



**CITY OF  
TUMWATER  
CITY COUNCIL  
MEETING AGENDA**

**Online via Zoom and In Person at  
Tumwater City Hall, Council Chambers,  
555 Israel Rd. SW, Tumwater, WA 98501**

**Tuesday, December 05, 2023**

**6:00 – 7:00 PM Farewell Reception for  
Outgoing Councilmember Charlie Schneider**

**7:00 PM**

- 1. Call to Order**
- 2. Roll Call**
- 3. Flag Salute**
- 4. Public Comment:** (for discussion of items not having a public hearing on tonight's agenda)
- 5. Consent Calendar:**
  - [a.](#) Approval of Minutes: City Council Work Session, November 14, 2023
  - [b.](#) Approval of Minutes: City Council, November 21, 2023
  - [c.](#) Payment of Vouchers (Shelly Carter)
  - [d.](#) Ordinance No. O2023-016, Business and Occupation Tax Code Update (Shelly Carter)
  - [e.](#) Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project (Brad Medrud)
  - [f.](#) Memorandum of Participation in the Firefighter Injury and Illness Reduction (FIIRE) Pilot Program for 2024 (Michelle Sutherland)
  - [g.](#) 2024 Legislative Agenda (Austin Ramirez)
  - [h.](#) Cancellation of the December 19th Regular Council Meeting (Lisa Parks)
- 6. Council Considerations:**
  - [a.](#) Service Provider Agreement with Thurston EDC for Economic Development Services (Austin Ramirez)
  - [b.](#) Construction Contract with Reed Trucking & Excavating, Inc. for the Israel Road and Linderson Way Water Main Project, Request for Additional Construction Funds (Bill Lindauer)
- 7. Committee Reports**
  - a. Public Health and Safety Committee (Leatta Dahlhoff)
  - b. General Government Committee (Michael Althausen)

- c. Public Works Committee (Eileen Swarthout)
- d. Budget and Finance Committee (Debbie Sullivan)

**8. Mayor/City Administrator's Report**

**9. Councilmember Reports**

**10. Any Other Business**

**11. Adjourn**

**Hybrid Meeting Information**

The public are welcome to attend in person, by telephone or online via Zoom.

The City of Tumwater broadcasts and livestreams City Council meetings on cable television and the internet. Council meetings can be viewed on Comcast Channel 26 or on the TCMedia website.

**Watch Online**

<https://tcmedia.org/stream.php>, select "Watch, Streaming Now, Channel 26."

OR

Go to <http://www.zoom.us/join> and enter the Webinar ID 842 6301 8205 and Passcode 946876.

**Listen by Telephone**

Call (253) 215-8782, listen for the prompts and enter the Webinar ID 842 6301 8205 and Passcode 946876.

**Public and Written Comment**

Attend in person to give public comment or register by 6:45 p.m. the day of the meeting to provide public comment using the web-based meeting platform:

[https://us02web.zoom.us/webinar/register/WN\\_6e5yIVr8SFOT3kR\\_7CpMng](https://us02web.zoom.us/webinar/register/WN_6e5yIVr8SFOT3kR_7CpMng)

After registering, you will receive a confirmation email with a login to join the online meeting.

As an alternative, prior to the meeting, the public may submit comments by sending an email to [council@ci.tumwater.wa.us](mailto:council@ci.tumwater.wa.us), no later than 5:00 p.m. on the day of the meeting. Comments are submitted directly to the Mayor and City 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/stream.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](mailto: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](mailto:ADACoordinator@ci.tumwater.wa.us)

**TUMWATER CITY COUNCIL WORKSESSION**  
**MINUTES OF VIRTUAL MEETING**  
**November 14, 2023 Page 1**

**CONVENE:** 6:00 p.m.

**PRESENT:** Mayor Debbie Sullivan and Councilmembers Peter Agabi, Michael Althausen, Joan Cathey, Leatta Dahlhoff, Angela Jefferson, and Charlie Schneider.

Excused: Councilmember Eileen Swarthout.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Community Development Director Michael Matlock, Finance Director Troy Niemeyer, Police Chief Jon Weiks, Fire Chief Brian Hurley, Parks and Recreation Director Chuck Denney, Water Resources and Sustainability Director Dan Smith, and Communications Manager Ann Cook.

**PUGET SOUND  
ENERGY STORM  
READINESS  
PRESENTATION:**

Kristine Rompa, Senior Local Government Affairs Representative, Puget Sound Energy (PSE), briefed the Council on how to prepare for the approaching storm season, customer resources, and how PSE responds to and restores power.

Ms. Rompa stressed the importance of assuming that any downed utility wire is energized and to call 911 or PSE immediately to report the incident.

Year-round efforts by PSE to prepare for the storm season include maintaining over 26,000 miles of electric lines through vegetation management, removal of any hazards, replacement of poles, installation of tree wire, adding conducted cover wire to reduce shorts in the electrical system caused by falling trees or limbs, targeted reliability projects, such as cable remediation and undergrounding, and adding distribution automation to enable remote operation for rerouting electricity along other paths if a line is down. PSE also installs new Advanced Metering Infrastructure (AMI).

PSE is the largest and oldest energy utility covering a 6,000 square-mile service territory across 10 counties serving 1.2 million electric customers. In Thurston County, the customer base is the second highest in the state with 138,837 electric customers. Storms and power outages are considered a hands-on deck situation by PSE. PSE employs over 900 individuals with emergency roles representing approximately one-third of the employee base.

During storm events, PSE creates storm bases with emergency coordination centers when power outages reach a threshold beyond what PSE can handle under normal operating conditions. Emergency coordination centers provide oversight and direction for the entire response effort.

PSE typically restores infrastructure and facilities to benefit the highest

**TUMWATER CITY COUNCIL WORKSESSION**  
**MINUTES OF VIRTUAL MEETING**  
**November 14, 2023 Page 2**

number of customers by restoring service in the least amount of time. Transmission systems are prioritized first as they provide power regionally and transmit power to critical generation assets, such as dams, power plants, and wind farms. Downed transmission lines can also affect other utilities. Substations are the second priority as the substations affect thousands of customers. The last priority is the distribution system comprised of power lines from substations delivering power to homes and businesses.

Other factors that come into play for restoration include lists of all critical infrastructure by service territory, such as hospitals, airports, water, wastewater treatment plants, sewage pumping stations, emergency shelters, emergency response facilities, nursing homes, and assisted living facilities.

Restoration is a physical, time-consuming process requiring many activities in the field to restore electrical service. Damage assessment teams are sent and it often takes time to identify the location of downed lines, especially in remote areas. The appropriate crews are then dispatched to make repairs. A final inspection and safety check is completed prior to restoring power.

For most outages, PSE is unaware of the outage unless notified by a customer. As local distribution lines are not monitored from a central office, PSE must rely on customer notification either through the PSE website or by calling.

Ms. Rompa shared information on ways PSE communicates with customers. PSE's outage map is available on the website and as a mobile app. PSE provides text alerts when power is restored and shares regular updates and pictures on social media channels. Estimated restoration is a conservative estimate that is updated as more information becomes available from the field. Customers can sign up to receive notifications.

PSE promotes emergency preparedness. PSE recommends two sets of emergency supplies for the car and the home. Supplies should include flashlights, extra batteries, non-perishable food, first aid kits, water, stoves, cash, chargers for cell phones, and pet food.

In Thurston County, PSE has 1,331 miles of pipes and overhead wire, 1,942 miles of underground cable, 32 substations, 994 gas mains, 188,837 electricity customers, and 57,183 natural gas customers. Ms. Rompa invited questions.

Councilmember Dahlhoff noted a constituent questioned how PSE works with jurisdictions to underground power lines. Ms. Rompa responded that new construction automatically requires undergrounding distribution lines. Typically, existing transmission lines are often too expensive to underground. Other factors must be considered and in some instances where transmission lines are undergrounded, PSE and the city share the



**TUMWATER CITY COUNCIL WORKSESSION**  
**MINUTES OF VIRTUAL MEETING**  
**November 14, 2023 Page 3**

cost. She offered to provide some materials on undergrounding transmission and distribution lines to share with constituents. PSE considers the number of outages experienced in an area. If an area experiences repeated outages, PSE will often prioritize those areas for undergrounding as part of the capital projects program.

**EMERGENCY  
MANAGEMENT  
UPDATE:**

Fire Chief Hurley briefed the Council on the National Response Framework, City of Tumwater and Thurston County emergency management activities, and elected official responsibilities for emergency management.

Emergency management covers weather events and other natural or human-caused disasters. The City scales its response based on the type of incident. Emergency management creates the framework to assist with the response but also to reduce vulnerabilities, threats, and cope with disasters. Emergency management is an essential role of local government. Coordination also occurs with Thurston County with the federal government serving as the backstop when local, county, and state resources become overwhelmed. Emergency management has evolved to reflect national values, emerging threats, and it provides a safe, secure, and resilient community.

The National Response Frameworks outlines emergency management throughout the country. One key component is the National Preparedness Goal of participation by the entire community for preparedness and recovery after a disaster. Community and faith-based organizations are a key component of disaster response, as well as schools and tribal governments.

Five mission areas of focus are prevention, protection, mitigation, response, and recovery. Thirty-two core capabilities have been identified that must be addressed in emergency management planning. The City's guiding document is the Comprehensive Emergency Management Plan. The City also has established a standing Emergency Management Committee comprised of directors and senior managers with a goal to coordinate City department responses and preparation activities, as well as providing staffing for an Emergency Operations Center (EOC) if an event requires a center.

The City's primary EOC is located at Station T-1 Fire Department to enable leaders to meet and organize efforts to support an incident and coordinate on-scene management activities. The EOC is enacted based on different levels of activation. Not all incidents require activation of the EOC.

Each year, the region experiences wind and snow storms with coordination by all City departments, which typically handle those events using existing resources within the City. When incidents exceed the ability to handle an

**TUMWATER CITY COUNCIL WORKSESSION**  
**MINUTES OF VIRTUAL MEETING**  
**November 14, 2023 Page 4**

event internally, the City activates the EOC. The EOC addresses operations, planning, logistics, and finance. All activities are documented especially if the City plans to seek assistance from FEMA. The EOC is a coordination structure to collect, analyze, share information, support resources in the response, coordinates plans, determines needs, and provide coordination and policy direction.

The City's Comprehensive Emergency Management Plan guides response before, during, and after a disaster. The plan is updated on a five-year cycle. A one-year extension for the update was granted because of the pandemic. The City is updating the plan for submittal to the state for review by the end of December 2023. After the state review of the plan, the Council will receive a briefing on the update with a subsequent request to approve the Emergency Management Plan.

Within the City, staff continues ongoing activities, training, and exercises. The committee will resume monthly meetings to ensure all training and exercises are scheduled. The City also works closely with the City of Olympia on planning efforts.

Fire Chief Hurley described emergency efforts with Thurston County. The City of Tumwater is a member of the Emergency Management Council, which coordinates education, emergency preparedness, and other emergency management activities for member jurisdictions in the county. The City works with Thurston County on hazard mitigation planning. Tumwater's Annex is included within the county's plan. The City participates in the Disaster Recovery Council, which was supported by Thurston Regional Planning Council. The region anticipates reinitiating the work of the Disaster Recovery Council.

Fire Chief Hurley reviewed a list of elected official responsibilities during an emergency event. Some basic training for elected officials includes on-line classes sponsored by FEMA's Emergency Management Institute. The first training is Introduction to the Incident Command System. The training course, IS-70, is an introduction to the National Incident Management System, which provides the framework on how jurisdictions operate and structure command systems within emergency management organizations. General elected official responsibilities focus on communication, policy decisions, and support of rescue efforts. Primary responsibilities include taking care of themselves and families during an emergency by being prepared. Elected officials are required to establish and maintain an organization for emergency management. The City recognizes the requirement within the Tumwater Municipal Code. As an elected official during a large-scale emergency, it is important to maintain contact with the City Administrator or designee. The Council and Mayor may be requested to act with an emergency proclamation and coordinate with other jurisdictions.

**TUMWATER CITY COUNCIL WORKSESSION**  
**MINUTES OF VIRTUAL MEETING**  
**November 14, 2023 Page 5**

Councilmember Jefferson asked about the timing of the last activation of the EOC. Fire Chief Hurley said he believes the last activation was during the Nisqually Earthquake. However, over the years, extensive staff coordination has occurred for different events.

Mayor Sullivan mentioned her participation along with several other Councilmembers to training in Ocean Shores sponsored by FEMA. The disaster scenario was based on a 9.0 Cascadia subduction earthquake for recovery from day 30 to nine months after the earthquake. The exercise prompted a regional effort that resulted in a document addressing a media structure during a disaster.

Fire Chief Hurley added that the training exercise was responsible for initiating the Disaster Recovery Council with TRPC leading the effort with grant funding. There is recognition of the need for more ongoing work.

**AMENDED  
 INTERLOCAL  
 AGREEMENT WITH  
 OLYMPIA, LACEY, &  
 THURSTON COUNTY  
 REGARDING  
 CREATION OF A  
 PUBLIC FACILITIES  
 DISTRICT  
 MODIFICATION TO  
 SECOND  
 AMENDMENT:**

City Administrator Parks reported the Capital Area Regional Public Facilities District was formed in 2002 by the cities of Lacey, Olympia, Tumwater, and Thurston County. The district was formed through an interlocal agreement between the jurisdictions. The agreement has been amended three times prior to the current proposal. The Public Facilities District (PFD) funded the Hands On Children's Museum in Olympia and the construction of the Regional Athletic Complex in Lacey. In 2017, the Legislature amended the authorizing statute enabling PFDs to extend the timeline for imposing tax from 25 years to 40 years. The proposal would implement the change in state law and extend the timeline of the interlocal agreement for the PFD for an additional 15 years. The extension would enable phase 3 of the Lacey complex to be financed and completed. The PFD is funded by a portion of sales tax returned from the state portion of collected sales tax within the region.

Staff recommends approving the placement of the proposed amendment to the interlocal agreement on the consent calendar at the Council's meeting on November 21, 2023.

Councilmember Dahlhoff requested additional background information on the initial establishment of the PFD. She understands the regional process would afford an opportunity for Tumwater to sponsor a project. She asked whether the discussion surrounding a potential PFD 2 to support the construction of an indoor sports complex to include a recreational aquatic facility would be reflective of Tumwater's ability to sponsor a project.

City Administrator Parks explained that the current proposal is specific to the two existing PFD facilities. When PFDs are created, it is based on specific projects approved by voters in the region. In terms of future projects in Tumwater, a current opportunity was generated by recent

**TUMWATER CITY COUNCIL WORKSESSION**  
**MINUTES OF VIRTUAL MEETING**  
**November 14, 2023 Page 6**

legislation passed during the last session sponsored by Senator Hawkins from the 12<sup>th</sup> District. A PFD would be limited in scope to indoor sports fields/facilities and aquatic centers. It is an option if a location could be identified to site an indoor recreation, aquatic center, or both. If another PFD is implemented in the region, it would need to be for a specific project and placed as a ballot measure for voter consideration. The new legislation stipulates that the funding source would be from new and additional sales tax generated within the region.

Councilmember Jefferson commented on the need for both an indoor sports complex and an aquatic center.

**MAYOR/CITY  
ADMINISTRATOR'S  
REPORT:**

City Administrator Parks advised that she, Manager Ramirez, and Kelsey Hulse with Strategies 360 have been meeting with legislators to advocate for the City's legislative agenda. Particular emphasis has been focused on the Habitat Conservation Plan and a request for seed money to acquire and develop mitigation land. Other discussion points centered on transportation and the E Street Connection. The meetings have been with Representative Doglio, Representative Bateman, Senator Hunt, and with the Governor's budget writing staff.

City Administrator Parks advised of recent activities surrounding brewery redevelopment. No firm information is available at this time; however the Council will receive updates as more information becomes available. The Department of Ecology reached a settlement agreement with the current brewery property owner regarding the spill in February 2019. Many preliminary conversations have centered on the potential of creating a PFD in terms of brewery property redevelopment. However, the first priority is identifying environmental contamination and the extent of the contamination. Staff is focusing on initiating phase I and II environmental assessments of the property. The City plans to utilize EPA funds of a \$500,000 grant to fund the work on the brewery site. The City plans to issue a Request for Qualifications for a consulting firm to assist the City using the EPA grant and the grant from the Department of Ecology to complete similar work on the Washington State Department of Transportation property located off Capitol Boulevard.

Mayor Sullivan announced the arrival of two new police officers after successfully graduating from the Law Enforcement Academy. She shared information about each officer.

**ADJOURNMENT:**

**With there being no further business, Mayor Sullivan adjourned the meeting at 6:49 p.m.**

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 1**

**CONVENE:** 7:00 p.m.

**PRESENT:** Mayor Debbie Sullivan and Councilmembers Peter Agabi, Michael Althausen, Angela Jefferson, and Charlie Schneider.

Excused: Councilmembers Joan Cathey, Leatta Dahlhoff, and Eileen Swarthout.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Finance Director Troy Niemeyer, Community Development Director Michael Matlock, Police Chief Jon Weiks, Water Resources and Sustainability Director Dan Smith, Parks and Recreation Director Chuck Denney, Communications Manager Ann Cook, and City Clerk Melody Valiant.

**CHANGES TO AGENDA:** Ordinance No. O2023-014, Amending Tumwater Municipal Code Section 12.32, Public Parks was removed and deferred to a future meeting to enable more public outreach to include a community conversation to be announced within the next several weeks.

**SPECIAL ITEMS:**

**PROCLAMATION:  
AMERICAN INDIAN  
HERITAGE MONTH,  
NOVEMBER 2023:** Councilmember Jefferson read a proclamation declaring *November 2023 as American Indian Heritage Month*. The proclamation encourages people to celebrate the rich cultures of indigenous people, honor their sacrifices, acknowledge the unique challenges Native people face, historically and in the present, and recognize their continued significance in the community.

Mayor Sullivan recognized Squaxin Island Tribe Chairman Kris Peters.

Chairman Peters greeted the Council and the community in the native dialect of Lushootseed, a Puget Salish language. He shared his indigenous name. As a citizen of Squaxin Island Tribe, he serves the Squaxin people as their Council Chair. He is honored to be present and is grateful. Prior to placement on an island, the Squaxin people were bands of people living throughout South Puget Sound known as the Salish Sea. One of the bands lived in a longhouse on the site of the old brewery in Tumwater. He shared some of the history of his descendants, maritime people who lived and prospered along the shores of the southernmost inlets of Puget Sound for untold centuries. The proclamation represents a coming together that reflects a mutual commitment moving forward,

Mayor Sullivan added that earlier in the year, she and Chair Peters signed an agreement for mutual representatives from the City and the Tribe to form a body to meet on a quarterly basis.

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 2**

**PUBLIC COMMENT:** **Sue Cummings** said she sent emails to the Council and the Mayor regarding the overnight encampment ordinance. She is a concerned citizen as she has a deep compassion for people in a situation where they live outdoors or live in horrendous conditions; however, she is also concerned about her and her family's safety. She has some negative experiences with some people who lived in the encampment in Tumwater when two males accosted her creating a frightening atmosphere. She also was involved in another situation that required her to make her way to the Capitol Building as someone was chasing her from the encampment. Another incident occurred as she was driving with her young grandson who witnessed a person from the encampment defecating on the side of the road requiring her to explain the situation to her grandson. The issue is conflicting as she does feel compassion for people while recognizing that she would not live in those types of conditions and does not want local forests and parks to be trashed. She vehemently opposes the use of City parks or public lands for encampments.

**James Smallwood, 4015 Armstrong Avenue SE, Tumwater,** said he reviewed the proposed ordinance and has issues that were not addressed. Those issues surround costs. If the City allows overnight encampments, the safety of people in the encampment, assistance to people, and registration of individuals must be addressed. Large encampments inevitably create a large amount of trash. Sanitary facilities would be overwhelmed requiring more cleaning and restocking. He asked how those issues would be addressed as the proposal lacks information. He questioned the City's plan to address aggressive, verbal, and physical panhandling that accompanies encampments. Encampments often increase those types of activities. More City resources devoted to encampments will be necessary to ensure the public and encampment occupants are protected.

**Connie Grindol, 510 V Street SE, Tumwater,** said she is a nurse and has worked in the mental health and corrections fields. All kinds of support can be provided if someone has a drug addiction or mental health issue; however, it is up to the individual to change their life choices and change outcomes. If the City allows individuals to use City parks, she asked how the Council intends to respond to people who live within walking distance of the parks. Would the message be, "Oh, so sorry the crime has increased over 100 times in your neighborhood?" What will the Council say to the police force when they are already overtaxed and overworked due to the increase of these special people who choose to live in tents and have moved to the area? "Oh, so sorry you must deal with it!" What will the Council say to the person whose dog died because they ate something from the ground in the park? "Oh, so sorry for your loss!" What is the Council going to say to the child

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 3**

who has a needle stuck in their hand from cartwheels on the grass? Oh, so sorry, let us pray that you do not get HIV or Hepatitis C, which is quite rampant in the population who choose to live in a tent. What will the Council say to the mother of the child that died from the blue pill on the ground in the park? Will the Council say, "Oh, so sorry!" That does not cut it, as it speaks to the community's safety and to the taxpayers who live in the City and who value the City, their children, old people, the police force, and the safety of neighbors. Oh, so sorry does not cut it! The Council needs to think about the consequences to the rest of the community and what might happen because the Council did not consider the community.

**Scott Knapp, 1352 Sunrise Vista Lane, Tumwater**, said he has been a resident of Olympia, Lacey, and the Tumwater area for 59 years. He grew up in Olympia and watched situations progress over the last 16 years. It has been a slow progression during his lifetime. Olympia was beautiful, as well as the City of Lacey but slowly starting progressing into what is occurring today. Deteriorating conditions have been occurring in recent years and worsening since the pandemic and as jurisdictions began allowing encampments and freedoms without consequences. He moved to Tumwater because the City is beautiful and did not allow encampments. He asked whether the Council wants the City to resemble Lacey and Olympia because it appears the proposal would let that happen. The proposal crossed out all City parks and enforcement actions. He questioned whether that is the direction the Council wants to pursue for the community. Many of his neighbors and other community members will attend Council meetings if that is where the City is headed. It is ridiculous that the Council is even considering the proposal. He asked whether the goal is to be progressive or to help the homeless. Many individuals are drug addicts and have made the choice to live in a tent. If people are unwilling to help themselves, the City can spend millions of dollars to help them. However, those initially accepting help will eventually return to using drugs. He has worked in corrections for 25 years and has seen it all. Should the City pursue the proposal, he would ensure more community members attend meetings. He urged the Council to retain the beautiful community of Tumwater, which is the last frontier of nice cities.

