Martin Way District Study

Final Report

July 2014

Prepared for:

City of Olympia

SvR

FEHR PEERS

MAKERS
architecture · planning · urban design

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Contact Information

ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has over three decades of experience helping clients make sound decisions based on rigorous economic, planning and financial analysis.

ECONorthwest gratefully acknowledges the substantial assistance provided by staff at Fehr & Peers, MAKERS Architecture, and SvR Design. Many other firms, agencies, and staff contributed to other research that this report relied on.

For more information about ECONorthwest, visit our website at www.econw.com.

For more information about this report, please contact:

Morgan Shook, Project Director

Erik Rundell, Project Manager

ECONorthwest
500 Yale Ave. N
Seattle, WA - 98109
206-262-8013

Table of Contents

This page intentionally left blank.

Executive Summary

The Thurston County region's long-range growth strategy focuses future growth and development within the region's urban corridors. As a part of this approach, the cities of Thurston County are working on using urban transit corridors to their fullest potential - seeking to leverage housing and commercial development to provide residents more opportunities to live, work, and play while expanding their mobility options. The Martin Way corridor was specifically identified as one of these corridors.

In addition, the City of Olympia desires to bolster its community and economic development goals of increasing jobs growth, growing the City's tax base, and increasing the quality of life. To support these goals and the region's growth strategy, the City is pursuing a more proactive approach to realizing more private investment and redevelopment within the city.

In 2011, the Thurston Regional Planning Council received a Challenge Grant from the Department of Housing and Urban Development to pursue planning efforts to support the region's urban corridors growth strategy. This study, funded by the grant, focuses on the Martin Way corridor on the eastside of Olympia between Wilson Street and Lilly Road to support the transformation of the corridor into a vibrant, mixed use district.

This study explores the question of to what degree is the lack of infrastructure is a barrier to development along the Martin Way corridor. The report is organized into five sections:

- **Section 2:** Situation Assessment**.** This section summarizes the existing conditions for the current land use market, transportation, and stormwater and utility needs within the study area.
- **Section 3:.** This section evaluates the infrastructure within the study area and then focuses on two different areas within the study area to gain a better understanding of the types of projects needed and the ability of private development to pay for improvements.
- **Section 4**: Infrastructure Needs and Funding Challenges**.** This section reviews how the City typically funds infrastructure improvements, and the implications of this approach for funding improvements in the Martin Way study area.
- **Section 5**: Funding Approach**.** This section summarizes the approaches and framework for evaluating infrastructure funding broadly and for the two focus areas evaluated.
- **Section 6:** Road Map Forward**.** This section provides a recommended strategy and approach for infrastructure development and funding within the study area

Situation Assessment

To gain a better understanding of the infrastructure needs and development potential within the study area, the study conducted an initial Situation Assessment. The assessment summarizes the current market conditions within the study area and assesses the existing conditions and needs for transportation and stormwater and utilities. The primary findings of the Assessment include:

- Infrastructure needs are not an immediate barrier to development for most parcels. The primary limitation to development and redevelopment along the corridor is relatively low rents, lack of prime development sites, and the large supply of competing locations in the area.
- There are number of transportation, stormwater, and utility infrastructure needs within the study area.
  - The sidewalk network is incomplete with significant gaps
  - Martin Way is a high-stress bicycle environment due to vehicle speeds
  - There are a lack of north-south connections for all modes of travel within the study area
  - Stormwater issues are not well understood, and mitigation cost could be significant
- Martin Way has relatively low levels daily traffic volumes and congestion west of Lilly Road.
- The extension of Ensign Way could open a sizable area for development, will better distribute traffic on the surrounding street network, and will create more route options for all modes in this area of the city.

Project Area Assessments

After reviewing the broad study area conditions, the study then focused on two smaller areas for additional work. The two focus areas are the west end of Martin Way and an extension of Ensign Road to Pacific Avenue. These areas were selected because of their different infrastructure needs and development potential.

The project area assessment for each of the focus areas took quite different approaches. The assessment of Martin Way between Sawyer Street and Pattison Street involved a community workshop to elicit feedback on needed improvements. The workshop had over 30 participants representing local residents and property and business owners. Improvements desired fell into three categories: pedestrian safety and access, public realm improvements, and increased development opportunities.

The assessment of the Ensign Road extension involved more detailed analysis of the potential road alignment, environmental constraints, and development feasibility of the area. The study looked at the development feasibility of two different uses, a large format retail store and an apartment complex. The purpose of the feasibility analysis was to determine if development

would be feasible in the near-term, and if development could pay for all or a portion of the road extension. The total estimated cost of the Ensign Road alignment would be approximately $9.1 million, not including the extension of sanitary sewer and water mains, which would be another $1.2 million.

A key issue impacting the development of the area is the environmental constraints associated with the wetlands. The analysis tested potential project feasibility assuming an 80-foot wetland buffer and a more restrictive 120-foot buffer, which reduced the total buildable area. The retail use was not feasible at current rents even with the cost of the road excluded. Apartments were not feasible if the full cost of extending Ensign Road was included. However, if the road extension costs were set aside (nor built as a requirement of development), apartments would likely be feasible under the 80-foot buffer scenario and marginally feasible under the 120-foot buffer scenario.

Road Map Forward

Given the overall limited near-term development potential and competing infrastructure needs throughout the City, the central issue for City is to find the appropriate scale solution that best addresses the nature and scope of the needs given the resources available and other competing City priorities. Different scale solutions could include more detailed planning, large or small infrastructure investment, partnership development, or local business assistance. Overall, result of the study's Situation Assessment and subsequent analysis and public engagement produced three primary findings:

- Improvements to the physical infrastructure system along the Martin Way corridor will benefit all users of the roadway. These improvements are costly and must be prioritized amongst other City priorities.
- The western portion of the Martin Way corridor study area has a need for street frontage safety improvements, but these improvements will occur piecemeal over a long period if they are to be built as a condition of development.
- The extension of Ensign Road would provide better long-term connectivity and congestion relief for the corridor, but private development likely will not be able to help fund the road extension in the near-term.

As a result, a large scale, financially intensive investment in infrastructure along the corridor would not likely be the best use of limited City resources. Here, the focus should be on cultivating the environment where community development can thrive. Instead of a complete reconstruction of Martin Way, a series of smaller, community-oriented projects will be able to 1) lay the foundation for the community partnerships that will be necessary for long-term success; and 2) address existing safety issues with the local pedestrian realm. At a point in the future it may make sense for the City to make more sizable investments in Martin Way or Ensign Road.

The following approach outlines a series of actions the City of Olympia can undertake in the near-term and subsequent mid- and longer-term actions.

Short-term – Take actions that can begin immediately, are relatively low cost, and do not require new funding sources.

- Continue Martin Way community planning efforts and incremental improvements

Mid-term - Advance specific projects, solidify partnerships, and develop public policies to support development feasibility.

- Advance Martin Way and Ensign Road as part of the Transportation Improvement Program
- Continue to foster partnerships
- Work on a wetland and stormwater strategy
- Consider implementing development incentives

Long-term- Begin the process of project development.

- Implement the funding strategy for improvements to Martin Way and the extension of Ensign Road

Summary

This study initially looked into the infrastructure needs and market conditions within the Martin Way study area to determine if the lack of infrastructure was a barrier to development with the purpose of then developing a strategy for funding those improvements. The Situation Assessment identified a number of infrastructure needs, particularly for biking, walking and stormwater mitigation. However, the Situation Assessment also determined that the current market conditions, not the infrastructure needs, as the primary reason for the lack of development in the study area.

The public workshop highlighted the interest of local residents and businesses in seeing improvement to the corridor and the current need to enhance safety and aesthetics along Martin Way. In total, all the infrastructure needs along the Martin Way corridor would be quite costly. In addition, the City has a variety of infrastructure needs and priorities, including potential investments in the downtown.

Given the limited near-term development potential in the Martin Way study area and other infrastructure priorities in the City, it is likely not the right time to make large-scale costly improvements to Martin Way corridor. Instead, the proposed Road Map outlines a strategy of advancing smaller projects to address current safety issues and developing partnerships in the area to support the transformation of the Martin Way corridor over the near-term.

1 Project Context

The Thurston County region's long-range growth strategy focuses future growth and development within the region's urban corridors. The cities of Thurston County have committed to more efficiently provide the public services and land use to residents. The comprehensive plans of Lacey, Olympia, Tumwater and Thurston County all envision vibrant, dense urban centers and moderately dense suburban development within longer term Urban Growth Areas, while preserving outlying rural areas for low density residential and rural activities.

As a part of this approach, these communities are working on using urban transit corridors to their fullest potential - seeking to leverage housing and commercial development along these corridors to provide residents more opportunities to live, work, and play while expanding their mobility options. The Martin Way corridor was specifically identified by the Urban Corridors Task Force (convened by TRPC to recommend strategies for corridor development) to find ways for governments to reduce the risks and cost associated with infill and redevelopment and to enhance the attractiveness of specific locations for private investment.

In addition, the City of Olympia desires to bolster its community and economic development goals of increasing jobs growth, growing the City's tax base, and increasing the quality of life. To support the City's goals and the region's growth strategy, the City is pursuing a more proactive approach to realizing more private investment and redevelopment within the city. As part of this approach, the City of Olympia is developing an investment strategy for the City that is focused on six potential opportunities areas in Olympia for increased investment and activity.

In 2011, the Thurston Regional Planning Council received a Challenge Grant from the Department of Housing and Urban Development to pursue planning efforts to support the region's urban corridors growth strategy. This study, funded by the grant, focuses on the Martin Way corridor on the eastside of Olympia between Wilson Street and Lilly Road to support the transformation of the corridor into a vibrant, mixed use district.

1.1 Project Purpose

The City of Olympia has a vision for the Martin Way District including mixed-use development of residential, retail, office, and other commercial uses, but has not seen this type of development. Because this type of development has not taken place, the City would like to better understand:

- How infrastructure can support the City's vision for community and economic development,
- How and when infrastructure could be built to support the area's goals, including the phasing of infrastructure improvements, and
- The range of funding options for needed infrastructure improvements.

The purpose of this report is to assess the infrastructure needs within the study area, the potential for those improvements to support the City's community and economic development goals, and a strategy to fund those improvements.

1.2 Study Area

The Martin Way study area starts along 4th Avenue East at Wilson Street and extends east along Martin Way to Lilly Road. The study area also includes roughly the area a quarter mile on either side of Martin Way - south to include Pacific Avenue from 4th Avenue E to I-5 and north of Martin Way up to 8th Avenue E. shows the extent of the study area.

1.3 Report Organization

This report examines the development potential and infrastructure needs within the study area, the ability of private development to pay for improvements, and lastly provides a strategy and approach for the development of infrastructure in the study area. The remainder of the report is organized into five sections:

- **Section 2:** Situation Assessment**.** This section summarizes the existing conditions for the current land use market, transportation, and stormwater and utility needs within the study area.
- **Section 3**: Project Area Assessments**.** This section evaluates the infrastructure within the study area and then focuses on two different areas within the study area to gain a better understanding of the types of projects needed and the ability of private development to pay for improvements.
- **Section 4**: Infrastructure Needs and Funding Challenges**.** This section reviews how the City typically funds infrastructure improvements, and the implications of this approach for funding improvements in the Martin Way study area.
- **Section 5:** Funding **.** This section summarizes the approaches and framework for evaluating infrastructure funding broadly and for the two focus areas evaluated.
- **Section 6:** Road Map: A Framework for Martin Way**.** This section provides a recommended strategy and approach for infrastructure development and funding within the study area.

Figure 1. Martin Way Study Area

Source: ESRI, City of Olympia

2 Situation Assessment

The situation assessment first provides an understanding of the land use and current market conditions within the study area, and then assesses the existing conditions and needs for transportation and stormwater and utilities. This information leads to identification of infrastructure projects and a subsequent funding strategy for those projects.

2.1 Land Use and Development

The study area is an old highway corridor with a mix of relatively low-density residential, commercial, and medical services/institutional uses, and open space. Figure 2 shows the pattern of current land uses within the study area. Almost half (47%) of land in the study is residential uses. Much of the housing stock is relatively affordable including mobile home parks and subsidized housing. Commercial uses, primarily along Martin Way and Pacific Avenue are almost one quarter (24%) of land. Vacant land and open space is also 24% of the land area.

One third of the overall parcel area within the study area is either vacant or potentially redevelopable land. Figure 3 shows vacant and potentially redevelopable parcels in the study area. Vacant parcels total just over 8% of parcel area. The largest vacant area includes a few large parcels in the central part of the study area south of Martin Way. Environmental constraints, such as wetland, have not been removed from the land area, however. Some of these vacant parcels do have common ownership. Parcels on the western part of the study area are mostly built out and smaller in size with only a few smaller vacant parcels.

Redevelopable parcels account for over one quarter of the parcel area. The eastern part of the study area has a number of larger redevelopable parcels with existing low-density residential uses. These parcels are identified based on the parcel's building improvement to land value ratio (ILR). Parcels with low value buildings relative to the value of the land are more likely to be redevelopable. Parcel with "high" redevelopment potential (ILR of less than 1.0) are 22% of the parcel area. This is just one method for identifying potentially redevelopable parcels, and it doesn't account for current market conditions, such as potential rents.

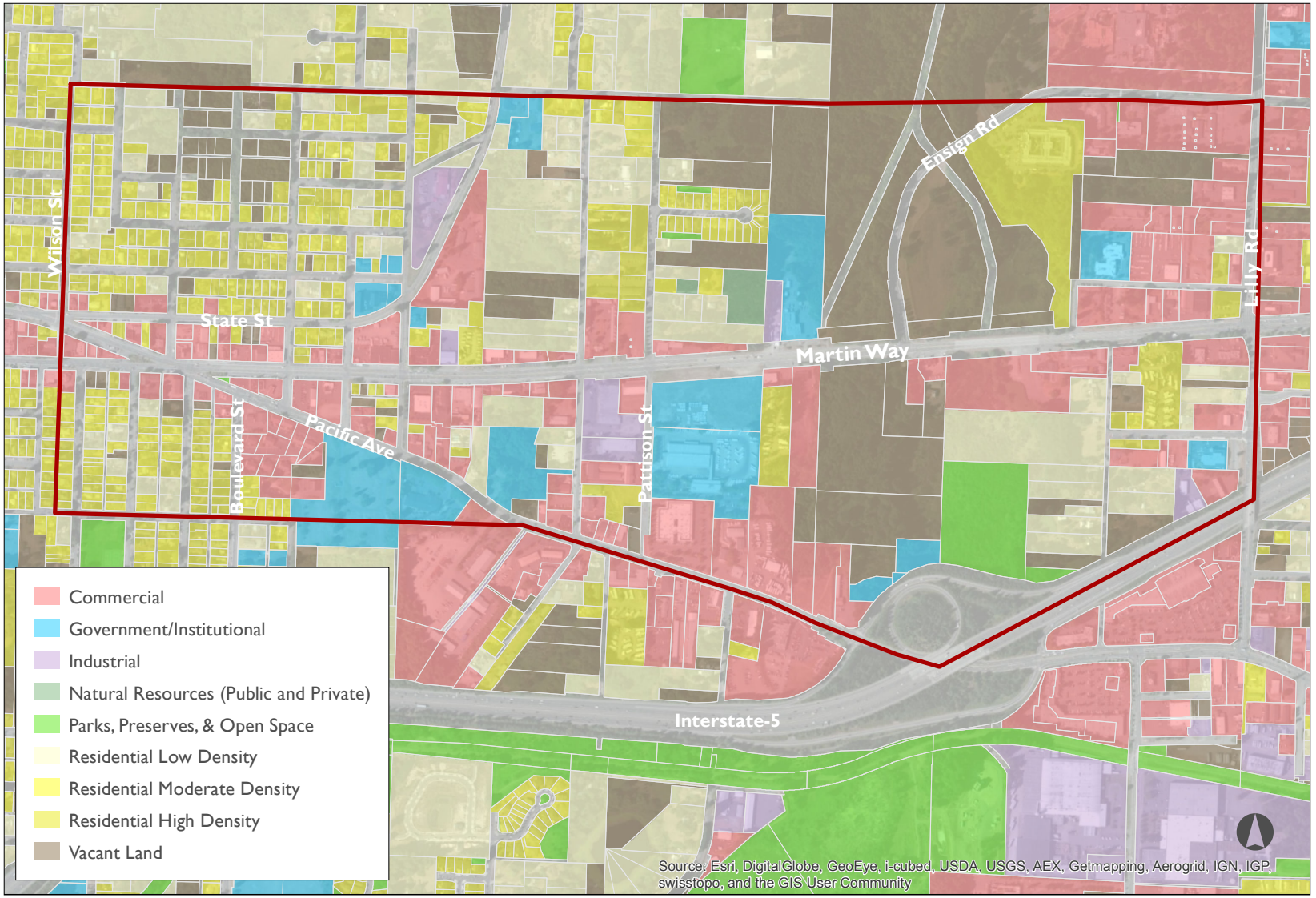
The High Density Corridor zoning along Martin Way and Pacific Avenue allows for high intensity residential or commercial development, but the study area has not realized much new development or redevelopment over the last ten years, even while other parts of the city and region grew and realized some redevelopment. The lack of development is a result of three primary development challenges in the study area:

- Rents for most uses are still relatively low, which makes it difficult for new development to substantially increase the income potential of a property through redevelopment,
- There is a competing supply of easily developable (i.e. large and vacant) property in the region with good transportation access, and
- Lack of prime development sites.

As a result, significant development and redevelopment along the corridor is a long-term proposition. Larger vacant and/or partially used parcels in the study area will be the most likely to be developed first before currently developed and more challenging parcels are redeveloped. Most parcels that fit this description are in the central part of the study area.

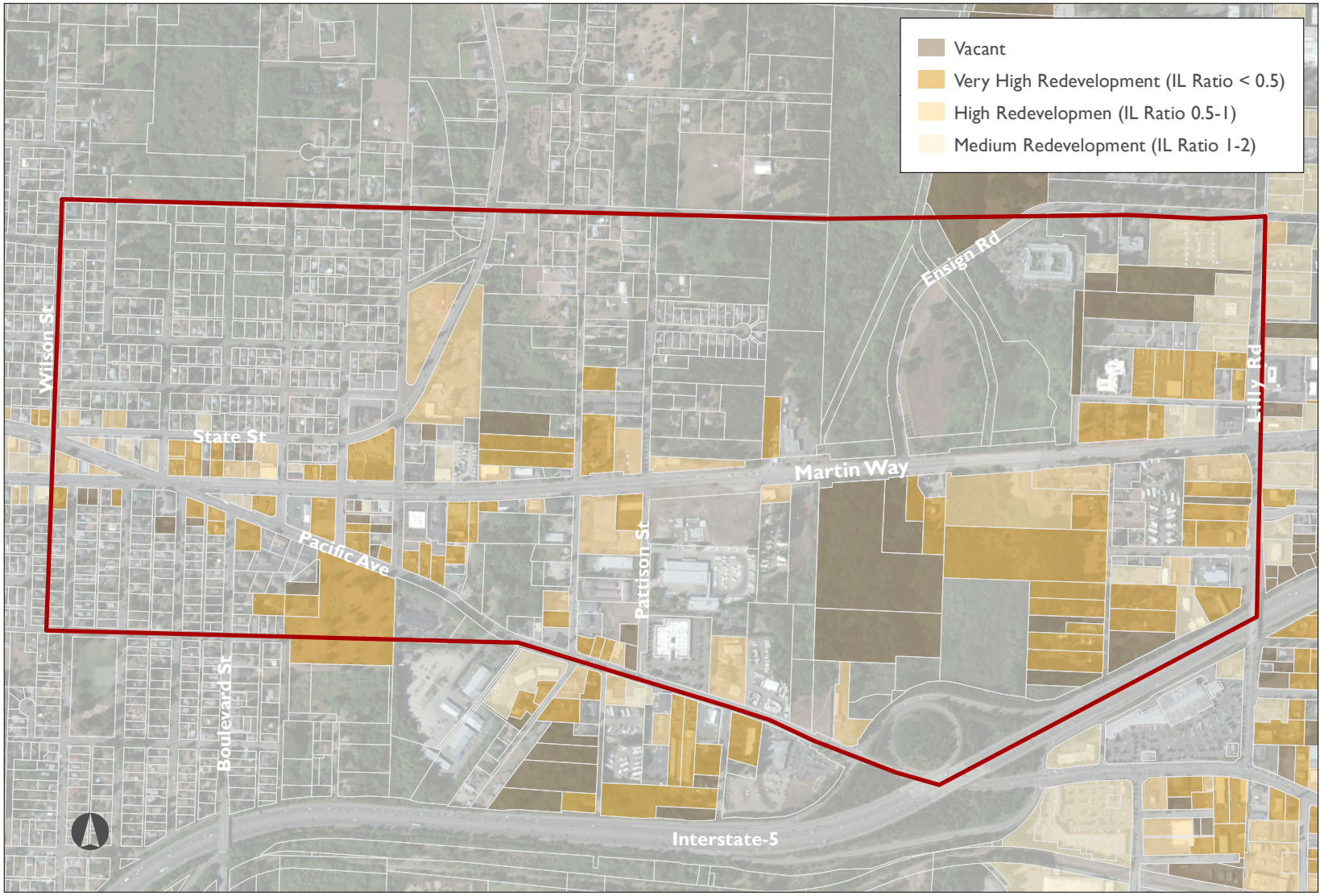
The use most likely feasible in the study area in the near-term is **multi-family housing.** Rents in Olympia have been increasing and vacancy rates are relatively low. Longer-term, parcels on the west and east ends of the study area, many of which are currently developed, will have increasing redevelopment potential for a variety of uses. One longer-term land use opportunity may be **medical offices.** The study area is in close proximity to Providence Hospital and a cluster of existing medical offices.

Figure 2. Current Land Use in Study Area, 2010



Source: Thurston Regional Planning Council

Figure 3: Community Redevelopment Potential in Study Area, 2010



Source: Thurston Regional Planning Council

2.2 Transportation

As the focus of this particular study, Martin Way operates as a key east-west link between Downtown Olympia and Lacey while providing regional connections to Interstate-5. It is characterized by four travel lanes of varying pavement condition with bicycle lanes present on both sides of the road.

Pedestrian Environment

The presence of sidewalks in the study area varies, depending primarily on the adjacent land use. A large portion of Martin Way currently lacks sidewalks, with sporadic coverage at intersections or in front of more recent development as shown in Figure 4. The width of right-of-way associated with Martin Way allows for the flexibility to potentially improve both bicycle and pedestrian conditions along the corridor.

