stops, but for actual cases it is only about 3 more than May. More Domestic calls and that is common in the Summer, longer days, drinking, etc being the catalyst. Recognizes there has been continual issues with E-bikes w/ kids in town and in the park. Mayor Watterson advised that we are looking at an ordinance about E-bikes in the park. McIvers says we will want to keep them close to the county guidelines. There will be extra patrols this weekend for the Garage Sale and Memorial Dedication on Saturday (he will work to have a representative there). If something needs attention just let him know.

7. 13. Committees/Commissions

2) Finance Committee - Councilmember Klamn reported, still working on unclaimed property, gambling tax still in the works.

3) Planning Commission - talked about ADU's and Short term rentals.

8. 14. Staff

2) Code Enforcement/Building Inspector - school heating system project.

3) PARC Specialist - Pool and cleaning up.

4) Clerk/Treasurer - C/T Reddick working on VCP, took a class this morning with SpringBrook. Their 2020-2022 there are many corrections because they were inputted one sided. Should have an Ordinance next meeting for the Gambling Tax. We received a \$8,000.00 donation from the Splash Bash for the Quarry Pool. Councilmember Eisel suggested moving some of the funds to LGIP, we do not have to keep some in there for big payments, investment pool. There is \$398,000.00 in there, thinks we can move \$200,000.00 - \$300,000.00. 1st reading for the budget amendment.

5) Mayor - Was at AWC Conference last meeting, which was paid for by a grant. 2 big ones on Economy & where it's going and other on "13 ways to kill your city". Which #1 is not paying attention to your water system. All the recordings he has and will share with any of the Councilmembers want to see. Had a call about PFAS, our attorney has some concerns and will discuss with them. OTD meeting, there have been some tough issues, and we are working through them. TRPC - TRPB Rail highspeed rail from Canada to Oregon. Went to Tightline Construction ribbon cutting. Met with Aslan with the EDC about the AG Park, the grading project, The Colvins are really chomping to getting moving forward.

9. 15. Liaisons

2) Solid Waste Advisory Board - next meeting in August.

4) Tenino School Board - worked through issues with the contract for RSO.

5) Thurston Regional Planning Council (TRPC)

9) Oregon Trail Days - Councilmember Curtiss says this is moving right along, there are 40 entries in the Parade.

PUBLIC COMMENTS 2

Ron Sorenson had questions about some of things on Hwy 507 but that is out of City Limits. Also, he asked what about we have a recycling plant, metal recycling in Tenino to help create revenue.

John O'Callahan - wants to make sure the Council and the City give Dan Fischer from the Tenino Intendant a Big Thank you for all the years of reporting.

ANNOUNCEMENTS

Mayor Watterson presented a letter from the Splash Bash announcing the donation check of \$8,000.00 they raised at the annual Splash Bash in May for the Quarry Pool.

Councilmember Eisel stated Thank you to the Splash Bash foundation for all the work put into this. Councilmember Gotovac wanted to Thank Pam Light for her hard work on this event and the committee.

Motion made by Councilmember Gotovac, Seconded by Councilmember Klamn.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember Eisel, Councilmember Carney, Councilmember Curtiss.

Councilmember Gotovac said "come to the Tenino Lions Club Garage sale this weekend" at the Elementary School.

ADJOURNMENT

Mayor Watterson adjourned the meeting at 7:57PM.

File Attachments for Item:

4. Malissa Burgess, Tenino City Planner to ask the council for approval to move forward with the Short-Term Rental Code update research per Planning Commissions request.

Discussion regarding the City pursuing a Short Term Rental ordinance.

Presenting:

Recommended Action: Motion to approve moving forward the Short Term Rental Code Update research.



Short Term Rental Technical Memo

To: City Council, City of Tenino

From: Malissa Burgess, Contracted City Planner | SCJ Alliance

Date: July 15, 2026

Project: Short Term Rental Code | City of Tenino

Subject: Request for Authorization to Develop Short-Term Rental Regulations

Introduction:

The City of Tenino Planning Commission has begun discussing whether the City should develop regulations addressing short-term rentals, including rentals advertised through platforms such as Airbnb and VRBO.

At its July 7th, 2026 meeting, the Planning Commission reviewed the City's existing regulations, discussed potential policy approaches, and expressed support for further development of a short-term rental ordinance. The Commission requested that the matter be forwarded to the City Council for authorization before staff and the City's planning consultant proceed with additional research and code development.

The requested Council action is limited to authorizing staff and the City's planning consultant to begin preparing potential short-term rental regulations for future public review. Authorization would not establish a final policy or commit the Council to allowing short-term rentals in any particular zoning district or housing type. Any proposed regulations would return to the Planning Commission and City Council through the City's normal legislative review process before adoption.

Background:

Tenino's current development regulations do not recognize short-term rental units as conventional lodging, the code does not identify short-term rentals as an allowed use, assign them to particular zoning districts, or establish an approval process or operating standards.

The City's lodging regulations generally address residential or sleeping units rented for periods of less than 31 days. However, the definition of "conventional lodging" expressly excludes short-term rental units. Short-term rentals are also not separately included in the City's zoning use tables.

RCW 64.37.010 specifies the following:

(9)(a) "Short-term rental" means a lodging use, that is not a hotel or motel or bed and breakfast, in which a dwelling unit, or portion thereof, that is offered or provided to a guest by a short-term rental operator for a fee for fewer than thirty consecutive nights.