**Adam Torgerson, 3054 Banks Lane SW, Tumwater**, remarked that he previously forwarded a frustrated email to some members of the Council for which he apologizes for as he was feeling some of the same frustrations as other speakers have communicated. This failed experiment does not work and going down that road will only hurt Tumwater. He spoke to two issues of whether the community wants City parks to be open-air drug dens where psychotic drug users threaten community members and make the community less safe, and the way the proposal was presented on the consent calendar during

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 4**

Thanksgiving week. The Council should re-examine its process that led to the decision to include the proposal on the consent calendar because many people have something to say about the proposal. Many on the Council may be thinking that perhaps some speakers misinterpreted the intent as it really was intended to convey the rules. However, if the Council desires to create a place for the homeless, the Council should purchase property and locate them either in a maintenance yard or a facility rather than in the middle of community parks. He asked who thought of the idea because what thinking person would think it was a good idea. The idea is terrible at every level. His daughter and wife have been chased and attacked by homeless individuals. Community members do not want this in neighborhoods. The proposal is shameful and although he understands some individuals are homeless because they have no other alternative, those individuals can receive assistance. He often assisted in clearing encampments under freeway bridges. Of the 100 people, only a handful were willing to accept help because they were required to stop using drugs to receive assistance. The community does not want that situation in neighborhoods or in City parks. The community must stand firmly as needed and if someone cites a law to break, then the community must break it and go to court as the community has the deeper pockets than the homeless and their advocates. Community members should ensure protection of property values and protect citizens. The proposal essentially forces him to defend himself against homeless individuals. The Council creates the conflict by not keeping homeless out of the community. He asked the Council to oppose the proposal.

**Liz Torgenson, 3054 Banks Lane SW, Tumwater,** shared her experience in downtown Olympia. She and her family were walking downtown when a homeless man became angry because they did not engage with him when he yelled at them from across the street. He threw a chunk of wood at her head. The experience was frightening. She has found that many people presume that similar interactions could occur during visits to downtown Olympia; however, she believes if the Council proceeds with the action, those types of proximity actions would occur much more frequently in the place she calls home. It is not safe and it is unfair to elevate the needs of people who might choose a different lifestyle over her needs and those of other taxpaying citizens and residents who try to make their communities better. The proposal is a very bad idea from her perspective for an abundance of reasons.

**Charlotte Torgenson, 3054 Banks Lane SW, Tumwater,** said she considers herself to be an empathic person and would like to find a solution to the issue that helps people who are not as privileged. Her opinion on the proposal did not change despite having some very negative experiences with some homeless people. However, the experience did make her afraid and consistently aware of her



**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 5**

surroundings, especially when she is alone. Back in February, she was going to a job interview in downtown Olympia and as the interview was concluding, a man approached and staring at women in the business making them very uncomfortable. The women were very respectful to the man. When she attempted to leave she heard him ask the owner whether she was the owner's daughter. The owner said no and she immediately left walking quickly to her car to limit any interaction with the individual. After approximately 20 feet, she noticed him walking toward her. She crossed the street, intermingled with a group of people as cover, and ducked into a business. Upon seeing the individual in the business, she panicked and sprinted from the store. She does not want to be afraid of this type of incident occurring again when she is alone in her own neighborhood. She wants to be able to go on a walk and not be worried that she will encounter someone who might harm her. She would be willing to sacrifice some of her discomfort for the sake of helping others. However, opening parks in neighborhoods and in woods near elementary schools would only provide a potential place of pollution for homeless people, and it is simply dishonest. It appears the idea is to pass it off as helpful or necessary but she does not believe that is true. The Council's process was inappropriate and wrong. Presenting the proposal as providing shelter is morally gray at best. Including the proposal on the consent calendar with no notification to the community and neighborhoods affected destroys the trust between the Council and the people the Council is supposed to protect. It is the Council's job to receive feedback and afford the opinions the weight those opinions deserve. She is hopeful that in the future, the proposal would not be written off as a non-controversial issue.

**Debbie Boes, 1524 Darby Lane SE**, questioned the provision of "concerning public parks to include all City properties." She asked whether it would apply to a field surrounded by five neighborhoods because the field is not a park. A field surrounded by neighborhoods would not be a good location for a homeless shelter.

**Margaret Schafer, 3073 Banks Lane, Tumwater**, said she also submitted written comments to the Mayor. She is upset as to how the proposal was presented because the community was not notified. In her lifetime, she has experienced terrible situations where she was homeless. She had to dig herself out of the situation and understands when some people encounter bad situations. She has compassion for those less fortunate. However, there are also choices. The ditches she dug as a child and as a young adult she chose, but she also had to make the choice to get out, which did not mean that everybody else had to condone it or nurture her. At that point, putting her in neighborhoods would not have been appropriate. The proposal is unfair to the community. Individuals who live in tents have to be willing to help themselves and want something better. Just giving does not help. The

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 6**

Council is putting the community in danger. She used to walk her dog along Capitol Lake until the area become overwhelmed by homeless individuals who were using drugs creating an unsafe environment. She was approached often. She no longer visits the area and now the Council is proposing a similar situation in her neighborhood without informing her by placing the action as a consent vote. The action is insulting to her personally because at the end of the day, it is her money and everyone is paying the bills for the proposal which is offensive. She works hard and wants to help but the proposal would not be helping. The Council needs to pursue something different as putting the homeless in neighborhoods would not make a difference.

**Arden Wryte, 330 V Street SW, Tumwater,** said she has been a resident of Washington her entire life and grew up in the Seattle area. As a child, she walked throughout Seattle safely. Today, she no longer visits Seattle and moved to Tumwater last year after living in Bellevue for many years. Her home is near a small park. She and her child faced homelessness living in her car for two weeks and she understands there is a need for people who lack housing. Everyone wants to help those who want housing as the preferred alternative rather than sleeping on streets or encampments with trash everywhere. However, she does not want to be unsafe in her home if an encampment is located at a park across from her home. The proposal does not meet the needs of the homeless as it speaks to allowing encampments in areas of the City without providing supportive services or resources. The proposal does not provide housing or restroom facilities; rather it is pushing the problem off to local residents. She suggested identifying another solution for those wishing to be housed and cited the problems created in Seattle and the difficulty of moving encampments. The Council should provide unhoused citizens housing or use tax dollars in a way to help the homeless. Placing them in parks does not help the homeless.

**Robin Wulff, 3072 Vista Verde Lane SW, Tumwater,** said she is a nurse practitioner and works with children. Her child attends elementary school located half a block from home. The school is surrounded by a City trail system, a City park across the street, and a City park located down the road where children board school buses. She asked whether the Council has considered the location of City parks that would be impacted by the change in rules and the safety of children. Students are unsupervised when riding buses and older students are not walked to school by parents. Her 12-year old walks to school alone. She has witnessed many teenagers become addicted to fentanyl let alone being surrounded by the drug in their parks and communities. Fentanyl kills people just by touching the drug. She has witnessed the overdose experienced by a toddler after touching fentanyl on a beach. Although the unhoused need help they need housing solutions and more low-income housing. Putting communities of risk into parks and

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 7**

eliminating many of the rules and legalities is not a solution to fix the problem and it would put children at risk. Local elementary schools are surrounded by parks. Parks are where children play. Tent encampments in parks create an unsafe environment for children.

**Cheryl McCown, 504 N. 4<sup>th</sup> Avenue SW, Tumwater**, said she grew up during the 60s. Her brother hitchhiked across the county to attend Woodstock. The last thing he would do is defecate in public or litter. People should have choices, but they have to live with their choices. If some people choose to live on the street, that is their choice. They need to find another location and not in City parks where children play and not where safety is at risk. She supports all previous comments and is offended that it would be appropriate to pursue the proposal. People have a choice and perhaps putting them in jail might help to turn the page for some people.

Mayor Sullivan said the City is collecting addresses so residents can be notified of any future meetings. She encouraged everyone to submit their email addresses to receive meeting notifications.

**CONSENT  
CALENDAR:**

- a. Approval of Minutes: City Council Work Session, October 24, 2023
- b. Approval of Minutes: City Council, November 6, 2023
- c. Payment of Vouchers
- d. Ordinance No. O2023-013, Ad Valorem for Regular Property Taxes for the Fiscal Year 2024
- e. Ordinance No. O2023-014, Amending Tumwater Municipal Code Section 12.32, Public Parks – ***Removed***
- f. Resolution No. R2023-011, 2024 Fee Resolution
- g. Interlocal Agreement between the City of Tumwater and the Port of Olympia for the Bush Prairie Habitat Conservation Plan (HCP) Amendment No. 3
- h. Amended Interlocal Agreement with Olympia, Lacey, & Thurston County Regarding Creation of a Public Facilities District Modification to Second Amendment
- i. Intergovernmental EMS Contract Advanced Life Support (ALS) Funding Amendment No. 1
- j. Service Provider Agreement with RH2 Engineering Inc. for the Brewery Wellfield Development Project Amendment 2
- k. Service Provider Agreement with Skillings Inc. for the Golf Course Parking Lot Stormwater Retrofit Design & Permitting Project Amendment 1
- l. Agreement with the Confederated Tribes of the Chehalis Reservation for Fire Protection and Emergency Services
- m. Brewmaster's House Repair and Renovation Contract

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 8**

**MOTION:** Councilmember Jefferson moved, seconded by Councilmember Althaus, to approve the consent calendar as amended. A voice vote approved the motion unanimously.

Mayor Sullivan reviewed the items approved on the consent calendar.

**PUBLIC HEARINGS:**

**ORDINANCE O2023-015 BUDGET AMENDMENT NO. 1:** Director Niemeyer briefed the Council on the proposed budget amendment. The City Council adopted Ordinance No. O2022-028 approving the 2023-2024 biennial budget on December 6, 2022. Staff has recently identified additional revenues and expenditures. Additionally, the proposed amendment adjusts the beginning fund balance, which was estimated at the time the budget was adopted.

Over a biennium, revenue and expenses are difficult to project. As changes occur, it necessitates a budget amendment. One example is the TÂLÎCN homes project funded partially by a \$726,000 grant from the Department of Commerce received in partnership with Habitat for Humanity to fund infrastructure for the low-income housing project.

Additionally, budget challenges often occur, such as the space lease for the Water Resources Department, which was budgeted during the development of the budget; however, space cost is now higher than anticipated due to inflation and construction costs.

Due to a variety of factors, the City's insurance coverage has increased exponentially. Additionally, the City continues to respond to inflation and supply chain issues.

Unexpected events included the arson at the Brewmaster's House earlier in the year with most of the costs reimbursed by insurance; however the costs must be included in the budget to provide expenditure authority.

In terms of the General Fund, liability insurance increased by \$154,000. Staff scheduled a briefing to the Council in early 2024 from a representative from WCIA, the City's liability insurance provider, to share information on why rates are increasing.

The Tumwater Metropolitan District (TMD) supply chain delays prevented the City from purchasing new vehicles over the last several years. The vehicles are now available but costs have increased. Other expenditures include the Fire Department's Five Year Master Plan, office improvements in the Police Department, and recording and auditing fees.

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 9**

Other funds affected include insurance for the vehicle fleet, electrical vehicle charging stations expenses in 2023, and \$4.2 million for the Israel Road Water Main project originally budgeted in 2022, but delayed and not included in the 2023-2024 budget. The City is also replacing water meters throughout the community with the project scheduled for completion in 2022 but delayed until 2023. Other expenditures include the solarization project at sewer lift stations and the ERP project implementation shifting costs from 2022 to 2023.

The total amount in 2023 for the budget amendment is \$6.5 million with revenue increases in the form of insurance recoveries and grant revenue of \$1.1 million for a net increase of \$5.3 million.

Director Niemeyer reviewed budget changes for 2024. In the Community Development Department, the City received a \$500,000 grant from the Environmental Protection Agency to study contamination at the brewery site. The City received a \$200,000 grant from the Department of Ecology to study contamination at the old WSDOT site off Capitol Boulevard. Expenditure authority is required to initiate the work with the grants providing the reimbursement.

The Periodic Comprehensive Plan Update will require some consultant assistance at a cost of approximately \$200,000. The Community Development Department has experienced an increase in building permit applications at an all-time high necessitating the need for an additional Senior Planner.

The current budget includes a position of Risk Manager. However, staff determined the City would be better served with an Assistant City Attorney with risk management responsibilities and support for the City Attorney. Other increases include the cost of audits as federal grants require an increase in auditing, insurance costs, and a small increase for the Fire Department. The Parks and Recreation Department's replacement of a forklift has increased because of inflation and supply chain issues. The department is requesting a change of the Department Assistant I position to Department Assistant 2, and increasing the part-time positions of Volunteer Coordinator and Arts Specialist to full-time positions.

The Water Resources lease at South Puget Sound Community College includes some funds in the budget to help offset the cost for the new space. The department is requesting the addition of Project Inspector position to cover the increase in City project to reduce overtime and consultant costs. A Utility Engineer position is requested with both positions paid from the Utility Fund as well as a Maintenance Worker position in the Street Department to maintain vegetation in right-of-ways and roads.

**TUMWATER CITY COUNCIL MEETING**  
**MINUTES OF HYBRID MEETING**  
**November 21, 2023 Page 10**

Although not part of the amendment, staff proposes to increase non-represented employee pay by 4% for COLA. The increase was initially budgeted. Additionally, non-represented employees receive 75% coverage of the cost for dependent health insurance. The proposal increases the coverage from 75% to 80%. The increase can be accommodated within the current budget for health insurance.

For all funds in 2024, the total is \$2.4 million of which \$1.7 million is in the General Fund. Additionally, the City will receive some additional revenue from environmental grants.

During the Budget and Finance Committee, the committee recommended consideration of a new program for low-income senior housing repairs. Staff developed a proposal for the Mayor's review of a proposed pilot program of one-time funding from the General Fund fund balance. The amount would be added to the Health and Human Services line item of \$25,000. Considerations include, lack of a revenue source for the program, resource demands, administration of the program, and legal restrictions associated with gifting of public funds.

The total increase in the General Fund is \$1.7 million with \$900,000 in revenue for a net increase of \$871,000.

Next year, staff is focused on completing a non-represented employee salary survey. For years, union employees have been outpacing non-represented employee pay. Union negotiations are currently in progress with the Police and Teamsters. Next year, staff will begin drafting the new biennium budget for 2025-2026. A Homeland Security audit was completed for City Hall with an energy audit nearing completion as well. The audits will likely include recommendations to increase safety and security at City Hall and environmental upgrades.

Mayor Sullivan opened the public hearing at 8:03 p.m. With there being no public testimony, Mayor Sullivan closed the public hearing at 8:04 p.m.

Councilmember Schneider questioned whether the increase attributed to the conversion of the Arts Specialist position to full-time is an annual amount or a six-month period as the position would not filled until the Arts Commission has been established. Director Denney said the figure represents a six-month period. The intent is to establish the Art Commission by June 2024. However, if that action is delayed, the position would help facilitate establishment of the Commission.

**TUMWATER CITY COUNCIL MEETING**  
**MINUTES OF HYBRID MEETING**  
**November 21, 2023 Page 11**

Councilmember Schneider questioned whether the \$25,000 pilot project would be better served if the City collaborated with other service providers to assist low-income homeowners. Director Niemeyer said details of the pilot program would be developed through consultation with the Budget and Finance Committee with a recommendation to the Council.

Councilmember Agabi asked about the projected deficit through the budget cycle. Director Niemeyer said the projected “financial cliff” has been deferred to 2028 based on a new revenue and expenditure projection. At this time, no deficit exists but a structural deficit occurs because the City is limited to a 1% increase in property tax while expenditures are increasing between 5% and 7% each year. It has been difficult to change state law to increase property tax. At this time, the City has been able to defer a deficit because of the pace of growth in the City.

Councilmember Agabi asked how the recent increase in sales tax for law enforcement in Thurston County might affect the budget. Director Niemeyer said the new portion of the sales tax will assist in funding public safety for police and fire. The sales tax is not effective until April 1, 2024 and no revenue would be received by the City until June 2024.

Councilmember Jefferson shared that she prefers clear spreadsheets outlining revenues and expenditures in different colors and the timeline as to when the Council should become concerned or reduce expenditures. The information reflects an additional \$6.5 million. She questioned the progression of expenditures and the projection of when concerns are warranted with respect to an impending budget shortfall. Director Niemeyer offered to meet and share additional spreadsheets. At this time, the City’s budget is healthy with constant monitoring of sales tax collections monthly as well as monitoring the status of the world’s economy.

Mayor Sullivan clarified that the proposal is a budget adjustment for the current budget with the Council beginning work on the new biennial budget next year.

City Administrator Parks invited the Council to meet with Director Niemeyer for additional information in terms of budget projections of expenses and revenues in the context of understanding the impacts of collective bargaining agreements, large projects, and other factors affecting the City’s budget. The City continues to experience higher than normal sales tax collections. Staff has been very successful in obtaining different grants. In late February, the Council will consider

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 12**

some information for establishing budget priorities for the 2025-2026 biennium budget.

**MOTION:** **Councilmember Althaus moved, seconded by Councilmember Jefferson, to adopt Ordinance No. O2023-015 Budget Amendment No. 1.**

Councilmember Agabi suggested scheduling a worksession to discuss how the funds would be apportioned within the current budget. He cited the \$25,000 and how the City determines qualifications to receive assistance.

Mayor Sullivan explained that the amendment approves adding the funds to the budget. The mechanics of the pilot program will be determined by the Council later.

**MOTION:** **A voice vote approved the motion unanimously.**

**COUNCIL  
CONSIDERATIONS:**

**ENTERPRISE  
RESOURCE  
PLANNING SYSTEM  
CONTRACT  
AMENDMENT NO. 1:**

Director Niemeyer reported in December 2021, the Council approved a contract with Tyler Technologies to replace the aging and end-of-life ERP System with a new system. The first two modules (Financials and Productivity) were activated on April 3, 2023. The project was on time and under budget. Work began on the next module for Payroll and Human Resources. However, the amount of work involved and the pace of implementation was too rapid. The schedule called for working on two to three modules concurrently that resulted in too much stress for staff. Successful on-time implementation of the system and within budget would not benefit the City if the City loses too many employees because of burnout and stress.

As police and fire have special systems for time keeping, scheduling, and other features, it prompted some adjustments to the project to integrate existing fire and police systems within the new system.

Additionally, during the implementation of the first module, the entire HR Department experienced staff turnover with the HR Director leaving in February and the position not filled until the new City Administrator was hired. Two other key positions were vacated soon after. Other staff turnover included key project managers, database administrators, finance directors, and accountants. The loss of personnel also results in the loss of institutional knowledge. Key personnel working on the project were rendering process decisions, analyzing current and future states, making configuration decisions, and decisions on controls. New employees replacing those positions did not



**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 13**

have the background and history of the system which has proved challenging for implementing the new system. Additionally, the project experienced vendor issues. The vendor also experienced high employee turnover as well as burnout. Consequently, vendor assistance and training has been provided by inexperienced vendor representatives who recently joined the company. The vendor has been responsive about providing more experienced personnel.

Director Niemeyer shared an illustration of the project timelines reflecting the vendor's estimate of staff time from the Finance Department against actual time. A similar timeline was produced for project management versus actual time. He presented a proposed timeline incorporating the completion of one module at a time. As each module is completed, work will begin on the next module. The timeline extends the project to mid-2027 with a goal to complete the project by the end of 2026. The total project amount (contract and City staff time) was estimated at \$2 million. The contract with the vendor is \$891,000. During phase 1 of the project, \$20,000 was saved with the goal to achieve similar results during phase 2. The proposed amendment is for \$7,800 for additional vendor assistance.

Director Niemeyer asked the Council to authorize the Mayor to sign contract amendment No. 1 with Tyler Technologies.

**MOTION:**

**Councilmember Jefferson moved, seconded by Councilmember Agabi, to authorize the Mayor to sign contract amendment No. 1 with Tyler Technologies. A voice vote approved the motion unanimously.**

**COMMITTEE  
REPORTS:**

**PUBLIC HEALTH &  
SAFETY:**

*Leatta Dahlhoff*

There was no report.

**GENERAL  
GOVERNMENT:  
*Michael Althausen***

The next meeting on December 13, 2023 includes the continued review of the Comprehensive Plan Update. Elements the committee will review include the Economic Development Plan, update of the Lands for Public Purposes, and the Utilities Element.

**PUBLIC WORKS:  
*Eileen Swarthout***

There was no report.

**BUDGET AND  
FINANCE:  
*Debbie Sullivan***

The Council approved the committee's recommendation on the budget amendment.

**TUMWATER CITY COUNCIL MEETING**  
**MINUTES OF HYBRID MEETING**  
**November 21, 2023 Page 14**

**MAYOR/CITY  
ADMINISTRATOR'S  
REPORT:**

City Administrator Parks reported on a recent offsite management retreat of directors, assistant directors, and the Mayor. The agenda included how to be effective leaders, creation of team processes with a Citywide approach and perspective, and acknowledgment that the process is a work in progress as the team begins to work tougher.

The City recently filled the Executive Assistant position. Brittany McClanahan was selected to fill the position. She previously worked in the Community Development Department.

City Administrator Parks reported on her attendance to the recent Board meeting of the Thurston Economic Development Council (EDC). She shared information on the role of economic development by the public sector to ensure a positive environment for business and private investment.

Mayor Sullivan attended the Intercity Transit Authority Board meeting on November 15, 2023. The Authority conducted a public hearing on the agency's draft Strategic Plan for 2024-2029, approved surplusage Dial-A-Lift vehicles with a fair market value of \$135,000, and received a presentation by the agency's consultant for reducing vehicle emissions. All participants in the last class of commercial bus drivers passed the class and received their commercial driver license. Construction on the Pattison and Martin Way parking lot is experiencing some temporary construction issues requiring shuttles for staff.

Mayor Sullivan conveyed best wishes to everyone for a happy Thanksgiving.

**COUNCILMEMBER  
REPORTS:**

***Charlie Schneider:***

Councilmember Schneider recommended deferring the community conversation on the homeless issue until after the holidays to attract greater participation in January.

***Peter Agabi:***

Councilmember Agabi commented on City Administrator Parks' excellent presentation to the EDC Board.

Councilmember Agabi reported the EDC received information on the status of the Nisqually development project from EDC Executive Director Cade in lieu of a presentation by the Nisqually Indian Tribe.

At the last Joint Animal Services Commission meeting, members focused on selection and criteria for a new site in Thurston County.

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 15**

***Angela Jefferson:***

At the last Emergency Medical Services Committee meeting, members were informed of the appointment of the Advanced Life Support Instructor.

Councilmember Jefferson shared information on the recent training failure of former military medics. She was able to contact the Transition Office on Joint Base Lewis McChord responsible for assisting military personnel in transitioning to civilian jobs. She was able to connect the office with Medic One to recruit and help prepare potential candidates to pass the exam.

The survey sponsored by *Experience Olympia and Beyond* for destination management has closed. Nearly 1,000 individuals participated in the survey, the highest participation rate to date. Members are scheduled to participate in a vision workshop on January 10-11, 2024 during a public forum. The closure of the Olympia Hotel at Capitol Lake is scheduled on December 13, 2023 for conversion to affordable housing. The conversion will result in some loss in sales tax revenue for the City of Olympia.