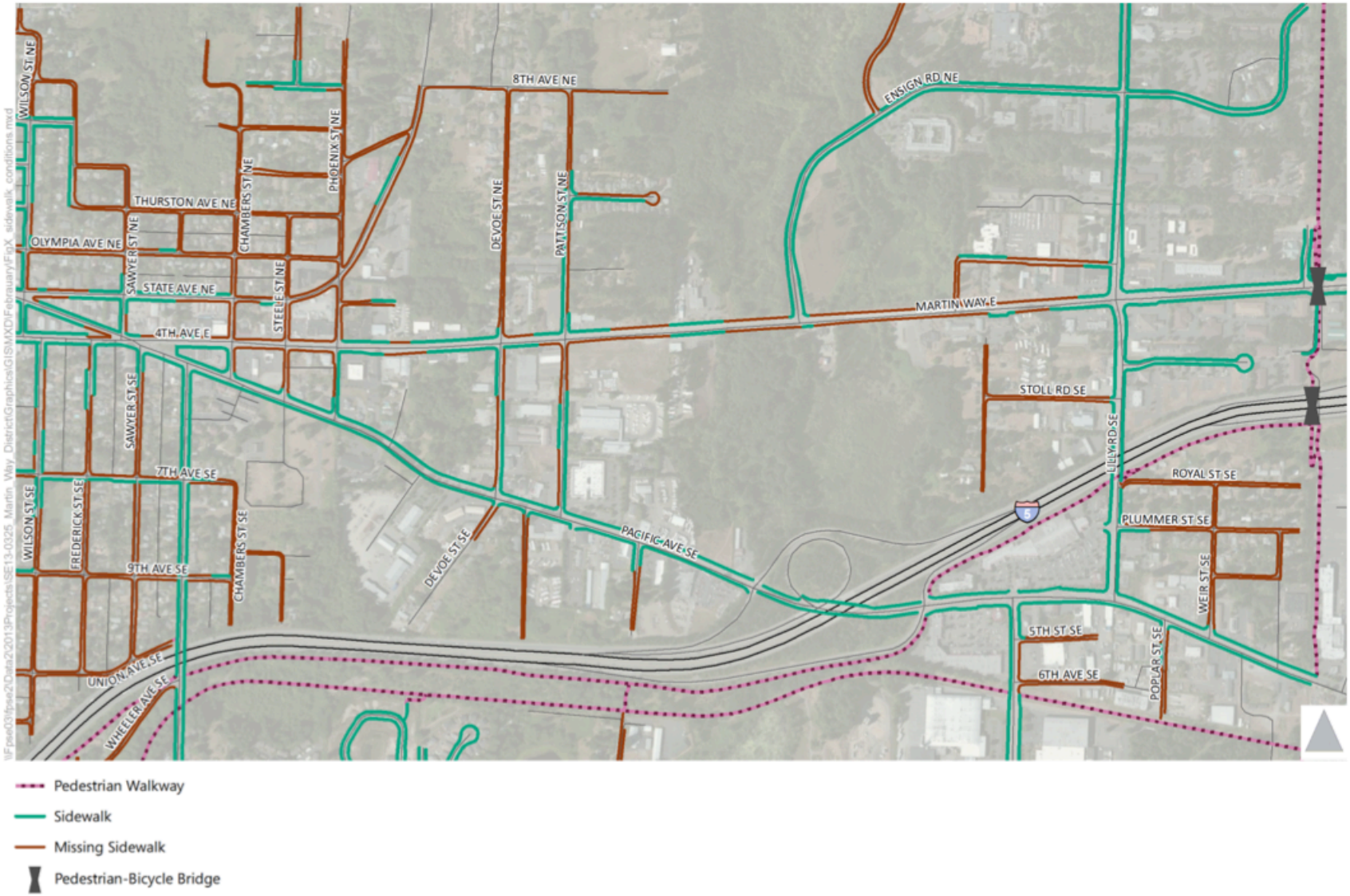
Currently, there are few opportunities for pedestrians to comfortably cross the streets. The signalized intersections of Phoenix Street, Ensign Road and Lilly Road are far apart from one another. In addition, the wide crossing width and vehicle speeds make it challenging for a pedestrian to cross Martin Way.

Bicycle Environment

While bike lanes exist on Martin Way, the street is characterized as high stress bicycling environment. With a speed limit of 35 mph along Martin Way, the limited buffer between the bike lane and vehicle traffic is insufficient to provide a low stress cycling environment. Additionally, the poor pavement quality in some sections of Martin Way creates a difficult travel path for cyclists. The large number of driveway access points near Lilly Road and Pattison Drive also results in numerous conflict points along the route. Figure 5 highlights the current bicycle infrastructure.

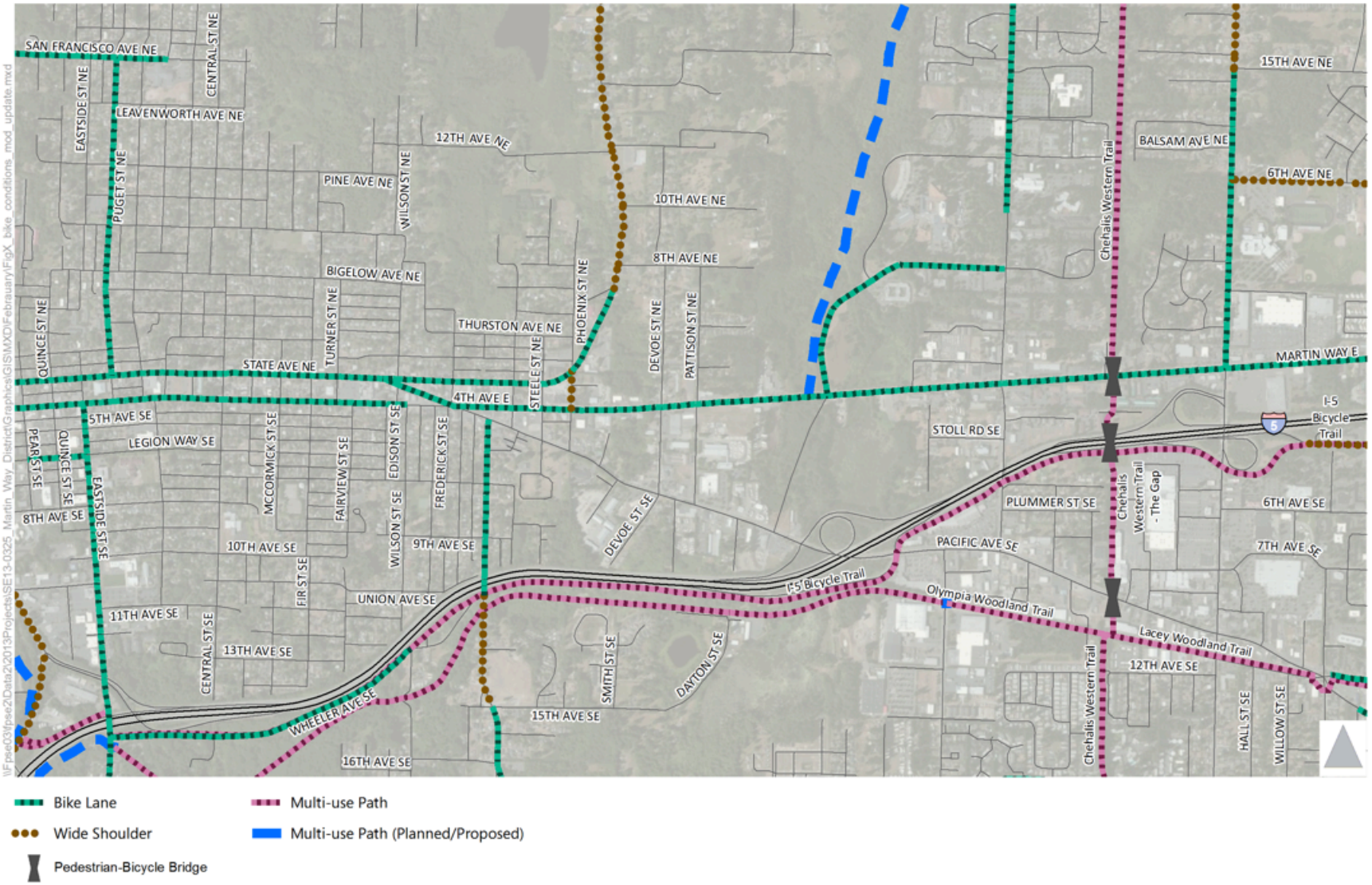
Source: Google Images

Figure 4. Study Area Sidewalk Connectivity



Source: Fehr & Peers, City of Olympia

Figure 5. Study Area Bicycle Routes



Source: Fehr & Peers, City of Olympia

Transit Service

Intercity Transit is the local transit authority connecting the cities of Lacey, Olympia, Tumwater and Yelm. Intercity Transit provides service to the Martin Way study area with six bus stop locations in each direction along Martin Way. Service along the corridor is provided during weekdays approximately between 6:00am and 11:00pm. Routes 60, 62A and 62B serve the study area. Routes 62A and 62B provide similar service connecting Lacey with Downtown Olympia via Martin Way and combine to offer 30 minute headways during the morning commute and 15 minute headways during the evening commute hours. Route 60 offers direct service to the Providence Hospital from locations in Olympia and Lacey.

Source: Fehr & Peers

Martin Way has been identified as a bus corridor in the City's Transportation Mobility Strategy. These are selected major corridors where the City and Intercity Transit are investing in transit service that is frequent and convenient. A current project is underway to provide transit signal priority at intersections so that buses can proceed through the intersection without being delayed in congestion.

Traffic Operations

The study area moves traffic east and west efficiently with the arterials of Pacific Avenue and Martin Way. However, the district lacks a gridded network of north and south street connections with primary connections limited to Martin Way and Pacific Avenue. With four travel lanes of vehicle capacity, Martin Way has relatively low levels of daily traffic volumes and congestion as shown in Figure 6. Overall, daily volumes along Martin Way do not exceed 8,200 vehicles in any direction, with total volumes below 16,000. This is in the lower range of the City's standards for a four-lane arterial, which is 14,000 to 40,000 vehicles per day. Pacific Avenue has four travel lanes with a two-way left turn lane and exceeds 16,000 vehicles in one direction and 30,000 daily vehicles combined. All signalized intersections in the study area currently operate at LOS D or better.

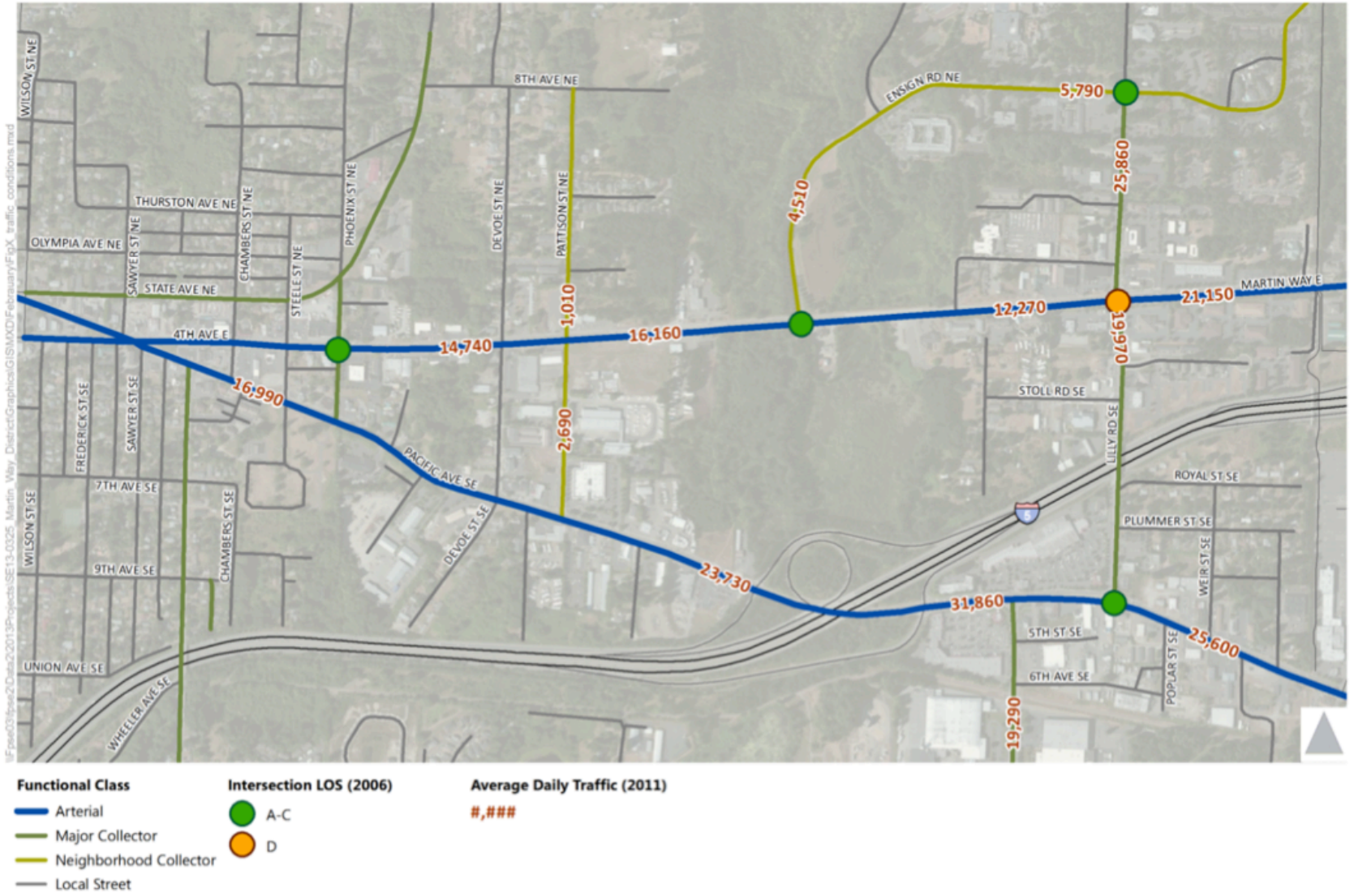

Source: Google Images

The City of Olympia's Comprehensive Plan forecasts a substantial increase in PM peak hour traffic volumes by the year 2030 compared to volumes observed in 2006. To accommodate this increase, the Comprehensive Plan lists two key intersection improvements within the study area:

- Adding turn lanes to the Lilly Road and Martin Way intersection
- Adding turn lanes to the Lilly Road and Ensign Road intersection

The Lilly Road and Martin Way intersection is forecast to be overcapacity by 2030 even with additional turn lanes. The Comprehensive Plan proposes extensions of Ensign Road from Pacific to Martin Way and Stoll Road to Martin Way as a means to accommodate growth and improve operations of the intersection.

Figure 6. Study Area Traffic Levels



Source: Fehr & Peers, City of Olympia

2.3 Stormwater and Utilities

The study area is currently served by existing water, wastewater, storm drainage and underground private utilities. However, there are a number gaps within the study area related to stormwater facilities and parks and trails. In addition, the uncertainty around wetland delineation and classification and the associated stormwater mitigation costs will have implications for development in the study area.

Drinking Water

Based on review of the City of Olympia 2014-2019 Capital Facilities Plan and the Olympia Water System Plan for 2009-2014 there are no water projects or upgrades planned within the study area. However, the City of Olympia plans to include water lines along both Ensign Road and Stoll Road extensions when they occur.

Wastewater

Some of the properties along Martin Way are still on septic and will need/want to connect to the sewer mainline as redevelopment occurs. Due to the existing topography it may be hard to get gravity connections to the Martin Way line in some locations. Some parcels may have to pump the sewer up to the mainline.

LOTT identifies that there will be capacity issues in the main distribution pipeline along Martin Way, and the City of Olympia identifies that some pipe segments need to be upsized by 2030.

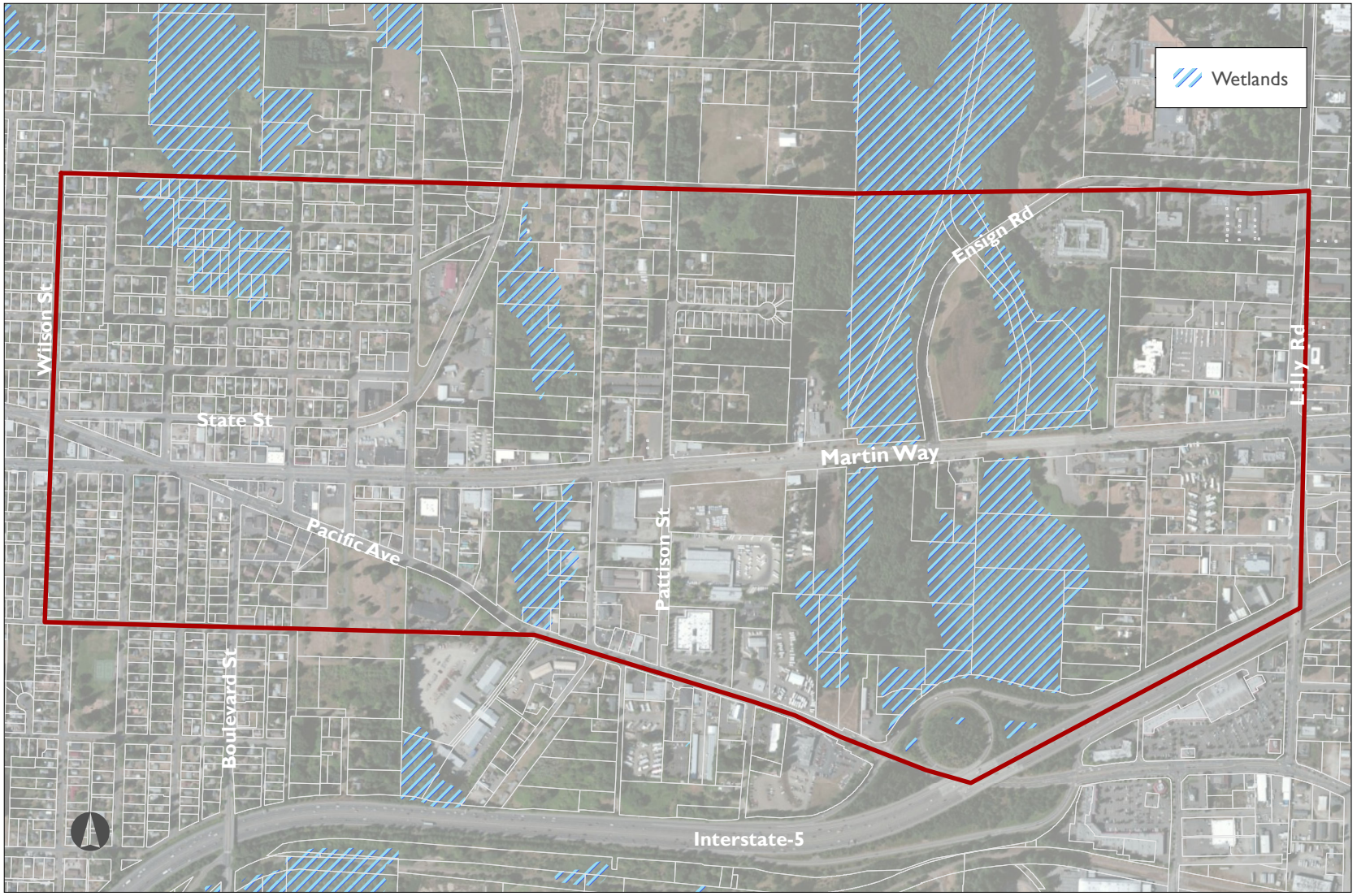
Storm and Surface Water

There are two stormwater basins within the study area, including the headwater for Woodard Creek. The western portion of the study area to about Ensign Road is located within the Indian Creek Basin. Based on the critical area information shown on the Thurston County Geodata Center mapping, a portion of the study area is within the watershed protection area, flood plain, high groundwater hazard, wetland and wetland buffer associated with the creek system, and the shellfish protection area.

The costs of redevelopment for either right-of-way or parcels could be significant to meet both permitting and design requirements in these areas. However, until the wetland delineation and classifications are confirmed, the extent of the mitigation is unknown.

Thurston County is just finishing a retrofit study of Woodard Creek, and Olympia should continue to coordinate with the County to evaluate basin level planning. The City may also want to review any projects in the Martin Way study area to confirm if there is opportunity to create a regional stormwater management facility within the basin to offset the stormwater management requirements as parcels redevelop.

Figure 7. Study Area Wetlands



Source: Thurston Regional Planning Council, City of Olympia

Electricity and Natural Gas

Redevelopment within the study area is able to obtain electrical and gas service from Puget Sound Energy. Joint utility trenches are included in estimates for Martin Way improvements, Ensign Road, and Stoll Road.

Parks and Trails

There are no parks parcels owned by the City of Olympia shown in the study area. As a result, additional park land may need to be identified to support any new residential development in the area.

The 2010 Parks, Arts & Recreation Plans shows the Woodland Creek Trail corridor, between Martin Way and 26th Avenue, as a long-term objective. The trail is shown on property owned by Providence Saint Peter Hospital. If Ensign Road is extended south of Martin Way, there is potential to extend a trail between Martin Way and Pacific Avenue to provide a north-south non-motorized connection within the district.

2.4 Summary Assessment

While there are a number of transportation, stormwater, and utility infrastructure needs within the study area, most of the needs identified are not an immediate barrier to development for most parcels. For example, roadway improvements to Martin Way would not improve access for parcels along the corridor, and thus not significantly change the market fundamentals of those parcels (the ability to achieve higher rents or increase land values). The primary limitation to development and redevelopment along the corridor is relatively low rents, lack of prime development sites, and the large supply of competing locations (either vacant buildings or buildable lots) in the area.

One exception includes a few large vacant interior parcels between Martin Way and Pacific Avenue east of Pattison Street, which do not have road access. An extension of Ensign Road through this area could open this area for development. Stormwater mitigation requirements for the development of this area are uncertain due to the lack knowledge related to wetland delineation and classification in the area. However, the potential cost for developers may be quite high.

Besides economic development benefits, improvements in the streetscape and how the right-of-way along Martin Way is programed can make the area more attractive and safe for people. Safety improvements, particularly for pedestrians and bicyclists, appear to be one of the most important types of infrastructure improvements needed today in the district.

