



City of Olympia

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360-753-8447

Meeting Agenda

Land Use & Environment Committee

Thursday, December 5, 2013

5:30 PM

Council Chambers

1. ROLL CALL

2. CALL TO ORDER

3. APPROVAL OF MINUTES - None

4. COMMITTEE BUSINESS

4.A [13-0996](#) LED Streetlight Conversion of PSE Owned Lights

4.B [13-0997](#) Port of Olympia Proposed State Environmental Policy Act Planned Action

Attachments: [Port Planned Action Letter](#)
[Port Planned Action SEPA Map](#)
[Planned Action Summary](#)
[MRSC Planned Action Report](#)
[Department of Commerce Report](#)

4.C [13-1009](#) 2014 Planning Project Prioritization

Attachments: [CPD Annual Baseline Planning Program Summary UPDATE 11.22.13](#)
[CPD Work Plan 2014](#)

4.D [13-1000](#) Community Renewal Area Plan/Downtown Master Plan Relationship

Attachments: [CRA Options-memo-11202013](#)
[CPD Work Plan 2014](#)
[CRA Scope 040113](#)
[CRA Comp B Feasibility Study 10142013](#)
[CRA Blighted Properties](#)
[Imagine Olympia Comp Plan](#)

4.E [13-1001](#) The Downtown Project -- Year End Report and Next Steps

Attachments: [Downtown Project I & II](#)
[Downtown Project III](#)

5. ADJOURNMENT

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council Committee meeting, please contact the Council's Secretary at 360.753-8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.

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Land Use & Environment Committee

LED Streetlight Conversion of PSE Owned Lights

Agenda Date: 12/5/2013

Agenda Number: 4.A

File Number: 13-0996

File Type: report

Version: 1

Status: In Committee

..Title

LED Streetlight Conversion of PSE Owned Lights

..Recommended Action

City Manager Recommendation:

N/A - Informational Only

..Report

Issue:

Discuss the program to convert Puget Sound Energy (PSE) owned streetlights to LED technology. Staff will also update the Committee on the City's current LED streetlight conversion project.

Staff Contact:

Mark Russell, P.E., Director of Transportation, Public Works Department,
360.753.8762

Presenter(s):

Mark Russell, P.E., Director of Transportation, Public Works Department,
360.753.8762

Background and Analysis:

There are approximately 4,500 streetlights throughout the City; about 3,200 are owned by the City and about 1,300 are owned by PSE. All City-owned streetlights are currently being converted to LED technology through a Department of Enterprise Services Energy Savings Performance Contract. The City received a \$500,000 energy efficiency grant from the Department of Commerce and a \$369,661 conservation grant from PSE to help fund this project.

LED streetlights use an average of 50 to 60 percent less energy, last more than 20 years, provide a higher quality of lighting, and require significantly less maintenance than traditional lights. The current LED conversion project will result in an estimated annual energy savings of approximately \$174,000 and reduce carbon dioxide emissions by roughly 1.85 million pounds per year.

Due to the number of benefits of LED lighting, there is interest in converting the remaining 1,300 streetlights owned by PSE. The City can request PSE to replace these streetlights with LED technology. The City will be responsible to pay a PSE contractor to do the work. More detailed information about the PSE program and

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process is being prepared by PSE and will be included in the presentation. Additionally, a PSE representative will be available to answer any questions from the Committee.

Neighborhood/Community Interests (if known):

LED streetlights provide better quality lighting that improves the visibility and safety of pedestrians, bicyclists, and vehicles. To date, the City has converted approximately 2,000 streetlights and the feedback from citizens has been positive. Fewer than 10 concerns have been received and they are in regard to the light color or brightness. These issues are being easily addressed by making minor adjustments to the light fixture.

Options:

N/A - Informational Only

Financial Impact:

The estimated cost of converting approximately 1,300 streetlights owned by PSE is \$408,200, not counting any potential utility incentives from PSE. This project is currently included in the out-years of the *Capital Facilities Plan*, dependent upon grant funding.

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Land Use & Environment Committee

Port of Olympia Proposed State Environmental Policy Act Planned Action

Agenda Date: 12/5/2013

Agenda Number: 4.B

File Number: 13-0997

File Type: recommendation

Version: 1

Status: In Committee

..Title

Port of Olympia Proposed State Environmental Policy Act Planned Action

..Recommended Action

City Manager Recommendation:

Recommend that Council direct staff, as a 2014 work plan priority, to support the Port of Olympia's efforts to initiate a Planned Action for its undeveloped downtown properties.

..Report

Issue:

Should the City of Olympia commit staff support to a Port of Olympia Planned Action for its undeveloped downtown properties, which will result in complete identification of environmental impacts and mitigations that will be adopted by the City of Olympia in advance of development applications being submitted?

Staff Contact:

Leonard Bauer, Deputy Director, Community Planning and Development,
360.753.8206

Presenter(s):

Leonard Bauer, Deputy Director, Community Planning and Development

Background and Analysis:

On October 31, 2013, the City of Olympia received the attached letter and map from Mike Reid, Port of Olympia Senior Manager of Business Development, inviting the City to partner with the Port to explore a SEPA Planned Action for the remaining undeveloped Port-owned properties in downtown Olympia. The letter stated that, if this concept is considered a worthy priority by the City of Olympia, the Port is prepared to adequately budget and resource this project in 2014. The City's role in the partnership would be to provide staff coordination in support of the Planned Action, and for the city council to adopt an ordinance implementing the Planned Action at the end of the process.

The Port's stated intents of pursuing a SEPA Planned Action are:

1. Reduce barriers to development on Port property by providing certainty to the development marketplace and thus creating a platform for investment in downtown Olympia;
2. Utilize the Planned Action SEPA process to obtain and affirm the

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- community's vision for the Port owned properties;
3. Identify mitigation and public investment opportunities including but not limited to the East Bay shoreline stabilization and enhancement initiative as described in the current draft Shoreline Master Program;
 4. Strengthen the relationship between the City and the Port through collaboration on this planning effort; and
 5. Generate revenue and job growth for the City, the Port and the broader Thurston County community.

Background

Planned Actions were added to the State Environmental Policy Act (SEPA) by the state legislature in 1995. A Planned Action shifts the timing of when environmental review occurs for new development. Typically, environmental review is completed for each individual development project at the time a permit application is submitted. Under a planned action, environmental review is integrated with a development plan for a designated area - in this case, the Port of Olympia's undeveloped downtown properties.

Potential significant environmental impacts of the planned development types are identified and analyzed as part of the public planning process, along with necessary mitigation of those impacts. The full list of potential impacts and mitigations are adopted by ordinance of the City Council, and applied to development projects as they are submitted in development applications.

A 2009 study that reviewed Planned Actions adopted by ten different cities in the Puget Sound area states:

"Most jurisdictions reported that the planned action process has been successful in achieving a more efficient permitting process, increasing developer interest, providing more thorough and comprehensive environmental review, and increasing predictability for developers and the general public." A link is provided to the full report.

The findings of a 2010 study by the WA Department of Commerce are attached and as well as a link to the full report.

This effort is also consistent with the City Council's goal to "change the culture of community development". A Planned Action is a proactive step towards creating a vision for the future use of Port property and creating predictability for future development activity.

Neighborhood/Community Interests (if known):

There will likely be significant interest throughout the community in this planning effort.

Options:

1. Recommend that Council direct staff, as a 2014 work plan priority, to support

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the Port of Olympia's efforts to initiate a planned action for its undeveloped downtown properties.

2. Do not recommend support of the Port of Olympia's planned action a priority in 2014.

Financial Impact:

Staff estimates support of Port planned action process would be approximately .2 FTE in city staff time in 2014 and 2015. The Port letter stated it would adequately budget for other remaining costs.

October 31, 2013

City of Olympia
Community Planning and Development
P.O. Box 1967
Olympia, WA 98507-1967

Re: Planned Action SEPA

Dear Keith Stahley:

First and foremost, a sincere “thank you” to you and Leonard Bauer for taking the time to discuss development strategies and opportunities with Jeff Smith, Clarita Mattox, and myself on October 10, 2013.

As an outcome of our discussion I would like to submit this letter as invitation to the City of Olympia to join with the Port of Olympia in exploring the potential of a Planned Action SEPA for the remaining undeveloped Port owned properties in downtown Olympia.

From the Department of Ecology’s SEPA handbook:

In 1995, the legislature authorized a new category of project action in SEPA called a “planned action.” Designating specific types of projects as planned action projects shifts environmental review of a project from the time a permit application is made to an earlier phase in the planning process. The intent is to provide a more streamlined environmental review process at the project stage by conducting more detailed environmental analysis during planning. Early environmental review provides more certainty to permit applicants with respect to what will be required and to the public with respect to how the environmental impacts will be addressed.

In the recent report provided to the City of Olympia by EcoNorthwest a series of barriers to new development in downtown Olympia were identified. Two of the identified barriers were “Complexity and cost of new construction” and “Lack of community consensus and strategy.” It is our opinion that a Planned Action SEPA would provide some considerable relief from these two development barriers and thus making Port properties more viable and attractive for investment in new development.

The Port’s intent of pursuing a Planned Action SEPA are fivefold:

- 1) Reduce barriers to development on Port property by providing certainty to the development marketplace and thus creating a platform for investment in downtown Olympia.
- 2) Utilize the Planned Action SEPA process to obtain and affirm the community’s vision for the Port owned properties.

Our mission is to create economic opportunities by connecting Thurston County to the world by air, land, and sea.

- 3) Identify mitigation and public investment opportunities including but not limited to the East Bay shoreline stabilization and enhancement initiative as described in the current draft Shoreline Master Program.
- 4) Strengthen the relationship between the City and the Port through collaboration on this planning effort.
- 5) Generate revenue and job growth for the City, the Port, and the broader Thurston County community.

If the this concept is received well and considered to be a worthy priority by the City of Olympia the Port is prepared to adequately budget and resource this project in 2014.

Attached is a map identifying the properties that the Port would like to consider for a Planned Action SEPA.

Sincerely,



Mike Reid
Senior Manager, Business Development



Map is only for reference purposes. Boundary for Planned Action SEPA properties may change

In 8 case studies conducted in 2010:

- Predefined mitigation is estimated to have saved between \$2.8 and \$11 million for infrastructure and other public projects
- Private developers saved an estimated \$8.8 to \$35.2 million in opportunity costs
- All developers reported reduced risk
- All cities reported improved coordination of infrastructure planning, and decreases in the number and scale of required environmental assessments and technical studies
- Time-to-permit savings ranged from five weeks to four months , benefitting private developers and saving cities processing costs
- In all cases, property, sales, B&O and/or real estate tax revenue increased for local and state government from new development.
- All cities reported up-front process provides better environmental outcomes due to broader scale of analysis, and enhanced community satisfaction with the process

"Planned Action" SEPA Review: Cities' Experiences and Advice

By Deborah Munkberg

Published: November 19, 2009



Photo of Kent Station at Night Courtesy of camknows, Flickr cc

In 1995, the Washington State Legislature authorized SEPA review of “planned actions.” The planned action review process authorizes local governments planning under the Growth Management Act to prepare an environmental impact statement (EIS) to review potential impacts of development during the planning stage, rather than the development review stage. After completion of the EIS and adoption of a planned action ordinance, future development proposals that are consistent with the EIS and ordinance do not require additional SEPA review. When adopted, the planned action process was recognized as an opportunity to streamline and provide more certainty in the development review process.

Since its 1995 adoption, how has the planned action process worked? This article reports on the experiences of ten cities in the Puget Sound region with adopted planned action ordinances. In addition to descriptive information about their planned action ordinances, cities were asked for their assessment of overall success and tips for other local governments considering a future planned action.

What do planned action areas look like?

The selected cities varied widely in the size and types of uses permitted in planned action areas. The size of the designated areas ranged from 17 to 4,000 acres, with about half below 100 acres in size. Two of the three largest areas are planned for industrial development. All of the medium and smaller planned action areas (less than 200 acres) provide for a mix of residential and commercial uses. In these areas, commercial capacity is generally between 400,000 to 600,000 sf, with a range of 240,000 to 1.1

Item 7.b - Attachment C

million sf, and residential capacity is generally between 500 and 700 dwelling units, with a range of 150 to 750 units.

Jurisdiction	Date Adopted	Size in Acres	Planned Action Development Capacity
Planned Action Designation			
Industrial			
City of Everett	1997	4,000 acres	50,000 employees
Southwest Everett			
City of Tukwila	1998	1,000 acres	Consistent with Subarea Plan
Manufacturing Industrial Center			
Mixed Use			
City of Redmond	1999, updated 2009	1,300 acres	3.42 million sf nonresidential
Overlake Neighborhood			1,336 dwelling units
City of Renton	2000	17 acres	30,000 – 38,000 sf retail
Southport			500,000 – 750,000 sf commercial 377 – 581 dwelling units 220 rooms lodging
City of Shoreline	2001	20 acres	241,000 sf commercial
North City			536 dwelling units
City of Monroe	2004	85 acres	500,000 sf retail
North Kelsey Subarea			100,000 sf office 150 dwelling units Relocation of existing business
Downtown Area			
City of Kent	2002	25 acres	514,800 sf commercial
Kent Station			200 rooms lodging, 169,400 conference center, 480 dwelling units, 53,000 sf open space/parks, 2,932 parking stalls

City of University Place Town Center	2004, updated 2006	25 acres	490,000 sf retail/office 500 dwelling units 15,000 sf library
City of Mountlake Terrace Town Center	2007	57 acres	445,000 mixed use (commercial, retail, office), 737 dwelling units
City of Federal Way City Center	2007	200 acres	750,000 sf retail, 350,000 sf office, 600 rooms lodging, 750 dwelling units, 750 parking stalls, 100,000 sf civic uses

What was the cost of planned action EIS preparation?

Seven of the ten jurisdictions used outside consultant support to prepare their EIS. Five of the seven had budgets of \$200,000 or less, with a range of \$135,000 to \$500,000. In three jurisdictions, in-house staff led the preparation of their EIS documents with outside consultant technical support. Technical tasks focused on transportation, stormwater, air quality, and noise. In all cases, the transportation analysis was a significant factor in the cost, with the cost sometimes approaching half of the total budget.

How much development has occurred under the planned action?

The three oldest and largest planned action areas have experienced the most development. Southwest Everett has seen 4.4 million square feet of development and 39,000 total employees. The Tukwila Manufacturing Industrial Center has seen about \$200 million in private development, and the Overlake Neighborhood about 2.7 million square feet of office development and 566 dwelling units.

Others that have seen a significant amount of development include Kent Station, which is estimated to be about 75% developed, Southport with 400 dwelling units, and the North Kelsey Subarea with development of a 170,000 sf Lowe’s store in the planned action area.

Other areas, including North City, Federal Way, Mountlake Terrace, and University Place have had some development, but are seeking their first significant planned action development project.

Have expectations been met?

For most jurisdictions, the answer is a resounding yes, even from those jurisdictions that have not yet experienced a significant amount of new development. Most jurisdictions reported that the planned action process has been successful in achieving a more efficient permitting process, increasing developer interest, providing more thorough and comprehensive environmental review, and increasing predictability for developers and the general public. Despite the generally positive outlook, all jurisdictions observed that the incentive provided by the planned action is not strong enough to overcome other negative economic factors.

Have there been major obstacles in implementing the ordinance?

Generally, participants pointed to very few obstacles in implementation. For a few, tracking of development and staff training were identified as internal challenges. In two instances, neighbor concerns about specific development proposals were addressed through local code requirements or voluntary meetings between the applicant and concerned neighbors. All cities noted that the economic downtown has either slowed or stopped developer interest in the past year.

What suggestions would help others considering a planned action?

The cities provided the following suggestions based on their experiences and lessons learned.

Establish the planned action area thoughtfully. Establish your planned action area based on your goals, property owner and public interest, implementation requirements, and potential for future development.

Provide for public involvement early and throughout the process. The planned action EIS process is the primary opportunity for the public to express community concerns in the planned action area.

Look for cost-saving opportunities, such as preparation of portions of the EIS and ordinance by in-house staff, maximizing use of existing data, seeking partnerships, and leveraging other projects such as comprehensive and subarea plan updates.

Consider the full range of alternatives that will achieve your goals, including an alternative mix of uses, design features, area boundaries and locations. For the environmental analysis, narrow the alternatives to those that are feasible and document why any alternatives were not carried forward.

Address all elements of the environment. Use the EIS or an Environmental Checklist to document why certain elements of the environment were not carried forward for further review.

Find the right balance of flexibility and specificity in preparing the EIS. Provide flexibility to maximize future usefulness of the EIS and sufficient detail to ensure that mitigating measures effectively address impacts.

Maximize the lifespan of the EIS by documenting the analysis and process thoroughly. Over time, review the EIS and refresh as needed.

Prepare for implementation. Develop and document an approach for tracking and processing planned action qualified development and train staff on the process.

Be patient and realistic. Recognize that planned actions are a solid strategy for streamlining the permit review process and encouraging economic development within the context of the larger economy.

