



Meeting Minutes

Land Use & Environment Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Thursday, April 20, 2017

5:30 PM

Council Chambers

1. CALL TO ORDER

Chair Hankins called the meeting to order at 5:36 p.m.

2. ROLL CALL

Present: 3 - Chair Julie Hankins, Committee member Clark Gilman and Committee member Nathaniel Jones

OTHERS PRESENT

City Manager Steve Hall
Community Planning and Development staff:
Director Keith Stahley
Deputy Director Leonard Bauer
Economic Development Director Renee Sunde
Senior Planner Amy Buckler
Downtown Liaison Mark Rentfrow
Office Specialist/Minutes Recorder Stacey Rodell
Young Architecture representative Adam Young
Urban Olympia 5, LLC CEO Walker John
Water Street Redevelopment Area Property Owner Ray Laforge

3. APPROVAL OF AGENDA

Chair Hankins proposed an amendment to the agenda. Moving Business Item 5.D - Water Street Redevelopment Area (WSRA) Update after Item 5.A.

The agenda was approved as amended.

4. APPROVAL OF MINUTES

- 4.A** [17-0433](#) Approval of March 16, 2017 Land Use and Environment Committee Meeting Minutes

The minutes were approved.

5. COMMITTEE BUSINESS

- 5.A** [17-0408](#) Downtown Sanitation Plan Recommendation

Mr. Rentfrow presented a briefing on the Downtown Sanitation Plan recommendation via a PowerPoint presentation. He reviewed the following:

Downtown Sanitation Actions to Date

- Establish funding for Clean Team
- Establish Public Restroom Pilot
- Explore Percival West 24 Hour Restroom Options

Restroom Locations

- Artesian Commons Park
- Fertile Grounds Commons
- Olympia Ave Smart Lot
- Salvation Army
- Portland Loo style restroom in the Artesian Commons Park to be installed soon

Downtown Sanitation Plan Proposal Moving Forward

- Develop a plan that helps to address public sanitation in the Downtown area and provides recommendations on location, siting, type of facility, and hours of operations for public restrooms

Adam Young from Young Architecture wrote up a proposal for a sanitation plan. Mr. Young has experience with Restroom Master Planning for Seattle's Cal Anderson Park. He has experience with public process and is uniquely qualified to undertake this endeavor. The Committee discussed the proposal with Mr. Young.

Committee member Jones moved, seconded by Committee member Clark, to recommend approval of Council Goal funding for a Downtown Sanitation Master Plan proposal and forward on the City Council. The motion passed unanimously.

5.B [17-0350](#) Briefing on Downtown Zoning Recommendations

Ms. Buckler presented a briefing on the Update Zoning and Development Standards. She reviewed the following via a PowerPoint presentation:

- Character Areas
 - Create a set of unique areas
 - Attract a broad spectrum of activities
 - Pedestrian friendly, multi-modal
 - Not intended to be a strict zoning scheme
- Zoning Update
 - Downtown Business (DB)
 - Wide range of cultural, civic, commercial, employment activities
 - Encourage more dense mix of urban housing, and retain existing
 - Full range of urban services, tourism, recreation & entertainment
 - Pedestrian-oriented
 - Scale, height and bulk that reinforces Olympia's historic character
 - Urban Waterfront (UW)
 - Integrate multiple land uses in the waterfront area

- Enhance capital city identity
- Encourage high-amenity recreation, public access/use of shoreline
- Encourage development that preserves landmark views
- Permit uses that support nearby industrial/marine uses
- Coordinate with policies of the Shoreline Master Program
- Urban Residential (UR)
 - Accommodate multifamily housing in multistory structures in or near the State Campus; Downtown and other centers
 - Provide opportunities for people to live close to work, shopping, and services
 - Help achieve City density goals
 - Create a desirable urban living environment
 - New urban residential buildings incorporate features which encourage walking and add interest to the urban environment
- Viewpoint Viewshed Protection Analysis
- State Capitol Group Height District

The Committee asked clarifying questions. Ms. Buckler and Mr. Bauer provided clarification.

The information was received.

5.C [17-0351](#) Briefing on State Environmental Policy Act (SEPA) Exemption Recommendations

Mr. Bauer presented a briefing on State Environmental Policy Act (SEPA) exemption recommendations. He handed out a document titled “Potential SEPA Infill Exemption Area”.

In 2015, the Committee recommended and the City Council adopted a scope for the Downtown Strategy (DTS) which included exploring increased SEPA exemption levels for minor construction projects and/or urban infill exemption levels. During 2016, the DTS planning team explored these options in light of Downtown goals, and recommended within the DTS that the City establish Downtown as a SEPA Urban Infill Exemption Area.

The purpose of exempting SEPA is to reduce duplicative process, not to reduce environmental risk assessment or mitigation. Environmental issues must still be addressed, but rather than relying on the SEPA process for this, environmental issues are addressed upfront in the development code. This helps to reduce uncertain development costs and permit review times, and is a way to incentivize development that meets community goals. During scoping, the City Council decided not to complete a planned action Environment Impact Statement (EIS) for the entire Downtown. The reason was that a similar objective can be achieved by the other options.

