

**TUMWATER PUBLIC WORKS COMMITTEE  
MINUTES OF VIRTUAL MEETING  
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**CONVENE:** 8:00 a.m.

**PRESENT:** Chair Eileen Swarthout and Councilmembers Michael Althausen and Charlie Schneider.

Staff: City Administrator John Doan, Transportation and Engineering Director Brandon Hicks, Water Resources & Sustainability Director Dan Smith, Water Educator Meridith Greer, and Administrative Assistant Cathy Nielsen.

**ACTION:**

**APPROVAL OF  
MINUTES: JUNE  
17, 2021 AND JULY  
8, 2021:**

**MOTION:** Councilmember Althausen moved, seconded by Councilmember Schneider, to approve the minutes of June 17, 2021 and July 8, 2021 as published. Motion carried unanimously.

**THURSTON  
COUNTY EQUITY  
INDEX SERVICE  
PROVIDER  
AGREEMENT:**

Water Educator Greer briefed the committee on the proposed Thurston County Equity Index Service Provider Agreement. The committee was briefed on the conceptual program in June.

The City's National Pollutant Discharge Elimination System (NPDES) permit requires the City to consider over-burdened communities within the City with a goal to improve service equity by providing equitable access and understanding to those who may lack the experience or background on stormwater education, programs, and projects. The intent of the program is developing ways to identify over-burdened communities in Tumwater. Staff explored efforts by other jurisdictions and identified the City of Tacoma's program as a good blueprint for an equity index. The City of Tacoma highlighted areas of higher and lower opportunity to guide a more equitable service delivery on a Citywide scale at a census block level. The City of Tacoma reviewed data for 29 different indicators across 5 different categories weighted based on the goals to attain from the program and how each city department would use the data. Overall, the City identified 197 census blocks across the City. The City of Tumwater's goal is to use the same framework the City of Tacoma used to create a Thurston County Equity Index.

The City is collaborating with the City of Olympia and Thurston County and contracting with the University of Washington-Tacoma's Action Mapping Program to complete the index. The result of the project would produce a geodatabase for each of the jurisdictions with data specific to each jurisdiction and a process for identifying, aggregating, and weighting data. The geodatabase would need to be updated every five years, which speaks to the importance of identifying a process for updating data.

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A stakeholder group was established in June with representatives from City departments to brainstorm the type of data to include in the index. The index would be used as a tool by most City departments for projects and programs. The group proposes to use 29 different indicators across four categories of environmental health, education, accessibility, and livability. The intent is to use all indicators to assist with stormwater outreach and education. Staff met with the Action Mapping Team. The team is also engaged in similar meetings with City of Olympia staff and Thurston County internal stakeholder teams. Within the next several weeks, all the jurisdictions will meet with the Action Mapping Team to come to consensus on the indicators to include. The goal is to use the same indicators across the county to enable comparison of programs countywide. In terms of stormwater education and outreach, much of the City's efforts are through the Regional Environmental Education Program offering countywide programs by examining countywide data for comparison across the cities. Completion of the project is anticipated by the end of the year. Completion of the geodatabase and a map will assist in moving to the next step of using the information to overlay current program locations to ascertain how well the City is achieving equity goals.

Staff requests the committee recommend the City Council approve and authorize the Mayor to sign the Thurston County Equity Index Service Provider Agreement. Water Educator Greer invited questions from the committee.

Chair Swarthout inquired about the timeline for completion of the project. Water Educator Greer advised that the intent is to complete the mapping component by the end of year as the City's permit deadlines are in March 2022 and could benefit from the mapping element.

Councilmember Althaus asked whether there would be any kind of nexus to community engagement such as utilizing the map to pursue targeted outreach or mailings. He asked how the project aligns with the City's communications strategy to seek more input from the community. Water Educator Greer explained that the intent is to apply the program Citywide. Identifying areas that have or do not have internet access as the City moves education and outreach to online venues is important to ensure all residents can access the information. Staff is also identifying areas of linguistic isolation as most of the City's outreach and education is in English. The program will help to identify homeowners and tenants to enable the City to tailor information to those areas in the City.

**CONSENSUS:**                    **The Public Works Committee unanimously recommended the City Council approve and authorize the Mayor to sign the Thurston County Equity Index Service Provider Agreement.**

**BRIEFING ON**                    Director Hicks reported the second supplement to the Craft District

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**RESOLUTION NO.  
R2021-012, SECOND  
AMENDMENT TO  
DEVELOPMENT  
AGREEMENT  
WITH CRAFT  
DISTRICT LLC:**

Development Agreement is tied to the request to schedule a public hearing for consideration of a right-of-way vacation.

