

**TUMWATER GENERAL GOVERNMENT COMMITTEE
MINUTES OF VIRTUAL MEETING
JUNE 12, 2024 PAGE 1**

CONVENE: 8:00 a.m.

PRESENT: Chair Michael Althaus and Councilmembers Joan Cathey and Leatta Dahlhoff.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Community Development Director Michael Matlock, Parks, and Recreation Director Chuck Denney, Planning Manager Brad Medrud, Land Use and Housing Planner Erika Smith-Erickson, and Senior Planner Alex Baruch.

**APPROVAL OF
MINUTES: GENERAL
GOVERNMENT
COMMITTEE, MAY 8,
2024:**

MOTION: Councilmember Cathey moved, seconded by Councilmember Dahlhoff, to approve the minutes of May 8, 2024 as published. A voice vote approved the motion.

**2025 COMPREHENSIVE
PLAN PERIODIC
UPDATE – LAND USE
ELEMENT:**

Manager Medrud briefed members on the process to evaluate goals, policies, and implementation actions for all the elements in the Comprehensive Plan. The Planning Commission reviewed the Conservation Element, Lands for Public Purposes Element, and the Land Use Element. He invited members to offer any recommendations during the review.

Each review of the elements utilizes a spreadsheet/table to ensure goals, policies, and action items are much more actionable and tied to specific outcomes. The committee's reviews are considered a work in progress with the final language not drafted at this point.

Manager Medrud described the purpose of the columns within the document identifying goals, policies, and action items to include assigned lead, general timeline, and specific deliverable(s) if appropriate. Staff notes speak to older goals in the current Comprehensive Plan, which will be updated, changed, or removed (if accomplished) to ensure they align with new requirements. Existing language will be aligned with new language throughout the document.

Throughout the review process, the Planning Commission provided comments and feedback. The Land Use Element table includes Growth Management Act (GMA) goals with all policies aligned with GMA goals. Under the policies are specific community goals derived from the existing Comprehensive Plan that have been enhanced to account for more work completed in housing, transportation, and open space. Community goals are the next level of specificity in terms of goals and

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actions. Following community goals are specific land use goals for residential, commercial, and new goals for manufacturing housing and industrial and warehouse, which had been included within commercial but are now acknowledged as different types of land uses.

Parks, open space, and essential public facilities have been moved from the Conservation Element within the Lands for Public Purposes, which lacked any policies or goals to create a new section. Essential public facilities are facilities used by the community but not desired in close proximity to residential and other areas. Such uses include airports, jails, large universities, etc. A separate section in the existing Comprehensive Plan for the airport will also be transferred to the Land Use Element.

The remaining sections of the document reflect goals and policies that will be moved to other elements. Some existing goals and policies have been moved from the Land Use Element to other elements, such as the Conservation Element for reducing impacts from flooding and stormwater management, etc., as they all relate to water quality. A number of topics will move to the new Climate Element for energy efficiency in new development. The intent of the new format is to track all existing goals. Some policies and goals were deleted and not replaced because actions have been completed.

The Land Use Element included a separate section on implementation policies. Some of the policies are specific and some are general. Moving forward, staff plans to move the implementation policies to the Land Use Element policy discussion reflecting actions completed and any language changes. The implementation policies will be integrated into the goals and policies to reflect the direct connection between the two and how the City is implementing those actions.

The next step for the Planning Commission is continuing its next review of land use at its next meeting.

Councilmember Dahlhoff recommended some word choices from the previous version in terms of citizens, gender, and descriptions from the City's work on diversity, equity, inclusion, and belonging (DEIB) strategies. Manager Medrud acknowledged the suggestion and shared how staff is exploring options for revising language that is too general, not defined, or has a common understanding.

Councilmember Cathey asked whether the new format is essentially rearranging topics the City has accomplished or ongoing over the last several years. Manager Medrud explained that the format is a rearrangement and an update of the information recognizing that much work has been invested in the policies with the intent to update the language in terms of current terminology and development of specific

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implementation actions. The policies provide a good basis that requires no dramatic changes; however, it is important that the document is easier to access by the community as well as tying policies and goals directly to actions. By fall, the intent is to review larger issues following the receipt of technical data from Thurston Regional Planning Council.