***Michael Althausen:***

At the last meeting of the Regional Housing Council (RHC), members passed a slate of priorities for jurisdictions to consider adding to legislation agendas when working with legislators on new funding and new policies during the 2024 legislative session. The three issues included increasing funding to meet the needs for rent assistance for low-income renters in Thurston County, long-term operational funds for programs established and funded by the Governor's Right-of-Way Initiative, and increased capital funding through the Housing Trust Fund. Following a presentation by an advocate of a local mobile home park in Olympia, members engaged in an extensive discussion. The mobile home park is being sold. State law passed last year addresses mobile home parks that are facing sale or foreclosure. Notices must be sent to jurisdictions to ensure awareness as potential opportunities to preserve affordable housing. The park sent the notice to the City of Olympia. The advocate asked members to consider some funding to assist in bridging the gap to enable mobile home park residents to purchase the park with payback of the funds in the future. The ability for members to act on the request was limited, as the RFP process was closed for this year. However, the presentation highlighted an issue local jurisdictions are facing as the City of Tumwater has one mobile home park that likely would be placed on the market within the next 12 months. At this time, there is no source of funds to assist mobile home park residents in purchasing a park. Members asked staff to develop some recommendations to consider on ways to assist with gap funding.

**ADJOURNMENT:**

**With there being no further business, Mayor Sullivan adjourned the meeting at 8:54 p.m.**

**TUMWATER CITY COUNCIL MEETING  
MINUTES OF HYBRID MEETING  
November 21, 2023 Page 16**

Prepared by Valerie L. Gow, Recording Secretary/President  
Puget Sound Meeting Services, [psmsoly@earthlink.net](mailto:psmsoly@earthlink.net)

TO: City Council  
 FROM: Shelly Carter, Assistant Finance Director  
 DATE: December 5, 2023  
 SUBJECT: Payment of Vouchers

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1) Recommended Action:

Staff is seeking City Council ratification of:

- November 17, 2023, payment of Eden vouchers 173749 to 173764 in the amount of \$283,947.17 and electronic payments 902868 to 902880 in the amount of \$153,765.42 and wire payments in the amount of \$209,803.62; and Enterprise vouchers 181851 to 181916 in the amount of \$212,398.34 and electronic payments 903717 to 903736 in the amount of \$573,298.96.
  - November 22, 2023, payment of Eden vouchers 173765 to 173772 in the amount of \$177,608.28 and electronic payments 902881 to 902888 in the amount of \$72,475.09 and wire payments of \$216,280.87; and Enterprise vouchers 181917 to 181947 in the amount of \$1,156,179.56 and electronic payments 903737 to 903746 in the amount of \$580,029.83.
- 

2) Background:

The City pays vendors monthly for purchases approved by all departments. The Finance Director has reviewed and released the payments as certified on the attached Exhibit(s). The full voucher listings are available upon request of the Assistant Finance Director. The most significant payments\* were:

Vendor		
City of Olympia	20,110.39	Camera installation at Crosby and Irving
City of Olympia	45,200.00	2 <sup>nd</sup> half payment for use of Mark Noble Fire Training Center per ILA
LOTT Wastewater Alliance	545,745.64	OCT LOTT fees collected
Active Construction, Inc	668,105.05	PE#10 I-5/Trospen/Capitol reconfiguration
Miles Resources, LLC	211,678.54	PE#5 2023 Pavement Maintenance
Nisqually Indian Tribe	21,120.00	October incarceration & booking fees
TCF Architecture, PLLC	203,158.89	Professional services Oct 1-31, 2023 for design phase of maintenance & operations building
HDR Engineering Inc	23,777.24	Professional services 7/17 to 11/4/23 Linwood Avenue Sidewalk Improvements
Reed Trucking & Excavating, Inc	531,124.54	PE#3 Israel Rd & Linderson Way Water Main

\* Includes vouchers in excess of \$20,000, excluding routine utility payments.

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3) Policy Support:

- Strategic Goals and Priorities: Fiscally responsible and develop sustainable financial strategies.
  - Vision Mission Beliefs-Excellence: Efficient stewards of public resources, building public trust through transparency.
- 

4) Alternatives:

- ☐ Ratify the vouchers as proposed.
  - ☐ Develop an alternative voucher review and approval process.
- 

5) Fiscal Notes:

The vouchers are for appropriated expenditures in the respective funds and departments.

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6) Attachments:

- A. Exhibit A – Payment of Vouchers – Review and Approval
- B. Exhibit B – Payment of Vouchers – Review and Approval

## EXHIBIT "A"

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Tumwater, and that I am authorized to authenticate and certify to said claim.

Munis

Voucher/Check Nos 181851 through 181916 in the amount of \$212,398.34

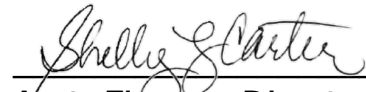
Electronic payment No 903717 through 903736 in the amount of \$573,298.96

Eden

Voucher/Check Nos 173749 through 173764 in the amount of \$283,947.17

Electronic payment No 902868 through 902880 in the amount of \$153,765.42

Wire payments of \$209,803.62



Asst. Finance Director, on behalf of the Finance Director

Checks dated 11/17/2023

## EXHIBIT "B"

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Tumwater, and that I am authorized to authenticate and certify to said claim.

Munis

Voucher/Check Nos 181917 through 181947 in the amount of \$1,156,179.56

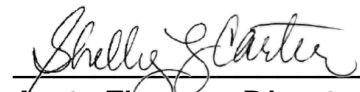
Electronic payment No 903737 through 903746 in the amount of \$580,029.83

Eden

Voucher/Check Nos 173765 through 173772 in the amount of \$177,608.28

Electronic payment No 902881 through 902888 in the amount of \$72,475.09

Wire payments of \$216,280.87



Asst. Finance Director, on behalf of the Finance Director

Checks dated 11/22/2023



TO: City Council  
FROM: Shelly Carter, Assistant Finance Director  
DATE: December 5, 2023  
SUBJECT: Ordinance No. O2023-016, Business and Occupation Tax Code Update

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1) Recommended Action:

Approve Ordinance No. O2023-016 Business & Occupation Tax Code Update on consent calendar at the December 5<sup>th</sup>, 2023, Council meeting.

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2) Background:

Our City Code follows the state Model Ordinance for Business & Occupation (B&O) Tax. The state has made a small change to the Model Ordinance that is only administrative in nature. We are updating the City Code to reflect this change.

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3) Policy Support:

Refine and sustain a great organization.

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4) Alternatives:

☐ None.

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5) Fiscal Notes:

There is no fiscal impact of this change. It does not cost us money, and we will not collect more money because of this change.

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6) Attachments:

A. Ordinance No. O2023-016, Business & Occupation Tax Code Update

**ORDINANCE NO. O2023-016**

**AN ORDINANCE** of the City Council of the City of Tumwater, Washington, relating to Business and Occupation Tax and the administration of all local taxes and amending Section 5.08.078, Allocation and apportionment of printing and publishing income when activities take place in more than one jurisdiction, of the Tumwater Municipal Code (Ordinance Nos. O2012-024, O2007-021) as more particularly described herein.

**WHEREAS**, RCW 35.102.130, effective in 2008, defines gross income from the activities of printing and publishing of newspapers, periodicals, or magazines shall be allocated to the principal place in this state from which the taxpayer's business is directed or managed; and

**WHEREAS**, the activities of printing, and publishing of newspapers, periodicals, or magazines, have the same meanings as attributed to those terms in RCW 82.04.280(1) by the Department of Revenue until December 31, 2023; and

**WHEREAS**, in 2023, the Legislature passed SB 5199 amending RCW 35.102.150 Allocation of income - Printing and publishing activities; and

**WHEREAS**, RCW 35.102.130 and RCW 82.32.045 require all cities that impose a business and occupation tax to adopt changes consistent with the business and occupation tax model ordinance; and

**WHEREAS**, beginning January 1, 2024, until January 1, 2034, the activities of printing and of publishing newspapers and periodicals or magazines are those activities to which the exemption in RCW 82.04.759 and the tax rate in RCW 82.04.280(1)(a) apply; and

**WHEREAS**, this section is required by RCW 35.102.150 and provides that printing and publishing income shall be allocated to the city in which taxpayer's business is directed or managed; and

**WHEREAS**, the Tumwater City Council finds the changes are in the best interest of the citizens of Tumwater to expand the definition to reflect state legislation requirements.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUMWATER, STATE OF WASHINGTON, DOES ORDAIN AS FOLLOWS:**

**Section 1.** Section 5.08.78, Allocation and apportionment of printing and publishing income when activities take place in more than one jurisdiction, of the Tumwater Municipal Code is hereby amended to read as follows:

Notwithstanding RCW [35.102.130](#), gross income from the activities of printing, and of publishing newspapers, periodicals, or magazines, shall be allocated to the principal place in this state from which the taxpayer's business is directed or managed. As used in this section, the activities of printing, and of publishing newspapers, periodicals, or magazines, have the same meanings as attributed to those terms in RCW [82.04.280](#)(1) by the Department of Revenue. Beginning January 1, 2024, until January 1, 2034, as used in this section, the activities of printing, and of publishing newspapers and periodicals or magazines are those activities to which the exemption in RCW 82.04.759 and the tax rate in RCW 82.04.280(1)(a) apply.

(Ord. O2012-024, Amended, 12/18/2012; Ord. O2007-021, Added, 12/20/2007)

**Section 2. Corrections.** The City Clerk and codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

**Section 3. Ratification.** Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

**Section 4. Severability.** The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

**Section 5. Effective Date.** This ordinance shall become effective on January 1, 2024.

ADOPTED this 5<sup>th</sup> day of December 2023.

CITY OF TUMWATER

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Debbie Sullivan, Mayor

ATTEST:

Ordinance No. O2023-016 - Page 2 of 3

\_\_\_\_\_  
Melody Valiant, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Karen Kirkpatrick, City Attorney

Published:\_\_\_\_\_

Effective Date:\_\_\_\_\_

TO: City Council  
 FROM: Brad Medrud, Planning Manager  
 DATE: December 5, 2023  
 SUBJECT: Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project

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1) Recommended Action:

Approve the Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project.

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2) Background:

After the City Council adopted Resolution No. R2018-016 in the summer of 2018, the City has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.

With assistance from the City and the other members of the Regional Housing Council, the City of Olympia has been working on a permanently supportive housing project on Franz Anderson Road SE in Olympia near the Interstate 5 Pacific Avenue interchange.

The City has determined it to be an equitable choice to support the Franz Anderson permanently supportive housing project in the City of Olympia, which would result in affordable long-term housing and serve as a public benefit for the region.

The General Government Committee was briefed on the letter of commitment to commit \$275,000 for the project at their May 10, 2023 meeting and recommended City Council approval of the letter. The City Council approved the letter of commitment on May 16, 2023.

The City of Olympia staff in coordination with the other members of the Regional Housing Council drafted the interlocal agreement between the Cities of Olympia, Lacey, Tumwater, and Thurston County to use ARPA and other funds to facilitate development of the project.

The City Council discussed the interlocal agreement at a work session on November 28, 2023 and recommended that it be placed on the City Council's December 5, 2023 meeting consent calendar for approval.

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3) Policy Support:

Strategic Priority to Build a Community Recognized for Quality, Compassion and Humanity with a goal of "Work with government, non-profit, and private partners to develop and implement a performance-based plan for affordable housing and to address homelessness"

Housing Element Goal H-3: To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.

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4) Alternatives:

☐ None.

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5) Fiscal Notes:

\$275,000 in City of Tumwater's general funds will be used to fund the project.

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6) Attachment:

A. Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project

**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF OLYMPIA, CITY OF LACEY, CITY OF TUMWATER AND  
THURSTON COUNTY  
FOR  
POOLING AND TRANSFER OF FUNDS  
TO  
SUPPORT PERMANENT SUPPORTIVE HOUSING PROJECT  
AT  
FRANZ ANDERSON ROAD**

**THIS INTERLOCAL AGREEMENT** ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("OLYMPIA"), the City of Lacey, a municipality organized under the laws of the State of Washington ("LACEY"), the City of Tumwater, a municipality organized under the laws of the State of Washington ("TUMWATER"), and Thurston County, a Washington municipal corporation, ("COUNTY"), jointly referred to herein as "the Parties," or singularly as a "Party."

**RECITALS**

**WHEREAS**, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

**WHEREAS**, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

**WHEREAS**, unsheltered and unmanaged homelessness constitutes a public health emergency that requires the Parties to coordinate their resources and actions to work together to abate detrimental effects that threaten public health and safety; and

**WHEREAS**, the Parties do not have sufficient resources to address the ongoing impacts or needs of unsheltered homelessness without mutual cooperation; and

**WHEREAS**, the Regional Housing Council supports the development of a permanent supportive housing project at the Franz Anderson Road property; and

**WHEREAS**, the development of a permanent supportive housing project at Franz Anderson Road property is aligned with the Permanent Supportive Housing Strategic Framework adopted

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

by the Regional Housing Council in 2021 with the intent of funding 200 new permanent supportive housing units in Thurston County by 2024; and

**WHEREAS**, the Franz Anderson Road project was included in a proposal awarded funding through the State Rights of Way Safety Initiative, an initiative of the Washington State Governor’s Office; and

**WHEREAS**, in March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide State, local, and Tribal Governments with the resources needed to respond to the pandemic and its economic effects; and

**WHEREAS**, local governments may transfer SLFRF funds to each other provided the entity receiving the funds agrees to certain conditions applicable to a subrecipient; and

**WHEREAS**, the COUNTY has identified \$3,500,000 in SLFRF funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

**WHEREAS**, TUMWATER has identified \$275,000 in general funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

**WHEREAS**, LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

**WHEREAS**, this Interlocal Agreement stands as an obligation of SLFRF and General Fund funds, thereby meeting the U.S. Department of Treasury commitment deadline of December 31, 2024; and

**WHEREAS**, in accordance with the Coronavirus State and Local Fiscal Recovery Funds Interim Rule, SLFRF funds must be obligated no later than December 31, 2024, and fully expended no later than December 31, 2026; and

**WHEREAS**, as permitted by the Coronavirus State and Local Fiscal Recovery Fund Interim Rule, the funds will be pooled and managed by OLYMPIA; and

**WHEREAS**, the pooled funds will be disbursed by OLYMPIA on a cost reimbursement basis to Low Income Housing Institute (LIHI) to construct the permanent supportive housing at the Franz Anderson Road Property; and

**WHEREAS**, LIHI has proposed a development timeline that meets the SLFRF expenditure deadline of December 31, 2026 (see, Exhibit “C”);

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing



**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the Parties agree as follows:

### **1. Purpose/Objective/Funding**

The purpose of this Agreement is to accommodate for the transfer of funding available for affordable housing capital projects and originating from LACEY, TUMWATER, and COUNTY to OLYMPIA so that the funding may be pooled; committed by contract to be applied toward the development of a permanent supportive housing project (hereinafter “the Project”) proposed to occur at the Franz Anderson Road property (hereinafter “the Property”), as legally described in Exhibit “A” attached hereto; and managed by OLYMPIA in connection to the Project.

**A.** COUNTY has spent \$825,547 towards acquisition of the real property located on Franz Anderson Road and identified \$3,500,000 in SLFRF funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

**B.** LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

**C.** TUMWATER has identified \$275,000 in general funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

**D.** OLYMPIA has spent \$825,547 in ARPA funds towards acquisition of the real property located on Franz Anderson Road.

**E.** In the event LIHI is unable to construct the Franz Anderson Road project after financial closing occurs, any party to this Agreement may withdraw. Upon withdrawal of any party, OLYMPIA shall return to such party all funds transferred by such party to OLYMPIA pursuant to this Agreement.

### **2. Scope of Agreement/Work**

The responsibilities of the Parties are as follows:

**A.** OLYMPIA shall communicate with LACEY, TUMWATER, and COUNTY to indicate when the Project has demonstrated full funding and is ready to start construction.

**B.** LACEY, TUMWATER, and COUNTY shall facilitate the transfer of funds intended for the development of the Project to OLYMPIA, on a reimbursement basis, at the time that LIHI can demonstrate the Project is fully funded at the time of financial closing and construction is ready to commence. OLYMPIA will process draws by LIHI of funds only after execution of an agreement between OLYMPIA and LIHI that requires LIHI to submit an invoice package to OLYMPIA that includes the percentage of the project completed, what

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

funding amount is being requested, what the funds cover regarding work performed, and approval of the funds requested, and activities conducted as issued by the project architect. Prior to any payment to LIHI, OLYMPIA will visit the project site to confirm with photographic evidence the work performed. The agreement between OLYMPIA and LIHI shall require that invoice packages requesting funds shall be submitted by LIHI to all funders.

**C. OLYMPIA shall perform the following:**

- Coordinate with other State and private funders regarding financing of the Project;
- Approve funding draws submitted by LIHI for the Project;
- Prioritize SLFRF funds to be drawn prior to other funds to ensure compliance with the associated expenditure deadline, as communicated in the Interim Rule or as amended;
- Monitor the Project throughout the construction phase to ensure the Project is timely and in compliance with SLFRF and other requirements;
- Ensure that LIHI will perform all covenants in the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI (see, Exhibit “A”), including but not limited to LIHI pursuing project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; that LIHI shall utilize Thurston County’s coordinated entry system to place persons into housing units to be constructed upon the Property; that LIHI shall give initial preference to single adults and couples associated with the State of Washington’s Rights-of-Way Safety Initiative exiting OLYMPIA’s tiny house village and then to single adults and couples associated with the State of Washington’s Rights-of-Way Safety Initiative exiting Maple Court until Maple Court has been converted from an enhanced shelter to permanent supportive housing or has been funded for said conversion; that LIHI will use its best efforts to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property; that LIHI shall provide two case managers who will have offices on-site in the project to be constructed on the Property; and that LIHI will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.
- Ensure that LIHI shall execute and record a Restrictive Covenant as required by the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI, dictating that the Property shall be used for affordable housing in perpetuity;
- Execute any other agreements needed by LIHI to facilitate State, Federal, or private funding necessary to develop the Project;
- Provide periodic Project updates, as requested, to the Regional Housing Council;
- Close out the Project upon completion of development and upon lease up of Project.

**D. Each Party to this Agreement is responsible for paying the full cost of its respective staff members to support this project.**

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

**E.** The Parties shall have the opportunity to jointly participate in any neighborhood outreach or communications to facilitate open communications between the Parties, residents and surrounding businesses, or property owners.

**F.** OLYMPIA, as a recipient of SLFRF funds from the COUNTY, agrees to comply with the conditions, that are attached and incorporated herein by reference as Exhibit “B” . The Final Rule, Treasury FAQs, and other Treasury guidance related to the award of funds herein is hereby incorporated by reference into this Agreement.

**G.** OLYMPIA has performed an objective comparison required for capital expenditures of \$1,000,000 or more using SLFRF described in Final Rule, pp. 53-55. The harm or need to be addressed by the Franz Anderson Road project is to provide housing units for low income persons who are without homes in Thurston County, Washington. Capital expenditure is necessary to construct housing units for extremely low income individuals to reduce human suffering and risk to human health and welfare. The housing units to be constructed are for persons unable to afford market rate housing units.

### **3. Method of Payment**

LACEY, TUMWATER, and COUNTY shall provide their respective portions of funding for the Project to OLYMPIA via wire transfer. The parties agree that OLYMPIA shall provide an opportunity to LACEY, TUMWATER, and COUNTY to review all contracts and subawards prior to execution for a period of thirty (30) days before processing same for payment.

### **4. Indemnification & Insurance**

LACEY, TUMWATER, and COUNTY agree to defend, indemnify and hold OLYMPIA, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with OLYMPIA’s responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of OLYMPIA.

OLYMPIA agrees to defend, indemnify and hold LACEY, TUMWATER, and COUNTY, and their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with LACEY’s, TUMWATER’s, and COUNTY’s responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of LACEY, TUMWATER, and COUNTY.

### **5. Duration of Agreement**

This Agreement shall be effective until terminated in the manner described under the termination section of this Agreement, or upon completion of construction and issuance of a final certificate of occupancy by OLYMPIA and payment of all obligations under this Agreement.

## **6. Termination of Agreement**

This Agreement may be terminated upon ninety (90) days' written notice to the other Parties using the method of notice provided for in this Agreement in Section 12 below.

## **7. Entire Agreement**

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes any and all prior agreements, oral or otherwise, with respect to the subject matter and property addressed herein.

## **8. Recitals Incorporated**

The recitals set forth above are hereby incorporated into this Agreement as though fully set forth herein.

## **9. Counterparts**

This Agreement may be executed in a number of identical counterparts which, taken together, constitute collectively one Agreement; but in making proof of this Agreement, it is not necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature, or an electronic or digital signature where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement are originals, but all such counterparts, when taken together, constitute one and the same Agreement.

## **10. Posting or Recording**

Prior to its entry into force, this Agreement shall be posted upon the websites of the Parties or other electronically retrievable public source or filed with the Thurston County Auditor's Office or as required by RCW 39.34.040.

## **11. Employment Relationship**

Employees of all Parties shall remain at all times under the direction and control of their original agency and the performance of work for any other agency pursuant to this Agreement shall not change that relationship for any purpose. No Parties shall be deemed to have agreed to pay the other agency's employees any wages or benefits afforded to its own employees. Further, each Party's responsibilities to its own employees for workplace injuries shall remain unchanged by this Agreement.

## **12. Notice/Contract Representative**

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

CITY OF OLYMPIA  
Attn: Darian Lightfoot  
Housing Manager  
City of Olympia  
PO Box 1967  
Olympia, WA 98507-1967  
[dlightfo@ci.olympia.wa.us](mailto:dlightfo@ci.olympia.wa.us)  
360.753.8033

THURSTON COUNTY  
Attn: Thomas Webster  
Thurston County  
412 Lilly Road  
Olympia, WA 98506  
[Thomas.webster@co.thurston.wa.us](mailto:Thomas.webster@co.thurston.wa.us)  
360.280.6265

CITY OF LACEY  
Attn: Rick Walk  
City of Lacey  
420 College St. SE  
Lacey, WA 98503  
[rwalk@ci.lacey.wa.us](mailto:rwalk@ci.lacey.wa.us)  
(360) 438-2638

CITY OF TUMWATER  
Attn: Lisa Parks  
555 Israel Road SW  
Tumwater, WA 98501  
(360) 754-4120

### **13. Records**

Each party shall maintain its own public records and shall be solely responsible for responding to records requests received about the subject matter of this Agreement. Any public records request addressed to the Parties as if this interlocal created a separate legal entity, shall be deemed to be a request received by each party individually. Each party shall respond separately, unless agreed to otherwise in writing and properly documented. The parties agree to cooperate in responding to requests for public records received about the subject matter of this Agreement.

