



CITY COUNCIL WORKSESSION MEETING AGENDA

**Online via Zoom and In Person at
Tumwater Fire Department
Headquarters, EOC, 311 Israel Rd. SW,
Tumwater, WA 98501**

**Tuesday, June 13, 2023
6:00 PM**

1. Call to Order
2. Roll Call
3. 2023 Legislative Session Report (Austin Ramirez)
4. Mayor/City Administrator's Report
5. Adjourn

Meeting Information

All Councilmembers will be attending remotely. The public are welcome to attend in person, by telephone or online via Zoom.

Watch Online

<https://us02web.zoom.us/j/82536726752?pwd=dG9iUDJFRzBJZ092ZnZiWXdzYTJLdz09>

Listen by Telephone

Call (253) 215-8782, listen for the prompts and enter the Webinar ID 825 3672 6752 and Passcode 289109.

Public Comment

The public may submit comments by sending an email to council@ci.tumwater.wa.us, no later than 4:00 p.m. the day of the meeting. Comments are submitted directly to the Councilmembers and will not be read individually into the record of the meeting.

Post Meeting

Video recording of this meeting will be available within 24 hours of the meeting.

<https://tcmedia.org/channels.php>

Accommodations

The City of Tumwater takes pride in ensuring that people with disabilities are able to take part in, and benefit from, the range of public programs, services, and activities offered by the City. To request an accommodation or alternate format of communication, please contact the City Clerk by calling (360) 252-5488 or email CityClerk@ci.tumwater.wa.us. For vision or hearing impaired services, please contact the Washington State Relay Services at 7-1-1 or 1-(800)-833-6384. To contact the City's ADA Coordinator directly, call (360) 754-4128 or email ADACoordinator@ci.tumwater.wa.us

TO: City Council
FROM: Austin Ramirez, Economic Development Program Manager
DATE: June 13, 2023
SUBJECT: 2023 Legislative Session Report

1) Recommended Action:

This item is a briefing only.

2) Background:

On November 1, 2022, City Council approved the attached 2023 Legislative Agenda. Kelsey Hulse from Strategies 360 will be joining staff to provide an update on the outcomes of the City's legislative priorities, as well as a summary of the 2023 legislative session. Included in the report is AWC's summary of city priorities and outcomes for this session.

3) Policy Support:

Strategic Priority: "Pursue Targeted Community Development Opportunities" –

- Facilitate Brewery Redevelopment
- Rejuvenate the Brewery Neighborhood
- Continue to work with SPSCC and others to build Tumwater's brand in support of the craft beverage industry

Strategic Priority: "Build a Community Recognized for Quality, Compassion and Humanity"-

- Work with government, non-profit, and private partners to develop and implement a performance-based plan for affordable housing and to address homelessness.

Strategic Priority: "Create and Maintain a Transportation system Safe for All Modes of Travel"

- Design and build the E Street Connection

Strategic Priority: "Be a Leader in Environmental Sustainability"

- Capitol Lake estuary restoration and Budd Inlet restoration
 - Prairie restoration and stewardship for the Habitat Conservation Plan
-

4) Alternatives:

This item is a briefing only.

5) Fiscal Notes:

There is no specific cost to the Legislative Agenda, although specific projects may have costs reflected in various City plans and budgets.

6) Attachments:

- A. 2023 Tumwater Legislative Agenda
- B. 2023 AWC Legislative Outcomes



City of Tumwater Legislative Agenda

E Street Extension Engineering and Permitting \$6.6 million

Build a connection from Capitol Boulevard to Cleveland Avenue (Yelm Highway) at E Street to alleviate congestion near the brewery and provide access over the railroad tracks to the brewery warehouse. The conceptual design is complete and pending public input. The relocation of Tumwater Valley Drive from the E Street intersection is under construction in conjunction with the Craft District development. This is an ideal project for major funding from a State or Federal program. Engineering and the initial permitting cost is \$3.4 million, the right-of-way is estimated at \$3.2 million, and the total project cost is estimated at \$54.2 million. The City is seeking funding for design, engineering, initial permitting, and right-of-way acquisition. Additional information at www.ci.tumwater.wa.us/estreet

