



# Meeting Agenda

## Land Use & Environment Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Thursday, September 16, 2021

5:30 PM

Online and Via Phone

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Register to attend:

[https://us02web.zoom.us/webinar/register/WN\\_SE7LseBXTPiOdbHOpRkKBZw](https://us02web.zoom.us/webinar/register/WN_SE7LseBXTPiOdbHOpRkKBZw)

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **APPROVAL OF AGENDA**

4. **PUBLIC COMMENT**

*(Estimated Time: 0-15 Minutes)*

*During this portion of the meeting, community members may address the Committee for up to two (2) minutes regarding the Committee's business meeting topics.*

5. **APPROVAL OF MINUTES**

- 5.A [21-0898](#) Approval of August 19, 2021 Land Use & Environment Committee Meeting Minutes

Attachments: [Minutes](#)

6. **COMMITTEE BUSINESS**

- 6.A [21-0860](#) SE Annexation Options Recommendation

Attachments: [Annexation Feasibility Study](#)  
[Operating Revenues and Expenses Scenarios](#)

- 6.B [21-0852](#) Neighborhood Centers Update

Attachments: [Designated Neighborhood Centers Map](#)  
[Neighborhood Centers - Descriptions](#)  
[Neighborhood Centers Webpage](#)

- 6.C [21-0839](#) Urban Waterfront Code Amendment Recommendations

Attachments: [Draft Resolution](#)  
[Draft Code Amendments](#)  
[Applicant Narrative](#)  
[Recommendation Letter](#)

[Comment Letters](#)**7. REPORTS AND UPDATES****8. 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 Executive Assistant 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.*



City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

## **Land Use & Environment Committee**

### **Approval of August 19, 2021 Land Use & Environment Committee Meeting Minutes**

**Agenda Date:** 9/16/2021  
**Agenda Item Number:** 5.A  
**File Number:**21-0898

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**Type:** minutes   **Version:** 1   **Status:** In Committee

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**Title**

Approval of August 19, 2021 Land Use & Environment Committee Meeting Minutes



# Meeting Minutes - Draft

## Land Use & Environment Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501  
Information: 360.753.8244

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**Thursday, August 19, 2021**

**5:30 PM**

**Online and Via Phone**

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**1. CALL TO ORDER**

Chair Madrone called the meeting to order at 5:30 p.m.

**2. ROLL CALL**

**Present:** 3 - Chair Dani Madrone, Committee member Clark Gilman and  
Committee member Yến Huỳnh

**2.A OTHERS PRESENT**

City of Olympia Staff:

Jay Burney, City Manager

Keith Stahley, Assistant City Manager

Pamela Braff, Climate Program Manager

Rich Hoey, Public Works Director

Community Planning and Development Staff:

Leonard Bauer, Director

Principal Planner, Joyce Phillips

Senior Program Assistant, Max DeJarnatt

Building Plans Examiner, Erik Jensen

**3. APPROVAL OF AGENDA**

**The agenda was approved.**

**4. PUBLIC COMMENT**

The following people spoke:

Gordon Wheat

Alex Kistler

Collum Liska

Brandon Capps

Beth Doglio

**5. APPROVAL OF MINUTES**

**5.A** [21-0808](#) Approval of July 15, 2021 Land Use & Environment Committee Meeting Minutes



**The minutes were approved.**

**6. COMMITTEE BUSINESS**

**6.A**     [21-0794](#)            Update on Phase II of South Capitol Parking Strategy

Mr. DeJarnatt shared a handout regarding updates on Phase II of South Capitol Parking Strategy. He outlined the actions agreed to through a previous consensus-based process among representatives of South Capital Neighborhood Association, City of Olympia and Washington Department of Enterprise Services. Committee members asked several questions about how the strategy would be implemented. Chair Madrone requested that staff explore retroactive effect of a proposed low-income discount for downtown residential parking permits, if adopted.

**The information was received.**

**6.B**     [21-0786](#)            Climate Action Plan Implementation/Energy Efficiency Code Updates

Ms. Braff and Mr. Jensen provided a presentation on addressing effects of climate change related to buildings. She summarized actions in the Regional Climate Action Plan that would help address these effects.

Committee Member Gillman asked how we can move forward in specific actions that track whether we will achieve regional goals in the Climate Action Plan. He urged more on existing buildings and reduction of use of fossil fuels in building systems.

Committee Member Huynh asked how to determine prioritization of retrofitting existing buildings and how we can address for renters.

Chair Madrone asked what additional information we need related to eliminating natural gas in new construction and for retrofitting existing construction. She also asked about additional code requirements for electric vehicle chargers, as recently adopted in Seattle.

**The discussion was completed.**

**6.C**     [21-0773](#)            Comprehensive Plan Periodic Update Process

Ms. Phillips shared a presentation regarding the Comprehensive Plan Periodic Update Process.

**The discussion was completed.**

**6.D**     [21-0776](#)            Annual Comprehensive Plan Amendments

Ms. Phillips shared a Powerpoint presentation regarding the Annual Comprehensive Plan Amendments.

**The discussion was completed.**

**7. REPORTS AND UPDATES**

Chair Madrone updated the Committee on the Urban Agriculture Work Group. The group's next steps will be the mapping work described at the Committee's last meeting, and seeking to expand the work group's membership.

Mr. Bauer highlighted the scheduled agenda items for the September 16, 2021 meeting. He also noted the possible addition of the Planning Commission recommendation on the 2021 annual comprehensive plan amendments.

**8. ADJOURNMENT**

The meeting adjourned at 8:27 p.m.



## Land Use & Environment Committee

### SE Annexation Options Recommendation

**Agenda Date:** 9/16/2021  
**Agenda Item Number:** 6.A  
**File Number:** 21-0860

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**Type:** discussion **Version:** 1 **Status:** In Committee

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#### **Title**

SE Annexation Options Recommendation

#### **Recommended Action**

##### **Committee Recommendation:**

Approve staff recommendation to continue more detailed analysis of annexation options and refer to a City Council Study Session.

##### **City Manager Recommendation:**

Approve staff recommendation to continue more detailed analysis of annexation options and refer to a City Council Study Session.

#### **Report**

##### **Issue:**

Whether to continue analysis of a potential annexation of the City's Southeast Urban Growth Area (UGA).

##### **Staff Contact:**

Tim Smith, Planning and Engineering Manager, Community Planning and Development Department, 360.570.3915

##### **Presenter(s):**

Tim Smith, Planning and Engineering Manager

#### **Background and Analysis:**

Annual annexation updates to the Land Use and Environment Committee (LUEC) have been provided over the past several years. The purpose of these updates are to discuss whether any areas may be ready for annexing into the City. State law provides a framework that cities must follow to annex land. Land must be within a City's unincorporated Urban Growth Area (UGA). These are areas where the City expects to grow and extend utilities such as sewer and water to serve growth and accommodate the projected population forecast. UGAs are set by the County in consultation with the cities in Thurston County. Housing densities, transportation plans and other element of the City's Comprehensive Plan are then adopted by the City Council to ensure future growth is directed into urban areas and away from rural areas, as required by the State Growth Management Act.

The most common method of annexation in the State of Washington for cities is called the Petition Method. Annexations of this type require a petition with signatures of property owners representing 60 percent of the assessed value of an area proposed for annexation. There are properties outside of city limits and within the City's UGA where property owners connect to city services such as city water. At the time of connection, the property owners must sign a "waiver of protest" form that gives the city the right to sign a petition for an annexation. Once the City has sufficient forms that represent at least 60% of the assessed value of the area proposed for annexation, the city can then initiate an annexation.

The City has been studying its UGAs in the Northeast, Northwest and Southeast areas. The Northeast and Northwest areas have environmental constraints, fairly low-density development and are not generally developed with urban services such as sewer and water. The Southeast UGA, however is generally developed with urban services. The area is comprised primarily of single-family homes at urban and suburban densities with commercial developments along Yelm Highway. Most of the public infrastructure has been constructed to 'modern' standards, although many streets lack sidewalks. The City owns the undeveloped Ward Lake Park within this area, and has purchased the 82-acre former Zahn site for a future park. The City has also purchased the LBA Woods property to expand LBA Park located immediately north of and adjacent to the study area.

Staff provided an annexation update to the LUEC in late 2018 and received direction to add an annexation feasibility study to the Community Planning & Development (CP&D) work program for 2019. The purpose of the study was to look at overall costs and potential revenues for annexing the SE UGA, in addition to the boundary that could serve for an annexation. The City subsequently hired the firm Local Planning Solutions and a draft study was completed in late 2019 (attachment 1).

The draft study analyzed a potential annexation in two phases: a north phase consisting of land north of Yelm Highway, and a south phase comprised of properties in the UGA south of Yelm Highway. There are advantages to the city for annexing the entire Southeast UGA at the same time. Annexations take significant time and staff resources. Staff anticipates an annexation will take a minimum of six months to process. Public outreach and communication throughout the process will be needed. A public hearing before the City Council is required. Once approved, an annexation must then be filed with the Thurston County Boundary Review Board. This can add another three to six months to the process. Once the annexation is completed, the City must conduct a post annexation population census for the area to meet the requirements of the State Office of Financial Management.

There are also advantages to annexing in two phases. One of the major findings of the study was that in order to extend City Fire Department services and maintain Fire Department response time standards, annexation of both phases at the same time would require another fire station that is more closely located to Phase 2. The closest fire station to the annexation study area is located at the corner of 22<sup>nd</sup> Street and Boulevard Avenue. The Fire Department has indicated that it currently has the ability to provide service to the Phase 1 - North Study Area and still maintain its response time standards.

The study concludes that to provide fire service to the entire study area, any future annexation will require a strategy to ensure that services will be maintained, while ensuring that costs are minimized and, if possible, spread out over a transition period. The two most likely scenarios, at least with respect to fire and emergency medical services, would be as follows:

- Just annex Phase 1 - North Study Area. This would not require the construction of any new facilities.
- Annex the entire study area but enter into an interlocal agreement (ILA) with one or more fire districts. An ILA could mitigate impacts to Fire District 6 in particular, in addition to the city. An ILA could allow for a gradual transfer of responsibilities, as well as lessen the immediate fiscal impact to both jurisdictions.

Other one-time capital costs identified in the study for the provision of City services in a newly annexed area will be highlighted in the presentation at the meeting.

With regard to ongoing operations and potential impacts to the City's General Fund, the City's Finance Department recently completed an additional financial analysis. Attached are a chart and graph for two scenarios that illustrate a potential range of estimated operating revenues and expenses over time for the entire study area.

Scenario 1 assumes a more immediate transfer of full services to the City after annexation. For example, the chart shows a large increase in operating expenses after year 2029 for the Fire Department. This assumes that a full transfer of operations to the City from the fire districts occurs at that time. In this scenario, operating costs initially exceed revenues, but over a long period of time revenues more closely align to costs of service.

Scenario 2 assumes operating expenses are spread over a longer time period following annexation. For example, it assumes the City will contract with Fire Districts 6 and 3 to continue to provide fire services. In this scenario, operating costs more closely align with revenues than in Scenario 1. Revenues begin to exceed operating costs between 2035 and 2041.

City staff recommend a more detailed phasing plan for services should be completed as a next step in this process. A consulting firm with expertise in annexation fiscal analysis would need to be retained to work with service providers to develop a multi-year phase-in plan for providing ongoing services to the annexation area. This information could then be presented to the City Council at a study session in 2022 in preparation for a decision of whether and how to proceed with an annexation process. The consultant could also begin initial public outreach to community members about the annexation scope and process.

### **Neighborhood/Community Interests (if known):**

Annexation proceedings generate substantial agency, property owner, resident and business interest. For any annexation proceeding, the City would follow a process that ensures all interested parties are well-informed and have an adequate opportunity to participate.

### **Options:**

1. Approve staff recommendation to hire a consulting firm with expertise in annexation fiscal analysis to work with service providers to develop a multi-year phase-in plan for providing ongoing services to the annexation area.
2. Table discussions of annexation and bring back to the LUEC at a future date.
3. Provide different direction to staff.

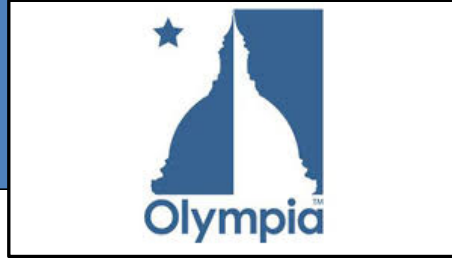
### **Financial Impact:**

Community Planning & Development has requested a budget enhancement for consultant work on a phase-in cost of service plan and to lead an annexation process in 2022.

**Attachments:**

Annexation Feasibility Study

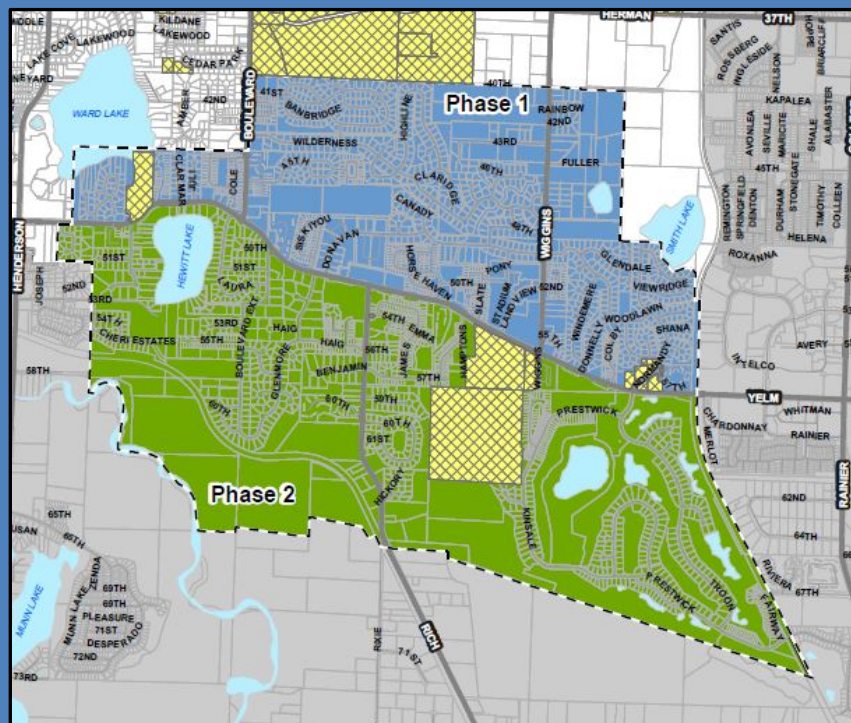
Operating Revenues and Expenses Scenarios



# SOUTHEAST URBAN GROWTH AREA ANNEXATION FEASIBILITY ANALYSIS DRAFT

NOVEMBER  
2019

NOTE: FIRE SERVICES SECTION UPDATED MAY 2020



Local Planning Solutions  
*Knowledge, Experience, Results*

## Who is this report for?

This report is directed toward several audiences. It is intended to assist the City's elected officials, executive and department managers, and staff. It is also hoped that members of the general public will find the information useful, either as a source of information regarding the details of the specific study areas, or as a general explanation of the factors that the City takes into account when deciding whether or not to annex.

Because this report is intended for a variety of users, some information may be of more interest to one reviewer than another. There is a level of detail regarding costs, revenues, etc. on a department-by-department basis that may be of more use to staff and managers within those departments than what is necessary for a decision maker, for whom the included summaries may be of more use.

## Introduction

Under the State Growth Management Act (GMA), cities and counties work together to establish areas that the cities are expected to annex to accommodate future growth, and these areas are referred to as Urban Growth Areas (UGAs). Using population projections developed by the State Office of Management and Budget, jurisdictions use their best planning judgment to establish a UGA boundary sufficient to meet a 20-year growth projection. A key element for accommodating growth is to develop a strategy for providing an urban level of service so that the annexed population will have public sewer and water, and that roads will be developed to urban standards. For this reason, UGAs are the only areas outside a city's jurisdiction where the city has the authority to provide sewer and water. Often, cities and counties partner on large projects within their UGAs, such as road projects. This results in a unique situation where both the City of Olympia and Thurston County staff have detailed information regarding the UGA, even though it is still within the County's jurisdiction.

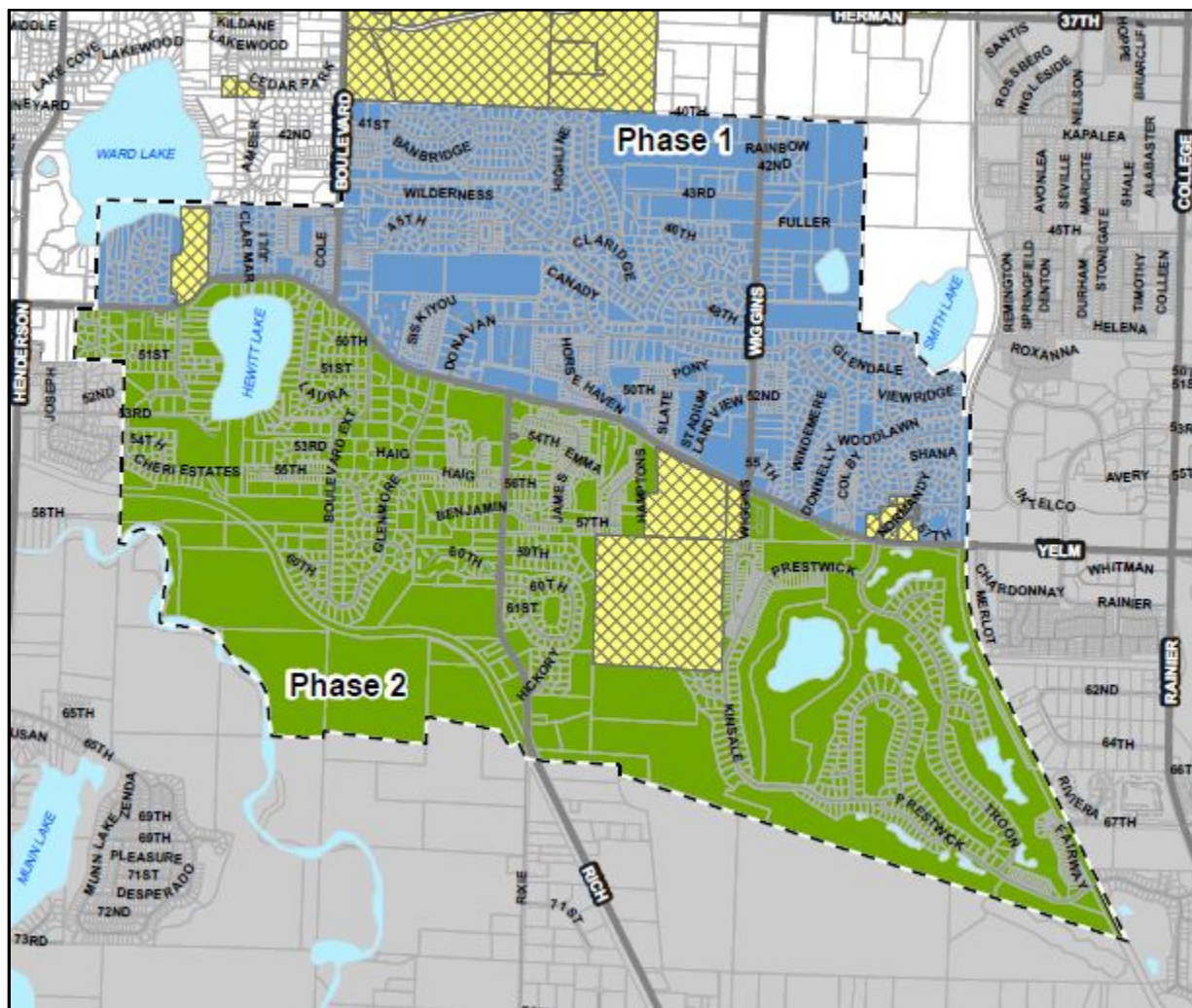
The City of Olympia has an annexation program that has resulted in the elimination of all the County islands within its jurisdiction. The City does an annual evaluation of whether circumstances are in favor of annexing any more of its UGA. Determining whether the timing is right to complete an annexation requires a careful examination of several factors, such as:

- Adding more land and people to the city can impact emergency services. Existing levels of service for police and fire protection could be negatively impacted unless the city is prepared to add more staff and equipment.
- City department such as Public Works may be impacted by the need to maintain more miles of roadway, sidewalks, stormwater facilities, etc.
- The annexation area may have existing infrastructure needs – such as a bridge replacement – that could bring significant costs to the annexing city.
- The annexation area may be deficient in the number of parks, playgrounds, or open space that could require the annexing city to develop facilities or acquire land to meet its own level of service standards.
- The existing tax base for the annexation area may not supply the revenues necessary to offset the costs required for the annexing city to meet its standard levels of service.



- The residents within a potential annexation area may not be supportive of annexation. Of the many types of annexation processes that are provided by statute, many can be overturned by referendum if enough residents object. Because of the cost to the City of completing an annexation, it is important to factor in whether the annexation can be reversed through referendum.
- The affected County may object to the annexation, particularly for areas where there have been recent expenditures on improvements to an area, or areas the County stands to lose significant tax revenues. Similarly, fire districts can lose tax revenues that support their overall operations. Counties and fire districts have the ability to influence the approval or outcome of an annexation by “invoking jurisdiction” through the local Boundary Review Board. Early coordination and communication with the County and fire district (and any other special district that has the potential to be affected) is important.

### The Study Areas



The starting point for this study is Olympia’s Southeast Urban Growth Area (SE UGA). This is a large area of over 2.5 square miles and population of nearly 7,000 residents. Early in the study it was decided, in addition to studying the SE UGA as a whole, that smaller divisions within the UGA would be analyzed to explore whether future annexation of the area should be incremental.

Because there are numerous possibilities for dissecting the SE UGA into smaller study areas, some criteria were used as guidelines:

- Any potential study area should be safe from being overturned by referendum if annexed. The City of Olympia’s strategic approach to annexation has always been to annex only those areas where there are sufficient existing petitions from the residents within the area to be annexed to ensure that the annexation cannot be reversed. The City’s method for obtaining these petitions has typically been a requirement to complete a “waiver of protest” to annexation in exchange for the extension of City utilities (water and/or sewer). Typically, as growth occurs in the UGAs, especially through land subdivision, waivers of protest are collected. These are the functional equivalent of a direct petition of the property owner. When the number of “petitions” exceeds the threshold of 60% of a potential annexation area, the City has eliminated the risk of having the action overturned by referendum.
- The study area should have a “logical boundary.” The annexation statute requires that any proposed annexation area not create islands or peninsulas. Generally speaking, the area should extend the City’s boundaries in a manner that does not have the services of neighboring jurisdictions crossing over each other’s boundaries to reach their service areas.
- Each time a City annexes territory there are costs. Annexations are involved processes that require a great deal of outreach and communication with residents, businesses, neighboring jurisdictions and state agencies. Developing Fact Sheets, maintaining a web site, holding public meetings and hearings require staff time and public resources, so from this perspective there is an incentive to annexing the largest logical territory to reduce repeated annexation costs.

Following the criteria above, it was decided to primarily analyze two annexation options. First, the information regarding the infrastructure and services for the entire SE UGA have been obtained to evaluate the benefits and costs of annexing the entire area. The second scenario is a phased approach that would be accomplished by annexing the area of the SE UGA that is north of Yelm Highway first (Phase 1), to be followed by the area south of Yelm Highway (Phase 2) at a later date. Throughout this study, information is provided for the North, South and Total Study Area to provide a basis to evaluate and compare the costs and revenues of annexation as well as the impacts to emergency services.<sup>1</sup>

Although data and information are provided for the South study area, it should not be assumed that the South study area could be annexed independently from the North study area. The annexation statutes

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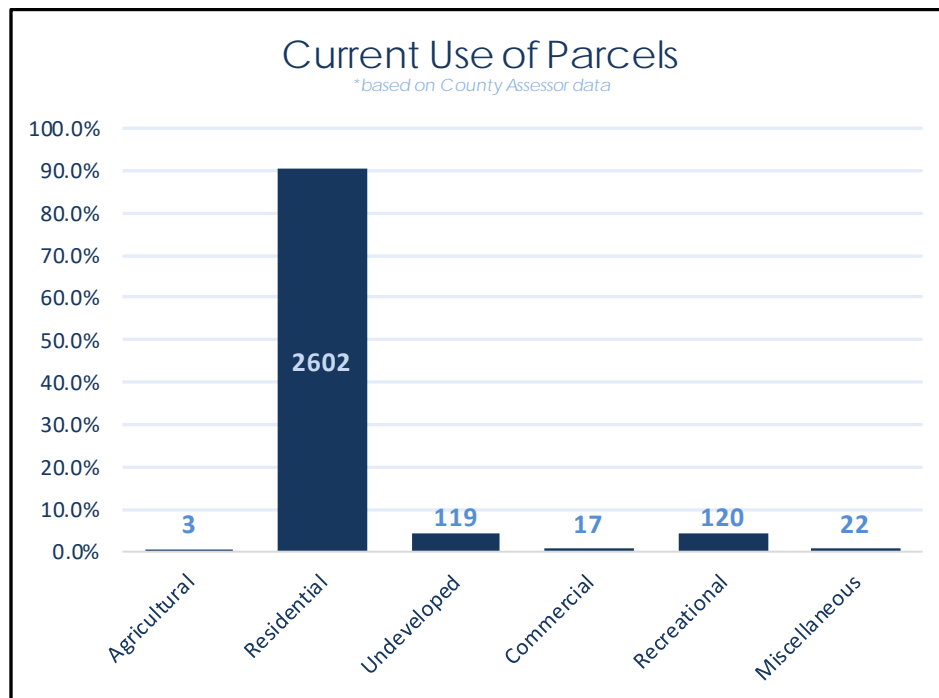
<sup>1</sup> **NOTE:** In response to direction from the City’s Land Use & Environment Committee and Executive Management, an abbreviated analysis of another scenario is provided as an appendix to this study. This is the northeast portion of the North study area, located in the vicinity of Ward Lake and the Newcastle subdivision.

would not allow the North study area to be skipped over in favor of the South study area, as that would create a County island. The only way the South study area could be annexed would be if it were annexed as a “Phase 2,” following annexation of the North study area, or if the entire SE UGA (both North and South study areas combined) were annexed simultaneously.