(9)(b) "Short-term rental" does not include any of the following:



- (i) A dwelling unit that is occupied by the owner for at least six months during the calendar year and in which fewer than three rooms are rented at any time;
- (ii) A dwelling unit, or portion thereof, that is used by the same person for thirty or more consecutive nights; or
- (iii) A dwelling unit, or portion thereof, that is operated by an organization or government entity that is registered as a charitable organization with the secretary of state, state of Washington, or is classified by the federal internal revenue service as a public charity or a private foundation, and provides temporary housing to individuals who are being treated for trauma, injury, or disease, or their family members.

Under TMC 108.40.020.D, uses that are not listed within a zoning district are considered prohibited unless the City staff determines through an interpretation that the use may be allowed. As a result, the code currently lacks a clear and predictable process for reviewing a proposed short-term rental.

This does not necessarily mean that the City must allow short-term rentals. It means that the City's current code does not clearly state whether, where, or under what conditions they may operate.

State Regulatory Framework

Washington law does not require the City of Tenino to allow short-term rentals. The City retains discretion to determine whether short-term rentals are permitted, the zoning districts or housing types in which they may operate, and the local permitting and operating standards that apply. However, if short-term rentals are allowed, operators must comply with the statewide requirements in Chapter 64.37 RCW. The City must also follow applicable Growth Management Act and State Environmental Policy Act procedures when adopting the code amendments.

RCW/WAC	Requirement or Authority	Who Must Comply?	Implication For Tenino
RCW 64.37.010	Defines a short-term rental as a dwelling unit or portion of a dwelling offered for a fee for fewer than 30 consecutive nights, excluding hotels, motels, bed and breakfasts, and certain other arrangements. The statutory definition also excludes an owner-occupied dwelling in which fewer than three rooms are rented when the owner occupies the dwelling for at least six months of the calendar year.	Applicable to operators, platforms, and enforcement agencies.	The City is not expressly required to use the state definition word-for-word. However, aligning the local definition with RCW 64.37.010 would reduce ambiguity. The City should carefully address hosted room rentals because some arrangements are excluded from the state definition even though the City could still regulate them under another local use category.
RCW 64.37.020	Requires short-term rental operators to remit all applicable local, state, and federal taxes unless a rental platform collects and remits those taxes on the operator's behalf. This includes applicable sales, lodging, occupancy, and similar taxes or assessments.	Short-term rental operators and platforms.	The City does not need to duplicate state tax administration in the zoning code. The local regulations could require applicants to acknowledge responsibility for applicable taxes and obtain required business licenses. The City should coordinate any local licensing provisions with its existing business-license procedures.
RCW 64.37.030(1)	Requires operators to provide guests with contact information, comply with carbon monoxide alarm requirements, and conspicuously post the rental address,	Short-term rental operators.	Operators must comply whether or not these requirements are repeated in the City code. Incorporating them into the local application checklist or permit conditions would make the



RCW/WAC	Requirement or Authority	Who Must Comply?	Implication For Tenino
	emergency contact information, a floor plan showing exits and escape routes, maximum occupancy, and operator or designated-contact information.		requirements easier to administer and communicate.
RCW 64.37.030(3)	Requires the city to issue a warning letter for a first violation of the state consumer-safety requirements. A subsequent violation is a class 2 civil infraction under Chapter 7.80 RCW.	City and short-term rental operator.	Yes, this provision applies to the City when enforcing RCW 64.37.030. Tenino should coordinate with the City Attorney before creating a local enforcement process so the ordinance distinguishes state consumer-safety violations from violations of local permit or operating standards.
RCW 64.37.040	Requires short-term rental platforms to register with the Washington Department of Revenue and provide operators with information regarding taxes, safety requirements, and potential insurance limitations.	Short-term rental platforms.	No direct City compliance action is required. The City would not be responsible for registering or regulating the platforms under this section. Local regulations may still require an operator to provide listing information or include a City permit number in advertisements if the City chooses to establish that requirement.
RCW 64.37.050	Requires an operator to maintain at least \$1 million in primary liability insurance for the short-term rental or conduct each transaction through a platform providing equal or greater coverage.	Short-term rental operators.	Operators must comply with this requirement. Tenino could require proof of coverage as part of an application or renewal process. The ordinance should not establish a lower standard that could be interpreted as replacing the state requirement.
RCW 36.70A.680	Cities may restrict ADUs from being used as short-term rentals, apply general applicable health, safety, building, environmental, and wastewater requirements, prohibit ADUs on lots not served by public sewer, and limit ADUs in low-density residential areas containing critical areas.	City of Tenino	The key point is that state law requires the City to allow and regulate ADUs consistent with RCW 36.70A.680 and RCW 36.70A.681, but it does not require the City to allow ADUs to operate as short-term rentals. The City may prohibit or condition that use separately through its short-term rental regulations.
RCW 35.21.682	Generally prohibits cities and towns from limiting the number of unrelated persons who may occupy a household or dwelling unit. The statute expressly allows occupancy limits for short-term rentals, as well as lawful occupant-load and generally applicable health and safety standards.	City of Tenino	The City may establish occupancy limits specifically for short-term rentals. Any limit should be clearly connected to the short-term rental use, building capacity, parking, wastewater capacity, or health and safety rather than operating as a general restriction on unrelated persons.
RCW 36.70A.106	Requires a city proposing permanent amendments to development regulations to notify the Washington Department of Commerce at least 60 days before final adoption. The City must transmit the adopted regulations to Commerce within 10 days following adoption. An expedited review may be requested.	City of Tenino	Yes. If the short-term rental ordinance amends zoning or other GMA development regulations, Tenino must complete the Commerce notice process before final adoption.