### **14. Jurisdiction and Venue**

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The Parties hereby agree that venue for enforcement of this Agreement shall be in the Superior Court of Washington for Thurston County.

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

**15. Effective Date**

This Agreement shall take effect upon the final signature date affixed hereto.

**16. Modification**

This Agreement may only be changed, amended, or modified, if in writing, and executed by each of the Parties hereto.

**\*\*\*SIGNATURES ON FOLLOWING PAGE\*\*\***

## CITY OF OLYMPIA

Steven J Burney  
Steven J. Burney, City Manager

11/07/2023

Date

Approved as to form:

**Mark Barber**  
City Attorney

**THURSTON COUNTY**

Robin Campbell,  
Interim County Manager

Date \_\_\_\_\_

Approved as to form:

Chief Civil Deputy Prosecuting Attorney

## CITY OF LACEY

Rick Walk, City Manager

Date \_\_\_\_\_

Approved as to form:

City Attorney

**CITY OF TUMWATER**

Debbie Sullivan, Mayor

Date \_\_\_\_\_

Approved as to form:

City Attorney

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

**EXHIBIT "A"**  
REAL ESTATE PURCHASE AND SALE AGREEMENT  
BETWEEN CITY OF OLYMPIA AND LIHI

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson  
Road SE Property Permanent Supportive Housing



## REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("Seller"), and Low Income Housing Institute (LIHI), a Washington nonprofit corporation ("Buyer"), jointly referred to as "the Parties." This Agreement shall not be effective until the "Effective Date" (as defined in Paragraph 18.16 below).

### RECITALS

Seller is the owner of certain real property ("Property") located in the **City of Olympia, Thurston County, Washington**, consisting of TPN Nos. 58900000300, 58900000301, 58900000400, 58900000500, and 58900000600 and located near Franz Anderson Road in Olympia, Thurston County, Washington, and more particularly described on **Exhibit "A"** (legal description) and shown on **Exhibit "B"** (sketch) attached hereto and by this reference incorporated herein.

Pursuant to the Washington State Constitution, Article VIII, § 7, Seller is permitted to make provision for the necessary support of the poor and infirm. The Seller intends, and the Parties agree, that the Property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term "permanent supportive housing" is defined in RCW 36.70A.030(19), which is defined as subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors, and no other purpose except as expressly agreed by the Parties herein.

The Parties specifically agree that the Property shall in perpetuity be used to provide affordable housing as defined in RCW 36.70A.030(2) and permanent supportive housing as defined in RCW 36.70A.030(19). Buyer proposes, and Seller agrees, that the project to be constructed upon the Property will consist of approximately seventy (70) studio and one-bedroom housing units, with one additional one-bedroom unit for an on-site manager (the "Project"). Unit sizes will range from approximately 470 to 630 square feet. An estimated thirty (30) housing units will be accessible to disabled persons. Approximately thirty-five (35) housing units will be studio units designated for households with Area Median Income (AMI) of thirty percent (30%) or less by household size. The remaining thirty-five (35) units will be one-bedroom housing units designated for households with Area Median Income (AMI) at or below thirty percent (30%) by household size. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income. Buyer agrees it will pursue project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements.

It is further agreed by the Parties that Buyer shall utilize Thurston County's coordinated entry system to place persons into housing units to be constructed upon the Property. Preference will be given by Buyer to single adults and couples exiting Seller's tiny house village associated

with the State of Washington's Rights-of-Way Safety Initiative. Further, it is proposed by Buyer, and agreed by Seller, that best efforts will be made to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property. Further, Buyer shall provide two case managers who will have offices on-site in the Project. Buyer proposes, and Seller agrees, that the Project will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.

Buyer anticipates utilizing regional funds, including American Rescue Plan Act funds in an amount of approximately \$6.7 million in the development of the Project. Buyer shall use all reasonable due diligence to enter into an agreement to commit these regional funds no later than November 2024, and to fully draw these funds no later than December 2026 in connection with the housing project. The goal of the Parties is to have housing units upon the Property in service no later than April 2026.

The Parties agree and covenant that the use of the Property shall be subject to a restrictive covenant limiting the Property's use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law.

Buyer has determined that the Property is suitable for providing affordable housing and housing-related services and programs for persons experiencing homelessness, housing insecurity, or inability to secure affordable housing in Thurston County, Washington. Seller and Buyer agree that the Property is appropriate and suitable for redevelopment to provide new construction of affordable housing and facilities providing housing-related facilities and programs. Further, as additional consideration to Seller, Buyer agrees to comply with Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as "**Exhibit F**" to this Agreement, requiring new construction of housing units upon the Property to meet requirements for electrification, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Resolution No. M-2289.

The signatories to this Agreement acknowledge they are authorized to execute associated documents, to correct legal descriptions, if necessary, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

The Parties now enter into this Agreement to memorialize the terms and conditions under which Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. Property.** Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the following:

1.1 **Land.** The real property constituting the Property legally described on **Exhibit “A”** to this Agreement and generally shown on a sketch attached as **Exhibit “B”** to this Agreement “as is.”

1.2 **Appurtenances.** All rights, privileges, and easements appurtenant to the Property owned by Seller, including without limitation any and all leases, subleases, easements, rights-of-way and other appurtenances, including any buildings, structures or fixtures, if any, used in connection with the beneficial use and enjoyment of the Property (the "Appurtenances").

The Property and Appurtenances described in Paragraph 1 above are collectively referred to in this Agreement as the "Property."

2. **Escrow.** Within thirty (30) business days after the Effective Date of this Agreement as defined in Paragraph 18.16, the Parties shall confirm that an escrow account is opened for the transaction contemplated by this Agreement with Thurston County Title Company (in such capacity, “Escrow Company”). Jen Dempsey or another designee of Escrow Company will serve as escrow agent for Closing of this Agreement (“Escrow Agent”). The Parties shall deliver a fully executed copy of this Agreement to Escrow Agent.

3. **Purchase Price.** The purchase price to be paid by Buyer to Seller for the Property (the “Purchase Price”) is **One Dollar and NO/100 Cents** (\$1.00) U.S., together with other additional nonmonetary consideration consisting of a Restrictive Covenant to be recorded upon the Property, limiting the Property’s use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law, and providing for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as **“Exhibit F”** to this Agreement.

4. **Payment of Purchase Price.** On the Closing Date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price, less any amounts to be credited against the Purchase Price, pursuant to this Agreement.

5. **Closing Date.** The Closing (the “Closing”) of the purchase and sale of the Property under this Agreement shall be held at the offices of the Escrow Company, and shall occur on or before February 29, 2024, unless otherwise agreed in writing by the Parties. Closing shall occur when the Deed to Buyer and the Restrictive Covenant (as hereinafter defined) are executed and recorded, and the Purchase Price is delivered to the Escrow Company for delivery to Seller.

## 6. **Title and Survey Matters.**

6.1 **Title Binder and Survey.** Buyer shall order a preliminary commitment for an ALTA owner’s extended coverage title insurance policy provided by Thurston County Title Insurance Company (“Title Company”) describing the Property, showing all matters of record pertaining to the Property and listing Buyer as the prospective named insured. Following the mutual execution of this Agreement, Buyer shall obtain from Title Company a written

supplemental report to such preliminary commitment in a form acceptable to Buyer, updating the preliminary commitment to the execution date of the Agreement. Such preliminary commitment, supplemental reports and true, correct, and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the “Title Binder.” Buyer may order a survey of the Property (the “Survey”).

**6.2 Title Review.** Within sixty (60) business days after Buyer’s receipt of the updated Title Binder and Survey, Buyer shall review the Title Binder and any surveys of the Property, and shall notify Seller what exceptions to title, if any, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property (the “Title Review Period”). If no title matters appear in the updated Title Binder since the initial preliminary commitments, then the Parties shall proceed to Closing as set forth in this Agreement. If any title matters appear and Buyer objects to any of the same during the Title Review Period, then Seller shall have thirty (30) business days after receiving Buyer’s objections to notify Buyer if Seller will remove any of the exceptions objected to prior to the Closing Date or if Seller elects not to remove such objected to exceptions. If Seller shall fail to remove any such exceptions objected to by Buyer from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Buyer may elect to either terminate this Agreement, or take title despite the existence of such exception. If Buyer elects to terminate, neither Buyer nor Seller shall have any further liabilities, obligations or rights with regard to this Agreement which shall then become null and void and of no further force or effect.

**6.3 Title Policy.** At Closing, Seller and Buyer shall cause Title Company to issue a standard ALTA owner's policy (“Title Policy”) to Buyer, at Buyer’s cost. The Title Policy shall (a) be satisfactory to Buyer, (b) be issued in the amount of the total Purchase Price and (c) insure fee simple, indefeasible title to the Property in Buyer. The Title Policy shall contain endorsements as Buyer may require. Buyer’s obligation to close this transaction shall be contingent on Buyer’s approval, in its sole and absolute discretion of the Title Policy required under this Paragraph 6.

## **7. Conditions and/or Contingencies to Buyer’s Obligations.**

**7.1 Documents and Reports.** Within sixty (60) business days after the execution and delivery of this Agreement (the “Document Delivery Date”), Seller shall deliver to Buyer copies of the documents and reports listed on attached **Exhibit “C”** to this Agreement and in Seller’s possession. Seller shall certify to Buyer, as of the Document Delivery Date, as to any documents listed on **Exhibit “C”** not in Seller’s possession.

**7.2 Inspection of the Property.** Buyer shall have the right and permission from the date Seller signs this Agreement through the Closing Date (or earlier termination of this Agreement) to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Buyer’s cost and expense, of making all tests and/or studies of the Property that Buyer may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Buyer shall indemnify and hold

harmless Seller from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Seller as a direct result of any actions taken by Buyer in connection with the Property, including but not limited to permitting Seller to review a written description of Buyer's proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the property. Buyer shall also provide Seller with a copy of all soil or environmental test results for the property upon Seller's request. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by Seller in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

**7.3 Appraisal of the Property.** Buyer shall have the right to obtain an appraisal. Buyer's appraiser may enter onto the property upon reasonable notice to Seller as is necessary to appraise the Property.

**7.4 Approval of Property/Feasibility Contingency.** Buyer's obligation to purchase the Property shall be subject to and contingent upon Buyer's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property and documents delivered by Seller pursuant to Paragraph 7.1 above, or otherwise obtained by Buyer regarding the Property. Buyer's approval and obligation to purchase the Property under this paragraph shall be for the period set forth in Paragraph 7.5. Upon waiver by Buyer or expiration of the feasibility contingency, the Parties shall move on to Closing.

**7.5 Feasibility Contingency Period.** As used herein, the term "Contingency or Feasibility Period" shall mean the period from the Effective Date of this Agreement as defined in Paragraph 18.16 until the period ending on October 1, 2023.

**7.6 Buyer's Right to Terminate.** If in Buyer's sole and absolute discretion, Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by sending written notice to Seller and Escrow Agent (such notice referred to as a "Termination Notice") prior to the expiration of the Contingency/Feasibility Period. If Buyer gives its Termination Notice to Seller, this Agreement shall terminate and neither Buyer nor Seller shall have any further liability to the other under this Agreement.

**7.7 Additional Closing Conditions.** Buyer's obligation to purchase the Property shall also be subject to the following conditions that must be satisfied as of Closing.

(i) Prior to Closing, all Contracts or Leases (whether written or oral) with respect to the Property, if any, shall be terminated in writing by Seller. Seller shall provide Buyer, prior to Closing, with written termination agreements with respect to all Contracts or Leases, which are not assumed by Buyer;

(ii) All representations and warranties of Seller contained herein, to the best of Seller's knowledge, shall be true, accurate and complete at the time of the Closing as if made again at such time;

(iii) Seller shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);

(iv) At Closing, title to the Property shall be in the condition required by Paragraph 6 of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

If the conditions set forth in this Paragraph 7 are not satisfied as of Closing and Buyer does not waive the same, Buyer may terminate this Agreement, and thereafter neither Buyer nor Seller shall have any further liability to the other under this Agreement.

**8. Seller's Representations and Warranties.** Seller hereby makes the following representations and warranties, to the best of Seller's knowledge, which representations and warranties shall be deemed made by Seller to Buyer also as of the Closing Date:

**8.1 Title.** Seller is the sole owner of the Property, except for reservations of record. At Closing, Seller shall convey the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed to Buyer with a restrictive covenant limiting use of the Property to affordable housing as provided in the Recitals hereto, free and clear of unapproved encumbrances of record.

**8.2 Compliance with Law; Compliance with Property Restrictions.** The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property related to zoning, building, subdivision, and engineering.

**8.3 Bankruptcy, etc.** No bankruptcy, insolvency, rearrangement or similar action involving Seller or the Property, whether voluntary or involuntary, is pending, threatened, by a third party, or contemplated by Seller.

**8.4 Taxes and Assessments.** Other than amounts disclosed by the Title Binder, no other property taxes have been or will be assessed against the Property for the current tax year, and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.

**8.5 Foreign Person.** Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Buyer prior to the Closing an affidavit evidencing such fact and such other documents as may be required under the Code.

**8.6 Mechanics' Liens.** No labor, material or services have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborer's or materialmen's liens or claims might arise.

**8.7 Underground Storage Tanks.** Seller has knowledge of one underground storage tank, and a decommissioned well. Other than as previously stated, Seller has no knowledge of other (a) subterranean storage or underground storage tanks that exist on the Property, and (b) any previously existing underground storage tanks that have been removed or filled in compliance with applicable law. If there had been an underground storage tank on the site, to the best of Seller's knowledge, the tank was decommissioned in compliance with applicable law.

**8.8 Leases and Other Agreements.** Seller represents that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property, except those of record or disclosed pursuant to Paragraph 7.1.

**8.9 Assumption of Liabilities.** Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Seller arising prior to the Closing Date.

**8.10 Defaults.** Seller is not in default and there has occurred no uncured event, which, with notice, the passage of time or both would be a default, under any contract, agreement, lease, encumbrance, or instrument pertaining to the Property.

**8.11 Utilities.** The Property may or may not be served by water, storm and sanitary or septic sewer, electricity, and telephone supplied directly to the Property by facilities of public utilities. All such utilities are located within the boundaries of the Property or within lands dedicated to public use or within recorded easements for the same.

**8.12 Public Improvements.** Seller has no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Property.

**8.13 Subdivision.** The conveyance of the Property will not constitute a violation of any subdivision ordinance. The improvements on the Property comply in all material respects with all applicable subdivision ordinances and statutes.

**8.14 Due Authority.** Seller and Buyer have all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Seller and Buyer and constitute their legal, valid and binding obligation enforceable against Seller and Buyer in accordance with its terms.

**8.15 No Omissions.** The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

**9. Covenants of Seller.** Seller covenants and agrees as follows:

**9.1 Perform Obligations.** From the date of this Agreement to the Closing Date, Seller will perform any monetary and non-monetary obligations they have regarding the Property.

**9.2 No Liens.** From the date of this Agreement to the Closing Date, Seller will not allow any lien to attach to the Property, nor will Seller grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Buyer's written consent first having been obtained.

**9.3 Provide Further Information.** From the date of this Agreement to the Closing Date, Seller will notify Buyer of each event of which Seller becomes aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

**10. Covenants of Buyer.** Buyer covenants and agrees as follows:

**10.1 Perform Obligations.** Buyer shall perform all obligations from the date of this Agreement, including all provisions herein that shall survive the Closing, including those relating to its obligations to provide affordable low-income housing units upon the Property.

**10.2 Application for Impact Fee Reduction.** Buyer may apply for impact fee reductions as permitted by OMC Section 15.04.060.C. for any form of low-income housing occupied by households whose income meets the definition of low-income housing in OMC 15.04.020.Y when adjusted for size is at or below eighty percent (80%) of the area median income as annually adjusted by the U.S. Department of Housing and Urban Development (HUD) from paying school impact fees, provided a covenant is approved by the Olympia School District No. 111 to assure continued use for low income housing and that the covenant is recorded against the title to the Property. As provided in OMC 15.04.060.F, upon application a partial exemption of not more than eighty percent (80%) of park, transportation and school impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development.

**10.3 Application for Land Use Approval.** Buyer covenants and agrees it shall promptly submit the Project to Seller for land use approval following written removal of the contingency/feasibility period set forth in Paragraphs 7.4 and 7.5 herein; however, Buyer further agrees to schedule with Seller's planning staff a preapplication conference prior to submittal of Buyer's land use application for the Property.

**10.4 Seller's Option to Repurchase.** Buyer agrees that Seller shall have an option to repurchase the Property at the same price as the Property is sold to Buyer in this Agreement in the event Buyer fails to commence construction of the housing units contemplated in this Agreement within twenty-four (24) months of the Closing date. Seller agrees that Buyer will have an option to extend its period of construction for an additional year based upon an economic or financial circumstance beyond Buyer's control upon a showing of its best efforts to



move forward with the construction of affordable housing units contemplated in this Agreement. In the event the City (Seller) exercises its option to repurchase the Property, the City (Seller) shall pay any real estate excise tax due on repurchase. In no event shall any period of delay caused by the City permit approval process be counted against Buyer. Such approval process shall toll the deadlines in this paragraph.

## **11. Closing.**

**11.1 Time and Place.** Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in Paragraph 5 of this Agreement.

**11.2 Documents to be Delivered by Seller.** For and in consideration of, and as a condition precedent to the payment to Seller of the Purchase Price, Seller shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) **Title Documents.** Such other documents, including, without limitation, lien waivers, indemnity bonds, indemnification agreements, and certificates of good standing as shall be required by Buyer, or by the Title Company as a condition to its insuring Buyer's good and marketable fee simple title to the Property.

(ii) **Authority.** Such evidence as the Title Company shall require as to authority of Seller to convey the Property to Buyer.

(iii) **Surveys and Drawings.** All surveys, site plans, and plans and specifications relating to the Property as are in the possession or control of Seller, if any.

(iv) **Assignment.** Seller and Buyer agree any assignment of Buyer's rights under this Agreement shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except as provided in this Agreement. Seller acknowledges and agrees that Buyer shall either assign this Agreement or transfer the Property after Closing to an entity that is affiliated with Buyer. Such transfer or assignment shall not require the consent of Seller.

(v) **Warranty Deed.** A statutory warranty deed ("Deed") conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property in the form set forth in **Exhibit "D"** attached hereto.

(vi) **Restrictive Covenant.** A covenant restricting use of the Property in perpetuity for the specific purposes as defined in RCW 36.70A.030(2) and (19), and as otherwise agreed by the Parties, in the form set forth in **"Exhibit E"** attached hereto.

**11.3 Payment of Costs.** At Closing, Buyer shall pay all charges for title insurance for a standard ALTA owner's title policy insuring Buyer's title, the escrow fee, all

recording fees, technology fees, and real property excise taxes, if any, and any other costs of Closing.

11.4 **Taxes.** Seller is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205(2).

11.5 **Monetary Liens.** Seller shall pay or cause to be satisfied at or prior to Closing all monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements, except where Seller is exempt by statute or administrative rule or regulation.

11.6 **Possession.** Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the improvements, if any, shall be delivered to Buyer in good order.

11.7 **Proration.** All amounts required to be prorated hereunder as of Closing, shall be calculated as if Buyer were in possession of the Property as of the date of Closing.

## 12. Environmental.

12.1 Notwithstanding anything to the contrary in this Agreement or otherwise, the Parties agree that Seller shall have no obligation to defend, indemnify, or hold Buyer harmless with respect to any loss, liability, claim, demand, damage, or expense of any kind, including attorneys' fees, costs, and expenses (collectively, "Loss") arising (a) out of the release or threatened release of Hazardous Substances on, under, above, or about the Property after Closing, or (b) out of the past release or threatened release of any Hazardous Substance on, under, above, or about the Property caused or contributed to by Buyer, or any employee, agent, tenant, or contractor of Buyer.

12.2 **Definitions.** The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," or "solid wastes" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; (d) chlorinated solvents; and (e) asbestos. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions, or hazardous substances.

13. **Indemnification.** Seller shall pay, protect, pay the defense costs of, indemnify and hold Buyer and their successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of Seller set forth in this Agreement, (b) the failure of Seller to perform any obligation required by this Agreement to be performed by Seller, (c) the ownership, maintenance, and/or operation of the Property by Seller prior to the Closing not in conformance with this Agreement, or (d) any injuries to persons or property from any cause

occasioned in whole or in part by any acts or omissions of the Seller, its representatives, employees, contractors or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 12 applies to Losses arising out of the presence of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property except as specifically provided in Paragraph 11 above.

**14. Condemnation.** In the event of any commenced, to be commenced or consummated proceedings in eminent domain or condemnation (collectively “Condemnation”) respecting the Property or any portion thereof, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller shall have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect, there shall be no reduction in the Purchase Price, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, Seller’s entire right, title and interest in and to any condemnation award or settlement made or to be made in connection with such Condemnation proceeding. Buyer shall have the right at all times to participate in all negotiations and dealings with the condemning authority and approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such Condemnation respecting the Property.

**15. Casualty.** If any fire, windstorm or casualty occurs and materially affects all or any portion of the Property on or after the date of this Agreement and prior to the Closing, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller has any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect. The Purchase Price shall not be reduced by the amount of loss or damage occasioned by such casualty not covered by insurance, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to all insurance claims and proceeds to which Seller may be entitled in connection with such casualty. Buyer shall have the right at all times to participate in all negotiations and other dealings with the insurance carrier providing such coverage and to approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such casualty respecting the Property.

**16. Notices.** Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, “Notices”) shall be in writing and shall be validly given or made to another party if delivered either personally or by FedEx, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by FedEx or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given seven days (7) days after the deposit thereof in the

United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Seller: Steven J. Burney, City Manager  
City of Olympia  
601 4<sup>th</sup> Ave E  
PO Box 1967  
Olympia, WA 98507-1967  
Email: [jburney@ci.olympia.wa.us](mailto:jburney@ci.olympia.wa.us)

With a copy to: Mark Barber, City Attorney  
City of Olympia  
601 4<sup>th</sup> Ave E  
PO Box 1967  
Olympia, WA 98507-1967  
Email: [mbarber@ci.olympia.wa.us](mailto:mbarber@ci.olympia.wa.us)

To Buyer: Low Income Housing Institute (LIHI)  
Attn: Lynne Behar, Chief Financial Officer  
1253 S Jackson Street, Suite A  
Seattle, WA 98144  
Email: [lynneb@lihi.org](mailto:lynneb@lihi.org)

Any party hereto may change its address for receiving notices as herein provided by a written notice given in the manner aforesaid to the other Party hereto.

**17. Event of Default.** In the event of a default under this Agreement by Seller (including a breach of any representation, warranty or covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Seller's obligations hereunder.

**18. Miscellaneous.**

**18.1 Applicable Law.** This Agreement shall in all respects, be governed by the laws of the State of Washington.

**18.2 Further Assurances.** Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder to carry out the intent of the Parties hereto.