### Study Area Profile

The SE UGA is almost entirely residential, and the types of residences are almost entirely single-family homes. There are 51 residential subdivisions. There is a wide range in the age of the developments, ranging from Sten Village, which was platted in 1968, to the Ridge at Ward Lake, which was completed in 2018. Those subdivisions that were platted decades ago, particularly before the era of Growth Management, continue to be served by septic systems, with many also on private wells or community water systems.

Of the nearly 2,900 parcels in the total study area, approximately 2,350 are single family residential. There are five condominium developments that have 193 “parcels,” combined. There are 11 apartments of 5 or more units, and 49 multi-family (either duplex or four-plex) units. Notably, there is only one parcel categorized as Industrial, and only 17 parcels that are categorized as Commercial. The remainder of the parcels in the SE UGA are a mix of vacant land, recreation, open space, etc.



The average assessed value of single-family residences in the SE UGA is \$355,000, which is indicative of well-established neighborhoods. The Indian Summer development, located in the South study area, has 226 residences with an average assessed value of approximately \$560,000, bringing the overall assessed values of the South study area up:

**Average Assessed Values**

North	South	Total Study Area
\$316,171	\$398,431	\$355,227

From the standpoint of tax revenues, future development potential with the study area is limited by the fact that this is primarily a residential area. The opportunity to realize higher assessed values related to commercial properties, sales tax, Business & Occupation tax, business licensing, etc. does not exist on a significant level. And of the nearly 2,900 parcels in the study area, only 148 – or 5 percent - are vacant land, and certainly not all of this land will be developable due to the presence of critical areas, etc. Therefore, the potential increased overall assessed value due to residential or multi-family buildout is also limited.

The total assessed value of the study area is slightly over \$970 million. At Olympia's current levy rate, the revenues from property taxes would be approximately \$2.6 million annually. Annexation of the study area would also result in over \$500 thousand in additional property tax revenues to the recently established Olympia Metropolitan Parks District.<sup>2</sup> This represents a 13% increase in the City's current total property tax revenues:

**General Profile of Study Areas**

	North	South	Total Study Area
<b>Population</b>	3,632	3,151	6,783
<b>Dwelling Units</b>	1,752	1,276	3,028
<b>Parcels</b>	1,550	1,334	2,884
<b>Acres</b>	603	1,041	1,644
<b>Assessed Valuation</b>	\$484,407,440	\$485,630,190	\$970,037,630
<b>Property Tax Assessment</b>	\$1,299,836	\$1,303,162	\$2,602,988
<b>Oly Metro Parks Assessment</b>	\$262,835	\$263,507	\$526,342
<b>Total Assessment<sup>3</sup></b>	<b>\$1,562,671</b>	<b>\$1,566,669</b>	<b>\$3,129,340</b>

City of Olympia 2019 Assessment: \$19,370,780

Oly Metro Parks 2019 Assessment: \$3,922,756

**Percent increase tax revenues by study area:**

	North	South	Total Study Area
<b>City of Olympia</b>	6.7	6.7	13.4
<b>Metro Parks</b>	6.7	6.7	13.4

<sup>2</sup> See the Parks, Arts and Recreation section for more discussion of this.

<sup>3</sup> The assessment is derived from applying Olympia's current annual levy rate of \$2.72/\$1,000 of assessed valuation and the Olympia Metro Park District's annual levy rate of \$.55/\$1,000 of assessed valuation to the total assessed valuation of each study area. NOTE: The assessed valuation of tax-exempt properties owned by the City of Olympia and the Olympia School District, which totaled \$6,526,400, were subtracted from the total assessed values before applying the levy rate.

<b>Total</b>	6.7	6.7	13.4
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### Population and Area Upon Annexation and Percent Increase

	City of Olympia 2019	North	South	Total Study Area
<b>Population</b>	52,490	56,122 – 7%	55,641 – 6%	59,273 – 13%
<b>Dwelling Units</b>	23,213	24,965 – 8%	24,489 – 5%	26,241 – 13%
<b>Square Miles</b>	20.1	21.0 – 5%	21.7 – 8%	22.7 – 14%
<b>Acres</b>	12,863	13,465 – 5%	13,904 – 8%	14,507 – 13%

### Vacant Land

	North	South	Total Study Area
<b>Parcels</b>	65	83	148
<b>Acres</b>	55	216	271
<b>Assessed Value</b>	\$2,683,200	\$8,124,800	\$10,808,000



## Emergency Services

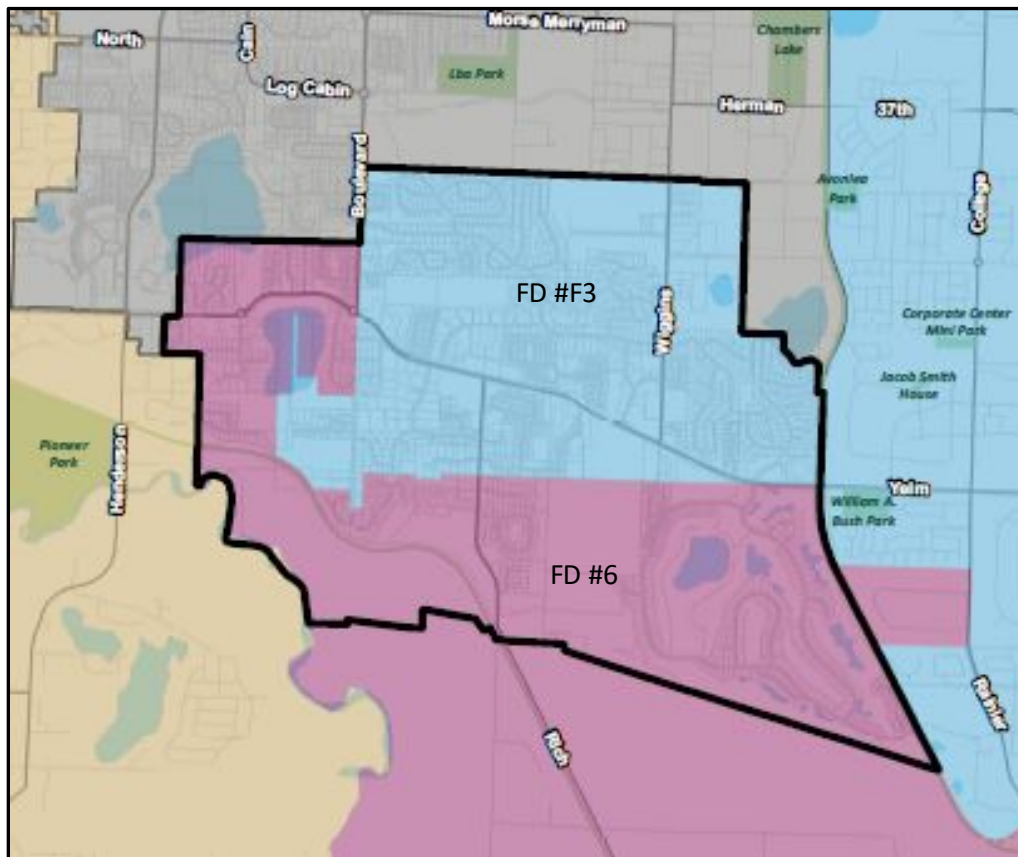
### Fire Districts

All of the potential annexation areas being reviewed in this study are currently being served by Fire Protection Districts. Upon annexation— or shortly thereafter - the City of Olympia’s Fire Department would become the service provider.

The transfer of fire protection and emergency services to the city has the potential to impact both the city and the fire district. First, the loss of territory to the affected fire district also means a loss of property tax revenue. Very large annexations could result in a significant enough loss of revenue that Fire District staffing and operations could be negatively impacted.

The areas being analyzed for this study have two fire districts which would see some degree of impact as a result of annexation. In the Southeast UGA Study area, Lacey Fire Districts #3 and East Olympia Fire District #6 would see a reduction in service area.

#### SE UGA Annexation Study Area: Fire District Boundaries



The three main potential impacts to the affected fire districts are 1) loss of property tax revenue, 2) loss of assets through a required transfer to the annexing city, and 3) a loss/transfer of personnel. Impacts

have been evaluated by considering the entire SE UGA, as well as the areas north (Phase 1) and south (Phase 2) of Yelm HW separately. While the property tax revenues for Fire District #3 are included here, the analysis will focus on Fire District #6. This is because the impacts to Fire District #3 are expected to be minimal, which is borne out by the projected revenue impacts. A meeting with Fire District #3 was also held, during which the District stated it had no concerns about a future annexation of the SE UGA.

- Revenue Impacts

The property tax revenue impacts to Fire Districts #3 and #6 are displayed in the table below. One factor in this revenue summary that is important to understand is that any fire district revenues derived from special levies is not affected by annexation:

#### **RCW 35A.14.500**

#### **Outstanding indebtedness not affected.**

When any portion of a fire protection district is annexed by or incorporated into a code city, any outstanding indebtedness, bonded or otherwise, shall remain an obligation of the taxable property annexed or incorporated as if the annexation or incorporation had not occurred.

Fire District #6's levy rate is currently \$1.65 per \$1,000 of assessed property values. Of this rate, \$1.41 is the regular rate and \$.24 is the excess – or special – levy. Fire District #3 receives \$1.59 per \$1,000, with a regular rate of \$1.47 and an excess rate of \$.12. Calculated impacts to the Districts are based on the loss of the regular levy rate. The revenue impacts are contextualized by showing what the revenue losses represent relative to each Fire District's total annual property tax revenues. Total revenues were obtained from data obtained from the Thurston County Assessor's Office.<sup>4</sup> Total revenues for tax year 2019 are estimated to be \$2,543,158 for Fire District #6 and \$17,537,280 for Fire District #3. The following tables provide a summary for the SE UGA as a whole as well as if the UGA were annexed in phases. The percent reduction to the district's overall property tax revenue is highlighted as a key indicator of the impact of an annexation on the district:

#### **Fire District #3 Property Tax Summary**

Study Area	Parcels/Dwelling Units	Assessed Value	Property Tax Revenue	Property Tax Revenue Loss	Percent Reduction of District's Property Tax Revenue	Continuing Excess Levy Revenue
Phase 1- North	1,358/1,564	\$428,928,540	\$681,997	\$630,526	<b>3.6%</b>	\$51,471
Phase 2- South	514	\$168,606,600	\$268,085	\$247,852	<b>1.4%</b>	\$20,233
SE UGA	1,872	\$597,535,140	\$950,062	\$878,378	<b>5%</b>	\$71,704

Based on: 2019 Total Levy of \$17,537,280

<sup>4</sup> Summary of Taxing District Levies and Increases from Tax Years 2016 to 2019.

2019 Regular Levy Rate of \$1.47/\$1,000

2019 Excess Levy Rate of \$.12/\$1,000

**Fire District #6 Property Tax Summary**

Study Area	Parcels/Dwelling Units	Assessed Value	Property Tax Revenue	Property Tax Revenue Loss	Percent Reduction of District's Property Tax Revenue	Continuing Excess Levy Revenue
Phase 1-North	192/188	\$55,478,900	\$91,540	\$78,225	<b>3.1%</b>	\$13,315
Phase 2-South	820/761	\$317,023,590	\$523,088	\$447,003	<b>17.6%</b>	\$76,085
SE UGA	1,012	\$372,502,490	\$614,628	\$525,228	<b>20.7%</b>	\$89,400

Based on: 2019 Total Levy of \$2,543,158  
 2019 Regular Levy Rate of \$1.41/\$1,000  
 2019 Excess Levy Rate of \$.24/\$1,000

The best indicator for predicting the impact of an annexation on the affected fire district is to calculate the expected loss of property tax revenues as a percentage of the fire district's total revenues. At a 2019 levy total of \$17,537,280, annexation of the entire SE UGA would result in a relatively minor reduction of 5% to Fire District #3. In a discussion with the Fire District regarding potential annexation of the SE UGA, the Fire District did not express a concern that this loss of revenue would have a significant impact that would require a reduction in staff or the ability to maintain its current service levels. The Fire District expressed a willingness to work with the City of Olympia to accomplish a transition of services following annexation. One idea that emerged from the discussion with Fire District #3 was that future annexation could also be an opportunity to adjust service boundaries between the districts and the City of Olympia.

Early in the deliberations by the City of Olympia's Land Use and Environment Committee, when the discussions of whether to complete an annexation feasibility study were underway, Fire District #6 expressed concerns about the impacts that annexation of the entire SE UGA would have. In a letter dated January 2, 2018, Fire Chief Warren Petersen noted that a large portion of the SE UGA falls within Fire District #6. Citing the potential impacts to the District, the letter requested that an incremental approach be considered. Among a couple options that were suggested, one was to use Yelm Highway as a boundary to phase any future annexations. This was reiterated during a kickoff/information gathering meeting in the early stages of this report. The concerns of the Fire District have been taken into consideration, and this study has adopted the Fire District's suggestion to use Yelm Highway as the boundary to evaluate a phased approach as one annexation scenario.

Based on an expected impact of nearly 21% to Fire District #6's overall revenues, the concerns that annexation of the entire SE UGA are well-founded. Were the City to only annex Phase 1, north of Yelm Highway, the impact would be relatively small at 3.1%. However, since the area within Phase 2



represents over 17% of Fire District #6's total regular property tax revenues, any annexation of Phase 2 will likely require some form of mitigation to assist in the transition from the Fire District to the City.

- Impacts to Assets

In certain situations, the annexation statute requires a transfer of assets from the entity being annexed. The annexation of the SE UGA would trigger the requirements for a transfer of assets because this area exceeds 5 percent of Fire District #6's territory. When more than 5, but less than 60 percent of the area of a fire district is annexed to a city, the fire district is allowed to retain its assets, but must pay the city a percentage of the value of its total assets equal to the percentage of the value of the real property that has been annexed into the city.

For Fire District #6, annexation of the entire SE UGA, or a future annexation of the territory south of the UGA, will result in the requirement for a payment to the city. This payment can be in the form of cash, properties, or contracts for services, and will be discussed in more detail below.

- Impacts to Personnel

The annexation statute has anticipated this potential impact on fire districts and provides for the transfer of employees from the Fire District to the annexing municipality:

**RCW 35A.14.485**

**Annexation of fire districts—Transfer of employees.**

(1) If any portion of a fire protection district is proposed for annexation to or incorporation into a code city, both the fire protection district and the code city shall jointly inform the employees of the fire protection district about hires, separations, terminations, and any other changes in employment that are a direct consequence of annexation or incorporation at the earliest reasonable opportunity.

(2) An eligible employee may transfer into the civil service system of the code city fire department by filing a written request with the code city civil service commission and by giving written notice of the request to the board of commissioners of the fire protection district. Upon receipt of the request by the civil service commission, the transfer of employment must be made. The needed employees shall be taken in order of seniority and the remaining employees who transfer as provided in this section and RCW [35.10.360](#) and [35.10.370](#) shall head the list for employment in the civil service system in order of their seniority, to the end that they shall be the first to be reemployed in the code city fire department when appropriate positions become available. Employees who are not immediately hired by the code city shall be placed on a reemployment list for a period not to exceed thirty-six months unless a longer period is authorized by an agreement reached between the collective bargaining representatives of the employees of the annexing and annexed fire agencies and the annexing and annexed fire agencies.

The annexation of the SE UGA, or specifically the area south of Yelm Highway, would impact Fire District #6 significantly enough that a transfer of one or more employees would be likely unless there is a strategy to phase the transition of emergency services over time.

## **Olympia Fire Department**

Annexations that significantly increase the service area of the annexing city can result in the need for more staffing, equipment and facilities. While this is anticipated in the statute, there is always the potential need for equipment and facilities that may not be something that the annexed Fire District has the resources to provide. Therefore, integrating a newly annexed area into a city's service area can have impacts, ranging from staffing levels, to distribution of staff, to even needing new trucks or a fire station.

- **Response Times**

The biggest potential impact of annexation would be the need to re-locate one of the City's existing fire stations to maintain response times. The closest station currently is located at Boulevard and 22<sup>nd</sup> Avenue. The proposed location for a new station would be in the vicinity of Log Cabin and Boulevard. The cost of a new station has been estimated at \$10 million. The Fire Department indicates that if the City is to be the primary service provider, a new station would be needed even if only Phase 1 were to be annexed.

- **Budget and Staffing**

There is no direct way to measure how annexation might benefit the Fire Department from the standpoint of increased revenues. Unlike the fire districts, which are entities that have a dedicated source of property tax revenues, the Fire Department receives a budget as a department within the City as a whole. Therefore, any increases to the Fire Department's budget as a result of annexation are ultimately at the discretion of the City Council.

The Department has two primary revenue sources. Of the Department's 2019 budget of \$17,232,033, approximately 25% (\$4,245,689) was anticipated to be covered by program revenues, primarily related to the Department's fire prevention functions, which receive fees for reviews of new commercial and residential construction, as well as inspections. After deducting the program revenues, the remainder of the Department's budget is covered by transfers from the City's General Fund.

To estimate the potential costs and revenues of annexation to the Fire Department, this report uses the Department's 2019 budget to establish a baseline level of service for the City's 2019 population of 52,490. Adding the population increase that would occur under each of the annexation scenarios, the costs and revenues to the Department are estimated based on the percentage population increase.

**Costs and Revenues Based on 2019 Budget Level of Service**

	<b>2019 Budget</b>	<b>North – 7% population increase</b>	<b>South – 6% population increase</b>	<b>Total Study Area – 13% population increase</b>
<b>Administration</b>	\$2,086,482	\$2,232,536	\$2,211,671	\$2,357,725
<b>Deployment – Medical and Technical</b>	\$14,234,383	\$15,230,789	\$15,088,445	\$16,084,853
<b>Fire Prevention</b>	\$911,168	\$974,950	\$965,838	\$1,029,620
<b>TOTAL EXPENDITURES</b>	\$17,232,033	\$18,438,275	\$18,265,954	\$19,472,198
<b>Program Revenues</b>	\$4,245,689	\$4,542,887	\$4,500,430	\$4,797,629
<b>NET GENERAL FUND EXPENDITURE</b>	\$12,986,344	\$13,895,388	\$13,765,524	\$14,674,568
<b>NET GENERAL FUND COST OF ANNEXATION</b>	<b>\$0</b>	<b>\$909,044</b>	<b>\$779,180</b>	<b>\$1,688,224</b>

The above level of service approach assumes a uniform, across the board increase in costs and revenues based entirely on population increase. While this provides a snapshot of impacts to the Fire Department, there may be unique characteristics within the SE UGA study area that don't reflect the City's population as a whole. For example, the SE UGA study area is almost exclusively residential. Commercial inspections and plans review are likely to be limited. In addition, the Study Area is largely "built out" with single family residences, so there is likely to be less permit review for new construction than in other parts of the City. However, given the added population of nearly 7,000 residents for the entire study area, it is expected that emergency medical services would be impacted, perhaps more in the Study Area than in other parts of the City.

A comparison of the expected costs to the City's Department with the current property taxes collected by Fire Districts 3 & 6 (including the excess levy) shows that the level of service approach to calculating impacts to the Department appears to be reasonable:

	<b>Combined Property Tax Revenues for Fire Districts 3 &amp; 6</b>	<b>Level of Service Estimate for Olympia Fire Department</b>
<b>Phase 1 - North</b>	\$773,537	\$909,044
<b>Phase 2 - South</b>	\$791,173	\$779,180
<b>Total Study Area</b>	<b>\$1,564,710</b>	<b>\$1,688,224</b>

Assuming the current property tax revenues is a direct reflection of the cost of providing services to the above service areas, the estimated cost of providing those same services by the Olympia Fire Department is comparable. Looking at the study area as a whole, the estimated cost of services is \$123,514 more than the current combined revenues for the fire districts for the same area.

### Fire Response Times & Infrastructure Needs

A key factor in the decision whether an area should be annexed is the ability to the Olympia Fire Department to respond to emergencies in a timely manner. The recommended National Fire Protection Agency (NFPA) response time is 5 minutes, 33 seconds.<sup>5</sup> The Department strives to maintain this response time for all areas it serves. As the Department's service area expands, however, it also requires having stations that are strategically located so that the response times can be maintained.

The closest fire station to the annexation study area is located at the corner of 22<sup>nd</sup> Street and Boulevard Avenue. The Department has indicated that it currently only has the ability to provide service to the Phase 1 – North Study Area and still maintain its response time standards. To adequately serve the entire study area, the Department would need to develop another facility that is more closely located to the Phase 2 – South Study Area. Depending on the scale of the facility, cost estimates have ranged as high as \$10 million, though no firm estimates have been developed.

In light of the capital expenditures that would be required to provide service to the entire study area, any future annexation will require a strategy to ensure that services will be maintained, while ensuring that costs are minimized and, if possible, spread out over a transition period. The two most likely scenarios, at least with respect to fire and emergency medical services, would be as follows:

- Just annex Phase 1 – North Study Area. This would not require the construction of any new facilities.
- Annex the entire study area, but enter into an interlocal agreement with one or more fire districts to continue to provide services to the Phase 2 – South Study Area.

### Strategies to Address Potential Impacts

- Interlocal Agreement

The Interlocal Cooperation Act (Chapter 39.34 RCW) provides broad authority for cities and special districts to enter into agreement that meet both their needs. Since the annexation of the SE UGA would result in a service area that exceeds the City's response time standards, some form of agreement will likely be necessary, unless and until a new station is located. The impacts to the City and Fire District #6 could be mitigated by entering into an interlocal agreement that would allow for a gradual transfer of responsibilities, as well as lessen the immediate fiscal impact to both jurisdictions.

A recent example is the Emergency Services and Operating Agreement reached between Fire District #6 and the City of Tumwater in 2014.<sup>6</sup> The annexation of Tumwater's SE UGA in 2013 resulted in a loss of approximately 14% of Fire District 6's territory, thus triggering a transfer of District assets to the City. The value of this transfer was estimated to be nearly \$720,000. In addition, the annual loss of property

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<sup>5</sup> Personnel Communication with Assistant Chief Kevin Brossard.

<sup>6</sup> Emergency Services Operating Agreement between the City of Tumwater and Thurston County Fire Protection District No.6. C-2014-056, August 19, 2014.

tax revenues to the District was calculated to be \$103,500 for a period of two years, after which time it was estimated that the lost revenues would be offset by increased property values.

In exchange for continuing fire services within in Tumwater’s newly annexed territory, the Emergency Services and Operations agreement compensates Fire District #6 through cash transfer from Tumwater to replace lost property tax revenues. In addition, Tumwater agreed to in-kind payment to the Fire District that waives the District’s requirement to do a cash transfer to the City based on the value of its assets.

- Bonds

The potential \$10 million price tag for a new station would most likely not be funded through the normal budgeting process. It is probable that a capital facility project of this type would need to be funded through a dedicated special levy, so the impact to the City’s current budget could be minimal.

### **Ongoing Efforts that Could Affect Fire and Emergency Services**

As this report is being written, a study has recently been completed to evaluate fire protection services throughout Thurston County. The study, titled the “Regional Fire & Emergency Services Study,”<sup>7</sup> is being sponsored by the Tumwater Fire Department. Participants in the study include Olympia, Fire District #3, East Olympia Fire District (Fire District #6), McClane-Black Lake Fire District, and the West Thurston Regional Fire Authority.

A central purpose of the Regional Fire & Emergency Services Study is to identify opportunities to promote enhanced safety for the community while eliminating duplication of effort among all the emergency service providers. After a careful evaluation of each service provider’s service area, response times, staffing levels, assets, etc. the report recommends that the Cities of Olympia and Tumwater and Fire Districts #3 and #6 form a Regional Fire Authority. The study also recommends that the McClane-Black Lake Fire District and West Thurston Regional Fire Authority integrate.

Obviously, if a Regional Fire Authority is formed that includes the City of Olympia and Fire District #6, efforts to construct a new fire station, or decisions with high cost, potentially long-term fiscal impacts to the City, would be premature. The existence of this recommendation provides an additional argument for pursuing an interlocal agreement option for the provision of emergency services following annexation, at least until more is known regarding whether the recommendation will be implemented.

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<sup>7</sup> August 2019.

## Police

With all but the smallest annexation, impacts to the level of service for police protection can be anticipated. The standard method for establishing a level of service is to determine the number of patrol officers and police administration per 1,000 residents. This data is maintained by the Washington Sheriffs and Police Chief's Association. As of 2018, the City of Olympia has 1.41 commissioned police officers and .63 civilian employees per 1,000 residents.