Deborah Munkberg, AICP is a principal planner for the Blumen Consulting Group, a Seattle area land use and environmental planning firm and Northwest Hub sponsor. Deborah has 25 years of experience in community and environmental planning, including numerous planned action documents. You can reach Deborah by email at deborahm@blumencg.com.

Infrastructure Preconstruction Funding for Advanced (“Up-front”) SEPA – Benefits for Economic Development

What is Advanced SEPA?

1. Full SEPA analysis completed by city or county for a “neighborhood-sized” district before development proposals occur
2. Pre-defines detailed mitigation requirements for all potential private and public projects (e.g., infrastructure improvements) in district
3. Five methods authorized in statute, as shown in Table 1 on next page. Completed in conjunction with a district-wide plan
4. Typically no SEPA analysis required of specific development proposals (public or private) that are consistent with the plan

Demonstrated Results¹

- Example results attributable to advanced SEPA:
 - Everett Paine Field Industrial Area
 - 3.9 million sq. ft. private development = \$390 million assessed value
 - All public infrastructure, incl. \$400 million in transportation projects
 - 44,000 employees (Boeing: important factor in 787 facility location)
 - Cost of Advanced SEPA (1995): \$530,000
 - Downtown Vancouver Esther Short Park District
 - \$225 million private investment, over \$20 million public infrastructure
 - Cost of Advanced SEPA (1998): \$390,000
 - Renton Southport District
 - \$100 million private investment in first five years
- In 8 case studies conducted in 2010:
 - Predefined mitigation is estimated to have saved between \$2.8 and \$11 million for infrastructure and other public projects
 - Private developers saved an estimated \$8.8 to \$35.2 million in opportunity costs
 - All developers reported reduced risk
 - All cities reported improved coordination of infrastructure planning, and decreases in the number and scale of required environmental assessments and technical studies
 - Time-to-permit savings ranged from five weeks to four months, benefitting private developers and saving cities processing costs
 - In all cases, property, sales, B&O and/or real estate tax revenue increased for local and state government from new development.
 - All cities reported up-front process provides better environmental outcomes due to broader scale of analysis, and enhanced community satisfaction with the process
- Districts experienced 60% to 107% of planned development within 6-14 years
- Most effective as part of a set of economic development tools, such as public infrastructure improvements, tax increment or local improvement district financing, or brownfield cleanup

¹ Results based on three case study reports; *State Environmental Policy Act Case Studies, July 2010, Department of Commerce Growth Management Services*; “Planned Action SEPA Review: Cities’ Experience and Advice”, Deborah Munkberg, Blumen Consulting, 2006; *SEPA and the Promise of the GMA*, David Evans and Associates, 2002.

Table 1: Summary of SEPA Up-Front Environmental Review Tools

	Integrated GMA/SEPA Document	Plan-Level Non-Project SEPA Document	Planned Actions	ESHB 2538 Subarea Planning	Categorical Exemption for Infill
Geographic area of Planning	Entire jurisdiction or subarea	Entire jurisdiction or subarea	Comprehensive plan, subarea plan, fully contained community, master planned resort, master planned development, or phased project. Must be in a UGA and cannot be the entire jurisdiction	Designated as mixed-use or urban centers; or within one-half mile of a major transit stop	Area within the UGA where current density and intensity of use in the area is lower than called for in the goals and policies of the comprehensive plan
Level of Pre-defined Mitigations	Will vary with the level of analysis	Will vary with the level of analysis	High	High	Not applicable
Is the Document Appealable under SEPA	Yes	Yes	Planned action EIS is appealable - actions consistent with the plan are not	No appeals of actions consistent with EIS for 10 years	No, only EIS with comprehensive or subarea plan can be appealed
Additional review Required for Permits	Depends upon level of environmental analysis in document	Depends upon level of environmental analysis in document	No, not if action is consistent with the plan	No additional review of projects for 10 years	No review required
Timeframe of document validity	Depends on underlying document	Depends on underlying document	Depends on underlying document	10 years	
Restrictions on Eligibility	Jurisdictions fully planning under GMA	All cities and counties	Jurisdictions fully planning under GMA	Cities with a population greater than 5,000, and cities east of the Cascade mountains located in a county with a population of 230,000 or less	Jurisdictions fully planning under GMA
Latecomer Fees	Not allowed	Not allowed	Not allowed	Allowed to recover a portion of the non-project EIS cost	Not allowed

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Land Use & Environment Committee

2014 Planning Project Prioritization

Agenda Date: 12/5/2013

Agenda Number: 4.C

File Number: 13-1009

File Type: report

Version: 1

Status: In Committee

..Title

2014 Planning Project Prioritization

..Recommended Action

City Manager Recommendation:

NA. This is a briefing.

..Report

Issue:

Briefing and prioritization discussion of planning projects in Community Planning and Development Department's draft three-year work program.

Presenter(s):

Leonard Bauer, Deputy Director, Community Planning and Development,
360.753.8206

Background and Analysis:

Community Planning and Development staff have drafted a two-part work program (see attachments):

- 1) A "baseline" of on-going responsibilities, such as staffing City advisory committees and reviewing permit applications;
- 2) A three-year work program of planning projects that have been directed by Council, or are anticipated to implement the draft comprehensive plan or other planning documents. This draft work program estimates the staff needs for each project, and prioritizes those projects based on existing staff capacity.

There are 19 discretionary projects included in this work plan. Significant projects include: Comp Plan Update, Comp Plan Implementation Strategy, Land Development Regulations Update, Subarea Planning, Downtown Master Plan Scoping, Downtown Master Plan, CRA Planning and Implementation and Community Development Process Improvements. These projects are projected to occupy 3.05, 2.88 and 3.10 FTEs in years 2014 - 2016.

The CPD work program will continue to be updated as new information and priorities occur.

Options:

Committee members' review and comments on the prioritization of planning projects in the work program are welcome and will help to shape the work plan for future

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consideration by the City.

Financial:

To be determined following City Council's 2014 Retreat.

Draft
ANNUAL BASELINE
CP&D Planning Program

PROJECT	Annual FTE
Olympia Planning Commission (OPC) Support	.5
Olympia Heritage Commission (OHC) Support	.4
Current Planning (Includes Hearings Examiner and Design Review Board Support)	4.2
Coalition of Neighborhood Associations (CNA) and Recognized Neighborhood Associations (RNA) Liaisons	.25
Proactive Approach to Community Development - Ongoing permit process improvements - Regular code amendments for clarification - Outreach/clarification assistance on potential development projects	.75
Urban Forestry Program	.75
Community Development Block Grant (CDBG)/Housing Program	2.0
Planning Administrative and Support	1.2
<i>Subtotal</i>	<i>10.05 FTE</i>
TOTAL CAPACITY	12.75 FTE
“Discretionary”	2.7 FTE

2014 -2016 CPD PLANNING PROJECTS - "Discretionary" - DRAFT

PROJECT/COUNCIL INVOLVEMENT	FTE	ESTIMATED TIMELINE												Annual FTE		
		2014				2015				2016						
		Jan- Mar	Apr- Jun	Jul- Sep	Oct- Dec	Jan- Mar	Apr- Jun	Jul- Sep	Oct- Dec	Jan- Mar	Apr- Jun	Jul- Sep	Oct- Dec	2014	2015	2016
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
1 Martin Way Study -- Review and Accept.	0.2	X												0.05	0.00	0.00
2 Boulevard Road / I-5 Annexation* -- Initiate, Review and Approve.	0	X	X											0.00	0.00	0.00
3 Comprehensive Plan Update -- Briefings, Deliberations and Approval.	2	X	X											1.00	0.00	0.00
4 CFP Goals/Policies Update -- Review and Approve.	0.2					X	X							0.00	0.10	0.00
5 Comprehensive Plan Implementation Strategy -- LUEC Briefing, Deliberation and Recommendation. Council -- Review and Approve.																
a. Develop Strategy and Performance Measures	0.25	X	X	X										0.19	0.00	0.00
b. Performance Measure Tracking and Reporting	0.2				X	X	X	X	X	X	X	X	X	0.05	0.20	0.20
c. Comprehensive Plan Implementation Projects & Coordination Citywide	1				X	X	X	X	X	X	X	X	X	0.25	1.00	1.00
6 Zoning Code and Map Amendments to Implement Comprehensive Plan, Form Based Codes not included in these numbers -- Review and Approve.	0.75	X	X	X	X									0.75	0.00	0.00
7 CRA Community Renewal Plan and Implementation** -- CRA Ad Hoc Committee Briefings, Deliberations and Recommendation. Council -- Review and Approve.	0	X	X	X	X	X	X	X						0.00	0.00	0.00
8 CRA Investment Strategy Opportunity Areas Action Plan Implementation*** -- CRA Ad Hoc Committee Briefings, Deliberations and Recommendation. Council -- Review and Approve.																
a. Headwaters (see #1 Martin Way Study)	0													0.00	0.00	0.00
b. Olympia Landfill - complete environmental assessment	0.05	X	X	X	X									0.05	0.00	0.00
c. K-mart Site - coordinate with property owners and with #1 Martin Way Study	0													0.00	0.00	0.00
d. Division/Harrison - Subarea plan; potential form-based code	0.4								X	X	X	X		0.00	0.00	0.40
e. Kaiser/Harrison - zoning text amendment; subarea plan	0.25	X							X	X	X	X		0.06	0.00	0.25
9 Port of Olympia Planned Action -- Briefings, Deliberation, Approval	0.1	X	X	X	X	X	X	X	X					0.10	0.10	0.00
10 Homeless Shelter Zoning Text Amendment	0.1	X												0.03	0.00	0.00
11 Section 108 Loan Program -- CRA Ad Hoc Committee Briefings, Deliberations, and Recommendation. Council - Review and Approve	0.2	X	X	X	X	X	X	X	X	X	X	X	X	0.20	0.20	0.20
12 Annual CFP Update (Liaison to Administrative Services)																
a. 2014	0.2			X	X									0.10	0.00	0.00
b. 2015	0.2						X	X						0.00	0.10	0.00
c. 2016	0.2										X	X		0.00	0.00	0.10
13 Critical Areas Ordinance Review/Update -- Review and Approve.	0.2								X	X	X			0.00	0.05	0.10
14 Subarea Plan (Pilot) -- LUEC Briefing, Deliberation and Recommendation -- Council Review and Approve.	0.25			X	X	X	X							0.13	0.13	0.00
15 SMP Ecology Coordination/Final Adoption -- Briefings, Deliberations and Approval.	0.2			X	X	X	X							0.10	0.10	0.00
16 Sustainable Thurston Implementation -- Accept.	0.2								X	X	X	X		0.00	0.00	0.20
17 Downtown Subarea Plan Scoping -- LUEC Deliberation, Consideration and Recommendation. Council -- Review and Approve.	0.2					X	X							0.00	0.10	0.00
18 Downtown Subarea Plan -- LUEC Briefings, Deliberations, and Recommendations. Council -- Review and Approve.	1							X	X	X	X			0.00	0.50	0.50
19 County BL, Joint Plan, UGA and CWPP Updates -- Review and Approve.	0.2					X	X	X	X	X	X			0.00	0.20	0.10
20 Liaison to Lacey and Tumwater Comprehensive Plan Updates	0.1					X	X	X	X	X	X			0.00	0.10	0.05
TOTAL														3.05	2.88	3.10
21 SEPA Code Update (To meet updated statute and rules.) -- Review and Approve.	0.2													0.00	0.00	0.00
22 Urban Agriculture Policies**** -- Committee Briefings, Deliberation and Recommendation. Council - Review and Approve.	TBD															

* Annexation supported by temporary staff. FTE not included in this budget.

** CRA Community Renewal Plan process presently supported by CPD Director. FTE not included in this budget.

*** Approximately \$200,000 in City Council Goal Money has been allocated for Community Development Process that could be allotted for this work item.

**** Urban Agriculture Policies are **not** included in the staffing plan and would likely occur after 2016 under current staffing resources.

Significant Council time required.

Significant Committee and Council time required.

City of Olympia

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

Land Use & Environment Committee

Community Renewal Area Plan/Downtown Master Plan Relationship

Agenda Date: 12/5/2013

Agenda Number: 4.D

File Number: 13-1000

File Type: discussion

Version: 1

Status: In Committee

..Title

Community Renewal Area Plan/Downtown Master Plan Relationship

..Recommended Action

City Manager Recommendation:

Receive report and consider next steps in regards to the Community Renewal Area Plan and the Downtown Master Plan

..Report

Issue:

The City initiated development of a Community Renewal Plan in the Spring of 2013. During that same period, the City was also developing its Comp Plan. The Comp Plan, while not yet adopted, includes goals and policies related to the creation of a Downtown Master Plan. Some members of the community and the Planning Commission have expressed concerns about the timing of these planning processes.

Staff Contact:

Keith Stahley, Director, Community Planning and Development Department,
360.753.8227

Presenter(s):

Keith Stahley, Director, Community Planning and Development Department

Background and Analysis:

The City entered into a contract with ECONorthwest to prepare a Community Renewal Area Plan in the Spring of 2013. This contract (scope of work attached) calls for ECONorthwest to prepare a CRA Plan in accordance with the Revised Code of Washington (RCW Chapter 35.81 attached). The consultant has moved forward with their work and has developed two significant reports including an Investment Strategy and a CRA Feasibility Study (attached). These reports recommend moving forward with and finalizing a Community Renewal Plan for downtown. City Council will discuss governance options, boundary options and possible next steps at their December 3, 2013 Special Meeting.

The proposed Imagine Olympia Comprehensive Plan includes the following policy statement, ““PL17.1 Adopt a Downtown Master Plan addressing - at minimum - housing, public spaces, parking management, rehabilitation and redevelopment, architecture and cultural resources, building skyline and views, and relationships to the Port peninsula and Capitol Campus.”

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Concerns have been expressed that the CRA Plan should not precede a Downtown Master Plan and that the CRA Plan will hinder future Downtown Master Planning efforts.

Staff Work Plan:

Staff has proposed in its 2014 - 2016 CPD Planning Projects Work Plan (attached) continuing with the CRA process as generally contemplated in the scope of work. This work is primarily being supported by the CPD Director and a planning consultant and is not included in the annual FTE count reflected on the work plan. This schedule would have the CRA planning process being completed by City Council in the third quarter of 2014 with implementation work continuing into 2015 (see project 21). The Downtown Master Plan would follow the adoption of the Comp Plan with the scoping of the Downtown Master Plan (see project 15) taking place in the third and fourth quarters of 2014 and the actual Downtown Master Plan (see project 16) occupying 2015. The CRA Plan and the Downtown Master Plan are 2 of 22 projects on the CPD work plan. This work plan has very little discretionary staff time available, less than 3.0 FTEs per year and includes other significant projects such as Subarea Planning, Comp Plan Implementation Strategy, Land Development Code amendments and finalization of the Shoreline Master Plan.

Highlights of Chapter 35.81 Community Renewal Area Law Relating to the Requirement to Plan:

The Community Renewal Area Law requires the creation of a Community Renewal Plan. This plan is predicated on the City Council declaring that blight exists in the area. The plan must include a Workable Program to eliminate this blight or blighting influences. Elimination of blight is primarily achieved through Community Renewal Projects. The City is encouraged to involve the private sector in the implementation of the workable program. This Community Renewal Plan must be consistent with the Comp Plan as it exists or as it is amended to implement the plan. Key sections of Chapter 35.81 have been included below with emphasis added.

35.81.015 -- Key Definitions:

(2) "Blighted area" means an area which, by reason of the substantial physical dilapidation, deterioration, defective construction, material, and arrangement and/or age or obsolescence of buildings or improvements, whether residential or nonresidential, inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the basis of an examination of the building standards of the municipality; inappropriate uses of land or buildings; existence of overcrowding of buildings or structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; excessive land coverage; insanitary or unsafe conditions; deterioration of site; existence of hazardous soils,

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substances, or materials; diversity of ownership; tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; improper subdivision or obsolete platting; existence of persistent and high levels of unemployment or poverty within the area; or the existence of conditions that endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime; substantially impairs or arrests the sound growth of the municipality or its environs, or retards the provision of housing accommodations; constitutes an economic or social liability; and/or is detrimental, or constitutes a menace, to the public health, safety, welfare, or morals in its present condition and use.

(5) "Community renewal area" means a blighted area which the local governing body designates as appropriate for a community renewal project or projects.

(6) "Community renewal plan" means a plan, as it exists from time to time, for a community renewal project or projects, which plan (a) shall be consistent with the comprehensive plan or parts thereof for the municipality as a whole; (b) shall be sufficiently complete to indicate such land acquisition, demolition, and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community renewal area; zoning and planning changes, if any, which may include, among other things, changes related to land uses, densities, and building requirements; and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; (c) shall address the need for replacement housing, within the municipality, where existing housing is lost as a result of the community renewal project undertaken by the municipality under this chapter; and (d) may include a plan to address any persistent high levels of unemployment or poverty in the community renewal area.