Craft Brewing and Distilling Start-Up Center \$265,000*

The emerging Craft District in Tumwater, with Phase 2 currently under construction, will be a regional hub for commerce, education, workforce training, and entrepreneurial support, the facility is an industry-wide catalyst and helps fill supply-chain gaps, expands markets, and directly connects regional farmers with end market users. An Integrated Malt System & Storage System (IMSS) will further differentiate this unique and innovative district by facilitating the use of local grains for brewing and distilling purposes. The IMSS also allows regional brewers and distillers access to malted grains creating competitive products and distinct local flavor. This IMSS would also enable local brewers and distillers to access local grains instead of purchasing malted grains from Skagit Valley Malting. Currently, regional brewers and distillers must purchase and transport malted grains from malting companies located some distance from the region and, most often, out of state.

Tumwater Boulevard/I-5 Interchange \$5 million

The Tumwater Boulevard/I-5 Interchange serves the Port of Olympia Airport, the New Market Industrial Campus, numerous State agencies, and a growing retail base. This request is to support the City and new development—public, private-retail, private-industrial, and residential—in adding roundabouts to each end of the freeway crossing. The improvements are needed to reduce congestion, facilitate freight movement, and avoid back-ups onto I-5 at peak hours. The entire project is \$15 million, with the other funds coming from development and the City.

* Shared Legislative Agenda Item

AWC Association of Washington Cities Priority

Economic Development on Bush Prairie**\$4 million***

Significant parts of the Cities of Tumwater and Yelm have been removed from development for housing, employment, schools, State facilities, and utilities due to the listing of several prairie species, most notably the Mazama Pocket Gopher, listed as threatened under the Endangered Species Act. The City of Yelm is beginning to develop a Habit Conservation Plan that will require them to acquire land for a mitigation bank before development can happen in impacted areas. The City of Tumwater and the Port of Olympia are working to develop a Habitat Conservation Plan (HCP) that identifies the type and amount of mitigation land to be set aside for gopher mitigation banking. The bank allows private and public development to occur in areas within the cities where development has been halted because of habitat impacts.

The amount of land needed for Tumwater is estimated at 1,015 acres at a cost of over \$55 million over 30 years, including establishing and maintaining the appropriate prairie land. Tumwater and the Port of Olympia are approximately 12 months away from completion of their HCP. Still, they must demonstrate commitment to obtaining and developing mitigation before the HCP is completed. They also need to demonstrate a commitment to acquiring land and developing mitigation. We request \$2.5 million in funding for Tumwater and \$1.5 million for Yelm to initiate the mitigation bank. It would be used for the initial land purchase and improvement into the qualifying habitat. As other property is developed, which impacts the habitat, credits will be sold, and the proceeds reinvested in more property to be converted into mitigation. The objective in both Cities is to jump-start the creation of a sustaining mitigation bank.

WSDOT Regional Offices Redevelopment**\$2.8 million***

The State Department of Transportation vacated the Olympic Region offices in 2020. The 10-acre site was identified as the keystone to the Capitol Boulevard Corridor Plan. It provides opportunities to provide affordable and market-rate housing, retail, public, and potentially historic preservation.

The City is asking the Legislature to make the State Department of Transportation whole for them to transfer the property to the City. The City would make one-third of the property available for affordable housing. The other third would be market-rate housing, and the remainder would be commercial and public. Although the City would initially hold the property, it would seek one or more private sector partners to develop it. The City is particularly interested in ensuring this property develops and does not sit vacant and blighted. The City is also seeking \$300,000 to assist with site planning costs. The cost estimate will be updated when WSDOT completes an updated appraisal.

Shared Legislative Agenda (includes other items with *)

These are initially proposed items. The list will be finalized later in the year as participating agencies submit their proposals. Local items above marked with * are also candidates for the Shared Agenda.