**18.3 Modification or Amendment, Waivers.** No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in

this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

**18.4 Successors and Assigns.** All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns. Any assignment shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except by the terms of this Agreement. Buyer must notify and, if required, request approval by Seller of any such assignment prior to the Closing. Any such assignee shall for all purposes be regarded as Buyer under this Agreement.

**18.5 Entire Agreement and No Third Party Beneficiaries.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.

**18.6 Jurisdiction, Venue, and Attorneys' Fees.** Jurisdiction and venue shall be in the Superior Court of Thurston County for the State of Washington. Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

**18.7 Construction.** Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Buyer or Seller are required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

**18.8 Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**18.9 Survival.** The recitals, covenants, agreements, obligations to indemnify, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.

**18.10 Finders' or Brokers' Fees.** Seller represents and warrants that it has not engaged the services of any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement. Seller agrees to indemnify, defend and hold harmless Buyer against any loss, liability, damage, cost, claim or

expense, including interest, penalties and reasonable attorneys' fees that Buyer shall incur or suffer by reason of a breach by Seller of the representation and warranty set forth above.

18.11 **Time.** Time is of the essence of every provision of this Agreement.

18.12 **Risk of Loss.** All of Seller's personal property, of any kind or description whatsoever that is on the Property after Closing, shall be at Seller's sole risk of loss.

18.13 **Force Majeure.** Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).

18.14 **Recitals.** The Recitals set forth above are incorporated by this reference into this Agreement and are made a part hereof and shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.

18.15 **Counterparts.** This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned or digital signature, where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same Agreement.

18.16 **Effective Date.** The term "date of this Agreement" or "date hereof" or "Effective Date," as used in this Agreement, shall mean the later of the following dates: (1) the date of Buyer's signature on this Agreement; or (2) the date of Seller's signature on this Agreement.

**\*\*\*SIGNATURES APPEAR ON NEXT PAGE\*\*\***

**BUYER:**

**LOW INCOME HOUSING INSTITUTE  
(LIHI)**, a Washington nonprofit corporation

Lynne Behar

Lynne Behar, Chief Financial Officer

Date: 06/07/2023

**SELLER:**

**CITY OF OLYMPIA**, a Washington  
municipal corporation

Steven J. Burney

Steven J. Burney, City Manager

Date: 06/21/2023

APPROVED AS TO FORM:

Mark Barber

Mark Barber, City Attorney

Date: 06/06/2023

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Lots 3, 4, 5, and 6 of Leach's Johnson Hill Tracts as recorded April 3, 1923, under Auditor's File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor's File No. 579323 and February 20, 1985 under Auditor's File No. 8502200047.

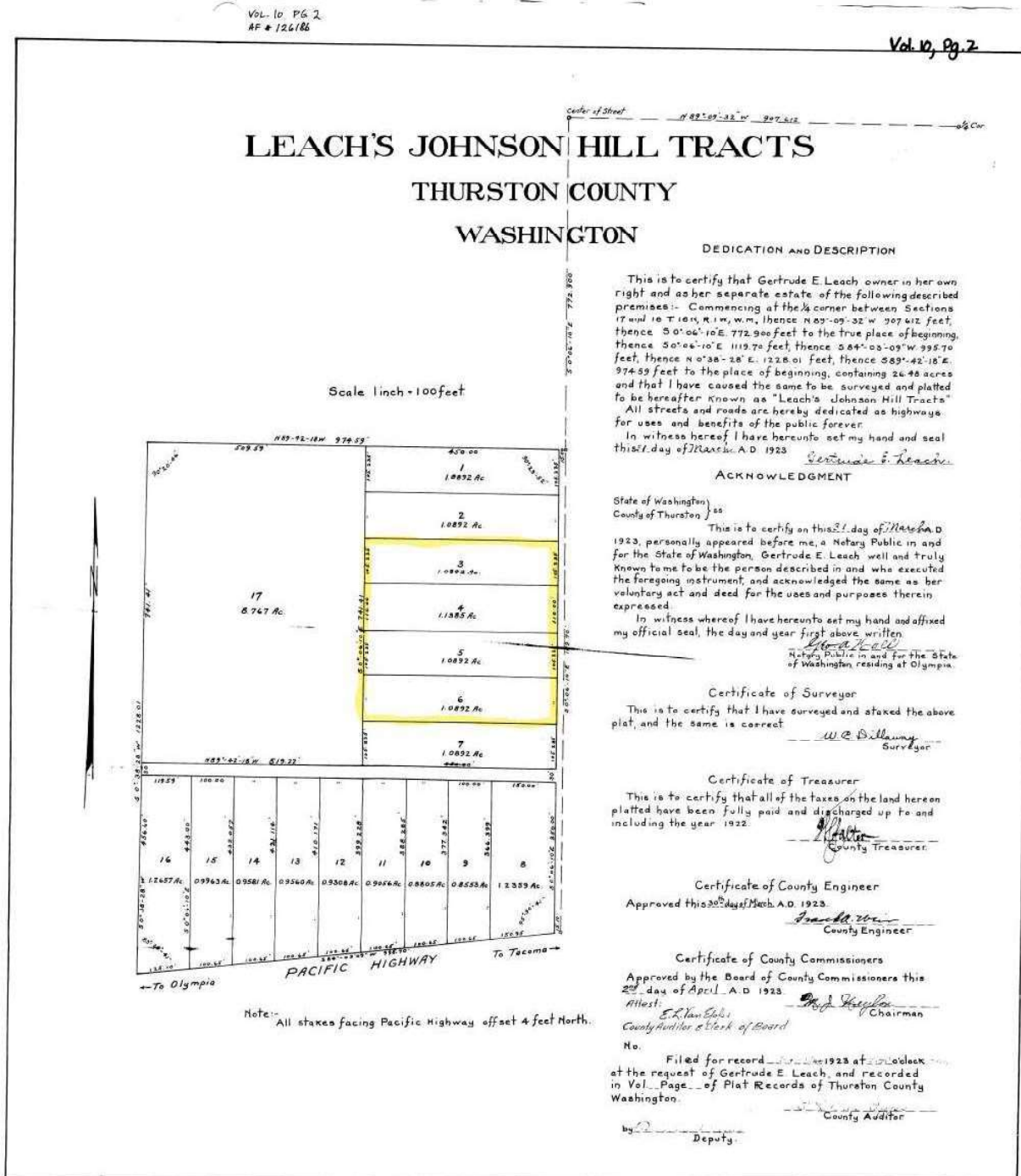
All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to reservations, restrictions, and easements of record.



## EXHIBIT "B"

### GENERAL VICINITY SKETCH



**EXHIBIT “C”**  
**DOCUMENTS AND REPORTS**

1. Copies of all leases or other occupancy agreements relating to the Property, if any, with originals to be delivered at Closing.
2. Copies of all licenses, permits and approvals, if any, issued by governmental authorities for the use and occupancy of the Property or any facility located thereon.
3. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
4. Any service contracts or other similar agreements related to the Property.
5. Reports of environmental conditions related to the Property, if any.
6. Surveys, if any.
7. Soils reports, if any.

**EXHIBIT “D”**  
**FORM OF STATUTORY WARRANTY DEED**

Low Income Housing Institute (LIHI)  
 Attn: Lynne Behar, Chief Financial Officer  
 1253 S Jackson Street, Suite A  
 Seattle, WA 98144

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<b>Document Title:</b>	<b>Statutory Warranty Deed</b>
<b>Grantor:</b>	<b>City of Olympia, a Washington municipal corporation</b>
<b>Grantee:</b>	<b>Low Income Housing Institute (LIHI), a Washington nonprofit corporation</b>
<b>Abbreviated Legal Description:</b>	<b>Lots 3, 4, 5, and Ptn. of Lot 6, Leach’s Johnson Hill Tracts SE 18-18-1W</b>
<b>Assessor’s Tax Parcel Numbers:</b>	<b>58900000300, 58900000301, 58900000400, 58900000500, and 58900000600</b>

The Grantor, **CITY OF OLYMPIA**, a Washington municipal corporation, for and in consideration of the sum of ONE and NO/100---(\$1.00) Dollar, and other good and valuable considerations, in hand paid, hereby conveys and warrants to the Grantee, **LOW INCOME HOUSING INSTITUTE (LIHI)**, a Washington nonprofit corporation, the following described real property and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington, including all after acquired title:

Lots 3, 4, 5, and 6 of Leach’s Johnson Hill Tracts as recorded April 3, 1923, under Auditor’s File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor’s File No. 579323 and February 20, 1985 under Auditor’s File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

**GRANTOR, CITY OF OLYMPIA,**  
a Washington municipal corporation:

**Approved as to legal form:**

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

On the \_\_\_\_ day of \_\_\_\_\_ 2023, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Steven J. Burney, to me known to be the City Manager of the City of Olympia, a municipal corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath states that he is authorized to execute the said instrument.

WITNESS my hand and official seal the day and year first above written.

Signature \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 NOTARY PUBLIC in and for the State of  
 Washington  
 Residing at \_\_\_\_\_  
 My appointment expires: \_\_\_\_\_

**EXHIBIT “E”  
FORM OF RESTRICTIVE COVENANT**

**After Recording Return to:**

City of Olympia  
Attn: Legal Department  
P.O. Box 1967  
Olympia, WA 98507-1967

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<b>Document Title:</b>	<b>Restrictive Covenant</b>
<b>Grantor:</b>	<b>Low Income Housing Institute (LIHI), a Washington nonprofit corporation</b>
<b>Grantee:</b>	<b>City of Olympia, a Washington municipal corporation</b>
<b>Abbreviated Legal Description:</b>	<b>Lots 3, 4, 5, and Ptn. of Lot 6, Leach’s Johnson Hill Tracts SE 18-18-1W</b>
<b>Assessor’s Tax Parcel Numbers:</b>	<b>58900000300, 58900000301, 58900000400, 58900000500, and 58900000600</b>

**RESTRICTIVE COVENANT**

As additional consideration to the City of Olympia, a Washington municipal corporation (“Grantee”), for the purchase of its real property by Low Income Housing Institute (LIHI), a Washington nonprofit corporation (“Grantor”), Grantor and Grantee agree that the real property legally described as:

Lots 3, 4, 5, and 6 of Leach’s Johnson Hill Tracts as recorded April 3, 1923, under Auditor’s File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor’s File No. 579323 and February 20, 1985 under Auditor’s File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

shall be held, transferred, sold, conveyed, leased, used, assigned, and occupied in perpetuity subject to the following covenants and restrictions:

1. The above legally described real property shall be used in perpetuity to provide affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter lawfully amended, and providing housing-related facilities and programs; and
2. The residential units to be constructed upon the real property shall have approximately seventy (70) studio and one-bedroom units, and one additional one-bedroom unit for an on-site housing manager; and
3. An estimated thirty (30) residential units shall be accessible to disabled persons; and
4. The real property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term “permanent supportive housing” is defined in RCW 36.70A.030(19), as now or hereafter lawfully amended, which means subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors, and no other purpose except as expressly agreed by the Parties herein; and
5. The residential units to be constructed upon the property shall be for households with Area Median Income (AMI) of thirty percent (30%) or less. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income; provided, however, if a tenant is not receiving a project-based Section 8 voucher, such tenant may be charged the applicable restricted rent for such unit at 30% AMI; and
6. Grantor agrees it will seek project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; and
7. Grantor shall select persons for residential placement upon the real property by use of Thurston County’s Coordinated Entry system to prioritize persons who are homeless or facing housing insecurity in Thurston County, Washington; and
8. Grantor shall provide for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289.

It is the express intent of the Grantor and Grantee that the provisions of the Restrictive Covenants stated herein shall be deemed to run with the land in perpetuity unless otherwise stated, and shall pass to and be binding upon Grantor’s successors in title, including any subsequent purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser,

grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein.

It is further agreed by Grantor and Grantee, that Grantee shall have the right to enforce the aforesaid Restrictive Covenants running with the land by either a request for equitable relief and specific performance or an action at law for damages, or by both such equitable relief and monetary damages, in the Superior Court of Thurston County for the State of Washington, as permitted by law. The prevailing party shall be entitled to recover its attorneys' fees and costs of litigation to enforce the covenants set forth herein.

**GRANTOR: LOW INCOME HOUSING INSTITUTE (LIHI),**  
a Washington nonprofit corporation

\_\_\_\_\_  
Lynne Behar, Chief Financial Officer

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

I certify that I know or have satisfactory evidence that **Lynne Behar**, Chief Financial Officer of the Low Income Housing Institute (LIHI), a Washington nonprofit corporation, appeared before me, and that said person acknowledged that she signed this instrument, and on oath stated that she is authorized to execute this instrument, and acknowledged it as her free and voluntary act for the uses and purposes mentioned in the instrument.

\_\_\_\_\_  
Signature

Print Name \_\_\_\_\_

NOTARY PUBLIC in and for the State of \_\_\_\_\_

Residing at \_\_\_\_\_

My appointment expires: \_\_\_\_\_

**GRANTEE : CITY OF OLYMPIA,**  
a Washington municipal corporation

Dated: \_\_\_\_\_

**Mark Barber, City Attorney**

On the \_\_\_\_ day of \_\_\_\_\_ 2023, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Steven J. Burney**, to me known to be the City Manager of the City of Olympia, a municipal corporation, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned and on oath states that he is authorized to execute the said instrument.

Signature \_\_\_\_\_  
 Print Name \_\_\_\_\_  
 NOTARY PUBLIC in and for the State of \_\_\_\_\_  
 \_\_\_\_\_  
 Residing at \_\_\_\_\_  
 My appointment expires: \_\_\_\_\_



## EXHIBIT "F"

RESOLUTION NO. M-2289

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, TO  
RESPOND TO THE CLIMATE EMERGENCY, DECLARING THE INTENT OF THE CITY TO  
ELECTRIFY CITY-OWNED FACILITIES AND OLYMPIA'S BUILT ENVIRONMENT**

**WHEREAS**, climate change is an existential crisis posing one of the most serious threats to the existence of humanity and all species on the planet; a threat that intersects and compounds all other crises facing humanity and our earth; and

**WHEREAS**, the 11th United Nations Intergovernmental Panel on Climate Change ("IPCC") report from October 2018 states that we must cut greenhouse gas emissions in half by 2030 to limit devastating global warming and avoid a climate catastrophe; and

**WHEREAS**, in 2018, the City of Olympia adopted Resolution No. M-1976 adopting common targets to reduce communitywide greenhouse gas emissions 45 percent below 2015 levels by 2030, and then 85 percent below 2015 levels by 2050. In 2019 these goals were placed in the Comprehensive Plan via amendment; and

**WHEREAS**, in 2019, in collaboration with Olympia High School students, Olympia approved a Resolution Expressing a Commitment to Protect the Youth of this Community from the Risks of Climate Destruction (M-2045), which among other things committed the City to achieve net zero emissions by 2040; and

**WHEREAS**, in February 2021, the City passed a Resolution Declaring a Climate Emergency (M-2194). A declaration that challenges our regional partners and community members to "to help further the Thurston County Climate Mitigation Plan through partnership with local jurisdictions and other entities" and to "adopt a lens of climate change and climate equity" in planning, zoning, permitting, budgeting, expenditures, ordinances, and all other city efforts, policies, and practices to further climate action efforts and our accepted regional climate mitigation plan; and

**WHEREAS**, in February 2021, the City accepted the Thurston Climate Mitigation Plan (TCMP), committing the City to working with Thurston County, the cities of Lacey and Tumwater and the Thurston Regional Planning Council to substantially reduce regional greenhouse gas emissions; and

**WHEREAS**, a Greenhouse Gas Inventory Report for Calendar Years 2015 – 2019 found that Thurston County greenhouse gas emissions have increased 15% since 2015, and the built environment was responsible for 63% of all emissions in 2019; and

**WHEREAS**, in Washington State, homes and buildings are the single fastest growing source of carbon pollution, up 50 percent since 1990, and now account for 27 percent of Washington's carbon emissions; and

**WHEREAS**, natural gas consumption represents the second largest source of greenhouse gas emissions from the built environment in Thurston County and the Thurston Climate Mitigation Plan identifies reducing natural gas use as a key strategy to achieve the most substantial reductions in local greenhouse gas emissions; and

**WHEREAS**, methane leaks during the production, processing, transmission, and distribution of natural gas can be substantial, releasing a potent greenhouse gas with 84 times the warming potential of carbon dioxide; and

**WHEREAS**, the United States and other leading economies recently agreed to the Global Methane Pledge to reduce Methane emissions 30 percent by 2030; and

**WHEREAS**, in 2019, Washington State passed the Clean Energy Transformation Act (CETA), which sets milestones for electric utilities to transition toward a 100% clean electricity. Under CETA, utilities must eliminate coal-fired electricity from their mix by 2025, become greenhouse-gas neutral by 2030 (using offsets, if necessary), and provide 100 percent renewable energy by 2045; and

**WHEREAS**, Olympia must take additional measures to decarbonize, transitioning from fossil fuel powered space-heating, water-heating, and cooking equipment to all-electric buildings powered by affordable, renewable electricity; and

**WHEREAS**, electrification will improve indoor air quality and overall health, by eliminating natural gas combustion inside homes that produces harmful indoor air pollution; and

**WHEREAS**, there are well-documented risks to respiratory health from gas stove pollution, and infants and children are particularly vulnerable to respiratory illnesses associated with gas stove pollution; and

**WHEREAS**, lower-income households are more likely to suffer from health impacts from outdoor and indoor air pollution, which are exacerbated when exposed to pollution from gas stoves; and

**WHEREAS**, electrification is widely recognized as a powerful strategy to address both climate change and poor air quality in the frontline communities most vulnerable to climate impacts; and

**WHEREAS**, every new building relying on fossil fuels for heating, cooling, and cooking will have a negative impact on the climate for decades to come and require additional investments to be retrofitted to electric systems as the climate emergency worsens; and

**WHEREAS**, in June of 2021, the Olympia City Council supported a referral to require the electrification of all new City-owned buildings and major renovations of existing City buildings; and

**WHEREAS**, in June of 2021, the Olympia City Council supported a referral directing staff to develop a scope, schedule, and budget to conduct a regional cost assessment of requiring non-fossil fuel sourced heating and power in new commercial and residential development in the City; and

**WHEREAS**, the City has the opportunity to lead by example to make decisive, transformative, and sustainable changes in its municipal energy consumption, and can significantly lower the City's greenhouse gas emissions and overall carbon impact; and

**WHEREAS**, citywide building electrification is necessary to achieve Olympia's greenhouse gas reduction targets, and such actions will also improve public health and increase the quality of life throughout the City;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OLYMPIA**, that the City of Olympia recognizes the global and local benefits of accelerating the transition to all-electric buildings throughout the City; and be it

**FURTHER RESOLVED** as follows:

**Section 1.** The City Manager is directed to electrify all newly constructed City-owned buildings and major renovations of existing City buildings, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Additional upfront costs of five percent (5%) or less shall not be considered a cost constraint. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective January 12, 2022.

**Section 2.** The City Manager is directed to require the electrification of all new projects and major renovations of existing buildings receiving City funding of \$50,000 or more, a donation of City property with an appraised value of \$50,000 or more, or a sale of City-owned property where the difference between the appraised value and sale price is \$50,000 or more, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Council may consider the total cost of construction and operating costs in determining the issue of cost constraints. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective following a work session to discuss citywide electrification on or before April 1, 2022.

**Section 3.** The City Manager is directed to inventory City-owned facilities that use fossil fuels and evaluate the feasibility of retrofitting existing buildings to become all-electric by 2030. The inventory and evaluation will make use of existing reports and data to prepare preliminary feasibility recommendations by January 1, 2024.


**Section 4.** The City of Olympia will encourage the Washington State Legislature and State Building Code Council, and other local entities, such as Thurston County, neighboring cities, school districts, and major institutions, to join in this step to address regional greenhouse emissions from our built environment, by adopting similar building electrification policies to invest in clean energy assets.

**Section 5.** The City Manager is directed to schedule a City Council work session no later than April 1, 2022, to discuss policy pathways and potential challenges to citywide electrification of all new buildings


**PASSED BY THE OLYMPIA CITY COUNCIL** this 18th day of January 2022.

  
MAYOR

ATTEST:

  
CITY CLERK

APPROVED AS TO FORM:

  
CITY ATTORNEY

## **EXHIBIT “B”**

### **SLFRF CONDITIONS**

This agreement includes a transfer of American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from Thurston County and City of Tumwater to the City of Olympia. In accordance with the US Department of the Treasury Final Rule, dated January 27, 2022, the City of Olympia (OLYMPIA) is designated as a subrecipient, and payments made by Thurston County (COUNTY) will be using SLFRF funds as subawards.

#### **Federal Award Identification:**

American Recovery Plan Act (ARPA) Coronavirus State and Local Fiscal Relief Fund (SLFRF), Assistance Listing 21.027

Subrecipient: City of Olympia, Washington

Subrecipient Unique Entity Identifier: Olympia UEI # YGAHKBHB8B43

Federal Award Identification Number:

Federal Award Date: March 3, 2021

Subaward Period of Performance: December 15, 2021 - December 31, 2024

Subaward Budget Period: December 15, 2021 - December 31, 2024

Amount of SLFRF Obligated for development of the property: \$3,275,000

Total SLFRF Funds Obligated to this subrecipient as of February 15, 2021

Total Federal Funds Obligated to this subrecipient as of February 15, 2022: \$0

Federal Awarding Agency: U.S. Department of Treasury

Recipient (pass-thru entity): Thurston County, City of Tumwater

Recipient Awarding Official:

Robin Campbell, Interim County Manager

360-709-3063

[campber@co.thurston.wa.us](mailto:campber@co.thurston.wa.us)

#### **Indirect Cost Rate:**

No indirect costs will be charged for this project.

#### **Subrecipient Requirements:**

The project funded under this Agreement is the development of property to provide permanent supportive housing to homeless individuals as described in the Interlocal Agreement. This activity is eligible under the SLFRF Final Rule “Development, repair, and operation of affordable housing and services or programs to increase long-term housing security.”

This program includes a capital expenditure that exceeds \$1 million. An Interlocal Agreement Between the City of Olympia and Thurston County for Sharing Costs of Acquisition, Planning, Development, and Operations of Property Located on Franz Anderson Road, which was preceded by a Memorandum of Understanding (MOU) entered into between OLYMPIA and Thurston County on December 15, 2021, agreeing to jointly and equally share in the costs of purchase, development of the Franz Anderson property; jointly provide and coordinate funding support through the Regional Housing Council (RHC) for ongoing management of the facility

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

for three years, provided that funding support is provided by the RHC; and prepare all necessary agreements to achieve the goals of the MOU, preceded a Real Estate Purchase and Sale Agreement entered into between OLYMPIA and Kaufman Holdings, Inc., and Kaufman Real Estate, LLC, on December 15, 2021, in anticipation of the joint project showed significant steps toward obligating SLFRF funds have been taken prior to January 6, 2022. This precludes the need for written justification for a capital project under the SLFRF Final Rule.

