



City of Olympia

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Meeting Minutes - Draft Community Economic & Revitalization Committee

Thursday, May 15, 2014

6:30 PM

Council Chambers

Joint Meeting with Citizen Advisory Committee (CAC)

1. ROLL CALL

CERC Members

Mayor Stephen H. Buxbaum
Mayor Pro Tem Nathaniel Jones
Councilmember Julie Hankins

Citizen Advisory Committee

Jerry Parker
Donna Feddern
Theresa Madden
Alan Miller
Kris Goddard
Jerry Reilly
Jim Randall
Mike Reid
Thera Black
Stuart Drebeck
Connie Phagley
Erica Cooper
Max Brown
Dennis Bloom
Kari Qvigstad
Jim Nieland

Property Owner

Tom Skillings
Kevin Stormans
Victor Zvirzdys
Ray Laforge

Community Planning & Development

Keith Stahley
Leonard Bauer

Consultants

Lorelei Juntunen
John Fregonese
Scott Fregonese

2. CALL TO ORDER

Mayor Buxbaum called the meeting to order at 6:35 p.m.

3. COMMITTEE BUSINESS

3.A 14-0462 (CERC / CAC Meeting) Review Outcomes from Isthmus Urban Design Workshops and Consider Next Steps in the Community Renewal Area Process

Mayor Buxbaum began by thanking the CAC and CERC members for attending. He reviewed the agenda which included a review of composites that were created from the mapping exercise during the Design Workshops. He said that we would discuss what the consultants captured correctly and what the policy issues are that need to be addressed. Lastly, he asked for feedback from the CAC on what the next steps are to engage the larger community in this process.

Ms. Juntunen began the presentation with a review of meeting outcomes:

- * Discuss desirable mix of uses and design concept, but do not "pick a scenario."
- * Clarify issues and interests that need to be addressed in order to move towards realistic development proposals.
- * Provide feedback on next steps, including additional outreach.

The purpose of the scenarios is to show potential urban design alternatives, understand tradeoffs for City investment, and assume development that adheres, mostly, to City zoning code. The scenarios will be reviewed related to urban design and the second time will be related to feasibility.

Mr. John Fregonese reviewed the top 5 results from ranking the Guiding Principles and how they were used in building the scenarios. Additionally, they reviewed the design from each table and identified where there is agreement and where there are differences.

Every table:

- * Redeveloped the Yacht Club Parking Lot
- * Included a mix of uses on City-owned properties
- * Connect and extended Percival Landing

The Majority of the groups:

- * Demolished the Capitol Center building
- * Redeveloped the Image Source building

There were big differences in:

- * Location of park land
- * Mix of uses (focus on housing vs. civic vs. retail)
- * Some tables discussed height limit increase

Consultants reviewed the existing site map and three scenarios called the Base Case, Central Park, and Green Connections:

The Base Case is a large park on City-owned properties; limited streetscape enhancements; and an extension of Percival Landing. Everything is within current zoning with no parking variances and there is a 3 story building within the 35 foot height limit proposed on the vacant lot north of the Capitol Center Building.

The **Central Park** design includes a Central park, streetscape enhancements, Percival Landing extension along the water and on the Capitol Center Building block a Festival Street, which is a multiple use street with no curbs or gutter and is managed with bollards on Sylvester Street. Development in this scenario is residential with some retail along 4th Avenue, a mix of surface and structure parking, and a library or civic space at Simmons St. The City would be responsible for property acquisition, demo, and cleanup; demo and cleanup on City-owned parcels; streetscape enhancements, park development; development subsidy; and participate in a partnership for parking.

Amenities included in the **Green Connections** scenario includes three parks, streetscape enhancement, a Festival Street, and Percival Landing extension along the water. It also includes development of mixed-use building for residential and retail along 4th Avenue and a mix of surface and structured parking. The City would be responsible for property acquisition, demo, and cleanup; demo and cleanup on City-owned parcels; streetscape enhancements, park development; development subsidy; and participate in a partnership for parking structure.

There was a short question and answer time as a large group. At 7:00 p.m. Mr. Fregonese asked the groups to discuss the following questions at their tables:

- * Do these designs reflect the CAC's conversations and priorities for the Isthmus?
- * Is this a reasonable range of choices?
- * What is missing?

Mr. Fregonese brought the small groups back together at 7:20 p.m. Each table reported out the results of their discussion.

Table 1: Don't want parking to be dominate in the plan and retail should have a presence but not a lot of it. There is other retail close by and we don't want to compete with what is existing; they liked the access to water and the Festival street. The plan must comply with open space requirements and they liked the 30% park space.

Table 2: Felt the scenarios were well done and talked about the qualitative experience with one large area versus breaking up the parks in smaller areas.