Councilmember Cathey inquired as to the size of the final document that will be posted online. Manager Medrud responded that each element would be posted in two sections. The first section would be information on goals, policies, and action items usable for the community and the City. The second section will focus on technical information dependent upon state requirements for the City's documentation of its work. For example, within the Land Use Element, the City needs to identify all acreages for all land uses to ensure sufficient capacity in each land use category to accommodate 20 years of growth. Additionally, a user guide to the Comprehensive Plan will be available with a supporting glossary of terms. Because of the need to edit documents over the next 20 years, the intent is to accommodate requests for written copies because of the limited availability of different software programs.

Chair Althausen asked whether staff plans to complete similar summary charts for the other elements. Manager Medrud said the intent is utilizing the format for all elements of the Comprehensive Plan.

Discussion ensued on the importance of fundamental data and the basis for assumptions to be updated to reflect current trends and concerns, as well as meeting the state's new requirement to develop a new element focused exclusively on climate. The Council is scheduled to meet jointly with the Planning Commission during a work session to discuss the new climate element. Some policies within the Conservation Element will transfer to the Climate Element. The Conservation Element addresses two distinct topics required by the GMA.

**2025 COMPREHENSIVE
PLAN PERIODIC
UPDATE –
CONSERVATION
ELEMENT:**

Planner Baruch provided an overview of the topics addressed in the Conservation Element as part of the update, as well as goals, policies, and actions.

The GMA requires the City to demonstrate that each element in the Comprehensive Plan meets the 15 state GMA goals. Two goals for conservation are natural resource industries and the environment. The Conservation Element includes specific guidelines and policies to ensure the viability of natural resource industries and activities. The elements also must ensure the viability of natural resource industries within the City through the identification of such lands in the Conservation Element.

The Legislature updated the environment goal in 2023 adding the requirement to enhance the environment. The element contains specific

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policies on air, water quality, water availability, and protection and preservation of critical areas.

During the 2016 update, best available science was incorporated into the Conservation Element. Following completion of the update, The City's Critical Areas Ordinance was amended to align with state requirements.

Topics anticipated to be addressed during the 2025 update include incorporating environmental justice into goals and policies, addressing use of habitat conservation plans for management of affected listed species and declared ecosystems across private and public lands in the City, use of best available science, updated policies to designate and protect critical areas, utilizing current data to update all maps. Other topics are moving goals and policies for greenhouse gas emissions and climate mitigation targets to the new Climate Element, adding references to updates of the Shoreline Master Program, Thurston County Mitigation Plan, and the Urban Forestry Management Plan, updating policies on urban agriculture, forestry resource lands and mineral resource lands, updating the Tumwater Municipal Code as required following Department of Ecology Critical Areas Checklist, simplifying policy language, and developing implementation actions to include identifying resources for actions and timelines.

Goals are statements of desired outcomes or intended achievements. Policies are specific statements guiding actions and serve as a framework for future decision-making. Actions are specific measures to implement goals and policies.

The Planning Commission has reviewed the draft format of the goals, policies, and actions during an initial review. The proposed goals were grouped into three categories with policies and actions supporting the goals.

Planner Baruch requested feedback as early as possible to help limit the number of revisions to the element as work continues throughout the next several months.

Manager Medrud provided additional information on the focus of the update of the Conservation Element. Additionally, the Urban Forestry Management Plan will be incorporated into the Conservation Element addressing urban forestry in the urban context versus the forest resource context of focus by the GMA. He outlined options for members to provide feedback on the element. The Planning Commission received several feedback formats of the draft that will comprise the public record, as well as Word documents to enable Commissioners to update and edit. Alternatively, staff has offered printouts that Commissioners can pick up and edit. He offered to provide the committee with the Land Use and Conservation draft documents as Word documents via email.

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Planner Baruch added that any edits should use the tracking feature to enable staff to identify changes and reconcile any differences with other recommended changes.