This program is intended to benefit low income households, a group US Department of the Treasury presumes as disproportionately impacted by the pandemic. Improvements to a vacant property, including rehabilitation, maintenance, renovation, demolition or deconstruction, and cleanup and conversion to affordable housing is an allowable use of funds to respond to the disproportionate impact of the pandemic on low income households. In operating this site, the subrecipient must ensure users of this site meet the US Treasury definition of low income.

Each calendar quarter, OLYMPIA shall provide all required information to enable COUNTY to meet reporting requirements of the SLFRF as directed by US Department of the Treasury.

OLYMPIA is a local government municipality subject to the Federal Single Audit Act and audited regularly by the Washington State Auditor's Office. COUNTY shall conduct a risk assessment of OLYMPIA and shall each develop a Monitoring Plan based on the risk assessment determination. To the extent possible, Monitoring Plans should be consistent and developed in coordination with OLYMPIA.

By signing this agreement, OLYMPIA is confirming that they are not suspended, disbarred, or otherwise excluded from participation in federal assistance.

OLYMPIA shall maintain effective internal controls to provide reasonable assurance the federal award is managed in accordance with applicable rules and regulations. Federal funds shall not be used as cost sharing or to meet matching requirements of other federal awards.

In the event federal funds are used for purposes other than the purchase of the Franz Anderson property, OLYMPIA must comply with procurement rules of 2 CFR 200.317 - 327.

OLYMPIA shall submit to the COUNTY an annual report of the status of real property acquired using federal funds under this Agreement.

OLYMPIA must make available upon request of the COUNTY or an auditor all records, personnel, and financial statements as necessary to meet monitoring requirements.

OLYMPIA shall provide COUNTY an opportunity to review all contracts and sub-awards, prior to execution, for the purpose of ensuring SLFRF compliance and alignment with overall project goals.

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

Financial records, supporting documents and all other records relating to the Interlocal Agreement must be retained for five (5) years following the final disposition of the Franz Anderson property.

No expenditures of SLFRF costs shall be incurred after December 31, 2024, unless the cost is allowable under the terms of this agreement including any amendments signed by both parties, SLFRF funding is available, the award period in the agreement is extended, and an obligation is authorized by COUNTY.

At the end of the Interlocal Agreement, all reports required for close-out of the award will be provided by OLYMPIA no later than 90 days following the end date of performance. Costs paid with federal funds must be allowable and allocable in accordance with 2 CFR 200 Subpart E.

#### **Cost Principles:**

All SLFRF funds pooled as part of this agreement and must comply with 2 CFR 200, in its entirety, unless specifically exempted by the U.S. Department of Treasury.

This agreement is subject to termination in the event of non-compliance with the terms of this agreement. If the agreement is terminated, COUNTY will provide a written notice of the reason for the termination, the effective date of the termination and the portion to be terminated. Prior to termination, COUNTY and OLYMPIA will come to an agreement of any settlement due to OLYMPIA for services provided.

#### **Additional regulations that apply to this award, without limitation, include:**

- SLFRF Final Rule, 31 CFR Part 35, and SLFRF Frequently Asked Questions issued by the U.S. Department of Treasury are hereby incorporated by reference.
- Universal Identifier and System for Award Management (SAM), 2 CFR Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR Part 25 is hereby incorporated by reference.
- Reporting Subaward and Executive Compensation Information, 2 CFR Part 170, pursuant to which the award term set forth in Appendix A to 2 CFR Part 170 is hereby incorporated by reference.
- OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 CFR Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR. Part 180, subpart B) that the award is subject to 2 CFR Part 180 and Treasury's implementing regulation at 31 CFR Part 19. 3 9. b. v. vi. vii. viii. ix. c. i. ii. iii. iv. v. 10. 11. 12. 13. 14. a. b. 15.
- Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
- Governmentwide Requirements for Drug-Free Workplace, 31 CFR Part 20.

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

- New Restrictions on Lobbying, 31 CFR Part 21. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 USC §§ 4601-4655) and implementing regulations.
- Hatch Act (5 USC §§ 1501 - 1508 and 7324 - 7328), which limits certain political activities of state or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
- Protections for Whistleblowers (41 USC §§ 4712).
- The subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 USC § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 USC § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.
- Any publications produced with funds from this award must display the following language: "This project is supported, in whole or in part, by federal award under assistance listing number 21.027 awarded to Thurston County by the US Department of the Treasury." Clean Air Act and the Federal Water Pollution Control Act – 2 C.F.R. Part 200, Appendix II (G); 42 U.S.C. §§ 7401-7671q.; 33 U.S.C. §§ 1251-1387.
- Federal Water Pollution Control Act.
- Conflict of Interest and Code of Conduct.
- Treasury labor standards described in the Final Rule on p. 56: project labor agreements, wages at or above prevailing rate, local hire provisions, etc.
- The Final Rule, p. 56, requirements of 2 C.F.R. 200 Appendix II to capital expenditure over \$100,000 with a contract involving employment of mechanics or laborers.
- Termination for Cause and for Convenience.
- Equal employment opportunity.
- Davis-Bacon Act.
- The Final Rule, p. 56, regarding compliance with Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations, 29 C.F.R. Part 5.

**EXHIBIT "C"**  
**PROPOSED DEVELOPMENT TIMELINE**

Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson  
Road SE Property Permanent Supportive Housing



## Form 5: Project Schedule

Project Name: Franz Anderson PSH

Category	Tasks	Date Completed or Expected Complete	Notes / Status
Occupancy	Selection of service providers	3/15/2023	LIHI to provide case mgmt; behavioral health with SeaMar
Design/Permitting	Preliminary drawings completed	3/20/2023	
Financing	Application for funding (specify source):	3/27/2023	City of Olympia SOI
Financing	Award date for funding source (specify):	4/18/2023	
Site Control	Purchase and Sale Agreement / Option	6/7/2023	(e.g., Executed PSA/ Option)
Feasibility/Due Diligence	Phase I Environmental Assessment	8/3/2023	
Site Control	Closing	8/29/2023	(e.g., Must Close on December 31, 2008)
Financing	Capital Finance Closing	8/29/2023	
Feasibility/Due Diligence	Site survey	9/6/2023	(e.g., Completed on schedule)
Design/Permitting	Schematic Design Completed	9/15/2023	
Financing	Application for funding (specify source):	9/18/2023	State HTF
Financing	Application for funding (specify source):	11/6/2023	WSHFC 9% LIHTC
Financing	Award date for funding source (specify):	12/1/2023	
Financing	Award date for funding source (specify):	12/1/2023	
Design/Permitting	Design Development Completed	12/24/2023	
Financing	Lender selection	1/15/2024	
Financing	Investor Selected	1/15/2024	
Feasibility/Due Diligence	Neighborhood notification (if required)	2/16/2024	
Construction	Selection of general contractor	3/1/2024	we are currently using Walsh Co. for Pre-development
Design/Permitting	Zoning approval	3/8/2024	
Financing	Application for Service funding	4/15/2024	Thurston County Housing Authority
Design/Permitting	Building permit application submitted	4/18/2024	
Feasibility/Due Diligence	SEPA	6/1/2024	
Feasibility/Due Diligence	NEPA Clearance	6/1/2024	
Feasibility/Due Diligence	Choice Limiting Actions Clearance	6/1/2024	
Design/Permitting	Final Plans and Specs Completed	6/12/2024	
Financing	Appraisal	6/15/2024	To be done by equity investor
Financing	Funding for services awarded	6/15/2024	
Design/Permitting	Construction Documents Completed	6/26/2024	
Design/Permitting	Site plan approval	7/4/2024	
Design/Permitting	Submit Evergreen Project Plan	7/15/2024	
Financing	Award date for Service Funding/Commitment	8/1/2024	
Design/Permitting	Building permits issued	8/8/2024	
Financing	Financial underwriting	8/15/2024	
Construction	Begin Construction	9/2/2024	
Financing	Construction cost estimate	9/14/2024	
Occupancy	Projected First LIHTC Year start	1/1/2025	
Occupancy	100% lease-up	2/15/2025	
Occupancy	Qualified Occupancy	2/15/2025	
Occupancy	Service Funding Starts	10/1/2025	
Construction	Issued certificate of occupancy	11/2/2025	
Occupancy	Begin lease-up	11/3/2025	
Occupancy	Placed in service - 1st Building	11/3/2025	
Occupancy	Placed in service - Last Building	11/3/2025	
Feasibility/Due Diligence	Capital needs assessment	11/15/2025	
Occupancy	Evergreen Sustainable Development Standard Occupancy Manual Approval	12/15/2025	
Financing	Permanent Financing Conversion	4/1/2026	
Financing	Final Equity Pay-In (LIHTC projects)	4/1/2029	Capitalized reserves
Site Control	Maximum Extensions		(e.g., Must Waive Financing Contingency 6/30/08)
Feasibility/Due Diligence	Market study		n/a - 9% LIHTC Project
Feasibility/Due Diligence	Phase 2 Environmental Assessment		N/a
Feasibility/Due Diligence	Relocation of existing tenants		n/a
Relocation	Planning and budget		n/a

Relocation	Initiation of negotiations		n/a
Relocation	GIN's delivered to tenants		n/a
Relocation	Advisory services to tenants		n/a
Relocation	Notice of Eligibility to tenants		n/a
Relocation	Notice of Non-displacement to tenants		n/a
Relocation	90 day notice to tenants		n/a
Relocation	Tenant move out		n/a
Occupancy	Selection of management entity		n/a - LIHI to Self Manage

TO: City Council  
FROM: Michelle Sutherland, ASD Director  
DATE: December 5, 2023  
SUBJECT: Memorandum of Participation in the Firefighter Injury and Illness Reduction (FIIRE) Pilot Program for 2024

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1) Recommended Action:

Approve and authorize the Mayor to sign the Memorandum of Participation in the Firefighter Injury and Illness Reduction (FIIRE) Pilot Program for 2024 and future extensions of program participation.

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2) Background:

The Fire Department has successfully completed all requirements of the FIIRE Pilot Program Year Two requirements and has been invited to participate in a third year of the program. The goal of the FIIRE program is to reduce firefighter injuries and illnesses through proactive risk management and implementation of best practices.

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3) Policy Support:

It is the policy of the City of Tumwater to provide and maintain a safe, accident-free and healthful working environment for all its employees.

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4) Alternatives:

☐ Reject the contract.

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5) Fiscal Notes:

The City receives a 10% premium incentive discount for the Labor & Industries risk class 6904 (County and City Firefighters) base premium rate. The discount code will be applied starting January 1, 2024, and ending December 31, 2024.

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6) Attachments:

A. Memorandum of Participation of City of Tumwater and the Tumwater Fire Department in the Firefighter Injury and Illness Reduction (FIIRE) Pilot Program

**MEMORANDUM OF PARTICIPATION of  
City of Tumwater and the Tumwater Fire Department  
(Workers' Compensation Account # 077, 792-000)  
IN THE FIREFIGHTER INJURY AND ILLNESS REDUCTION (FIIRE) PROGRAM PILOT**

**January 2024 – December 2024**

The goal of the Firefighter Injury and Illness Reduction (FIIRE) Program Pilot is to reduce firefighter injuries and illnesses through proactive risk management and implementation of best practices. The FIIRE Program Pilot will last three years (2021-2024), but fire departments must engage for at least one year. This agreement applies to the 2024 FIIRE Program Pilot Year.

We, the City of Tumwater ("Employer") and the Tumwater Fire Department ("Fire Department") (collectively "we") understand and agree to the terms of the 2024 Firefighter Injury and Illness Reduction Program Pilot Year as outlined below.

**A. Requirements**

To be eligible for the incentive, we understand that we must meet the following requirements for our fire department operations:

1. Complete a Progress review site visit by L&I. We understand that we must contact L&I by **July 12, 2024** to schedule the site visit, and complete the site visit by **September 27, 2024**.
2. Evaluate efforts to optimize safety committee activities, assessing if the committee is applying proactive risk management principles to hazard identification, incident investigations, and injury/near-miss reporting.
3. Assess progress of the Safety Improvement Plan (SIP) at reducing carcinogen exposures and the incidence of musculoskeletal disorders, such as those related to patient transport and equipment handling. Consider development and implementation of a new SIP or substantially revised SIP where appropriate based on monitoring or other assessment. To be eligible for grant funding for 2024, a new or substantially revised SIP is required and must be developed by **May 31, 2024** and implemented from **June 1, 2024** through **December 31, 2024**.
4. Assess return to work policies, at improving outcomes for injured firefighters and reducing time-loss costs to the department.
5. Send a firefighter representative to attend all Fire Fighter Health and Safety Collaborative meetings. We understand that attendance is mandatory and absences are not permitted. We will contact FIIRE staff prior to the meeting, or within one week, for an appropriate substitution if work circumstances prohibit attendance.
6. Submit quarterly reports and the end-of-the-year report to the L&I FIIRE Program. The L&I FIIRE Program will send a quarterly report questionnaire/form. Submittal is required within 3 weeks of receipt.

7. We agree to continue to keep our L&I Premium Account in good standing according to WAC 296-17-31004.
8. We understand the value of line firefighter input and we will make every effort to include them in our program.

**B. Incentives**

1. We understand that once we meet the requirements, we will receive a 10% premium incentive discount for the risk class 6904 base premium rate. The discount will be applied starting January 1, 2024 and ending December 31, 2024. Upon submittal of this agreement, a new rate notice will be sent reflecting the discounted rate and employee deduction rate.
2. For the purposes of quarterly reporting, we agree to report the hours worked in class 6904 under the internal code 6992 for the FIIRE Program. This internal code will be on our quarterly premium notice. We understand that these codes are for internal use with the discounted rates and do not create a new risk class.

**C. Termination**

1. We understand that this agreement will terminate on December 31, 2024.
2. We understand that we may terminate our participation in the FIIRE Program Pilot at any time upon notice to L&I. We understand that if we voluntarily terminate our participation, we will no longer receive any discount.
3. We understand that L&I may suspend or terminate this agreement should we no longer be in compliance with the requirements. To the extent permitted by law, we understand that we will be given notice and an opportunity to comply before suspension or termination.

**Authorized Representative from the Employer**

Type or Print Name:

Position:

\_\_\_\_\_

\_\_\_\_\_

Signature

Date:

\_\_\_\_\_

\_\_\_\_\_

**Authorized Representative from Fire Department**

Type or Print Name:

Position:

\_\_\_\_\_

\_\_\_\_\_

Signature

Date:

\_\_\_\_\_

\_\_\_\_\_

**Authorized Union Representative**

Type or Print Name:	Position:
<hr/>	<hr/>
Signature	Date:
<hr/>	<hr/>

**Department of Labor & Industries**

Keith Bingham, L&I Employers Services Program Manager

Signature	Date:
<hr/>	<hr/>

TO: City Council  
 FROM: Austin Ramirez, Economic Development Program Manager  
 DATE: December 5, 2023  
 SUBJECT: 2024 Legislative Agenda

---

1) Recommended Action:

Approve the City's 2024 Legislative Agenda.

---

2) Background:

The City annually adopts a Legislative Agenda to guide the City's policy and funding requests for the State Legislature. The Agenda is developed by reviewing the City's adopted plans, trending issues at the Legislature, emergent policy issues, Association of Washington Cities (AWC) legislative issues, and regional legislative initiatives. The Agenda both guides City requests for Legislative action but also assists staff in knowing how to respond to requests of the City's position on policy issues. The AWC Legislative info is available at: <https://wacities.org/advocacy/City-Legislative-Priorities>.

Several key items will also be included under the Thurston Shared Legislative Agenda Partnership, however, that will be finalized later in the year. The Partnership works to advance regional priorities for the upcoming State Legislative session. These priorities, when approved, will provide multiple and broad benefits to the entire region due to the significant scope and impact across and between entities.

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3) Policy Support:

Strategic Priority: "Pursue Targeted Community Development Opportunities" –

- Facilitate Brewery Redevelopment
- Facilitate Capitol Boulevard Corridor Redevelopment

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"

- Bush Prairie HCP Carbon Sequestration
- 

4) Alternatives:

- ☐ Do not adopt a Legislative Agenda
  - ☐ Make changes to the proposal
- 

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.

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6) Attachments:

- A. 2024 Legislative Agenda
- B. AWC 2024 Legislative Priorities





## 2024 Legislative Priorities

### City of Tumwater Legislative Agenda

#### Bush Prairie Carbon Sequestration\*

\$2 million

The City of Tumwater and the Port of Olympia are working to acquire mitigation land for the Mazama Pocket Gopher to support successful implementation of the Bush Prairie Habitat Conservation Plan (HCP). In addition to offsetting the impacts of development on gopher habitat, research shows that prairies perform significant sequestration by storing carbon in deep fibrous root systems. Because the carbon is stored in the soil, this also makes prairies a more resilient form of carbon sequestration, as they do not release carbon into the atmosphere when burned (as would occur with carbon sequestered in trees). The city anticipates it will need to purchase and preserve approximately 1,500 acres of prairie habitat over the next 30 years to offset projected development impacts. The Thurston Regional Planning Council (TRPC) estimates this acreage will sequester approximately 2,100 MTCO<sub>2</sub>e/year (metric tons of carbon dioxide equivalent per year). It is estimated that an investment of \$2 million will enable the City of Tumwater to purchase 20 to 30 acres of prairie habitat. It is critical that the City and Port demonstrate a commitment to obtaining and preserving gopher habitat as soon as possible to support adoption and implementation of the HCP.

The State's Climate Commitment Act (CCA) established multiple accounts to house cap-and-invest auction proceeds until they are appropriated for specific projects by the Legislature. The auctions have generated approximately \$1.5 billion in the first year, far exceeding any projections. The City of Tumwater is requesting funds from the CCA's Natural Climate Solutions Account, which focuses on projects that protect fish and wildlife habitats, including those that preserve or establish carbon sequestration in forests and agricultural soils.

*\*This item is also identified as a regional priority for the Shared Legislative Agenda.*

#### E Street Connection Engineering and Permitting

\$6.6 million

The City of Tumwater plans to build a connection from Capitol Boulevard to Cleveland Avenue (Yelm Highway) at E Street to alleviate congestion near the brewery, provide access over the railroad tracks to the brewery warehouse, and provide an alternate route for through traffic. It is estimated that 80% of daily drivers on Capitol Boulevard start and end their trips in other cities. The conceptual design for the E Street Connection 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](http://www.ci.tumwater.wa.us/estreet)

#### 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, several thousand housing units in the pipeline for construction in the next few years, and a growing retail base. This request is to support the City and new development—public, private-retail, private-industrial, and residential—in adding the first of two roundabouts at either end of the interchange. The improvements are needed to reduce congestion, facilitate freight movement, to avoid back-ups onto I-5 at peak hours, to improve safety, to allow and promote economic development, and to support significant additional housing. The entire project is \$15 million, with the other funds coming from development and the City.

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

In 2020, the State Department of Transportation vacated the Olympic Region offices located at 5720 Capitol Blvd SE, Tumwater, WA 98501. The 10-acre site was identified as the keystone to the city's Capitol Boulevard Corridor Plan. It would create opportunities to provide affordable and market-rate housing, retail, public, and potentially historic preservation.

The City and WSDOT are currently in discussions to jointly perform due diligence on the site. If the parties move forward with a purchase and sale agreement, the City of Tumwater is asking the Legislature to make the State Department of Transportation whole for them to transfer the property to the City. The vision is for one-third of the property to be available for affordable housing, one-third available for market-rate housing, and the remainder would be for commercial and public uses. 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.

**Shared Legislative Agenda**

*The list of regional legislative priorities will be finalized later in the year as participating agencies submit their proposals. Current proposals include:*

**I-5 Corridor**

Continue focus on I-5 corridor between Mounts Road & Tumwater and the design and construction of the funded State Route 507 roundabouts.

**Regional Basic Law Enforcement Academies**

Provide a training center and two BLEA classes in Thurston County to expedite the training of police officers once hired.

**Bush Prairie Carbon Sequestration\***

Use \$2M from the Natural Climate Solutions Account to acquire local properties for carbon sequestration habitat preservation.

**Supportive Housing**

Develop long-term funding solutions to sustain supportive housing acquisitions.

**Board of Health Efficiencies**

Eliminate the requirement that all elected county commissioners must serve on the sit on County Board of Health

**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 only 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 four priorities. Detailed information and fact sheets are available at <https://wacities.org/advocacy/City-Legislative-Priorities>.

1. **Help recruit and retain police officers for public safety.** Provide additional funding tools and resources for officer recruitment and retention to improve public safety. This includes updating the existing local option Public Safety Sales Tax to allow implementation by councilmanic authority and greater flexibility for using the funds to cover increased officer wages and related programs like behavioral health co-response teams.
2. **Revise the arbitrary 1% property tax cap** that has been in place for more than 20 years. Tie the tax to inflation and population growth factors with a new cap not to exceed 3%. This allows local elected officials to adjust the local property tax rate to better serve our communities and keep up with the costs of providing basic services like police, fire, streets, and valued community amenities like parks. The current 1% cap has created a structural deficit in cities' revenue and expenditure model, causing reliance on regressive revenues and artificially restricting the ability of property taxes to fund critical community needs.
3. **Continue strong state investments in infrastructure funding** to support operations and maintenance of traditional and non-traditional infrastructure like drinking water, wastewater, and broadband. Expand funding options that support state and local transportation needs with emphasis on preservation and maintenance to prevent expensive replacement and repairs. Improve access to Climate Commitment Act funding, including direct distributions, for city priorities that support carbon reduction and climate resiliency.
4. **Provide behavioral health resources.** Create greater access to behavioral health services to include substance use disorder treatment and dual diagnosis treatment facilities. Support continued state funding for cities to help communities establish alternative response programs like co-responder programs, diversion programs, and others that provide options beyond law enforcement to assist individuals experiencing behavioral health challenges.

*Adopted:*

## Contact

Debbie Sullivan, Mayor  
(360) 754-4120  
[dsullivan@ci.tumwater.wa.us](mailto:dsullivan@ci.tumwater.wa.us)

Lisa Parks, City Administrator  
(360) 754-4120  
[lparks@ci.tumwater.wa.us](mailto:lparks@ci.tumwater.wa.us)

Tumwater City Hall | 555 Israel Road SW | Tumwater WA 98501

# 2024 City Legislative Priorities

Strong cities make a great state. Cities are home to 65% of Washington's residents, drive the state's economy, and provide the most accessible form of government. Cities' success depends on adequate resources and local decision-making authority to best meet the needs of our residents.

**Washington's 281 cities ask the Legislature to partner with us and act on the following priorities:**



## Help recruit and retain police officers for public safety

Provide additional funding tools and resources for officer recruitment and retention to improve public safety. This includes updating the existing local option Public Safety Sales Tax to allow implementation by councilmanic authority and greater flexibility for using the funds to cover increased officer wages and related programs like behavioral health co-response teams.