Local Regulatory Authority

Chapter 64.37 RCW establishes minimum statewide requirements for short-term rental operators and platforms, but it does not direct cities to permit short-term rentals or establish a uniform local zoning framework. Tenino may therefore decide:

- Whether short-term rentals are permitted at all;
- Where they may be located;
- Whether they may operate in principal residences, detached ADUs, or other dwelling types;
- Whether owner occupancy is required;
- Whether a registration, business license, land use permit, or combined approval is required;
- What parking, occupancy, garbage, noise, local-contact, inspection, and complaint-response standards apply; and
- Whether approvals may be suspended or revoked for repeated violations.

Purpose of Developing Short-Term Rental Regulations

The primary purpose of developing regulations would be to replace the current uncertainty with an explicit City policy. A code update would allow the City Council to determine whether short-term rentals should be allowed and, if so, establish standards appropriate for Tenino.

Development of an ordinance would provide an opportunity to address the following issues.

Clear Direction for Property Owners and City Staff

An express short-term rental use category would clarify whether the use is permitted, where it may be located, and what approvals are required.

Without specific standards, property owners may not know whether a proposed rental is lawful, and City staff may have to rely on case-specific interpretations. A code amendment could establish a consistent administrative process and reduce the potential for differing interpretations.

Proactive Regulation

A preliminary review conducted for the Planning Commission did not identify a significant concentration of active short-term rentals within Tenino. However, online listings change frequently, may not identify precise locations, and may include properties outside the city limits. The preliminary review should therefore not be treated as a complete inventory.

The apparent limited level of current activity gives the City an opportunity to consider the issue before short-term rentals become widespread. Establishing a policy in advance may be administratively easier than responding after multiple rentals have begun operating under unclear regulations.

Neighborhood and Operational Standards

Short-term rentals can create issues that differ from those associated with permanent residential occupancy. Depending on the type and intensity of the rental, these may include:

- Parking demand;
- Noise and quiet-hour compliance;
- Garbage and recycling;



- Maximum occupancy;
- Emergency and life-safety information;
- Identification of a responsible local contact;
- Response to complaints; and
- Enforcement against repeated violations.

Regulations could establish basic expectations for operators and guests while allowing the City to tailor requirements to the anticipated scale of short-term rental activity in Tenino.

The City would not necessarily need to adopt the more extensive regulatory systems used by larger or tourism-oriented communities. The code could instead establish a relatively simple registration, licensing, or permit process proportional to Tenino's needs.

Housing Supply Considerations

Short-term rentals can affect housing supply differently depending on the type of rental being operated.

An owner renting a room within an occupied home may have less effect on long-term housing availability than the year-round conversion of an entire dwelling into visitor lodging. Similarly, allowing a detached accessory dwelling unit to be used as a short-term rental may create a visitor accommodation and an income source for the property owner, but it could also remove that unit from the long-term rental market.

Tenino's existing accessory dwelling unit regulations state that the intent of ADUs is to provide workforce housing. Any short-term rental proposal involving ADUs should therefore consider how the regulations would relate to that stated purpose.

Developing an ordinance would allow the City to distinguish among different short-term rental models rather than applying the same rules to every type of rental.

Planning Commission Discussion and Preliminary Direction

During its initial discussion, the Planning Commission expressed support for moving forward with development of short-term rental regulations, subject to City Council authorization.

The Commission's preliminary discussion included consideration of the following:

- Clearly and expressly identifying whether short-term rentals are allowed;
- Establishing a defined application and approval process;
- Evaluating whether short-term rentals should be allowed in detached accessory dwelling units rather than principal single-family residences;
- Considering whether short-term rental allowances could provide an incentive for the development of detached ADUs;
- Reviewing available short-term rental data;
- Developing practical operating and enforcement standards; and
- Contacting Westport, Langley, and Olympia staff regarding implementation and code enforcement experience.

Potential Code Development Process

If authorized by the City Council, the next phase would generally include:



1. Review of applicable Tenino zoning, lodging, ADU, business licensing, nuisance, and enforcement provisions.
2. Review of short-term rental approaches used by selected Washington jurisdictions.
3. Outreach to municipal staff with experience administering short-term rental regulations.
4. Evaluation of potential permit, registration, licensing, inspection, and enforcement processes.
5. Preparation of regulatory alternatives for Planning Commission consideration.
6. Preparation of draft code amendments based on Planning Commission and City Council direction.
7. Planning Commission review and public hearing.
8. City Council review, public hearing, and consideration of adoption.

The process would provide multiple opportunities for the Planning Commission, City Council, property owners, residents, and other interested parties to comment before any regulations are adopted.