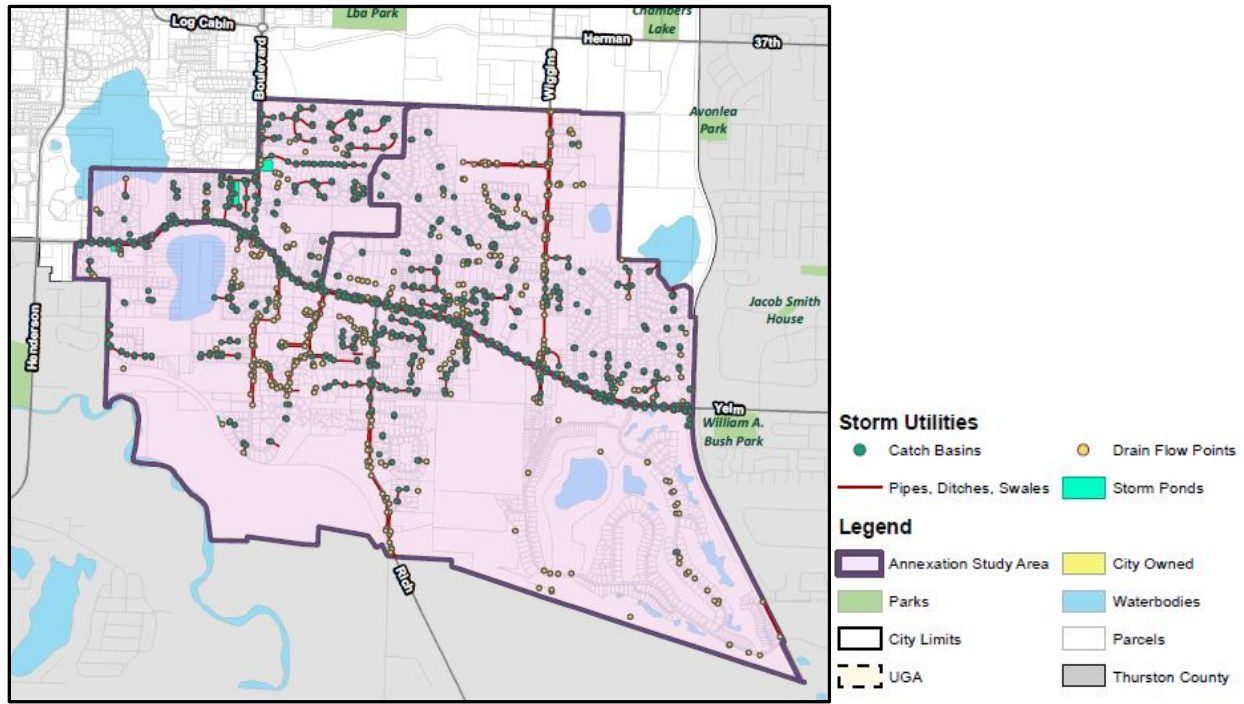
Based on the current population of 6,783 for the SE UGA, if the entire study area were to be annexed the City would need to hire 5 commissioned officers for the North study area and 4.5 for the South, for a total of 9.5 commissioned officers to maintain its existing level of service. To maintain the same level of service for civilian employees, the City would need to hire a minimum of 2.3 for the North study area and 2 for the South area for a total of 4.3 additional staff.

In addition to staffing costs, police protection requires a significant initial investment for equipment, training and vehicles. The following estimates for staffing costs are based on estimates provided by the Olympia Police Department. These costs include salary, overtime, benefits, equipment and training. In addition, an estimate is provided for the start-up costs of purchasing additional vehicles:

Staffing Costs				
		North	South	Total Study Area
Police Officer/Detective	\$154,000	\$774,928	\$700,854	\$1,475,782
Admin. Staff	\$106,000	\$243,800	\$212,000	\$455,800
Annual Total:		<b>\$1,018,728</b>	<b>\$912,854</b>	<b>\$1,931,582</b>
Initial Expenses				
Vehicles	\$50,000 @ 5			\$250,000
<b>Combined Annual and Initial Costs</b>				<b>\$2,181,582</b>

# Utilities

## Stormwater



### Capital Facilities and Maintenance

The City is required to meet standards for operations and maintenance of its stormwater facilities under the conditions of its National Permit Discharge Eliminations System (NPDES) permit. For example, condition of the NPDES permit is that all catch basins must be cleaned every other year. Annexation of the SE UGA would add 828 catch basins to the current inventory of 7564, for an increase of slightly over 10%. In total, annexation would result in the following increases to the stormwater infrastructure:

### Stormwater Infrastructure

	Current Inventory	North		South		Total Study Area	
	Number	Number	Percent Increase	Number	Percent Increase	Number	Percent Increase
Catch Basins	7,564	504	6.2%	324	4.1%	828	10.1%
Ponds	110	3	2.7%	12	10.9%	15	13.6%
Pipe (linear ft.)	830,550	38,129	.5%	28,401	.33%	66,530	.83%
Ditches/Swales (linear ft.)	109,007	8,581	7.8%	18,541	17%	57,061	24.8%

The annual maintenance associated with the acquisition of this infrastructure will have an impact on the staffing and equipment needs of the stormwater utility. The primary costs are related to vegetation



management and sediment collection and disposal. Sediment must be removed from catch basins, ponds, pipes, ditches and swales on the aforementioned maintenance schedule. In addition to the staffing and equipment needs, there are significant costs associated with the transfer and disposal of the sediment collected from each of these facilities.

Drawing on information obtained from the City's staff, the utility is currently at capacity for staffing and equipment, so annexation under any possible scenario, whether it is phased or the entire SE UGA, would require 2 FTEs, a construction truck and an excavator with trailer. For this reason, the costs of staff and equipment are included only for the North portion of the study area, because any annexation would trigger these expenses. Annexation of the South area would only result in increased sediment disposal expenses, as the added staffing and equipment would be sufficient to cover this area. Therefore, the impact of annexing the South area at a later date - or of annexing the entire study area all at once - would be marginal, as the only increase to stormwater operation and maintenance would be sediment disposal costs. Estimated costs, therefore, are as follows:

#### Cost of Annexation

	North	South	Total Study Area
Staffing – 2 FTEs	\$250,000	---	---
Construction Truck	\$90,000	---	---
Excavator wi. Trailer	\$75,000	---	---
Sediment Removal and Disposal <sup>88</sup>	\$46,000	\$75,000	\$121,000
Total Cost	\$461,000	\$536,000	

#### Revenues

	Parcels	Annual Revenue
North	1,550	\$261,330
South	1,334	\$224,912
Total Study Area	2,884	\$486,242

The stormwater utility is supported by revenues that are based on the type of parcel, such as whether the use is residential or commercial. Given that the study area is overwhelmingly residential, the estimated revenues to the utility have been calculated using the residential rate. The 2019 rate for single family parcels is \$14.05 per month.

#### Fiscal Impact

Based on the fact that any annexation scenario would be a tipping point for adding new staff and equipment, the immediate overall fiscal impact to the stormwater utility would be lessened if the entire SE UGA were to be annexed at once. Because the South area could only be annexed either after - or

<sup>88</sup> These estimates represent the averages of the range of possible disposal costs provided by staff, which were \$30.5-\$61.5 thousand for the North, 52.5-97.5 thousand for the South, and 83-159 thousand for the entire study area

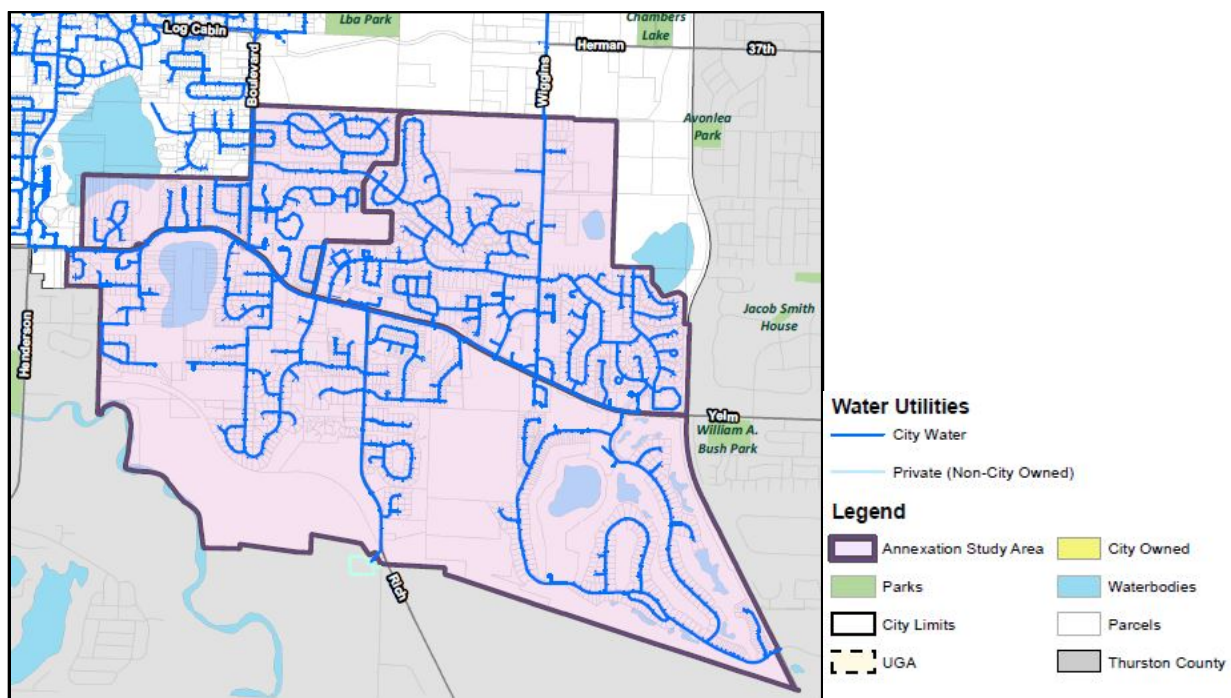


simultaneously with - the North area, the only two scenarios that need be presented are for the North area, or the study area as a whole:

	Revenues	Costs	Net Impact
North	\$261,000	\$461,000	-\$200,000
Total Study Area	\$486,000	\$536,000	-\$50,000

Based on the cost and revenue estimates, annexation would impact the stormwater utility. Based on an anticipated revenue deficit, the utility's ability to deliver core services could suffer. Alternatively, utility rates could be increased, which would have an impact on customers.

## Water



The City of Olympia already provides water services to a large portion of the SE UGA. For this reason, annexation of the area would have little immediate impact on either the utility or its customers. While citizens with private wells frequently object to being annexed because they believe they will be required to connect to City utilities, this is not the case. The only time conversion to the City water system would be required would be if there were a failure to an existing private system that is on a lot that has access to the City's water system. However, this requirement is already in effect for residents within the Urban Growth Area, so annexation would have no impact.

The Thurston County Assessor's parcel data is incomplete for the total number of parcels on either public or private water systems. The records for the SE UGA as a whole only have data for approximately 30% of the parcels. In addition, those systems that are labeled as "public" could be either municipal or privately-owned systems that meet the State Department of Health's public water system

requirements. Therefore, the following statistics are probably best used as an indicator of the ratio of public to private systems in the area:

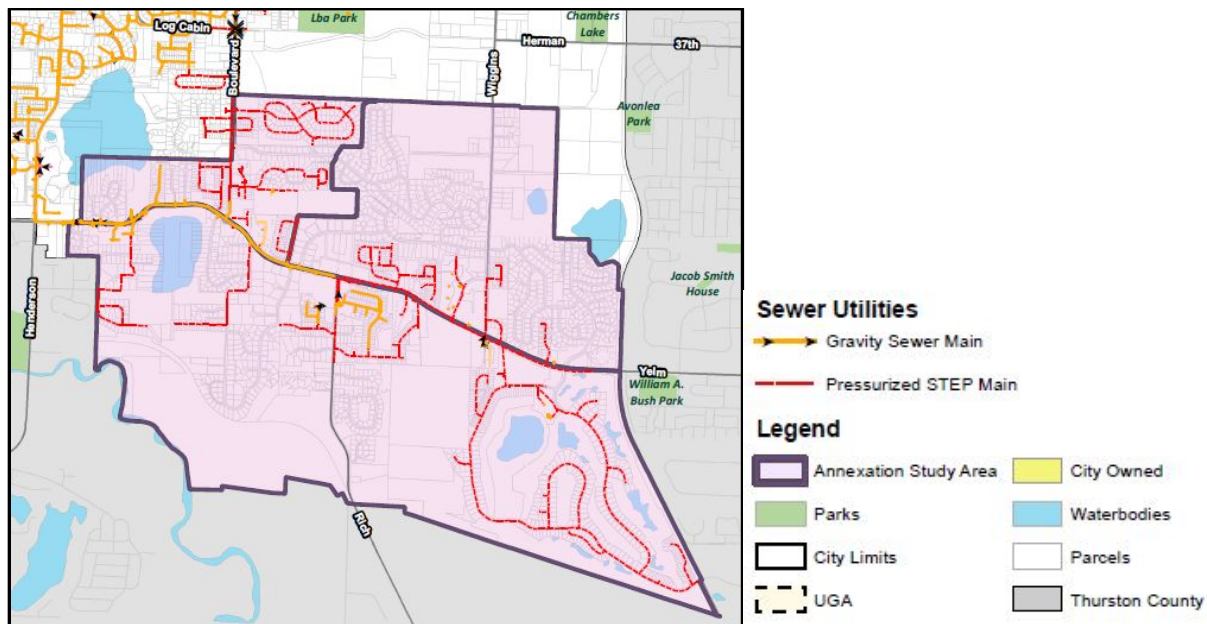
#### Water Systems in SE UGA

	Parcels on Private Wells	Parcels with Public Water
<b>North</b>	62	431
<b>South</b>	51	442
<b>Total Study Area</b>	113	873

- Some reductions in water rates to utility customers

As discussed earlier in this report, the City relies on the 60% direct petition method of annexation as its preferred annexation method. Further, the use of waivers of protest to annexation by property owners in the UGAs in exchange for City utilities had been the primary approach to gathering the petitions. This approach has helped ensure an orderly process for annexation in those areas where residents are receiving City utilities and other services. While the majority of water customers in the UGAs have completed waivers of protest, there are still some who have not. Within the SE UGA there are currently 200 parcels on public water that have not completed waivers of protest, but it is not known how many of these are customers of the City's utility versus being on a private system that meets public water standards. Per OMC 13.04.390, the City applies a 50% surcharge to water customers in the UGAs who have not signed an annexation waiver of protest. Should the SE UGA or any portion of it be annexed, those customers currently paying the 50% surcharge would see the surcharge eliminated. Because the number is low, the elimination of the surcharge is not expected to have a significant impact to the water utility, but individual customers would see a benefit.

#### Wastewater



While not as extensive as the water utility, the City provides sewer within the SE UGA as well. As with water services, annexation of the UGA would not immediately result in conversion of the area's septic systems to sewer. The only requirement for conversion would be if a septic system fails and is located within 200' of an available sewer line. Given the limited sewer network within the SE UGA, many failing systems will be beyond 200' from a sewer line and thus would be eligible for repair or replacement.

As with data on water systems, the County Assessor's data regarding sewer and septic for individual parcels is incomplete. There are records for approximately 43% of the parcels in the SE UGA. The data is still useful as an indicator of the ratio of parcels on septic versus sewer:

	Septic System	Sewer
North	739	288
South	493	232
Total Study Area	1,232	520

With approximately 12,400 systems in the UGAs, the issue of septic to sewer conversion is a long standing one for all the cities in Thurston County. In 2015 the Cities of Olympia, Tumwater and Lacey and Thurston County jointly published the Urban Septic Assessment Report.<sup>9</sup> The report details the water quality threats posed by failing systems. The report also provides a realistic critique of the challenges associated with a conversion program, including the following:

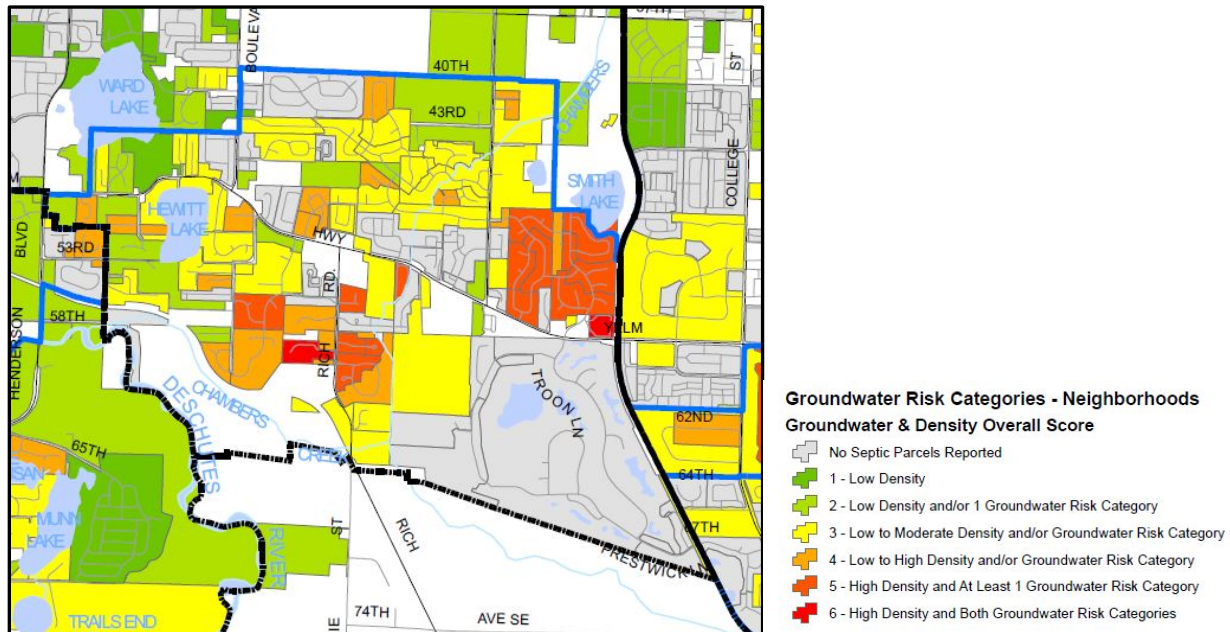
- **Lack of available funding to cover high project costs** – Municipal utilities must budget for capital facilities and services within legal and financial constraints. The high cost of extending sewer service to unsewered areas is a significant barrier to conversion in the local case studies, especially when considering funding to meet immediate priority needs.
- **Difficulty in justifying local government expenditures** – The local governments currently do not have an adopted, or consistent, conversion strategy that clearly describes the rationale and community benefits.
- **Lack of assured participation presents financial risk** – Because of the high cost to the property owner, as well as the lack of clear requirements for connection and incentives to participate, there is no assurance that the property owners will connect to sewer if it is made available.
- **High cost to individual homeowners** - In many cases the high cost of conversion for affected households is a barrier to homeowner participation. There are few effective mechanisms that allow homeowners to reduce or defer connection costs.<sup>10</sup>
- **Opposition from property owners** - Homeowners who see no obvious need to connect can present strong opposition to a septic conversion program. This is particularly true in areas of well-drained soil where the owner perceives little problem with the septic system. However,

<sup>9</sup> Urban Septic Assessment Report, March 2015, Compiled by the Interjurisdictional Regional Septic Work Group.

<sup>10</sup> However, since the publication of this report, LOTT has implemented a rebate program in 2017, and Olympia has a rebate program for their General Facilities Charge, which have reduced costs to homeowners.

cumulatively, septic systems are contributing to groundwater contamination or other environmental health risks.<sup>11</sup>

### Septic-related Groundwater Risk Areas<sup>12</sup>



The City's Septic to Sewer Program already applies to properties in both the city limits and the UGA equally. However, areas within the newly annexed area that pose an environmental threat could cause the utility to adjust its priorities for extension of future services.

Regulations concerning the permitting of new septic systems differ between the City limits and the UGA. Inside the City limits, there are lot size requirements (usually at least one acre) for a new septic system that do not apply in the UGA. This would affect most undeveloped properties in the UGA or less than an acre that are more than 200 feet from sewer.

In addition, applications for septic systems in the UGA are reviewed only for proximity to sewer. Applications with the City limits are reviewed as they relate to critical areas such as wetlands and steep slopes.

### Conclusion

Because the stormwater utility is currently at capacity for staffing and equipment, any annexation scenario would trigger the need for new staff and equipment. For this reason, there would be an economy of scale to the utility to annex the entire SE UGA. Annexing the entire area would provide revenues from a larger customer base without resulting in a need for additional staff and equipment beyond the projected need two new staff, a construction truck, and an excavator with a trailer.

<sup>11</sup> Urban Septic Assessment Report, pp. 4-5.

<sup>12</sup> Published by Thurston County

Impacts to the water and wastewater utilities would be minimal, as these utilities already operate in the Urban Growth Areas. There would be no new customers, and existing policies that are in effect in the SE UGA would remain the same following annexation for existing systems.



## Roads & Transportation

Usually the first concern that arises with transportation staff when an annexation is being considered is the condition of the roads within the annexation area. Obviously, roads that are in poor condition would likely present a near-term if not immediate cost to the City to make repairs, especially if they represent safety problems. In some cases, there may be costly repairs or upgrades necessary. An example would be a two-lane bridge that was built 40 years ago to serve a much smaller population, and which now has become a choke point within a busy corridor.

Even the best maintained roads present challenges to the City upon annexation. Because the City's and County's road standards are different, upon annexation the City usually receives an roads that do not comply with current standards. This is not due to any fault of the County, but rather with the fact that cities usually have a more urban standard designed to serve an urban population. A good example would be the Wilderness subdivision, which, while in good condition overall, does not have any sidewalks. Technically, for this subdivision to meet the City's standards, it should have sidewalks on at least one side of the street.

The issue of noncompliance is one that cannot be ignored, but at the same time it should not be assumed that annexation into the City would result in the immediate upgrading or retrofitting of the road network to meet current standards. Just as with long time frames associated with a septic to sewer conversion program, it is possible, if not likely, that the majority of nonconforming roads will remain so for long periods of time, if not decades. This is because the cost of retrofitting is so high, and there are so many other priorities to compete with. To the extent that a particular road or corridor poses a safety issue – say perhaps there is a road that has become unsafe for pedestrians due to increased traffic and really needs a sidewalk - it is possible that the City's planning and priorities can be shifted. The mostly likely immediate potential impact of adding the new road network is if there are high priority projects within the newly annexed area that could result in a change to the City's overall priorities, such as the 6-year Transportation Improvement Program (6-year TIP).

### Evaluating Road Conditions

The standard approach for evaluating roadway conditions is to assign a Pavement Condition Index (PCI) rating. This is an evaluation that requires a manual inspection, and it is usually done by breaking a particular road into multiple sections, with each section being assigned a PCI rating. Thurston County provided data for 180 road sections with the study area for which they have assigned PIC ratings. The average PCI rating for the study area is reported at 90.35. The general guide for how to interpret the PCI rating is as follows:

- Very Good – 100 to 85
- Good – 84 to 60
- Fair – 59 to 40
- Poor - 39 to 0

Viewed as a whole, according to the average PCI rating, the road network within the study area is in good condition. Of course, this does not mean that there aren't certain sections that will require attention at some point. There are 25 sections within the County's data set that had a PCI rating below 80, with Wiggins Road having the lowest rating, at 67. Local residents will recognize Wiggins Road as a narrow roadway in an area that has seen a large increase in traffic volume in recent years, and in fact the County's recommended improvement is "Pavement Width Change."

### Costs

This report focuses on the standard maintenance and capital costs associated with maintaining the road network within the City's current level of service. With information provided by the County and reviewed and vetted with the City's transportation planning staff, estimates have been developed based on existing staffing, operation and capital expenditures per lane mile. A level of service has been developed by using the latest budget for staff, operations and capital, divided by lane mile, to establish a unit cost for each of these categories per lane mile.

2018 Budget	Staff	Operating Budget
Streets	12.5	\$2,410,000
Traffic	8.5	\$2,050,000
Eng/Planning	9.0	\$1,300,000
<b>Total</b>	<b>30.0</b>	<b>\$5,760,000</b>

City of Olympia Total lane miles:	526
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Staff per lane mile:	0.06
Operating budget per lane mile:	\$10,951

Capital budget (2019 CFP)	\$6,000,000
Capital budget per lane mile	\$11,407

Based on the most recently budgeted amounts, the level of service for staff is .06 per lane mile, the operating budget is \$10,951 per lane mile, and the capital expenditures are \$11,407. The estimated costs for the study areas have been calculated by multiplying the lane miles within the study areas by the level of service and costs. For new staff, an estimate of \$150,000 per staff person has been used to cover salary, benefits, and equipment:

North = 40 Lane Miles	
Operating Budget	\$438,023
Capital Budget	\$456,274
Staffing (2.3 new staff)	\$345,00
<b>Total</b>	<b>\$884,642</b>

<b>South = 14 Lane Miles</b>	
Operating Budget	\$153,308
Capital Budget	\$159,696
Staffing (2.3 new staff)	\$120,000
<b>Total</b>	<b>\$313,124</b>

<b>Total Study Area = 54 Lane Miles</b>	
Operating Budget	\$591,331
Capital Budget	\$615,970
Staffing (2.3 new staff)	\$465,000
<b>Total</b>	<b>\$1,197,766</b>

### Street Lighting

The City pays the costs of street lighting within City limits, whereas subdivisions outside the City limits pay for street lighting through homeowners' associations.<sup>13</sup> Given that there are 51 subdivisions in the total study area, annexation will bring a cost to the City to pay for the street lights. According to information obtained from the City's Finance Department, the City spent \$390,525 on "Street Lighting and Power" in 2018. This report estimates the increased street lighting expense as 13% of the 2018 expenditure. This yields \$50,768 for the total study area.

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<sup>13</sup> The one exception to this in the study area is the Newcastle subdivision. The City pays for the street lighting in this subdivision.



## Community Planning & Development

The Department of Community Planning & Development (CP&D) includes planning, building, code enforcement, and engineering. Within these areas there are several services and functions that the City provides, including the following:

- Land subdivisions
- Neighborhood Association planning support
- Historic preservation
- Building permitting and plans review
- Permit Center - customer service and planning counter support
- Code enforcement
- Long range planning, such as the City's Comprehensive Plan
- Shoreline and critical areas review

Following annexation, each of the above functions of CP&D will see increased activity to some degree. Although the study areas are well-established and are not likely to see a great deal of new development, the annexation would still add a volume of work to the overall operations of the Department. Redevelopment and remodeling, for example, will increase the workload on plans examiners and permit staff. Adding nearly 7,000 citizens would definitely result in more calls for planning assistance and code enforcement. Adding new territory will require modifications to the City's Comprehensive Plan, and perhaps could increase the need to support more Neighborhood Associations.

CP&D staffing is currently at capacity. This report does not identify which areas within the Department's functions where new staff would be needed. Rather, an estimate of needed revenues is provided based the percent increase in population that the study area represents (13%), applied to areas of the Department's current budget that are most likely to be impacted by annexation. Specifically, the Community Planning and Permit Services line items in the 2019 budget are most likely to be affected and, combined, these amount to \$4,063,930.