I-5 Improvements

\$1.5 M for the planning of shoulder running option. This is in addition to the funding approved for the I-5/Nisqually design.

Homeless Response Funding

Following significant investment in facilities, we need to ensure operation funding is provided for these facilities beyond the current biennium budget.

Maker Space Expansion

\$1.0 M to expand the Lacey Makers Space. It is part of a four-pronged innovation approach that includes the craft brewing and distilling center, the art center in Olympia, and the Ag Center in Tenino.

Climate Change Response

We need to fund specific improvements in our communities to advance climate change initiatives. Olympia is working to develop a specific list of fundable activities.

Budd Inlet Restoration

\$3.78 M for remediation and habitat restoration efforts in lower Budd Inlet to address contaminated sediment and severe shoaling. The inlet must be restored before the removal of the 5th Avenue Dam and estuary restoration.

Community Projects

These projects benefit the Tumwater community and have requested legislative support but are led by someone other than the City.

Family Education and Support Services (FESS)

FESS is requesting a capital contribution from the Legislature in the amount of \$2.2 million to help secure the remaining 15-year lease to sustain critical service delivery. The Regional Resilience Center benefits the public by providing a one-stop-resource center where families impacted can find concrete support in times of need (housing, food, diapers, and other hygiene items), evidence-based parenting education, employment, financial management guidance, and home visitation services.

Policy & Statewide Issues

1% Property Tax Cap

The City property tax revenue growth is capped at 1% under a voter-approved initiative. The only exceptions are new construction, annexations, and levy lid lifts. Recent record inflation is significantly impacting City services, now and in the future. The City supports indexing the cap to an inflation index.

Extension of Transportation Benefit Districts

Current law allows a Transportation Benefit District (TBD) to be renewed once after its initial 10-year term. The City's TBD has been vital in stabilizing the overall City budget and dramatically improving road quality and safety. The first term will expire in 2025, and making allowances for long-term planning and funding of transportation infrastructure is essential. We suggest that there is no limit to the number of renewals of a TBD.

Association of Washington Cities Priorities

The Association of Washington Cities is bringing forward five priorities. Detailed information and fact sheets are available at <https://wacities.org/advocacy/City-Legislative-Priorities>

1. Respond to the Blake decision with funding and investment in alternatives to prosecution (response teams, treatment facilities, in-jail treatment, social workers and treatment providers, and system navigators).
2. Address vehicle pursuits for public safety by clarifying the ability of law enforcement to conduct vehicle pursuits using a reasonable suspicion standard in specific circumstances.
3. Ensure basic infrastructure funding by fully funding the Public Works Assistance Account, allowing current revenue diversions to sunset, and refrain from other diversions. Also, expand state funding opportunities for infrastructure.
4. Increase housing availability and affordability with additional tools, incentives, and revenues.
5. Provide behavioral health resources with excellent access to services at the community level, including substance use disorder treatment, dual diagnosis treatment facilities, and co-responder programs to aid law enforcement.

Adopted November 11, 2022

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2023 Legislative Session:

City priorities & outcomes—the pros and cons.



Respond to the *Blake* decision

Support clarification around the crime of possessing a controlled substance so individuals, law enforcement, and treatment providers can respond appropriately.

Incomplete: Did not pass legislation to create a statewide criminal penalty for drug possession (**SB 5536**).

Pro: Provided funding for new therapeutic courts, law enforcement assisted diversion programs, and substance use disorder and behavioral health treatment.

Pro: Appropriated **\$11.5 million** in continued funding to reimburse cities for vacating simple drug possession convictions, including cannabis or cannabis paraphernalia, to comply with *State v. Blake*.



Address vehicle pursuits for public safety

Clarify law enforcement's ability to conduct vehicle pursuits with reasonable suspicion standard in specific circumstances.

Pro: Passed legislation allowing for a reasonable suspicion standard for pursuits of certain dangerous crimes (**SB 5352**).

Pro: Funded a **\$3 million** grant program for new vehicle tracking technologies.