Recommended Compliance Approach

If the City proceeds with an ordinance, the application or approval process should require operators to certify compliance with Chapter 64.37 RCW. At minimum, the City could require:

1. Operator and local-contact information;
2. A floor plan identifying exits and escape routes;
3. A stated maximum occupancy;
4. Confirmation of required carbon monoxide alarms and other applicable life-safety measures;
5. Proof of the liability insurance required by RCW 64.37.050;
6. Acknowledgment of applicable business-license and tax obligations; and
7. Agreement to maintain the information required to be posted within the rental under RCW 64.37.030.

This approach would create a clear local permitting pathway while avoiding unnecessary duplication of state tax and platform-registration requirements. Because RCW 64.37.030 assigns a specific enforcement role to the city or county attorney for state consumer-safety violations, the final enforcement language should be reviewed by the City Attorney before adoption.

Policy Questions for Consideration

Authorization to proceed would begin the policy-development process. It would not resolve the following questions, which would require further discussion:

- Should short-term rentals be allowed within Tenino?
- In which zoning districts or housing types should they be allowed?
- Should the City distinguish between hosted rentals and rentals of an entire dwelling?
- Should short-term rentals be allowed only in detached ADUs?
- Should the principal residence or the ADU be required to remain owner-occupied?
- Should short-term rentals be prohibited within principal single-family residences?
- Should the City require registration, a business license, a land use permit, or a combination of approvals?
- What standards should apply to occupancy, parking, safety, local contacts, garbage, noise, and complaint response?
- Should the City monitor activity before considering numerical caps or additional limitations?



These questions would be evaluated during development of the ordinance and would return to the City Council before adoption.

Conclusion

Tenino's current code does not clearly establish whether or how short-term rentals may operate. Developing regulations would give the City an opportunity to establish an explicit policy, provide a predictable review process, address potential neighborhood and housing impacts, and determine what form of short-term rental activity is appropriate for the community.

The Planning Commission supports proceeding with further research and ordinance development. Staff is requesting City Council authorization to move forward with that work. Any draft regulations would be subject to additional Planning Commission and City Council review, public notice, and public hearings before adoption.

Recommended Motion

I move to authorize City staff and the City's planning consultant to proceed with research and development of potential short-term rental regulations for review by the Planning Commission and City Council. This authorization does not constitute approval of a particular regulatory approach or authorization of short-term rentals within the City.



Technical Memo

To City of Tenino Planning Commission

From: SCJ Alliance

Date: July 7, 2026

Project: City of Tenino 7/8/2026 Planning Commission Meeting

Subject Short-Term Rentals in Tenino: Current Code Context and Policy Options

Introduction and Summary

The City of Tenino Planning Commission is considering whether and how the City should amend its land development regulations to permit and regulate short-term rentals, such as Airbnbs and VRBOs. The goal of this discussion is to identify the current code obstacles; clarify how short-term rentals differ from existing lodging, bed and breakfast, and accessory dwelling unit provisions; and consider ordinance approaches used in other communities.

Short-term rentals are not clearly authorized under Tenino's current code. While the code includes a broader "lodging use" category for sleeping or residential units rented for less than 31 days, the "conventional lodging" definition expressly excludes "short-term rental unit," campgrounds, and bed and breakfasts. At the same time, short-term rentals do not appear as an allowed use in the use tables. Because Tenino's code states that any use not listed in a zone is considered prohibited unless interpreted otherwise by the Community Development Director, this creates the core code issue the City would be fixing: the code recognizes that short-term rentals are different from conventional lodging, but does not establish where or how they may be permitted.

1 Existing Code Context

Tenino's current code does not appear to contain a standalone section that expressly prohibits short-term rentals (STRs). Instead, the issue is that short-term rentals fall into a gap between several existing use categories. The code defines short-term lodging activity in some places, but does not clearly identify STRs as an allowed use, assign them to specific zones, or establish permitting and operating standards. The following sections summarize the main code provisions that create this uncertainty.



Lodging Uses (TMC 108.40.050)

Tenino’s Development Standards define a “lodging use” as a sleeping unit or residential unit rented for occupancy of less than 31 days.¹ This definition is broad enough to generally describe the time frame associated with short-term rentals. However, the code then defines “conventional lodging” as lodging other than uses specifically defined elsewhere, including hotels and motels, and specifically states that conventional lodging does **not** include a “short-term rental unit,” campgrounds, or bed and breakfasts.²

So although there is not a direct “prohibition” on STRs – that is, the code does not specifically ban them in a standalone section – the obstacle instead is that the use is effectively excluded from conventional lodging and is not separately listed as an allowed use.

Classification of Uses (TMC 108.40.020)

The clearest current code obstacle is Section 108.40.020.D, which states that if a use is not listed as a use in a zone, it is considered prohibited.³ The Community Development Director may make an interpretation to determine whether an unlisted use is allowed or prohibited and, if allowed, determine the zones and permit type.

This means that without a code amendment or formal interpretation, short-term rentals lack a clear permitting pathway. This creates uncertainty for property owners, and also creates difficulty administering permits consistently for staff.

Bed and Breakfast Provisions (TMC 108.40.110.C)

Tenino already allows bed and breakfasts in several zones, but the current definition is narrower than a typical Airbnb/VRBO model. A bed and breakfast is defined as a residential unit in which **bedrooms** are rented as lodging units; it must be accessory to a detached single-family unit; it may have no more than four lodging units; and the owner or manager must reside in the dwelling.⁴

This could be modernized at the same time as a short-term rental ordinance, but it probably should not be treated as the only path for STRs. Many short-term rentals involve the rental of an entire dwelling unit, ADU, or detached unit, rather than individual bedrooms with an on-site host.