<b>2019 Budget</b>	<b>North</b>	<b>South</b>	<b>Total Study Area</b>
\$4,063,930	\$284,475	\$243,836	<b>\$528,311</b>

## Parks, Arts and Recreation

There are currently no developed parks within the SE UGA study area. However, The City owns two significant properties that are designated for future development. An 86-acre parcel, formerly known as the Spooner's Farm property, was recently acquired for the purpose of developing a large community park which is likely to include a variety of playing fields. The Parks Department also owns Ward Lake Park, a 9-acre undeveloped community park. In addition to these two park lands, the Parks Department plans to acquire property to establish one more neighborhood park site within the SE UGA.

While not within the SE UGA, it is worth noting that the LBA Woods property, recently purchased by the City, is immediately adjacent to the north and is used extensively by residents within the study area.

### Revenues After Annexation

Because the City already owns and maintains the park lands within its Urban Growth Areas, annexation would not result in any increased costs. However, the Parks Department would benefit from annexation by gaining access to a variety of revenue sources. Presently, the only source of revenue to the Department for the parks it owns in UGAs derives from SEPA<sup>14</sup> mitigation fees. These fees are assessed on new developments by Thurston County and remitted to



the City to compensate for the impacts to the parks system. These mitigation fees represent a very small fraction of the Department's revenue, and many types of development which are exempt from SEPA, including small subdivisions and single-family residential construction, contribute nothing.

Upon annexation the Parks Department would derive revenues from the following sources:

- Olympia Metropolitan Park District – property taxes
- Increased General Fund allocation
- Non-voted utility tax
- Voted utility tax
- Impact fees

<sup>14</sup> State Environmental Policy Act

### Olympia Metropolitan Park District

In 2015 voters approved the creation of the Olympia Metropolitan Park District (OMPD). The OMPD is a separate municipal corporation with taxing authority. Currently, the OMPD assesses a property tax levy at a rate of \$.55 per \$1,000 of assessed value. Based on the assessed valuation of each study area the increase in property tax revenues would be as follows:

**North:** \$266,424  
**South:** \$267,097  
**TOTAL UGA:** \$533,521

### General Fund

Under the terms of an Interlocal Agreement (ILA) between the City of Olympia and the Olympia Metropolitan District (OMPD), dated March 1, 2016, the Parks Department receives an annual allocation of 11% from the City's General Fund. In the 2019 City of Olympia budget, approximately 75% of the revenues from property taxes went into the General Fund. To estimate what annexation of the study areas would represent for increased allocations to the OMPD, the total assessment has been multiplied by .75 to account for the percentage that goes to the General Fund, then multiplied by .11 to account for the percentage of the General Fund that is allocated to OMPD:



### General Fund Allocations to OMPD

	Property Tax Assessment	Allocation to General Fund	Allocation to OMPD
<b>North</b>	\$1,562,671	\$1,172,003	\$128,920
<b>South</b>	\$1,566,669	\$1,175,002	\$129,250
<b>Total Study Area</b>	\$3,129,340	\$2,347,005	\$258,171

### Utility Taxes – Voter and Non-voter Approved

The City of Olympia taxes utilities<sup>15</sup> at a rate of 9 percent. Under state law, the maximum rate allowed voter approval is 6 percent, and this portion of the tax is referred to as “Non-voter Approved.” In 2004 voters approved a 3% increase for Parks and Pathways, which is referred to as the “Voter Approved” portion of the utility tax.

Under the terms of the ILA, the City has committed to allocate 1% of the Non-voter approved utility tax and 2% of the Voter-approved utility tax revenues to the Parks Department for the purpose of acquiring and maintaining parks properties, with an emphasis on acquisition.<sup>16</sup>

Because utility taxes are based on consumption, there is not a direct metric to calculate future revenues from a potential annexation area. An estimate is developed here by projecting future revenues based upon the anticipated percentage increase in the number of dwellings within the study areas and applying this percentage increase to previous allocations of the utility tax. The City’s 2019 Budget reports that the Parks Department received \$478,110 from the 2018 Non-voted Utility Tax and \$1,934,300 from the 2018 Voted Utility Tax:

### Utility Tax Allocations – 2019 City of Olympia Budget

Allocation of Utility Tax		
Electric, Gas & Telecommunications:	%	2018 Estimated Collections
<b>Base— 6%</b>		
General Use	4.50%	\$ 4,303,000
Park and Bike Lane Maintenance	0.50%	478,110
Capital Facilities and General Use	1.00%	1,000,000
<b>Voter-approved— 3%</b>		
Parks	2.00%	1,934,300
Sidewalk, Recreation Use	1.00%	965,700
<b>Cable TV— 6%:</b>		
Capital Facilities	6.00%	1,130,000
<b>TOTAL</b>	<b>15.00%</b>	<b>\$9,811,110</b>

Based on the projected increase in dwellings units, the increase to the Parks Department from Non-voted and Voted Utility Taxes would be as follows:

	North – 8%	South – 5%	Total Study Area
<b>Non-voted</b>	\$38,249	\$23,906	\$62,155
<b>Voted</b>	\$154,744	\$96,715	\$251,459
<b>Total</b>	\$192,993	\$120,621	\$313,614

<sup>15</sup> Telecommunications, natural gas, electric.

<sup>16</sup> The remaining 1% of the Voter-approved tax revenues is dedicated to sidewalks and recreational uses.

## Impact Fees

Upon annexation the Parks Department would begin collecting impact fees for new development. As with projecting utility tax revenues, there is no direct metric for calculating impact fees revenues, particularly in the short-term. This is dependent on if and when parcels are either developed or re-developed within the study area. Because there are many assumptions that must be made, a conservative estimate is presented here. The potential for future development is derived beginning with the number of vacant parcels in the study areas, acknowledging that not all the parcels are necessarily capable of development. Based upon current zoning, it is assumed that nearly all future development will be a combination of single family or multi-family dwellings. Finally, a conservative estimate of a 5% rate of development (annual) is applied to provide a rough estimate of potential revenues from impact fees. Finally, although the study areas will likely see future multi-family development, for the purpose of providing a general estimate, only single family residential construction is assumed here

## 2019 Park Impact Fee Schedule

TYPE OF DWELLING UNIT	Neighborhood Park	Community Park	Open Space	TOTALS
Single Family including Manufactured Homes on individual lots, Townhouses	\$890	\$3,383	1,308	\$5,581
Duplex, Triplex, Fourplex (per unit), Cottage Housing	\$605	\$2,301	\$890	\$3,796
5 or more unit Multi Family, Courtyard Apartments	\$605	\$2,301	\$890	\$3,796
Units in Senior Housing Developments (including single family units)	\$605	\$2,301	\$890	\$3,796
Mobile Home in Mobile Home Parks	\$605	\$2,301	\$890	\$3,796
Accessory Dwelling Units	\$356	\$1,353	\$524	\$2,233
Single Room Occupancy Units, Studios	\$356	\$1,353	\$524	\$2,233
Downtown Multi Family (including Townhouses)	\$463	\$1,759	\$680	\$2,902

## Projection of Impact Fee Revenues<sup>17</sup>

	Vacant Parcels	5% Development Rate	North	South	Total Study Area
North	65	3.25	\$18,138		
South	83	4.15		\$23,161	
Total Study Area	148	7.4			\$41,299

<sup>17</sup> Based on an impact fee rate of \$5,581 for single family residential.

### Parks, Arts and Recreation Revenues

	North	South	Total Study Area
<b>OMPD Assessment</b>	\$266,424	\$267,097	\$533,521
<b>Property Tax</b>	\$128,250	\$129,250	\$258,171
<b>Non-voted Utility Tax</b>	\$38,249	\$23,906	\$62,155
<b>Voted Utility Tax</b>	\$155,744	\$96,715	\$251,459
<b>Impact Fees</b>	\$18,138	\$23,161	\$41,499
<b>TOTAL</b>	<b>\$606,805</b>	<b>\$540,129</b>	<b>\$1,146,805</b>



## Other Revenues

In addition to property taxes and revenues related to fee-based services, such as the stormwater utility, there are a variety of other taxes and fees that would accrue to the City following annexation.

### Utilities and Services Taxes

The City imposes a 9% tax on telecommunications, natural gas and electric utilities. In addition, beginning in 2105 a 6% tax was assessed on cable television. Finally, the City imposes a 5% franchise fee on telecable services. Forecasting tax revenues that are based on future consumption would require several assumptions, ranging from the number of consumers who will be using a particular service, to the average amounts they will pay for the service.

Rather than attempt to predict consumption, this report does a per capita estimate of revenue as a percentage of the City's expected 2019 revenues across these categories, as reported in the City's 2019 Annual Budget:<sup>18</sup> Because the annexation of the study area represents a population increase of 13%, the following amounts for each category of tax or fee are projected as 13% of the amounts in the 2019 budget:

	<b>2019 Budget</b>	<b>North</b>	<b>South</b>	<b>Total Study Area</b>
<b>Telephone</b>	\$1,425,000	\$99,750	\$85,500	\$185,250
<b>Cable TV</b>	\$1,130,000	\$79,100	\$67,800	\$146,900
<b>Telecable</b>	\$470,000	\$32,900	\$28,200	\$61,100
<b>Gas</b>	\$690,300	\$48,321	\$41,418	\$89,739
<b>Electric</b>	\$2,470,250	\$172,918	\$148,215	\$321,133
<b>Total</b>	\$6,185,550	\$432,989	\$371,133	<b>\$804,122</b>

### Transportation Benefit District

The City has a Transportation Benefit District (TBD), which is defined on the City's web site as "a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district." The purpose of the TBD is to fund preservation, maintenance and construction of the City's local public ways.

As of 2017, the TBD charges \$40 for every registered vehicle in the City. Assuming the study area has 1.5 cars per household, this would yield an annual revenue of \$121,120.

### State Shared Revenues

Jurisdictions receive revenues collected by the State from liquor receipts, motor vehicle fuel and marijuana excise taxes. The revenues are distributed on a per capita basis. The 2019 amount per capita is \$30.78. This would yield \$208,780 for the SE UGA.<sup>19</sup>

<sup>18</sup> 2019 Budget, p. 51.

<sup>19</sup> This does not include the revenues from marijuana excise taxes, which would be minimal for the study area.



**Development Related Fees**

Although the study areas are largely “built out,” there is some vacant land where new construction may occur. In addition, redevelopment and remodeling of existing properties is a source of revenue through permit fees. This report again projects revenue in this category as a percentage of the receipts estimated for the City’s 2019 budget. Since the total study area represents a 13% increase in population, revenues are projected at 13% of the 2019 budget:

	<b>2019 Budget</b>	<b>North</b>	<b>South</b>	<b>Total Study Area</b>
<b>Building Permits</b>	\$2,611,465	\$182,802	\$156,688	\$339,490
<b>Fire Permits</b>	\$125,000	\$8,750	\$7,500	\$16,250
<b>Development Fees</b>	\$941,527	\$65,907	\$56,492	\$122,399
<b>Zoning &amp; Subdivisions</b>	\$246,000	\$17,220	\$14,760	\$31,980
<b>Total</b>	<b>\$3,923,992</b>	<b>\$274,679</b>	<b>\$235,440</b>	<b>\$510,119</b>

## Summary of Costs & Revenues

	North	South	Total Study Area
<b>Revenues</b>			
Property Tax	\$1,299,836	\$1,303,162	\$2,602,988
OMPD Assessment	\$262,385	\$263,507	\$526,342
Stormwater Utility	\$261,330	\$224,912	\$486,242
Transportation Benefit District	\$70,040	\$51,040	\$121,120
Utilities and Franchise Fees	\$432,989	\$371,133	\$804,122
State Shared Revenues	\$111,792	\$96,988	\$208,780
Development Fees	\$274,679	\$235,440	\$510,119
<b>Total Revenues</b>	<b>\$2,713,051</b>	<b>\$2,546,182</b>	<b>\$5,295,713</b>
<b>Costs</b>			
Police	\$1,018,728	\$912,854	\$1,931,582
Roads & Transportation	\$884,642	\$313,124	\$1,197,776
Stormwater	\$461,000	\$75,000	\$536,000
Community Development	\$284,475	\$243,836	\$528,311
Street Lights	\$27,337	\$23,431	\$50,768
Fire	\$909,044	\$779,180	\$1,688,224
<b>Total Costs</b>	<b>\$3,585,226</b>	<b>\$2,347,425</b>	<b>\$5,932,661</b>
<b>Net Revenue</b>	<b>\$-872,175</b>		<b>\$-636,948</b>

**SCENARIO 1 - OPERATING EXPENSES REFLECT MORE IMMEDIATE TRANSFER OF SERVICES  
Operations, Non-Utilities**

		<b>2023</b>	<b>2029</b>	<b>2035</b>	<b>2041</b>	<b>2047</b>
Operating Revenues						
Property Taxes		3,099,561	4,249,559	5,826,229	7,987,874	10,951,532
Sales Taxes		19,191	23,590	28,998	35,646	43,819
Business Licensing		3,000	3,091	3,185	3,282	3,381
B&O Taxes		550	584	620	658	698
State Shared		238,355	276,418	320,560	371,752	431,118
Utility Tax, Private		460,969	519,126	584,620	658,377	741,440
Utility Tax, City		46,649	49,519	52,565	55,799	59,232
Franchise		94,405	97,273	100,227	103,272	106,409
Development Fees		539,500	765,291	1,085,580	1,539,916	2,184,400
Total Revenues:		4,502,179	5,984,451	8,002,585	10,756,576	14,522,029
Operating Expense						
FTEs						
Police	12.00	2,267,097	2,812,599	3,558,835	4,503,061	5,697,809
<b>Fire</b>	<b>19.66</b>	<b>1,403,604</b>	<b>1,924,369</b>	<b>3,662,463</b>	<b>4,497,623</b>	<b>5,528,727</b>
Transportation	3.10	938,941	1,142,121	1,363,752	1,628,391	1,944,384
Community Planning	-	468,965	559,968	668,631	798,381	953,308
Parks (No Additional)	-	-	-	-	-	-
Total Expenses:	34.76	5,078,606	6,439,056	9,253,681	11,427,456	14,124,229
Cost Difference		(576,427)	(454,606)	(1,251,096)	(670,880)	397,800

Note: Staff recommends revenue/cost difference be further addressed through a phasing of service plan

Additional Notes:

Operating Revenues represent those not assigned to Capital

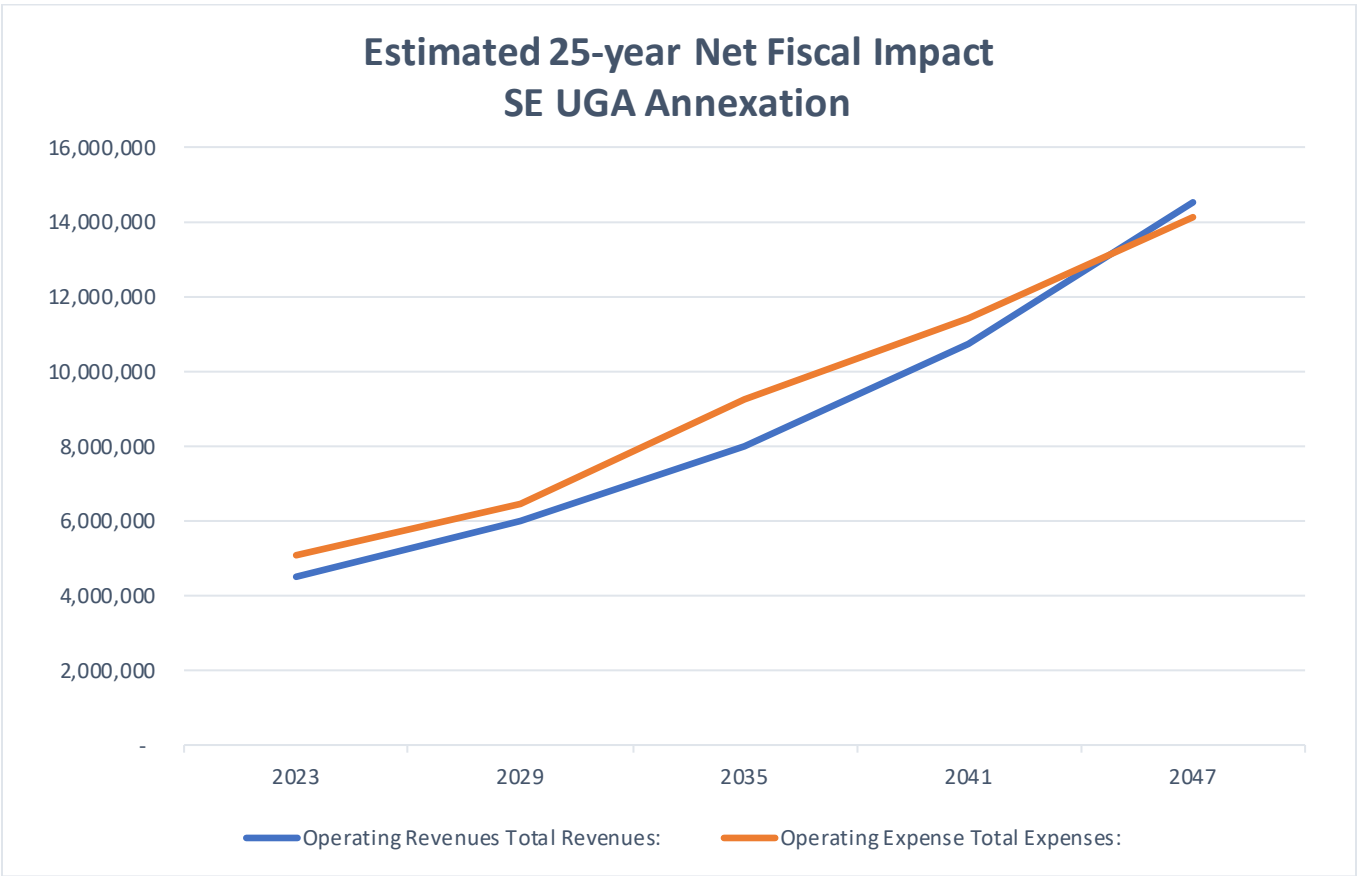
General Fund includes and estimated \$ 370,000 assigned to Parks (11% of 3.5 million)

Operating Expenses represent non-capital expenses

**Fire Department maintains ILA/contract for operations with Fire Districts 3 and 6 through 2029 after which transfer of operations occurs following construction of new fire station.**

Police FTE = 9 officers covering 3 shifts plus admin staff = 12 FTE

Scenario 1 Graph



## SCENARIO 2 - OPERATING EXPENSES AND TRANSFER OF SERVICES SPREAD OVER TIME

### Operations, Non-Utilities

		<b>2023</b>	<b>2029</b>	<b>2035</b>	<b>2041</b>	<b>2047</b>
Operating Revenues						
Property Taxes		3,099,561	4,249,559	5,826,229	7,987,874	10,951,532
Sales Taxes		19,191	23,590	28,998	35,646	43,819
Business Licensing		3,000	3,091	3,185	3,282	3,381
B&O Taxes		550	584	620	658	698
State Shared		238,355	276,418	320,560	371,752	431,118
Utility Tax, Private		460,969	519,126	584,620	658,377	741,440
Utility Tax, City		46,649	49,519	52,565	55,799	59,232
Franchise		94,405	97,273	100,227	103,272	106,409
Development Fees		539,500	765,291	1,085,580	1,539,916	2,184,400
Total Revenues:		4,502,179	5,984,451	8,002,585	10,756,576	14,522,029
Operating Expense	FTEs					
Police	12.00	2,267,097	2,812,599	3,558,835	4,503,061	5,697,809
<b>Fire</b>	-	<b>1,403,604</b>	<b>1,924,369</b>	<b>2,638,347</b>	<b>3,617,226</b>	<b>4,959,287</b>
Transportation	3.10	938,941	1,142,121	1,363,752	1,628,391	1,944,384
Community Planning	-	468,965	559,968	668,631	798,381	953,308
Parks (No Additional)	-	-	-	-	-	-
Total Expenses:	15.10	5,078,606	6,439,056	8,229,565	10,547,059	13,554,789
Cost Difference		(576,427)	(454,606)	(226,980)	209,517	967,241

Note: Staff recommends revenue/cost difference be further addressed through a phasing of service plan

#### Additional Notes:

Operating Revenues represent those not assigned to Capital

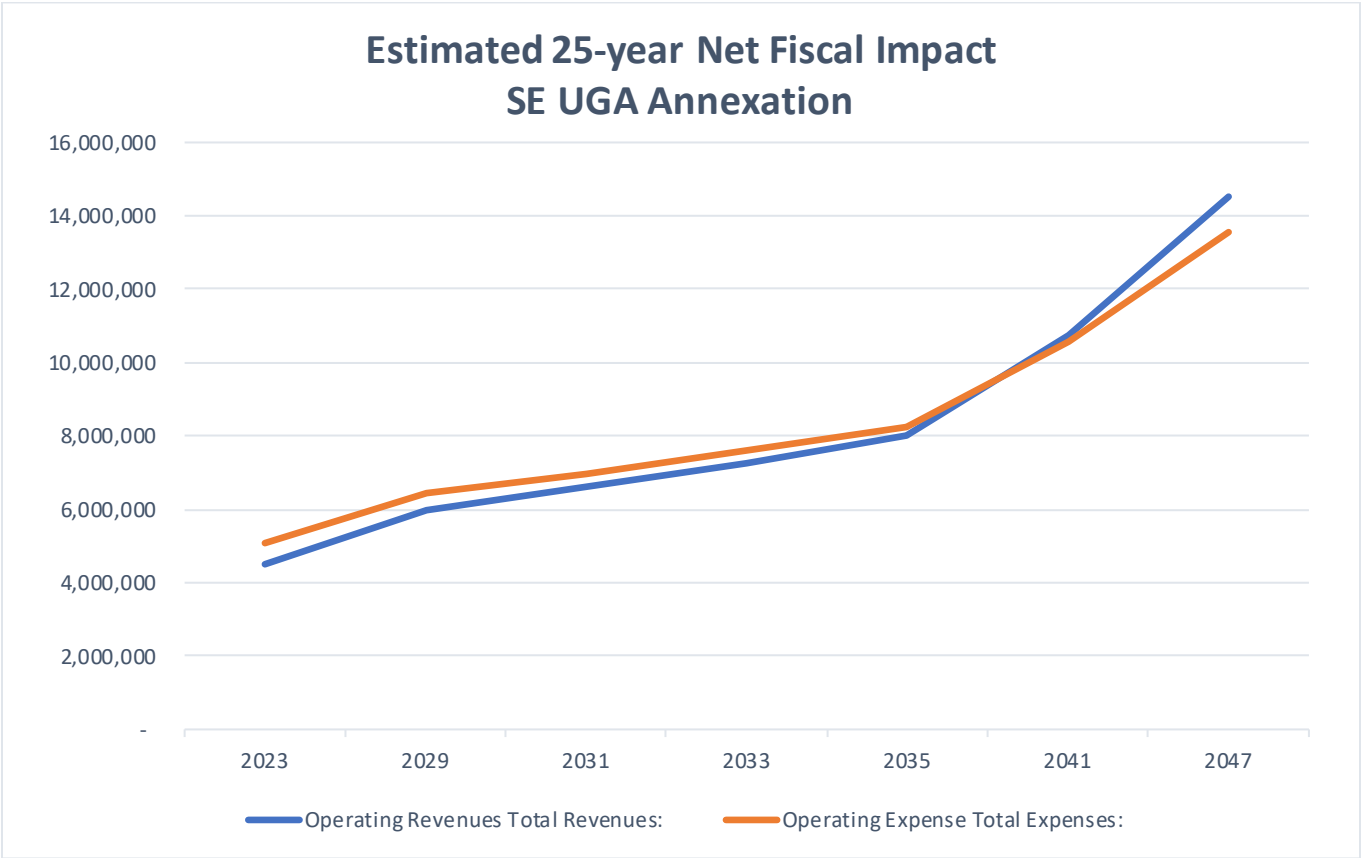
General Fund includes an estimated \$ 370,000 assigned to Parks (11% of 3.5 million)

Operating Expenses represent non-capital expenses

**Fire Department maintains ILA/contract for operations with Fire Districts 3 and 6. Districts would be reimbursed by the City in an amount equal to their annual levies.**

Police FTE = 9 officers covering 3 shifts plus admin staff = 12 FTE

Scenario 2 Graph





## Land Use & Environment Committee

### Neighborhood Centers Update

**Agenda Date:** 9/16/2021  
**Agenda Item Number:** 6.B  
**File Number:** 21-0852

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**Type:** information   **Version:** 1   **Status:** In Committee

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**Title**

Neighborhood Centers Update

**Recommended Action**

**Committee Recommendation:**

Briefing Only. No action requested.

**City Manager Recommendation:**

Briefing Only. No action requested.

**Report**

**Issue:**

Whether to receive a briefing on the Neighborhood Centers project.

**Staff Contact:**

Cari Hornbein, Senior Planner, Community Planning and Development, 360.753.8048

**Presenter(s):**

Cari Hornbein, Senior Planner, Community Planning and Development

**Background and Analysis:**

Olympia's Comprehensive Plan identifies 17 areas for future neighborhood center development. Neighborhood centers are small walk- and transit-friendly areas within neighborhoods that serve the day-to-day retail and service needs of local residents and foster community interaction. These destinations are essential to achieving community goals to reduce environmental impacts, improve human health, provide greater housing options, and foster healthy and resilient neighborhoods. Descriptions of each designated neighborhood center can be found in Attachment 2. (Please note the information in this document is dated August 2, 2013.)

Despite long-held goals to encourage them, neighborhood centers have not been developed as envisioned in the Comprehensive Plan. In 2014, the Planning Commission set out to find out why and to help create solutions. Originally, the Neighborhood Centers project included three phases:

- **Phase I - Information Gathering (2014)**

The Planning Commission gathered input about the public's desires as well as barriers to



neighborhood centers development. An online questionnaire was conducted, as were interviews with business owners and operators. Results were compiled in the 'Summary of 2014 Findings about Olympia's Neighborhood Centers' (see Attachment 3 for link to this document).