The study area has a number of assets that make the corridor a good location for redevelopment. The zoning allows for relatively high intensity residential or commercial uses. The several unique amenities in the study area, including good views of Mount Rainier and a large amount of open space. Traffic along the corridor is relatively low and it is well served by transit.

Over the long-term, an improved and more attractive roadway could make the area a more desirable location for new businesses and development as the market for new development improves. Making upfront corridor-wide improvements would be costly to the City, however. A less costly option for the City is to wait for private development to make frontage and roadway improvements along Martin Way. This is a long-term approach that will likely result in piecemeal improvements along the corridor. Nor will this approach address some of the immediate needs of bicyclists and pedestrians.

3 Project Area Assessments

To gain a better understanding of the variety of infrastructure needs and development potential within the study area, the study summarizes the corridor-wide improvements identified in the Situation Assessment and then focused on two smaller areas for additional work. The two focus areas are the west end of Martin Way between Sawyer Street and Pattison Street, and the extension of Ensign Road from Martin Way to Pacific Avenue. These areas were selected because of their different infrastructure needs and development potential.

The assessment for each of the focus areas took quite different approaches. The assessment of Martin Way between Sawyer Street and Pattison Street involved a community workshop to elicit feedback from residents and local businesses on needed improvements. The assessment of the Ensign Road extension involved more detailed analysis of the potential road alignment, environmental constraints, and development feasibility of the area.

3.1 Martin Way Corridor Improvements

Given the overall limited near-term development potential and significant infrastructure needs along the Martin Way corridor broadly, improvements would be costly. The Martin Way corridor through the entire study area requires a number of improvements in order to bring it up to the City's Arterial standard and to create a safe pedestrian and bicycling environment. There are notable sidewalk gaps in the area, particularly in the western portion near land uses with more frequent pedestrian travel. Additionally, the only safe pedestrian crossings of Martin Way are at the signalized intersections of Ensign Road, Phoenix Street, and Lilly Road. The pavement quality on the shoulder is poor for bicyclists and the current bicycle infrastructure does not provide a suitable separation from vehicle traffic given the posted speed limit. The following items are key improvements needed for Martin Way:

- A minimum of 8-foot wide sidewalks on both sides of the street
- Planter strip, street trees or a landscaped buffer between the sidewalk and street
- Re-striped 5-foot bike lane with possible 2-foot buffer
- Additional pedestrian crossing treatments such as refuge islands, crosswalks and/or signalized crossings[1]
- Re-paved bicycle surface

In total, the costs for the corridor improvements would range between $17 and $23 million depending on the extent of the infrastructure. The sidewalk construction alone would comprise $2.5 to $3.0 million of that amount.

[1] Costs assume crossing treatments at Chambers Street, Devoe Street and Stoll Road

3.2 Focus Areas

3.2.1 Martin Way: Sawyer to Pattison Frontage and Pedestrian Improvements

The segment of Martin Way between Sawyer Street and Pattison Street (just west of the Intercity Transit site) is an important part of the corridor. This area was selected for additional work because of the surrounding residential neighborhood, number of businesses, transit connections, and opportunities to upgrade local streetscapes, business entries, pedestrian circulation, and development potential. To explore those opportunities, the study incorporated an urban design element focused on the area. Public realm improvements can significantly enhance a community's multi-modal circulation, safety, neighborhood character and stability, pedestrian interest, appearance and its business and development setting.

Community Workshop

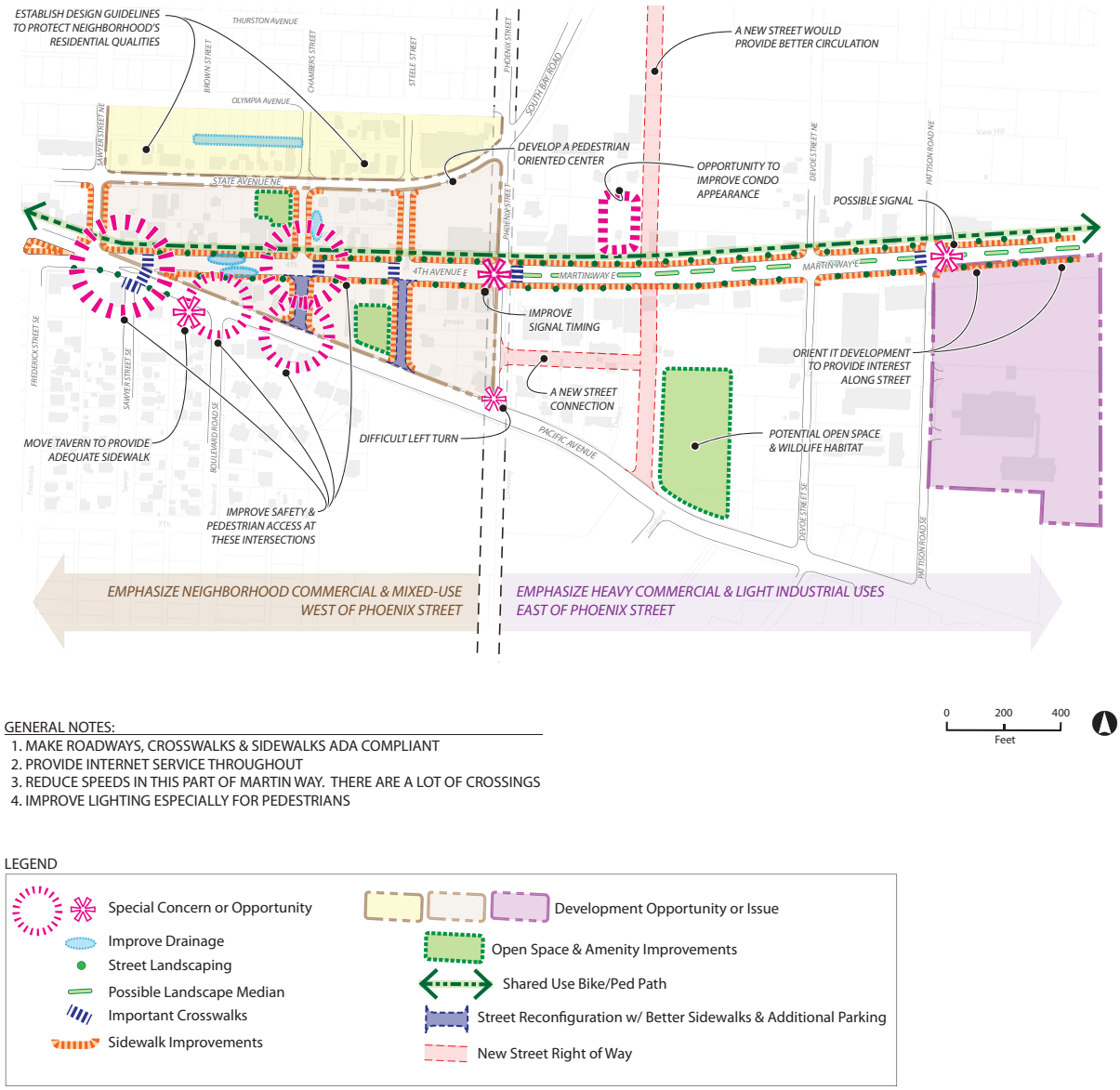
The intent of this effort was to work with community members, including residents as well as property and business owners, to identify public realm and other urban design improvement options to pursue further at a later time. In order to solicit the public's objectives and ideas, the City of Olympia conducted a design workshop on May 12, 2014. Approximately 30 participants attended. After a brief presentation to describe the project's intent and scope, a summary of physical and market conditions, and examples of other successful corridor development efforts, participants divided into groups of eight to ten people to discuss their thoughts on improving the corridor. The work session concluded with each group sharing the results of their group's responses. The following section summarizes the major infrastructure needs identified during the breakout sessions and discussed during the final full group session. These ideas and concepts are not specific recommendations but ideas that community members felt worthwhile to explore.

Infrastructure Improvement Needs

The groups recorded ideas for improvements on maps. These were specific proposals for improvements people felt were valuable to the district. The improvements fell into three categories: pedestrian safety and access, public realm improvements, and development opportunities. The following is a list of specific street and public realm improvements that might be pursued in the future.

Figure 8 represents a compilation of the various ideas that can be explored further.

Figure 8. Urban Design Suggestions from May 12th Public Workshop



GENERAL NOTES:

1. MAKE ROADWAYS, CROSSWALKS & SIDEWALKS ADA COMPLIANT
2. PROVIDE INTERNET SERVICE THROUGHOUT
3. REDUCE SPEEDS IN THIS PART OF MARTIN WAY. THERE ARE A LOT OF CROSSINGS
4. IMPROVE LIGHTING ESPECIALLY FOR PEDESTRIANS

LEGEND

- Special Concern or Opportunity
- Improve Drainage
- Street Landscaping
- Possible Landscape Median
- Important Crosswalks
- Sidewalk Improvements
- Development Opportunity or Issue
- Open Space & Amenity Improvements
- Shared Use Bike/Ped Path
- Street Reconfiguration w/ Better Sidewalks & Additional Parking
- New Street Right of Way

Source: MAKERS Architecture

Pedestrian Safety and Access

- Address the need for additional crosswalks – the community feels it needs better north-south access across Martin Way.
- Improve sidewalk continuity. Continuous sidewalks should be provided along Martin Way. Currently there are a number of stretches that are inaccessible and uncomfortable.
- Address concerns that the Phoenix Street intersection should be improved for all users.
- Address concerns that there needs to be a signal at Pattison Street for safety improvements.

- Improve the triangle intersection at Pacific Avenue – consider an "oval-about," an elongated roundabout.
- Consider a multi-purpose trail along north side of Martin Way in lieu of a sidewalk and bike lanes on that side. One alternative would be a swale and pathway instead of a concrete walk to save money.
- Provide sidewalks on side streets to improve connections to residential areas.
- Improve street lighting throughout the corridor
- Increase pedestrian visibility from the street.
- Consider pedestrian activated signals for crossing Martin Way.
- Consider better pedestrian crossings and connections in the triangle east of Pacific Avenue.
- Improve access to key bus stops in this area.
- Address concerns that traffic speeds are too high for all users.

Other Public Realm Improvements

- Define the road edge - delineate the public right-of-way and the space needed for vehicles. The street is poorly defined between buildings and the travel lanes
- Address stormwater runoff (perhaps a storm water retention pond or regional facility).
- Investigate ways to create a network of smaller streets.
- Consider a median down at least a portion of Martin Way for safety and appearance.
- Use and enhance existing green space. The area needs more parks. A pocket park behind "Tea Lady" would provide great views of Mt Rainier. Street trees would improve the "sea of asphalt" look.
- Improve the appearance of areas around trailer parks.

Development Opportunities

- The triangle east of the Pacific Avenue intersection has a number of opportunities. It also could benefit from both public and private realm improvements. There is no real definition of this potential node.
- There are some opportunities for multi-family or mixed use development near the intersection with Pacific Avenue. Two floors over commercial might be good. Take advantage of the market for residences, but it is important to make sure that they don't adversely impact the neighborhoods.
- The real desire is for smaller scale local businesses. Maybe the lots and area are appropriate for start-ups. More development like the farm store is desirable. Cottage industries are especially desirable
- Let height develop on the corridor, with sensitivity to existing single-family areas.

Overall, the Martin Way right-of-way is sufficiently wide to accommodate a variety of alternative solutions. For example, better pedestrian circulation and safety might be addressed with better sidewalks on both sides of the street. Or, that same objective might be achieved through a multi-modal trail (for both pedestrian and bicycle circulation) on the north side of the street. The next steps for understanding how Martin Way can best meet the needs of the community will take a more detailed study and continued public input.

3.2.2 Ensign Road Extension

The future extension of Ensign Road is identified in Olympia's Comprehensive Plan. The extension would provide a north-south connection between Martin Way and Pacific Avenue with access to Interstate-5. The connection would also provide access to a sizable area of undeveloped land and an alternative route to increasingly congested Lilly Road. However, this area has significant development constraints due to the adjacent wetlands.

Figure 9 shows the potential alignment of an Ensign Road extension. The City's Major Collector standard require that the alignment include 60 feet of right-of-way and one travel lane in each direction along with bike lanes and sidewalks on both sides of the street. A left-turn lane for the southbound approach along Ensign Road would be provided at the intersection of Ensign Road and Pacific Avenue while a left-turn lane would be provided along the northbound approach at the intersection of Ensign Road and Martin Way.

The alignment is located adjacent to a large wetland system. The extension of Ensign Road would need to comply with the City's Critical Area Regulations.

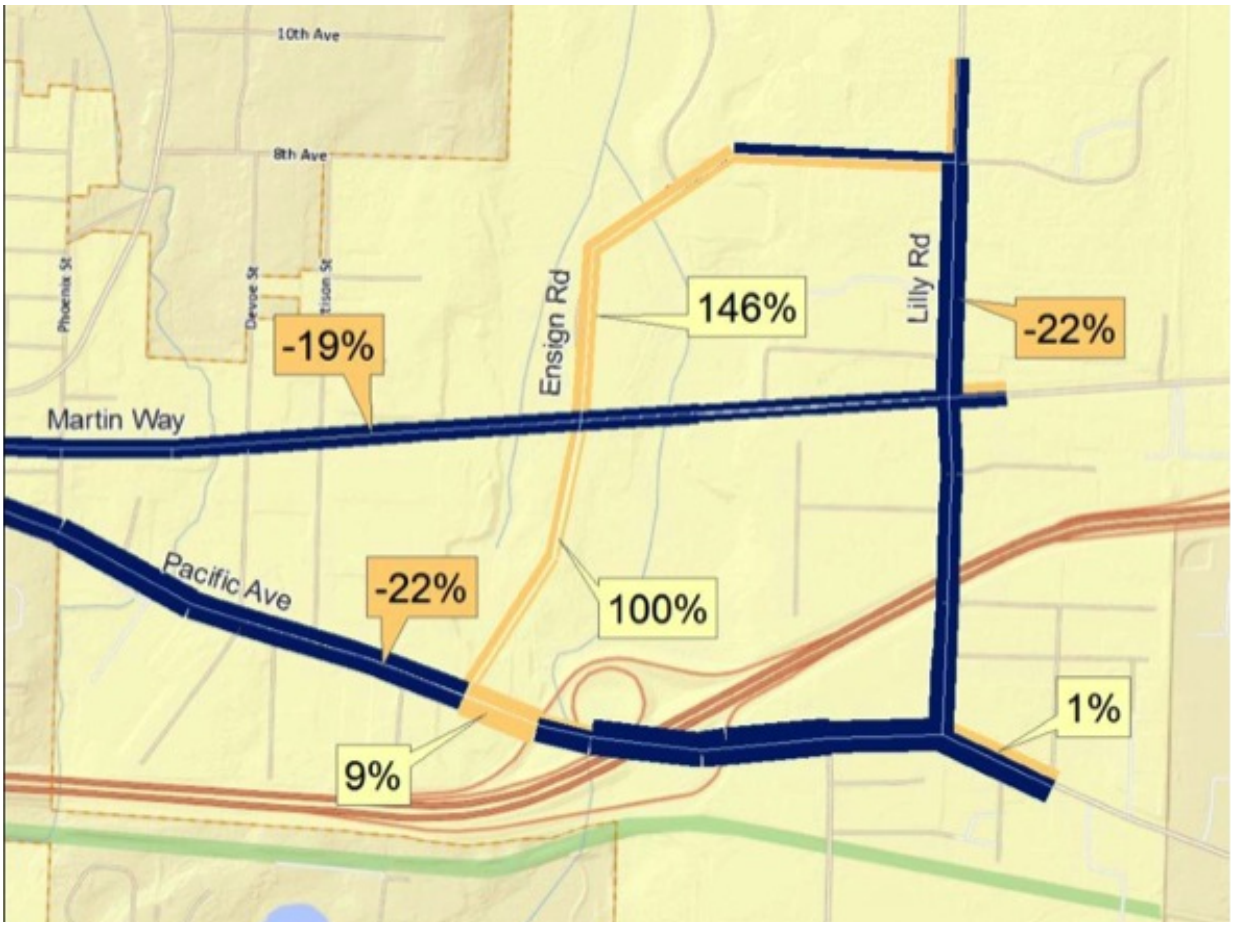
Figure 9. Ensign Road Extension Alignment

Source: ECONorthwest, Fehr & Peers, Thurston Regional Planning Council

Initial cost estimates developed by city staff were updated to reflect the revised alignment and the new signal provision. Including design and contingency estimates, the total cost of the Ensign Road extension would be approximately $9.1 million. Note that this estimate does not include the extension of sanitary sewer and water mains, which would be an estimated additional $1.2 million.

City staff analyzed projected traffic volume diversion based on constructing of an Ensign Road extension. In general, the Ensign Road extension would decrease the number of vehicles that would use the Martin Way and Lilly Road intersection and decrease volumes along Martin Way and portions of Pacific Avenue and Lilly Road. Figure 10 shows the potential decrease in traffic volumes on nearby streets.

Figure 10. Ensign Road Extension Impacts on Traffic Volumes



Source: City of Olympia

Besides the improved vehicle mobility, the Ensign Road extension would enhance the north-south connectivity for pedestrians and bicyclists. The extension would help to reduce the existing gap of over 3,600 feet between the nearest north-south roads of Pattison Street and Lilly Road, which don't have bicycle facilities. While Lilly Road has sidewalks, Pattison Street has incomplete sidewalks.

Development Feasibility

The study looked at the development feasibility of two different uses, a large format retail store and an apartment complex. The feasibility analysis had two purposes. The first is to determine if development would be feasible in the near-term. The second is to determine if development could pay for all or a portion of the road extension. To assess development feasibility, the analysis used a pro forma model of each use factoring in current market rents and construction costs, including the cost of constructing the road and related water and sewer improvements and estimated stormwater mitigation.

A key issue impacting the development of the area is the environmental constraints associated with the wetlands. The category of wetland and resulting environmental constraints on the site are not well known, and any future development would require additional study. As a result, the feasibility analysis assessed the development potential of the area using an 80-foot wide wetland buffer required for Category III wetlands and an more restrictive 120-foot buffer required for Category II wetlands. The total buildable area with the 80-foot buffer is 5.5 acres, and the buildable area with a 120-foot buffer is 3.6 acres.

Storm and surface water mitigation costs associated with development is another significant barrier for development feasibility. Stormwater mitigation on the site would likely require re-grading the site, on-site treatment, and the construction of a retention vault. Total cost for this would be in the range of $1 million or more. The feasibility analysis assumes $1 million added to the cost of development.

The City is developing new Low Impact Development Standards for stormwater. This will ultimately affect future project design and costs.

Retail

A WinCo grocery store was proposed for this site prior to the recession starting in 2008. This study conducted a pro forma analysis of a similar development to test if this type of use would be feasible today. There are a few key differences between the development concepts. The WinCo proposal assumed wetland buffers less than 80 feet allowing for a larger building and more rent income. The width of the extension of Ensign Road was also narrower making it less costly to develop. In addition, the market for development at that time was much stronger, increasing the demand for the site. As a result, the development feasibility today is likely more challenging.

The results of the pro forma analysis indicate that a large-scale retail store would not be feasible today at current rents. The cost of extending Ensign Road was not included in the initial feasibility assessment. Figure 11 provides a summary of the current assumed annual triple-net rent, the estimated rent needed for the development to be feasible and pay for the entire $9.1 million extension of Ensign Road ($37.00/sf/yr NNN), and the difference between the two rent levels (Gap).

Figure 11. Retail Rents and Feasibility

Retail - 80 ft Wetland Buffers	
Current Rent/SF	$18.00
Feasible at Current Rent	**No**
Rent to Pay for Road	$37.00
Gap ($/SF)	$19.00

Source: ECONorthwest

Apartments

The Situation Assessment identified multi-family apartments as the use most likely to be feasible in the near-term. This analysis evaluated the feasibility of three-story garden-style apartments with surface parking on the site. Figure 13 shows the conceptual site layout of the apartment buildings with 80-foot and 120-foot wetland buffers. The scenario with the smaller 80-foot buffers allows for about 60 more units to be included on the site.

Neither scenario would be feasible if the full cost of extending Ensign Road was included in the development costs. However, if the road extension costs were set aside (i.e. paid for by the City or another source), apartments would likely be feasible under the 80-foot buffer scenario and marginally feasible under the 120-foot buffer scenario. Figure 12 shows the current assumed annual rents, which are somewhat lower than other parts of Olympia, and the rent level needed for the development to bear the entire cost of constructing the Ensign Road extension.

Figure 12. Apartment Rents and Feasibility

Apartments - 80 ft Wetland Buffers	
Current Rent/SF	$12.08
Feasible at Current Rent	**Yes**
Rent to Pay for Road	$18.00
Gap ($/SF)	$5.92

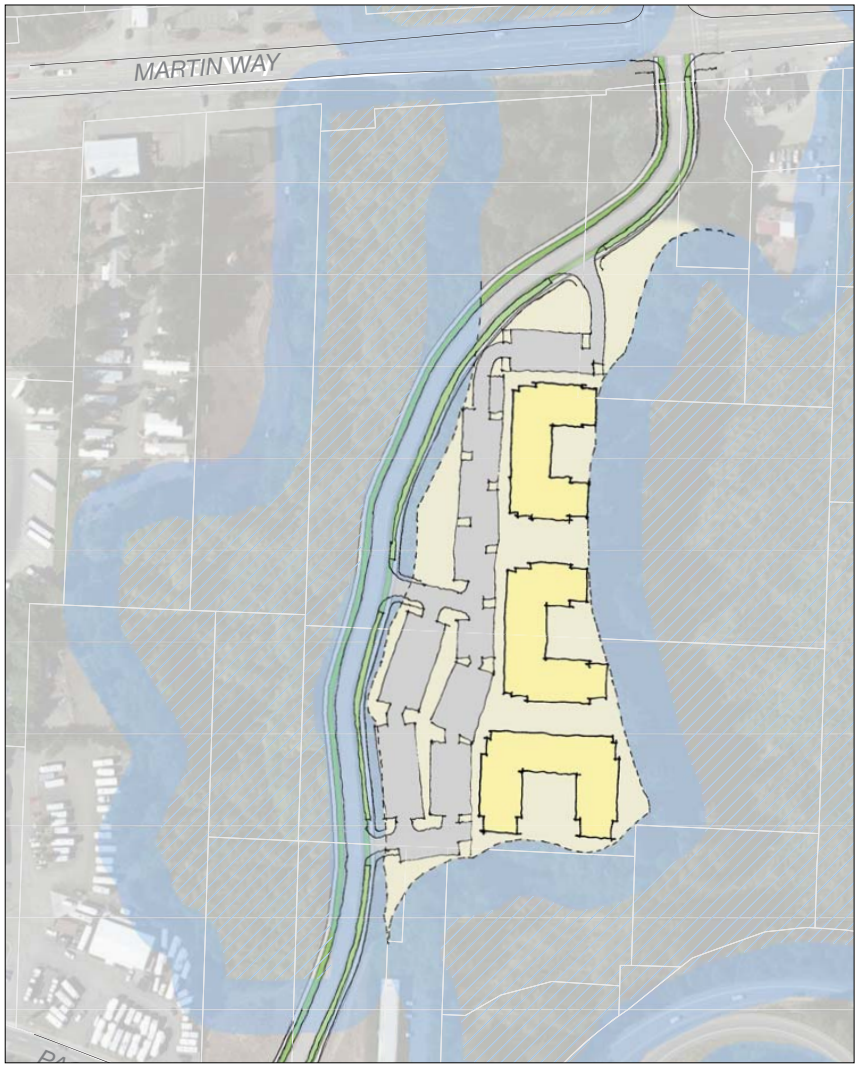
Apartments - 120 ft Wetland Buffers	
Current Rent/SF	$12.08
Feasible at Current Rent	**Maybe**
Rent to Pay for Road	$21.00
Gap ($/SF)	$8.92

Source: ECONorthwest

The gap under both scenarios would represent a 50% or more increase in rent. As a result, it is unlikely apartments, or any type of development, would be able to support the cost of extending Ensign Road in the near-term.