¹ [TMC 108.40.050.A](#), All lodging uses.

² [TMC 108.40.050.B](#), Conventional lodging.

³ [TMC 108.40.020.D](#), Uses not listed.

⁴ [TMC 108.40.110.C](#), Bed and breakfast.

Accessory Dwelling Unit Provisions (TMC 108.40.110.B)

The ADU section identifies “guesthouse” as a type of ADU, but the stated intent of ADUs in Tenino’s code is to provide workforce housing. ADUs are defined as secondary dwelling units and include employee apartments, caretaker’s quarters, mother-in-law suites, and guesthouses. The code also allows one ADU per lot, excludes ADUs from residential density calculations, limits ADUs to 1,000 square feet, and requires design compatibility with the principal use.⁵

Because the ADU intent statement emphasizes workforce housing,⁶ the Planning Commission may want to discuss whether ADUs should be eligible for short-term rental use, and if so, under what conditions. Allowing an owner-occupied household to rent an ADU occasionally may create a visitor lodging option without removing a full primary residence from the housing supply. By contrast, allowing non-owner-occupied ADUs or whole homes to operate year-round as STRs could reduce long-term housing availability over time.

2 Local Context and Policy Considerations

In addition to clarifying the current code issue, the Planning Commission may also wish to consider how short-term rentals could fit within Tenino’s local context. A preliminary review of Airbnb and VRBO listings did not appear to show active STRs located within the city. This may reflect limited visitor lodging demand, limited supply, uncertainty under the current code, or a combination of factors. Online listings also change frequently and may include properties just outside city limits, so they should not be treated as a complete inventory. However, the apparent lack of current listings suggests that Tenino may be considering this issue proactively, before STRs become widespread.

One common concern with short-term rentals is that, in some communities – particularly tourism-oriented areas or places with limited housing supply – whole-home STRs can reduce the number of homes available for long-term residents. This concern is generally greater when a dwelling is operated year-round as a short-term rental by an absentee owner, because the home may function more like visitor lodging than local housing. By contrast, lower-intensity models, such as a homeowner renting a spare room, an owner-occupied home, or possibly an ADU on the same property where the owner lives, may have fewer impacts on long-term housing supply and neighborhood stability.

For Tenino, this suggests that the Planning Commission may want to distinguish between different types of STRs rather than treating all of them the same. For example, hosted rentals or owner-occupied rentals could be allowed through a simpler process, while non-owner-occupied whole-house rentals or ADU rentals could be

⁵ [TMC 108.40.110.B](#), Accessory dwelling unit (ADU).

⁶ [TMC 108.40.110.B.1](#): “The intent is that accessory dwelling units provide workforce housing.”

subject to additional standards, limits, or monitoring. This would allow the City to support small-scale visitor lodging while still keeping tools in place to address potential housing and neighborhood impacts over time.

3 Short-Term Rental Approaches in Other Washington Communities

Several Western Washington communities offer useful short-term rental models for Tenino to consider. While Westport, Langley, and Olympia differ in size, tourism market, and housing context, they illustrate several common approaches: clearly defining short-term rentals, requiring some form of license or permit, and setting standards to help reduce impacts on neighboring properties.

Westport, WA

Westport broadly allows vacation rentals in zones where single-family homes are allowed, but requires City approval and a business license before they can operate. Its code focuses on practical neighborhood issues, including occupancy, parking, trash collection, a 24/7 local contact, neighbor notification, interior guest information, insurance, annual safety inspections, permit numbers in advertisements, annual renewal, and enforcement.⁷ This is useful for Tenino because it shows how a city can allow STRs while still addressing common concerns like parking, noise, trash, absentee ownership, and complaint response. However, Westport is more tourism-oriented than Tenino, so Tenino may not need such a detailed or costly process right away.

Langley, WA

Langley also uses a licensing approach, but it focuses more on limiting the number and type of short-term rentals. Langley requires a City license before a STR can be advertised or operated, limits certain STR licenses to 15 per year, limits those licenses to one per owner, and caps the number of ADUs that can be used as short-term rentals.⁸ Its application requirements also include a 24/7 manager within a 20-minute drive, parking and floor plans, inspection or life-safety documentation, and links to online listings. This may be relevant to Tenino if the Planning Commission wants to allow short-term rentals but keep some guardrails in place, especially for ADUs or investor-owned rentals.

Olympia, WA

Olympia offers a helpful middle-ground example because it separates STRs into two categories: homestays, where rooms are rented in a home occupied by a permanent resident or owner, and vacation rentals, where the entire dwelling is rented and no permanent resident lives there.⁹ Homestays are allowed without a separate short-term rental permit, while vacation rentals require a City permit and renewal every two years. Both types

⁷ Westport Municipal Code [Chapter 17.22](#), Vacation Rental Dwellings

⁸ Langley Municipal Code [Chapter 5.40](#), Short-Term Rental License

⁹ City of Olympia [Short-Term Rentals Webpage](#)



require business licenses, liability insurance, and payment of applicable taxes. Olympia also allows STRs in many housing types, including ADUs, single-family homes, duplexes, townhouses, and multifamily developments, while limiting vacation rentals to two per property owner and requiring a local contact person for vacation rentals.¹⁰

Key Takeaways from Other Communities

The three examples summarized above provide a fairly simple framework Tenino could use as a starting point for addressing short-term rentals:

- ◆ Create a clear short-term rental use category;
- ◆ Require a license or permit;
- ◆ Set basic standards for parking, safety, trash, local contact information, and guest information; and
- ◆ Decide whether higher-impact short-term rentals (such as non-owner-occupied whole-house rentals or ADU rentals) should have additional limits.