- **Phase 2 - Outreach (2015-2016)**

During this phase, Commissioners were going to share what they learned about challenges, opportunities, and success factors with neighborhoods and other stakeholders. The Neighborhood Centers project was put on hold before outreach occurred due to lack of capacity and other priority work program projects.

- **Phase 3 - Regulatory Changes (2016)**

This phase would have involved amendments to the Municipal Code to make neighborhood center goals easier to achieve.

The Neighborhood Centers project has remained on the Planning Commission's work plan since it was put on hold in 2015. The Community Planning and Development Department will be hiring a consultant to assist in moving the project forward. Staff is currently developing a scope of work for the recruitment process; preliminary tasks include updating demographic information, analyzing current market conditions, identifying barriers in current codes and policies, public engagement, and developing strategies and actions for making neighborhood center goals easier to achieve.

Additional information and resource materials can be found on the City website; a link is provided in Attachment 3.

**Neighborhood/Community Interests (if known):**

Development of neighborhood centers was a primary theme during the last Comprehensive Plan update. They were also addressed in the *Sustainable Thurston Plan* and the *Housing Action Plan*; both plans involved extensive public outreach.

The Eastside Neighborhood Association has expressed interest in having a neighborhood center in their neighborhood.

**Options:**

None at this time. Briefing only.

**Financial Impact:**

The project is being funded by the Community Planning and Development Department's budget in 2021 and 2022.

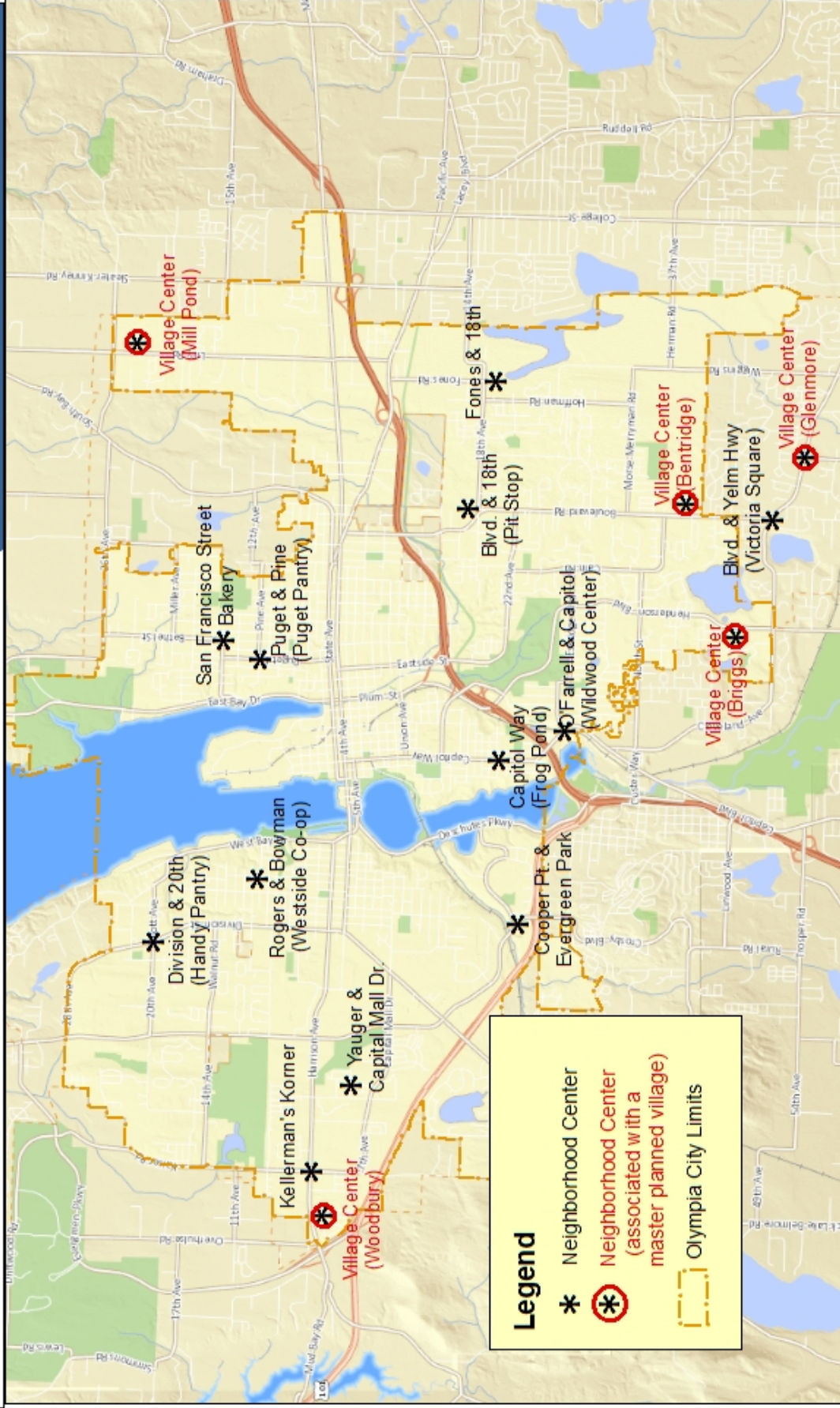
**Attachments:**

Map of Designated Neighborhood Centers  
Description of Designated Neighborhood Centers  
Neighborhood Centers Webpage

# Neighborhood Center Areas

From Olympia's Comprehensive Plan Future Land Use Map

City of Olympia | Capital of Washington State



## Legend

- \* Neighborhood Center
- \* (associated with a master planned village)
- Olympia City Limits

0 0.5 1 Miles  
1 inch = 5,000 feet

Map printed 11/9/2014  
For more information, please contact:  
Amy Buckler, Associate Planner  
abuckler@ci.olympia.wa.us  
(360) 570-5847

Victoria Square & Glenmore  
are currently in the jurisdiction  
of Thurston County, but are  
planned to be annexed into  
the City of Olympia within the  
20 year planning period.

This map is intended for 8.5x11" landscape printing.  
The City of Olympia and its personnel cannot assure the accuracy, completeness, reliability, or suitability  
of this information for any particular purpose. The parcels, rights-of-way, utilities and structures depicted  
hereon are based on recent information and aerial photos only. It is recommended that the recipient and/or  
user field verify all information prior to use. The use of this data for purposes other than those for which  
they were created may yield inaccurate or misleading results. The recipient may not assert any proprietary  
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savings or any other consequential damages.





## NEIGHBORHOOD CENTER “FUN FACTS”

### 1. Rogers & Bowman (Westside Food Co-op)

**Type:** New NC designation in Comp Plan Draft

With existing zoned NR parcels in the vicinity, containing a food store and single family residences

**Surrounded by:** Single Family Residential, zoned R 4-8

**2010 Households within ¼ mile:** 392

**2010 Households within ½ mile:** 1,328



**Random Fact:** The area zoned NR is a little over 1 acre. A master planned NC would need to encompass at least one more acre.

**Did you know?** The Westside Co-op opened in 1980, and the site was fully purchased by the Co-op in 1993. This is more than a neighborhood grocery store, as it has a regional draw.

## 2. Division & 20<sup>th</sup> (Handy Pantry)

**Type:** NC designation identified in current (1994) Comp Plan  
With existing zoned NR parcels in the vicinity, containing a closed convenience store/gas station

**Surrounded by:** Multi-family zoning RM-18 to the west, and Single Family Residential 4-8 Units per Acre (R 4-8). The main headquarters for Garden Raised Bounty (GruB) is immediately to the east.

**2010 Households within ¼ mile:** 294

**2010 Households within ½ mile:** 739



**Random Facts:** The Handy Pantry parcel is .93 acres, or about 40,511 sq. ft. (There is 43,560 sq. ft. in an acre.)

According to the WA State Dept. of Ecology, two of the underground (gasoline) storage tanks have been removed from this site; two underground tanks of unleaded gasoline remain.



### 3. Kaiser & Harrison (Kellerman's Korner)

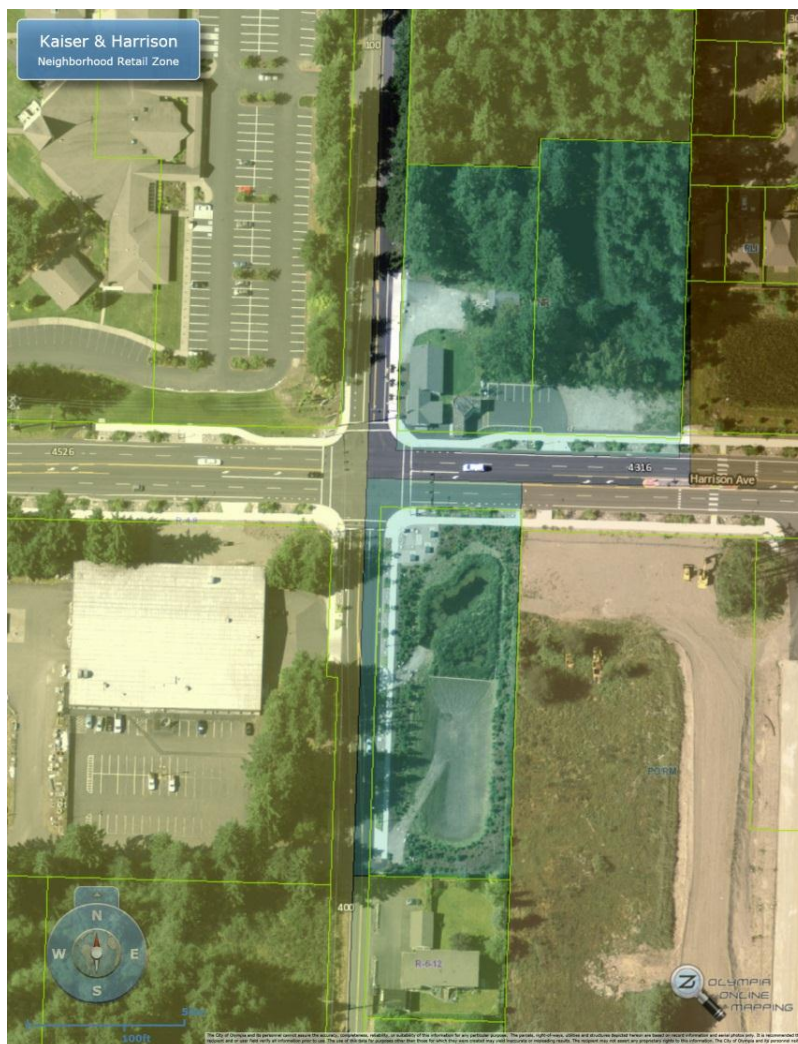
**Type:** New NC designation in Comp Plan Draft

With existing zoned NR parcels in the vicinity, containing a pet grooming business (NW parcel), an undeveloped lot (NE parcel), and a City stormwater pond (south parcel)

**Surrounded by:** Residential Low Impact (RLI) to the north and east, Professional Office/Multi-Family (PO/RM) to the south and east, Residential 6-12 Units per Acre (R 6-12) to the south, and R 4-8 to the west

**2010 Households within ¼ mile:** 111

**2010 Households within ½ mile:** 460



**Random Fact:** The area to the north of Harrison was annexed into the City in 1999, the area south in 2007.

#### 4. Harrison & Woodbury Crossing

**Type:** Neighborhood Village Center

**Approved Village Master Plan:** See Handout

**Description:** A 58-acre Neighborhood Village Master Planned Development comprised of 382 residential units, including 241 single-family lots, 12 duplexes, 39 triplexes, 7,000 square feet of commercial floor space, a public green, a three-acre stormwater tract, and five acres of scattered open space/tree tracts.

**2010 Households within ¼ mile:** 16

**2010 Households within ½ mile:** 274



**Random Fact:** Woodbury Crossing is just beginning to build out. Formally referred to as College Station, this village master plan was preliminarily approved by Thurston County, before being annexed into the City in 2007. The County required the neighborhood center to be contained within the village, rather than along Mud Bay Road.



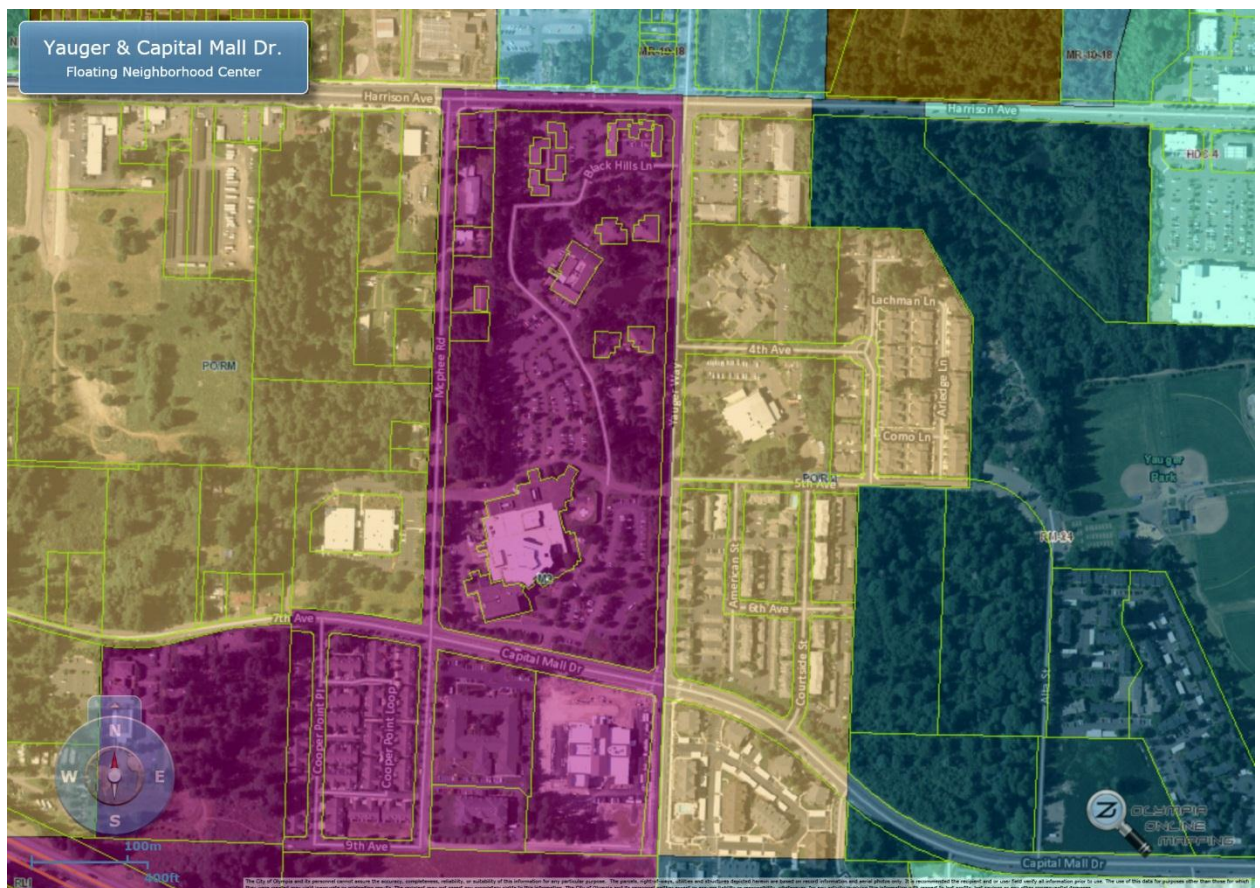
## 5. Yauger Way & Capital Mall Drive (Capital Medical Center)

**Type:** NC designation identified in current (1994) Comp Plan  
No NR zone in the vicinity

**Surrounded by:** Capital Medical Center to the west, Westfield Capital Mall to the east, and several apartment buildings along Capital Mall Drive. There are large undeveloped parcels zoned Residential Multifamily 24 units per acre (RM 24) to the east.

**Households within ¼ mile:** 292

**Households within ½ mile:** 874



**Random Fact:** Did you know? The 40 acre City of Olympia Yauger Park to the west serves two purposes: it's a stormwater detention area as well as a community park. Yauger Park captures stormwater runoff from the west side business district. The pond, by design, removes contaminants from the stormwater. When full, the pond can hold up to 27 million gallons of water! After the storms subside, the stored water is gradually released through Percival Creek and ultimately into Budd Inlet.



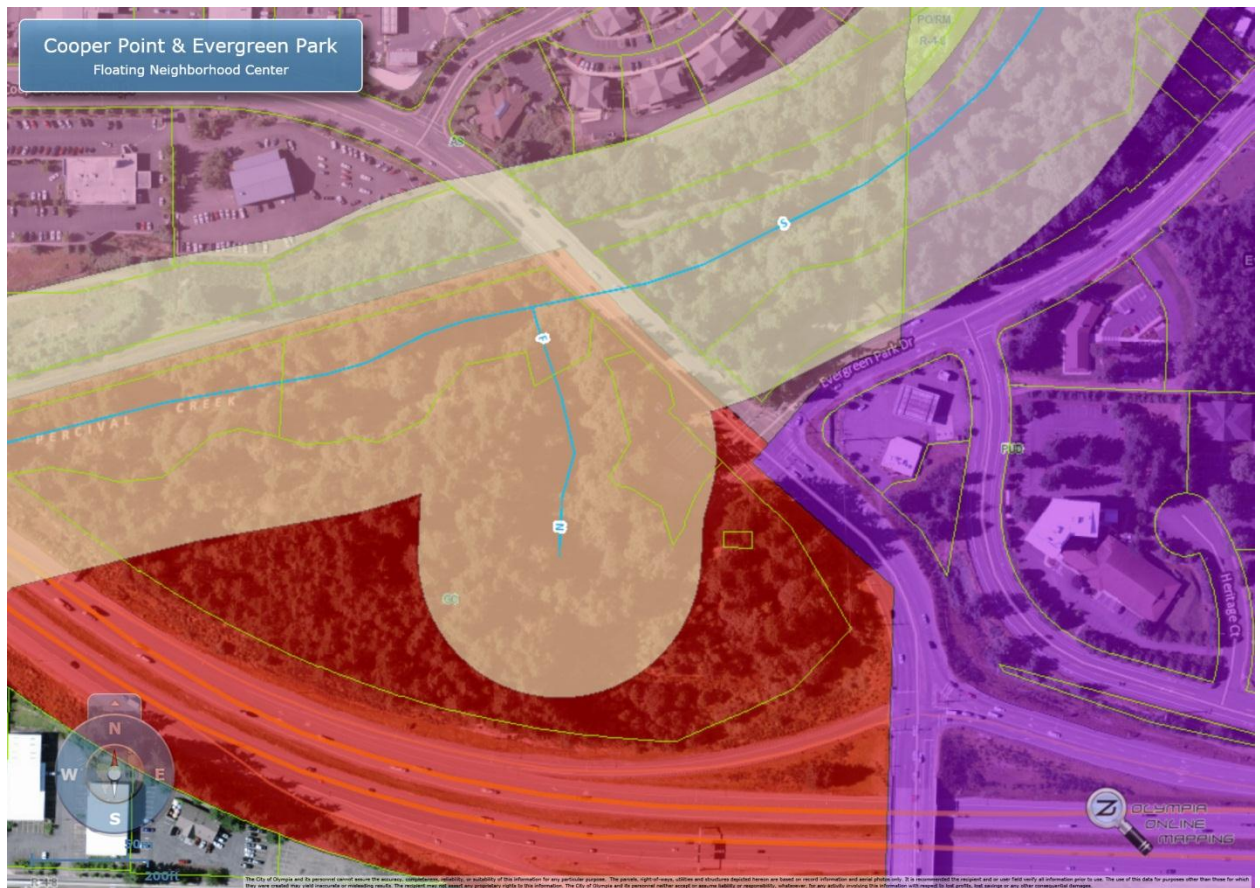
## 6. Cooper Point & Evergreen Park

**Type:** New NC designation in Comp Plan Draft  
No NR zone in the vicinity

**Surrounded by:** Immediately to the east in the Evergreen Park PUD is a church, a City park and several offices; to the west across Cooper Point Auto Mall Drive is a gas station; The Olympia Auto Mall is to the west; Highway 101 is to the south.

**Households within ¼ mile:** 97

**Households within ½ mile:** 1,426



**Random Fact:** Percival Creek runs diagonally across the third of the above map. The required stream buffer encompasses a good portion of the General Commercial (GC) zoning to the east. Some development overlooking Highway 101 and Cooper Point Road is still possible.

## 7. Capitol Way (Frog Pond)

**Type:** New NC designation in Comp Plan Draft  
With existing zoned NR parcel in the vicinity, containing a grocery store and a single-family home.

**Surrounded by:** Offices to the west, and residential housing zoned Residential Six Units per Acre (R 6-12).

**Households within ¼ mile:** 445

**Households within ½ mile:** 761

*The data layer on the map below is incorrect. The blue area, depicting where the Neighborhood Retail zone is, should be shifted about 75 feet to the east.*



**Random Fact:** The Washington State Capitol Campus is located about 1,305 feet to the north of Frog Pond Grocery, or about ¼ mile away. There are 5,280 feet in a mile.



## 8. O'Farrell & Capitol (Wildwood Center/ Tasha Nicole)

**Type:** New NC designation in Comp Plan Draft

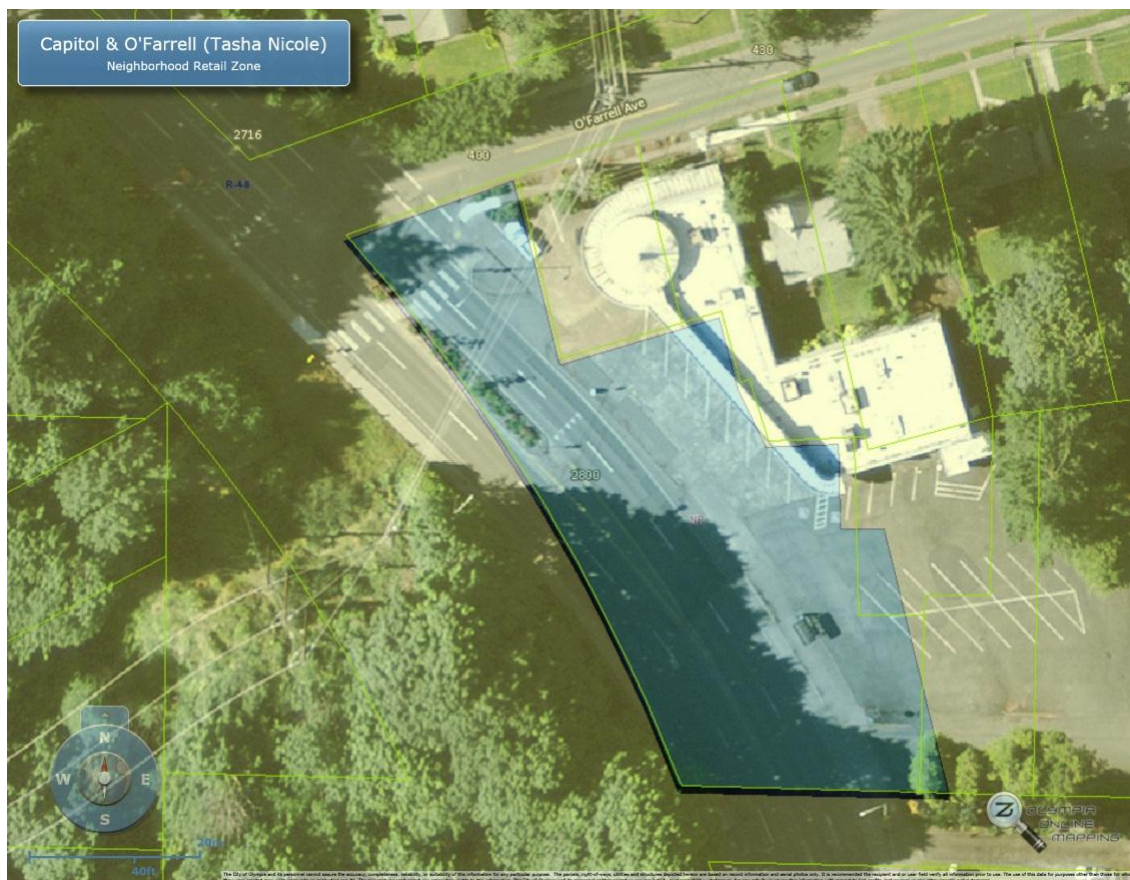
With existing zoned NR parcel in the vicinity, containing a grocery store, bakery, coffee shop and small restaurant (coming soon!)