Figure 13. Conceptual Apartment Site Layout

80 foot Buffer



120 foot Buffer

Source: MAKERS Architecture, Fehr & Peers, Thurston Regional Planning Council

4 Infrastructure Needs and Funding Challenges

4.1 The City's Current Approach to Infrastructure Investment

Some infrastructure can only be effectively paid for and funded by governments, either because it is not possible to charge users, or users are not able to pay the full amount to cover the cost of the infrastructure. Infrastructure that can be paid for and funded by users should be encouraged unless the investment is not aligned with the City's broader economic, social, and environmental goals. In cases where support is needed to make projects viable, or where there are groups of society that are no longer able to afford essential infrastructure services, public funding must be part of the equation.

Olympia's approach to funding local infrastructure is like many cities across the nation, "growth pays for growth". This "growth pays for growth" approach seeks to leverage private funding sources (principally through the land development mitigation process) with forms of public funding, especially from the Federal and State level. The priority of public funding is to seek out earmarks, grants, and other competitive awards and sources first before moving to more locally based funding sources.

While federal and state funding sources are more desirable, they are difficult for local policymakers to control, or even to predict. Federal programs that exist today may not exist in a few years, and allocation formulas and competitive processes may change. The list of local infrastructure projects may not align with eligibility and project scoring criteria. While local stakeholders can always lobby federal and state governments for increased funding, they have no direct authority over allocations, which mean state and federal sources that are not specifically authorized are always somewhat speculative. Ultimately, how much funding can be obtained from these non-local public sources is part political (getting necessary support for a project) and part administrative (dedicating effort towards the preparation of grant awards).

4.2 Strategic Implications of This Approach

The approach laid out by requiring "growth pay for growth" has been very effective in funding infrastructure improvements across Washington. However, this approach requires that project value is sufficient to cover both the cost of the project and associated infrastructure improvements. The same is true of infill redevelopment, but redevelopment projects need relatively higher project values to cover the cost of new construction and required infrastructure. This is because of the pre-existing income producing structure already on the land (e.g. a developer would have pay more for the land than if it were a greenfield development).

The Martin Way study area is predominantly characterized by existing uses (some that are potential redevelopment opportunities). There are some vacant parcels, which are easier to develop. However, vacant parcels on the western part of the study area smaller and are not

contiguous, creating challenges for parcel assembly. The implication for infrastructure development is that the needed improvements will be constructed piecemeal as parcels develop one-by-one. Some sites may be large enough to complete the entire infrastructure improvement when development occurs. This is typically not the case for infill sites, and especially for smaller fragmented parcels.

The policy choice confronted by many local jurisdictions is whether some level of public funding support should be contributed to help offset the financial cost for constructing a portion of a local infrastructure project; or, in areas where development is not happening, whether public investment is needed to improve or complete needed projects before development occurs.

The success of building infrastructure will depend largely on steps the City can take to raise and administer revenue from local sources. Local funding sources will likely not be the largest component of a funding strategy for Martin Way, but the City has more discretion over these sources (how they are raised and how they are spent). As a result, they are a critical component of any funding strategy. For example, local funding used as matching funds for state or federal funding may be what moves a project up on funding priorities of an award list.

The prioritization of projects for scarce public resource must balance many different objectives typically shown as a range of benefits, including:

- Mobility
- Safety
- Environmental sustainability
- Economic and fiscal
- Equity

These benefits must be aggregated to provide project level comparison so that both the total benefits and costs can be compared to prioritize projects.

5 Funding Approach

5.1 Overview of Developing a Infrastructure Funding Approach

The ultimate goal for the Martin Way study area is to build needed infrastructure that supports community and economic development goals. Development of this infrastructure has three different components: strategy and planning, funding and financing, and project development. Figure 14 shows the sequence of steps in these phases.

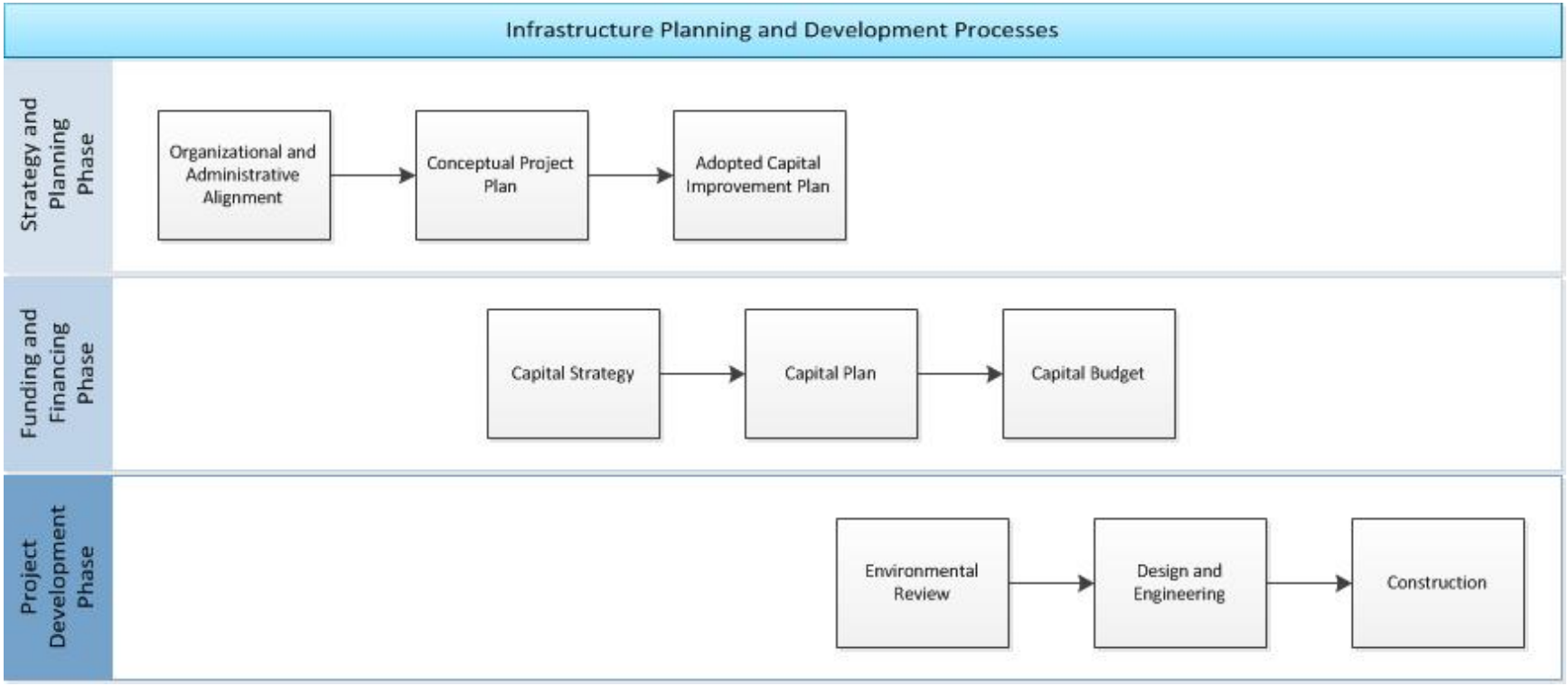
This study addresses the earlier parts of the infrastructure planning and development process, such as better understanding the need for different types of projects, advancing those project concepts for inclusion into the City's Capital Improvement Program, and updating the City's concurrency program. Further, it can begin to help identify and align public and private funding sources.

This study is ultimately about funding, for what otherwise could become a wonderful but unconstrained plan. As Figure 14 shows, the project funding and financing phase consists of three sequential elements.

- **Capital Strategy:** A capital strategy includes creating high-level costs estimates, outlining long-term objectives, and identifying potential funding sources for a 10-year planning horizon.
- **Capital Plan:** A capital plan is a shorter-term plan to set priorities to meet the long-term objectives of the capital strategy, and confirms cost estimates and funding sources for specific projects.
- **Capital Budget:** A capital budget is needed, as a project is ready to move forward within the next year. The capital budget allocates funds approved from specific sources to the project(s) identified.

Once a jurisdiction has some clear notion of where it plans to get funding it can develop a strategy within the constraints of the potential funding sources. After that, the City can move to the details of implementation and financing a project.

Figure 14. Infrastructure Planning and Development Process



Source: ECONorthwest

5.2 Definition of Funding

It is important to make a distinction between the terms "funding" and "financing," which often are used interchangeably. Funding is the ultimate source of revenue for infrastructure costs. Funding comes from households and businesses that pay taxes and fees that give the various levels of government money to build capital projects. Examples of funding mechanisms are tolls, sales and property taxes, impact fees, etc.

When the funds for capital projects are borrowed and paid back over time, these costs have to be financed. Public agencies finance costs for the same reasons that households and businesses do—to reduce the current out-of-pocket costs by spreading out payments over time (e.g., financing a housing purchase with a home mortgage; the funding to pay the mortgage over time typically comes from the homebuyer from income received from a job). The ultimate source of funding for financed costs is not the financing instrument itself—e.g., bonds—but rather the revenue sources used to repay the borrowed funds.

Since financed costs must be paid back over time, financing the costs actually decreases the level of future funding available for capital projects by adding the cost of interest over a long-term planning period. However, financing the costs makes future funding available earlier, at the cost of the interest charged to borrow the money. Ultimately, public agencies must weigh the needs that exist today and the benefits of those improvements with the forgone future funding availability.

5.3 Overview of Types of Funding Sources

Funding comes from households, businesses, and development that pay taxes and fees that give the various levels of government money to build capital projects. Examples of funding mechanisms are tolls, sales taxes, and impact fees. Funding for capital projects along Martin Way can come directly from private sources, such as development, or from different levels of public sources, such as taxes and fees.

5.3.1 Private Sources

Washington State law has a few mechanisms for requiring land development to fund needed infrastructure. These mechanisms are described below.

RCW 58.17 is a long-standing planning tool for ensuring new areas have a full range of services by regulating subdivision of land to promote the public health, safety and general welfare. These laws require developers to install, at their own expense, improvements necessary for full range of services at time of subdivision or development. However, they are typically limited to on-site or adjacent improvements.

The State Environmental Policy Act (SEPA) provides an additional mechanism for the mitigation of development impacts. The primary purpose of the SEPA process is to provide a venue for state and local governments to disclose and consider environmental impacts when making decisions. Through the substantive SEPA review process, local government can

approve, condition, or deny development applications if significant impacts are disclosed and the appropriate mitigation measure are put in place.

Impact fees through the Growth Management Act, Local Transportation Act, and Transportation Benefit Districts provide another means of collecting funds from new development to pay for infrastructure. Generally, local governments cannot fully recover the cost of improvements from new development. Impact fees must be balanced by other sources of public funds. More so, impact fees can only be imposed for the proportionate share of the costs of system improvements reasonably related to and reasonably beneficial to the new development.

5.3.2 Public Sources

Public sources come from three levels of government: (1) federal, (2) state, and (3) local. The funding mechanisms for all of these levels of government come in some form of income, consumption, and business taxes or user fees. From the point of view of local policymakers, federal and state funding sources are the most desirable sources of funding, but also the most difficult to control. These sources are desirable because the taxes and fees are collected at a broader geographic level for local benefits. They bring new money into the community for local facilities that provide local benefits and lower the costs for local stakeholders. In contrast, local stakeholders often view local funding sources as a burden in the form of an increased tax or fee.

5.4 Project Specific Mechanisms vs. Non-project Approaches

It is important to distinguish between project level funding mechanisms and more general funding sources that may be applied to projects. In general, project specific funding sources are usually tied to a development project themselves via some part of the permitting and entitlement process (discussed above) or through the pursuit of project-specific competitive grant awards.

Conversely, non-project sources come mostly from public sources of dollars that are either restricted to capital purposes or are derived from general purpose funding sources. Decision-makers have discretion on where and how much to spend. For these non-project specific funding sources, the approach is to prioritize projects for funding via a capital improvement program since funding is fairly fixed. The ultimate funding package for a project may mix both public and private sources as well as project and non-project specific sources.

5.5 Project Specific Assessment

The following sections present a high-level and preliminary assessment of key project level award sources that are available to the City and may be used to secure public funding to support transportation projects. A detailed assessment of all the funding sources available is beyond the resources and scope of the study. The number of grants and awards available for the projects are limited – specifically they are mostly derived from federal and state transportation

funds that have been allocated to specific agencies and transportation planning organizations to distribute:

- State – Transportation Improvement Board: Urban Arterial Program
- State – Transportation Improvement Board: Arterial Preservation Program
- State – Transportation Improvement Board: Arterial Sidewalk Program
- TRPC – Federal Highway Administration Funds (FHWA)

Martin Way Corridor Improvements – Upgrade to Arterial Standard

- **Project cost:** $17-$23 million
- **Current funding approach:** Roadway improvements would be primarily funded through public and private sources. Street frontage improvements would be required through development mitigation.
- **Issues to Consider:** The roadway improvements are expensive and would likely require a large funding package leveraging multiple sources. Frontage improvements may impact development feasibility. Martin Way is a long roadway segment that runs through developed land so frontage improvements would be built later when infill is more feasible - raising "patchwork" infrastructure issues.
- **Candidate award sources:**
  - Transportation Improvement Board – Urban Arterial Program funds projects that address safety, growth and development, mobility, and physical condition. The Martin Way project could score well in most of the scoring "bands" – particularly the mobility and physical condition bands. Pending development partners, the project could score well in the growth and development band. However, this is very competitive award program with fund requests exceeding available resources by approximately five times. Grant amounts typically range from $1 million to $4 million. There is a 15 percent local match requirement for Olympia.
  - Transportation Improvement Board – Urban Sidewalk Program funds projects that improve pedestrian safety, access, connectivity, and address system continuity. A minimum 20 percent match is required for an Urban Sidewalk Program project. In 2013, $5 million in funds were distributed to projects. Typical project requests ranged from $100,000 to $400,000.
  - TRPC – FHWA and CMAQ monies are awarded as they meet program goals for multi-modal projects that improve the safety, efficiency, and/or preservation of the existing transportation system. In 2013, approximately $6 million was allocated to these programs.

Pedestrian Projects on West End of the Martin Way Corridor Between Sawyer and Pattison

- **Project cost:** TBD – would vary depending on project.
- **Current funding approach:** Street frontage improvements would be required through development mitigation.
- **Issues to Consider:** Frontage improvements may impact development feasibility.

- **Candidate award sources:**
  - Transportation Improvement Board – Urban Sidewalk Program (see above).
  - TRPC - Transportation Alternatives Program

Ensign Road Extension

- **Project cost:** $9.1 million
- **Current funding approach:** Roadway construction would be required through development mitigation.
- **Issues to Consider:** The roadway improvements are expensive and may impact development feasibility.
- **Candidate award sources:**
  - Transportation Improvement Board – Urban Arterial Program. The Ensign Road project could score well in most of the scoring "bands" – particularly the mobility growth and development band.

5.6 Local Funding Options

As stated above, more local funding for projects will be necessary for three main reasons. First, the pursuit of competitive funding sources will be enhanced (if not required) with local match funding. Second, providing local funding allows the City to fund projects sooner than it might otherwise be able to through its CIP process. Third, local funding provides more control and flexibility for public-private partnership in redevelopment negotiations. These local funding options are typically non-project specific meaning that the City ultimately decides how and where the money is spent. In this regard, these options are more generalizable to the City as whole and not just Martin Way.

Broadly, there are two ways Olympia can create more local funding capacity for infrastructure construction.

- **Enhance existing capital funding tools.** The City already uses a variety of capital restricted funding mechanisms, such as real estate excise taxes. City policy-makers have some discretion on the rates and fees charged and how these funds are spent.
- **Create New Local Area Funding Options.** The City can take measures to put into place (often with voter or property owner consent) new funding mechanisms. These mechanisms are typically new forms of taxes, fees, and special assessments.

These options are described below.

5.6.1 Enhance and/or Direct Existing Capital Funding Tools

Transportation and Park Impact Fees

The City's current impact fees for transportation and parks are assessed citywide. The City could explore raising the fee only within the area or it could do so citywide. Raising more

revenue through the fee would provide more local funding from private development. Contemplating an increase in either scenario requires the City to balance the need to close the gap on the cost of capital projects with its desire to support economic development within the City. While the City is within its legislative purview to structure a fee that covers these costs, in doing so, it adds costs to land development that could affect economic development.

Parks and Pathways Sidewalk Program

The Parks & Pathways program began in 2004 with the intent to make streets safer and accessible to more people. Projects are scored and ranked using criteria that consider destinations, trip generators, and other site characteristics. Currently, Martin Way projects do not rank high on the list of projects. However, some reconsideration of both the projects and scoring may be warranted based on the community visioning process conducted as part of this project.

5.6.2 Consider New Local Area Funding Options

Local Improvement District (LID)

Local jurisdiction may form a local improvement district (LID) and levy a special assessment on properties within the LID that would benefit from the improvement. These improvements include streets, parking facilities, park boulevards, and other public places along with local transportation systems, such as buses and railways, and the facilities necessitated by these systems. LIDs are a means of assisting benefitting properties in financing needed capital improvements through the formation of special assessment districts.

A LID may provide the local area a mechanism of private funding needed to move certain project forward. Based on the assessment above, an LID may be an appropriate mechanism for contributing funds toward pedestrian projects where development feasibility may be a ways off in the future. LIDs are administratively complex, especially as the district expands in scope and size.

The LID would need to determine the special benefit derived from the improvement(s) and could levy a property specific improvement. Since many of the benefits of the improvements accrue to users of the facilities, it's likely that property owners would contribute relatively small amounts of funding. The LID would also need broad support from property owners to be implemented and would require significant staff resources to administer.

Tax Increment Financing – Community Revitalization Financing (CRF)

Community Revitalization Financing (CRF) is a form of tax increment financing created in 2001. The program authorized cities, towns, counties and port districts to create a tax "increment area". By using revenues from local property taxes generated within the area, these local governments can finance public improvements within the area. A partnership with the County and Port – having these jurisdictions contribute portions of their property tax revenues – could capture incremental value from development and be used to fund pedestrian projects or perhaps larger projects in the area. This type of partnership could provide additional funding

for specific projects. Both the Port and County could benefit directly by promoting community and economic development and could see a net fiscal impact if the investments triggered new development in the area. The City would also want to consider the appropriate geography for such a tool.

CRF increment areas are created and administered at the local level and they do not include a state contribution. State approval is not required to use CRF. Local governments must approve imposing at least 75 percent of the regular property taxes within the area. The incremental local property taxes under the CRF program are calculated as 75 percent of any increase in assessed value of new construction in the increment area. Any fire protection district with geographic borders in the "increment area" must agree to participate. The program is available for local governments only. Cities, counties, and ports are free to partner via an inter-local agreement on the dedication of their respective tax increment funds.

Levy Lid Lift

Taxing jurisdictions with a tax rate that is less than their statutory maximum rate may ask the voters to "lift" the levy lid by increasing the tax rate to some amount equal to or less than their statutory maximum rate. There are two types of "lifts". A one-time bump can be made to exceed the 1% levy limit or a multi-year lift can be made for up to six years. Both lifts can be for either operational or capital purposes; however, the second type requires a defined purpose. However, since a simple majority approval rate is needed to pass levy lid lift measures, the City will need to clearly articulate the benefits and costs of any levy increase program. Cities have used to these property tax measures to propose a suite of project improvements for park, recreation, and transportation facilities that have been financed through general obligation bonds.

A levy lid lift would require a simple majority of voters to pass. On the funding side, the City has wide discretion on how much funding they would like to target. However, the lift would have to work within statutory limitations as well as balanced against resident tax burdens. For example, a one-time permanent bump of 6% (as opposed to 1%) growth in the legal levy limit could generate millions in funding over 20 years. However, such an increase would likely translate into increases in property tax burdens for city property owners.

6 Road Map: A Framework for Martin Way

For the Martin Way study area, the central issue for City is to find the appropriate scale solution that best addresses the nature and scope of the needs given the resources available and other competing City priorities. Different scale solutions could include more detailed planning, large or small infrastructure investment, partnership development, or local business assistance. The resulting approach will help make the most effective use of the City's time, effort, and financial resources while addressing the unique challenges and opportunities in the Martin Way study area.