Expand access to state-mandated training. In particular, continue increasing the number of classes for the Basic Law Enforcement Academy (BLEA) and expanding the new regional academies. Getting new officers on the street faster supports recruitment and retention, thus improving public safety outcomes in our communities.



## Revise the arbitrary property tax cap

Revise the arbitrary 1% property tax cap that has been in place for more than 20 years. Tie the tax to inflation and population growth factors with a new cap not to exceed 3%. This allows local elected officials to adjust the local property tax rate to better serve our communities and keep up with the costs of providing basic services like police, fire, streets, and valued community amenities like parks. The current 1% cap has created a structural deficit in cities' revenue and expenditure model, causing reliance on regressive revenues and artificially restricting the ability of property taxes to fund critical community needs.



## Continue investing in infrastructure

Continue strong state investments in infrastructure funding to support operations and maintenance of traditional and non-traditional infrastructure like drinking water, wastewater, and broadband. Expand funding options that support state and local transportation needs with emphasis on preservation and maintenance to prevent expensive replacement and repairs. Improve access to Climate Commitment Act funding, including direct distributions, for city priorities that support carbon reduction and climate resiliency.



## Provide behavioral health resources

Create greater access to behavioral health services to include substance use disorder treatment and dual diagnosis treatment facilities. Support continued state funding for cities to help communities establish alternative response programs like co-responder programs, diversion programs, and others that provide options beyond law enforcement to assist individuals experiencing behavioral health challenges.

### AWC's advocacy is guided by these core principles from our Statement of Policy:

- Local decision-making authority
- Fiscal flexibility and sustainability
- Equal standing for cities
- Diversity, equity, and inclusion
- Strong Washington state partnerships
- Nonpartisan analysis and decision-making

Contact:

**Candice Bock**  
Government Relations Director  
[candiceb@awcnet.org](mailto:candiceb@awcnet.org)



TO: City Council  
FROM: Lisa Parks, City Administrator  
DATE: December 5, 2023  
SUBJECT: Cancellation of the December 19<sup>th</sup> Regular Council Meeting

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1) Recommended Action:

Pass a motion to approve the cancellation of the December 19<sup>th</sup> regular Council meeting.

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2) Background:

There are no time sensitive work items scheduled on the December 19<sup>th</sup> Council agenda. It is recommended that the meeting be canceled.

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3) Policy Support:

Council Rules:

2.1 Regular. Regular Meetings are recurring meetings held in accordance with a periodic schedule declared by statute or rule. A Regular Meeting may be canceled by a motion of the Council or by failure to produce a quorum.

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4) Alternatives:

- ☐ Continue with the scheduled December 19<sup>th</sup> Council meeting.
  - ☐ Some other course of action.
- 

5) Fiscal Notes:

There is no fiscal impact associated with this request.

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6) Attachments:

None.

TO: City Council  
 FROM: Austin Ramirez, Economic Development Manager  
 DATE: December 5, 2023  
 SUBJECT: Service Provider Agreement with Thurston EDC for Economic Development Services

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1) Recommended Action:

Approve and authorize the Mayor to sign a Service Provider Agreement with Thurston EDC for economic development services.

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2) Background:

The City has contracted with the Thurston Economic Development Council (EDC) for economic development services for years. These services include business retention, recruitment, and marketing activities; several business support programs for entrepreneurs, new businesses, and established businesses; economic analysis and market research, and; support on redevelopment efforts within the Brewery District.

The previous two-year contract between the City and EDC expired this year and is due for renewal. In addition to the services listed above, there are several new items staff proposes for inclusion in a new agreement:

- Convening business roundtables to provide input on the upcoming Economic Development Plan update
- Convening leaders from the business and development sectors to provide input on redevelopment opportunities in the Brewery District and Capitol Boulevard Corridor
- Coordination of the Thurston Innovation Cluster Accelerator Program (ICAP), an effort to support creative/maker entrepreneurs anchored by the Tumwater Craft District, Olympia Armory, Lacey MakerSpace, and Tenino Agricultural Park (additional information on the ICAP is attached in Exhibit B)
- An annual \$5,000 investment in the Lacey MakerSpace, a valuable and regional asset for Tumwater businesses
- An Economic Impact Analysis and Report of the Tumwater Artesian Brewfest, measuring the economic benefits provided by this annual event to the city and region

On November 8, 2023, staff presented the proposed economic development services to General Government Committee (GGC). GGC expressed support for existing services and inclusion of the new services.

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3) Policy Support:

Economic Development Plan Goal #2 – Retain and support existing businesses

Economic Development Plan Goal #8 – Encourage economic development that strengthens the Tumwater community

Strategic Goal and Priorities – Work with partner organizations and jurisdictions to

implement our goals to be a more inclusive community

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4) Alternatives:

☐ None

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5) Fiscal Notes:

The agreement for economic development services is \$25,000 per year and is included in the City's budget.

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6) Attachments:

- A. Service Provider Agreement for Economic Development Services
- B. ICAP Presentation

**CITY OF TUMWATER  
SERVICE PROVIDER AGREEMENT**

**ECONOMIC DEVELOPMENT SERVICES**

THIS AGREEMENT is made and entered into in duplicate this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between the CITY OF TUMWATER, a Washington municipal corporation, hereinafter referred to as the “CITY” and THURSTON COUNTY ECONOMIC DEVELOPMENT COUNCIL, a Washington corporation, hereinafter referred to as the “SERVICE PROVIDER.”

**WITNESSETH:**

WHEREAS, the CITY desires to have certain services and/or tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient CITY resources are not available to provide such services; and

WHEREAS, the SERVICE PROVIDER represents that the SERVICE PROVIDER is qualified and possesses sufficient skills and the necessary capabilities, including technical expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

**1. SCOPE OF SERVICES.**

The SERVICE PROVIDER shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as SERVICE PROVIDER responsibilities throughout this Agreement and as detailed in Exhibit “A” Scope of Services attached hereto and incorporated herein (the “Project”).

**2. TERM.**

The Project shall begin no earlier than December 5, 2023 and shall be completed no later than December 31, 2024. This Agreement may be extended for additional periods of time upon mutual written agreement of the parties.



### 3. TERMINATION.

Prior to the expiration of the Term, this Agreement may be terminated immediately, with or without cause, by the CITY.

### 4. COMPENSATION AND METHOD OF PAYMENT.

A. Payments for services provided hereunder shall be made following the performance of such services, unless otherwise permitted by law and approved in writing by the CITY.

B. No payment shall be made for any service rendered by the SERVICE PROVIDER except for services identified and set forth in this Agreement.

C. The CITY shall pay the SERVICE PROVIDER for work performed under this Agreement a total sum not to exceed Fifty Thousand Dollars (\$50,000.00) as follows: Twenty Five Thousand Dollars (\$25,000.00) due by December 31, 2023; Twenty Five Thousand Dollars (\$25,000.00) due by December 31, 2024.

D. Upon execution of this Agreement, the SERVICE PROVIDER must submit IRS Form W-9 Request for Taxpayer Identification Number (TIN) and Certification, unless a current Form W-9 is already on file with the CITY.

E. The SERVICE PROVIDER shall submit an invoice to the CITY for services rendered during the contract period. The CITY shall initiate authorization for payment after receipt of said invoice and shall make payment to the SERVICE PROVIDER within approximately thirty (30) days thereafter.

E. When subcontracting services or purchasing goods from third parties, as identified and approved in this Agreement, the SERVICE PROVIDER must submit written documentation establishing that the goods and/or services have been provided and the third party has been paid in order to receive payment for such goods and/or services.

G. Invoices may be submitted immediately following performance of services, but in no event shall an invoice be submitted more than twenty (20) business days following the end of the contract term or the end of the calendar year, whichever is earlier.

### 5. INDEPENDENT CONTRACTOR RELATIONSHIP.

A. The parties intend that an independent contractor relationship

will be created by this Agreement. Subject to paragraphs herein, the implementation of services pursuant to this Agreement will lie solely within the discretion of the SERVICE PROVIDER. No agent, employee, servant or representative of the SERVICE PROVIDER shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose, and the employees of the SERVICE PROVIDER are not entitled to any of the benefits the CITY provides for its employees. The SERVICE PROVIDER will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives during the performance of this Agreement.

B. In the performance of the services herein contemplated the SERVICE PROVIDER is an independent contractor with the authority to control and direct the performance of the details of the work; however, the results of the work contemplated herein must meet the approval of the CITY and shall be subject to the CITY'S general rights of inspection and review to secure the satisfactory completion thereof.

C. As an independent contractor, the SERVICE PROVIDER shall be responsible for the reporting and payment of all applicable local, state, and federal taxes.

D. It is recognized that the SERVICE PROVIDER may or will be performing services during the Term for other parties; provided, however, that such performance of other services shall not conflict with or interfere with the SERVICE PROVIDER'S ability to perform the Services. The SERVICE PROVIDER agrees to resolve any such conflicts of interest in favor of the CITY.

## 6. SERVICE PROVIDER EMPLOYEES/AGENTS.

The CITY may at its sole discretion require the SERVICE PROVIDER to remove an employee, agent or servant from employment on this Project. The SERVICE PROVIDER may however employ that individual on other non-CITY related projects.

## 7. HOLD HARMLESS INDEMNIFICATION.

A. SERVICE PROVIDER Indemnification. The SERVICE PROVIDER agrees to indemnify, defend and hold the CITY, its elected officials, officers, employees, agents, and volunteers harmless from any and all claims, demands, losses, actions and liabilities (including costs and all attorney fees) to or by any and all persons or entities, including, without limitation, their respective agents, licensees, or representatives, arising from, resulting from, or connected with this Agreement to the extent caused by the negligent acts, errors or omissions of the

SERVICE PROVIDER, its partners, shareholders, agents, employees, or by the SERVICE PROVIDER'S breach of this Agreement. The SERVICE PROVIDER expressly waives any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW. The SERVICE PROVIDER'S indemnification shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable to or by any third party under workers' compensation acts, disability benefit acts or any other benefit acts or programs. This waiver has been mutually negotiated by the parties.

B. CITY Indemnification. The CITY agrees to indemnify, defend and hold the SERVICE PROVIDER, its officers, directors, shareholders, partners, employees, and agents harmless from any and all claims, demands, losses, actions and liabilities (including costs and attorney fees) to or by any and all persons or entities, including without limitation, their respective agents, licensees, or representatives, arising from, resulting from or connected with this Agreement to the extent solely caused by the negligent acts, errors, or omissions of the CITY, its employees or agents. No liability shall attach to the CITY by reason of entering into this Agreement except as expressly provided herein.

C. Survival. The provisions of this Section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

## 8. INSURANCE.

A. The SERVICE PROVIDER shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the SERVICE PROVIDER, their agents, representatives, employees or subcontractors.

B. The SERVICE PROVIDER shall provide a Certificate of Insurance evidencing:

1. Automobile Liability insurance with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage.

2. Commercial General Liability insurance written on an occurrence basis with limits no less than \$2,000,000 combined single limit per occurrence and \$2,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability.

3. Professional Liability insurance written on an claims made basis with limits of no less than \$2,000,000 per claim, and \$2,000,000 policy aggregate limit.

C. The CITY shall be named as an additional insured on the insurance policy, as respect to work performed by or on behalf of the SERVICE PROVIDER and a copy of the endorsement naming the CITY as additional insured shall be attached to the Certificate of Insurance. The CITY reserves the right to request certified copies of any required policies.

D. The SERVICE PROVIDER'S insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respects to the limits of the insurer's liability.

E. Any payment of deductible or self-insured retention shall be the sole responsibility of the SERVICE PROVIDER.

F. The SERVICE PROVIDER'S insurance shall be primary insurance as respect to the CITY and the CITY shall be given written notice of any cancellation, suspension or material change in coverage within two (2) business days of SERVICE PROVIDER'S receipt of such notice.

#### 9. TREATMENT OF ASSETS.

Title to all property furnished by the CITY shall remain in the name of the CITY and the CITY shall become the owner of the work product and other documents, if any, prepared by the SERVICE PROVIDER pursuant to this Agreement.

#### 10. COMPLIANCE WITH LAWS.

A. The SERVICE PROVIDER, in the performance of this Agreement, shall comply with all applicable federal, state or local laws and ordinances, including being licensed to do business in the City of Tumwater by obtaining a Tumwater business license and any additional regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

B. The SERVICE PROVIDER specifically agrees to pay any applicable CITY business and occupation (B&O) taxes which may be due on account of this Agreement.

## 11. NONDISCRIMINATION.

A. The CITY is an equal opportunity employer.

B. Nondiscrimination in Employment. In the performance of this Agreement, the SERVICE PROVIDER will not discriminate against any employee or applicant for employment on the grounds of race, creed, religion, color, national origin, citizenship or immigration status, families with children status, sex, marital status, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, sexual orientation, genetic information, age or other basis prohibited by state or federal law; provided that the prohibition against discrimination in employment because of disability shall not apply if the particular disability prevents the proper performance of the particular worker involved. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. "Race" is inclusive of traits historically associated or perceived to be associated with race including, but not limited to, hair texture and protective hairstyles. For purposes of this subsection, "protective hairstyles" includes, but is not limited to, such hairstyles as afros, braids, locks, and twists. It is not an unfair practice when a distinction or differential treatment on the basis of citizenship or immigration status is authorized by federal or state law, regulation, rule or government contract.

C. Nondiscrimination in Services. The SERVICE PROVIDER will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, religion, color, national origin, citizenship or immigration status, families with children status, sex, marital status, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability or the use of a trained dog guide or service animal by a person with a disability, sexual orientation, genetic information, age or other basis prohibited by state or federal law. "Race" is inclusive of traits historically associated or perceived to be associated with race including, but not limited to, hair texture and protective hairstyles. For purposes of this subsection, "protective hairstyles" includes, but is not limited to, such hairstyles as afros, braids, locks, and twists. It is not an unfair practice when a distinction or differential treatment on the basis of citizenship or immigration status is authorized by federal or state law, regulation, rule or government contract.

D. If any assignment and/or subcontract have been authorized by the CITY, said assignment or subcontract shall include appropriate safeguards against discrimination. The SERVICE PROVIDER shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding

paragraphs herein.

E. Nondiscrimination in Benefits. Pursuant to Tumwater Municipal Code (TMC) Chapter 3.46, the SERVICE PROVIDER shall provide employee benefits or an equivalent sum to the domestic partners of their employees involved in the SERVICE PROVIDER'S operations applicable to this Agreement if such benefits are provided to employees' spouses as more particularly set forth in Chapter 3.46 of the TMC, a copy of which is attached hereto if applicable in Exhibit "B".

## 12. ASSIGNMENT/SUBCONTRACTING.

A. The SERVICE PROVIDER shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the CITY, and it is further agreed that said consent must be sought in writing by the SERVICE PROVIDER not less than thirty (30) days prior to the date of any proposed assignment. The CITY reserves the right to reject without cause any such assignment.

B. Any work or services assigned hereunder shall be subject to each provision of this Agreement and proper bidding procedures where applicable as set forth in local, state and/or federal statutes, ordinances and guidelines.

C. Any technical service subcontract not listed in this Agreement, must have express advance approval by the CITY.

## 13. NON-APPROPRIATION OF FUNDS.

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the CITY will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period, and this Agreement will terminate upon the completion of all remaining services for which funds are allocated. No penalty or expense shall accrue to the CITY in the event this provision applies.

## 14. CHANGES.

Either party may request changes to the Scope of Services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

## 15. MAINTENANCE AND INSPECTION OF RECORDS.

A. The SERVICE PROVIDER at such times and in such forms as the CITY may require, shall furnish to the CITY such statements, records, reports, data, and information as the CITY may request pertaining to matters covered by this Agreement.

B. The SERVICE PROVIDER shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit, by the CITY, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

C. To ensure the CITY's compliance with the Public Records Act, RCW 42.56, the SERVICE PROVIDER shall retain all books, records, documents and other material relevant to this agreement, for six (6) years after its expiration. The SERVICE PROVIDER agrees that the CITY or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

#### 16. POLITICAL ACTIVITY PROHIBITED.

None of the funds, materials, property or services provided directly or indirectly under the Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

#### 17. PROHIBITED INTEREST.

No member, officer, or employee of the CITY shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

#### 18. NOTICE.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the signature page of this Agreement.

#### 19. ATTORNEYS FEES AND COSTS.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be

entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

20. JURISDICTION AND VENUE.

A. This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and it is agreed by each party hereto that this Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance.

B. Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof, shall be instituted and maintained in the superior court of Thurston County, Washington.

21. SEVERABILITY.

A. If, for any reason, any part, term or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

22. ENTIRE AGREEMENT.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement. This Agreement may be executed in any number of counterparts, which counterparts shall collectively constitute the entire Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.



### Signatures located on following page ###

CITY:

CITY OF TUMWATER  
555 Israel Road SW  
Tumwater, WA 98501

SERVICE PROVIDER:

THURSTON ECONOMIC  
DEVELOPMENT COUNCIL  
4220 6<sup>th</sup> Avenue SE  
Lacey WA 98503  
Tax ID #:91-11831169  
360-754-6320

\_\_\_\_\_  
LISA PARKS

City Administrator

\_\_\_\_\_  
Signature (Notarized – see below)

Michael Cade

Executive Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Karen Kirkpatrick, City Attorney

STATE OF WASHINGTON

COUNTY OF THURSTON

I certify that I know or have satisfactory evidence that \_\_\_\_\_(name) is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_(title) of \_\_\_\_\_(company) to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the State of Washington

My appointment expires:\_\_\_\_\_

**City of Tumwater****Scope of Work****Provided by: Thurston Economic Development Council****2023-2024**

The Thurston Economic Development Council (EDC) proposes to provide economic development services to the community and businesses of Tumwater. The EDC is the State of WA Department of Commerce recognized Associate Development Organization (ADO) for Thurston County. A requirement of the ADO designation is to provide economic development services throughout the county, and which are consistent with the mission and goals of the municipalities and county government.

A hallmark of any successful and positively impactful economic development program is consistent and fluid interaction with the City's staff and leadership. As such, part of the on-going work program will be to establish and institute regular meetings/conversation that builds upon the work outlined below. This will allow the EDC to pursue and seek out economic development activities and actions that exceed the scope of work - it is the intention of the scope of services to act as a starting point to build positive community and economic development activities.

- **Recruit:** The EDC will work with the City staff to identify recruitment targets that are commensurate with the City of Tumwater's priorities. Such activities undertaken by the EDC will include but not limited to: specific target identification; the cultivation of outreach to those targets; and the facilitation of interest of investment into Tumwater. As a piece of this work and segment, the State of Washington, as an employer and provider of jobs/wages and benefits, shall be considered as a "target for recruitment" as deemed appropriate.
- **Retain:** The EDC will utilize its resources of its Center for Business & Innovation to ensure that businesses in Tumwater are engaged with the array of services including but not limited to: PTAC, WCWB, SBA SBDC, Scaleup and THINK (investment network). To facilitate this, it is requested that the EDC staff cultivate a relationship with the Tumwater and Thurston Chambers of Commerce and other such organizations as a critical partner in the promotion of services.
- A critical component of retention activities is the understanding and assessment of current economic conditions of employers. The EDC will work with the City to engage with employers at least once during this contract period a roundtable discussion to identify challenges employers are facing in Tumwater. The EDC will use this direct feedback to work with the City and other parties to develop actions to issues that surface in those discussions with businesses.

- Expand: The EDC will work with the City staff to identify economic expansion opportunities - these include the market expansion of Tumwater businesses that are deemed ready for market expansion. The EDC will utilize the ScaleUp program to ensure that such businesses have a readiness tool kit and market plans for expansion - also inclusive of the resource "CB&I Consulting."
- The EDC will continue in the role of manager of the Thurston Innovation Cluster Accelerator Program (ICAP) Ecosystem Team. As such, will coordinate with the City and other partners and move forward this regional effort to support the creative/maker sector and entrepreneurs.
- The EDC will work with the City to develop an Economic Impact Analysis of the Tumwater Artesian Brewfest to measure the economic benefits of this annual event.
- The EDC and City agree that \$10,000 of the City's annual contributions (\$5,000 per year) will directly support the Lacey MakerSpace, a valuable and regional asset for Tumwater businesses and entrepreneurs.

## Chapter 3.46

### CITY CONTRACTS – NONDISCRIMINATION IN BENEFITS

#### Sections:

- 3.46.010 Definitions.
- 3.46.020 Nondiscrimination in benefits.
- 3.46.030 Limitations.
- 3.46.040 Powers and duties of the city administrator.
- 3.46.050 Appeals.
- 3.46.060 Effective date.

#### **3.46.010 Definitions.**

For the purpose of this chapter:

- A. “Contract” means a contract for public works, consulting, or supplies, material, equipment or services estimated to cost \$50,000 or more;
- B. “Contract awarding authority” means the city officer, department, commission, employee, or board authorized to enter into or to administer contracts on behalf of the city;
- C. “Domestic partner” means any person who is registered with his/her employer as a domestic partner or, in the absence of such employer-provided registry, is registered as a domestic partner with a governmental body pursuant to state or local law authorizing such registration. Any internal employer registry of domestic partnership must comply with criteria for domestic partnerships specified by rule by the city administrator;
- D. “Employee benefits” means the provision of bereavement leave; disability, life, and other types of insurance; family medical leave; health benefits; membership or membership discounts; moving expenses; pension and retirement benefits; vacation; travel benefits; and any other benefits given to employees; provided, that it does not include benefits to the extent that the application of the requirements of this chapter to such benefits may be preempted by federal or state law.

(Ord. O2000-028, Added, 02/06/2001)

#### **3.46.020 Nondiscrimination in benefits.**

A. No contractor on a city contract shall discriminate in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse. The contractor shall not be deemed to discriminate in the provision of employee benefits if, despite taking reasonable measures to do so, the contractor is unable to extend a particular employee benefit to domestic partners, so long as the contractor provides the employee with a cash equivalent.

B. Other Options for Compliance Allowed. Provided that a contractor does not discriminate in the provision of benefits between employees with spouses and employees with domestic partners, a contractor may:

1. Elect to provide benefits to individuals in addition to employees' spouses and employees' domestic partners;

2. Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent benefits; or

3. Provide benefits neither to employees' spouses nor to employees' domestic partners.

C. Requirements Inapplicable Under Certain Conditions. The city administrator may waive the requirements of this chapter where:

1. Award of a contract or amendment is necessary to respond to an emergency;

2. The contractor is a sole source;

3. No compliant contractors are capable of providing goods or services that respond to the city's requirements;

4. The contractor is a public entity;

5. The requirements are inconsistent with a grant, subvention or agreement with a public agency;

6. The city is purchasing through a cooperative or joint purchasing agreement.

D. Requests for waivers of the terms of this chapter are to be made to the city administrator by the contract awarding authority. Decisions by the city administrator to issue or deny waivers are final unless appealed pursuant to TMC 3.46.050.