The development is located on a 5.5-acre site at the intersection of Capitol Boulevard and E Street/Tumwater Valley Drive. The development is built around the South Puget Sound Community College (SPSCC) Craft Brewing and Distilling Program. The identity of the district is centered on craft brewing, cider, and distilling with plans for expansion of other uses, such as restaurants, retail, office, event space, and a 1,000-person amphitheater.

The City entered into the agreement to promote social and economic benefits for the area, as well as creating energy to attract investment to redevelop the old brewery property. The goal is to create a destination for visitors to the City, as well as a gathering place for the community. The original agreement was focused on cost share for City infrastructure serving both the City and the development. City funds included in the agreement were specific to elements included in the Brewery District Plan, the E Street Corridor project, and the Comprehensive Water System Plan.

Transportation infrastructure in the original agreement included realignment of Tumwater Valley Drive, construction of a new intersection, street lights, conversion of a partial area of Tumwater Valley Drive to a parking lot shared by the City and the development, provisions to ensure space to accommodate a future Deschutes Valley Trail segment, and a property swap between the City and the developer. The agreement also included utility infrastructure by extending the water main from 2<sup>nd</sup> Avenue to E Street and undergrounding private utility power and communications lines.

The first amendment at the end of 2020 was for a time extension to accommodate market changes during the pandemic. The developer has submitted plans for development review by the City for speculative commercial property development on the original site, as well as potential development of Lot 4. The parties are discussing a parking agreement and preparing for the construction of the trail abutting the old alignment of Tumwater Valley Drive constructed by the City. The developer is preparing for signal and road construction scheduled in 2022 in addition to construction for the shared parking lot in 2022 or 2023.

The proposed second amendment includes several new provisions. One is the construction of a 96-unit apartment building requiring the acquisition of right-of-way from the City. As compensation for the right-of-way, staff negotiated underground conversion of power and communication lines along an additional area. The developer would be responsible for construction of the trail segment along a remnant portion of Tumwater Valley Drive of approximately 1,000 linear feet, as well as dedicating right-of-way the City requires for a future roundabout at the Capitol Boulevard and Linwood Avenue intersection. The developer would reconstruct some storm lines

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through the apartment project meeting current plan design for a future regional stormwater facility. Additionally, for property from the City, development fee credits have been increased from the original development agreement to balance the cost share arrangement between the City and the developer.

Director Hicks displayed an aerial illustration depicting the original development agreement area and the trail segment the developer would construct under the proposed supplement to the agreement. Current right-of-way is depicted representing the City's excess right-of-way. A portion of the right-of-way was vacated by the City as part of the original agreement. The illustration identified dedicated property the City would receive from the developer for the planned roundabout and the area for the reconstruction of the storm system through the site. Because of the existence of steep slopes on the property, the developer would have been required to construct a substantial retaining wall costing over \$500,000 without the additional land from the City.

Director Hicks outlined the costs attributed to each party to the agreement. The City is receiving substantial value in the proposed agreement equating to approximately \$690,000 for the trail segment, underground conversion of power and communications lines, upgraded stormwater segment, dedication of property for the planned roundabout, and specific timelines for completion of some improvements. The Craft District will receive right-of-way and \$165,000 in additional development fee credits. Overall, the proposed amendment to the development agreement benefits the City by approximately \$300,000.

The City Council is scheduled to conduct a public hearing on the proposed amendment. Pursuant to the public hearing, staff plans to request adoption of the resolution.

Councilmember Schneider asked about the responsible party for construction of the realignment of Tumwater Valley Drive. Director Hicks said both parties are contributing to the cost. The City's portion of the road construction is nearly completed with the developer's development credits of \$190,000 remaining. The original agreement included the City purchasing the materials for electrical facilities with the remaining costs incurred by the developer.

Councilmember Schneider asked whether the cost for development of the amphitheater is a developer cost and whether timing for the development of the amphitheater has been identified. Director Hicks said the developer is responsible for the cost of the amphitheater. Timing for construction would likely occur in 2023 with an interim temporary set-up in 2022. Parking will not be completed until late 2022 or early 2023 because the road must be constructed prior to the parking area.

City Administrator Doan added that as part of the overall development agreement, the City is providing parking for the Craft District in the area of

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Tumwater Valley Drive. The City will receive some access to the amphitheater with the Craft District responsible for programming events, with a specific number of days allocated to the City for community events. The parking area will accommodate approximately 150 vehicles in the lower area and 150+ vehicles in the higher parking area.