The result of the study's Situation Assessment and subsequent analysis and public engagement produced three primary findings:

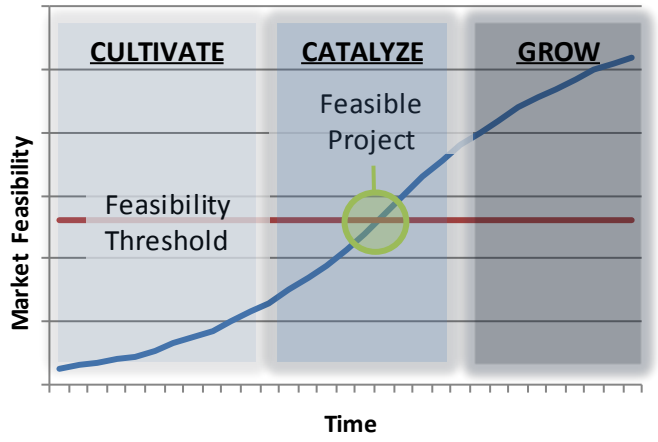
- **Improvements to the physical infrastructure system along the Martin Way corridor will benefit all users of the roadway. These improvements are costly and must be prioritized amongst other City priorities.** Investments in the Martin Way Corridor that address bicycle, pedestrian, and pavement needs would make a material difference in the function, experience, and safety of users. Cumulatively, the improvements are costly and will likely require some level of public funding through a combination of federal/state grants, development mitigation contributions, and local funding.
- **The western portion of the Martin Way corridor has a need for street frontage safety improvements, but these improvements will occur piecemeal over a long period if they are to be built as a condition of development.** The community urban design workshop identified a series of small, medium, and large projects (in terms of scale and cost) that the City could evaluate and advance for implementation. Specifically, pedestrian and frontage improvements along Martin Way on the western side of the study area could provide better safety and aesthetic improvements to the surrounding neighborhoods. Most of the properties along this section of Martin Way are relatively small and built-out with viable businesses on them. As a result, given these conditions and current market rents, redevelopment in the area is likely a long-term proposition.
- **The extension of Ensign Road would provide better long-term connectivity and congestion relief for the surrounding street network, but private development likely will not be able to help fund the road extension in the near-term.** Construction of the road through the area would need to accommodate environmental restrictions posed by the adjacent wetlands. Any development of those parcels would require the provision of the road as a condition of development approval. The analysis shows that both environmental restrictions and right-of-way needs for the road consume a large portion of developable land. At current land rents, retail and residential uses would not be able to support the provision of the road as a condition of development.

The following "road map" for making improvements to Martin Way is oriented towards the development and funding of infrastructure improvements, but it does address other non-infrastructure related actions that were brought to light during the study.

6.1 Framework for City Action

The key issue for city policymakers is to determine what choices are most appropriate to address the issues present. A framework for thinking about and evaluating these choices is described below. Figure 15 shows a conceptual "market feasibility" curve for a subarea/neighborhood. The point of the diagram is to illustrate that as the land values within an area increase over time, the supportable rents may then exceed the costs of developing new, larger buildings. At a point of "project feasibility", private investment decisions can be triggered leading to the construction and occupation of new buildings. The end result is growth within an area.

Figure 15. Conceptual City Investment Schematic



Source: ECONorthwest

The choices and actions that cities confront at any point along this curve differ as well. Generally, the City can think about its choices as targeted at three types of actions: "cultivation", "catalytic", and "growth". These types of actions are broad and not mutually exclusive, but the point is to illustrate the difference in the relationship of public actions to private investment as an area grows.

Cultivation Actions – Early Actions that Pave the Way

These actions focus on land use regulations, critical infrastructure needs, developing partnerships, and solving project feasibility challenges to help create physical environments that can support new or higher levels of activity. Typically, development is not "knocking on the door" during this phase but the area is generally considered to have some sizable market upside over the mid- to long-term.

Catalytic Actions – Strategic Investments Targeted at Achieving Public Goals

These actions typically cover targeted deployment of City resources in the form of fee waivers, tax exemptions, or the provision of specific types of public infrastructure (i.e. plazas, utilities, amenities, etc.) as incentives designed to meet broader public goals. At this phase, development in an area is generally thought to be "on the cusp" and may need some public support to be

financially viable. These types of actions support market-making projects (e.g. the demonstration of market feasible projects).

Growth Actions – To Support Desired Types of Development

These actions focus on dealing with the challenges of growth and success, such as the need to support more residents, workers, and visitors. Here, a city's greatest challenge is removing constraints to growth, typically congestion and lack of quality public spaces or amenities by improving the physical infrastructure and expanding services. This is also typically where incentive and/or bonus programs can be used to provide other public benefits such as conservation of open space, affordable housing, etc.

6.2 Road Map Forward

The Martin Way study area falls in the "cultivation" phase. As a result, given the overall limited near-term development potential and competing infrastructure needs throughout the City, a large scale, financially intensive investment in infrastructure along the corridor would not likely be the best use of limited City resources.

Here, the focus should be on cultivating the environment where community development can thrive. Instead of a complete reconstruction of Martin Way, a series of smaller, community-oriented projects will be able to 1) lay the foundation for the community partnerships that will be necessary for long-term success; and 2) address existing safety issues with the local pedestrian realm.

At a point in the future it may make sense for the City to make more sizable investments in either Martin Way or Ensign Road as development conditions improve and/or as partnership opportunities arise.

The following approach outlines a series of actions the City of Olympia can undertake in the near-term and subsequent mid- and longer-term actions.

- Short-term actions can begin immediately, are relatively low cost, and do not require new funding sources. These actions are not tied to any specific project and lay the groundwork for future actions.
- Mid-term actions advance specific projects forward after a conceptual design has been established and include the creation of a capital strategy. Additional mid-term actions include solidifying partnerships and developing public policies to support development feasibility as market conditions improve.
- Long-term actions begin the process of project development for desired projects.

6.2.1 Opportunities in the Short-term

Continue Martin Way Community Planning Efforts and Incremental Improvements

- Continue engagement with adjacent neighborhoods, local business and property owners, and partner public agencies to provided support for the City's urban corridor strategy.
- Additional corridor planning can help advance the vision for the corridor and refine conceptual projects. These efforts can lay the foundation and provide a coherent vision for the infrastructure investments that are likely to come in the future either though redevelopment of properties and/or public investment.
- Designing and implementing a series of low-cost, high-impact pedestrian improvements (e.g., fundable through the City's Sidewalk Program) could immediately address issues raised by the community, such as north-south connections and crosswalk improvements. The public workshop revealed a community desire to address these local needs.

6.2.2 Opportunities in the Mid-term

Advance Martin Way and Ensign Road as part of the Transportation Improvement Program

- After more detailed planning regarding the programing of the Martin Way right-of-way, the City can move forward with developing a strategy for these projects and placing them on the City's TIP.

Continue to Foster Partnerships

- Continue to engage with key partners, such as Intercity Transit and other property owners, to collaborate and move projects forward when potential partners are in position to take action.

Work on a Wetland and Stormwater Strategy

- Coordinate with Thurston County to evaluate stormwater conditions, the potential for basin level planning, and ultimately determine the potential for a regional stormwater facility. A better understanding of stormwater condition can provide additional certainty for private development and potentially reduce the costs through more holistic and/or efficient solutions.

Consider Implementing Development Incentives

- Incentive programs, such as the Multi-Family Tax Exemption, can encourage more residential development by reducing the cost of development in locations that are not established markets. The City may want to extend the residential target area for the use of the exemption to include the Martin Way study area.

6.2.3 Opportunities in the Longer-term

Implement the funding strategy for improvements to Martin Way and the extension of Ensign Road

- Develop capital plans for the desired projects that look at the local funding options and potentially options for new local funding sources, such as a local improvement district.
- Position desired projects on the TIP to be competitive for federal or state funds. This includes having local match dollars identified and coordination with the Thurston Regional Planning Council to understand regional transportation priorities and competing projects.

6.3 Summary

This study initially looked into the infrastructure needs and market conditions within the Martin Way study area to determine if the lack of infrastructure was a barrier to development with the purpose of then developing a strategy for funding those improvements. The Situation Assessment identified a number of infrastructure needs, particularly for biking, walking and stormwater mitigation. However, the Situation Assessment also determined that the current market conditions, not the infrastructure needs, as the primary reason for the lack of development in the study area.

The public workshop highlighted the interest of local residents and businesses in seeing improvement to the corridor and the current need to enhance safety and aesthetics along Martin Way. In total, all the infrastructure needs along the Martin Way corridor would be quite costly. In addition, the City has a variety of infrastructure needs and priorities, including potential investments in the downtown.

Given the limited near-term development potential in the Martin Way study area and other infrastructure priorities in the City, it is likely not the right time to make large-scale costly improvements to Martin Way corridor. Instead, the proposed Road Map outlines a strategy of advancing smaller projects to address current safety issues and developing partnerships in the area to support the transformation of the Martin Way corridor over the near-term.

Appendix A: Land Use and Market Existing Conditions

ECONorthwest
ECONOMICS • FINANCE • PLANNING

DATE: March 4rd, 2014
TO: Sophie Stimpson and Cari Hornbein, City of Olympia
FROM: Erik Rundell and Morgan Shook
SUBJECT: MARTIN WAY MARKET ANALYSIS EXISTING CONDITIONS

1. Background

1.1 Planning Context

The City of Olympia has a vision for the Martin Way District offering mixed-use development of residential, retail, office, and other commercial uses. As part of this study, the City would like to better understand:

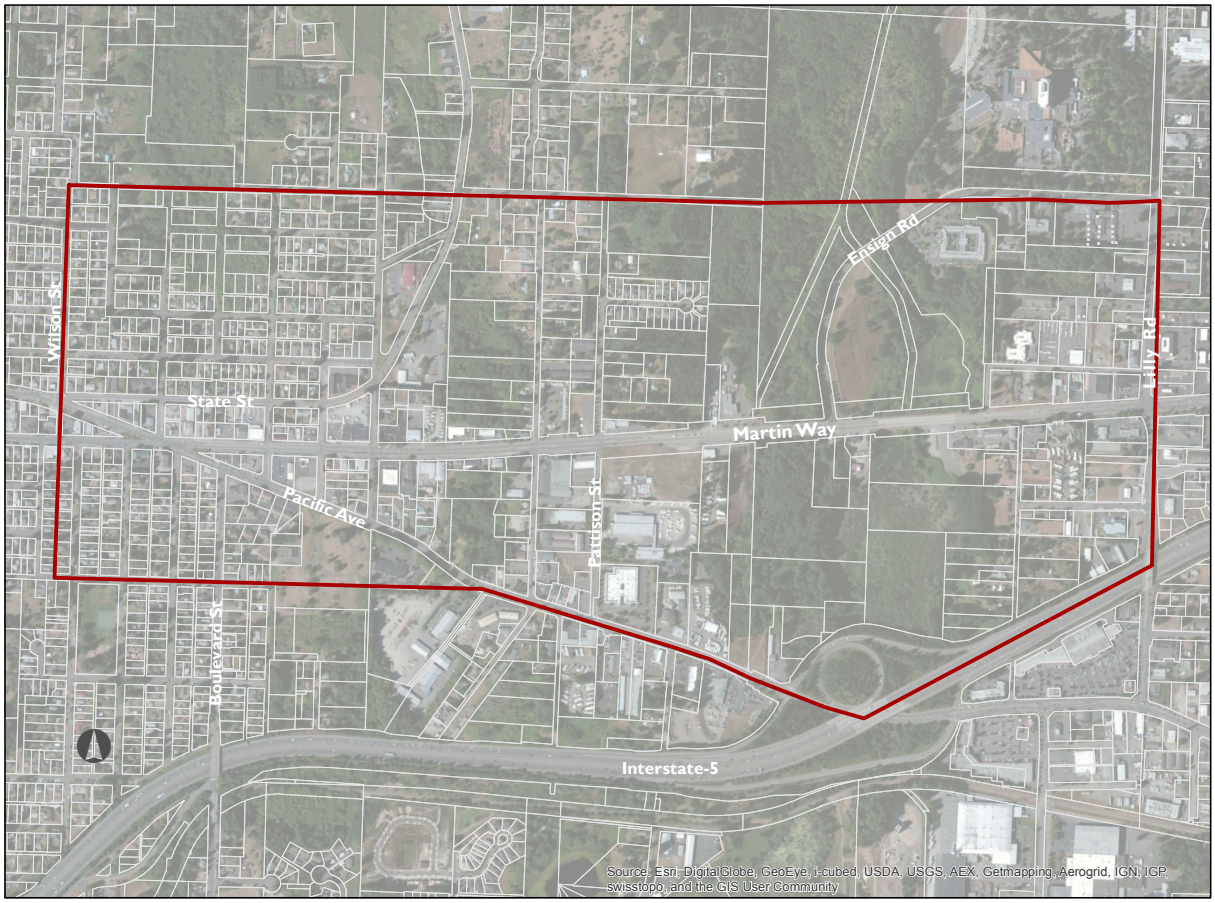
- How infrastructure can support the City's vision for community and economic development;
- The range of funding options for needed infrastructure improvements, and
- How and when infrastructure could be built to support the area's goals, including the phasing of infrastructure improvements.

The purpose of this memorandum is to provide the market and economic development context for the implementation and phasing of infrastructure improvements and to inform the selection of key sites for more detailed analysis as part of later tasks. The focus of the memorandum will be on assessing current market conditions and discussing issues facing (re)development.

1.2 Study Area

The Martin Way study area starts along 4th Avenue East at Wilson Street and stretches east along Martin Way to Lilly Road. The study area extends south to include Pacific Avenue from 4th Avenue E to I-5 and north of Martin Way up to 8th Avenue E. Figure 1 shows the extent of the study area.

Figure 1: Study Area



Source: ESRI, City of Olympia

1.3 Memorandum Organization

This memorandum summarizes the current regional market conditions based on previous analysis conducted as part of the concurrent Community Renewal Area project and within the Martin Way study area specifically with additional detail. The memorandum is organized into three sections:

- **Regional Market Assessment**: This section provides a brief overview of regional trends for population, employment and different land uses.
- **Martin Way Existing Conditions.** This section focuses on the current land use within the study area and the market trends related to residential, office and retail uses in the area.
- **Implications for Redevelopment**. This last section evaluates the potential for development and redevelopment along the Martin Way corridor, and what actions by the City of Olympia might improve the existing market conditions.

2. Regional Market Assessment

2.1 Population and Demographics

Since 2000, Thurston County's population grew by almost 50,000 people, an average annual rate of 1.8%. The City of Olympia also grew during this period, but at an average annual rate of 0.9%, indicating that most of the population growth in the County is happening in neighboring cities and unincorporated areas. Lacey grew the most at an annual rate of 2.8%.

Other demographic factors are also shaping development in the region and in Olympia. The County's population is getting older. Since 2000, 62% of population growth occurred among those 55 years of age or older. While the aging trend is consistent across the nation, the population 20-34 years of age has also increased, adding 11,000 people since 2000 at an average annual rate of 2.0%. This suggests demand for residential and other uses that accommodate both retirees and families.

2.2 Employment Growth

Thurston County employment is anchored by state government employment and nearby Joint Base Lewis McChord. State government employment is the largest sector in Thurston County with 20,071 employees in 2013. Total employment growth for this sector has been fairly flat since 2002 and has decreased since 2008. However, almost a third of state employees are 55 or older and nearing retirement. Many of those positions will be filled with younger employees even if overall state government does not increase. This trend could impact the demand for residential housing types in the upcoming decade.

Staffing increases at Joint Base Lewis McChord has increased demand for housing in the region, particularly Lacey. The base is an economic engine for the region, with over $200 million in government contracting with local businesses. Current plans are to slightly reduce the number of active duty troops on base, and as a result, the base is not likely to be a source of growth for Thurston County in the near-future.

Since 2002, the highest growth sectors include services, retail, health care, and warehousing/transportation/utilities. Construction and manufacturing are the only two sectors that had slight decreases. The region also realizes a share of the broader Puget Sound region's economic growth and activity that filters down to the County, which will likely continue in the future.

2.3 Regional Development Patterns

As the region's population grows, this growth will generate additional demand for housing and commercial services, such as retail, general commercial uses, and health care. The development pattern in the region since 2000 has been relatively low density uses on vacant and less expensive land easily accessible from Interstate-5 and other major arterials. The following section describes the recent trends for major land use types in more detail.

Residential

The large majority (almost 87%) of new housing developed in Thurston County since 2002 has been single-family housing. For multi-family housing, almost 3,000 new multi-family housing units were developed in the County. A third (1,023 units) of new multi-family units were built in Olympia during this period. The number of multi-family units constructed in Olympia has increased starting in 2011 with almost 300 or more units constructed each of those years.

Figure 2: Multi-Family (2 or more units) Housing Units Built by Year

Source: Office of Financial Management, 2013

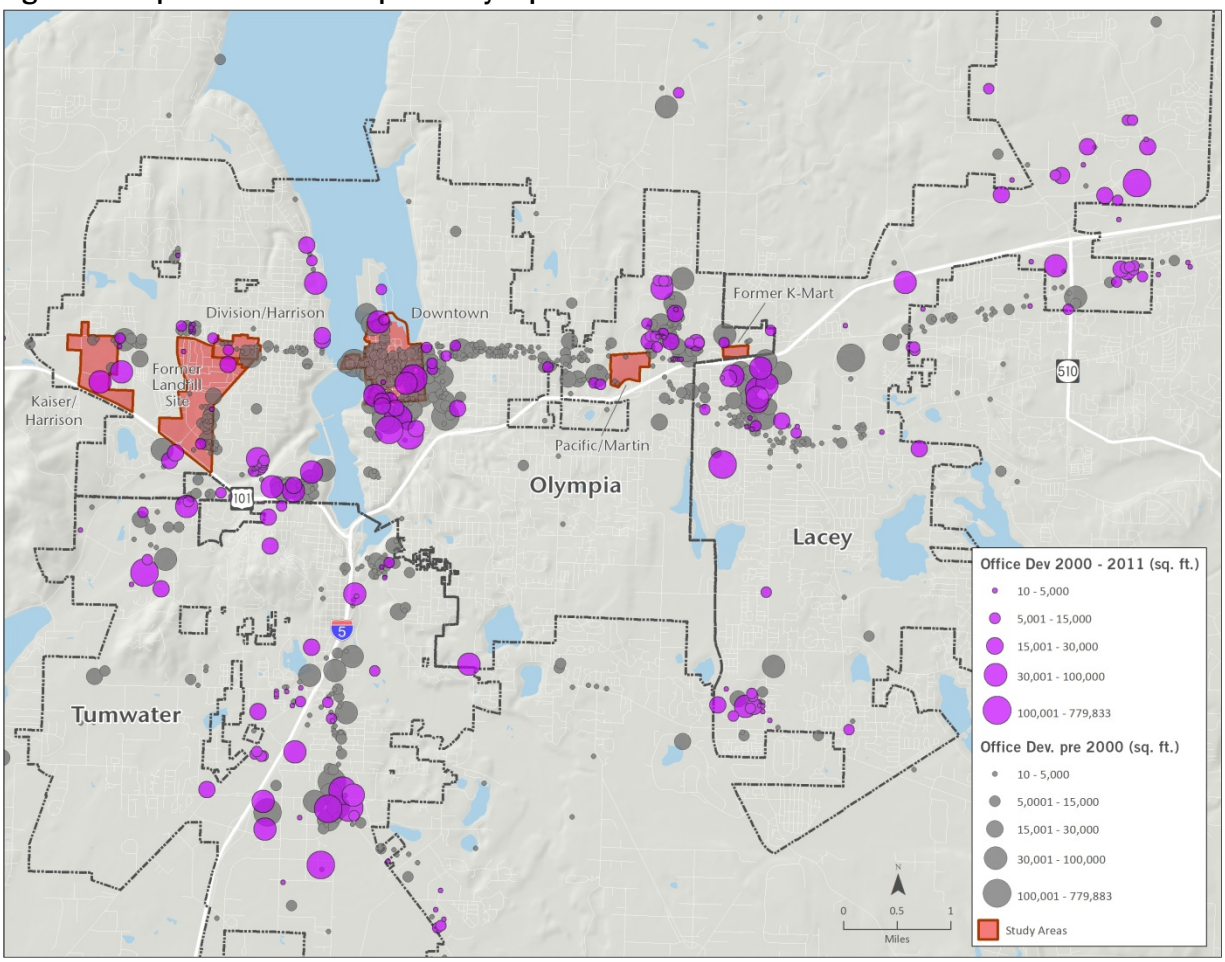
Most multi-family developments built since 2000 have been small with 10 or fewer units. There are growing signs of an urban infill market in Olympia. Most recent building permit activity in Olympia has focused on rehabilitation or remodeling of existing space with limited new development.

Office

Office development in the region is concentrated in Downtown Olympia, Lacey, and Tumwater. Figure 3 shows this pattern. At the beginning of 2013 the vacancy rate for office space of all class was fairly high at 11.2%. This is partly due to recent office vacations by state agencies in the region. State government employment does not look to be a source of growth in the near-term, which will likely limit demand for office space in the region.

Within the study area most of the office development that has occurred in the last ten years has bound around Providence Saint Peter Hospital north of Martin Way. Since the recession in 2008, only a small amount of office space has been developed (470,000 total square feet) in Olympia.