In terms of specific takeaways from each of the example cities, Westport is most helpful for operating standards, while Langley is most helpful for caps and ADU limits. Olympia is especially helpful for distinguishing between hosted rentals and whole-unit vacation rentals.

4 Potential Discussion Questions

Based on Tenino's current code and the examples summarized above, the Planning Commission may wish to discuss the following questions before providing direction on a future ordinance:

1) **Where should short-term rentals be allowed?**

For example, should they be allowed in all zones where residential uses are permitted, only in certain zones, or under different standards depending on the zone?

2) **Should the City distinguish between hosted and non-hosted short-term rentals?**

A hosted rental, such as a room rented in an owner-occupied home, may have different neighborhood and housing impacts than a non-owner-occupied whole-house rental.

3) **Should ADUs be allowed to be used as short-term rentals?**

Tenino's current ADU standards describe ADUs as workforce housing, so the Planning Commission may want to consider whether ADU short-term rentals should be allowed, limited to owner-occupied properties, capped, or prohibited.

¹⁰ Olympia Short Term Rental Regulations [Summary Sheet](#)



4) **What level of permitting is appropriate for Tenino?**

Tenino could consider a simple business license/registration approach, a separate STR permit, or a tiered approach where lower-impact rentals require less review and higher-impact rentals require more.

5) **What operating standards should be required?**

Common standards include parking, occupancy, local contact information, trash collection, quiet hours/noise compliance, life-safety requirements, guest information, and complaint response.

5 Preliminary Direction for Discussion

Tenino's current code does not provide a clear pathway for STRs. The code recognizes short-term rental units as distinct from conventional lodging, but does not list them as an allowed use or establish permit requirements or operating standards. As a result, a code amendment would help clarify where STRs may be allowed and how they should be reviewed and regulated.

As discussed in Section 3 above, a good starting point for Tenino may be to:

- ◆ Create a new short-term rental use category;
- ◆ Distinguish between hosted rentals and whole-unit vacation rentals;
- ◆ Require a City business license or short-term rental permit; and
- ◆ Establish basic operating standards for parking, safety, trash, local contact information, and guest information.

The Planning Commission may also wish to provide direction on whether ADUs and non-owner-occupied whole-house rentals should be subject to additional limits. Given the apparent lack of current short-term rental activity in Tenino, the City may not need to establish numerical caps immediately, but could consider monitoring permit activity over time and revisiting caps or additional limits if short-term rental activity increases.



Exhibit A Scope of Work Short Term Rental Code City of Tenino

Prepared For: City Council, City of Tenino

Prepared By: Malissa Burgess, Contracted City Planner | SCJ Alliance

Date Prepared: July 15, 2026

Project Understanding

The City of Tenino is considering amendments to the Tenino Municipal Code to establish clear regulations and an administrative process for short-term rentals. The code update will evaluate options for expressly allowing short-term rentals in detached accessory dwelling units while restricting or excluding their operation within principal single-family residences.

The project will also evaluate how short-term rental regulations may support the development and use of accessory dwelling units while addressing neighborhood compatibility, housing availability, public safety, enforcement, and administrative feasibility.

SCJ Alliance will assist the City with regulatory research, preparation of draft code amendments, Planning Commission review, and the local and state adoption process.

The work will consist of the following Tasks:

- ◆ Task 1 – Code and Regulatory Research
- ◆ Task 2 – Draft Short-Term Rental Code
- ◆ Task 3 – Review and Adoption

Task 1 Code and Regulatory Research

SCJ will research short-term rental regulations and implementation practices that may be applicable to Tenino. Research will focus on identifying a regulatory approach that clearly states where short-term rentals are allowed and establishes an understandable permitting and enforcement process.

1) Research Existing Code Options

- ◆ Applicable provisions of the Tenino Municipal Code, including zoning, accessory dwelling unit, business licensing, nuisance, parking, and enforcement regulations.
- ◆ Short-term rental regulations adopted by comparable Washington jurisdictions.
- ◆ Common approaches to defining and distinguishing short-term rentals from hotels, motels, bed-and-breakfast establishments, home occupations, and long-term residential rentals.
- ◆ Options for expressly allowing short-term rentals in detached accessory dwelling units while restricting them within principal single-family residences.

- ◆ Potential standards addressing occupancy, parking, local contacts, safety, business licensing, inspections, neighborhood impacts, and code enforcement.
- ◆ Applicable state requirements and limitations affecting local short-term rental regulation.

2) Planning Commission Discussion

SCJ will prepare for and participate in one Planning Commission meeting to present initial research findings, discuss regulatory alternatives, and obtain direction regarding the preferred approach.

- Discussion topics are anticipated to include:
 - Whether and where short-term rentals should be expressly allowed.
 - Whether short-term rentals should be limited to detached accessory dwelling units.
 - The relationship between short-term rental regulations and the City's objective of encouraging accessory dwelling unit development.
 - The appropriate review and approval process.
 - Operational and enforcement standards.
 - The appropriate City department or official responsible for administering the regulations.