Councilmember Althaus commented that a 25-foot tall retaining wall adjacent to residential appears to create some safety concerns for children. A retaining wall next to the building would appear to mitigate some of that risk because the building would prevent someone from falling from the wall. He asked whether the City is waiving any development safety codes to enable the construction of the wall or any fencing provisions in the agreement to ensure children playing behind the building do not climb over the wall and accidentally fall. Director Hicks said the City has issued no waivers for safety requirements. Based on the type of units planned, there likely would not be many children as the units will be small, high-end priced units.

Councilmember Althaus said he understood the original agreement with the Craft District assigned construction of the trail as the developer's responsibility. Director Hicks replied that in the original agreement, the developer was only responsible for providing space for the trail and was not required to construct the trail. During negotiations for the original agreement, there was an informal agreement that the developer would add a ribbon of asphalt along the trail; however, it was prior to the City's completion of a report identifying the floodway and areas that could include construction of the trail segment. The area was different after the survey was completed, which required relocation of the trail segment and substantial retaining walls and railings that were never anticipated either by the developer or the City. The original discussion anticipated a cost of \$20,000 for the ribbon of asphalt rather than costs exceeding \$300,000 for the trail segment.

Councilmember Althaus asked whether the City has an option to utilize tax increment financing to finance the trail portion across the river. Director Hicks said the trail segment was designated originally to be located under the bridge and has been redesigned to be located over the bridge during the interim period prior to construction of the E Street connection. At that time, the trail would be reconfigured. That element of the project would likely not qualify for tax increment financing as the City plans to seek federal funds to pay for the E Street Connection project.

City Administrator Doan added that tax increment financing is a tool and the City has engaged in some conversations with the owners of the historic brewery property as to whether they could utilize tax increment financing because of the potential of more development in that area than in the Craft District.

Chair Swarthout commented that her concerns surround the lack of parking to

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support the 1,000-seat amphitheater and the plan for parking overflow. Director Hicks replied that all events would likely require some traffic control and an application for a special events permit documenting how the event plans to accommodate all parking needs. It is likely the Craft District would need to acquire an agreement with LOTT for handle overflow parking.

City Administrator Doan added that funds are included in the Capital Facilities Plan to acquire and improve a section of parking used by the City during the Brewfest that could be available to support other activities at the golf course or the Craft District.

**RESOLUTION NO.**  
**R2021-013, SET**  
**PUBLIC HEARING**  
**FOR RIGHT-OF-**  
**WAY VACATION**  
**CONSIDERATION:**

Director Hicks reported the request is to recommend the City Council schedule a public hearing on November 16, 2021, with a request to adopt the resolution for the vacation of right-of-way following the public hearing.

The action of vacation terminates public interest in a right-of-way. Right-of-way is generally an easement for public travel. In most instances right-of-way is not fee simple property owned by the City. The underlying property is typically owned by the abutting property owner but fully encumbered as right-of-way for use by the public.

Director Hicks reviewed the six steps in the RCW for vacating right-of-way. The Tumwater Municipal Code includes 12 sections governing the right-of-way vacation process. Beyond the petition, notification, public hearing, and ordinance, the City's process can include the Council initiating the vacation process. The City has developed criteria in addition to RCW requirements for granting the vacation, compensation, and potential trade of properties. The development agreement includes a trade of property and funds pertaining to the vacation request.

The proposed vacation of right-of-way meets all the applicable criteria in the Tumwater Municipal Code. Several of the criteria are assurance the right-of-way would not provide a realistic public benefit if retained and that there are no negative impacts to abutting properties unless mitigated.

Director Hicks displayed the area of the proposed right-of-way vacation on a vicinity map located in front of Lot 4 of the Craft District property along Capitol Boulevard between Linwood Avenue and the future realigned Tumwater Valley Drive. Existing right-of-way is approximately 29 feet of land behind the sidewalk. The vacation area totals 12,238 square feet. If approved, approximately 12 feet of right-of-way would remain behind the existing sidewalk, which is adequate for underground utilities.

Typically, a vacation petition generates an appraisal of the land and the petitioner pays 50% of the appraised value. In this case, compensation is covered within the development agreement as part of a small property swap for land for a future roundabout, as well as some monetary exchange. The code

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requires payment of 50% of the fair market value. In the current agreement negotiations, the City would receive compensation for 100% of the appraised value.

Staff requests the Public Works Committee recommend the City Council approve and authorize the Mayor to sign Resolution No. R2021-013, establishing November 16, 2021, as the date for a public hearing to consider vacating a portion of right-of-way lying east of Capitol Boulevard, adjacent to Parcel No. 33870000400.