(7) "Community renewal project" includes one or more undertakings or activities of a municipality in a community renewal area: (a) For the elimination and the prevention of the development or spread of blight; (b) for encouraging economic growth through job creation or retention; (c) for redevelopment or rehabilitation in a community renewal area; or (d) any combination or part thereof in accordance with a community renewal plan.

35.81.030 -- Encouragement of private enterprise.

A municipality, to the greatest extent it determines to be feasible in carrying out the provisions of this chapter, shall afford maximum opportunity, consistent with the needs of the municipality as a whole, to the rehabilitation or redevelopment of the community renewal area by private enterprise. A municipality shall give consideration to this objective in exercising its powers under this chapter,

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including the formulation of a workable program, the approval of community renewal plans (consistent with the comprehensive plan or parts thereof for the municipality), the exercise of its zoning powers, the enforcement of other laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements, the disposition of any property acquired, and the provision of necessary public improvements.

35.81.040 -- Formulation of workable program.

A municipality for the purposes of this chapter may formulate a workable program for using appropriate private and public resources to eliminate, and prevent the development or spread of, blighted areas, to encourage needed community rehabilitation, to provide for the redevelopment of such areas, or to undertake the activities, or other feasible municipal activities as may be suitably employed to achieve the objectives of the workable program. The workable program may include, without limitation, provision for: The prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation of blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds and other public improvements, by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; the replacement of housing that is lost as a result of community renewal activities within a community renewal area; the clearance and redevelopment of blighted areas or portions thereof; and the reduction of unemployment and poverty within the community renewal area by providing financial or technical assistance to a person or public body that is used to create or retain jobs, a substantial portion of which, as determined by the municipality, shall be for persons of low income.

35.81.060 -- Comprehensive plan - Preparation - Hearing - Approval - Modification - Effect.

(1) No municipality shall exercise any of the powers hereafter conferred upon municipalities by this chapter until after its local governing body shall have adopted an ordinance or resolution finding that: (a) One or more blighted areas exist in such municipality; and (b) the rehabilitation, redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of such municipality.

(2) The municipality may itself prepare or cause to be prepared a community renewal plan, or any person or agency, public or private, may submit such a plan to the municipality. Prior to its approval of a community renewal project, the local governing body shall review and determine the conformity of the community renewal plan with the comprehensive plan or parts thereof for the development of the municipality as a whole. If the community renewal plan is not consistent with the existing comprehensive plan, the local governing body

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may amend its comprehensive plan or community renewal plan.

(4) Following the hearing, the local governing body may approve a community renewal project if it finds that (a) a feasible plan exists for making available adequate housing for the residents who may be displaced by the project; (b) the community renewal plan conforms to the comprehensive plan for the municipality; (c) the community renewal plan will afford maximum opportunity, consistent with the needs of the municipality, for the rehabilitation or redevelopment of the community renewal area by private enterprise; (d) a sound and adequate financial program exists for the financing of the project; and (e) the community renewal project area is a blighted area as defined in RCW 35.81.015
<<http://apps.leg.wa.gov/RCW/default.aspx?cite=35.81&full=true>>(2).

(6) Unless otherwise expressly stated in an ordinance or resolution of the governing body of the municipality, a community renewal plan shall not be considered a subarea plan or part of a comprehensive plan for purposes of chapter 36.70A <<http://apps.leg.wa.gov/RCW/default.aspx?cite=36.70A>> RCW. However, a municipality that has adopted a comprehensive plan under chapter 36.70A <<http://apps.leg.wa.gov/RCW/default.aspx?cite=36.70A>> RCW may adopt all or part of a community renewal plan at any time as a new or amended subarea plan, whether or not any subarea plan has previously been adopted for all or part of the community renewal area. Any community renewal plan so adopted, unless otherwise determined by the growth management hearings board with jurisdiction under a timely appeal in RCW 36.70A.280 <<http://apps.leg.wa.gov/RCW/default.aspx?cite=36.70A.280>>, shall be conclusively presumed to comply with the requirements in this chapter for consistency with the comprehensive plan.

Staff and the consultant team have identified significant blight and blighting influences in the proposed boundary for the CRA (see Properties of Interest PowerPoint). The CRA Ad Hoc Committee has stated that the primary purpose of the CRA is to continue to champion downtown and encourage commerce and reinvestment within downtown in a manner consistent with City Council's goals. The Options Memo proposes that the next step be to begin to consider what redevelopment might look like on selected parcels through a design charette process.

Given the significant work that has taken place to date on the CRA, the existence of blight, the likelihood that the Downtown Master Plan will not be finished until 2015 and the requirement that any adopted plan must be consistent with the Comprehensive Plan, staff recommends continuing forward with the CRA process while remaining cognizant of how this planning effort will fit into a Downtown Master Plan at some point in the future.

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Neighborhood/Community Interests (if known):

There has been significant community interest in the CRA process.

Options:

Provide staff with feedback and direction regarding the relationship between the Community Renewal Area Plan and the Downtown Master Plan and the timing of these projects in the 2014 - 2016 work plan. This recommendation may become part of the background information for use by City Council at their 2014 Annual Retreat.

Financial Impact:

The project is budgeted per the attached scope of work, however, changes in the scope may require additional project budget.

DATE: November 20, 2013

ECO Project #: 20765

TO: City of Olympia CRA Ad Hoc Committee and Citizens Advisory Committee

FROM: Lorelei Juntunen and Emily Picha

SUBJECT: OPTIONS FOR AD HOC CRA RECOMMENDATIONS TO COUNCIL (UPDATED FROM 10/14 MEMO TO AD HOC COMMITTEE)

ECONorthwest (ECO) is under contract to the City of Olympia to assist with the formation of a Community Renewal Area (CRA) in the City's downtown. ECONorthwest has drafted a feasibility study for City Council and stakeholder review, but a number of key policy questions are intentionally left unanswered in that draft to allow for stakeholder and leadership input. At its meetings on October 18 and November 13, the CRA Ad Hoc Committee, which provides policy direction for the CRA process, considered these policy questions and discussed and approved a recommendation to the Olympia City Council regarding CRA formation. This memorandum was initially developed to support the October 18 meeting with a set of options and questions to be considered and answered by the Ad Hoc committee, but since then has been updated to document the decisions and discussions of the group for Citizen Advisory Committee review and discussion. The key policy questions are:

- (1) Governance structure for the CRA
- (2) Boundary and associated project activities
- (3) Properties of interest
- (4) Approach to use of condemnation
- (5) Process for completing the Community Renewal Plan (CRP)

This memorandum also describes the consultant's understanding of the next steps to get Council approval to move from the feasibility assessment phase of this project to developing a CRP for adoption.

Governance options

The table below describes pros and cons of the various governance options that are statutorily allowed for Community Renewal Areas.

	What?	Pros	Cons	Notes
#1 Appointed Board	Appoint a board or commission composed of five elected or appointed city officials, who are selected by the Mayor with the approval of the City Council	More direct control over CRP direction, but does provide some separation of Council from development projects	City resources required City takes on liability and financial risk Leadership and priorities could shift	
#2 City Council	Actions directed by City Council	Direct control over CRP activities	City resources required City takes on liability and financial risk Council priorities change over time	
#3 Public Development Authority or other public body	Authorize a public development authority ("PDA"), housing authority, port or public facilities district to act as a community renewal agency	<p>PDA's can adapt to address the challenges of unique projects, independent of the regular, bureaucratic functioning of local government: Persons with special expertise can be retained, Joint ventures with the private sector or even another PDA.</p> <p>Potentially limits the City's liability</p> <p>Provides a degree separation between the City and the redevelopment project.</p> <p>Provides a vehicle for a city to support a project without diverting city staff to the undertaking</p> <p>Can remain stable, even if City leadership and priorities change over time</p> <p>Tend to be more entrepreneurial than City government.</p>	<p>Despite contract or charter provisions, the PDA remains autonomous.</p> <p>Does not have power of eminent domain.</p> <p>Sometimes can be run by boards that lack expertise, whether to raise money in creative ways, or to manage major developmental projects.</p>	<p>The degree of independence depends on how charters are framed and what controls the City retains.</p> <p>Governance is flexible in the PDA statutes.</p> <p>All liabilities of a PDA must be satisfied from its own assets.</p> <p>Need determine that a PDA is qualified and has the resources to do this work.</p> <p>Government might charter a PDA to pursue a project which otherwise might be abandoned, whether for financial, political, or liability reasons.</p>

Source: Foster Pepper and ECONorthwest.

Weighing these options and the associated trade-offs, the Ad Hoc Committee recommends Option #2.

Boundary Options

Together with City Staff and based on conversations with stakeholders and CAC members, ECO identified three potential boundaries for consideration. Three options are defined below.¹

	Potential projects	Why?	Benefits	Challenges
#1 Isthmus	The City's recently acquired properties on the Isthmus and surrounding land	Focus on the Isthmus as a catalyst, dedicate limited resources to this area	More granular focus on a key gateway to downtown; leaves out some potentially controversial properties; option for later expansion still open	Leaves out many potential projects that could also use this tool; less flexibility over time to address blight in other areas of downtown
#2 Comp Plan Boundary	Isthmus projects, plus Griswold's, DFW site, others?	Provides flexibility for a variety of projects to be included in the CRP, including those in the downtown core	Contiguous with Comp Plan boundaries to align policies and better support future planning processes; could be a good "seed" for a downtown Master Plan	A more spread out focus requires additional work to establish blight; to justify a larger boundary, the CRP would require a more careful prioritization of activities and resources; requires more City resources to initiate broad outreach and stakeholder conversation
#3 Comp Plan + West Bay Drive	#2 plus strategic properties on West Bay Drive	Provides flexibility for a variety of projects to be included in the CRP	Allows for investment at the western gateway to downtown	#2 Cons, plus a less obvious nexus to downtown implementation

¹ Note that in its discussion on tOct 18, the Council added the Port to boundaries #2 and #3, reflecting the possibility that the Port of Olympia could be a strong partner in the process of revitalizing downtown.

Olympia Community Renewal Area Boundary Options



After discussion, the Ad Hoc Committee recommends pursuit of Option #3. They felt that that boundary option best aligned with the City's intent for the creation of a new CRA: to remove or address barriers to redevelopment, as outlined in the statutes guiding the use of CRA. The following barriers are hindering the ability of the private sector to invest in downtown Olympia, can be addressed through a new CRA, and are found throughout boundary Option #3:

- Blighted buildings (that meet statutory "health and safety" blight requirements)
- Soil contamination
- Liquefaction
- Sea level rise / storm surge
- Aging infrastructure

- High ground water and soils (increases development costs, complicates parking development)
- Diversity of property ownership

Properties of interest

In its discussion of projects, the Ad Hoc Committee discussed the following five properties that should be further evaluated in the CRP process.

- Reliable Steel – West Bay Drive
- Former Health Department property – Isthmus
- Former Thurston County Housing Authority – Isthmus
- Capital Center property including vacant lot north of 4th Avenue – Isthmus
- Griswald’s Property – 4th Avenue

Approach to use of condemnation

The Ad Hoc Committee also discussed the use of condemnation for economic development purposes, an authority granted to the governing body of a Community Renewal Area. The Ad Hoc Committee recognizes that the use of condemnation is contentious. It wants to clarify the City’s intentions by adding into the CRP a set of binding criteria that will limit the ability of a future CRA governing body to use condemnation except in compliant circumstances. The Ad Hoc Committee discussed the following potential criteria for consideration of condemnation: for any property or building the City must find that the property meets the statutory definition of health and safety blight (a higher standard than “economic blight”) and has been vacant and economically unproductive for a period of five years or longer.

CRP Development Process Options

Overall, the outcome of this process will be to:

“Approve a community renewal plan that (among other requirements) is consistent with the City’s comprehensive plan and describes in detail any land acquisition, any work to be carried out, any contemplated zoning changes, and ‘the plan’s relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.’” RCW 35.81.015(6).

Workable Plan

CRA’s require a workable plan that outlines uses of public and private funds to eliminate or prevent the spread of blighted areas, steps to encourage redevelopment, and activities that will achieve the goals of the plan. The plan must:

- Conform to the comprehensive plan

- Indicate with some specificity what land is to be acquired, buildings demolished or redeveloped, and what improvements are to be carried out
- Outline the plan's relationships to appropriate land uses, improved traffic and transportation, public utilities, rec/community facilities,
- Address the need for replacement housing

Adoption steps

- The plan is drafted, consistent with the provisions of the Growth Management Act
- The Council holds a public hearing on the plan after publishing notice in the newspaper and giving written notice to all property owners in the area
- The Council may adopt the plan if it find that 1) the plan is feasible, 2) the plan conforms to the comp plan (which may be amended to accommodate the CRP), 3) involves private enterprise as much as feasible 4) the plan is financially sound, 5) the area of concern is blighted.

Three possible approaches to arriving at this goal are outlined below. **In discussion of this topic, the Ad Hoc Committee felt that the best approach would be a medium to high effort, but that more conversations were needed to fully evaluate the best approach.**

	Deliverables	Engagement	Timeline / Budget	Pros	Cons
Minimum effort: Get it done with what we know	Basic CRP document consistent with RCW that identifies project activities from the feasibility study	Limited engagement with CAC and property owners; two Ad Hoc committee meetings required	Could be adopted in early Jan 2014 and within existing contract budget	Efficient with budget and time	Limited buy-in from property owners and stakeholders likely to complicate adoption and implementation; limited information about redevelopment outcomes reduces likelihood of implementation
Medium Effort: One action plan	CRP document includes action plan for Isthmus or one other area, but may not include visualizations of redevelopment	CAC and Ad Hoc Committee meeting, plus outreach to property owners in action plan area; some Council engagement in funding decisions in action plan area	Could be adopted in February or March 2014 within existing contract budget	Efficient with budget	Uncertain public buy-in for CRA adoption and redevelopment implementation
High Effort:	CRP document includes action plans and visualizations of a vision for Isthmus and possibly other properties	Extensive: CAC, Ad Hoc Committee, open houses and/or workshops for action plan area(s); Council engaged in project prioritization and funding decisions	Dependent upon number of action plans areas and boundary size decisions. May or June 2014? Budget amendment required	Increased likelihood of support for adoption and implementation; better information about and planning for specific projects; stronger likelihood of implementation with specific (funded) action plans	Could begin to look more like “master planning” and cause confusion with future Downtown Plan if not carefully constructed and described

Next steps

A series of upcoming meetings will further shape the recommendations and hopefully lead to Council decisions to approve the feasibility study and authorize staff and consultants to complete the CRP process. The table below outlines ECO's understanding of that process.