3) Short-Term Rental Data and Process Development

SCJ will gather available information and develop recommendations for a short-term rental application, review, and enforcement process. This work may include:

- Identifying the information that should be submitted with an application.
- Evaluating whether short-term rentals should require a land use permit, registration, business license, or a combination of approvals.
- Identifying potential renewal, inspection, revocation, and appeal procedures.
- Reviewing available information regarding the number and distribution of short-term rentals operating in or near Tenino.
- Developing a preliminary process outline identifying responsible City departments and decision points.
- Identifying options for tracking approved short-term rentals and responding to complaints.

4) Jurisdictional Outreach

SCJ will contact staff from the cities of Westport, Langley, and Olympia to gather information regarding implementation and enforcement of their short-term rental regulations. Outreach will focus on:

- Administrative procedures.
- Staffing and enforcement needs.
- Common complaints and compliance issues.
- Registration, licensing, and inspection practices.
- Approaches that have or have not worked effectively.
- Lessons that may be applicable to Tenino.

SCJ will summarize findings for consideration by City staff and the Planning Commission.

Task 1 Deliverables

- ◆ Summary of regulatory options and comparable jurisdiction approaches.
- ◆ Preliminary short-term rental review and enforcement process.
- ◆ Summary of outreach to Westport, Langley, and Olympia.
- ◆ Planning Commission meeting materials, as appropriate.

Task 2 Draft Short-Term Rental Code

Based on direction from City staff and the Planning Commission, SCJ will prepare draft amendments to the Tenino Municipal Code.

1) Initial Draft Code

SCJ will prepare an initial draft ordinance or code amendment addressing the short-term rental regulatory framework. The draft is anticipated to address:

- Purpose and applicability.
- Definitions.
- Zoning districts or residential situations in which short-term rentals are allowed.
- Standards for short-term rentals located in detached accessory dwelling units.
- Restrictions applicable to principal single-family residences, if directed by the City.
- Permit, registration, or licensing requirements.
- Application requirements.
- Operational and safety standards.
- Occupancy and parking requirements, if applicable.
- Local contact requirements.
- Inspection and renewal procedures, if applicable.
- Enforcement, suspension, and revocation.
- Nonconforming or existing short-term rentals, if applicable.
- Administrative authority and appeals.
- Coordination with applicable accessory dwelling unit and business licensing regulations.

SCJ will also evaluate whether limited flexibility or incentives may be incorporated to support detached accessory dwelling unit development without undermining the City's housing and neighborhood compatibility objectives.

2) Planning Commission Discussion

SCJ will prepare for and participate in a Planning Commission meeting to present the initial draft code and obtain comments and direction.

3) Draft Code Revision

SCJ will revise the draft code based on consolidated comments from City staff and the Planning Commission. One consolidated round of substantive revisions is included under this subtask.

4) Planning Commission Discussion

SCJ will prepare for and participate in a second Planning Commission meeting to review the revised draft and obtain direction regarding preparation of the public hearing draft.

Task 2 Deliverables

- ◆ Initial draft short-term rental code amendments.
- ◆ Revised draft short-term rental code amendments.
- ◆ Planning Commission meeting materials, as appropriate.

Task 3 Review and Adoption

SCJ will assist the City with the Planning Commission and City Council review and adoption process.

1) Planning Commission Public Hearing

SCJ will assist City staff in preparing for and participating in one Planning Commission public hearing. Work may include:

- Preparation of the public hearing draft.
- Preparation or review of a staff report and presentation materials.
- Attendance at the public hearing.
- Documentation of Planning Commission recommendations and requested revisions.

2) Commerce 60-day Review

SCJ will prepare the draft regulations for transmittal to the Washington State Department of Commerce, as applicable, and support the required state review period. This task assumes the City will transmit the notice through its established Commerce portal or process, with SCJ providing the necessary materials.

3) Final Draft Update

SCJ will prepare the final proposed code amendments based on the Planning Commission recommendation, public comments, City staff direction, and any applicable agency comments. One consolidated revision is included.

4) City Council Public Hearing & Adoption

SCJ will assist City staff in preparing for and participating in one City Council public hearing. Work may include:

- Preparation or review of the City Council staff report.
- Preparation of presentation materials.
- Attendance at the public hearing.
- Documentation of City Council comments and requested revisions.

SCJ will assist with preparation for and participation in one City Council meeting at which the short-term rental regulations are scheduled for adoption. SCJ will prepare minor final revisions requested during the adoption process, provided those revisions do not substantially change the regulatory approach.

Task 3 Deliverables

- ◆ Planning Commission public hearing draft and supporting materials.
- ◆ Materials for Washington State Department of Commerce review.
- ◆ Final proposed code amendments.
- ◆ City Council public hearing and adoption materials, as appropriate.
- ◆ Adopted-code clean copy reflecting City Council action, if requested.