Table 3: Loved the Festival Street but there is not concensus in the group of the park areas. There may not be sufficient housing in the Central Park scenario. They stated that the original concept of all park is not represented.

Table 4: Agreed with table 1 and discussed the same things; area at current Image Source on green connection may be splitting that interest. Water access and Dash idea?

Mr. Fregonese summarized the discussion saying it seemed like the Festival Street is a hit; there needs to a parking plan for the whole area ; Civic uses must to be in the mix.

Mr. Fregonese provided definitions for the three categories of cost: **Amenities** are under public control and can move forward now; **partnership dependent** costs require collaboration with private parties; the **Feasibility Gap** represents revenue minus building development costs - and lies primarily on the private side. He reviewed the feasibility cost of each scenario. Discussion followed regarding feasibility gap and revenue generation.

Mr. Fregonese presented ideas on how to close the gap on feasibility. He asked the groups to discuss at the tables how the cost and feasibility numbers change their thinking of the scenarios; what do you think of the mix of uses; what are good strategies for moving forward? The small groups met at 8:00 p.m.

The groups came back together to share results of their discussion at 8:30 p.m.

Table 1: They had general agreement in further discussion; They felt the answers to the following questions may affect their thinking: How does the RCO grant effect our obligations? What do our legal obligations play into these designs?; As next steps they asked for information around City revenue generated by sales tax, property tax, B&O tax; They also asked if we should use a CRA? Does the city want to become

an economic developer? How do we communicate all the work over the past year to the public and engage them in the design. Scenario C had a lot of agreement but needs clarification of above.

Table 2: They felt it would be useful to have the revenue generation of the cases; unpack the cost assumptions; look at return on investment over time. They asked, What is the long term costs of maintaining parks and the revenues? What is the likelihood of investment possibility? Where would investors come from? Is the 35 foot height the best?

Moving forward; of the three options that seemed appropriate was some variation of Case C and that would mean having a CRA; It is necessary to have a public discussion before we have a conversation with investors; They also suggested offering a real estate 101 education to the public and have the market analysis get a peer review of our assumptions. The outcome must assure predictability for the investment that the public will agree what they will build.

Table 3: We all agree that if we moved to Olympia and had B or C in place we would be pleased. There is division at this table which is preferred; The argument for B is that it is closer to the previous conversations; The argument for C is water access and residential units. There is concern that there is an elephant in the room which is the strategy that we have informally pursued which is the civic areas but did not include mixed use areas. There is a strong undercurrent in the community of what happened to the park. The way to get the Capitol Center down is more likely to be achieved with B or C. Also need revenue information to help the public know it may help carry some of the expense.

Table 4: Did not discuss preferred option but reached consensus around a couple of points: A regional draw to bring people down to the space; it brings more eyes to the street, enlivens the space, support the retail, and creates an experience. Things to be done is the revenue information and a broader cost benefit of having the changes such as crime, property values, but also be careful too in rents. Managing rents and thinking about opportunities of entrepreneurs. We talked about flexibility in height and what analysis could be done? For public discussion, we need to frame the discussion around the options, use groups already established in the community like RNA and CNA; Have an open house or workshop for them.

Ms. Juntunen asked for feedback regarding including the costs at the Open House. It is possible that the benefits do not outweigh the costs. There are a lot of things that can be quantified and some that can't be quantified.

The CAC made the following suggestions: If you are just taking cost / benefit analysis, it is never going to look right but if you look at it over an extended period of time it is huge. It would be valuable to give some of the longer look cost vs benefit. We will not do service to the public if we don't keep the numbers in the conversation. They need to know the cost with each decision. There are numbers out there around decrease in crime, etc from the extra eyes on the street. There should be a discussion of what the fiscal constraints on how much we can bond. Those numbers would be useful.

The CAC did not feel we were ready for the Open House. They requested an opportunity to have a discussion about the fiscal issues before the open house; Mr. Fregonese also wants to try a few more scenarios

In closing the Mayor summarized the evening. He stated he understands there needs to be more refinement on the financial aspects of the scenarios, clear reality pictures; acknowledging we don't want to put anything out to the public that isn't based on reality. The insights of tonight's discussion will be used in crafting additional visuals to help people see and understand the scenarios such as heights and different mixed uses. We need to do a better job of talking about cost / benefits that aren't easily quantified. We don't want to surprise people, therefore, we want to discuss the consequences of doing nothing and each scenario. Maybe lay out staging opportunities to achieve the ideas we have.

There is more work to do before the Open House and he stated he is confident it will benefit from all of this work.

The decision was discussed and continued to the Community Economic & Revitalization Committee on 5/29/2014

4. ADJOURNMENT

Mayor Buxbaum adjourned the meeting 9:00 p.m.