



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

City Council

Approval of an Ordinance Adopting the Capital Mall Triangle Subarea Plan

Agenda Date: 7/16/2024
Agenda Item Number: 4.G
File Number: 24-0548

Type: ordinance **Version:** 3 **Status:** Passed

Title

Approval of an Ordinance Adopting the Capital Mall Triangle Subarea Plan

Recommended Action

Committee Recommendation:

The Land Use & Environment Committee recommends moving to approve an Ordinance adopting the Capital Mall Triangle Subarea Plan.

City Manager Recommendation:

Move to approve an Ordinance adopting the Capital Mall Triangle Subarea Plan.

Report

Issue:

Whether to approve an Ordinance adopting the Capital Mall Triangle Subarea Plan.

Staff Contact:

David Ginther, Senior Planner, Community Planning and Development, 360.753.8335

Presenter(s):

David Ginther, Senior Planner, Community Planning & Development

Background and Analysis:

Background and Analysis has changed from first to second reading.

On July 9, the City Council considered the first reading of the Ordinance and requested the following changes which are reflected in the second reading:

- Changing the affordable housing density bonus from 100% to 30% affordable housing units.
- Removing ED2 and LU 11, and all references to tax increment, financing and economic development districts.
- Modifying LU 12. for the final sentence to say, seek funding opportunities, including an in-depth analysis of available economic development tools.

In 2014, the Olympia Comprehensive Plan was updated following significant public outreach and

multiple public participation opportunities. The five-year long update effort included 30 public meetings and resulted in approximately 2,000 public comments. The adopted Comprehensive Plan contains a vision for the Capital Mall area to:

1. Eventually transition to a high-density mixed-use neighborhood where people can walk, bike, or take the bus to obtain goods, services, and entertainment.
2. Keep the subarea a regional draw for the retailers and other businesses.

The main purpose of the Capital Mall Triangle planning project is to determine how to facilitate the vision articulated in the Comprehensive Plan. The subarea plan contains the vision, goals, and implementation recommendations to help move the area towards the community's vision for the area.

The community input received over the past two years contains three main themes: 1) safe and comfortable mobility for all forms of transportation, 2) a livable and complete urban neighborhood that is also economically healthy, and 3) a climate resilient, environmentally friendly, and sustainable area. These themes are woven throughout the plan and are explained in detail in Chapter 3.

Recommendations in the plan can be grouped into a few broad categories. These include the following:

- Focus public investment on people-oriented community facing infrastructure to catalyze development.
- Create a framework for a more connected transportation network that is safer for all forms of transportation.
- Adjust development regulations to provide more opportunities for redevelopment and provide incentives for desired development such as affordable housing
- Protect and support the economic vitality of the area

The Land Use & Environment Committee (LUEC) discussed the draft Subarea Plan at its meeting on May 9, 2024. LUEC forwarded an approval recommendation to the City Council with changes outlined in an attachment to the staff report for the June 11, 2024, Council study session. The City Council reviewed the Subarea Plan and directed staff to bring it back for approval at the July 9, 2024, City Council meeting. The changes recommended by LUEC and reviewed by the City Council have been integrated into the Subarea Plan.

A planned action ordinance will be completed after the approval of the subarea plan. This ordinance, combined with the environmental impact statement that was done for the project, provides project-level environmental review up front for some future development so that project level environmental review is streamlined when development occurs. The ordinance will also contain changes to development regulations as recommended by the subarea plan.

Climate Analysis:

The planning project will result in long-term reduction of greenhouse gas emissions. It will facilitate development of high-density residential housing in a core urban area that is designated in the City's comprehensive plan for high-density housing mixed with commercial and other services.

Development of this style of housing in this location will result in a number of benefits in regards to climate impacts including the following: reducing sprawl; providing needed housing in close proximity to goods, services, and jobs; providing more efficient housing that consumes less energy, less

drinking water, and produces less wastewater; construction of a more efficient transportation network with more connections and more opportunities for active forms of travel; and a reduction in vehicle miles traveled.

Equity Analysis:

The community will benefit from additional housing being developed. There is significant nationwide data which shows that increasing the housing supply has a positive impact on the cost of renting or buying housing. The additional inventory of housing will help to address the high demand and provide much needed housing for the additional residents expected in the next 20 years. Both those seeking low-income housing as well as market rate housing will benefit from additional housing options.

Businesses in general will benefit from additional residents (potential customers) located near their establishments. Smaller businesses could be impacted by rising property values and higher commercial rents within the subarea. This could occur as the area develops and becomes a more desirable location in which to live and conduct business. Project staff met with the business community on multiple occasions to determine how best to meet their needs and address their concerns. The subarea plan addresses business displacement and provide recommendations on methods to mitigate potential impacts. A corridor study is recommended for the Harrison Avenue area due to its concentration of local and small businesses which contrast with the rest of the subarea.

Residents of adjacent neighborhoods, future residents of the subarea, employees, and customers will benefit from new transportation connections into and through the subarea. These multi-modal connections will be constructed and funded as new development occurs within the subarea. Along with associated safety improvements, these connections will provide easier and safer access into and through the subarea for all modes of travel, including active forms of travel such as walking, rolling, and biking. Community members without vehicles will benefit from improved transit efficiency and service. The subarea plan recommends coordinating with Intercity Transit regarding planning for a more appropriate location for the main transit stop within the subarea. This would potentially reduce route times and help to improve the efficiency of routes and schedules.

Neighborhood/Community Interests:

The project has received approximately 300 written comments from the community focused mainly on 1) transportation connections and safety; 2) housing, development, and community amenities; and 3) environmental issues.

Extensive outreach has been conducted for the project using multiple methods and a variety of participation opportunities have been offered. These include five public community meetings, five stakeholder work group meetings, three business focused meetings, 17 interviews, 19 presentations for organizations, and 15 briefings for city advisory committees/commissions and City Council. See the attached "Public Outreach" document, *Table 1-1 Engagement Summary* in Chapter 1 of the subarea plan, and *Appendix D - Engagement Report* of the subarea plan for additional information on outreach, public participation, and community input.

Financial Impact:

The project is funded by a \$250,000 Transit Oriented Development and Implementation grant from the Washington State Department of Commerce. The City of Olympia has supplemented the project with an additional \$83,529.

Options:

1. Approve the ordinance adopting the Capital Mall Triangle Subarea Plan.
2. Approve the ordinance adopting the Capital Mall Triangle Subarea Plan with amendments.
3. Do not approve the ordinance adopting the Capital Mall Triangle Subarea Plan.

Attachments:

Ordinance - Second Reading

Ordinance - First Reading

Planning Commission Recommendation

Public Outreach

Project Webpage