Project Budget

Task	Estimated Hours	Estimated Cost
Task 1: Code and Regulatory Research	28	\$4,600
Task 2: Draft Short-Term Rental Code	15	\$3,000
Task 3: Review and Adoption	16	\$2,400
Total Estimated Labor	59 Hours	\$10,000

Assumptions

This Scope of Work is based on the following assumptions:

1. The scope includes up to four Planning Commission meetings, consisting of three discussion or review meetings and one public hearing.
2. The scope includes up to two City Council meetings, consisting of one public hearing and one adoption meeting.
3. The scope assumes amendment of the City's development regulations and does not include preparation of a comprehensive plan amendment.
4. The scope does not include legal review. The City Attorney will review the proposed ordinance for legal sufficiency and form.
5. The scope does not include detailed fiscal analysis, housing market analysis, surveys of individual property owners, or preparation of geographic information system mapping.
6. Minor revisions resulting from public or agency comments are included. Substantial changes in policy direction, additional alternatives, additional meetings, or multiple rounds of revisions may require an amendment to the scope and budget.
7. Final policy decisions will be made by the City through the legislative review process.

Additional Services

Services outside this Scope of Work may be provided upon written authorization from the City. Additional services may include:

- ◆ Additional Planning Commission or City Council meetings.
- ◆ Expanded public engagement or community surveys.
- ◆ Detailed short-term rental inventory or data analysis.
- ◆ Preparation of application forms, checklists, fee resolutions, or administrative procedures.



- ◆ Development of implementation and enforcement manuals.
- ◆ Training for City staff.
- ◆ Substantial revisions resulting from a change in policy direction.

File Attachments for Item:

5. Ordinance 944 FY 2026 Budget Amendment #1

Recommended Action: Motion to approve Ordinance 944 as presented.

ORDINANCE NO. 944

**AN ORDINANCE FOR THE CITY OF TENINO, WASHINGTON
AMENDING THE BUDGET FOR THE FISCAL YEAR ENDING
DECEMBER 31, 2026**

**BE IT ORDAINED AND ESTABLISHED BY THE CITY COUNCIL
OF THE CITY OF TENINO, WASHINGTON AS FOLLOWS:**

WHEREAS, the Council for the City of Tenino, Washington has held a public hearing on the FY 2026 budget amendment, and;

NOW, THEREFORE, the City Council does hereby ordain:

Section 1.

That the budget for the City of Tenino for the year 2026 is hereby amended as set forth in Exhibit "A", which is attached hereto and made a part hereof.

Section 2.

The Clerk/Treasurer for the City of Tenino, Washington, is hereby directed to transmit a certified copy of the amended 2026 Budget, hereby adopted, to the Division of Municipal Corporations, in the Office of the State Auditor, Municipal Research and Services Center; and the Association of Washington Cities.

Section 3.

A detailed copy of the foregoing budget is available for review at the Office of the Clerk/Treasurer, City Hall, Tenino, Washington.

Section 4.

This Ordinance shall take effect on five(5) days from and after its passage, approval, and publication as required by law.

PASSED by the City Council and APPROVED by the Mayor, at a regularly scheduled public meeting on this 28th day of July, 2026.

David Watterson, Mayor

ATTEST:

Nancy Reddick, City Clerk/Treasurer

Approved as to form and for content:

Brent Dille, City Attorney

2026 PROPOSED BUDGET CHANGES

Fund Totals

Fund	Revenues				Expenditures			
	Original	Proposed	Difference		Original	Proposed	Difference	
001 General Government Fund #001	2,215,797.00	2,110,412.00	(105,385.00)	95.2%	1,999,607.94	1,834,962.18	(164,645.76)	91.8%
002 Quarry Pool Fund #002	78,000.00	85,000.00	7,000.00	109.0%	76,586.35	50,415.00	(26,171.35)	65.8%
003 Reserve Academy Operating Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
101 City Street Fund #101	868,440.00	778,377.00	(90,063.00)	89.6%	1,263,063.22	708,516.50	(554,546.72)	56.1%
102 Special Revenue Fund	207,761.76	207,761.76	0.00	100.0%	0.00	0.00	0.00	0.0%
109 Contingency Fund #109	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
310 Municipal Capital Imp Fund 310	1,333,150.84	2,312,320.84	979,170.00	173.4%	1,227,200.00	2,066,370.00	839,170.00	168.4%
330 Inter Governmental Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
401 Water Fund	563,660.00	563,660.00	0.00	100.0%	343,274.39	339,305.00	(3,969.39)	98.8%
402 Water Capital Imp Fund	302,025.00	100,725.00	(201,300.00)	33.3%	276,593.05	276,593.05	0.00	100.0%
403 Stormwater Fund	39,691.45	39,691.45	0.00	100.0%	0.00	0.00	0.00	0.0%
410 Sewer Fund	2,086,356.16	1,615,756.16	(470,600.00)	77.4%	1,723,321.42	1,340,701.28	(382,620.14)	77.8%
421 Sewer Capital Improvement Fund	818,623.64	817,123.64	(1,500.00)	99.8%	530,041.75	530,041.75	0.00	100.0%
422 Sewer Reserve Fund	701,801.73	314,551.73	(387,250.00)	44.8%	494,950.00	107,700.00	(387,250.00)	21.8%
580 Claims Receipts Clearing	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
601 SWWAIP Trust Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
631 Municipal Court Trust Fund #631	3,000.00	3,000.00	0.00	100.0%	0.00	0.00	0.00	0.0%
Excess/(Deficit):	9,218,307.58	8,948,379.58	(269,928.00)	97.1%	7,934,638.12	7,254,604.76	(680,033.36)	91.4%