**Surrounded by:** Residential housing zoned R 4-8. Highway 101 is to the west.

**Households within ¼ mile:** 199

**Households within ½ mile:** 838

*The data layer on the map below is incorrect. The blue area, depicting where the Neighborhood Retail zone is, should be shifted about 75 feet to the east.*



**Random Fact:** The Wildwood Building was originally constructed in 1943. It is 5,814 square-feet.

## 9. Yelm & Henderson (Briggs Village)

**Type:** Neighborhood Village Center

**Approved Village Master Plan:** See Handout\*

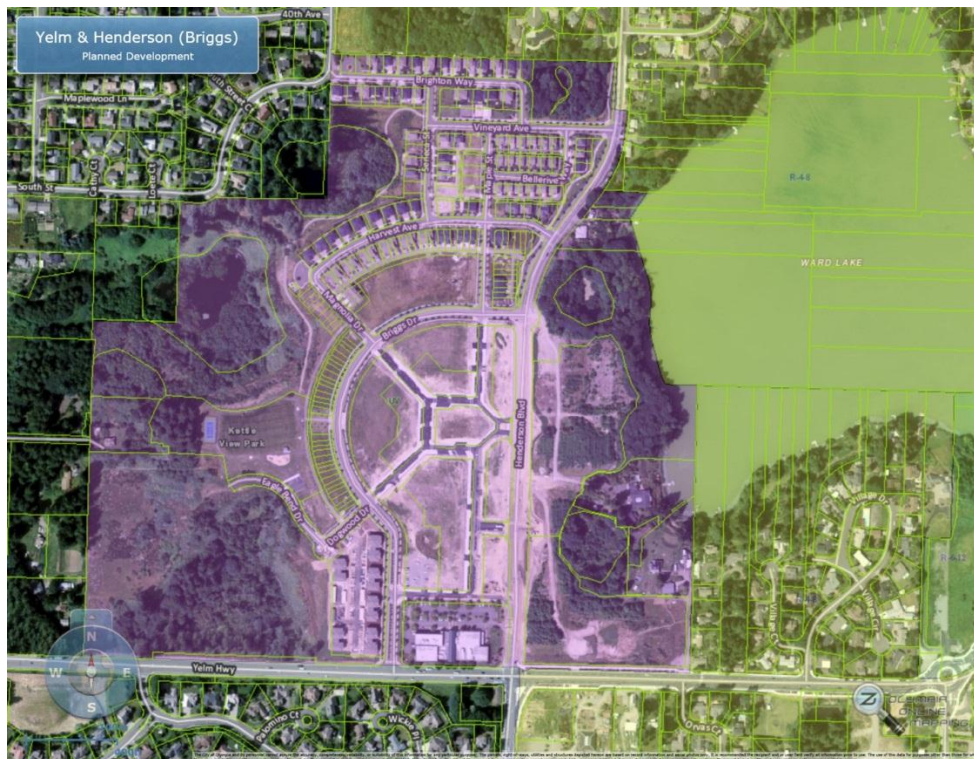
**Description:** A 137.2 acre Urban Village Master Planned Development comprised of 810 single and multi-family residential units, including senior housing, and a Mixed Use District with a blend of retail, office and housing.

Briggs contains 58.1 acres of community space, comprising 42.3% of the site. This includes: a 4.8-acre city-owned neighborhood park, a 2.5 acre common areas, a 1.0-acre Town Square, a 6.7-acre arboretum, and 43.1 acres of greenbelt.

*\*There is an application for a modification to the mixed use district currently in review – including slight increase to open space, slight decrease to residential, change the grocery store from two-stories to one-story, and reduce other commercial area by about 40%.*

**Households within ¼ mile:** 63

**Households within ½ mile:** 605



**Random Fact:** The village green, known as Town Square, is within one-quarter mile walking distance of over 90% of village residents.



## 10. Yelm & Rich (Glenmore Village) - in Olympia's Urban Growth Area (UGA)

**Type:** Neighborhood Village Center (shown on map as bare parcel south of Yelm Hwy); NR zoned parcels containing a gas station with convenience store/ hair salon (west parcel) privately owned lot with unknown development (east parcel).

**Surrounded by:** The area to the southeast will be developed as single-family R 6-12; the surrounding single family is zoned R 4-8.

**Approved Village Master Plan:** Not available

**Households within ¼ mile:** 389

**Households within ½ mile:** 1,217



**Random Fact:** The parcel between the two NR zoned parcels is owned by Setina Manufacturing, which makes push bumpers, roll bars, safety shields and other special equipment for law enforcement vehicles. The company was established in 1962, and employees between 50 to 100 people.

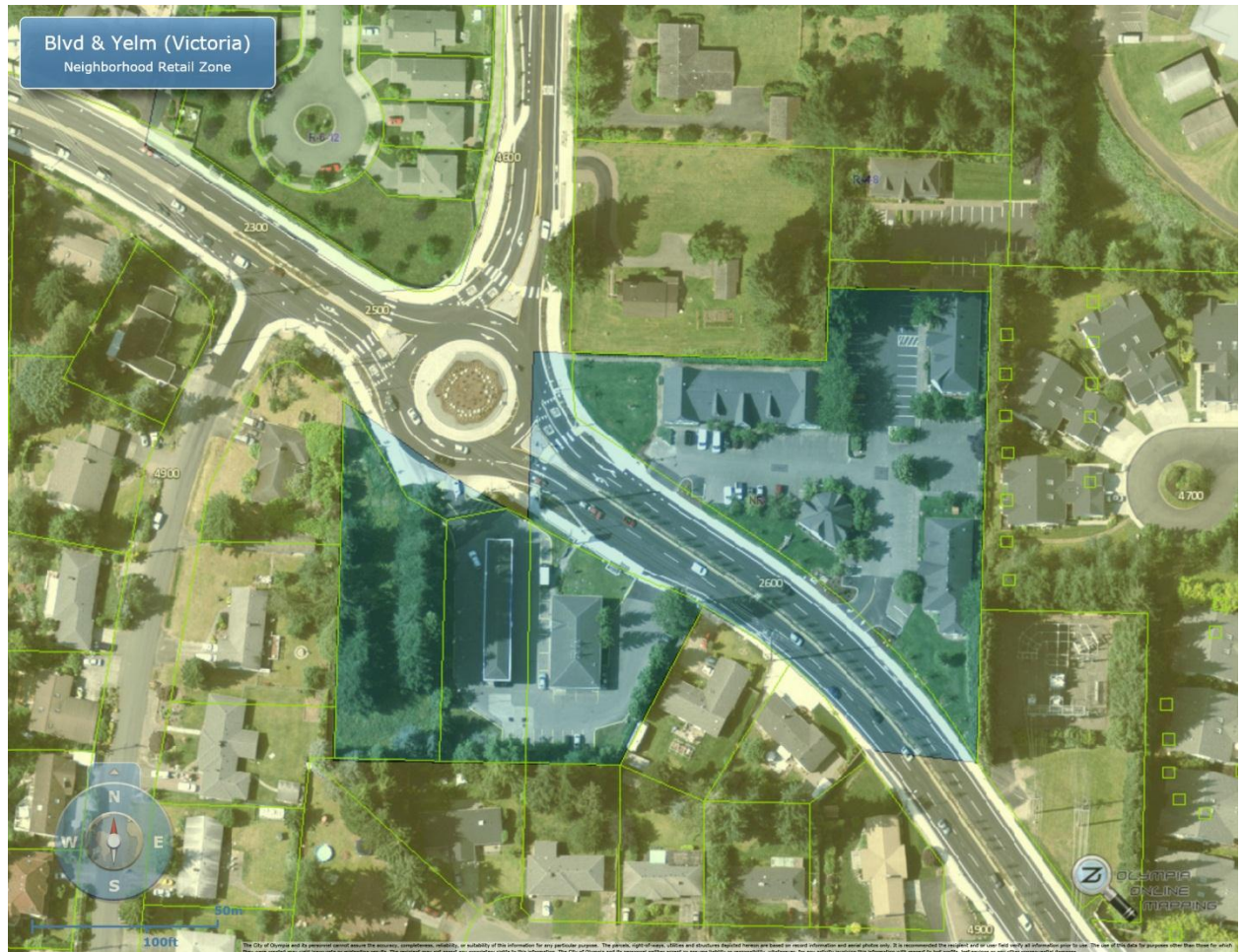
## 11. Boulevard & Yelm (Victoria Square)

**Type:** New NC designation in Comp Plan Draft

With existing zoned NR parcels in the vicinity, containing medical offices, a day care, a gas station and an undeveloped lot to the southwest.

**Households within ¼ mile:** 389

**Households within ½ mile:** 1,217



**Random Fact:** The parcels zoned Neighborhood Retail total approximately 3.24 acres.



## 12. Boulevard & Log Cabin (Bentridge Village)

**Type:** Neighborhood Village Center

**Description:** A 71.86-acre Neighborhood Village Master Planned Development comprised of 505 residential units on 348 lots, a village center with a 12,500 square-foot commercial building; 1-acre village green, tot lots, open space areas, tree preservation tracts and a stormwater tract.

**Approved Village Master Plan:** See Handout

**Households within ¼ mile:** 189

**Households within ½ mile:** 904



**Random Fact:** An extension of Log Cabin Road between Boulevard Road to Wiggins Road is planned for east/west movements in the southeast. This two- to three-lane street will be partially built by the City, and partly by private development that occurs along the corridor. Consistent with standards, this new major collector will include bike lanes, sidewalks, planter strips, street trees, and lighting and will be designed with curves to slow vehicle speeds. **(See Handout)**



### 13. Boulevard & 18<sup>th</sup> (Pit-Stop Grocery)

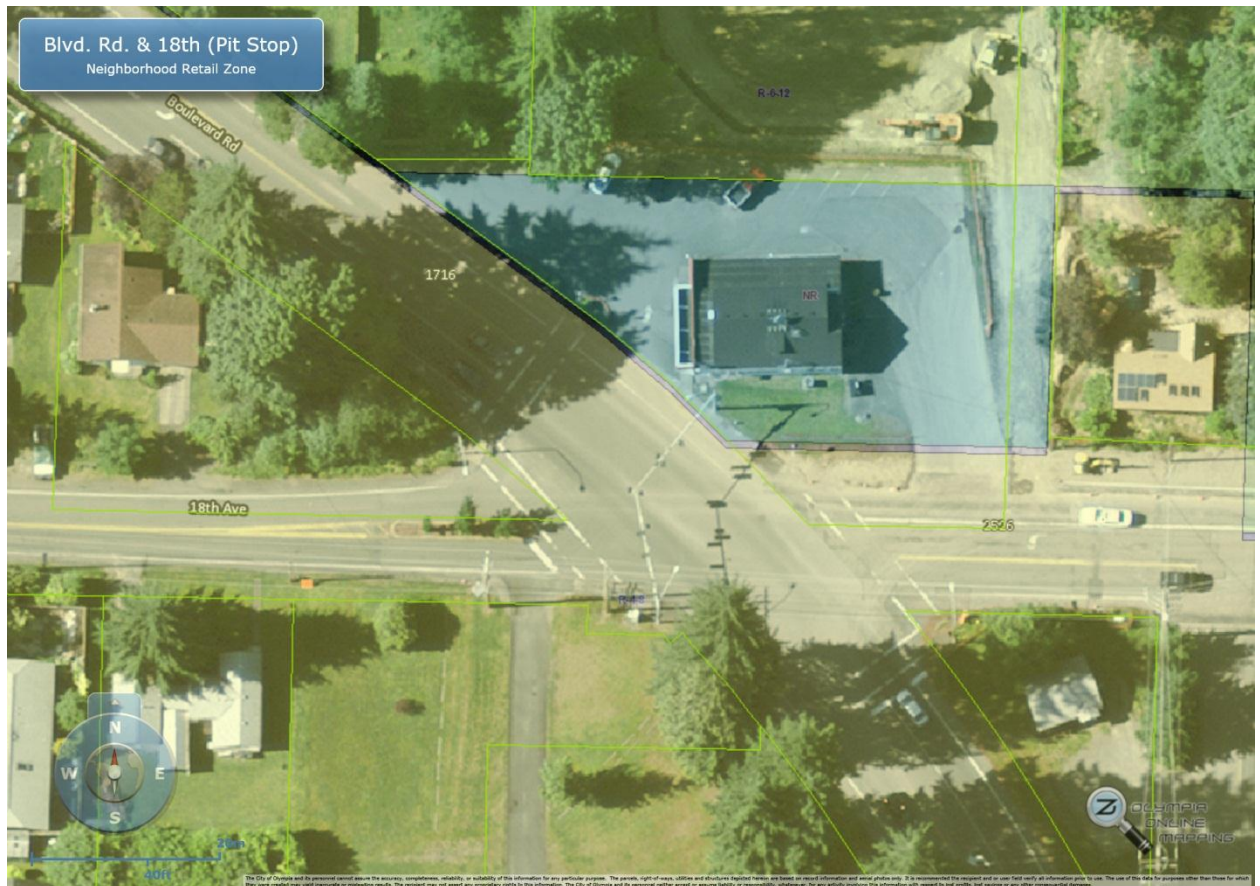
**Type:** New NC designation in Comp Plan Draft

With existing zoned NR parcel in the vicinity, containing a food store.

**Surrounded by:** R 6-12 to the north and east, R 6-4 to the south and west.

**Households within ¼ mile:** 178

**Households within ½ mile:** 718



**Random Fact:** Several years ago, a car crashed into the Barber Shop across from the Pit Stop Grocery.

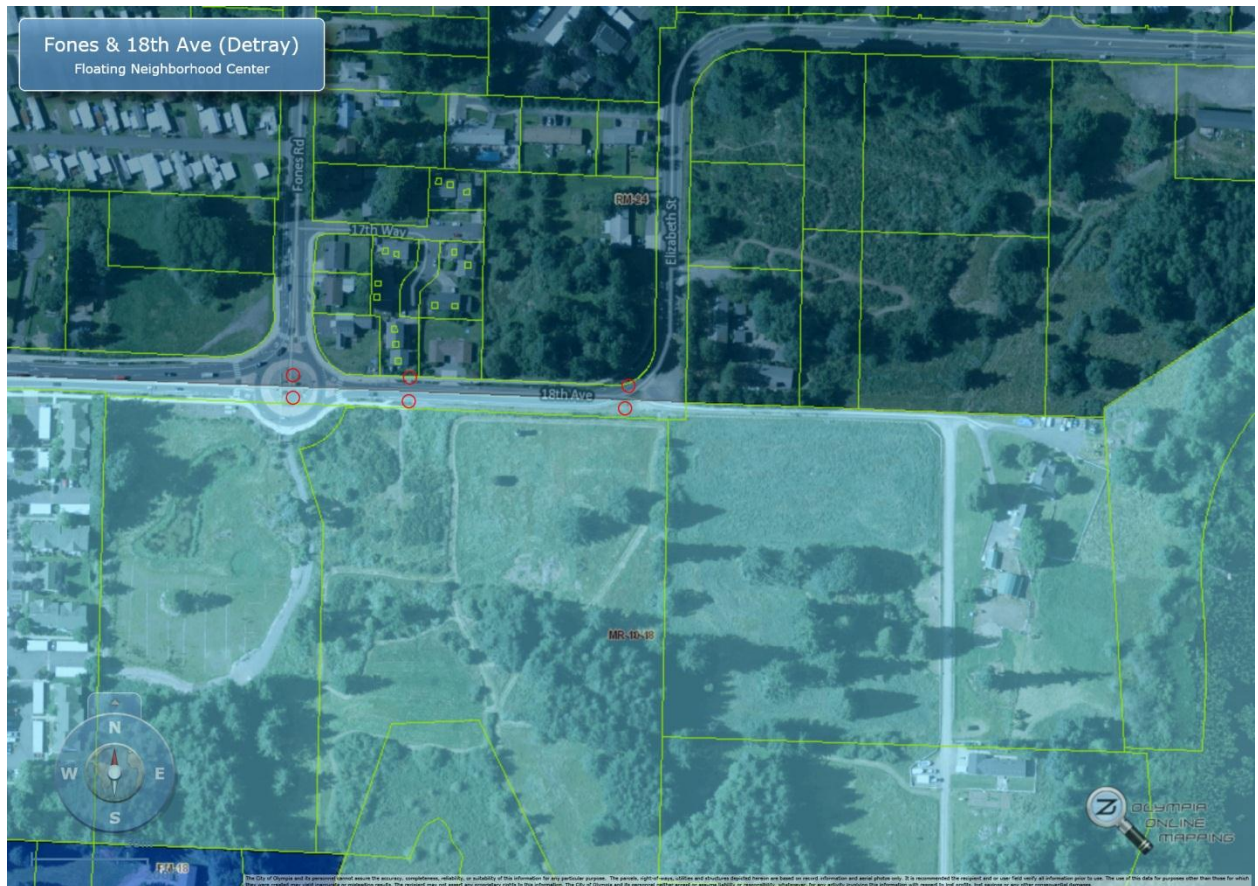
#### 14. Fones & 18<sup>th</sup> (Detray site)

**Type:** NC designation identified in current (1994) Comp Plan  
There is no NR zoning in the vicinity

**Surrounded by:** Largely undeveloped land zoned RM-24 to the north, and zoned Mixed Use Residential (MR 10-18) to the south; single-family.

**Households within ¼ mile:** 305

**Households within ½ mile:** 1,385



**Random Fact:** The area is sometimes referred to as “Detray” because much of the undeveloped land is owned by local development company, Detray Family Enterprises, known for building senior housing such Colonial Inn on 14<sup>th</sup> Ave in Olympia.



## 15. Lilly & 26<sup>th</sup> (Mill Pond Village )

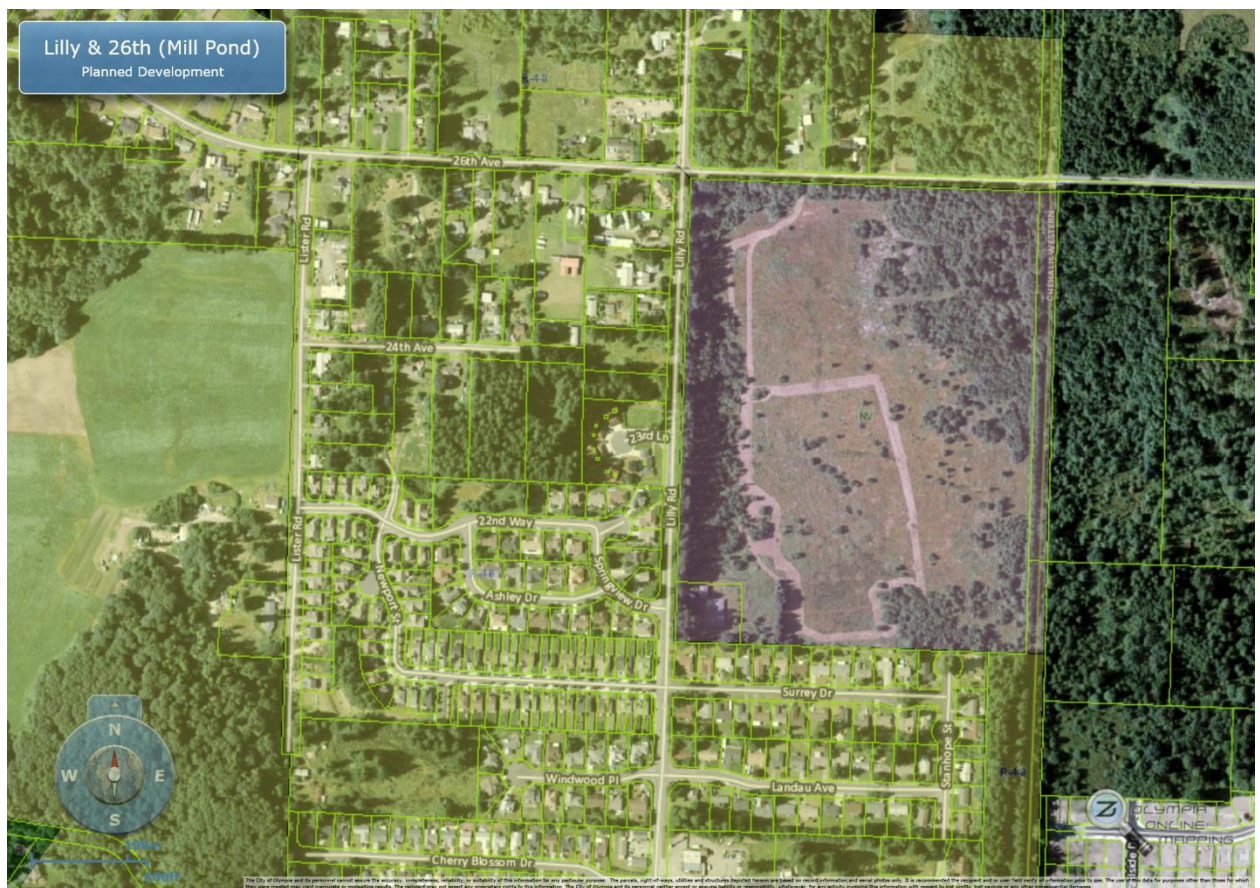
**Type:** Neighborhood Village Center

**Approved Village Master Plan:** See Handout

**Description of Neighborhood Village:** Formally known as Briarton Village, this is a 45.6-acre Neighborhood Village Master Planned Development comprised of 300 units, including 122 single family homes, 88 townhomes, and 90 multifamily apartments residential units. In addition, there is a 12,400 square-foot commercial building and a 9,000 square foot community building.

**Households within ¼ mile:** 149

**Households within ½ mile:** 513



**Random Fact:** Bordering the east side of the property is the Chehalis Western Trail, and the development includes three “trail gateway” connections along its eastern length.

## 16. San Francisco (Bakery)

**Type:** NC designation identified in current (1994) Comp Plan

With parcels zoned NR in the vicinity, including a bakery, an abandoned gas station, Roosevelt Elementary School, a convenience store and single family homes.

**Surrounded by:** Single-family neighborhood zoned R 6-12

**Households within ¼ mile:** 453

**Households within ½ mile:** 1,379



**Random Fact:** San Francisco Street Bakery is not just a storefront; it's also the bakery's a regional distribution center, helping to pencil out the costs of running a small neighborhood food store.



## 17. Pine & Puget (Pantry)

**Type:** New NC designation in Comp Plan Draft

With existing zoned NR parcel in the vicinity, containing a convenience store, undeveloped parcel, and private community center space.

**Surrounded by:** Single family homes, zoned R 6-12

**Households within ¼ mile:** 510

**Households within ½ mile:** 1,663



**Random Fact:** The Puget Sound Pantry building was built in 1923.

# Neighborhood Centers



## What are neighborhood centers?

Neighborhood centers are small walk and transit-friendly business clusters within residential neighborhoods that serve the day-to-day retail and service needs of local residents and foster community interaction. Neighborhood centers are important to community-wide goals to increase walkability, reduce our carbon footprint, improve human health, and foster neighborhood connections and resiliency.

Olympia's Comprehensive Plan identifies 17 general locations for neighborhood centers. The existing conditions of these sites vary - from thriving retail centers to vacant or completely undeveloped.

## Creating neighborhood centers in Olympia

Despite long-held goals to encourage them, neighborhood centers have not manifested as envisioned over the past 20 years. The Olympia Planning Commission (OPC) has sought to find out why, and help create a successful path to achieving this important community goal.

Work on the neighborhood centers began in 2014 with the Commission gathering input about the public's desires as well as barriers to neighborhood center development. They launched an online questionnaire and received 668 responses. They also interviewed 13 business owners and 8 property owners who have operated a business, designed or developed a neighborhood center in Olympia.

- [View the 2014 outreach summary](#)

Next steps include City staff sharing the results of outreach efforts with the neighborhoods and other stakeholder groups, assessing land use and market conditions associated with the neighborhood center locations, and identifying next steps such as changes to the Comprehensive Plan and Municipal Code that could make neighborhood center goals easier to achieve.

Any proposed changes will be considered by the Planning Commission, and informational briefings and public hearings will be held prior to making a recommendation to the City Council. It is anticipated that this work will

occur in 2021 and 2022.

**Not** included in this scope of work:

- Visioning or master planning for specific neighborhood centers.
- Regulations that apply to neighborhood centers areas that are located within master planned Urban Villages (Briggs) or Neighborhood Villages (Mill Pond, Woodbury Crossing). These villages all have approved master plans.

## Additional information & resources

- [Olympian Article about Wildwood](#)
- ["Creating Walkable Business Districts" by J. Owen and G. Easton](#)

## Questions?

Contact Cari Hornbein at 360.753.8048 or [chornbei@ci.olympia.wa.us](mailto:chornbei@ci.olympia.wa.us).

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The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources.



## Land Use & Environment Committee

### Urban Waterfront Code Amendment Recommendations

**Agenda Date:** 9/16/2021  
**Agenda Item Number:** 6.C  
**File Number:** 21-0839

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**Type:** recommendation   **Version:** 2   **Status:** In Committee

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#### **Title**

Urban Waterfront Code Amendment Recommendations

#### **Recommended Action**

##### **Committee Recommendation:**

The Planning Commission recommends Land Use and Environment Committee accepts and forwards a draft resolution denying Urban Waterfront Code Amendments.

##### **City Manager Recommendation:**

Move to accept the Planning Commission recommendation and forward to the City Council the draft resolution denying Urban Waterfront Amendments.

#### **Report**

##### **Issue:**

Whether to accept the Planning Commission recommendation for denial of the proposed Urban Water Code Amendments.

##### **Staff Contact:**

Cari Hornbein, Senior Planner, Community Planning and Development, 360.753.8048

##### **Presenter(s):**

Cari Hornbein, Senior Planner, Community Planning and Development

#### **Background and Analysis:**

The City of Olympia received an application from the Port of Olympia to amend Chapter 18.06 of the Municipal Code. The proposed amendments would allow recreational vehicle (RV) parks as an allowed use in the Urban Waterfront zoning district and establish related development standards. Currently, RV parks are permitted in the General Commercial and High-Density Corridor 4 zoning districts as a principal use. Sites for RVs are allowed as an accessory use to marinas in the Urban Waterfront district, but are available only to marina users, not the general public.

The proposed amendments involved the following:

1. Amend OMC 18.06.060, Table 6.01, Permitted and Conditional Uses, to add RV parks as a



permitted lodging use in the Urban Waterfront zoning district, and add a reference to a new code section, 18.06.060.JJ under 'Applicable Regulations' in the table.

2. Add new section, 18.06.060.JJ, establishing development standards for RV parks pertaining to site area, proximity to a public marina, density, setbacks, open space, landscaping, access and circulation, services and utilities, and length of stay. Establishment of an operation plan and park rules were also proposed.

The full text of the proposed amendments can be found in the Draft Code Amendments attached.

The Planning Commission held a public hearing on July 19, 2021 and conducted deliberations on August 4, 2021. They recommended denial of the proposed code amendments based upon lack of consistency with the Comprehensive Plan, the Downtown Strategy, and Shoreline Master Program; the amendments would restrict and/or discourage waterfront accessibility; and appear to benefit a single property owner. The Planning Commission prepared a recommendation letter which contains a detailed discussion of their findings.