Councilmember Cathey inquired as to how the City defines “critical areas.” Manager Medrud said critical areas are defined by the GMA, similar to the definition of best available science. The state has identified specific meanings and actions pertaining to critical areas. For example, the City is required to adopt regulations to protect wetlands. Wetlands are also defined. The City is also required to protect habitat that is defined under state law, geologically hazardous areas, and floodplains, etc. The City relies on state definitions.

Councilmember Cathey asked whether the City has other regulations in addition to state requirements for protecting the environment. Manager Medrud said the City receives frequently updated state guidance. For example, the Department of Ecology serves as the lead agency for updating wetland regulations. Some regulations are specific while others provide the City with some flexibility. However, baselines are established by the state. The Department of Fish and Wildlife oversees protections for species and habitat. Protection of habitat is subject to three levels of protection of federal, state, and local requirements.

Councilmember Cathey inquired about the possibility of completing a new tree protection ordinance. Manager Medrud replied that it would be dependent upon resources and the addition of another planner. If the department is adequately staffed, capacity would be available to restart efforts on the urban forestry amendments. It is likely the amendments would be completed prior to completing the update of the Comprehensive Plan. When the City suspended work on the urban forestry amendments last year, draft amendments to the ordinances had been completed for review by the Planning Commission. The public process and the amendments had been completed at that time. The intent, based on available capacity, is to restart the process and evaluate the proposals from last year. Staff is scheduling a joint work session with the Planning Commission and the Tree Board in the fall to restart the update process. The process will follow the normal ordinance amendment process with reviews by the Tree Board, Planning Commission, General Government Committee, and the Council.

Councilmember Cathey asked whether all riparian areas along streams and rivers are considered critical areas. Manager Medrud described the different regulatory distinctions. Larger water bodies such as the Deschutes River and Percival Creek fall under the City’s Shoreline Management Plan to include all associated regulations addressing activities along and in those areas. For other areas not meeting the threshold of the Shoreline Management Plan such as smaller creeks and lakes, those areas are addressed as part of the City’s Critical Areas Ordinance. When the City

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adopted the Shoreline Management Plan, the Department of Ecology required the City to include all critical area regulations affecting those areas. To update the regulations adopted in 2019, the City is required to reopen the Shoreline Management Plan. The last update process required 15 months to complete some minor changes. Critical area regulations under the Shoreline Management Plan and the City's critical area regulations are not always coordinated because of functions of the approval process and state law.

**CONTRACT
APPROVAL FOR AN 8-
YEAR MULTIFAMILY
TAX EXEMPTION FOR
THE ROOKERY
APARTMENTS (TUM-
24- 0714:**

Manager Medrud reported the action is for approval of contract for an eight-year multifamily tax exemption for the Rookery Apartments project located off Capitol Boulevard.

In 2014, the Council approved the Capitol Boulevard Corridor Plan as well as the Brewery District Plan. Both plans include several implementation actions identified to achieve the goals of the plans. In the Capitol Boulevard Corridor Plan, one goal is redevelopment of the corridor. One of the mechanisms recommended was establishing a multifamily tax exemption program to improve the financial liability of redevelopment within the corridor. Recent concerns surrounded the small parcel sizes along the corridor making it difficult to redevelop. To achieve the vision in the plan, additional steps were necessary to help development achieve those outcomes.

In 2017, the Council adopted the multifamily tax exemption program to stimulate development and provide multifamily housing development in transit corridors and walkable areas. The program included two levels of exemption. The first is an eight-year exemption focused primarily on economic development. The eight-year program does not include an affordable housing component. The second program is a 12-year exemption that includes an affordable housing component applicable to the Capitol Boulevard corridor and the Brewery District. The purpose of the program is to serve as a catalyst for economic development, as well as encouraging multifamily development in areas already served by transit with a sidewalk network for accessibility to services.