	October Ad Hoc meeting	November CAC meeting	December Council Work Session
Meeting goal	Recommend boundary, preliminary projects, governance, process for completing CRP	Discuss and provide comment on feasibility study, including Ad Hoc recommendations on boundary and governance issues, rationale for CRA, and process for CRP completion	Approve feasibility study with specific boundaries, preliminary projects, a governance structure; Council charges staff to move forward with the more detailed work within parameters of work program
Who decides	Ad Hoc Committee	CAC is advisory; comments included for Council discussion in December	City Council
Consultant tasks that follow	Finalize feasibility study document draft Finalize technical analysis to establish blight w/in boundary Draft overall rationale for CRA, including nexus to downtown revitalization	With staff direction, incorporate some comments into feasibility study document and identify others for Council discussion	With staff, outline specific work program (including outreach) for completing the plan, based on Council direction, and implement

2014 -2016 CPD PLANNING PROJECTS - "Discretionary" - DRAFT

PROJECT/COUNCIL INVOLVEMENT	FTE	ESTIMATED TIMELINE												Annual FTE		
		2014				2015				2016						
		Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	2014	2015	2016
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
1	Martin Way Study -- Review and Accept.	0.2	X											0.05	0.00	0.00
2	Boulevard Road / I-5 Annexation* -- Initiate, Review and Approve.	0	X	X										0.00	0.00	0.00
3	Comprehensive Plan Update -- Briefings, Deliberations and Approval.	2	X	X										1.00	0.00	0.00
4	CFP Goals/Policies Update -- Review and Approve.	0.2					X	X						0.00	0.10	0.00
5	Comprehensive Plan Implementation Strategy -- LUEC Briefing, Deliberation and Recommendation. Council -- Review and Approve.															
	a. Develop Strategy and Performance Measures	0.25	X	X	X									0.19	0.00	0.00
	b. Performance Measure Tracking and Reporting	0.2				X	X	X	X	X	X	X	X	0.05	0.20	0.20
	c. Comprehensive Plan Implementation Projects & Coordination Citywide	1				X	X	X	X	X	X	X	X	0.25	1.00	1.00
6	Zoning Code and Map Amendments to Implement Comprehensive Plan, Form Based Codes not included in these numbers -- Review and Approve.	0.75	X	X	X	X								0.75	0.00	0.00
7	CRA Community Renewal Plan and Implementation** -- CRA Ad Hoc Committee Briefings, Deliberations and Recommendation. Council -- Review and Approve.	0	X	X	X	X	X	X	X					0.00	0.00	0.00
8	CRA Investment Strategy Opportunity Areas Action Plan Implementation*** -- CRA Ad Hoc Committee Briefings, Deliberations and Recommendation. Council -- Review and Approve.															
	a. Headwaters (see #1 Martin Way Study)	0												0.00	0.00	0.00
	b. Olympia Landfill - complete environmental assessment	0.05	X	X	X	X								0.05	0.00	0.00
	c. K-mart Site - coordinate with property owners and with #1 Martin Way Study	0												0.00	0.00	0.00
	d. Division/Harrison - Subarea plan; potential form-based code	0.4								X	X	X	X	0.00	0.00	0.40
	e. Kaiser/Harrison - zoning text amendment; subarea plan	0.25	X							X	X	X	X	0.06	0.00	0.25
9	Port of Olympia Planned Action -- Briefings, Deliberation, Approval	0.1	X	X	X	X	X	X	X					0.10	0.10	0.00
10	Homeless Shelter Zoning Text Amendment	0.1	X											0.03	0.00	0.00
11	Section 108 Loan Program -- CRA Ad Hoc Committee Briefings, Deliberations, and Recommendation. Council - Review and Approve	0.2	X	X	X	X	X	X	X	X	X	X	X	0.20	0.20	0.20
12	Annual CFP Update (Liaison to Administrative Services)															
	a. 2014	0.2			X	X								0.10	0.00	0.00
	b. 2015	0.2						X	X					0.00	0.10	0.00
	c. 2016	0.2										X	X	0.00	0.00	0.10
13	Critical Areas Ordinance Review/Update -- Review and Approve.	0.2							X	X	X			0.00	0.05	0.10
14	Subarea Plan (Pilot) -- LUEC Briefing, Deliberation and Recommendation -- Council Review and Approve.	0.25			X	X	X	X						0.13	0.13	0.00
15	SMP Ecology Coordination/Final Adoption -- Briefings, Deliberations and Approval.	0.2			X	X	X	X						0.10	0.10	0.00
16	Sustainable Thurston Implementation -- Accept.	0.2								X	X	X	X	0.00	0.00	0.20
17	Downtown Subarea Plan Scoping -- LUEC Deliberation, Consideration and Recommendation. Council -- Review and Approve.	0.2					X	X						0.00	0.10	0.00
18	Downtown Subarea Plan -- LUEC Briefings, Deliberations, and Recommendations. Council -- Review and Approve.	1						X	X	X	X			0.00	0.50	0.50
19	County BL, Joint Plan, UGA and CWPP Updates -- Review and Approve.	0.2					X	X	X	X	X			0.00	0.20	0.10
20	Liaison to Lacey and Tumwater Comprehensive Plan Updates	0.1					X	X	X	X	X			0.00	0.10	0.05
TOTAL													3.05	2.88	3.10	
21	SEPA Code Update (To meet updated statute and rules.) -- Review and Approve.	0.2												0.00	0.00	0.00
22	Urban Agriculture Policies**** -- Committee Briefings, Deliberation and Recommendation. Council - Review and Approve.	TBD														

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*** Approximately \$200,000 in City Council Goal Money has been allocated for Community Development Process that could be allotted for this work item.

**** Urban Agriculture Policies are **not** included in the staffing plan and would likely occur after 2016 under current staffing resources.

Significant Council time required.

Significant Committee and Council time required.

Attachment A

Olympia Community Renewal Area Scope of Work ECONorthwest

March 29, 2013

Approach:

This project has two separate but connected processes. **Component A** is an evaluation of redevelopment opportunity areas, which will result in an action plan for revitalizing selected areas of the City outside of Downtown. It will require about 10 - 15% of overall City effort, and be completed fairly quickly. **Component B** is a detailed Community Renewal Plan for Downtown, and will require more detailed market analysis and action / implementation planning. The schedule for the two components overlaps; to the extent possible, meetings and analyses will address both components to create efficiencies, though the end products will be two separate deliverables. More details follow.

Component A: Redevelopment Opportunities and Implementation Options

Expected outcomes:

- Identify redevelopment opportunities and implementation options for areas of the City of Olympia; areas will be designated by the Advisory committee based on ECO team's market analysis, staff and Advisory committee knowledge, and other research of the areas identified in the RFQ process, but will not include Downtown Olympia. Downtown Olympia is captured in Component B, as described below.
- Identify what land is to be acquired, buildings demolished or redeveloped and what improvements are to be carried out to revitalize each area.
- Analyze market conditions and realities, as well as public tool kit, to help determine project feasibility and priority.
- Create an action plan with suggested next steps for project implementation.

Tasks:

A1. Outreach to stakeholders.

Interview property owners and developers and draw on staff expertise to more fully understand opportunities and constraints in each area. This may be conducted as a roundtable discussion.

A2. Analysis of redevelopment readiness of each site

Evaluate market variables, barriers to redevelopment, tools available to encourage redevelopment, and property owner readiness to determine which areas are most ready to redevelop.

Meet with advisory committee to present and discuss results.

A3. Report and recommendations

Early in the process of completing Component A, the ECO team will meet with the Advisory Committee to collectively determine which areas of the City will

be evaluated.

The consultant will prepare a report that identifies potential redevelopment tools that may apply to these sites, provides a preliminary evaluation of the redevelopment potential of these sites and provides a system for prioritizing redevelopment opportunities in these areas and the use of City resources to further redevelopment of these sites over the next five to ten years. Report should document specific actions to be taken in each area to encourage redevelopment, as well as suggesting a timeline for those actions. In some cases, Community Renewal Area formation may be recommended. In other areas, it may make sense to take very limited or no action in the short-term.

Component B: Community Renewal Area for Downtown

Expected outcomes:

- Develop an analysis of the benefits and constraints of creating a Community Renewal Area or Areas in Downtown Olympia.
- Support outreach and education efforts around the creation of the Community Renewal Area.
- Create a Community Renewal Plan for Downtown Olympia as required by RCW 35.81 for Council's consideration.
- Identify what land is to be acquired, buildings demolished or redeveloped and what improvements are to be carried out to revitalize Downtown.
- Analyze market conditions and realities to help to determine project feasibility and priority.
- Identify what changes in existing land use regulations are necessary to implement the Community Renewal Plan.
- Create an action plan with clear next steps for project implementation.
- Finalize the contract for the \$25,000 in CERB Grant funding.
- Provide an ample opportunity for public engagement while sustaining a sense of urgency and an action orientation.

Tasks:

B1. Outreach to stakeholders

This plan would rely heavily on input from key stakeholders and the general public. The Consultant recommends that the City host a public open-house early in the process to help clarify goals and expectations, and educate the public on what CRAs are and how they work. City will host a second public open house to solicit input from the broader community on project priorities for the Downtown area. Key personnel from the Consultant Team would assist the City in establishing a Community Advisory Committee (CAC) comprised of local property owners, residents and representatives of affected businesses. The Consultant Team would facilitate CAC meetings, soliciting input on appropriate boundaries for a CRA, prioritizing projects and programs to alleviate blight within the CRA, and other issues required to be addressed in the CRA plan.

The Consultant Team will coordinate with affected property owners to understand their plans and objectives and will consider them when preparing project specific redevelopment plans.

B2.Planning and analysis

A. CRA feasibility. The Consultant will analyze the benefits and constraints of creating a CRA in Downtown Olympia and any other redevelopment areas where this tool may be appropriate. This task would result in a concise report that describes how the CRA program works, what types of projects it may help secure funding for, and what are the program's limitations. This report would be targeted at both public officials and the general public, and would be written in a concise and direct fashion, without using technical jargon.

B. Evaluation of Blight. The ECO Team would analyze socio-demographic trends in the Area, including unemployment, and household income, as well as real estate trends such as improvement-to-land-value ratios (I:L), vacancy rates, floor-to-area (FAR) ratios and visual surveys. Using these data, the Consultant would help the City determine to what extent Downtown Olympia suffers from blight, and which areas of Downtown are most crucial to include in the proposed CRA. After determining blight and identifying boundaries for the proposed CRA, the Consultant Team would work with City staff and the Community Advisory Committee to identify specific actions that the City could take to alleviate blight in the CRA and spur private redevelopment and investment in the Area.

C. Project identification and evaluation.

Specific projects could include property to be acquired, buildings to demolish/redevelop, public improvements to spur private investment, and other programs for the purpose of creating or retaining jobs in the Area. For key properties that are identified as potential sites for new development, the Consultant Team would provide visualizations of possible development capacity and building form to show what future redevelopment on the identified sites could look like. These visualizations, based on preliminary land use code and regulations review, and preliminary project pro formas, will help communicate to the community the power of a Community Renewal Area to transform Downtown Olympia into a more vibrant, urban community. The total number and specific sites for visualizations will be determined in consultation with the Advisory Committee and Mithun, the ECO team's architectural subconsultant. Level of detail in the visualizations and total number of sites evaluated will be limited by the amount of budget available.

To ensure that projects identified in the Plan can be implemented, the Consultant Team would work with market data and City staff to provide preliminary project pro formas to illustrate economic viability of the conceptual projects in the Plan, and forecast future tax revenues that could be

generated through redevelopment of the Area. Realizing that many projects would not pencil out through private resources alone, the Consultant would examine a broad range of financing tools that could help spur new development in Downtown Olympia, including State and Federal grants, Local Improvement Districts, Section 108 loans, EB5 foreign investments, sole-source Impact Fees, and various tax credits and abatements.

The Consultant Team will review local land-use codes and other regulations to ensure they can enable the proposed redevelopment called for in the CRA Plan. Where appropriate, the Consultant would recommend changes to local land-use regulations to better facilitate the desired redevelopment. During this analysis, the Consultant will work with staff to confirm consistency with other City planning efforts, such as the updates of the City’s Comprehensive Plan and Shoreline Master Program.

B3. Report and recommendations

The Consultant Team will draft and present a CRA Plan to City Council that has broad-based support from the community, and achieves the City’s vision for a more vibrant Downtown and provides a clear path forward for the next five years while meeting the requirements of the Revised Code of Washington as provided in 35.81.

Tasks and Budget Overview:

Task	Budget
<i>Component A: Redevelopment Opportunities and Implementation Options.</i>	<i>\$20,000</i>
1. Outreach to stakeholders	\$5,000
2. Analysis	\$10,000
3. Report and recommendations	\$5,000
<i>Component B: Downtown CRA</i>	<i>\$85,000</i>
4. Outreach	20,000
5. Planning and Analysis	55,000
6. Plan and Recommendations	10,000
Project Complete	\$105,000*

*Includes \$25,000 in CERB Grant funding.

Review Draft

Community Renewal Area Feasibility Study

October 14, 2013

This document is a preliminary draft, for discussion purposes only, to provide an update of preliminary findings, guide community conversations regarding recommendations and next steps, and solicit comments to be incorporated into the full draft report.

This document highlights the major issues, findings, and recommendations.

This document will be discussed with the Ad Hoc Committee at a meeting on October 18, 2013. Based on feedback from the committees, we will make revisions and provide a completed draft report for discussion at the Olympia City Council meeting in December 2013.

Prepared for:
City of Olympia

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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Introduction and Purpose

The City of Olympia asked ECONorthwest (ECO), together with Berk & Associates (BERK), to conduct an analysis of the feasibility of establishing a Community Renewal Area to assist with implementation of economic and redevelopment goals in Downtown Olympia. Specifically, the City is has asked the ECO team to explore the following questions in its analysis and report:

- Should Olympia use Community Renewal? What benefits could it bring to improve redevelopment outcomes in Downtown?
- What are the technical, legal, or political challenges to creation of a Community Renewal Area?
- What would be the best structure for Community Renewal governance?
- Are there key opportunity sites that could benefit from Community Renewal in the near term?
- What other tools can be used to help achieve the community vision for those opportunity sites and the downtown area?
- How can these tools be blended and/or sequenced to optimize their effectiveness?

What is Community Renewal? What problems can it solve?

Cities across the United States have, from their start, been players in shaping where and how they develop. Some activities that cities undertake indirectly affect private development outcomes, such as development code and zoning policy, construction and maintenance of infrastructure, provision of public services, and the establishment of tax and fee structures that provide incentives for various types of development. However, especially as our urban areas grow and age and development becomes more challenging, many cities find that these indirect tools are insufficient for achieving their desired outcomes.

Cities that are directly involved in real estate development often partner directly with the private sector on key opportunity sites. In some cases they will work with the existing property owners and provide various forms of assistance to redevelop or rehabilitate those sites. In other cases the public will acquire sites, lead the community in articulating a vision for them, and select development teams to turn that vision into reality. In many cases, public sector incentives are used to ensure that various public benefits accrue from these developments. By controlling the property disposition process, the public sector is able to influence private development outcomes in much more direct ways.

In Washington, however, cities do not have the authority to acquire private property and transfer it to private parties for development. The State's "lending of credit" provisions, and definition of "public purpose" related to condemnation do not allow Olympia to acquire and dispose of property to private developers, if City or State funds are involved. Without this

critical power, cities in Washington have a more limited ability to implement their land use and economic development plans as a property owner.

Washington’s Community Renewal Law, however, provides cities with an option to overcome the State’s other restrictions on transferring publically acquired property to private developers in certain circumstances, and when sufficient community process has been undertaken to ensure need, as outlined in RCW 35.81. This process includes: identifying a specific Community Renewal Area based on detailed findings of blight, establishing a Community Renewal Plan by adoption of a Council ordinance and resolution after notification of the public, defining specific Community Renewal Projects to be carried out in the Urban Renewal Area for the purpose of alleviating blight through redevelopment and rehabilitation, and specifically identifying any properties to be acquired or disposed of if needed for implementation of a Community Renewal Project. Community Renewal law also provides the other tools for overcoming blight, such as the ability to change zoning and to bond against certain revenues to fund development when the legal conditions set forth in the statutes are met. Table 1 shows the City powers to affect redevelopment with and without community renewal as a tool.

If these conditions are all met and a Community Renewal Area is formed in a community, the public sector has access to a few additional tools to help shape development in the areas that need the most assistance.

Table 1: City powers with and without community renewal

Property ownership by City	Without CRA	Additional abilities with CRA in place
Buy, lease, condemn, acquire real property	Allowed, but not with intent to be resold to private party for economic development	Allowed with preference to resale to private parties*
Hold, clear, or improve real property	Allowed, but only for public facilities	Allowed for both public or eventual private use
Dispose of real property	Allowed, but not with intent to be resold to private party for economic development	Allowed with preference to resale to private parties*
Zoning changes	Without CRA	Additional abilities with CRA in place
Rezone property	Allowed as a Planned Area	Allowed as a spot zone regardless of GMA/Comprehensive Plan cycle
Use resources to master plan private property	Not allowed since it can be construed to benefit private property	Allowed
Create special districts with unique rules	Allowed in a limited way as part of the Planned Area zoning	Allowed
Private partnerships	Without CRA	Additional abilities with CRA in place
Enter into a developer agreement	City can only sell property it owns through competitive bid without strings attached.	Before purchasing property, the city can identify partners to develop all or some. City can also dictate to buyers how the property will be used.
Select buyer who agrees to further CRA goals	Not allowed	Allowed after some kind of competitive process or any non-profit buyer without competitive process
Execute contracts and other instruments	Allowed to carry out City purposes only	Allowed to carry out CRA purposes as well
Provide incentives to tenants who help fulfill the community renewal plan	Allowed with limitations	Allowed with more flexibility
Building infrastructure	Without CRA	Additional abilities with CRA in place
Build and repair roads, parks, utilities	Allowed	Allowed
Close, vacate & rearrange streets and	Allowed for city purposes	Allowed to promote economic

sidewalks		development as well
Borrow money and accept grants to carry out community renewal	Not allowed	Allowed
Form Local Improvement Districts to finance	Allowed	Allowed
Incentives and impacts	Without CRA	Additional abilities with CRA in place
Provide loans, grants, or other assistance to property owners or tenants affected by the community renewal process	Not allowed, except in aid of lower income persons	Allowed
Provide financial or technical incentives for job creation or retention	Not allowed	Allowed
Relocate persons affected by community renewal	Not allowed except for persons affected by condemnation for public facilities	Allowed

Source: City of Shoreline

Key findings from analysis

Our findings are drawn from a variety of sources, including interviews with key stakeholders (property owners, city officials, informed citizens); discussions with the Citizens Advisory Committee; market studies conducted by BERK for Downtown Olympia, as well as other areas of the City as part of this process; and research about other Washington cities' experience with Community Renewal.