Councilmember Althaus asked about the intent of underground conversion of utilities if some high electrical transmission lines remain on poles. Director Hicks said the intent is to eliminate lines throughout the City because they are much more visible than the higher transmission lines. The lines obstruct views of trees and buildings. The cost of underground conversion of high transmission electric lines is extremely high. The goal is decreasing visual impacts throughout the City.

**CONSENSUS:**

**The Public Works Committee unanimously recommended the City Council approve and authorize the Mayor to sign Resolution No. R2021-013, establishing November 16, 2021, as the date for a public hearing to consider vacating a portion of right-of-way lying east of Capitol Boulevard, adjacent to Parcel No. 33870000400.**

City Administrator Doan pointed out that the property along Capitol Boulevard to include the La Quinta property from E Street to Linwood Avenue was approved in 2010 for a massive multi-family mixed- use project with 11 story buildings by Triway Enterprises, a local developer. The City was able to acquire right-of-way for Tumwater Valley Drive and when the project did not move forward because of the recession, the City acquired from the bank an entire tree stand for compliance with the City's tree protection code as part of that development. The Craft District development project was possible because the City saved those trees along the hillside and at the bottom of the slope.

**RESOLUTION NO.**  
**R2021-015,**  
**DECLARATION OF**  
**SURPLUS**  
**PROPERTY:**

Director Hicks reported the request involves the Capitol Boulevard Corridor Plan. The purpose of the plan is to relieve congestion, improve safety, and provide multimodal improvements. The total project cost is approximately \$14 million. The City received a \$6.6 million grant from the State Transportation Improvement Board. Staff continues to work through design and right-of-way acquisition. Construction on the project is scheduled during 2022 and 2023.

Director Hicks identified the location of the subject property on a vicinity map comprised of two parcels located at the southwest corner of Capitol Boulevard and Trosper Road. One of the properties houses a bank and the second property includes a restaurant building. He outlined the actual property

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required for acquisition by the City for the project, which is less than the entirety of both parcels. Those areas would become surplus property. Through the process of acquisition, the City contracts with an appraiser and a review appraiser to determine whether the remainder of the parcels are determined to be uneconomic and are of little value to the owner. The parcel containing the bank would be used for a future roundabout and the parcel was determined as uneconomic because the remaining parcel was too small for redevelopment. The second parcel containing the restaurant was determined uneconomic as well because the property's legal access is from Trosper Road, which would no longer be possible leaving the remaining property with no legal access. The Uniform Relocation Act and state law require the City to offer a purchase price for any uneconomic remaining property to the property owners. The purchase price is the difference between full property valuation minus the payment by the City for the portions of the parcels designated for the project. Both property owners accepted the offer of purchase for the parcels.

Staff proposes to sell the properties as they encumber an economic value because of an access easement for driving and parking. Selling both properties as one package creates economic value because the restaurant building would have legal access from Capitol Boulevard.

The City's cost to acquire the properties was approximately \$1,875,000 excluding any cost for relocating both businesses of approximately \$300,000. Selling both properties together would result in a three-quarter acre parcel located in one of the highest traffic areas in the county. Additionally, a 2,000+ square foot commercial building is located on the parcel that could be renovated. Revenue from the property sale would replenish the transportation project funds that were used for the unanticipated expense. The City has received five inquiries regarding the parcels and the intent is to declare the properties as surplus as quickly as possible to take advantage of buyers interested in purchasing the properties.

Staff requests that the Public Works Committee recommend the City Council approve and authorize the Mayor to sign Resolution R2021-015, declaring property as surplus.

Councilmember Schneider asked whether the City still plans to demolish the bank building. Director Hicks affirmed the City plans to demolish the building as the building is on property required to accommodate the new roundabout. The committee was recently requested to authorize the solicitation of bids for the building demolition project. Staff anticipates releasing a bid within the next several weeks.

Chair Swarthout asked whether staff plans to sell the lots as one consolidated lot or two parcels. Director Hicks explained that the lots are separate but the intent is to sell the properties together as one purchase.



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**CONSENSUS:**           The Public Works Committee unanimously recommended the City Council approve and authorize the Mayor to sign Resolution R2021-015, declaring property as surplus.

**ADJOURNMENT:**      With there being no further business, Chair Swarthout adjourned the meeting at 9:04 a.m.

Prepared by Puget Sound Meeting Services, [psmsoly@earthlink.net](mailto:psmsoly@earthlink.net)