**Neighborhood/Community Interests (if known):**

Staff notified Recognized Neighborhood Associations, marina operators, and interested community members of the informational briefing and public hearing. Staff received nine comment letters, with the majority opposed to the proposed amendments.

**Options:**

1. Accept the Planning Commission recommendation of denial and recommend City Council approve the attached resolution.
2. Reject the Planning Commission recommendation and direct staff to prepare an ordinance for City Council approval with findings of fact supporting that decision.
3. Refer the proposed amendments back to the Planning Commission with guidance for further consideration.

**Financial Impact:**

None. The process of reviewing the code amendments is covered in part by the application fee and the Community Planning and Development Department's base budget.

**Attachments:**

Draft Resolution  
Draft Code Amendments  
Applicant Narrative  
Recommendation Letter  
Comment Letters

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON,  
ADOPTING THE FINDINGS AND RECOMMENDATION OF THE OLYMPIA PLANNING  
COMMISSION, AND DENYING THE PROPOSED URBAN WATERFRONT CODE  
AMENDMENTS.**

**WHEREAS**, in December 2020, the Port of Olympia submitted an application for a text amendment to Chapter 18.06 of the Olympia Municipal Code (OMC), to allow recreational vehicle parks as an allowed lodging use in the Urban Waterfront zoning district, and establishing related development standards; and

**WHEREAS**, the Olympia Planning Commission held a public hearing on July 19, 2021 and following deliberations on August 2, 2021, moved to recommend to the Olympia City Council denial of the proposed amendments (1) due to lack of consistency with the Comprehensive Plan, Downtown Strategy, and Shoreline Master Program; (2) because if approved the allowed use would restrict and discourage water accessibility; and (3) because the proposed amendments would benefit a single property owner instead of a broader public interest.

**NOW, THEREFORE**, the Olympia City Council, having considered the proposed Urban Waterfront Code Amendments and the recommendation of the Olympia Planning Commission, hereby resolves as follows:

1. Adoption of Findings and Recommendation. The findings and recommendation set forth in the Olympia Planning Commission's recommendation letter dated August 16, 2021, attached hereto as Exhibit A and incorporated herein by reference, are adopted; and
2. Decision. The Urban Waterfront Code Amendments are denied.

**PASSED BY THE OLYMPIA CITY COUNCIL** this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
DEPUTY CITY ATTORNEY

TABLE 6.01

PERMITTED AND CONDITIONAL USES

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
District-Wide Regulations	18.06.060(R)				18.06.060(F)(2)	18.06.060(H H)	18.06.060(F)(2)						18.130.020	
<b>1. EATING &amp; DRINKING ESTABLISHMENTS</b>														
Drinking Establishments			P		P	P	P		C 18.06.060 (P)		P	P	P	
Drinking Establishments - Existing		P 18.06.060 (GG)				P								
Restaurants, with drive-in or drive-through			P 18.06.060(F)(3)								C 18.06.060(F)(1)	C 18.06.060 (F)(1)	P 18.06.060 (F)(3)	
Restaurants, with drive-in or drive-through, existing			P				P 18.06.060(U)					C	P	
Restaurants, without drive-in or drive-through	P 18.06.060(U)(3)	C	P	P 18.06.060(U)(2)	P	P	P 18.06.060(U)(1)	P	P	P	P	P	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F)(2)	18.06.060 (HH)	18.06.060(F)(2)							
<b>2. INDUSTRIAL USES</b>														
Industry, Heavy														
Industry, Light			C		P/C 18.06.060(N)									
On-Site Treatment & Storage Facilities for Hazardous Waste					P 18.06.060(Q)									

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Piers, Wharves, Landings					P									
Printing, Industrial			C		P/C 18.06.060(N)									
Publishing		C	C		P		P		C	C				
Warehousing			P		P/C 18.06.060 (AA)		P							
Welding & Fabrication			C		P/C 18.06.060(N)		P							
Wholesale Sales		C 18.06.060(BB) (3)	P		P/C	18.06.060 (BB)		P		P	18.06.060(BB) (2)			
Wholesale Products Incidental to Retail Business			P		P	P						P	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F)( 2)	18.06.060(H H)	18.06.060(F)( 2)							
<b>3. OFFICE USES (See also SERVICES, HEALTH)</b>														
Banks		P	P		P/C 18.06.060(D) (2)	P 18.06.060(D) (2)	P/C 18.06.060(D) (2)	P	P	P	P	P 18.06.060 (D)(1)	P 18.06.060 (F)(3)	
Business Offices		P	P		P	P	P	P	P	P	P	P	P	
Government Offices		P	P		P	P	P	P	P	P	P	P	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>4. RECREATION AND CULTURE</b>														
Art Galleries	P	P	P		P	P	P		P	P	P	P	P	
Auditoriums and Places of Assembly			P		P	P	P					P	P	
Boat Clubs					P	P								

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Boating Storage Facilities					P			P						
Commercial Recreation		C	P		P	P	P	P		C	C	P	P	
Health Fitness Centers and Dance Studios	P	P 18.06.060(L)	P	P	P	P	P	P	P	P 18.06.060 (L)	P 18.06.060(L)	P	P	
Libraries	C	C	C	C	P	P	P		P	C	P	P	P	18.04.060 (V)
Marinas/Boat Launching Facilities					P 18.06.060(C C)	P								
Museums		C	P		P	P	P		P	C	C	P	P	18.04.060 (V)
Parks, Neighborhood	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060 (T)
Parks & Playgrounds, Other	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060 (T)
Theaters (Drive-in)			C											
Theaters (No drive-ins)			P		P	P	P				C	P	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>5. RESIDENTIAL</b>														
Apartments		P	P	P	P	P	P		P	P	P	P	P	
Apartments above ground floor in mixed use development	P	P	P	P	P	P	P		P	P	P	P	P	
Boarding Houses		P	P	P	P	P	P		P	P	P	P	P	
Co-Housing		P	P			P	P			P	P		P	
Collegiate Greek system residence, dormitories		C	P	P	P	P	P		P	C	P	P	P	
Duplexes	P	P	P	P			P		P	P	P		P	

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Duplexes on Corner Lots	P	P	P	P			P		P	P	P	P	P	18.04.060 (HH)
Group Homes (6 or less)	P	P	P 18.06.060(K)	P	P	P	P 18.06.060(K)		P	P	P	P 18.06.060 (K)	P 18.06.060 (K)	18.04.060 (K)
Group Homes (7 or more)	C	C	C 18.06.060(K)	C	C	C	C 18.06.060(K)		C	C	C	C 18.06.060 (K)	P 18.06.060 (K)	18.04.060 (K)
Mobile or Manufactured Homes Park - Existing		C	C	C						C			C	18.04.060 (P)
Quarters for Night Watch person/Caretaker					P	P								
Retirement Homes		P	P	P	P	P	P		P	P	P	P	P	
Single-Family Residences	P	P	P	P			P		P	P	P	P	P	
Single Room Occupancy Units			C		P	P	P		P				C	
Townhouses	P	P	P	P 18.06.060(T)		P	P		P	P	P	P	P	
Triplexes, Four-plexes, and Cottage Housing		P											P	
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>6. RETAIL SALES</b>														
Apparel and Accessory Stores			P		P	P	P					P	P	
Boat Sales and Rentals			P		P	P	P	P					P	
Building Materials, Garden and Farm Supplies	P		P		P	P	P					P	P	

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Commercial Greenhouses, Nurseries, Bulb Farms	C	C 18.04.060(G)	C	C					C		P	P		18.04.060 (G)
Electric Vehicle Infrastructure	P	P	P	P	P 18.06.060 (W)	P 18.06.060 (W)	P 18.06.060(W)	P	P	P	P	P	P	
Food Stores	P	P 18.06.060(H)	P		P	P	P		P	P 18.08.060 (H)	P	P	P	
Furniture, Home Furnishings, and Appliances			P		P	P	P				P	P	P	
Gasoline Dispensing Facilities accessory to a permitted use	P 18.06.060(W) (4)		P		P 18.06.060 (W)		P 18.06.060(W) (2)	P				P 18.06.060 (W)	P 18.06.060 (W)	
Gasoline Dispensing Facility accessory to a permitted use - Existing	P 18.06.060(W)		P		P 18.06.060 (W)		P 18.06.060(W)				P	P 18.06.060 (W)	P	
General Merchandise Stores	P	P 18.06.060(J)	P		P	P	P			P 18.06.060 (J)	P	P	P	
Mobile, Manufactured, and Modular Housing Sales			P											
Motor Vehicle Sales			P				P	P					P	
Motor Vehicle Supply Stores			P		P	P	P	P			P	P	P	
Office Supplies and Equipment		P 18.06.060 (DD)	P		P	P	P		P	P 18.06.060 (DD)	P	P	P	18.06.060 (CC)
Pharmacies and Medical Supply Stores	P	P 18.06.060(EF)	P	P	P	P	P		P	P 18.06.060 (EE)	P	P	P	18.06.060 (DD)

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Specialty Stores	P 18.06.060(Y) (3)	P 18.06.060(Y) (4)	P	C 18.06.060(Y)( 2)	P	P	P			P 18.06.060( Y)(4)	P	P 18.06.060 (Y)(1)	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>7. SERVICES, HEALTH</b>														
Hospitals				P			P		P					
Nursing, Congregate Care, and Convalescence Homes	C	P	C	P			C		C	C	C	P	P	18.04.060 (S)
Offices, Medical		P	P	P	P	P	P	P	P	P	P	P	P	
Veterinary Offices/Clinics		P	P	P			P			P	P	P	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>8. SERVICES, LODGING</b>														
Bed & Breakfast Houses (1 guest room)	P	P 18.06.060(E)	P 18.06.060(E)	P 18.06.060(E)	P	P	P			P	P	P	P	18.04.060 (L)(3)(c)
Bed & Breakfast Houses (2 to 5 guest rooms)	C	P 18.06.060(E)	P 18.06.060(E)	P 18.06.060(E)	P	P	P		C	P	P	P	P	18.04.060 (L)(3)(c)
Hotels/Motels			P	C	P		P		P				P	
Lodging Houses		P	P	P	P		P		P	P	P	P	P	
Recreational Vehicle Parks			P		<u>P</u>								P	<u>18.06.060 (JJ)</u>
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>9. SERVICES, PERSONAL</b>														
Adult Day Care Home	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060 (L)(3)(b)



COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Child Day Care Centers	C	P	P	P	P	P	P		P	P	C	P	P	18.04.060 (D)
Crisis Intervention	C	P	C	P			P		C	P	C	C	C	18.04.060(I)
Family Child Care Homes	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060 (L)
Funeral Parlors and Mortuaries		C	P				P			C		P	P	
Laundries and Laundry Pick-up Agencies	P	P	P	P	P	P	P			P	P	P 18.06.060 (O)	P	
Personal Services	P	P	P	P	P	P	P	P	P	P	P	P	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>10. SERVICES, MISCELLANEOUS</b>														
Auto Rental Agencies			P		P	P	P	P			C	P	P	
Equipment Rental Services, Commercial			P		P		P				P	P	P	
Equipment Rental Services, Commercial - Existing		P 18.06.060(FF)												
Ministorage			P				P							
Printing, Commercial	P	P	P		P	P	P		P	P	P	P	P	
Public Facilities (see also Public Facilities, Essential on next page)	C	C	C	C	P	C	P	P	P	C	C	C	C	18.04.060 (V)
Radio/T.V. Studios		P	P		P	P	P		P	P	P	P	P	
Recycling Facilities	P	P	P	P	P		P		P	P	P	P	P	18.06.060 (V)

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
School - Colleges and Business, Vocational or Trade Schools		C	P		P	P	P		P	C	C	C	P	18.06.060 (X)
Service and Repair Shops			P				P	P				P	P	
Service Stations/Car Washes			P				P 18.06.060(W)	P				P 18.06.060 (W)	P 18.06.060 (W)	
Service Stations/Car Washes - Existing			P		P 18.06.060(W)		P 18.06.060(W)				P	P 18.06.060 (W)	P 18.06.060 (W)	
Servicing of Personal Apparel and Equipment	P	P	P		P	P	P			P	P	P	P	
Truck, Trailer, and Recreational Vehicle Rentals			P					P						
Workshops for Disabled People	C	C	C	C	P	C	P		C	C	C	C	C	18.04.060 (R)
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>11. PUBLIC FACILITIES, ESSENTIAL</b>														
Airports			C										C	18.06.060 (G)
Inpatient Facilities		C	C	C 18.06.060(T)	C		C		C	C	C	P	P	18.06.060 (G) 18.04.060 (K)
Jails			C		C		C		C				C	18.06.060 (G)
Mental Health Facilities			C	C 18.06.060(T)	C		C						C	18.06.060 (G) 18.04.060 (K)

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Other Correctional Facilities		C	C	C 18.06.060(T)	C	C	C		C	C	C	C	C	18.06.060 (G)
Other facilities as designated by the Washington State Office of Financial Management, except prisons and solid waste handling facilities		C	C		C		C			C	C	C	C	18.06.060 (G)
Radio/TV and Other Communication Towers and Antennas	C	C	C	C	C	C	C	C	C	C	C	C	C	18.06.060 (G) 18.44.100
Sewage Treatment Facilities	C	C	C	C	P		P		C	C	C	C	C	18.06.060 (G) 18.04.060 (X)
State Education Facilities		C	C		C		C		C	C	C	C	C	18.06.060 (G) 18.06.060 (X)
State or Regional Transportation Facilities	C	C	C	C	C	C	C		C	C	C	C	C	18.06.060 (G)
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>12. TEMPORARY USES</b>														
Entertainment Events			P		P	P	P						P	
Off Site Contractor Offices	P	P	P	P	P	P	P	P	P	P	P	P	P	18.04.060 (DD)
Emergency Housing	P	P	P	P	P			P	P	P	P	P	P	18.04.060 (DD)
Emergency Housing Facilities	P	P	P	P	P	P	P	P	P	P	P	P	P	18.50

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Fireworks, as determined by Fire Dept.			P		P	P	P				P	P	P	9.48.160
Mobile Sidewalk Vendors		P	P	P	P	P	P			P	P	P	P	
Parking Lot Sales			P		P	P	P	P			P	P	P	
Residences Rented for Social Event (6 or less in 1 year)	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060 (DD)
Residences Rented for Social Event (7 or more in 1 year)	C	C	C	C	C	C	C		C	C	C	C	C	
Temporary Surface Parking Lot		P	P		P	P	P		P					
District-Wide Regulations	18.06.060(R)				18.06.060(F) (2)	18.06.060 (HH)	18.06.060(F) (2)							
<b>13. OTHER USES</b>														
Accessory Structures/Uses														
Adult Oriented Businesses			P										P	18.06.060 (B)
Agriculture	P	P	P	P					P	P	P	P	P	
Animals	P	P	P	P	P	P	P		P	P	P	P	P	18.06.060 (C)
Cemeteries	C	C	C	C					C	C	C		C	
Conference Center			P		P	P	P						P	
Gambling Establishments			C											
Garage/Yard/Rummage and Other Outdoor Sales	P	P	P	P	P	P	P		P	P	P	P	P	5.24
Home Occupations	P	P	P	P	P	P	P		P	P	P	P	P	18.04.060 (L)

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	Applicable Regulations
Parking Facility, Commercial		P	P		P	P	P 18.06.060(S)			P	P	P 18.06.060(S) )	P	18.04.060 (V)
Places of Worship	C	C	P	C	P	P	P		C	C	C	P	P	18.04.060 (U)
Racing Pigeons	C	C	C	C					C	C	C	C	C	18.04.060 (Y)
Satellite Earth Stations	P	P	P	P	P	P	P	P	P	P	P	P	P	18.44.100
Schools	C	C	P	C	C	C	C		C	C	C	P	P	18.04.060 (DD)
Social Organizations		P	P		P	P	P		P/C 18.06.060 (I)	P	P	P	P	
Utility Facility	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	18.04.060 (X)
Wireless Communications Facilities	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	18.44

LEGEND

- P = Permitted Use
MS = Medical Services
DB = Downtown Business
C = Conditional Use

PO/RM = Professional Office/Residential Multifamily
AS=Auto Services
NR = Neighborhood Retail

GC = General Commercial
UW = Urban Waterfront
UW-H = Urban Waterfront-Housing
CSH = Commercial Services-High Density

HDC-1=High Density Corridor-1
HDC-2=High Density Corridor-2
HDC-3=High Density Corridor-3
HDC-4=High Density Corridor-4

(Ord. 7279 §1, 2021; Ord. 7267 §12, 2020; Ord. 7187 §3, 2019; Ord. 7180 §1, 2019; Ord. 7163 §3, 2018; Ord. 7032 §6 (Exh. E), 2016; Ord. 6975 §3, 2015; Ord. 6759 §5, 2011; Ord. 6592 §5, 2008)



No changes to section CC.

Only other changes to track are in table 6.01:

1. **Add 'P'** Under Row: Recreational Vehicles Parks and column: UW.
2. Add 18.06.060.JJ Under Row: Recreational Vehicles Parks and column: APPLICABLE REGULATIONS.

Below is the proposed added section JJ

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JJ. Recreational Vehicle Park. Urban Waterfront (UW) Requirements:

1. Recreational vehicle (RV) parks are permitted on properties within the UW district which meets the following criteria:
  - a. Be a minimum of one acre in size.
  - b. Are located immediately adjacent to or on common property within a public marina.
2. Use specific standards:
  - a. Maximum size: The number of RV's permitted shall not exceed a capacity of 12 vehicles per gross acre of area devoted to the RV park or forty units, whichever is less.
  - b. Individual space size: Each individual RV space including pad, hook-up and surrounding area or associated area shall be no less than 1,000 square feet in size. No more than one RV may occupy an individual space.
  - c. Internal roads: All internal park roads shall be privately owned and maintained. Roads shall be constructed to City of Olympia Engineering Design and Development Standards for private access lanes.
  - d. Access: RV parks shall be located with direct access to an adjacent street with sufficient frontage to permit appropriate design of entrances and exits constructed to City of Olympia Engineering Design and Development Standards.
  - e. Open space/recreational facilities: A minimum of 10% of the site shall be set aside and maintained as open space for recreational use. Such space and location shall be accessible and usable by all RV Park users and guests for passive or active recreation. Parking spaces, driveways, access streets, and storage areas are not considered to be usable open space.
  - f. Vehicle setbacks: No RV pad shall be closer than 5 feet from any adjacent sidewalk or pathway. A minimum separation of 8 feet shall be maintained between all RV pads. Permanent structures within the park shall meet setbacks applicable to the UW District.
  - g. Screening and Landscaping: Provide a 15-foot averaged perimeter street front landscape buffer with a minimum width of 5-feet. A buffer consisting of Type III landscaping as defined in OMC 18.36.060.L shall be provided between the RV park and adjacent streets and land uses.

- h. Utilities: Electricity, Sewer, and Water service shall be provided to each recreational vehicle space. All utility lines in the park shall be underground and shall be approved by the agency or jurisdiction permitting the service.
  - i. Stormwater: Stormwater facilities shall be provided to serve the site as required by the City of Olympia Municipal Code and Engineering Design and Development Standards.
  - j. Other Services: RV parks shall provide the following services:
    - i. A water station for filling recreational vehicle water storage tanks.
    - ii. Restroom facilities containing showers and toilets connected to a public sanitary sewer, the minimum number of which shall be one toilet and one shower for each 20 recreational vehicle sites.
    - iii. Refuse containers for solid waste.
- 3. Length of Stay: If located within shoreline jurisdiction, use of individual recreational vehicle spaces shall be limited to no more than fifteen consecutive days in accordance with Shoreline Master Program; otherwise length of stay shall be limited to 28 consecutive days.
- 4. Regulation and Standards: The RV park must establish an operational plan and adopt park rules governing park operations which include, at a minimum, mandatory quiet periods between ten p.m. and seven a.m. daily.



# Port of Olympia – Waterfront Destination Development Plan

## Olympia Municipal Code (OMC) Amendments Explanations

### Amendment #1:

#### 18.06.040 TABLES: PERMITTED AND CONDITIONAL USES – TABLE 6.01

#### 8. SERVICE, LODGING

Add Recreational Vehicle Parks as 'PERMITTED' under Urban Waterfront (UW). Include section for references "18.06.040.JJ" for APPLICABLE REGULATIONS (see amendment #2 for defined applicable regulations)

COMMERCIAL DISTRICT	NR	PO/RM	GC	MS	UW	UW-H	DB	AS	CSH	HDC-1	HDC-2	HDC-3	HDC-4	APPLICABLE REGULATIONS
Veterinary Offices/Clinics		P	P	P			P			P	P	P	P	
District-Wide Regulations	18.06.060(R)				18.06.060(F)(2)	18.06.060(H)(H)	18.06.060(F)(2)							
<b>8. SERVICES, LODGING</b>														
Bed & Breakfast Houses (1 guest room)	P	P 18.06.060(E)	P 18.06.060(E)	P 18.06.060(E)	P	P	P			P	P	P	P	18.04.060(L)(3)(c)
Bed & Breakfast Houses (2 to 5 guest rooms)	C	P 18.06.060(E)	P 18.06.060(E)	P 18.06.060(E)	P	P	P		C	P	P	P	P	18.04.060(L)(3)(c)
Hotels/Motels			P	C	P		P		P				P	
Lodging Houses		P	P	P	P		P		P	P	P	P	P	
Recreational Vehicle Parks			P		P								P	add reference
District-Wide Regulations	18.06.060(R)				18.06.060(F)(2)	18.06.060(H)(H)	18.06.060(F)(2)							

Detailed Description: By permitting Recreational Vehicle Parks within the Urban Waterfront Zone the City of Olympia is addressing a missing component of development to attract visitors. Within the narrow bank of property between the shoreline and the adjacent streets there is very limited development opportunities. Recreation Vehicle (RV) parks fit within this and other limitations outlined by the Municipal code and the Shoreline Master Program (SMP). This low impact development can fill that void and become an attraction destination for locals as well as out of town visitors. The addition of an RV park would also compliment the nearby marina and boat launch activities.



## Amendment #2:

### 18.06.060 **COMMERCIAL DISTRICTS' USE STANDARDS**

Add the following proposed section of JJ to code:

#### JJ. Recreational Vehicle Park. Urban Waterfront (UW) Requirements:

1. Recreational vehicle (RV) parks are permitted on properties within the UW district which meets the following criteria:
  - a. Be a minimum of one acre in size.
  - b. Are located immediately adjacent to or on common property within a public marina.
2. Use specific standards:
  - a. Maximum size: The number of RV's permitted shall not exceed a capacity of 12 vehicles per gross acre of area devoted to the RV park or forty units, whichever is less.
  - b. Individual space size: Each individual RV space including pad, hook-up and surrounding area or associated area shall be no less than 1,000 square feet in size. No more than one RV may occupy an individual space.
  - c. Internal roads: All internal park roads shall be privately owned and maintained. Roads shall be constructed to City of Olympia Engineering Design and Development Standards for private access lanes.
  - d. Access: RV parks shall be located with direct access to an adjacent street with sufficient frontage to permit appropriate design of entrances and exits constructed to City of Olympia Engineering Design and Development Standards.
  - e. Open space/recreational facilities: A minimum of 10% of the site shall be set aside and maintained as open space for recreational use. Such space and location shall be accessible and usable by all RV Park users and



guests for passive or active recreation. Parking spaces, driveways, access streets, and storage areas are not considered to be usable open space.

- f. Vehicle setbacks: No RV pad shall be closer than 5 feet from any adjacent sidewalk or pathway. A minimum separation of 8 feet shall be maintained between all RV pads. Permanent structures within the park shall meet setbacks applicable to the UW District.
  - g. Screening and Landscaping: Provide a 15-foot averaged perimeter street front landscape buffer with a minimum width of 5-feet. A buffer consisting of Type III landscaping as defined in OMC 18.36.060.L shall be provided between the RV park and adjacent streets and land uses.
  - h. Utilities: Electricity, Sewer, and Water service shall be provided to each recreational vehicle space. All utility lines in the park shall be underground and shall be approved by the agency or jurisdiction permitting the service.
  - i. Stormwater: Stormwater facilities shall be provided to serve the site as required by the City of Olympia Municipal Code and Engineering Design and Development Standards.
  - j. Other Services: RV parks shall provide the following services:
    - i. A water station for filling recreational vehicle water storage tanks.
    - ii. Restroom facilities containing showers and toilets connected to a public sanitary sewer, the minimum number of which shall be one toilet and one shower for each 20 recreational vehicle sites.
    - iii. Refuse containers for solid waste.
3. Length of Stay: If located within shoreline jurisdiction, use of individual recreational vehicle spaces shall be limited to no more than fifteen consecutive days in accordance with Shoreline Master Program; otherwise, length of stay shall be limited to 28 consecutive days.
4. Regulation and Standards: The RV Park must establish an operational plan and adopt park rules governing park operations which include, at a minimum, mandatory quiet periods between ten p.m. and seven a.m. daily.





Detailed Description: These updates to the code are regarding allowance of Recreational Vehicle (RV) Parks in Urban Waterfront (UW) zones and regulations define how the site is to be used.

# Olympia Planning Commission

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August 16, 2021

Olympia City Council  
PO Box 1967  
Olympia, WA 98507

## **RE: Olympia Planning Commission Recommendation – Proposed Urban Waterfront Code Amendments**

Dear Mayor Selby and City Councilmembers:

On August 2, 2021, the Olympia Planning Commission unanimously voted to recommend denial of the proposed code amendments to permit Recreational Vehicle (RV) Parks in the Urban Waterfront Zoning District. This recommendation was made after considering written and oral comments from the public, in addition to several briefings and presentations from both Community Planning and Development staff and Port of Olympia staff and consultants. The Planning Commission found the proposed code amendments:

- Restrict and/or discourage waterfront accessibility
- Appear to benefit a single property owner
- Are inconsistent with the goals and objectives of the Olympia Comprehensive Plan
- Are inconsistent with the vision of the Downtown Strategy
- Are inconsistent with the goals and objectives of the Shoreline Master Program

The Port of Olympia identified a 3-acre parcel immediately adjacent to the shoreline and between the south end of Swantown Marina and Swantown Boatworks for a future RV Park. Under the existing UW zoning district code, an RV Park is not permitted. The Port requested a change in the code to allow an RV park. The subject parcel is currently accessed from the Billy Frank Jr. waterfront trail and a sidewalk along Marine Dr. NE. The nearest public parking lots are located off-site at the Farmer's Market and further north at the old Cascade Pole site. Currently, the waterfront trail is unimproved in this location. The constricting presence of an RV Park in this area would limit visual and physical access from the sidewalks, as well as discourage use of the waterfront trail. The Comprehensive Plan and the Downtown Strategy both stress the value of honoring the waterfront as a public amenity. An RV Park in this location would diminish this honor.