Figure 3: Map of Office Development by Square Feet and Year Built

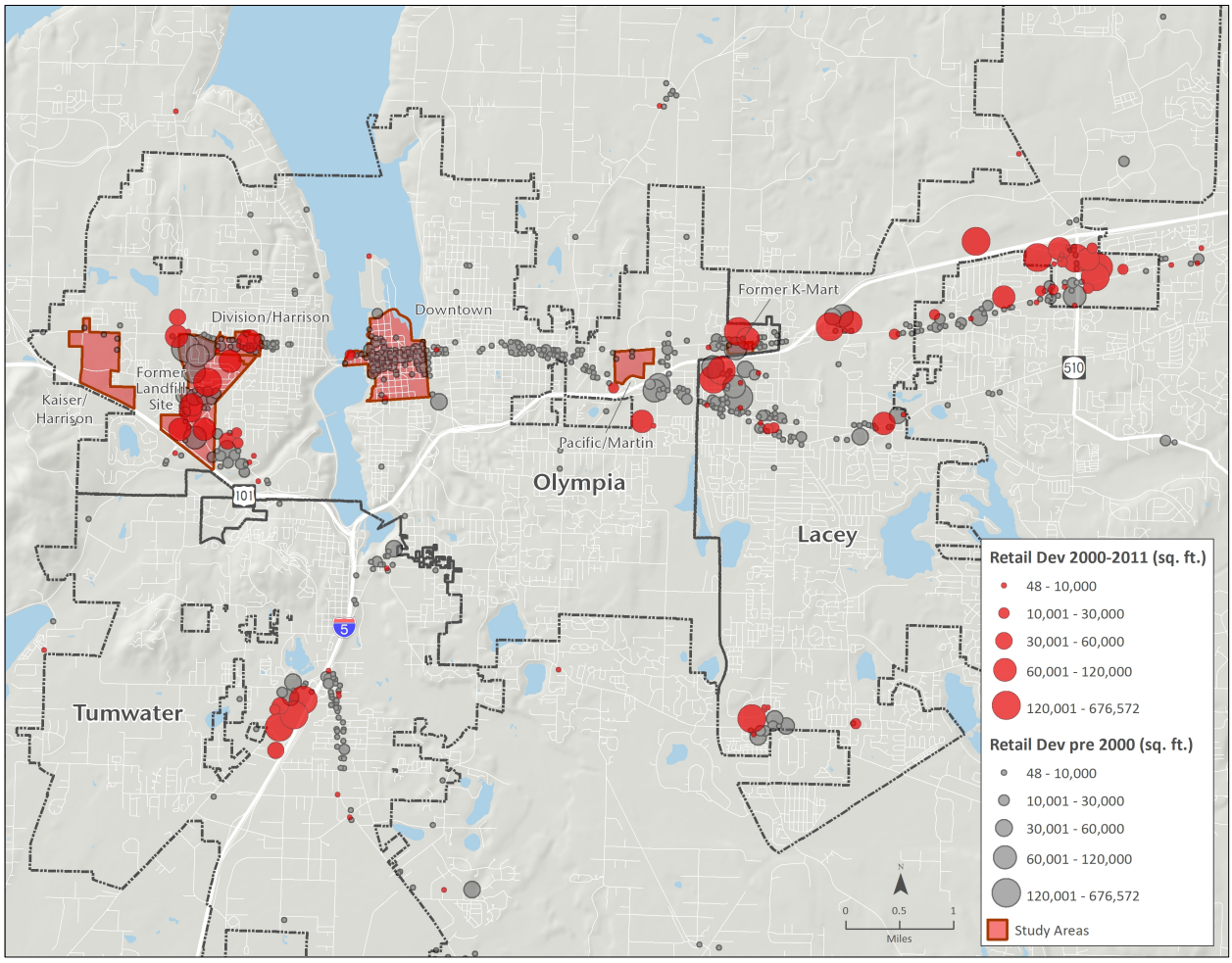


Source: Thurston Regional Planning Council, 2011; BERK, 2013

Retail

Most retail development built since 2000 has been large-scale and auto-oriented and clustered around highway interchanges. Figure 4 below shows this development pattern. Little new retail development has occurred along the Martin Way corridor within the study area. Nearby locations have seen retail development recently, including the Safeway and Lowe's on Martin Way east of the study area and additional large-scale development nearby in Lacey.

Figure 4: Map of Retail Development by Square Feet and Year Built



Source: Thurston Regional Planning Council, 2011; BERK, 2013

Hotels and Accommodations

Most existing hotels/motels are oriented along Interstate-5, with very few located in the Central area. The Olympia area has had a limited number of new hotels/models built since 2000. Spending on hotels and motels in Thurston County showed strong growth from 2000 to 2007 with average annual growth of 5.7%. Spending then dipped in 2009. Currently, there are a couple of proposals for hotels to be constructed in downtown Olympia. These projects may absorb any near-term demand in the region.

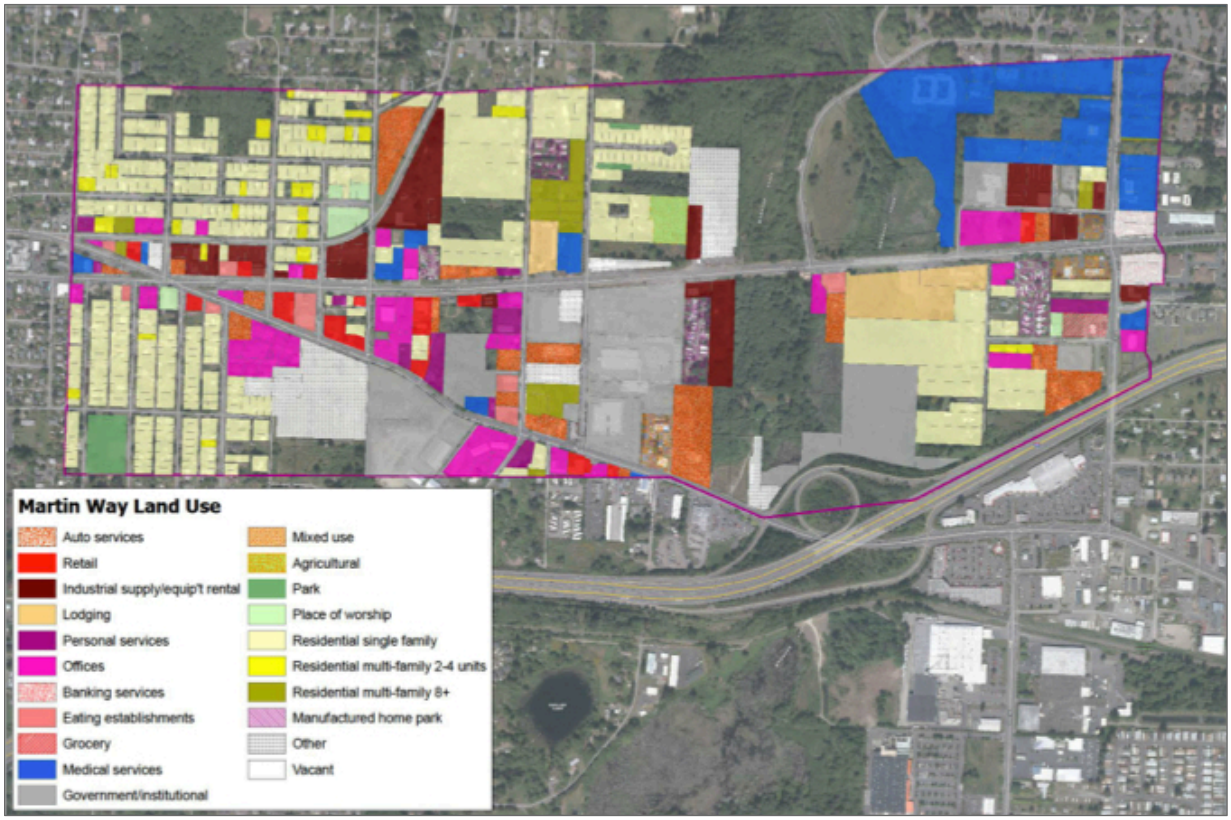
3. Martin Way Existing Conditions

The Martin Way study area covers about a 740 acres. Most of the parcels along Martin Way and Pacific Avenue are zoned High Density Corridor 2,3, or 4, which allows a mix of higher intensity commercial uses, offices, and multi-family housing.

3.1 Existing Land Use

The study area is a mix of relatively low-density residential, commercial, and medical services/institutional uses, and open space. Open Space, which accounts for the largest amount of acreage, covers most of the central portion of the study area and includes large area of wetlands and other environmentally critical areas. Most of the housing and residential uses within the study area are on the western part of the study area, primarily west of Pattison Street. Commercial uses are concentrated along Martin Way, Pacific Avenue, and Lilly Road. Medical services are along Lilly Road north of Martin Way by Providence Hospital.

Figure 5: Current Land Use



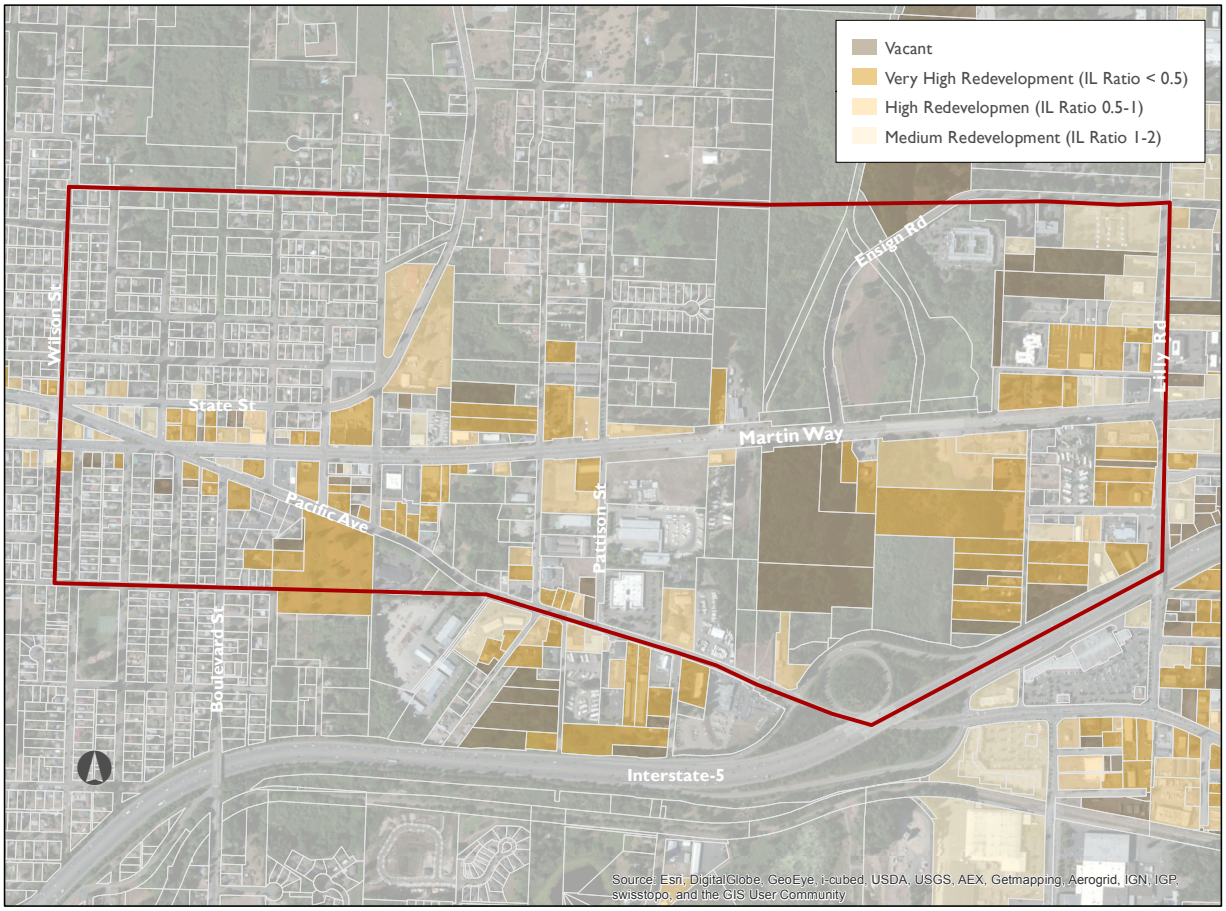
Source: City of Olympia, 2013

Vacant and Redevelopable Parcels

There is a relatively large amount of vacant and redevelopable land within the study area. The largest vacant area includes a few large parcels in the central part of the study area between Martin Way and Pacific Avenue. In addition, some of these vacant parcels have common

ownership. Parcels on the western part of the study area mostly built out and smaller in size with only a few smaller vacant parcels. The eastern part of the study area has a number of larger redevelopable parcels with existing low-density residential uses. Figure 6 shows vacant and redevelopable parcels within the study area.

Figure 6: Map Redevelopment Potential in Study Area, 2010



Source: City of Olympia, 2013; Thurston Regional Planning Council, 2007

3.2 Existing Real Estate Market Conditions

Office

The Eastside Olympia submarket performed relatively well over the last five years compared to the rest of the region. The regional market had an average rent of $16.00 per square foot per year and a 11.3% vacancy rate in 2013. Rents in the Eastside submarket actually increased from 2009 to 2011, while the regional average declined every year since 2010. The regional office vacancy rate of 11.3% is the highest of any time in the last five years, while vacancy rates in the Eastside submarket has declined over the last two years.

Figure 7: Olympia Eastside Quoted Office Rents/SF and Vacancy Rates

	2009	2010	2011	2012	2013
Rents	$18.20	$18.63	$21.20	$19.01	$17.64
Vacancy Rates	8.0%	8.2%	9.9%	7.5%	6.3%

Source: CoStar, 2013

Retail

The Eastside Olympia submarket for retail is not very strong and has not performed well compared to the regional average over the last five years. The regional average retail rent in 2013 was $14.81 per square foot per year with 3.3% vacancy. Rents in the Eastside submarket were lower and vacancy rates were considerably higher. Retail rents in the submarket have also declined by one third since 2009.

Figure 8: Olympia Eastside Quoted Retail Rents/SF and Vacancy Rates

	2009	2010	2011	2012	2013
Rents	$18.86	$17.02	$12.97	$11.92	$12.12
Vacancy Rates	5.7%	8.0%	6.8%	6.4%	9.2%

Source: CoStar, 2013

Multi-Family Housing

The multi-family housing market has been an area of strength during the economic recovery since the 2008 recession. Vacancy rates have declined over the last three years after initially increasing since 2008, and rents have been increasing. Absorption of multi-family housings units has also increased sizably over the last three years as depicted in Figure 2.

Figure 9: Olympia Rents and Vacancy Rates

	2008	2009	2010	2011	2012	2013
Average Rent	$780	$791	$805	$838	$837	$865
Vacancy Rate	2.5%	7.6%	3.9%	7.2%	6.1%	4.3%
Offering Incentives	9.4%	53.7%	17.5%	52.4%	60.0%	18.0%

Source: Dupre+Scott, 2013

4. Implications for Redevelopment along Martin Way

The Martin Way corridor within the study area has not realized much new development or redevelopment over the last ten years, even while the city and region grew and realized some redevelopment. The lack of development is a result of two primary development challenges in the study area:

- Rents for most uses are still relatively low, which makes it difficult for new development to substantially increase the income potential of a property through redevelopment, and

- There is a competing supply of easily developable (i.e. large and vacant) property in the region with good transportation access.

As a result, significant development and redevelopment along the corridor is a long-term proposition. However, the corridor is beginning to see some development interest. WinCo had a proposal to develop the vacant property on the southside of Martin Way and east of Pattison Street for a big-box grocery. Hotel Concepts has a proposal to develop apartments on the Bailey's Motor Inn site by the Martin Way and Ensign Road intersection. As local economy grows, additional interest in the study area is likely as demand increases, rents rise, and property values increase.

4.1 Land Use Opportunities

Larger vacant and/or partially used parcels in the study area will be the most likely to be developed first before currently developed and more challenging parcels are redeveloped. Most parcels that fit this description are in the central part of the study area where the WinCo development was proposed. There are also a few scattered vacant parcels and parcels with very low-intensity uses that may also have near-term development potential. The uses most likely feasible in the study area in the near-term include:

- **Multi-family housing.** Rents in Olympia have been increasing and vacancy rates are relatively low. The success of an apartment development in the study area could establish a market for multi-family housing in that part of Olympia and lead to possible additional apartment projects. In addition, multi-family housing oriented toward retirees may be feasible with an aging population and Martin Ways proximity to medical clinics and offices along Lilly Road.
- **Large-scale retail**. The WinCo proposal shows that there is a demand for destination retail developments along the corridor. These developments are usually larger in scale and auto-oriented as they attract people from a larger market area than just the surrounding neighborhood. However, challenges for retail development include increasing vacancy rates and low rents on the eastside of Olympia and competition from nearby retail locations in Lacey and farther east on Martin Way.

Longer-term, parcels on the west and east ends of the study area, many of which are currently developed, will have increasing redevelopment potential. One longer-term land use opportunity is **medical office.** The study area is in close proximity to Providence Hospital and a cluster of existing medical offices. The region's aging population and shift in health care policies to more preventative outpatient care will be drivers for additional future medical office space. In addition, the study area has good access to regional transportation facilities giving the area access to a broad market area.

4.2 Redevelopment and Infrastructure Investment

Infrastructure needs are not an immediate barrier to development along the Martin Way corridor. Roadway improvements would not improve access to most of the corridor (with the exception of a few large vacant interior parcels), and thus not change the market fundamentals

of the study area (the ability to achieve higher rents or increase land values). Given the limited near-term economic benefits of infrastructure improvements and the City's limited financial resources for the infrastructure improvements, the City will want to consider when improvements should be made and who should fund those improvements.

Besides economic development benefits, improvements in the streetscape and how the right-of-way along Martin Way is programed can make the area more attractive and safe for people. Safety improvements are difficult to quantify a financial return on investment, but are an important consideration. These types of improvements may represent early projects the City could consider. When the conditions for redevelopment within the corridor improve, they City could then consider projects that could support redevelopment along the corridor.

Appendix B: Transportation Existing Conditions

MEMORANDUM

Date: 6/20/2014

To: Sophie Stimson and Cari Hornbein, City of Olympia

From: Kendra Breiland and Aaron Gooze, Fehr & Peers

Subject: City of Olympia Martin Way District: Existing Transportation Conditions and Planned Improvements

---

BACKGROUND

The City of Olympia is evaluating existing conditions as part of the Martin Way District study. In order to provide relevant details and constructive analysis, the project team conducted a field visit and reviewed relevant plans for the area, including:

- City of Olympia Comprehensive Plan (2006)
- Bicycle Master Plan (2009)
- 2014-2019 Transportation Improvement Plan
- 2014-2019 Intercity Transit Draft Strategic Plan
- Thurston County Smart Corridors Report (2008)
- Parks, Art and Recreation Plan (2010)
- Transportation Mobility Strategy for the City of Olympia (2009)

TRANSPORTATION NETWORK AND TRAFFIC OPERATIONS

The major corridors in the study area include Martin Way between Pacific Avenue and Lilly Road and Pacific Avenue between Boulevard Road and Lilly Road with a number of local street connections present to the north and south. Martin Way operates as a key east-west link between Downtown Olympia and Lacey while providing regional connections to I-5. It is characterized by four travel lanes of varying pavement condition with bicycle lanes present on both sides of the road. Sidewalk facilities are intermittent with much of the coverage present near intersections or recent development. Many

Martin Way Looking East

Source: Google Images

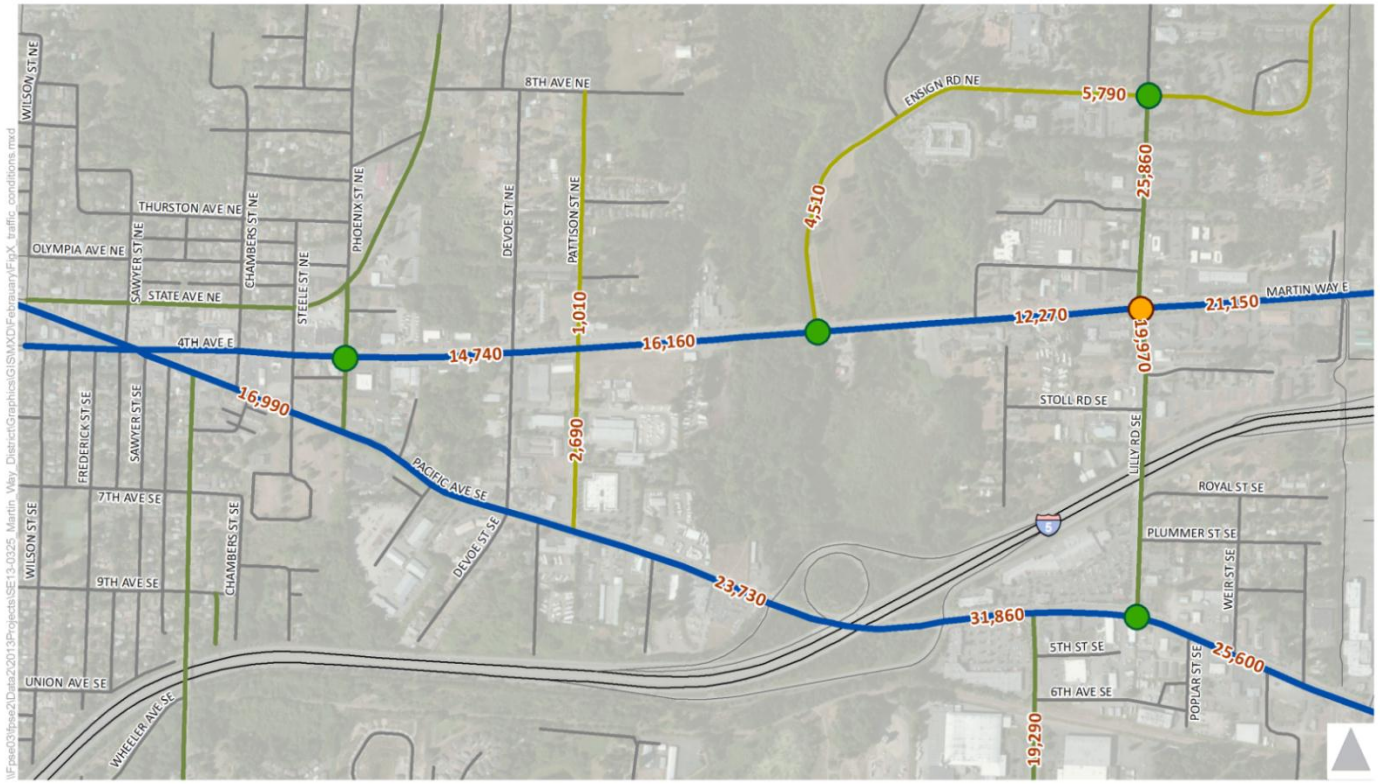
of the side streets in the area lack sidewalks, with the exception of the recent investments along Ensign Road. The area lacks a gridded network to the north and south of Martin Way of the study area and connections are primarily limited to Martin Way and Pacific Avenue.

Traffic Operations

Existing Conditions

With four travel lanes of vehicle capacity, Martin Way has relatively low levels of congestion. **Figure 1** highlights the average daily vehicle volumes for the key street segments as well as the most recent intersection level of service (LOS) from the *2006 Comprehensive Plan*. Overall, daily volumes along Martin Way do not exceed 8,200 vehicles in any direction, with total volumes below 16,000. This is in the lower range the City's standards for a four-lane arterial, which is 14,000 to 40,000 vehicles per day. Pacific Avenue in general has four travel lanes with a two-way left turn lane and exceeds 16,000 vehicles in one direction and 30,000 daily vehicles combined. That said, all signalized intersections in the study area currently operate at LOS D or better.