When the Council approves a multifamily tax exemption application, it represents a shift in revenue from the source of the property tax to ensure a successful program. It was important to ensure the program could be utilized by developers who have the capacity to develop in the community. As part of the adoption process for the proposal and as discussed during the affordable housing discussion by the Council, it is possible to add the program to the department's 2025 Work Program to pursue a larger discussion. Last year, a number of steps were identified as part of the evaluation in the effectiveness of the program to determine whether the City should retain the program or to identify any amendments to improve the program. Those efforts require time and effort and would be part of the discussion during the 2025 work program process.

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Councilmember Cathey said she had believed those discussions would have occurred prior to considering any new proposals. At this point, neither the Council nor staff have pursued any discussions. She asked whether the City can require certain parameters within the program, such as proposing amendments or adding other requirements.

Chair Althausen noted that the City's process was established and anyone can take advantage of the program today. In terms of the question, any proposal that has been submitted has the ability to work within the parameters of the current program. A review of the program has been identified as part of the 2025 Work Program. He acknowledged the concerns while noting that any program adopted by the Council and available to the community constitutes a matter of fairness to utilize the program as intended and as established.

Councilmember Cathey said she understands the process which is why she has advocated for a review of the program prior to approving other proposals. One example of an alternative is whether the City could require low-income units for the eight-year program.

Chair Althausen pointed out that the committee directed staff to review some program components and the status today in terms of what units have been created and what programs have been utilized as opposed to seeking a specific presentation on other policies that could be implemented in the next work plan. Rather, Councilmember Cathey has identified a concern that there may be better tools, which speaks to a more in-depth conversation with the Council while not sidetracking other concurrent programs, such as the Comprehensive Plan update and the urban forestry amendments. The workload of the Community Development Department is immense.

Councilmember Dahlhoff suggested not automatically moving the proposal to the Council's consent calendar but to Council Consideration because it deserves a larger discussion with the Council because of the dynamics and discussions by the General Government Committee.

Councilmember Cathey indicated that part of the issue is responding to property owners in the City about the impacts of their taxes because the programs provide tax relief to some developers. It is another issue for the Council to consider and discuss, as the City does not lose property tax because the difference is paid by other property owners.

Manager Medrud responded that the Council is aware of the program elements and sources of funds. Other affordable housing projects were not as clear in terms of the source of the funds. The multifamily tax exemption process is clear as deferred taxes are assumed by the larger property base. When the City provides some level of subsidy, such as the recent HUD

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grants for affordable housing or projects completed through state funds, those programs are funded by the larger tax base and from various sources of taxes. What is unclear is how those other programs affect taxpayers. The multifamily tax exemption program clearly identifies the source of funds.

PUBLIC COMMENT:

Tessa Bradley, The Artisans Group, acknowledged and thanked Councilmember Cathey for her advocacy. She is the owner of The Artisans Group, a women-owned local firm focusing on affordable housing. The company hires people of color and members of the queer community. The Artisans Group is different from other local architecture firms. The firm is developing the project of six apartments along the downtown corridor. The company pursued affordable housing as the architect for the Habitat for Humanity housing project of 112 housing units. Initially, the project was pursued as affordable housing, but because the project is net-zero and certified passive homes, the high performance will be highly sustainable and more expensive to construct. To accomplish that goal, cost margins were slim. Banks prefer a cash flow ratio of 1.25. The project dipped to 1.1 and the eight-year tax credit is the reason the project was able to secure a loan. The project benefits the environment and would be constructed by local businesses in Tumwater. At this time, lacking a multifamily tax exemption, she is unsure as to the future of the project as the bank relied on the exemption to provide the loan for the project. The project is at the break-even point. Although she appreciates some unintended consequences in policy, the consequence to this policy as it exists today is the small local grass roots development will be able to complete a highly sustainable project of a small scale in a neighborhood that is part of the City's vision. The tax credit will make an enormous difference to several local members who are pursuing their first development of this type.

Councilmember Cathey thanked Ms. Bradley for sharing the information. She supports the proposed project. The project is a good use of the tax exemption program while stressing the importance of the Council clarifying the program. The proposal is an example of projects the City has strived to achieve as they make a difference in the community.