The proposed changes would modify the permitted uses in the Urban Waterfront Zoning District by allowing RV Parks to locate in proximity to public marinas and require a minimum of 1 acre for such a use. The only public marina that currently qualifies for this use is the

Swantown Marina. With no other property owner able to meet these qualifications, the code amendments only benefit the Port of Olympia instead of a wider public interest.

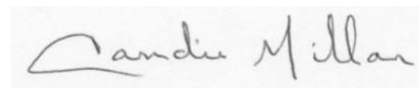
The Olympia Comprehensive Plan is the guiding document when considering future land use. The Plan expresses values of walkability, open-space, vibrancy, environmental stewardship, and recognition of the importance of land near water. An RV Park in the Urban Waterfront District would not preserve these values. In deliberation, the Planning Commission discussed ideas for future uses that are more compatible with the Comprehensive Plan including a park, community gardens, open space, small craft launch site, and small retail/restaurant or mixed use.

The Port of Olympia is proximal and integral to Downtown Olympia. As reflected in the vision of the Downtown Strategy, it is important that downtown and the Port by inference, be a “vibrant, attractive regional destination.” The shoreline is a natural attribute with great potential for enhancement. It is an amenity, if adjacent uses are well designed, that could be a desirable asset to downtown and community residents as well as out of town visitors. It is the Planning Commission’s interpretation that an RV Park does not lend itself to public interaction necessary for a socially vibrant and attractive space.

The recently approved update to the Shoreline Master Program identifies compatible uses within the shoreline setbacks that are of low-intensity, non-motorized and water-based. The Planning Commission recognizes that an RV Park is enhanced by the proximity to the shoreline but is in no way dependent on it. A recreational vehicle relies less on the natural environment where it is parked than on the infrastructure required to service it, such as a level hard surface, electricity, and water and sewer hookups. This type of use cannot be considered low-intensity and non-motorized. As situated, an RV Park advantages are more urban-oriented with proximity to downtown and other Port amenities than water-oriented.

Based on these findings, the Olympia Planning Commission is forwarding a recommendation of denial to permit Recreational Vehicle (RV) Parks in the Urban Waterfront Zoning District. We appreciate the opportunity to provide this recommendation and look forward to further opportunities to serve this Committee, the City Council, and the City of Olympia.

Sincerely,



**Candis Millar, Chair**  
**Olympia Planning Commission**



**Aaron Sauerhoff, Vice Chair**  
**Olympia Planning Commission**

Public Comment for the Olympia Planning Commission  
 February 22, 2021  
 Helen Wheatley, Olympia Resident

The Planning Commission is being asked to consider language presented by Thomas Architecture Studios, on contract to the Port of Olympia, regarding a proposed RV Park in the Marina District of the Port.

The Port earlier asked for a change to the Shoreline Master Program to include RV Parks as “water-oriented recreation.”

Now it is asking for change to the municipal code to alter permitted uses under the Urban Waterfront Plan.

Why is this necessary? Because up until now, neither the Port of Olympia Strategic Plan, nor the change to the Olympia comprehensive plan in order to implement the Downtown Strategy, have allowed camping on the urban waterfront.

### ***Not in the Plans***

The proposed RV campground is located in what the Port’s comprehensive scheme designates as part of its “Marina District.” A commercial RV camping facility introduces a new land use to the Port’s strategic plan for that district. Yet the Port has not formally modified its strategic plan. Nor has it initiated a process to formally do so.

In fact, both comprehensive plans currently exclude camping. For Olympia, modification to the strategic plan based on the Downtown Strategy (Ordinance No. 7032) is extremely specific in its *exclusion* of RV camping:

*Suggested permitted and conditions uses for a UW-F2 Commercial District specifically exclude RV Parks under the section on “Services, L:*

8. SERVICES, LODGING					Urban Waterfront					
Bed & Breakfast Houses (1 guest room)	P	P 18.06.060(E)	P 18.06.060(E)	P 18.06.060(E)	P	P	P		P	P
Bed & Breakfast Houses (2 to 5 guest rooms)	C	P 18.06.060(E)	P 18.06.060(E)	P 18.06.060(E)	P	P	P	C	P	P
Hotels/Motels			P	C	P		P	P		
Lodging Houses		P	P	P	P		P	P	P	P
Recreational Vehicle Parks			P							
District-Wide Regulations	18.06.060(R)				18.06.060(F)(2)	18.06.060(HH)	18.06.060(F)(2)			

This chart demonstrates that the Port is asking the Planning Commission to consider a change to the strategic plans of both governments. The Planning Commission should deliberate with a full awareness of what is being requested of it by the Port.

The City should ask the Port when and how it intends to modify its comprehensive plan to permit RV camping in its marina district, because it hasn't happened yet.

The current "Destination Waterfront" process in which the Port is engaged, like its Vision 2050 Plan, is an outreach process only and not a modification to the strategic plan. Before moving forward, the city should demand greater clarity from the Port regarding its plans to update its actual strategic plan.

Despite years of strategic planning, the city of Tumwater is currently engaged in a protracted and, so far, failed effort to get the Port of Olympia to engage in completion of a development agreement regarding the New Market Industrial Campus. As a neighbor and partner, Olympia may want to consider more deliberately the extent to which Port plans and promises should be backed by solid policy-making procedures.

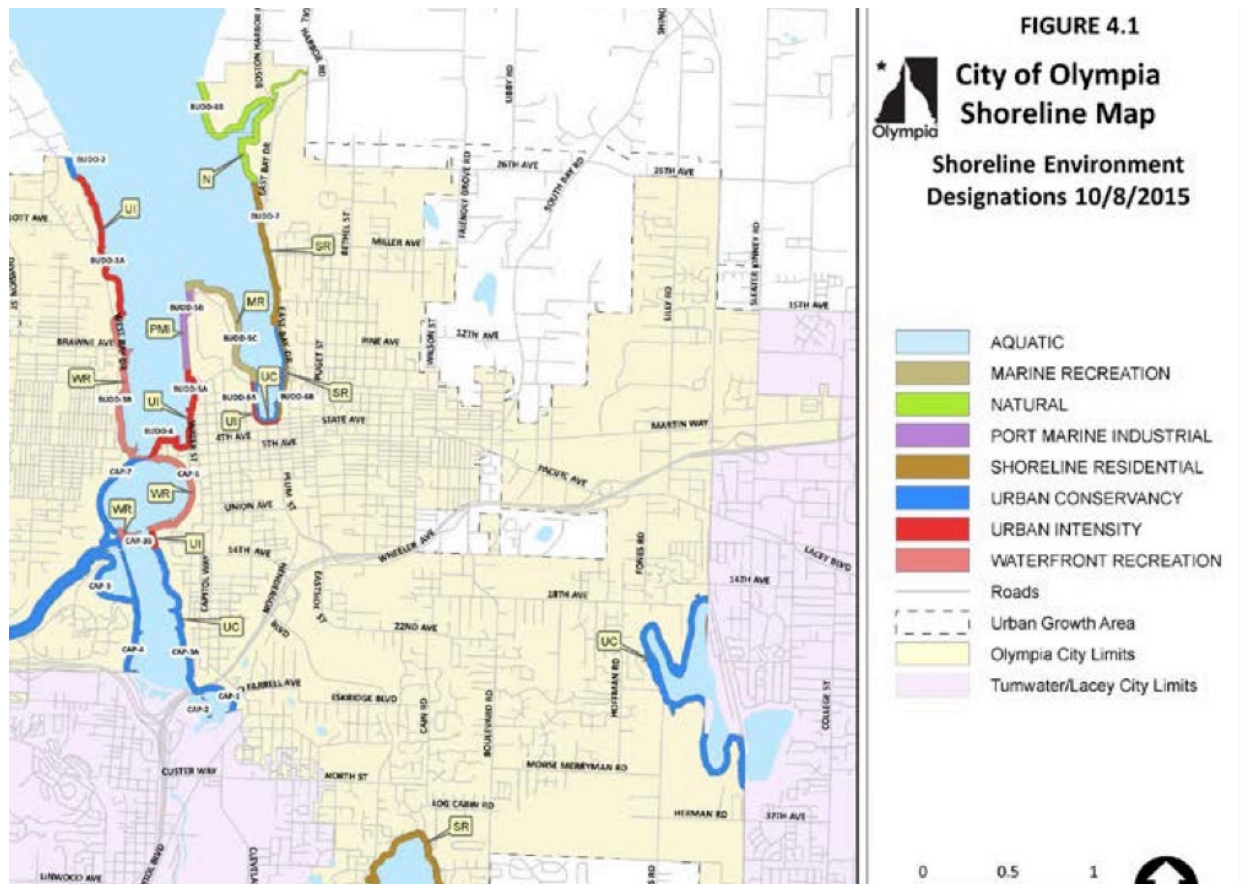
### ***Olympia Should Demand Consideration of Other Land Uses***

When it worked on its Downtown Strategy, the City of Olympia was quite clear about the fact that there are other land use considerations for the Port Peninsula.

When the city worked on its Downtown Strategy, it did not include the Port's Boatworks and Marina Districts (designated under the Port's comprehensive plan) in its consideration of land use changes. Indeed, the city specifically recognized a need for "Recognition of the importance of lands near water." The City emphasized that the focus of the change to the Comprehensive Plan for the Downtown Strategy and any accompanying code changes were specifically aimed at "'built' land uses such as housing and commercial structures and development patterns." It left "complementary parks, open spaces and natural areas" to be "addressed in the Public Health, Parks, Arts and Recreation and Natural Environment chapters."

The City also states in regard to the Downtown Strategy that "the Future Land Use Map...is *not* a zoning map." (emphasis added). Rather, it is a *guidance* for zoning and other regulations to be consistent with the Comprehensive Plan. The Zoning Map presented with the Packet is consistent the Future Land Use map, but it is crucial to note that it is not consistent with the Shoreline map under the SMP:





At the time the city changed its comprehensive plan for the Downtown Strategy, the City was clearly deferring discussion of shoreline land use, to a significant degree, to revision of the SMP.

Concerning the shoreline of the Port's Urban Waterfront, the SMP specifically calls out the importance of being consistent with the Port comprehensive scheme in its section on marine recreation, 2.9(F): "The City recognizes the Port's responsibility to operate its marine facilities and plan for this area's future use through the development and implementation of its Comprehensive Scheme of Harbor Improvements."

The SMP language change to include RV camping is therefore somewhat ill-considered and creates some inadvertent internal contradiction, because camping is not yet a strategic plan option for urban shorelines.

In addition, adding the RV language to the SMP sows some confusion because Olympia has created its own term, "water-oriented recreation" which elides confusingly the more conventional policy distinction between water-based recreation and water-enhanced recreation.

What is "orientation?" Other governments, as well as professional literature concerning the recreation and leisure industry, distinguish between water-based recreation, which requires water, and water-enhanced recreation, which benefits from water but does not require it. Water-based recreation is understood to mean such activities as boating and fishing, or even the viewing of landscape and wildlife unique to water and shorelines that cannot be viewed in a strictly land-bound area.

The continued designation of the Port's Marina as Marine Recreation shoreline (Reach 5C) rather than changing the area to Waterfront Recreation or Urban Intensity under the current revision, certainly implies an intention that shoreline recreational use continue to be water-based in Reach 5C. Adding the RV language in one section of the

SMP without changing the zoning or environment designations mapped, creates an unresolved internal contradiction within the SMP. The City should not move forward on the RV Park until it resolves this contradiction.

The Shoreline Management Act is very clear about preserving public access, which raises an interesting policy question about whether it would be appropriate under the SMP to replace a shoreline area that is now fully accessible to the public for recreation (and with significant water-based viewing opportunity), in order to turn it into commercial space not accessible to the general public (for water-enhanced private camping). The SMP includes stated goals and policies to “Increase public access to publicly-owned areas of the shoreline” and “Increase recreational opportunities for the public in the shoreline.” This would seem to imply that public access should be preferred over privatization of recreation.

Setting aside questions about recreational use of the land, and just looking at commercial use, Section B(4) of the SMP discusses the intention for the Urban Waterfront District shoreline (18.06.060 F2 Commercial District) with the following phrases:

“Encourage high-amenity recreation, tourist-oriented, and commercial development which will *enhance public access* and use of the shoreline”; “Encourage development that...*preserves a sense of openness on the waterfront*”; “Encourage water-dependent and water-related development (as defined in the Shoreline Master Program for the Thurston Region) on shoreline properties and permit light manufacturing uses which *support nearby industrial and marine related uses*” (emphasis added)

In regard to optimizing shoreline use, the SMP actually provides a roadmap for the city of Olympia to consider land use changes on the shoreline to achieve preferred use. No net loss is one stated policy, but so is the including of “incentives to restore shoreline ecological functions where such functions have been degraded by past actions.” It lists “restoration and enhancement of shoreline ecological functions” as “high priorities” that are to be “applied to all uses, developments and activities that may occur within the shoreline jurisdiction.”

It also calls for “Provision of direct physical access to the water where appropriate,” and “provision of a shoreline trail where feasible and consistent with applicable laws.” It calls for restoration of native vegetation. It calls for “bulkhead removal and replacement of hardened shoreline with soft structural stabilization measures water-ward of Ordinary High Water Mark where appropriate.” It states that “Space for preferred shoreline uses should be reserved. Such planning should consider upland and in-water uses [and]...public access and views.”

In the Marine Recreation Environment section, the SMP states that preferred uses “Encourage bulkhead removal and replacement of hardened shoreline with soft structural stabilization measures.”

When considering land use within the Marine Recreation Environment, economic development is placed within a matrix that includes “a variety of benefits to the community including boat moorage...public access, water enjoyment, recreation,” and “wildlife habitat.”

And most importantly, the City clearly calls in the SMP for changes in land use to be wrapped into a “jointly developed shoreline restoration and stabilization plan for Reaches 5C and 6A.”

The SMP makes it very clear: after a restoration and stabilization plan is developed, “the City will initiate a limited amendment to the SMP to implement this Plan.” The proper time to consider changes to the code in regard to RV camping, would be *after* a decision is made to allow RV camping on the shoreline. And the proper way to consider such a revision of land use, is to *jointly develop a restoration and stabilization plan* for the shoreline.

### ***The Timing is Wrong***

City preferences for restoration and stabilization under the SMP must be duly considered and incorporated. Climate change must be duly considered. Preserving and enhancing public access to the shoreline and preventing net loss of water-based recreational opportunities must be duly considered. Finally, given an increasing emphasis

on environmental justice and the element of recreational access within that policy concern, the benefit of the balance of Port recreational activities to all residents of the Port district should be duly considered.

The Port is jumping the gun in bringing forward changes to the city code. Clearly, it needs to work jointly with the city on developing a strategic plan for the shoreline, instead of simplistically rolling the Port's marine shoreline into a more general suggested planning guideline of "urban waterfront" that covers the whole of the peninsula except for the Marine Terminal. Together, the City and the Port should decide whether an RV constitutes a *preferred* shoreline use. Only then should the City consider changing its code to accommodate this brand new land use.

The City of Olympia, unlike the Port, has another urgent consideration.

The City of Olympia is currently engaged in dialogue with other local governments regarding homeless mitigation. RV camping is a big part of that conversation. It seems tone-deaf, at the very least, to consider RV camping as profit-earning recreation only, when there is an urgent local need for RV camping for housing mitigation.

The City could consider, and decide, that it wants a mitigation site on the Port peninsula. This is absolutely possible under the Port RCWs. Other Ports provide mitigation sites.

As noted, at present the section of the Port shoreline being considered for an RV campground is not included in the downtown residential strategy. It could be appropriate to locate a mitigation site in this area as a commercial zone. The proposed RV campground is not directly adjacent to Swantown Marina. RV ("land yacht") mitigation site residents would not impinge on or displace Swantown Marina "liveaboard" boat residents, or on the "urban intensity" zoned areas. It seems reasonable to assume that the public would expect consideration of this possibility, given the immediacy and urgency of the housing crisis.

## Cari Hornbein

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**From:** Nicole Floyd  
**Sent:** Tuesday, June 01, 2021 8:12 AM  
**To:** Cari Hornbein  
**Subject:** FW: RV Park

Public comment for you.

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**From:** Bette Jean Phillips <bettejeanp@outlook.com>  
**Sent:** Friday, May 28, 2021 11:11 AM  
**To:** Nicole Floyd <nfloyd@ci.olympia.wa.us>  
**Subject:** RV Park

### External Email Alert!

This email originated from a source outside of the City's network. Use caution before clicking on links or opening attachments.

Please do not add an RV Park next to Swantown Boatworks. It would ruin the entire area. Keep that area an open area. What about runoff into the sound from the RV's. Are they to be lived in??

## Cari Hornbein

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**From:** Barbara Herman <hermanbarbara@icloud.com>  
**Sent:** Sunday, June 13, 2021 9:54 AM  
**To:** Cari Hornbein  
**Subject:** Recreational vehicle parks on waterfront

### External Email Alert!

This email originated from a source outside of the City's network. Use caution before clicking on links or opening attachments.

Please add my vote against this proposal. This is our city's beautiful recreational area and doesn't need to be mucked up with RV parks.

Sent from my iPad  
*Barbara*

## Cari Hornbein

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**From:** mary fitzgerald <olymfitz@hotmail.com>  
**Sent:** Wednesday, July 07, 2021 11:50 AM  
**To:** Cari Hornbein  
**Subject:** RV park within Swantown development area.

### External Email Alert!

This email originated from a source outside of the City's network. Use caution before clicking on links or opening attachments.

Dear Ms. Hornbein,

I would like to voice my support for the proposed change to city regulations to allow development of an RV facility at the Swantown site. A small park would be a good way to attract visitors to the downtown core that includes many restaurants, shops, the farmers market and public access to our beautiful waterfront.

Many people will oppose this idea because when they think of RVs, they only think of the homeless population that appears to litter, and disrespect the city that has been most generous in allowing them to populate areas around the lake and along the road into the St. Peter hospital.

Their RVs and obvious lack of ability to pay to live in a proper facility does not reflect the type and majority of visitors this facility would attract. In general RVers are responsible, clean and financially sound.

Most state parks keep the RVs allowed at kept under 23 feet which would help with road and turnaround space required. The Port of Port Townsend has a small RV park that is very popular and a place where boaters can meet up with RVers. Attracting both to the same area of downtown will benefit the downtown businesses that have suffered so greatly during the covid pandemic.

I fully support the city's exploration of this issue and think it would be a positive use of the empty space that surrounds the Swantown/Port of Olympia peninsula.

Thanks for your time and consideration.

Sincerely,  
Mary Fitzgerald  
Olympia Resident 38 years

[utlook for Android](#)



## Cari Hornbein

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**From:** Karen Bray <gkbray@gmail.com>  
**Sent:** Tuesday, June 15, 2021 4:20 PM  
**To:** Cari Hornbein  
**Subject:** Port of Olympia's plan to build a RV park

### External Email Alert!

This email originated from a source outside of the City's network. Use caution before clicking on links or opening attachments.

Dear Ms Hornbein:

We are hopeful that considerations concerning reduction of CO2 emissions and sea level rise will prevail and the Port's application will be denied. It does not seem an appropriate use considering the adoption of the Climate Mitigation Plan. We have been sailors most of our lives, but the last few years we have explored land by RV, albeit a very small one. We are familiar with RV parks and opportunities for holding tank mishaps and excessive use of generators. All of which are inconsistent with improving water and air quality.

As a nearby neighbor of the Port we already live with light and noise pollution. We have participated in the Audubon Christmas bird count and Cornell backyard bird count for almost 50 years. There has been a dramatic decrease in numbers and species in the East Bay area....and reduction in salmon return to Moxley Creek.

As city taxpayers we would like to see that parcel used for a place where Olympians can gather on the near shore....perhaps restore a marsh area for habitat for birds, amphibians and fish. Perhaps a place where children could actually put their feet in the sea water. instead of a concrete artificial stream at the East Bay Plaza.

We appreciate the opportunity to comment on this application.

Kind Regards,

Karen Bray

## Cari Hornbein

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**From:** Karen Bray <gkbray@gmail.com>  
**Sent:** Wednesday, July 07, 2021 2:17 PM  
**To:** Cari Hornbein  
**Subject:** Revised code amendments for the Port

### External Email Alert!

This email originated from a source outside of the City's network. Use caution before clicking on links or opening attachments.

As folks who have lived on the shores of Budd Inlet for over 50 years, we are concerned that the Port is not taking the Thurston Climate Mitigation Plan very seriously. RV owners, and we have been one, run generators, are sloppy about emptying their holding tanks and generally produce a lot of non recyclable trash. Private and State Parks seem to be doing a fine job of filling that need.

As the Ports closest neighbor on East Bay Drive we already live with light pollution, excessive noise, and air pollution from logging trucks and equipment.

We have attended city meetings in the past about sea level rise mitigation. What we learned from those meetings is that the natural shoreline is important to absorb the rise and we need to be creating more.

We taxpayers have been supporting the Port quite handily over the years. What about a park for "We Olympians" so kids can actually put their feet in the water, view shore birds, learn about the tides, and picnic.

Thank you for the opportunity to comment,

Karen and George Bray

## Cari Hornbein

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**From:** jacobsoy@aol.com  
**Sent:** Monday, July 19, 2021 3:30 PM  
**To:** Cari Hornbein  
**Subject:** Testimony for this Evening's Hearing

### External Email Alert!

This email originated from a source outside of the City's network. Use caution before clicking on links or opening attachments.

Hi Cari --

Please forward this to the Planning Commission for this evening's hearing. I will be unable to attend due to another commitment.

Thanks,

Bob Jacobs

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Planning Commission Members:

Please accept this email as my testimony on Item 6A of your agenda this evening, Recreational Vehicle Parks in the Urban Waterfront Zoning District.

Waterfront areas are the most valuable land in the state, as indicated by the fact that they have their own statewide zoning law, the Shorelines Management Act (SMA).

The city of Olympia largely follows the spirit of the SMA in its regulation of this uniquely precious area. For instance, by forbidding parking lots in the shoreline area.

This Port of Olympia proposal is, in my opinion, out of step with both the spirit of the SMA and Olympia's regulations. It seems quite inappropriate to allow recreational vehicle parks in the shoreline area.

A possible exception would be if these RV parks were for homeless people to use on a temporary basis, since homelessness is a serious problem.

Bob Jacobs  
360-352-1346

720 Governor Stevens Ave. SE  
Olympia 98501

July 27, 2021

Dear Olympia Planning Commission,

I write in opposition to the proposed change in the Comprehensive Plan to allow the Port of Olympia to site an RV park on the waterfront.

The Port once was the site of heavy industrial activity. A 1947 photo shows logs everywhere. These logs were treated with creosote, chromated copper arsenic, diesel oil and other toxic chemicals that were routinely dumped into the water. The logs themselves were sprayed with DDT, a chemical relative of Agent Orange.

The sediments on the Port were tested and analyzed about 20 years ago by Dr. Kate Jenkins, dioxin expert at the EPA. Prior to testing the Cascade Pole site, she was the expert who analyzed contamination at Love Canal and Tynes Beach, Missouri. She reported that the sediments at Cascade Pole were magnitudes more contaminated than these other infamous sites. Her consultant was Alan Fixdel, who later became the Executive Director of the Washington State Energy Facility Site Evaluation Council. Similar toxic sediments are at the site of this proposed neighboring campground, including polycyclic aromatic hydrocarbons, one particularly nasty toxin which vaporizes in temperatures over 50 degrees. Despite the Port's claim that Cascade Pole is being cleaned up, it has merely been contained, and contamination continues to leak from it.

The idea of hosting overnight stays for families and children in the summer on an extremely toxic site with no adequate cleanup should stop this project in its tracks. Will families want to camp at a place emitting toxic vapors where their children and pets cannot even touch the water because it is so contaminated? Will the Port and City include the history of this site and the findings of the extremely high level of toxics found there in their advertising? To not do so would be, in my opinion, immoral. I am certain that the toxic nature of the site will become common knowledge, if it is not already, dissuading many campers from stationing themselves on top of it. People should not be allowed, let alone encouraged to live on top of toxic sites, even for a night.

Also, the Port's own Destination Waterfront Survey tallied less than 25% approval for the idea of RV camping at the Port. The public does not support this idea.

Thank you.  
Esther Kronenberg

## Cari Hornbein

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**From:** Sandler & Seppanen <Laurel.Lodge@Comcast.Net>  
**Sent:** Monday, August 02, 2021 8:54 PM  
**To:** Cari Hornbein  
**Subject:** Comment on proposed RV park

External Email Alert!

This email originated from a source outside of the City's network. Use caution before clicking on links or opening attachments.

Cari Hornbein,

I am writing in opposition to approving an RV Park on Port's waterfront property. Like most of the people who many provided feedback via Survey 1 of Destination Waterfront on opportunities to consider, I did not choose RV Park as an opportunity I would consider. Less than 25 people out of about 425 respondents selected the RV park as the opportunity of interest while 5 other categories were selected by 50 people each.

The community has a low level of interest in an RV Park at on the waterfront. Public access and recreation are greater interest, yet the RV Park might negatively impact public path through the project area. It does not make sense to threaten the item of interest to offer an opportunity of lesser interest.

Loretta Seppanen  
2919 Orange Street SE, Olympia, WA