SEPA Urban Infill Area - The State’s SEPA statute (RCW 43.21C.229) allows for

urban infill exemptions in order to encourage residential or mixed use development in urban areas where the density goals of the Comprehensive Plan are not being met. When an EIS has been prepared to analyze the development goals in the Comprehensive Plan (which is the case for Olympia), a city can exempt some or all of the following types of development from additional SEPA review:

- Stand-alone residential
- Mixed use residential/commercial
- Stand-alone commercial less than 65,000, excluding retail

The exemption would not apply to:

- Industrial uses
- Lands covered by water (in most cases)
- Projects where part of the proposal requires both exempt and non-exempt actions
- Some other very specific cases outlined under the SEPA statute

Gap Analysis - A first step was to identify any gaps in our environmental regulations where we have had to use SEPA in the past to address an environmental issue in Downtown. Subsequently, the City needs to establish regulations for those environmental issues for which SEPA was the sole method of addressing an issue.

The gap analysis revealed the City has often used SEPA to reiterate regulations that are required regardless of SEPA (e.g., remediating contaminated soil and groundwater, controlling dust at the construction site). The gap analysis also identified three areas that should be addressed by adopting new regulations before establishing a SEPA exemption:

1. Flood risk associated with sea level rise: In the past, the City used SEPA to address flood risk due to sea level rise by requiring higher finished floor elevations in high risk areas of Downtown. To ensure this issue could still be addressed without SEPA, the City adopted increased flood-proofing standards in August of 2016.
2. Off-site traffic impact mitigation: There may be areas where it is possible a large traffic-generating project could cause off-site traffic impacts needing to be mitigated through infrastructure improvements at the time of development (e.g., a traffic light.) To ensure this issue can still be addressed without SEPA, staff is exploring an appropriate size threshold - downtown projects larger than that threshold would require a traffic study to determine any needed improvements that would then be required.
3. Cultural resources: Tribal nations tend to use SEPA notice as their trigger to comment on projects, and Downtown is of particular interest to tribes due to the historical and cultural significance of Downtown lands. Early in 2017, staff met with representatives of the Nisqually Tribe and State Department of Archaeology and Historic Preservation (DAHP) to discuss other available comment opportunities (e.g., at notice of application) and potential code revisions to address how concerns about development in historical or culturally significant areas should be addressed. Staff have also been in communication

with representatives from the Squaxin Tribe.

The information was received.

5.D [17-0390](#) Water Street Redevelopment Area (WSRA) Update

Ms. Sunde presented an update on the Water Street Redevelopment Area (WSRA). She reviewed the following via a PowerPoint presentation:

- What is the WSRA
 - Approximately 1.09 acre between 4th & 5th
 - North is Percival Landing - South is Heritage park
 - West is the Fountain Block and East is the Downtown Core
 - Area plays a crucial role in linking community activity centers
 - Across from Number 1 tourist destination spot in county - Olympia's waterfront and Percival landing
 - And is one of the keystone areas in the revitalization of downtown
- Background
 - July 2015 - City issued Request For Qualifications (RFQ) & letters of interest
 - December 2016 RFQ due date
 - February 2016 - Council approved selection of Urban Olympia 5, LLC as development partner
 - March 2016 - Council approved agreement with Urban Olympia 5, LLC for urban design & planning services
 - Intent to enhance the WSRA area promoting high quality redevelopment that engages a mix of uses
- Scope of Work Key Components
 - Property Ownership and Acquisition
 - Area Plan
 - Phase I - to include all properties in the WSRA and show context and connection to surrounding properties and blocks
 - Phase II - Preferred alternative for property that Urban Olympia 5 controls or intends to pursue through Exclusive Negotiation Agreement (ENA)
 - Development Pro-Forma
 - Participation in Downtown Strategy (throughout pre-development phase)
 - City Review and Public Participation
 - Review of on-going progress and public meetings to review alternatives
- Where we are today
 - Recent Acquisitions
 - Views of 5th acquisition and project plans
 - Dockside Flats acquisition and project plans
 - Renewed Interest - WSRA Property Ownership
 - Property owner interest in redeveloping buildings
 - Coordinated design
 - Future "Welcome Center" Opportunities

- Focus on former foundations areas
- Interim Isthmus Improvements
 - Focus on former foundations areas
 - Improve aesthetics and interim use
- The Opportunity - Urban Olympia 5, LLC - Walker John
 - Dockside Flats Design Elements
 - WSRA Updated Design Options
 - Potential Integration of Projects

Mr. John presented additional details for the Dockside Flats and WSRA updated design options. Mr. Laforge presented his interest with his property in the WSRA.

The Committee unanimously agreed to direct staff to move forward with the public process.

The information was received.

6. REPORTS AND UPDATES

Mr. Stahley announced there will be two upcoming LUEC meetings in May: May 18, 2017 at Olympia High School. And May 30, 2017 at Capital High School. These will be joint meetings with the Missing Middle topics.

7. ADJOURNMENT

The meeting adjourned at 7:46 p.m.