FIGURE 1. EXISTING TRAFFIC VOLUMES AND LEVEL OF SERVICE



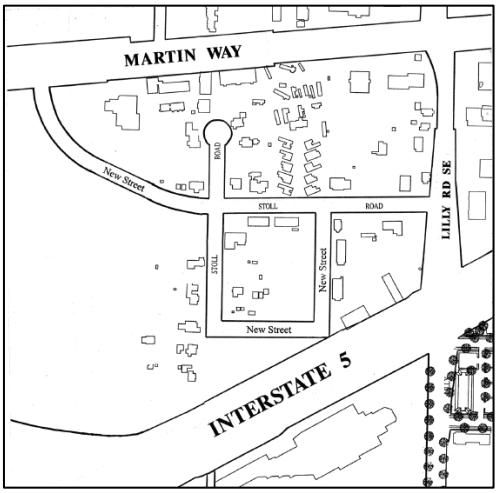
The *Thurston County Smart Corridor Study* detailed average speeds along Martin Way in 2008. Throughout the study area, Martin Way operates at mostly free-flow speeds with the only delay evident at signalized intersections as shown in **Figure 2.**

FIGURE 2. AVERAGE TRAVEL SPEEDS VIA MARTIN WAY

Future Plans

The City of Olympia's Comprehensive Plan forecast traffic volumes in the study area for year 2030. PM Peak hour traffic volumes along Martin Way are expected to double or triple compared to the volumes observed in 2006. To accommodate this increase, the Comprehensive Plan lists two key intersection improvements within the study area:

- Adding turn lanes to the Lilly Road and Martin Way intersection
- Adding turn lanes to the Lilly Road and Ensign Road intersection



Stoll Road Extension to Martin Way

Source: 2006 Comprehensive Plan

It is worthwhile to note that the Lilly Road and Martin Way intersection is forecast to be overcapacity by 2030 even with additional turn lanes. The Comprehensive Plan proposes extensions of Ensign Road from Pacific to Martin Way and Stoll Road to Martin Way as a means to accommodate growth. No projects related to the study area are present in the *2014-2019 Transportation Improvement Plan*, thus investments in the corridor are longer term.

Pedestrian and Bicycle Conditions

Existing Pedestrian Conditions

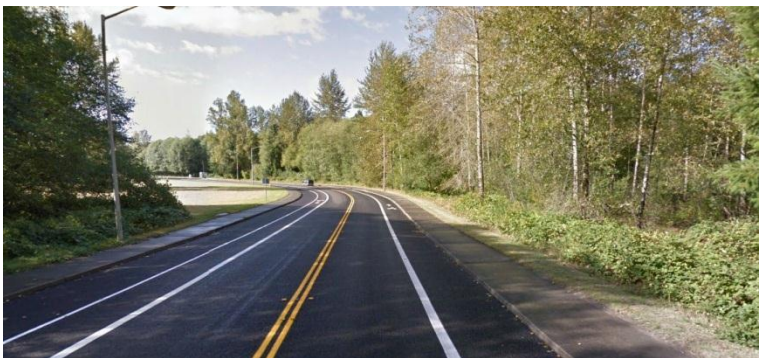
The presence of sidewalks in the study area varies, depending primarily on the adjacent land use. A large portion of Martin Way currently lacks sidewalks, with sporadic coverage at intersections or in front of more recent development as shown in **Figure 3**. More specifically, there are notable gaps in sidewalk coverage along Martin Way near the Pacific Avenue intersection on the western side of the study area. Additionally, there are major gaps in crossing opportunities, with the only signalized crossings provided at Phoenix Street, Ensign Road and Lilly Road. That being said, the width of right-of-way associated with Martin Way allows for the flexibility to potentially improve both bicycle and pedestrian conditions along the corridor.

Varying Sidewalk Coverage along Martin Way

Source: Google Images

The recent investments in Ensign Road provide dedicated pedestrian facilities on both sides of the street. Additionally, while Lilly Road has ample sidewalk coverage, many of the side streets north and south of Martin Way such as Pattison Drive, Stoll Road and Devoe Street lack consistent sidewalk coverage.

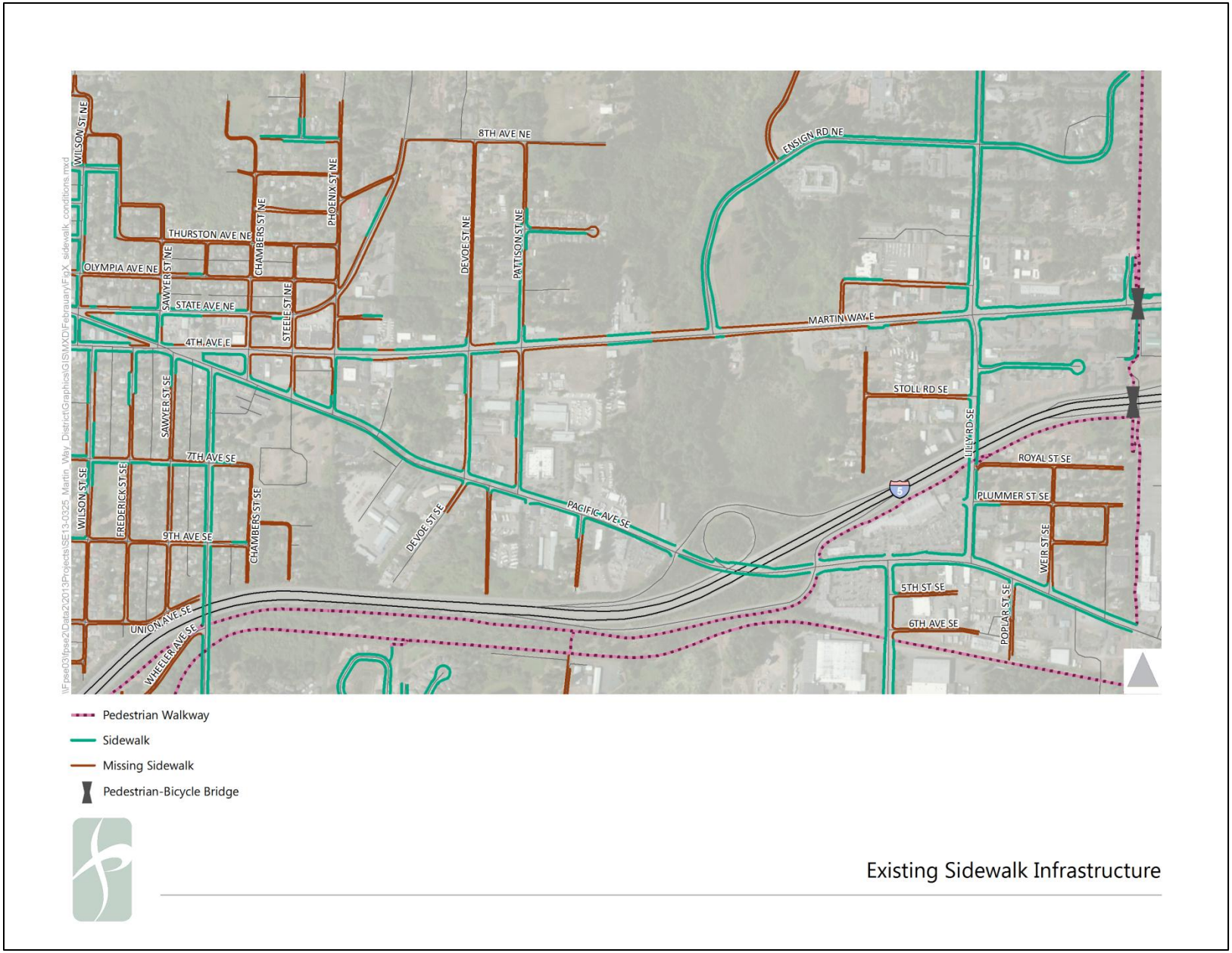
Local streets do not necessarily require full sidewalk facilities due to their relatively low travel volumes and speeds. Conversely, the high travel speeds and relatively higher vehicular traffic along Martin Way necessitates a dedicated pedestrian facility for the entirety of the corridor. The pedestrian-bicycle bridges just east of the study area that cross Martin Way and I-5 provide a complete connection across potential barriers. They serve as key links between the Chehalis Western Trail and the I-5 bike path along the southern edge of I-5.



Recent Facility Improvements on Ensign Road

Source: Google Images

FIGURE 3. EXISTING SIDEWALK INFRASTRUCTURE



Existing Bicycle Conditions

Difficult Bicycling Environment at Pacific Avenue and Martin Way
Source: Fehr & Peers

While a number of bike lanes exist within the study area, key corridors are characterized as high stress bicycling environments. With a speed limit of 35 mph along Martin Way, the limited buffer between the bike lane and the vehicular traffic is insufficient to provide a low stress cycling environment. Additionally, poor the pavement quality in some sections of Martin Way creates a difficult travel path for cyclists. The large number of driveway access points near Lilly Road and Pattison Drive also results in numerous conflict points along the route. At times the width of the dedicated bicycle lane narrows to under five feet.

Ensign Road Bicycle Facility
Source: Fehr & Peers

The National Association of City Transportation Officials (NACTO) *Urban Bikeway Design Guide* recommends a minimum bike lane width of six feet, and that streets with high traffic and/or speeds above 35 mph provide a buffered bike lane or cycle track. Given the expected growth along Martin Way and the speed limit of 35 mph, considering an enhanced bicycle facility seems in line with the NACTO guidelines. Currently, a gap exists for the eastbound bicycle movement at the intersection of Martin Way and Pacific Avenue. It is a difficult intersection for bicyclists to traverse due to a lack of any bicycle markings or signage. **Figure 4** highlights the current bicycle infrastructure.

Conversely, the recent improvements along Ensign Road offer an environment conducive to bicycling. Ensign Road provides a low stress environment with bike lanes of suitable width and the pavement quality creates a smooth riding surface. A more dedicated connection to this facility from east and west along Martin Way would provide a quality link to the Providence St Peter Hospital.

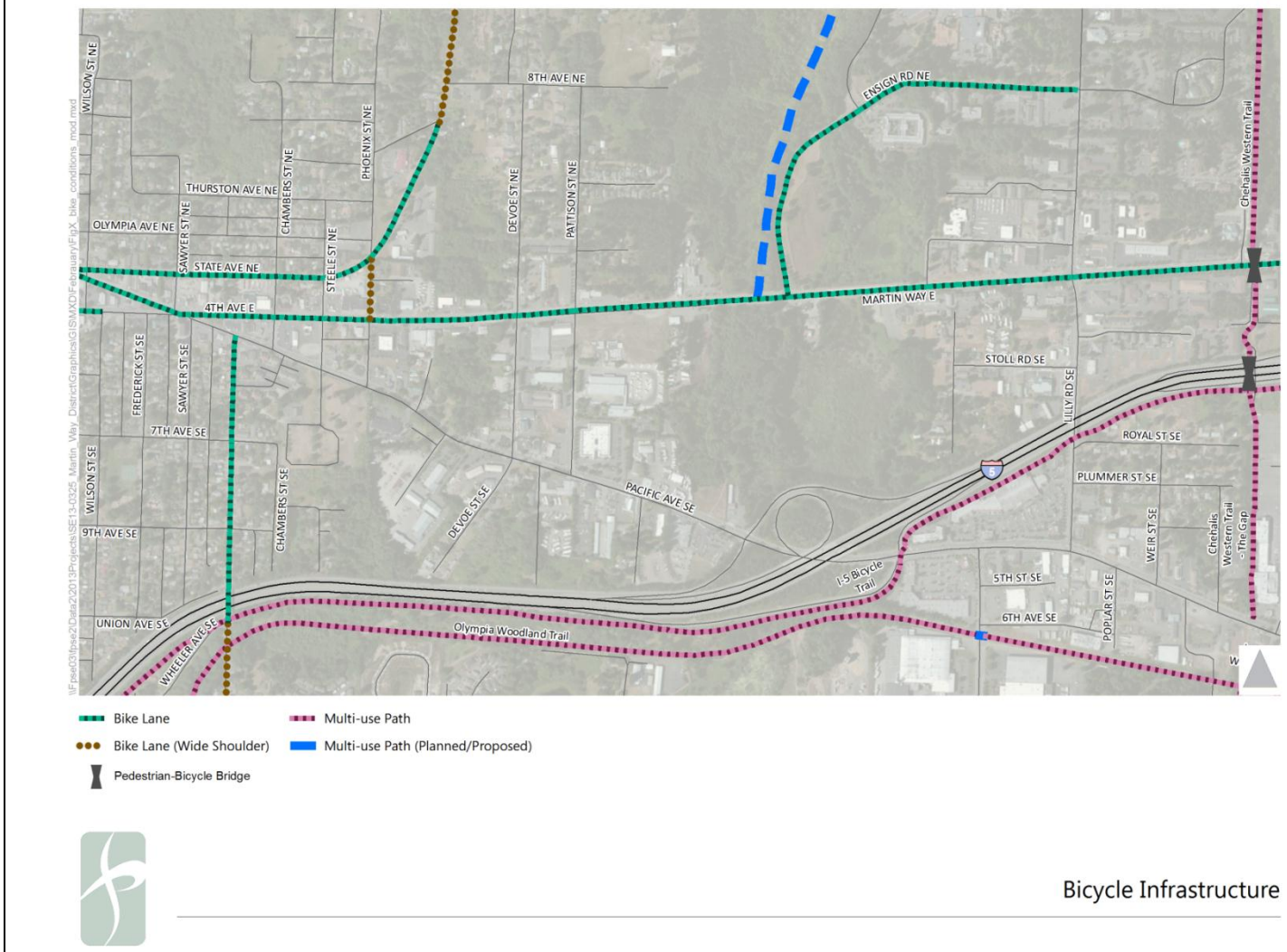
Planned Pedestrian and Bicycle Improvements

The *2010 Parks, Arts and Recreations Plan* specifies a new off-street trail along Woodard Creek extending north from Martin Way. Additionally, a recommendation to close the bicycle lane gap at the Pacific Avenue and Martin Way intersection is included in the *2009 Bicycle Master Plan's* project priority list. This project would incorporate either sharrows or other bike lane markings and is recommended for implementation during the 2015-2020 time period.

Lack of Non-motorized Infrastructure on Local Streets

Source: Fehr & Peers

FIGURE 4. EXISTING AND PLANNED BICYCLE INFRASTRUCTURE



Transit Conditions

Existing Conditions

Transit Service along Martin Way
Source: Fehr & Peers

Intercity Transit is the local transit authority connecting the cities of Lacey, Olympia, Tumwater and Yelm. Intercity Transit provides service to the Martin Way district with six bus stop locations in each direction along Martin Way in the study area. Service along the corridor is provided during weekdays approximately between 6:00am and 11:00pm. Routes 60, 62A and 62B serve the study area. Routes 62A and 62B provide similar service connecting Lacey with Downtown Olympia via Martin Way and therefore combine to offer 30 minute headways during the morning commute and 15 minute headways during the evening commute hours. Route 60 offers direct service to the Providence Hospital from locations in Olympia and Lacey. On weekends, headways increase to 60 minutes for the Route 60 while Routes 62A and 62B continue to offer 30 minute headways for much of the weekend midday period as shown in **Table 1**.

TABLE 1. TRANSIT SERVICE WITHIN THE STUDY AREA

Route	Weekday Headways (in minutes)				Weekend Headway (in minutes)	Destinations Serviced
	AM Peak (6-9am)	**Midday**	**PM Peak (3-6pm)**	**Evening**		
60	30	60	30	-	60	Providence Hospital, Lacey Transit Center, Olympia Transit Center
62A	60	30	30	60	30-60	Downtown Olympia, Meridian, Lacey
62B	60	30	30	60	30-60	Downtown Olympia, The Meadows, Lacey

Planned Improvements

As a corridor higlighted in *2009 Transportation Mobility Study*, Martin Way was identified for potential transit service improvements. The *2014-2019 Strategic Plan* developed by Intercity Transit has a number of recommended enhancements to routes in the study area. This includes ensuring that all routes run on 30 minute headways during the weekday commute hours while also improving the hours of service during weekends, evenings and holidays. Implementation of this objective would result in more frequent service by Routes 62A and 62B during the morning commute. Intercity Transit's Long and Short Range Plans will be updated in 2014.

OPPORTUNITIES AND CHALLENGES

Based upon analysis of existing conditions and future plans, the area provides a number of opportunities and challenges related to the transportation environment and its potential to catalyze future development. **Table 2** highlights a number of those elements.

TABLE 2. TRANSPORTATION-RELATED OPPORTUNITIES AND CHALLENGES

Opportunities	Challenges
Current vehicle congestion levels along Martin Way are low	High forecasted congestion at Lilly and Martin Way intersection for 2030 conditions
Bike lanes along Martin Way provide direct connection to the downtown Olympia bicycle network	Bike lane width is insufficient along portions of Martin Way to provide a low-stress network given vehicle speeds and forecast volumes
Good connection to the I-5 regional trail with the Pedestrian/Bicycle bridges at Lindsley Lane	Sidewalk network is deficient along Martin Way, specifically near Pacific Avenue intersection
Recent investments in Ensign Road offer quality bicycling and pedestrian connection to Hospital	Pavement quality along portions of Martin Way and side streets are substandard and hinder links to newer facilities
Local streets provide opportunity for north-south bicycle greenways	Large gap (over 3600 feet) between north-south connections to areas south of I-5 due to wetland area and I-5 barrier

In general, future plans for the area should strike a balance between vehicular operation and the bicycle and pedestrian environment. Due to its operation as a vital link between Lacey and Olympia, Martin Way will still require the necessary capacity to accommodate future demand between these two cities, with upwards of two or three times the existing peak traffic volume forecasted for Martin Way in 2030. However, the corridor must also be designed to provide a safe, multimodal environment by improving the bicycle and pedestrian facilities. The regional I-5 trail and the pedestrian bridge over Martin Way are two examples of existing infrastructure that should be leveraged to improve overall non-motorized connectivity in the area.

ESTIMATED PROJECT COSTS

Planning-level cost estimates are based on information provided by the City of Olympia along with supplemental information contained within the *2006 Comprehensive Plan* and the *2009 Bicycle Master Plan*. The projects highlighted in the previous sections are detailed in **Table 3**.

TABLE 3. PROJECT COST ESTIMATION

Project	Estimated Cost	Notes on Cost Estimate
Martin Way Surface Improvement	$15-20 million	Initial estimate provided by City of Olympia
Martin Way Sidewalk Construction	$2.5-3.0 million	Initial estimate provided by City of Olympia
Stoll Road Extension	$3.0-$3.5 million	Initial estimate provided by City of Olympia
Ensign Road Extension to Pacific Avenue	$8.0 - $9.0 million	Initial estimate provided by City of Olympia
Bike Lane extension at Pacific Avenue and Martin Way with painted lane	$0.05 - $0.10 million	Estimated typical unit costs for enhanced bike lane treatments and is based on length of bike lane intersection treatment
Off-street trail along Woodard Creek	$1.6 million	Costs confirmed via SVR and Parks planners. Land acquisition cost is included

Source: Fehr & Peers 2014

FUNDING ASSESSMENT

Potential funding options for the above projects are based on opportunities identified in the *2006 Comprehensive Plan*, the *2009 Bicycle Plan* and the *2010 Parks, Art and Recreation Plan*. The options most relevant to the study area include:

Local Improvement District (LID)

Existing and future property owners would fund much of the improvements through an LID focused on the Martin Way study district. The property owners are assessed a tax proportionally to their property value as a means of providing a local connection between funding generation and infrastructure improvements.

Transportation Benefit District (TBD)

Through a vehicle license tab or a locally-based sales tax, a TBD can provide a direct funding mechanism for any transportation project contained in a state, regional or local transportation plan. Funds generated from the TBD are available to be used for any transportation improvement project. In 2008, the City established a TBD that encompasses the city limits.

Capital Improvement Program

A more traditional funding method, the CIP leverages city funds to implement a variety of area-wide transportation and facility projects. Funding levels are adopted on a six-year basis and the most recent CIP was established for the 2011-2016 time period.

Grants

Federal and state grants are well-suited obtain funding for non-motorized projects. Grants are typically obtained through the Thurston Regional Planning Council (TRPC); however other sources include public health agencies and other federal programs.

Impact Fees

Funding is sourced from new development in order to mitigate impacts to transportation. Fees are assessed based on new trips generated by development and the funds are directed specifically to the transportation facilities that are impacted. Transportation impact fees can only fund projects located within the roadway right-of-way.

Appendix C: Stormwater and Utilities Existing Conditions

SvR DESIGN COMPANY

MEMORANDUM #01 - FINAL

DATE: June 20, 2014

TO: Morgan Shook, AICP - ECONorthwest
Erik Rundell, AICP - ECONorthwest

FROM: Amalia Leighton, PE, AICP

RE: **Utilities and Stormwater Existing Conditions**
City of Olympia – Martin Way Study
SvR Project No. 13038

The purpose of this memorandum is to provide information on the existing conditions in the Martin Way District study area in the City of Olympia.

Martin Way Study Area
The vision for the Martin Way District is to achieve a mixed-use district containing residential, commercial, retail, and office uses. The lack of transportation and public utility infrastructure is assumed to be a barrier to redevelopment in the district.

The Martin Way study area centers along Martin Way from Sawyer Street at the west end to Lily Road at the east end, a distance of approximately 1.3 miles. The boundary extends approximately one-quarter of a mile to the north and south along this corridor, extending further to the south to capture the Pacific Avenue ramps at Interstate 5. Portions of the study area in the north and south are located in unincorporated Thurston County.

Infrastructure Providers
Existing water, wastewater, storm drainage and underground private utilities serve the study area. Infrastructure within the study area is managed by the following service providers:

- City of Olympia
  - Sewer
  - Drinking Water
  - Storm Drainage Utility
  - Parks/Trails
- LOTT Clean Water Alliance (Lacey, Olympia, Tumwater and Thurston County)
  - Reclaimed Water Distribution
- Puget Sound Energy
  - Natural Gas
  - Electric

Comprehensive Plan (Current Draft Recommended 2013 by Olympia Planning Commission going before Olympia City Council on July 22, 2014).
In the current draft of the Olympia Comprehensive Plan, the City of Olympia identifies the following missions and goals for each infrastructure facility type. The Comprehensive Plan links directly to the system plans identified for the infrastructure identified below:

- Drinking Water. This Utility's mission is to provide and protect drinking water for a

healthy community. This involves protecting groundwater and promoting water conservation as well as ensuring that our drinking water meets federal Safe Drinking Water Act.

- Wastewater. This Utility's mission is to collect and convey wastewater to treatment facilities in order to protect public and environmental health. In addition, the utility works to reduce the number of onsite sewage systems in the City.

- Storm and Surface Water. The mission of this utility is to provide services that minimize flooding, improve water quality, and protect or enhance aquatic habitat.