Pro: Funded additional CJTC BLEA classes in Burien, Spokane, and at three new regional training academies.

Pro: Appropriated **\$5 million** for law enforcement wellness programs.



Increase housing availability & affordability

Support a proactive approach with new tools, incentives, and revenues to increase housing supply and address affordability. Recognize the need for a multifaceted approach bolstering city capacity to accommodate new housing construction with more certainty and speed. Acknowledge the need for significantly more resources to meet the identified need for lower income housing.

Pro: Adopted bills exempting residential development from SEPA (**SB 5412**), eliminating external design review boards (**HB 1293**), providing state assistance for permit streamlining (**SB 5290**), and changes to the building codes (**SB 5491**). Passed a negotiated permit processing reform bill (**SB 5290**).

Pro: Funded infrastructure to support housing, including the Public Works Assistance Account (PWAA) and the Connecting Housing and Infrastructure Program (CHIP).

Pro: Adopted agreed-to zoning changes to support middle housing development while preserving decision-making flexibility for cities (**HB 1110**).

Incomplete: Invested nearly **\$1 billion** in funding for low-income housing and related services, but did not dedicate ongoing state revenues, nor establish local authority for new revenue. Dedicated and sustainable revenue is still needed.

more on back



Contact:

Candice Bock

Government Relations Director
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Ensure basic infrastructure funding

Fully fund Public Works Assistance Account (PWAA), allow current revenue diversions to sunset, refrain from further fund transfers or diversions. Expand state funding opportunities for local maintenance and operations.

Pro: Funded the PWAA at **\$400 million** for the 2023-25 biennium. Expiring revenue diversions will sunset, restoring full funding to the account.

Pro: Maintained commitments made in the Move Ahead WA package for city preservation and maintenance. Appropriated **\$9 million** for the Transportation Improvement Board and **\$14.6 million** for the Complete Streets Program.



Provide behavioral health resources

Create greater access to community-based behavioral health services to include substance use disorder treatment and dual diagnosis treatment facilities.

Pro: Improved the 988-behavioral and mental health crisis line (**HB 1134**), and established certification criteria for 23-hour crisis relief centers (**SB 5120**).

Pro: Appropriated **\$1.17 billion** for behavioral health treatment expenses statewide, including provider rate increases, funding for 988-crisis response, and substance use disorder treatment and prevention. Appropriated **\$884 million** for behavioral health facilities. Of this funding, **\$224 million** is for community-based behavioral health facilities, and **\$613 million** is allocated for a new 350-bed forensic hospital wing at Western State Hospital.

Pro: Provided **\$4 million** in grant funding for local alternative response programs.



Other significant issues:

Cities identified several significant policies for the 2023 session.

Pro: Standardized and increased procurement limits (**HB 1621**). The Capital Projects Advisory Review Board must review and make recommendations on the proposed increases.

Pro: Clarified that cities may use impact fees to fund improvements to bicycle and pedestrian facilities not within road rights-of-way (**SB 5452**).

Pro: Modified small works roster requirements, addressed issues of equity in public works procurement, and revised the small and limited works roster process to increase administrative efficiency (**SB 5268**).

Con: Did not address legislation to reduce the impact of unnecessary and costly public records litigation (**HB 1597/SB 5571**).

Pro: Passed legislation to phase out the PERS 1 unfunded accrued actuarial liability (UAAL) surcharge resulting in significant savings for cities over time (**SB 5294**).

Pro: Passed balanced legislation and associated funding to help cities integrate climate change considerations into the Growth Management Act (**HB 1181**).

Pro: Reinstated the annexation sales tax credit to support cities annexing large areas with fiscal support to provide urban levels of service (**HB 1425**).

Pro: Funded the Fish Barrier Removal Board at the highest level in the state's history. This critical funding source helps cities correct fish-blocking culverts to support salmon recovery.

Con: Did not revise the arbitrary 1% property tax cap to instead tie it to inflation and population growth up to 3% (**HB 1670/SB 5770**).

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