Opportunities

Our analysis found consensus among all stakeholders that there are development opportunities in Downtown. Specifically:

- Many sites in Downtown are underutilized and have potential to accommodate new development. There are 3.5 vacant acres and 49.4 redevelopable acres in Downtown.¹
- Downtown boasts significant infrastructure and public facilities that are amenities for new development, including: Heritage Park, Percival Landing, Sylvester Park, Historic Downtown, Transit Center, Greyhound Bus Depot, Capitol Lake, Budd Inlet, waterfront access, Capitol Theater, Washington Center for Performing Arts, WET Science Center, Hands-On Children's Museum, public library, post office, and Capitol Campus.
- Low vacancy rates and recent modest growth in rents for multi-family residential units citywide suggest that there is near-term demand for multi-family housing or mixed-use development in Downtown. Citywide rental rates have increased for three straight years, from \$785 per unit in 2010 to \$855 in 2013. Vacancy rates have remained low in recent years, including 3.9% in 2013. There is interest among the development community in new multi-family housing development that could capitalize on easy access to services, transit, and the waterfront.
- Adaptive reuse of existing buildings is a particularly attractive opportunity in the short term, as it has potential to provide space at a lower cost than new construction, and

¹ Thurston Regional Planning Council, 2011; BERK, 2013.

avoids creating additional inventory of office space in a relatively weak market. Recent adaptive reuse projects, including the Cunningham Building on Fourth Avenue and Brian Kolb's conversion of second and third floor office space into residential units, provide concrete evidence of this trend. In addition, there are opportunities for technical assistance and incentives for developers exploring adaptive reuse.

Challenges

There is also consensus that there are many challenges for Downtown development. Overall, the market analysis conducted as part of this research found that demand drivers for the downtown (particularly state government) are not growing in the near-term. Further, land is more expensive and, in many cases, development costs are higher in downtown. Properties therefore have a higher redevelopment hurdle than sites elsewhere in the city and county, where there are plenty of lower cost vacant and/or greenfield sites to build on. Table 2 on the next page identifies a number of more specific challenges, includes a list of tools that Olympia could use to address them, and describes the potential role that Community Renewal could play if the City chooses to move forward.

Table 2. Challenges and Tools in Olympia

Key challenges	Notes or details	Tools	CRA role?
Blighted and / or abandoned buildings	Isthmus site, Griswold's, and F&W site are all examples of abandoned or underutilized buildings that should be demolished and /or redeveloped to improve Downtown.	The City has authority to remove blighted structures in preparation for development for a public use, and does not require any special tools for that process. Community Renewal, however, is the only tool that addresses blighted buildings to allow for private development.	Community Renewal would allow Olympia to acquire properties with blighted buildings for the purpose of transferring the property to private developers. In a Community Renewal context, the City can also use the disposition process to incent development that achieves public vision. A Public Development Authority could assist in the redevelopment process, or provide an alternative approach, especially if significant federal or other non-local funding and/or public-private partnerships are involved.
Lack of public control / involvement in dev't process	State laws prohibit Olympia from acquiring property for the purpose of transferring to private parties for development.	Currently, indirect methods are available to the City (zoning and code, tax structure and incentives, infrastructure provision). The City can use Community Development Block Grants or Section 108 to acquire property and then sell it for private development—not via condemnation however. <i>(Note: this statement needs legal review)</i>	Without City ownership of a site, RFPs or RFQs from the City are unlikely to be successful in attracting quality developers. Community Renewal allows the City to acquire property for this purpose, providing the City with power to have more direct involvement in the development process.
Environmental contamination	Some downtown sites are “brownfields,” with lingering soil contamination from the pollution of previous land uses.	Numerous tools, including Local Improvement Districts (LIDs), Community Revitalization Financing, CERB/LIFT grants, and General Obligation (GO) bonds can be used to fund environmental cleanup.	Community Renewal specifically authorizes cities to undertake environmental cleanup, though it does not create new funding sources to fund these cleanup efforts. It would allow the City to partner with private development interests to affect cleanup of private property.
Construction costs due to fill	Much of Downtown built on fill; construction costs are high because deep pilings are needed.	Can use Section 108 to help offset construction costs, as well as New Market Tax Credits and EB-5, under the right circumstances	Some tools (Section 108 in particular) give the City a seat at the table without transferring the property to the City. Community Renewal gives the City a better opportunity to control the disposition process through site acquisition.
Flooding and sea level rise	The risk of flooding, particularly in the light of rising sea levels, could lead to more costly development conditions for shoreline properties.	Numerous tools, including LIDs, Community Revitalization Financing, CERB/LIFT grants, and GO bonds can be used to fund infrastructure improvements to protect against flooding.	Community Renewal does not have a specific role in addressing this challenge.
High office vacancy / low rental rates	Vacancy rates for office have risen for four consecutive years, reaching 9.7% in 2013. Office rents have fallen over that same period of time from \$19.61 to \$15.69 per SF.	Tax abatements, Tax Credits (including New Market, Historic), Section 108, Business Improvement Areas, can be used to improve the financial pro forma for new office development.	Community Renewal does not have a specific role in addressing this challenge, except that, for key sites that are public priorities or in public ownership, CRA can allow the public sector to work more directly with a developer on a redevelopment strategy and potentially write down land costs to overcome some of these challenges.
Negative perception of downtown	Stakeholder interviews revealed many concerns about crime, cleanliness, and homelessness.	Parking and Business Improvement Areas, Main Street Program, and Main Street Tax Incentive Program can be used to promote Downtown.	Community Renewal does not have a specific role in addressing this challenge.
Property ownership	There are few prime parcels available for redevelopment; many are Port owned.	Where Port or some other public agency already owns a site, there is opportunity to partner with City and blend tools like Section 108, NMTCS, EB5, etc. On private prime sites, the city can work with willing existing owners and help apply tools above.	Community Renewal allows the City to acquire property for this purpose, providing the City the opportunity to incentivize new private development in Downtown. Ports are allowed to transfer land to private parties for commercial development.

*For Glossary of Terms, see Appendix A

Findings regarding use of Community Renewal in Olympia

It is technically feasible to use Community Renewal in downtown Olympia. The primary requirement for technical feasibility of creating a Community Renewal Area is that the area be “blighted.” RCW defines blight as any of a long list of potential characteristics. We have found that several of the characteristics of blight can be found in portions of Downtown Olympia, including: physical obsolescence of buildings, faulty lot layout, insanitary or unsafe conditions, existence of hazardous soils, diversity of property ownership, and conditions that endanger life or property by fire or other causes.

At the same time, our research and interviews identified stakeholder concerns and regarding key aspects of community renewal:

- As stated earlier, adopting a Community Renewal Area requires a finding of “blight”. Some expressed concerns about the perception that a formal finding of blight in downtown might have on the ability to attract private investment and support economic development goals. In practice, “blight” is a common part of most urban or community renewal statutes around the country.
- Many expressed concerns about the ability to use condemnation authority in Community Renewal Areas. Through its ongoing research, ECO is continuing to explore the ways in which other communities in Washington have used (or chosen not to use) this authority, and the implications it has had on redevelopment options.
- Community conversations around development in Olympia in general have been contentious.

Given these concerns, we find that while adoption of a Community Renewal Area is technically feasible, it is likely to spur many community conversations and may face political challenges in adoption and implementation.

Consultant Recommendations

Based on these key findings, we make the following recommendations:

- **The City of Olympia should pursue the adoption of a Community Renewal Area for Downtown.** Community Renewal significantly enhances the City’s redevelopment tool kit by adding a critical acquisition tool. Private property acquisition and the ability to dispose of that land for private redevelopment gives the City a powerful tool for key opportunity sites in Downtown. It positions the City to take action on other sites in the future as the City moves through its downtown master planning process that will identify strategic and catalytic redevelopment needs. Community Renewal gives the public sector a more formidable seat at the development table that should enable more viable and better-quality private redevelopment while achieving a greater public good and overcoming blight.
- **A coming master plan process will be complimentary to this effort.** The City intends to create a Downtown Master Plan starting in 2014 that clearly defines a vision for

downtown, including goals, objectives, and specific actions to be taken to implement the vision. This Master Plan will help provide focus and purpose to Community Renewal efforts. The Master Plan should identify and prioritize the complimentary public infrastructure needed to support the redevelopment efforts that could be supported with Community renewal, including connectivity for pedestrians, open space needs, and other public amenities.

- Because Community Renewal can be a controversial tool, it is important to **work with key stakeholders and the general public to ensure that this tool has broad support**. We recommend the City address these political challenges with a clear and honest conversation about Community Renewal and its abilities to influence Downtown development efforts. This will require clarification from City staff and leadership regarding the purpose of CRA, the specific project activities, boundary, and other key components of a new CRA. Ideally, these questions will be answered in a collaborative process that includes stakeholders.
- Downtown is a high priority area for Olympia, but it is just one among many areas of the City that can benefit from public sector involvement in the development process. **The City should consider Downtown’s place with in a larger portfolio of development opportunities**, using the current research and recommendations conducted as part of the ECO team’s contract as a starting place. Downtowns are complex, with diverse property ownership, building types and uses, public space and other elements that require special and ongoing attention. For most cities, downtowns are a top priority but not the only priority. Olympia needs to focus resources like Community Renewal and complimentary tools Downtown, but it should continue to make progress with planning and development efforts and appropriate tools elsewhere, including Division/Harrison, Sleater-Kinney and Martin, and Kaiser/Harrison.
- **Community Renewal, by itself, will not solve the challenges of Downtown**. The City should pursue Community Renewal as one tool out of many that the City can use to implement its downtown revitalization efforts. The challenges table, provided earlier in the introduction, highlights some of these potential tools.

Ad Hoc Committee Recommendations

Because the Ad Hoc committee was involved in more in-depth conversations with stakeholders, they developed a separate set of recommendations on key community renewal elements to guide the Council in their decision making.

Governance

Placeholder: After discussion on 10/18, the Ad Hoc Committee will make recommendations regarding the appropriate governance structure for the Community Renewal Agency. Options include: (1) appointing a board composed of municipal officers and elected officials selected by the mayor and approved the the Council, (2) the City Council itself, (3) the board of a public corporation, (4) the board of a public facilities district, (5) the board of a public port district, or (6) the board of a housing authority.

Boundary and Projects

Placeholder: After discussion on 10/18, the Ad Hoc Committee will recommend the appropriate boundary for the Community Renewal Area. We probably won't have that recommendation described here for the CAC / Ad Hoc on the 8th, but will want to address this with the Ad Hoc committee. Size and configuration will matter here. Want it large enough to capture enough potential projects to stimulate effective change, but not so large as to make the community or property owners think a new force has taken over that puts a cloud on too many properties

Process for Creating a CRP

***Placeholder: After discussion on 10/18, the Ad Hoc Committee make a recommendation on a process to develop a community renewal plan for downtown Olympia that will include recommendations on the timeline for plan development and outreach that the City will need to undertake in order to get broad feedback on the proposed Community Renewal Plan.

Attachments

- Market analysis
- Summary of outreach conversations,
- Detailed blight findings
- Glossary of terms



Community Renewal Area (CRA)

Properties of Interest

Reliable Steel



Physical Address:

- 1218 West Bay Dr. NW

Parcel Numbers:

- 91013500000 & 91013000000

Property Owner:

- West Bay Reliable – 0508 LLC

Property Owner Address:

- 1411 State Ave. NE Ste 100, Olympia, WA 98506

Total Assessed Value (2014 Tax Year):

- \$462,900



Current Code Violations:

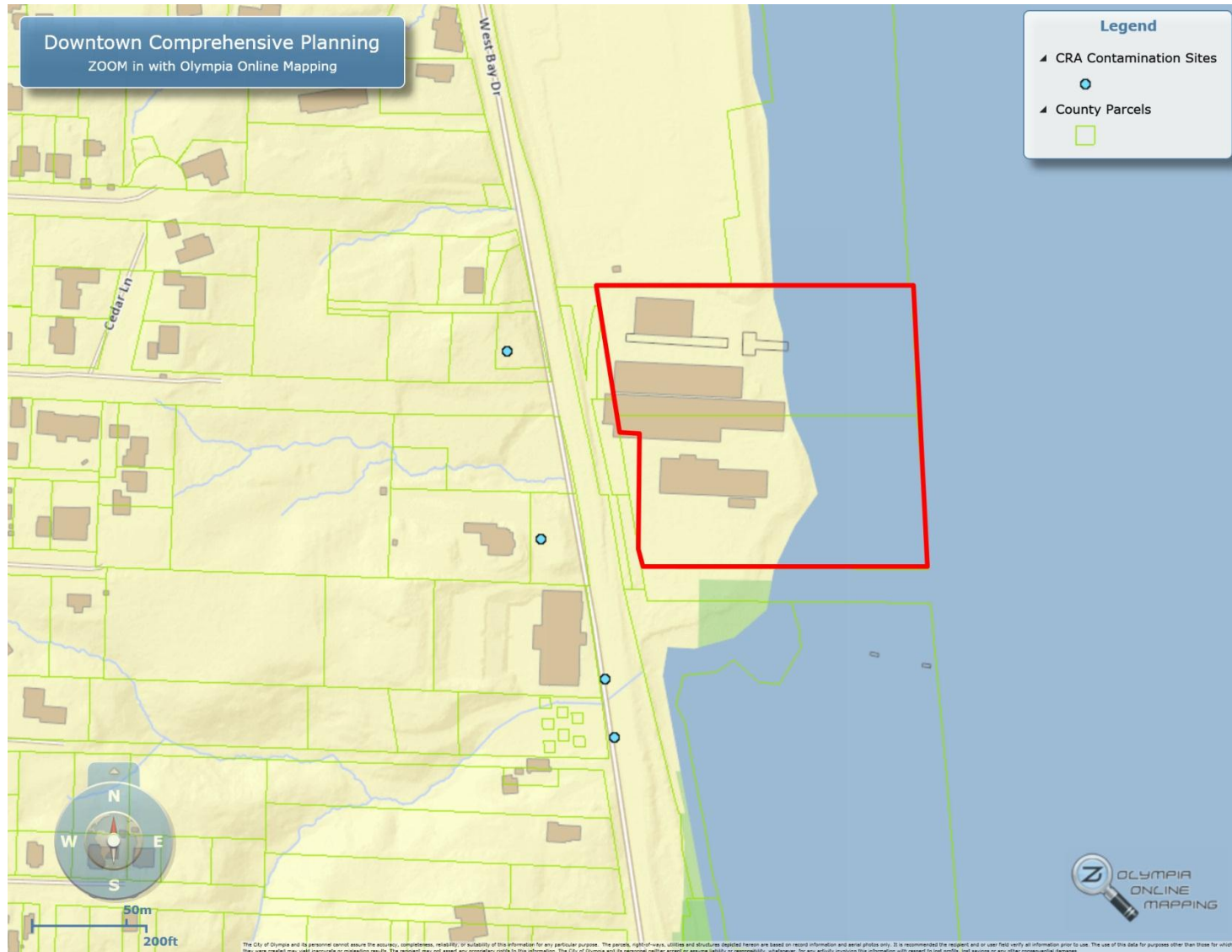
- Trash & Debris on Building Exterior (16.06.030.307.1)
- Holes on Exterior Walls (16.06.030.304.6)
- No Exterior Doors (16.06.030.304.15)
- Rodent Infestation (16.06.030.308.1)
- Graffiti on Several Walls (16.06.030.302.9)
- Leaking Roof (16.06.030.304.7)