MOTION:

Chair Althausser moved, seconded by Councilmember Dahlhoff, to forward the contract for an 8-Year Multifamily Tax Exemption for the Rookery Apartments (TUM-24-0714) to Council Considerations at the July 2, 2024 meeting with a recommendation to approve and authorize the Mayor to sign. A voice vote approved the motion unanimously.

**SERVICE PROVIDER
AGREEMENT WITH
BARKER RINKER
SEACAT
ARCHITECTURE FOR
COMMUNITY CENTER**

Director Denney reported the Request for Proposal (RFP) process resulted in five submittals for the design of the community center. The internal selection committee with participation by Councilmember Cathey selected Barker Rinker Seacat Architecture as the design consultant. The City has worked with the firm previously on the original community center design in 2009 for the Public Facilities District project and in conjunction with the

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DESIGN:

City of Olympia on a feasibility study for aquatics in Thurston County.

Councilmember Dahlhoff conveyed support for placing the proposed agreement with Barker Rinker Seacat Architecture as a Council Consideration item rather than as a consent calendar item.

Director Denney reported three groups are assigned to the project. The first is an internal staff group (staff steering committee) working with the consultant team on internal administrative tasks. The second is a steering committee assigned to complete much of the work with staff and the consultant. Members of the committee would include a Councilmember and representation from the Parks and Recreation Commission, Tumwater School District, Senior Center, youth sports, Tumwater Area Chamber of Commerce, a representative from the YMCA, and several community members at-large. The third group is the public as the entire process is driven by public input to enable the steering committee's decisions on the direction to pursue. A community survey will be released and two community workshops will be hosted to review survey results.

Four sites will be analyzed using a matrix to determine the best site for the facility. Under consideration are the brewery property, Port property off Tumwater Boulevard, WSDOT property off Capitol Boulevard, and YMCA's development off 93rd Avenue as a possibility. Each site will be scored using the criteria matrix to identify the top site. If other properties are subsequently identified as a potential site, staff will also pursue a review of those sites.

Prior communications to the public indicated the community center would include meeting and event space, senior services, indoor sports, and land for a future public swimming pool.

Staff is seeking a recommendation to forward the service provider agreement to the City Council meeting on July 2, 2024. As previously requested by Councilmember Dahlhoff, he supports adding the proposal to Council Considerations.

Director Denney responded to questions about timing. Following approval of the service provider agreement, staff plans to move forward to establish the steering committee to initiate the project.

Councilmember Dahlhoff disconnected from the meeting at 9:30 a.m.

Chair Althausen recommended contacting TOGETHER! and the Boys and Girls Club to receive feedback on youth development programs, after school programs, and study space. Director Denney advised that the Council will ultimately decide on spaces in the community center in terms of the costs to both build and operate.

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Discussion ensued on the 93rd Avenue site not having access to transit and placing the proposal on the consent calendar at the June 25, 2024 work session. City Administrator Parks noted that the typical process for approval of a service provider agreement is through the consent calendar; however, staff could include a briefing on the proposal during the work session on June 25, 2024 and place the proposal as a consent item.

City Attorney Kirkpatrick affirmed the Council work session agenda could include both consent and Council Consideration items as per state law.

Chair Althausen pointed out the lack of a public comment period during a work session. He asked about any implications to the schedule if the proposal is deferred to the Council's July 2, 2024 regular meeting. Director Denney said following approval of the service provider agreement, the agreement would be forwarded to the consultant to complete its review process. Securing a signed contract typically involves three to four week process.

Councilmember Cathey advocated for delaying the proposal to afford the ability for public comments.

MOTION:

Councilmember Cathey moved, seconded by Chair Althausen, to forward the Community Center Design Service Provider Agreement with Barker Rinker Seacat Architecture to the July 2, 2024 Council meeting under Council Consideration with a recommendation to approve and authorize the Mayor to sign the agreement. A voice vote approved the motion.

ADJOURNMENT:

With there being no further business, Chair Althausen adjourned the meeting at 9:32 a.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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