E. The city administrator shall reject an entity's bid or proposal, or terminate a contract, if the city administrator determines that the entity was set up, or is being used, for the purpose of evading the intent of this chapter.

F. No contract awarding authority shall execute a contract with a contractor unless such contractor has agreed that the contractor will not discriminate in the provision of employee benefits as provided for in this chapter.

G. All contracts awarded by the city shall contain provisions prohibiting discrimination in the provision of employee benefits, including provisions containing appropriate remedies for the breach thereof as prescribed by this chapter, except as exempted by this chapter or rule.

(Ord. O2000-028, Added, 02/06/2001)

### **3.46.030 Limitations.**

The requirements of this chapter only shall apply to those portions of a contractor's operations that occur:

A. Within the city;

B. On real property outside of the city if the property is owned by the city or if the city has a right to occupy the property, and if the contractor's presence at that location is connected to a contract with the city; and

C. Elsewhere in the United States where work related to a city contract is being performed. The requirements of this chapter shall not apply to subcontracts or subcontractors of any contract or contractor.

(Ord. O2000-028, Added, 02/06/2001)

**3.46.040 Powers and duties of the city administrator.**

The city administrator shall have the power to:

- A. Adopt rules and regulations in accordance with this chapter establishing standards and procedures for effectively carrying out this chapter;
- B. Determine and impose appropriate sanctions and/or liquidated damages for violation of this chapter by contractors including, but not limited to:
  - 1. Disqualification of the contractor from bidding on or being awarded a city contract for a period of up to five years; and
  - 2. Contractual remedies, including, but not limited to, liquidated damages and termination of the contract;
- C. Examine contractor's benefit programs covered by this chapter;
- D. Impose other appropriate contractual and civil remedies and sanctions for violations of this chapter;
- E. Allow for remedial action after a finding of noncompliance, as specified by rule;
- F. Perform such other duties as may be required by ordinance or which are necessary to implement the purposes of this chapter.

(Ord. O2000-028, Added, 02/06/2001)

**3.46.050 Appeals.**

Any aggrieved party may appeal a decision of the city administrator to the mayor by the submittal of a written request to the city attorney within ten working days of the decision to be appealed. The mayor's decision will be in writing with findings identified upon which the decision was made. Subsequent appeal will be to the Thurston County superior court.

(Ord. O2000-028, Added, 02/06/2001)

**3.46.060 Effective date.**

The provisions of this chapter shall apply to any contract awarded on or after January 2, 2002.

(Ord. O2000-028, Added, 02/06/2001)

# ICAP Launch

Introduction to Innovation Clusters Workshop

Stephanie Scott  
INNOVATION CLUSTER ACCELERATOR PROGRAM DIRECTOR

Esther Nielsen  
INNOVATION CLUSTER DEVELOPMENT PROGRAM MANAGER



Washington State  
Department of  
**Commerce**



Innovation Cluster  
**ACCELERATOR**

v1.4

# Why is the state investing in innovation clusters?



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Our economy is shifting

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3

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We need to innovate, transform,  
and grow faster than ever

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4

Our traditional industries need to transform and pivot

New high-growth industries must be developed

## Challenges WA must meet to compete



Attract talent,  
capital & high-  
value jobs



Upskill our  
workforce



Develop new  
high growth, high  
value industries



Increase exports



Compete in global  
race for clean  
energy economy

## Opportunities are in front of us



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7

# ICAP Launch

## Key learnings over the past 2 years

- Many communities lack capacity to respond to state and federal opportunities
- Need for industry engagement and strong collaboration
- Demand for early stage cluster development support
  - Access to curriculum and technical assistance
  - Preparation for future cohorts
  - Opportunity to reach rural, geographical diversity, agriculture, social impact and meet them where they are
- Need to build 10 year program to support long term cluster development

## Launch

Launch is a pilot program to support the development of industry ecosystems and potential innovation clusters in Washington state.

Launch is funded through an ARPA Statewide Planning Grant from the U.S. Department of Commerce's Economic Development Administration



## Cluster development support

Through a series of workshops and technical assistance, Launch will support industry and community leaders, economic development organizations, and business networks to:

- Learn and implement strategies and techniques to convene industry ecosystem partners and drive collaboration
- Begin building an innovation cluster strategy based on global best practices
- Prepare to apply for future Innovation Cluster Accelerator cohorts as well as better position your network to pursue government funding opportunities

## What is ICAP Launch?



### CLUSTER STRATEGY WORKSHOPS

Learn and implement strategies and techniques to connect industry ecosystem partners and facilitate collaboration



### 1:1 CLUSTER SUPPORT

Begin development of An industry led Innovation Cluster Strategy based on global Best practices



### FUNDING STRATEGY

Prepare to apply for future Innovation Cluster Accelerator\* cohorts as well as better position your network to pursue government funding opportunities



### FUNDING (Cohort 1 only)

Capacity building funding to augment administration and operations expenses

## Launch cohorts

### Cohort 1: Underserved communities

#### Focused on industry ecosystems in:

- Rural county or counties
- Persistent poverty communities
- Underserved, disadvantaged, marginalized community or group

**Funding:** Up to \$50,000 capacity building funding

### Cohort 2: Potential innovation clusters

#### Focused on:

- Key current and future sectors
- 7 organizations
  - Creative industry economy
  - BIPOC Farmers and Ranchers
  - Tech Bio
  - Statewide Music Industry Cluster
  - Ag Hydroponics – Culturally Indigenous Foods
  - Cybersecurity
  - Local Innovation Center - attract businesses and tourism

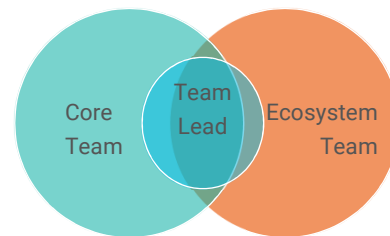
## Your Launch Team

## Your Launch Team

Team Lead

Core Team

Ecosystem Team

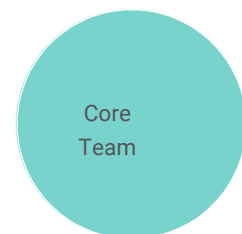


## Core Team

Your Core Team will actively participate in all Launch activities and work closely with Commerce to develop your cluster strategy.

Consists of 3-5 key individuals, including:

- Team Lead
- Relevant leadership from your organization
- Key stakeholders and partners



## Ecosystem Team

Your Ecosystem Team includes key representatives from

- Industry
- Entrepreneurs
- Government
- Academia
- Investors

as relevant to your community's ecosystem.

You will further develop this team over the course of Launch.



## What's ahead

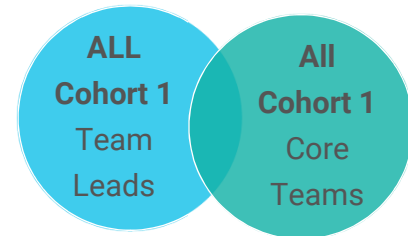
ICAP Launch Activities



## Innovation Cluster Strategy Workshops

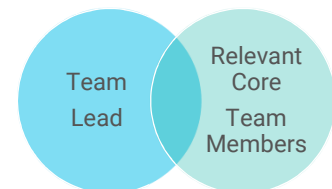
Topics may include:

- Intro to Innovation Clusters
- Basic Cluster Strategy
- Growing a Cluster
- Cluster Strategy Framework
- Cluster Value Impact
- Business Model and Funding



## Quarterly Planning Meetings

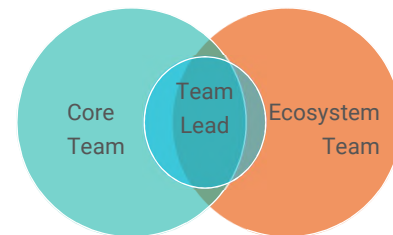
Quarterly virtual meetings with Team Lead to discuss progress and plan strategy sessions



## 1:1 Strategy Sessions

We'll introduce your team to innovation cluster strategy, share cluster development tools, and facilitate discussions to start developing your innovation cluster strategy

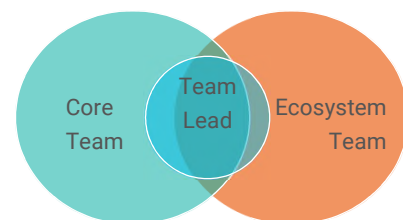
*3-4 virtual  
2-3 hour sessions*



## Formalizing your ecosystem

Ongoing work at the community/ecosystem level to:

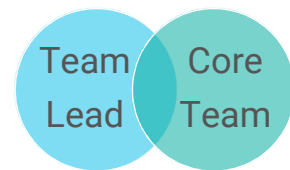
- Convene and engage ecosystem partners
- Build relationships and strengthen partnership
- Develop strategy outside of the formal program scheduled sessions



## Technical Assistance

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Access to strategic guidance and technical assistance through the Innovation Cluster Accelerator



# What is ICAP?

## The Innovation Cluster Accelerator

A multi-year cluster development program to strengthen industry ecosystems and accelerate economic development.

The full ICAP program is currently supporting 9 industry-led innovation clusters and will expand the program over the coming decade. The program is currently funded through a U.S. Economic Development Administration Safe Start Grant.



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25

## Goals



Accelerate our economic growth in new high-growth, high-value sectors



Strengthen collaborative innovation clusters



Prepare our companies and entrepreneurs to better compete in emerging market opportunities



Improve global competitiveness



Grow long-term capabilities around high-impact innovation clusters

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26

## How We Support Innovation Clusters



### Funding

Up to \$550,000 over a two-year period to support administrative, operating and market report expenses



### Cluster strategy & leadership development

Cluster strategy and leadership development program



### Advisory & support

Dedicated cluster expert support



### Networking

Networking with state and global cluster leaders



### Communications & marketing support

Active communications support in selected sectors and international markets

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27

## Our Current Innovation Clusters



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28

## Building the program long-term

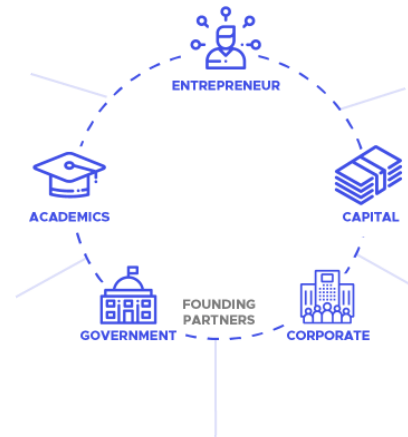
- First cohort funded by EDA SafeStart grant through September 30, 2023 (No cost extension with EDA – stretch through September 30, 2024).
- \$1M Funded in the 23/24 Enacted Budget, looking for other funding sources
- **GOAL:** Support high performers in the current cohort + Potentially add new clusters

## About Innovation Clusters

## What is an Innovation Cluster?

A formalized, industry-led, member-based organization working together to:

- Drive innovation
- Overcome barriers
- Access new market opportunities
- Attract talent and capital.



## Three Strategies for Innovation Clusters

- **Grow:** Grow and develop our existing industries
- **Transform:** Transform and change our legacy industries
- **Build:** Create entirely new, future-focused industries

## Start with Sector or Industry

Cluster themes could include existing, emerging or future growth industries

They can be broad (i.e. agriculture) or specific (i.e. wine)

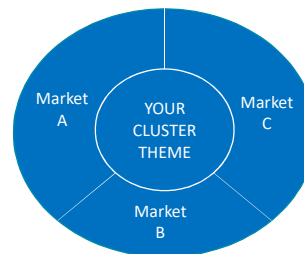


## Identify Market Opportunities

Begin by identifying market opportunities your cluster will pursue.

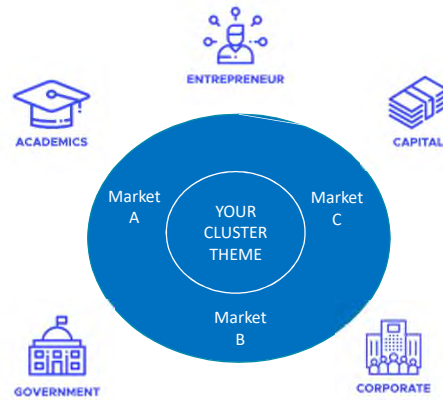
Markets may include:

- Domestic
- Global
- B2B
- B2C





## Recruit a Broad Membership Base



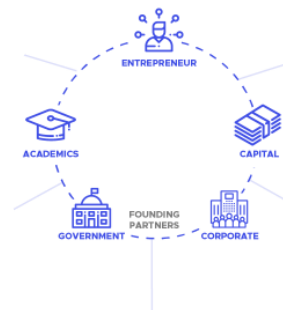
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35

## Scale your Cluster

As your cluster matures, you will:

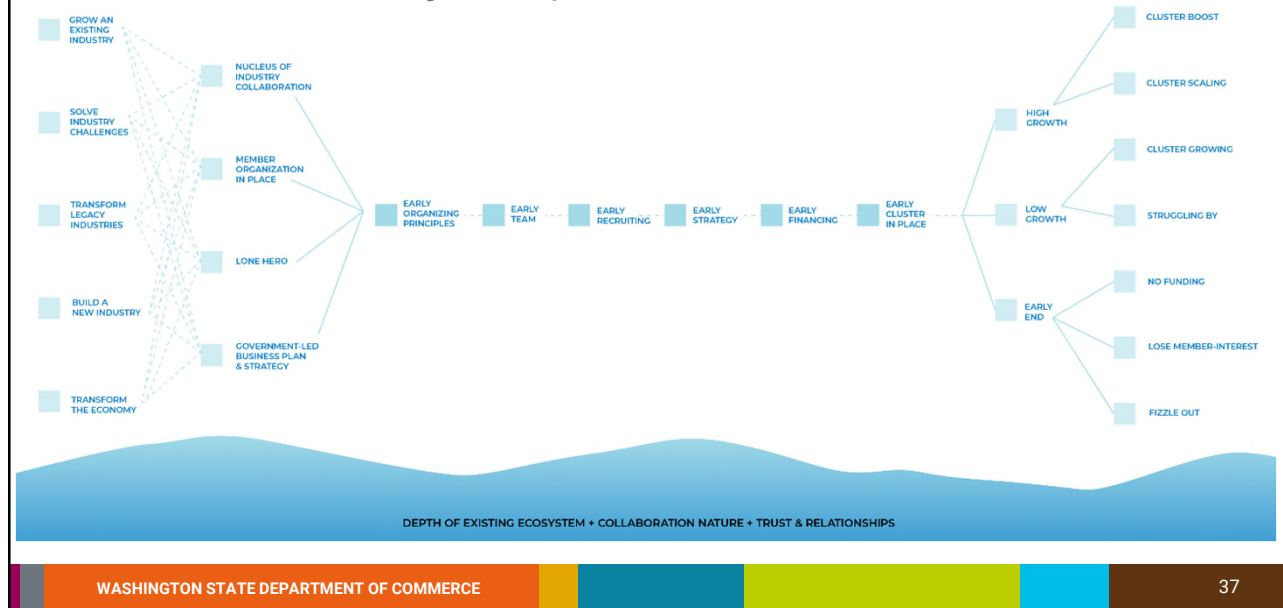
- Recruit a Board of Directors
- Build infrastructure
- Develop an operating organization



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36

## Cluster Journey Map



## Key Roles Within a Cluster



Members



Board of Directors



Management Team

## Great Project Portfolios are Key



Custom, cluster-led  
Executive MBA  
programs



Market analysis  
emerging market  
reports



Global growth  
international market  
development projects



Industry  
transformation  
collaboration projects



Fast Track to IPO  
scale up programs



Business angel  
network  
development

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39

## ICAPWashington.org

Visit the ICAP program website for:

- Resource page with links to articles, blog posts, case studies and additional information about cluster strategy
- Updates and information about ICAP



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40



www.commerce.wa.gov    

# Thank you!

Stephanie Scott	Esther Nielsen
INNOVATION CLUSTER ACCELERATOR PROGRAM DIRECTOR	INNOVATION CLUSTER DEVELOPMENT PROGRAM MANAGER
Stephanie.Scott@commerce.wa.gov	ICAP Launch RFP Coordinator
	Esther.Nielsen@commerce.wa.gov

TO: City Council  
 FROM: Bill Lindauer, Engineering Services Manager  
 DATE: December 5, 2023  
 SUBJECT: Construction Contract with Reed Trucking & Excavating, Inc. for the Israel Road and Linderson Way Water Main Project, Request for Additional Construction Funds

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1) Recommended Action:

Staff recommends the City Council increase the change order authority provided to the Transportation and Engineering Director under Tumwater Municipal Code 2.14.060 from 10 percent to 20 percent for the Israel Road and Linderson Way Water Main project.

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2) Background:

This project replaces existing 8-inch water main on Israel Road from Interstate 5 to Capitol Boulevard, along with a segment on Linderson Way south of Israel Road. Utility underground conversion is also included within the project limits. The project was prioritized to complete needed improvements that are shown in the City's Water System Plan and Water CFP ahead of the roadway improvements slated for construction in 2024. The Israel Road Water Main project is currently under construction and is expected to be completed by the end of December 2023.

City Council awarded the project to Reed Trucking & Excavation at their bid of \$3,365,536.16. Per Tumwater Municipal Code (TMC) 2.14.060, Public works – Change order authority, *"The director of public works or the department director of the project department is authorized to approve any contract change order, provided the total construction costs with the change order do not exceed the contract bid amount by more than ten percent."* Current estimates indicate construction costs may exceed the contract bid amount by approximately 16 percent, which exceeds authority provided to staff under TMC 2.14.060. Staff is proactively requesting and increase in change order authority based on projected total cost to avoid claims for delayed payment.

Significant factors that led to cost overruns for this project include, but are not limited to:

- Two additional in-line water valves were installed at Tumwater High School to facilitate the water service connection,
  - Pedestrian crossing push buttons and displays required replacement at the intersection of Linderson Way and Israel Road due to discovery of previously unlocated underground utilities,
  - The project encountered a large number of unknown utilities which significantly slowed work resulting in standby time, additional labor and equipment expenses, and a significant increase in traffic control costs,
  - Costs have increased for temporary patching of the existing pavement, largely due to inefficiencies caused by unforeseen additional work,
  - Poor soils were encountered, which resulted in a significant increase in gravel that had to be purchased and incorporated into the project.
  - Additional concrete curbing and sidewalk repair was required for the project.
- 

3) Policy Support:

Council Strategic Goals and Priorities 2023-2024:

C. Create and Maintain a Transportation System Safe for All Modes of Travel –  
Complete roadway maintenance to enhance vehicle, bicycle, and pedestrian safety.

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4) Alternatives:

☐ Reject the request for additional funds and do not complete project construction.

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5) Fiscal Notes:

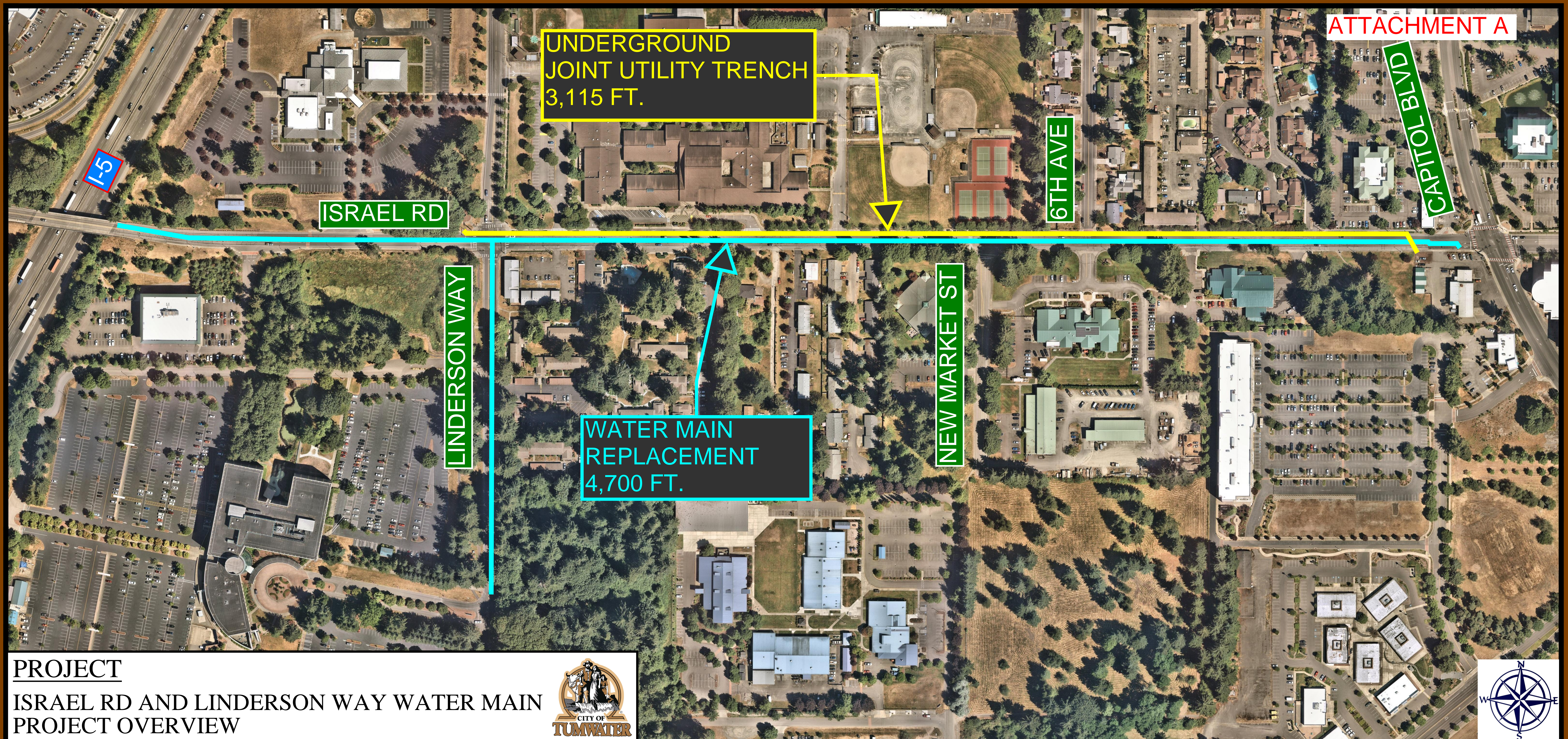
The cost overruns for this project will be funded by the Water and Transportation CFP as applicable.

---

6) Attachments:

A. Project Overview





UNDERGROUND  
JOINT UTILITY TRENCH  
3,115 FT.

I-5

ISRAEL RD

LINDERSON WAY

WATER MAIN  
REPLACEMENT  
4,700 FT.

NEW MARKET ST

6TH AVE

CAPITOL BLVD

**PROJECT**  
ISRAEL RD AND LINDERSON WAY WATER MAIN  
PROJECT OVERVIEW