Reliable Steel Photos

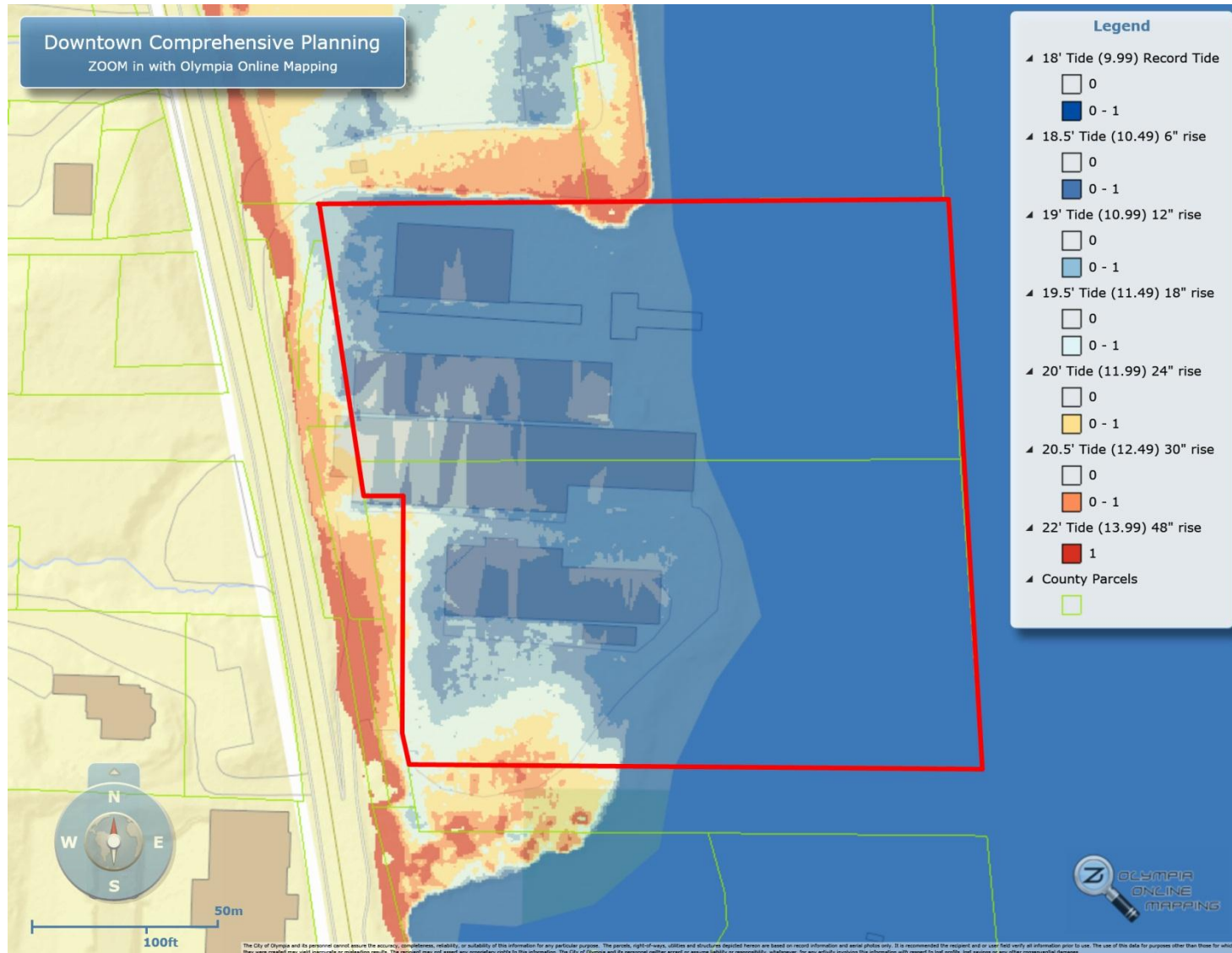




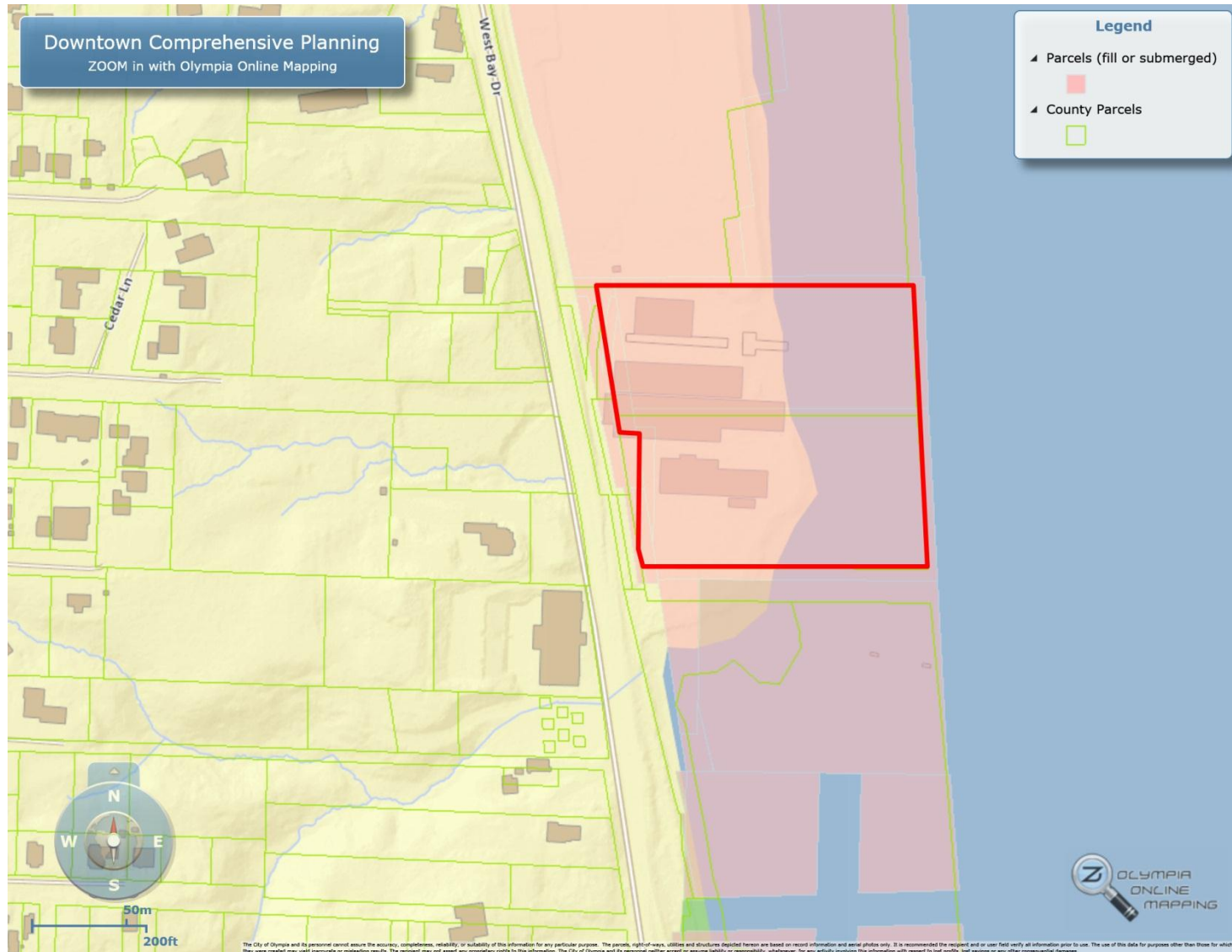
Reliable Steel – Soil Contamination



Reliable Steel – Sea Level Rise



Reliable Steel – Fill Map



Capitol Center Properties



Physical Addresses:

- 410/411/420 4th Ave. W
- 410 5th Ave. SW

Parcel Numbers:

- 91005301000, 91005700000, 91005600000, 91005502000, 91005201000

Property Owner:

- Capitol Center LLC

Property Owner Address:

- 13930 92nd St. SE Ste. A, Snohomish, WA 98290

Total Assessed Value (2014 Tax Year):

- \$4,656,150



Current Code Violations:

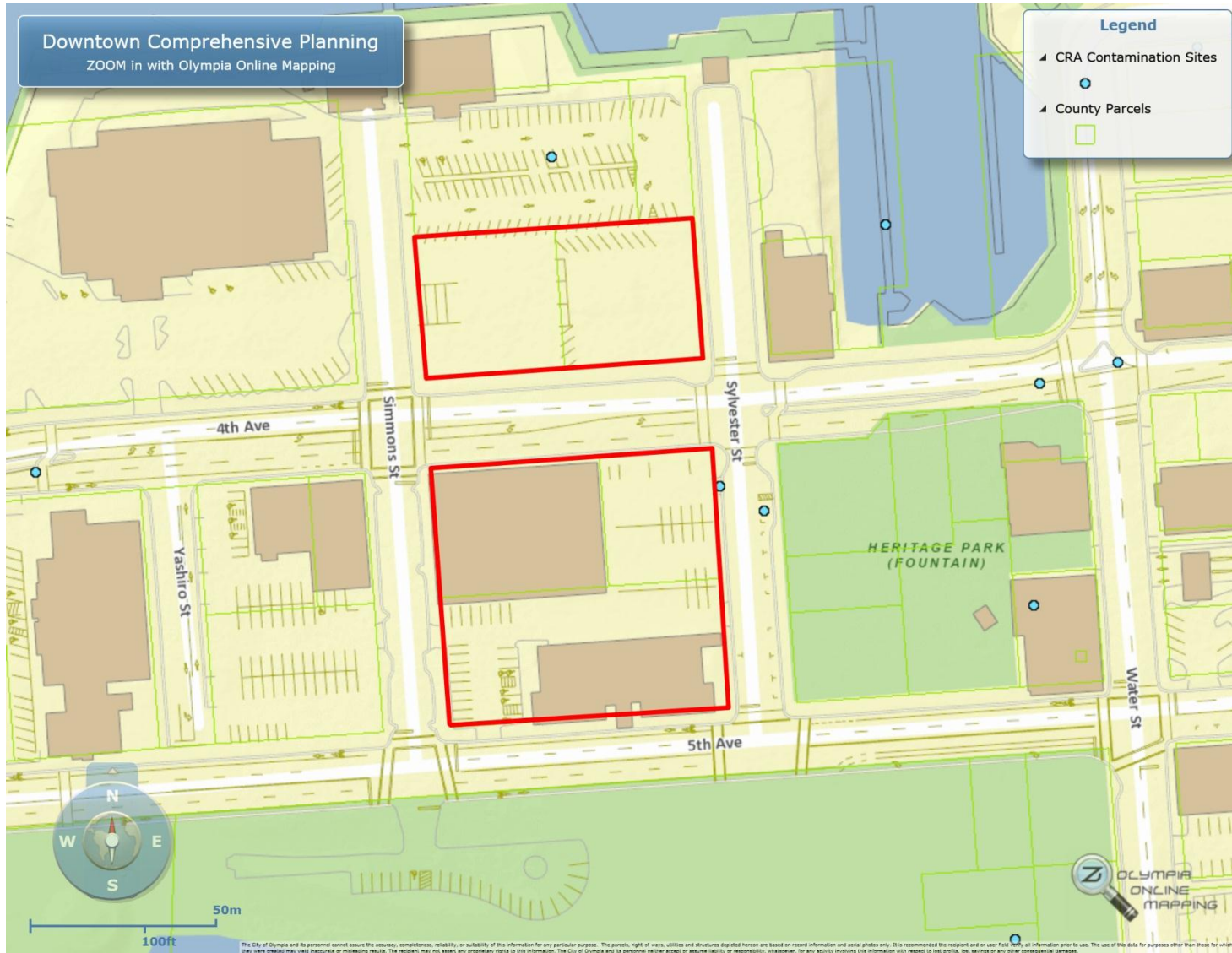
- Trash & Debris on Building Exterior (16.06.030.307.1)
- Holes on Exterior Walls (16.06.030.304.6)
- Unsecure Exterior (16.06.030.304.15)
- Broken/Boarded Windows (16.06.030.304.13)
- Graffiti on Several Walls (16.06.030.302.9)

Capitol Center Properties Photos

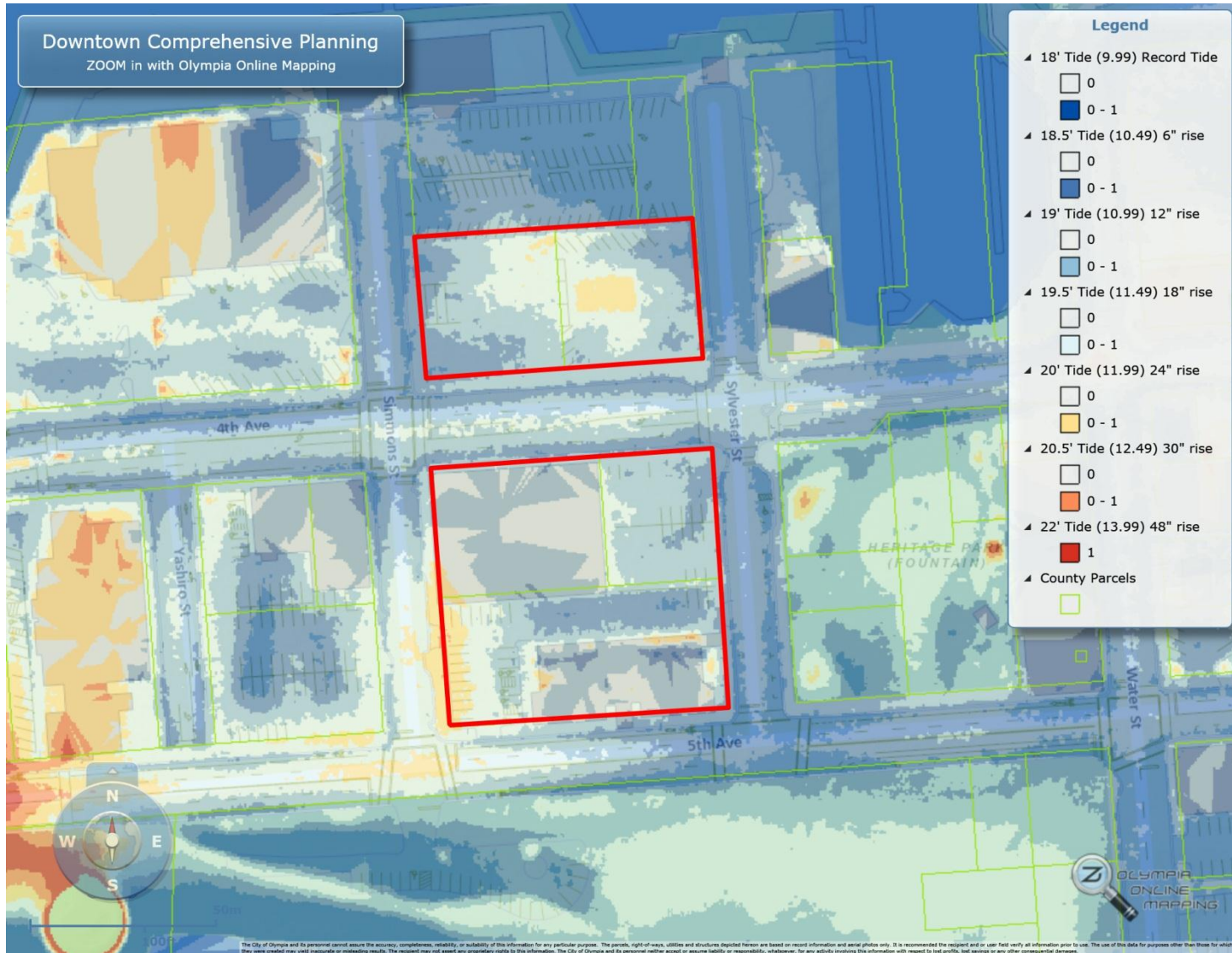




Capitol Center Properties – Soil Contamination

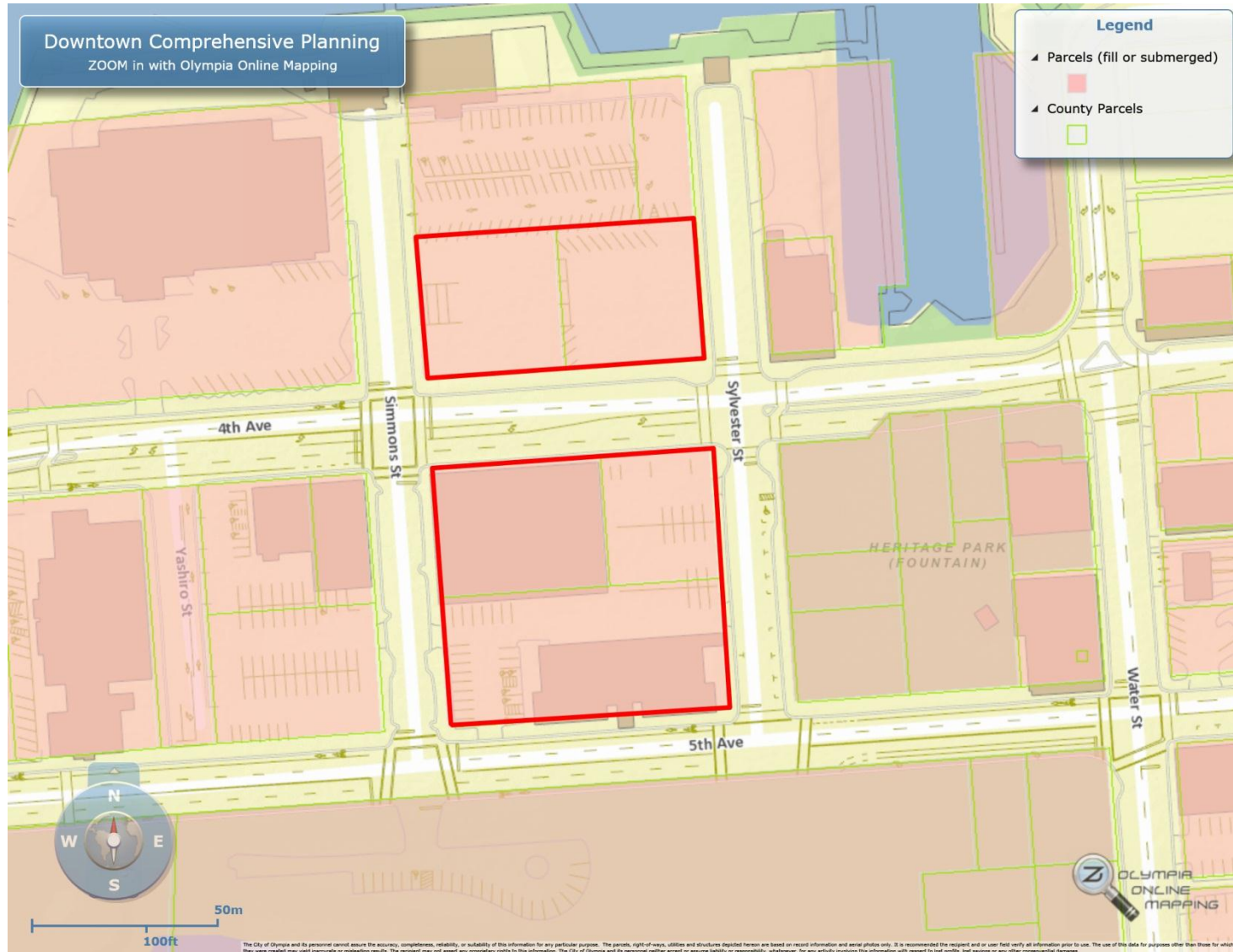


Capitol Center Properties – Sea Level Rise





Capitol Center Properties – Fill Map



City Owned Properties



Physical Addresses:

- 505/529 4th Ave. W

Parcel Numbers:

- 91006800000 & 91006500000

Property Owner:

- City of Olympia

Property Owner Address:

- PO Box 1967

Total Assessed Value (2014 Tax Year):

- \$3,531,000

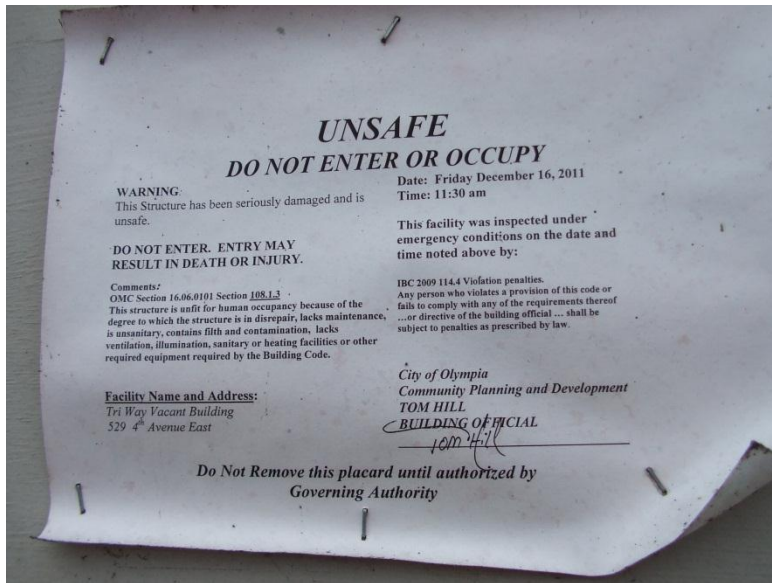
City Owned Properties



- City of Olympia Staff Currently Working on Plans for Demolition
- Estimated Cost of Demolition is \$1,000,000
- Hopeful to Start Demolition in Spring, 2014



City Owned Property Photos



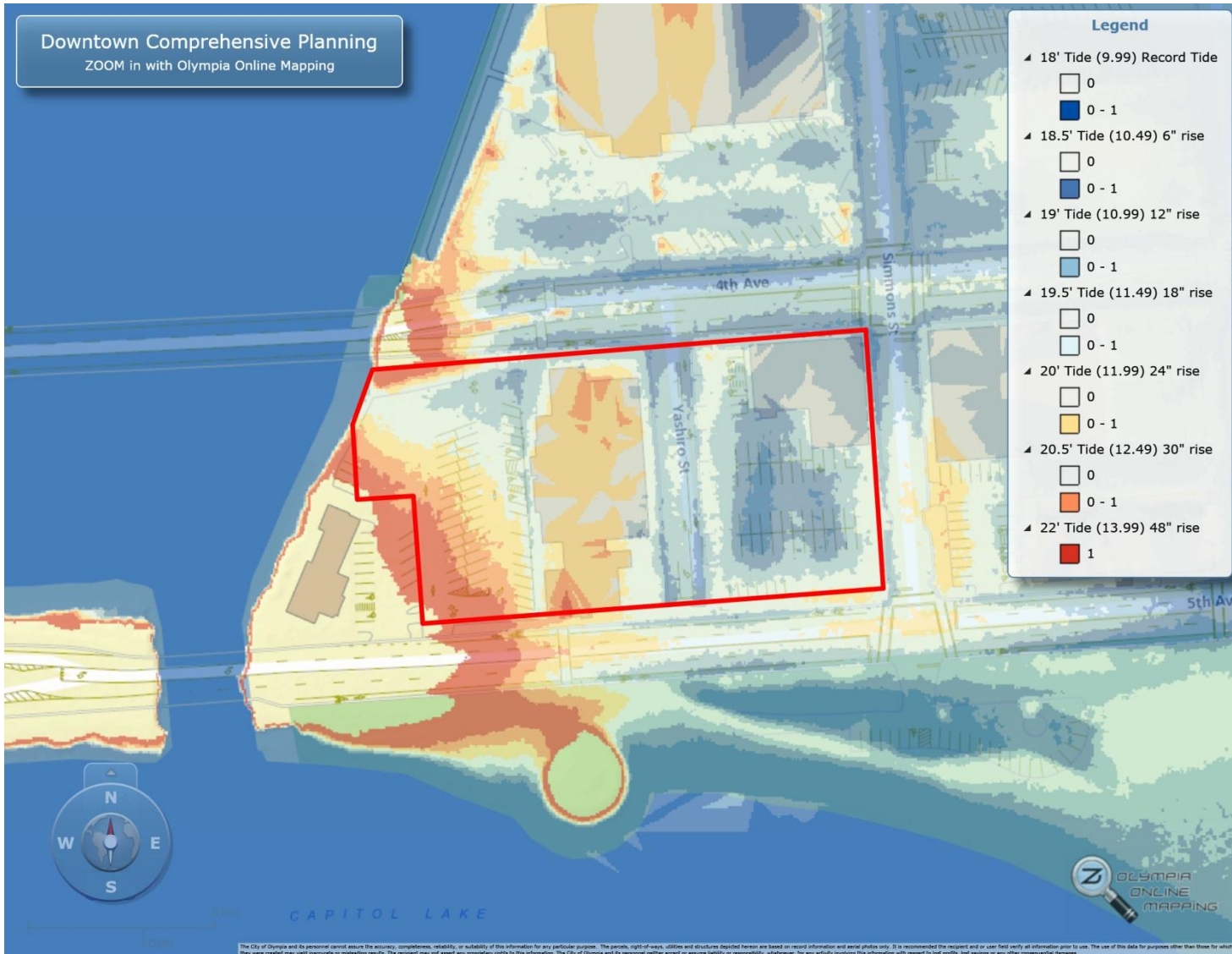


City Owned Properties – Soil Contamination



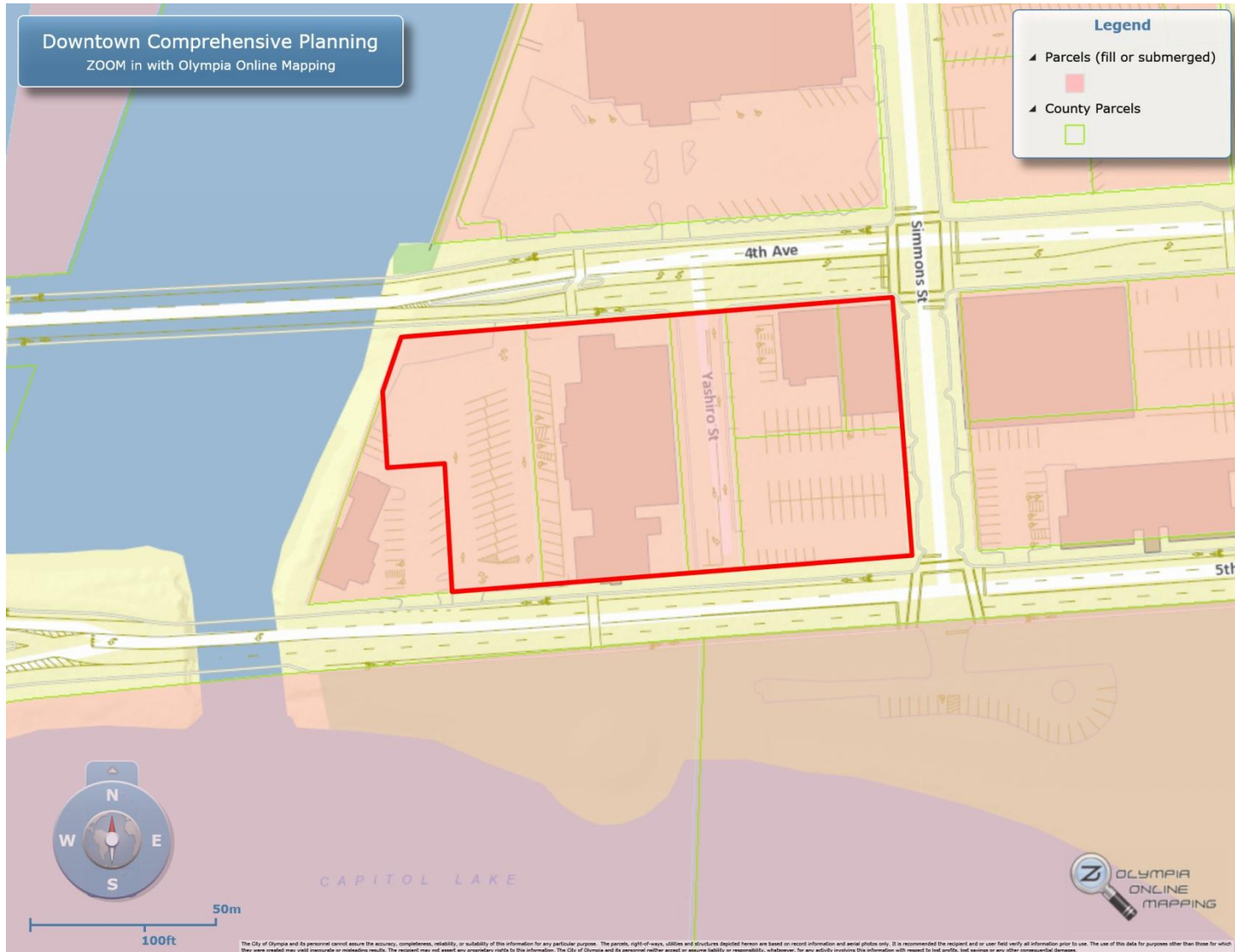


City Owned Properties – Sea Level Rise

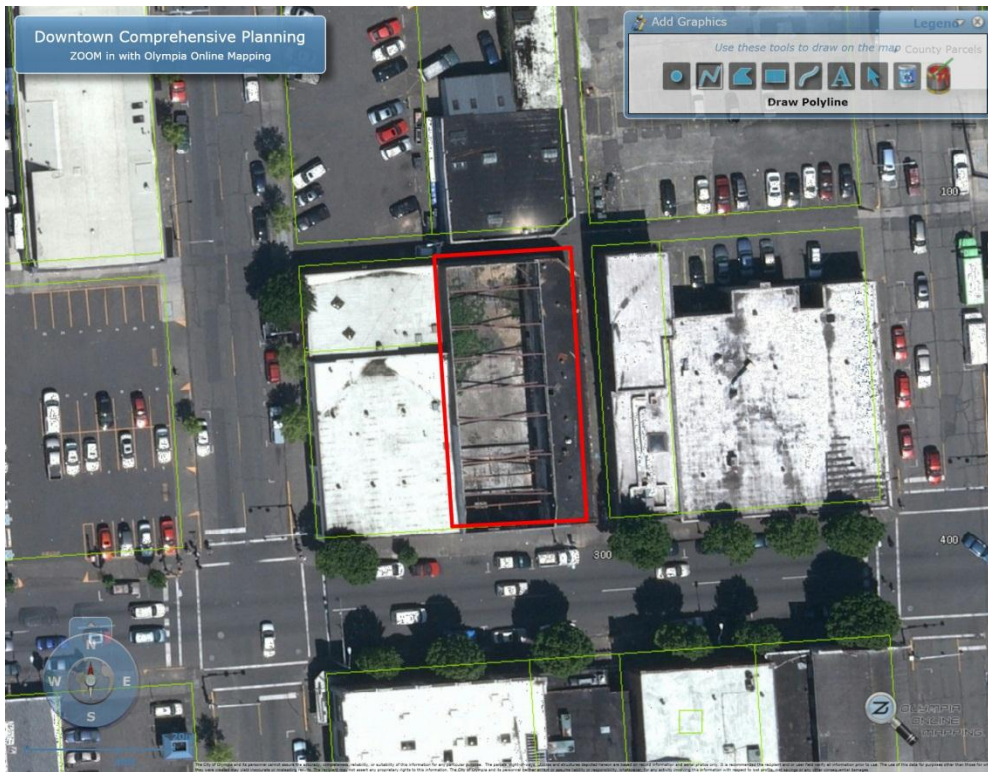




City Owned Properties – Fill Map



Griswold's Building



Physical Address:

- 308-310 4th Ave. E

Parcel Number:

- 78503300700

Property Owner:

- Clifford & Sean Lee

Property Owner Address:

- 7925 Zangle Rd. NE

Total Assessed Value (2014 Tax Year):

- \$321,450

Griswold's Building



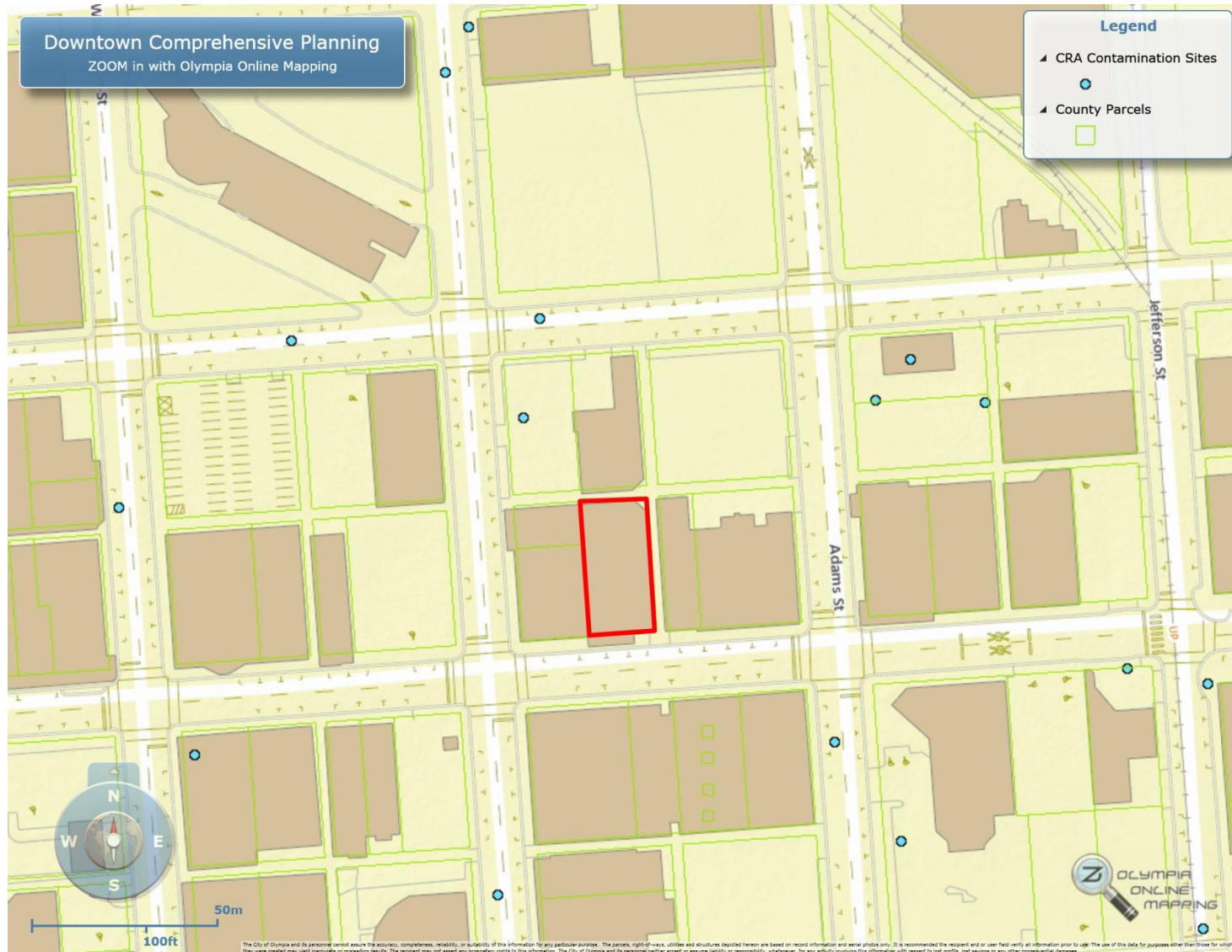
Current Code Violations:

- Flaking Exterior Surface (16.06.030.304.2)
- No Roof (16.06.030.304.7)
- Holes, Breaks, Loose, and Deteriorating Exterior Wall (16.06.030.304.6)
- Missing/Boarded Windows (16.06.030.304.13)
- Graffiti on Several Walls (16.06.030.302.9)

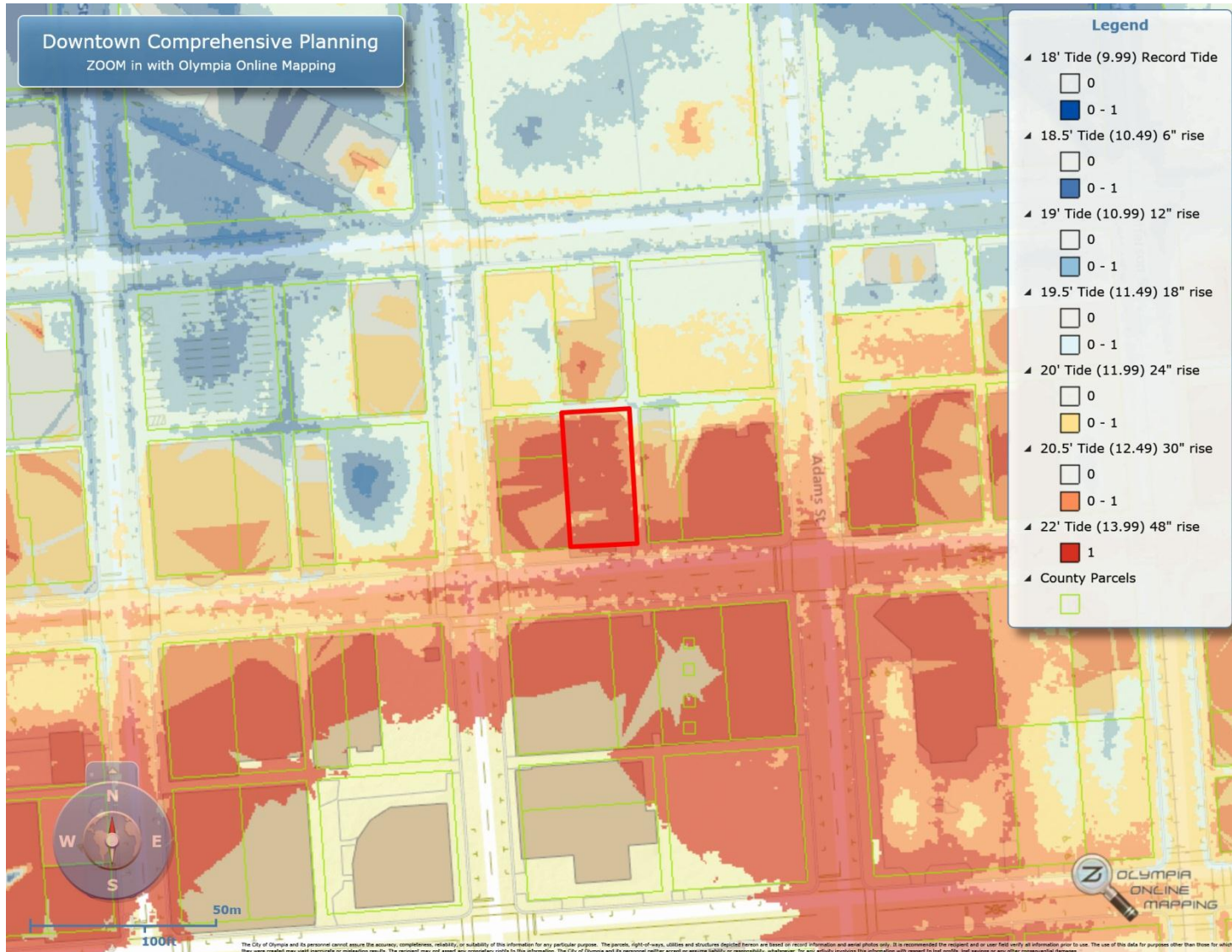
Griswold's Building Photos



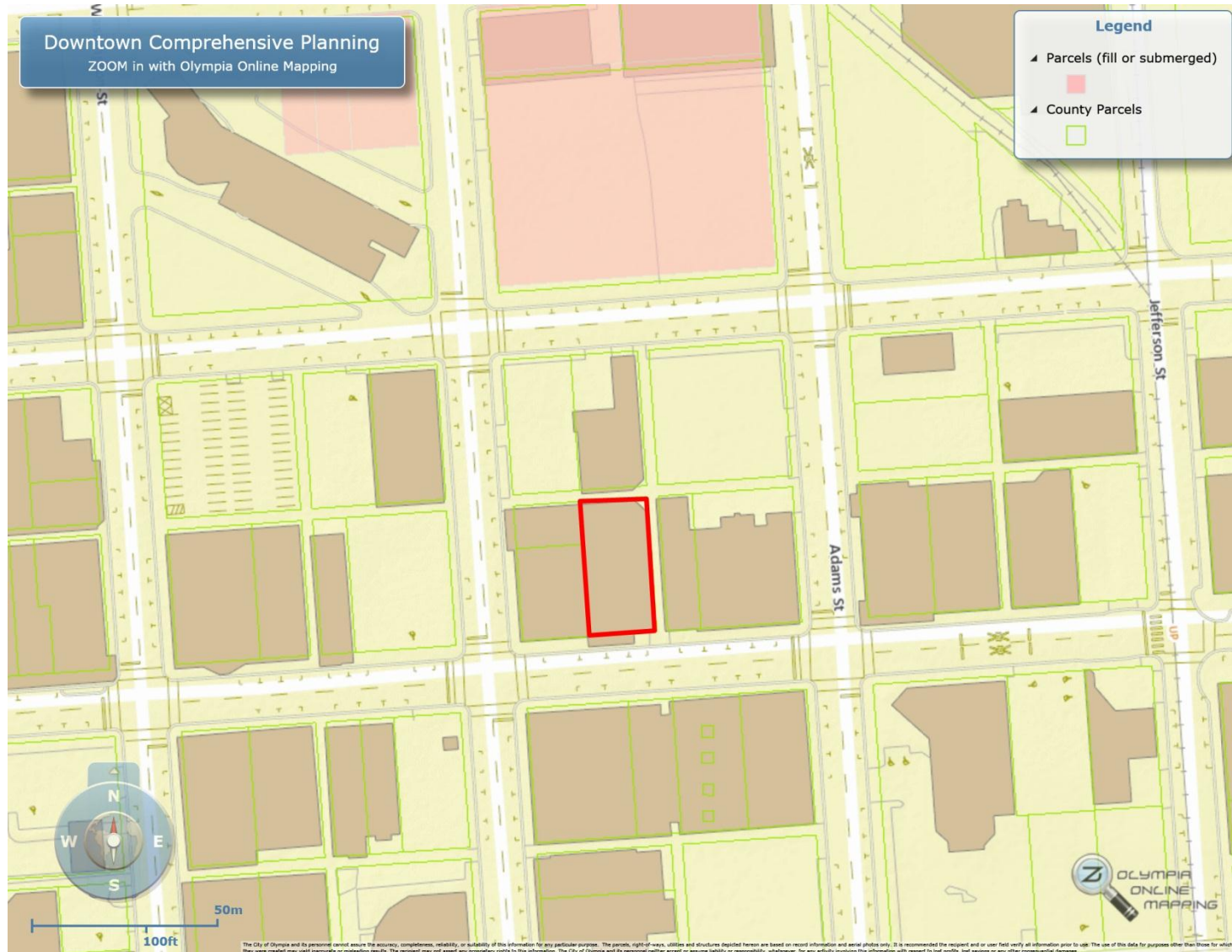
Griswold's Building – Soil Contamination



Griswold's Building – Sea Level Rise



Griswold's Building – Fill Map



View Version: Current

Municipal Code (Current) > OLYMPIA MUNICIPAL CODE

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OLYMPIA MUNICIPAL CODE

A Codification of the General Ordinances of the City of Olympia, Washington

CODE PUBLISHING COMPANY | Seattle, Washington



The Olympia Municipal Code is current through Ordinance 6876, passed November 19, 2013.

Disclaimer: The City Clerk's Office has the official version of the Olympia Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

[Olympia's Codification Process](#)

City Website: <http://olympiawa.gov>
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City of Olympia

City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

Land Use & Environment Committee

The Downtown Project -- Year End Report and Next Steps

Agenda Date: 12/5/2013

Agenda Number: 4.E

File Number: 13-1001

File Type: recommendation

Version: 1

Status: In Committee

..Title

The Downtown Project -- Year End Report and Next Steps

..Recommended Action

Recommend moving forward with Downtown Project III (DP3), as presented by staff.

..Report

Issue:

Downtown Project II (DP2) projects are nearing completion. Staff will report on the status of DP2 and seek approval of updated DP3 work plan.

Staff Contact:

Brian Wilson, Downtown Liaison, Community Planning and Development,
360.570.3798

Presenter(s):

Brian Wilson, Downtown Liaison, Community Planning and Development,
360.570.3798

Background and Analysis:

In 2011, City Council created the Downtown Project, a multi-directional approach toward creating a clean and safe environment for all users of downtown. The Land Use and Environment Committee is the council committee taking lead on downtown project progress.

Thus far, there have been two phases of the downtown project. The most recent (DP2) encapsulated 23 separate projects varying in scope and size. These projects focused on four primary themes: Clean, Safe, Economic Development, and Placemaking (See attachment 1).

As 2013 comes to an end, staff will report on the successes of DP2 projects. In addition, staff will present projects on the DP3 work-plan based on the discussion at the November 21, 2013 LUEC meeting.

Neighborhood/Community Interests (if known):

Downtown Project 3 is a community project. Many of the projects involve community partnerships to complete. Successful completion of these projects will assist in the creation of a safe and welcome environment for all users of downtown.

Agenda Date: 12/5/2013

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Options:

Option 1 - Recommend to Council the Downtown Project 3 as presented by staff.

Option 2 - Add or remove Downtown Project 3 projects from staff report. Recommend amended Downtown Project 3 version to full Council.

Financial Impact:

Varies depending on specific Downtown Project 3 project.

DOWNTOWN PROJECT PHASE II TASK LIST:

1. CLEAN:

- Expansion of Clean Team
- Downtown Olympia Graffiti Abatement Coordination
- Expansion of Downtown Pedestrian Recycling Program



2. SAFE:

- Expansion of Downtown Ambassadors
- Downtown Proactive Policing
- Coordinating Social Services
- Expanding Restroom Availability
- Alcohol Impact Area (AIA) Implementation
- Formalize Bars/Taverns BMP Review Guidelines
- Strengthen Downtown Neighborhood Association



3. ECONOMIC DEVELOPMENT:

- Downtown Marketing - "Telling our story"
- Parking Makeover
- Formation of Community Renewal Area
- Marketing Department of Fish & Wildlife Property
- Facilitating Housing Construction
- Council Gives Direction on Downtown Master Plan
- Washington Center for Performing Arts Repairs



4. PLACEMAKING:

- Artesian Court Design Council Presentation
- Alley Improvement Project Proposal
- Alley Naming Project
- Installation of more Parklets
- Installation of more Tree Benches
- Public Art Installation (PBIA Funded)





DOWNTOWN PROJECT PHASE I TASK LIST:

- Establishment of the Downtown Ambassador Program
- Establishment of Best Management Practices for Bars/Taverns
- Establishment of an Alcohol Impact Area
- Installation of two parklets
- Art installation at Artesian Well
- Installation of two tree benches
- Survey of Downtown Users
- Review of Pedestrian Interference Ordinance



Proposed Downtown Project 3 Work Plan

Scoping of Downtown Master Plan

The Downtown Master Plan (DMP) will be a stand-alone planning document visioning the future of downtown. The creation of the DMP will involve an extensive public input process. The scoping of the DMP is scheduled to begin in the Fall of 2014.

Complete Community Renewal Area Process

A Community Renewal Area (CRA) empowers cities, towns and counties to undertake and carry out community renewal projects with an emphasis on long-standing blighted properties. The CRA is a tool that has been successfully utilized by several municipalities in the Pacific Northwest including Vancouver, Shoreline, and Kent.

Complete Washington Center Repairs

The Washington Center for Performing Arts is receiving a much-needed facelift. Beautiful external facades, enhanced canopy, glass doors, marquee sign, and a new ticket window are a few of the upgrades included in this project. This project will be completed in early 2014.

LED Street Light Conversion

Downtown Olympia will get a lot brighter in early 2014! The City is in the process of converting city-owned streetlights from high pressure sodium bulbs to more cost effective and sustainable LED bulbs. LED lighting creates a broader lighting spectrum leading to increased visibility and a safer nighttime environment.

Alleyway Lighting

The City is in the process of applying for a \$50,000 alleyway lighting improvement project through their Section 108 loan program. This project would light up 18-20 alleyways most frequently used as pedestrian walkways. All lighting fixtures will be cost-effective LED bulbs. Estimated installation: Summer, 2014.

Downtown Tree Trimming

We are lucky to have a downtown lined with beautiful street trees. Due to previous budget cuts, some of these trees have grown to a size that compromises the performance of our street lights. The City will complete a downtown tree assessment and trim trees that currently obstruct street lighting.

Crime Prevention Through Environmental Design (CPTED) Analysis

Crime Prevention Through Environmental Design (CPTED) is a multi-disciplinary approach to deterring criminal behavior through environmental design. A group of staff and community members will

complete a block-by-block CPTED analysis in 2014 and identify specific changes that can be made to make downtown a safe environment for everyone.

Expansion of Walking Patrol Program

In Summer of 2013, we saw the return of the Downtown Walking Patrol in a very limited capacity. In January of 2014, the Walking Patrol presence will double in downtown Olympia. This program not only creates more eyes on the street but also increases the connection between the police department and the downtown community.

Expansion of the Clean Team

The Downtown Ambassador Clean Team is a 5-day a week cleaning crew in downtown Olympia. Primary duties include trash and recycling pickup, graffiti abatement, and pressure washing. This year will bring additional staffing to the clean team leading to an exponential increase in productivity. To report a situation that needs clean team attention, call 360-570-3900.

Bars/Tavern Owners League Meetings

Downtown Olympia is an 18-hour downtown where people come to eat, shop, and play. It is important that communication between the police and open-late bar/tavern owners happens frequently and effectively. This year, police will organize regular meetings with bar/tavern owners to discuss on-going safety issues.

Downtown Marketing Consultation

Downtown Olympia has numerous groups that all work hard to promote the place they love. Creating partnerships and a marketing plan that emphasizes shared goals is paramount for telling the "downtown story" to a broad audience. Staff plans to approach several of these groups in an effort to leverage marketing resources moving forward. Teamwork!

Community Stakeholder Collaboration

Similar to working toward leveraging marketing efforts, it is important that downtown stakeholder groups stay informed in the current projects and plans of each organization. Communication and partnerships are power. The creation of a Downtown Group involving a representative from all of these organizations can lead to previously unknown partnership opportunities.

Official Establishment of the Downtown Neighborhood Association

In 2013, a provisional board of downtown residents worked hard to create a draft of new bylaws which would re-establish their official neighborhood association status. The Downtown Neighborhood Association will be an important voice of our downtown residents in future planning processes.

Establishment of Downtown Block Watch

An engaged neighborhood is a successful neighborhood. The formation of the Downtown Neighborhood Association will make it easy for police to work with downtown residents in creating a safe and welcome environment for all users of downtown.

Completion of Artesian Commons

In 2013, City Council, staff and community members worked hard to conceptualize the future of the downtown Artesian Well parking lot. After a thorough public process, a design has been approved that includes in installation of food trucks, seating, stage, murals, and kids play features. Construction of the park will begin in early 2014.

Implementation of Alcohol Impact Area

In December, 2013, the Washington State Liquor Control Board will decide whether or not to approve a state-recognized Alcohol Impact Area (AIA) in Downtown Olympia. The AIA will ban the sale of cheap, high-alcohol content beverages in retail locations in the downtown core. AIAs have proven to be a successful tool in other Washington State Cities.

Pedestrian Wayfinding

Creating a safe environment that encourages alternate modes of transportation is an important value held by many downtown stakeholders. City staff will propose a pedestrian-based wayfinding system for downtown Olympia in 2014. This project will involve creating a downtown map that contains as much information as possible to help pedestrians easily find shopping, eating, parking, bus stops, and parks in downtown Olympia.

5th Avenue Overlay Project

Public Works will move forward with a project that will resurface 5th Avenue between Capitol Way and Water St. This project will improve surface conditions, slow down traffic in the core, and install pedestrian-friendly bulb outs.

Downtown Waste Management Assessment

Public Works Waste Resources and Code Enforcement staff will assess several hotspot waste deposit areas in downtown. The goal is to identify potential improvements on blocks where several businesses contribute toward the overall creation of waste. Dumpster consolidation and partnerships between businesses can lead to a better aesthetic in downtown while keeping it cleaner.