- Electricity and Natural Gas. Puget Sound Energy (PSE) is the only provider of electricity to Olympia and its Urban Growth Area. PSE is an investor-owned utility providing electricity to nine western and central Washington counties. PSE is also the only natural gas provider to Olympia and its Urban Growth Area. PSE serves natural gas customers in six western and central Washington counties.

- Parks. In the Parks section of the Comprehensive Plan, the level of service standards, (referred to as "Target Outcome Ratios" in the Parks, Arts and Recreation Plan) are the ratio of developed park land per 1,000 residents. This is how the City evaluates the need to acquire more park land or build more recreation facilities. The following challenges exist in meeting park and open space needs in the next 20 years.
    - Acquiring Funding for Large Capital Projects. Completion of Percival Landing, the acquisition and development of a 40-acre community park, and the completion of West Bay Park and Trail are all multi-million dollar projects. Current funding sources are not adequate to meet these needs
    - Acquiring Land for New Parks. As our population increases we will need more park and open space to maintain the same level of service standards, yet there will be less land and fewer large parcels available
    - Maintaining an Aging Infrastructure. As Olympia's park infrastructure ages, it becomes more important yet more expensive to provide routine and major maintenance

Existing Conditions, Infrastructure Gaps and Planned Infrastructure Projects
The following information identifies existing conditions, gaps and planned infrastructure projects within the Martin Way District study area.

Drinking Water
There is an existing drinking water distribution line along Martin Way. Based on review of the City of Olympia 2014-2019 Capital Facilities Plan and the Olympia Water System Plan for 2009-2014 there are no projects or upgrades planned within the study area. However, the City of Olympia would like to plan to include water lines along both Ensign Road and Stoll Road extensions. Figure 1 showing water services areas is attached.

Wastewater
Existing sewer lines serve the study area. Some within the study area are still on septic. Sewer extensions will be needed for properties along the immediate frontage of Martin Way. Figure 2 showing the existing sewer services areas is attached. Some of the properties along Martin Way still on septic will need/want to connect to the sewer mainline as redevelopment occurs. Due to the existing topography it may be hard to get gravity connections to the Martin Way line in some locations. Some parcels may have to pump the sewer up to the mainline.

In the 2014 Budget and Capital Improvement plan, LOTT identifies that there will be capacity issues in the main distribution pipeline along Martin Way. City of Olympia identifies that the pipe needs to be upsized between manholes 300086 and 300090 by 2030.

Storm and Surface Water
Within the study area, the proposed costs for the infrastructure improvements could be impacted by the stormwater management and critical areas requirements for work around Woodard Creek. There are two stormwater basins within the study area. The western portion of the study area to about Ensign Road is located within the Indian Creek Basin, see Figure 3. The eastern portion of the study area is located within the Woodard Creek Basin. Maps from Thurston County, see Figure 4.

The headwaters to the Woodard Creek basin are located within the study area and are shown on parcels that have been identified as developable land. Based on the critical area information shown on the Thurston County Geodata Center mapping, a portion of the study area is within the watershed protection area, flood plain, high groundwater hazard, wetland and wetland buffer associated with the creek system and within the shellfish protection area, Figures 5-10 are attached. These maps indicate that stormwater management needs to be coordinated with critical area requirements, see Figure 10. In this area, the costs of redevelopment for either right of way or parcels could be significant to meet both permitting and design requirements. Based on the proposed locations of the extensions for both Ensign Road and Stoll Road wetland and buffer mitigation would likely be required. Until the wetland delineation and classifications are confirmed, the extent of the mitigation is unknown. Further study of the creek and wetland conditions are required to more comprehensively understand the requirements for redevelopment on parcels where the creek and wetland are located.

In addition to improving the stormwater management for the rights-of-way improvements, Olympia may want to take the opportunity to evaluate basin level planning for the Woodard Creek Basin with Thurston County. Thurston County is currently working on the Woodard Creek Stormwater Retrofit Study. The project objective is to identify stormwater projects that will maintain and/or improve existing water quality and stream ecological function within the Woodard Creek Basin.

Once the wetlands have been delineated and classified, the City can confirm the code requirements for private development within the buffers and setbacks of Woodard Creek and associated wetlands pursuant to Olympia Municipal Code (OMC) 18.32 Critical Areas. These code requirements will also affect the stormwater management requirements for redevelopment pursuant to OMC 13.16 Storm and Surface Water Utility.

Electricity and Natural Gas
Redevelopment within the study area is able to obtain electrical and gas service from Puget Sound Energy. Joint utility trenches are included in estimates for Martin Way improvements, Ensign Road and Stoll Road.

Parks/Trails
There are no parks parcels owned by City of Olympia shown in the study area. The Woodland Creek Trail corridor, between Martin Way and 26th Avenue is shown in the 2010 Parks, Arts & Recreation Plans. The trail is shown on property owned by Providence St. Peter Hospital. The plan identifies that this trail is a long term objective and Parks Staff has done no additional design or evaluation of this trail, see Figure 11.

Redevelopment and Upgrade Cost Considerations
The following cost considerations could be made for reducing redevelopment costs for parcels within the study area.

Drinking Water and Wastewater
In addition to providing the identified sewer and water system extensions within the project area, they City could also install service connections as applicable to allow future development to connect to the system for less cost.

Storm and Surface Water
Stormwater management is a high cost line item when projects are adjacent to wetlands and/or streams. City of Olympia and Thurston Regional Planning Council have an opportunity to coordinate with Thurston County on the current Thurston County retrofit study of Woodard Creek. Based on the draft schedule provided by Thurston County, the Woodard Park Stormwater Retrofit Study will have some preliminary basin level projects identified in February 2014. If possible, Olympia may want to review any projects in the Martin Way study area to confirm if there is opportunity to create a regional stormwater management facility within the basin to offset the stormwater management requirements as parcels redevelop. This could potentially reduce costs for redevelopment or costs for City of Olympia maintenance/inspections of stormwater management facilities within the study area.

As Thurston County and Olympia continue to collaborate, there may be opportunity to jointly apply for funding to implement projects within the Woodard Basin. For example, there could be opportunity to coordinate land acquisition for the Woodard Creek trail and stormwater retrofit projects within a conservation easement within the basin.

Electricity and Natural Gas
When the redevelopment scenarios are presented, the City of Olympia can confirm that the PSE systems have the capacity to serve the proposed land uses.

Parks/Trails
Based on the type of redevelopment feasible in the Martin Way study area, the City may want to increase the priority of the Woodard Creek trail in the Parks CIP. If Ensign Road is extended south of Martin Way, there is potential to extend a trail between Martin Way and Pacific Ave to increase the north-south non-motorized connection within the district.

Additional park land may need to be identified to maintain the parks level of service identified in the Comprehensive Plan depending on the amount of increased residential capacity proposed within the study area. Additional funding sources may be identified based on the type of park facility necessary to serve the anticipated population.

STANDARD BID ITEMS - ESTIMATE & QUANTITY RECONCILIATION

Transmission Water Main Only

PROJECT **Planning Estimate**
Date: 12/10/13

1000 LF Major Collector

By: BDP

ITEM	DESCRIPTION	UNIT	QUANTITY DCS		UNIT PRICE		TOTAL PRICE	COMMENTS REGARDING QUANTITY
104-000	Minor Change	EST	1	$	35,000.00	$	35,000	1% Project Total
105-000	Record Drawings (Minimum Bid $1000.00)	LS	1	$	2,500.00	$	2,500	est.
107-000	SPCC Plan	LS	1	$	2,500.00	$	2,500	est.
109-000	Mobilization	LS	1	$	10,000.00	$	10,000	8% Project Total
110-000	Project Temporary Traffic Control	LS	1	$	2,500.00	$	2,500	Signage at intersections only/TCS @$500/month project duration 8 months
110-005	Flaggers and Spotters, min. Bid $34.00 per hour	HR	100	$	40.00	$	4,000	3 flaggers / 8 hours / day 4 days for tie-ins
708-000	Bank Run Gravel for Trench Backfill	TN	600	$	15.00	$	9,000	
709-012	Ductile Iron Water Main Pipe 12 In. Diam.	LF	1000	$	50.00	$	50,000	minimum asphalt concrete removal as this is an undeveloped site
709-430	Connect to Existing Water Main	EA	2	$	3,000.00	$	6,000	1 connection for tie-ins at both ends
712-012	Gate Valve 12 In.	EA	8	$	1,500.00	$	12,000	2 for every hydrant
714-000	Hydrant Assembly	EA	4	$	3,800.00	$	15,200	1 at each end and 3 in the middle (max spacing 300')

BID TAB TOTAL=	$	148,700	
Construction Contingency 50%=	$	74,350	Planning level contingency. Varies from 10% - 50% based on the level of uncertainties.
Tax 8.8%=	$	19,628	Reference Rule 171 and 170, WSDOT Section 1-07.2(2) and (3) respectively.
SUB-TOTAL=	**$**	**242,678**	Project cost used for advertising of bid. NOTE: Round to nearest hundred, if not thousand, depending on size of project.
Contingency to Award 10%=	$	36,402	15% < $300k, 10% > $300k
Design Engineering 28%=	$	67,950	Varies depending on the size/complexity of the project.
Right of Way=		???	Refer to Right of Way Estimating Guide.
Public Communications=		???	Cost of public meeting room rentals, mailings, etc., Does not include labor.
Art in Public Places =	$	2,426.78	1% of Subtotal if the Subtotal >$500,000, prior to award contingency.
Permit Fees =		???	Cost of Permit - for processing, etc. Does not include labor.
2013 TOTAL BUDGET PROJECT COST =	**$**	**347,030**	IDENTIFY THE YEAR OF THE ESTIMATE (FOR EXAMPLE,THIS COST WAS ESTIMATED IN 2006 DOLLARS). This alerts the reviewer to the status of the estimate to ensure it is estimated in the appropriate budget year.

REGISTERED PROFESSIONAL ENGINEER

DATE

STANDARD BID ITEMS - ESTIMATE & QUANTITY RECONCILIATION

Ensign Ext Sewer Main Only

PROJECT **Planning Estimate**
Date: 1/3/14

1,500 LF Sewer Main

By: LFC

ITEM	DESCRIPTION	UNIT	QUANTITY DCS	UNIT PRICE	TOTAL PRICE	COMMENTS REGARDING QUANTITY
104-000	Minor Change	EST	1	$ 5,000.00	$ 5,000	1% Project Total
105-000	Record Drawings (Minimum Bid $1000.00)	LS	1	$ 2,500.00	$ 2,500	est.
107-000	SPCC Plan	LS	1	$ 2,500.00	$ 2,500	est.
109-000	Mobilization	LS	1	$ 30,000.00	$ 30,000	8% Project Total
110-000	Project Temporary Traffic Control	LS	1	$ 2,500.00	$ 2,500	Signage at intersections only/TCS @$500/month project duration 8 months
110-005	Flaggers and Spotters, min. Bid $34.00 per hour	HR	100	$ 40.00	$ 4,000	3 flaggers / 8 hours / day 4 days for tie-ins
	Trench Excavation	CY	3334	$ 15.00	$ 50,010	
	Trench Shoring	SF	9000	$ 3.00	$ 27,000	
708-000	Bank Run Gravel for Trench Backfill	TN	6667	$ 22.00	$ 146,674	
	8" PVC Pipe Installation	LF	1500	$ 60.00	$ 90,000	
	Manhole	EA	11	$ 7,000.00	$ 77,000	
					$ -	

BID TAB TOTAL=	$	437,184	
Construction Contingency 30%=	$	131,155	Planning level contingency. Varies from 10% - 30% based on the level of uncertainties.
Tax 8.8%=	$	50,014	Reference Rule 171 and 170, WSDOT Section 1-07.2(2) and (3) respectively.
SUB-TOTAL=	**$**	**618,353**	Project cost used for advertising of bid. NOTE: Round to nearest hundred, if not thousand, depending on size of project.
Contingency to Award 10%=	$	92,753	15% < $300k, 10% > $300k
Design Engineering 28%=	$	173,139	Varies depending on the size/complexity of the project.
Right of Way=	$	-	Refer to Right of Way Estimating Guide.
Public Communications=	$	-	Cost of public meeting room rentals, mailings, etc., Does not include labor.
Art in Public Places =	$	6,183.53	1% of Subtotal if the Subtotal >$500,000, prior to award contingency.
Permit Fees =	$	-	Cost of Permit - for processing, etc. Does not include labor.
2013 TOTAL BUDGET PROJECT COST =	**$**	**884,245**	IDENTIFY THE YEAR OF THE ESTIMATE (FOR EXAMPLE,THIS COST WAS ESTIMATED IN 2006 DOLLARS). This alerts the reviewer to the status of the estimate to ensure it is estimated in the appropriate budget year.

Appendix D: Stakeholder Interview Summary

ECONorthwest
ECONOMICS • FINANCE • PLANNING

DATE: March 7, 2014 ECO Project #: 21528
TO: Sophie Stimson and Cari Hornbein, City of Olympia
FROM: Erik Rundell and Morgan Shook
SUBJECT: MARTIN WAY STAKEHOLDER INTERVIEW SUMMARY

This memorandum summarizes the stakeholder interviews conducted for the Martin Way corridor study. The interviews focused on talking to business owners in the area, large land-owners – primarily institutional and governmental organizations – and members of the development community with an interest in the study area. Common themes or comments from the interviews include:

- Poor pedestrian and biking facilities are an issues throughout the study area and especially Martin Way.
- Other improvements to Martin Way such as better street lighting, bus stops, and a left turn lane are viewed as desirable, too.
- With the exception of properties directly benefiting from an extension of Ensign Road, most of those interviewed were not sure of its immediate benefits.
- While costly, some property owners seemed willing to pay for a portion of frontage/sidewalk improvements.
- Development requirements for more costly road improvements (street connections), beyond typical utility and frontage requirements, are seen as a burden.

The remainder of the memorandum summarizes comments from each interview into common categories in more detail.

Interview Summary

Existing Conditions of the Corridor

Land Use

- Many of the businesses are not neighborhood oriented and people primarily get to them by driving.
- The Bailey's site is good for residential development. It's a quite area. It's not good for commercial use in his view. The site is not near other commercial uses, especially with wetland and hospital as neighbors.
- The study area has good access to I-5. Proximity to the hospital is a plus for development opportunities.
- More commercial development could be helpful, but likely most current customers are making a specific trip so it probably wouldn't benefit other businesses.

Transportation

- Biking is not good along Martin Way and there are no good north-south connections.
- Cars pulling out of the parking area on to Martin Way have trouble given the speed of cars on Martin Way. A safety issue.
- Currently, buses use the intersection at Pattison for access to Martin Way to and from the bus barn.

Wetlands/Open Space

- The wetland could be an amenity for residential uses.
- A natural area or park as part of the wetlands would only be an asset if they were already fully built before development occurred. Even then, they would only likely be an significant amenity for residential uses.
- The hospital would like to maintain wetland and open space area. Park development and trail connections would be nice for those at the hospital.

Infrastructure Needs

Martin Way Improvements

- The City should Make Martin Way in the study area like Martin Way to the east of the study area and/or in Lacey.
- Left turn lane is needed for cars to safely access businesses (mentioned a couple times).
- Traffic signal at Pattison would help buses coming and going from the base.
- Lack of street lighting along the corridor (mentioned a couple times).
- Lack of sidewalks and the continuity of sidewalks along the corridor (mentioned multiple times).
- Nice sidewalks could help usability of the land and make it more attractive.
- There are no sidewalks in front of their storefront. However, this is not a critical improvement for his business as most customers drive.
- Bus stops are meager/very basic with no cover, pullouts, or even sidewalks.
- Bus pullouts and shelters might need upgrading if significant development occurs along Martin Way.

Ensign Road Extension

- Businesses and properties not directly affected by the extension of Ensign Road do not see much benefit. It would provide better direct access to I-5, but that is not really an issue for most businesses and property currently.

- The Ensign extension would be nice alternative to Lilly Road for hospital customers and employees, but right now it's not essential.
- This improvement doesn't increase opportunities for the Bailey's site. Unsure of how much better access it provides for I-5, either. Instead, the City should spend money on improving Martin Way.
- The extension would provide a more direct access to I-5, especially for truck deliveries, but would not likely do much to improve business.
- The extension might provide other access options for buses, but they wouldn't have direct access to new road from the base.
- Extension of Ensign Road is key to developing the parcels between Martin Way and Pacific.
- The Winco site can serve as a connection between I-5 and the hospital. People currently use Lilly Road, which is heavily trafficked, if they don't want to go all the way downtown.

Stoll Road Extension

- Stoll Rd extension not really beneficial for the Bailey's Motor Inn site or project. These improvements are too costly to make their apartments project feasible if they have to pay for it, yet the City is requiring them to make these improvements.

Other

- No good north-south connections for biking between Pacific and Woodard trail and Martin Way.
- More important to address congestion at Lilly Road intersection and east end of Martin Way before other areas of the corridor.
- Stormwater treatment can be handled on site, so it's not a issue for the Bailey's Motor Inn site.

Opportunities/Desired Change

Land Use

- The area needs more housing development to support nearby businesses.
- Having retail and/or food options near the hospital would be nice. There is not much there now.
- Potential uses in the study area include:
  - Multi-family development, senior housing and low-income housing, too.
  - Big box retail such as Winco. Smaller retail that front Pacific or Martin Way may also be a possibility.

- Medical office over the long-term, specifically. However, vacancy rates for regular office is very high, so it is not a likely use in the near future.

Transportation

- People currently walk and bike along the corridor despite a lack of facilities and safety issues. Better bike and pedestrian facilities could encourage more people to walk or bike.
- Public transit service could be improved.
- Sidewalks improvements are not a big deal for developers.
- Martin Way improvements would help make the Bailey's Motor Inn project site more attractive. The development of this site could serve as an example/catalyst in the area. However, they have long frontage on Martin Way, which make their responsibilities more costly than most property owners.

Challenges/Barriers

- City permitting requirements are viewed as a barrier to new development, upgrading, and/or expanding existing buildings.
- The hospital has a private lane between Lilly and Ensign. City would like to upgrade to arterial collector. Hospital would not like it to be a traffic corridor, but smaller scale for local access/circulation or keep as is. Improvement was a condition of the hospital's recent development that they contested with Council.
- City code requires Martin Way improvements, and the Bailey's Motor Inn site has a large frontage relative to the buildable square feet proposed on the site.
- The City has not been willing to work with developers. In the case of WinCo, WinCo was willing to build the road, but other requirements, such as park area, made it so an agreement wasn't reached.
- The extension of Ensign Rd between Martin Way and Pacific is costly. In most cases the cost, of even constructing a portion, is too high for developers and leads them to lose interest. The City may consider purchasing the property and building the road themselves and then selling the property for development.
- Congestion at Lilly Road intersection is the biggest issue in particular for access to the hospital into the future as congestion gets worse.
- The possible loss of parking is the primary issue. " There is limited room to deal with". A reduction would be a real hardship for business. In addition, delivery trucks need space, too. Sometime they temporarily block traffic on Martin Way as they maneuver.
- Wetland buffers restrict development on most of the property on Ensign north of Martin Way.

- The InterCity bus barn doesn't have a conflict with commercial uses or development. Residential adjacent to the facility might be issue given current uses and noise at all times of day.
- Concentration of homeless people in area make is less desirable other to visit.

Key Property Owners

InterCity Transit Facility

- InterCity Transit has used since 1985 as a maintenance and administrative base. They actually purchased the property in 2005.
- The current bus facility is over capacity. They have expansion plan, which are at 30% design. It would be a phased buildout. They are also looking at access directly from Martin Way and building out to edge of Martin Way.
- Expansion feasibility study in 1999 determined the current site was the best location. It reduces deadheading by being a central location relative to the service area. Most routes begin and end around downtown, so proximity to downtown is important.
- As a result, InterCity Transit purchased ROW along Martin Way from City because they needed the property all the way out to Martin Way as part of their long-term plans.
- They don't think they have the space to consider other developments or partners.
- Some staff is moving to downtown Olympia. Expansion study determined it wasn't financially feasible to build new office facilities on current site (oriented to the Martin Way frontage).
- Federal funding for construction of InterCity's base expansion went away. Now trying to find funding. Currently, they are working with WA State Transit Assoc. and other agencies.
- Facility needs are not at a size where they need multiple sites, yet. Might consider other property acquisition in area if they expand to serve the entire county. Long-term plan has some interest in property along Pacific.
- They haven't considered partnerships in the past. However, they are considering Grayhound partnership at their downtown site.
- They acknowledge it is a desirable site for development, but that is also due to the fact that they have put work into grading the site along with other improvements for their development plans.

Providence Saint Peter Hospital

- Emergency vehicle and patient access ("walk-ins" and ambulance) to the hospital from I-5 is critical. Access is their key issue at the site.

- As a result, the hospital would like to limit increases in auto congestion and have less SOV commuting and use, particularly at the Martin Way and Lilly Road intersection.
- They see value in Ensign Road extension to providing better access and in reducing congestion on Lilly Road.
- They would like better biking options (some staff currently commute by bike) and transit access (currently have two stops) nearby.
- The hospital has limited developable property because of wetlands and Woodard Creek.
- In 2001 the hospital made sizable addition including the parking garage. They made a smaller addition again in 2009.
- They have a master plan for expansion (20+ years) at the campus. Any need for relocation would likely be due to congestion/access issues and not a lack of land. Next expansion would likely require new garage, which is probably the biggest constraint (cost).
- The hospital is not planning on doing any expansion at the site. This is due to the changing health care landscape (ACA and reimbursement changes), aging population growth, and overall population growth is leading to a move to a more primary care system where people are treated at outpatient offices/clinics and not through hospital visits.
- Future investments for health care facilities are going to be more in outpatient clinics around the area, especially area that are growing in the region to provide services/convenience to those areas.
- Water and sewer service is critical to the hospital and has to be maintained. Water is one infrastructure type they do not have a backup plan for and it is the utility they are the most vulnerable on. They are looking at an emergency well to be somewhat more self-reliant.
- Currently, they are able to meet growth needs at site through efficiency of utility use.

Interviewees

- Ann Freeman, InterCity Transit
- Brandon Weeden, Fatso's Bar & Grill
- Geoff Glass, Providence Hospital
- Han Kim, Hotel Concepts (Developer, Bailey's Motor Inn property owner)
- Mike Stillings, Curtis Cabinets
- Ryan Haddock, Commercial Broker at Kidder Mathews