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## City Council

### Development Agreement with Fortis Development, LLC

**Agenda Date:** 9/15/2015  
**Agenda Item Number:** 5.A  
**File Number:** 15-0854

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**Type:** public hearing **Version:** 1 **Status:** Passed

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**Title**

Development Agreement with Fortis Development, LLC

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Conduct public hearing. After closing the public hearing, move to adopt the attached Resolution approving a Development Agreement with Fortis Development LLC for demolition of existing buildings and future development known as Martin Way Residential.

**Report**

**Issue:**

Should the City Council approve the development agreement with Fortis Development, LLC?

**Staff Contact:**

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

**Presenter(s):**

Leonard Bauer, Deputy Director, Community Planning and Development

**Background and Analysis:**

This development agreement is requested by City staff in accordance with Chapter 18.53 of the Olympia Municipal Code. Staff from the Departments of Community Planning and Development and Public Works have worked with Fortis Development and the City Attorney's office to draft the proposed development agreement (attached).

The development agreement is for two tax parcels located at 3333 Martin Way East (site of the former Bailey's Inn). The development agreement provides for demolition of all buildings on the site within 90 days after execution of the agreement. In the future, it also provides for Fortis Development to apply for development permits for a multi-use, residential/commercial project to be constructed in two phases. The agreement specifies the existing City development standards that will apply to each phase of development, including frontage improvements along Martin Way (e.g., curbs, street trees,

street lights, sidewalks). Improvements will be constructed along the entire length of both parcels during construction of Phase 1 of the development project - permanent improvements along Phase 1 frontage and temporary improvements along Phase 2 frontage. The temporary improvements will be replaced with permanent improvements when Phase 2 of the project is constructed.

**This public hearing and decision are on the terms of a development agreement with Fortis Development for the subject property. This Public Hearing is not a hearing or decision on the proposed development itself.** Consideration of proposed development on the property will occur in the future as part of the review of permit applications after they are received by the City.

#### Legal Requirements for Development Agreements

Chapter 36.70B.170 of the Revised Code of Washington authorizes cities to enter into a written development agreement with a property owner. The City of Olympia's procedures for development agreements are contained in Chapter 18.53 of the Olympia Municipal Code (OMC).

Following is a brief summary of those procedures as they relate to the development agreement with Fortis Development, LLC:

- The City Council is the authority to make a final decision on a development agreement.
- The City Council must hold a public hearing on the development agreement. Notice was provided for tonight's hearing consistent with the City's public notice requirements (OMC 18.78.040).
- A development agreement must be heard by the City Council prior to consideration of any related project application.
- A development agreement may address the development standards and other provisions that apply to the proposed development and vest to the development, the time frame of the agreement, and any mitigation measures to address potential impacts of the agreement. The attached development agreement would not change any existing city regulations as they would apply to the development, but would ensure that current regulations apply to all phases of the development. The agreement includes exceptions for future state or federal regulations that may supersede the city's authority, and for new regulations addressing threats to public health and safety. The term of the draft agreement is ten years.
- Development agreements are recorded with Thurston County and remain in force and applicable to the property according to the terms of the agreement, even if the property is sold or transferred to another party.

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

There has been significant interest from neighboring property owners and city-wide regarding on-going code enforcement issues on this property, as well as several incidents that have been responded to by City police and fire departments.

#### **Options:**

Following the close of the public hearing:

1. Approve the attached resolution approving the development agreement.
2. Do not approve the resolution.
3. Continue consideration of the resolution until a future Council meeting.

**Financial Impact:**

None.