

**TUMWATER GENERAL GOVERNMENT COMMITTEE
MINUTES OF VIRTUAL MEETING
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CONVENE: 8:00 a.m.

PRESENT: Chair Michael Althausser and Councilmember Leatta Dahlhoff.

Excused: Councilmember Joan Cathey.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Community Development Department Director Michael Matlock, Finance Department Director Troy Niemeyer, Planning Manager Brad Medrud, and Housing and Land Use Planner Erika Smith-Erickson.

**APPROVAL OF
MINUTES: GENERAL
GOVERNMENT
COMMITTEE -
OCTOBER 9, 2024:**

MOTION: **Councilmember Dahlhoff moved, seconded by Chair Althausser, to approve the minutes of October 9, 2024 as published. A voice vote approved the motion.**

FOOD SYSTEM PLAN: Manager Medrud reported the City Council included the preparation of a City Food System Plan within the 2024 Work Plan. The purpose of the plan is to address community concerns with food insecurity at the local level. Staff has been working with consultant Rebeca Potasnik to develop a plan focusing on ways of supporting access to food and the role of community-based agriculture activities. The briefing by Ms. Potasnik will describe the plan preparation process and a review of stakeholders.

Ms. Potasnik described her background and work within the community in food systems. The focus of stakeholder engagement is to develop a plan that can be effectively administered by the City. Areas of interest within the plan shared by staff include food security, processing, production, and food waste. She identified a list of subject matter experts based on the desired focus of the plan.

Ms. Potasnik reported she is working with stakeholders to develop an assessment of current conditions with respect to the food system. The first element of the plan is an analysis, which will be used to identify opportunities and constraints followed by development of goals for the City's plan and strategies to achieve outcomes. The first phase is essentially engaging in conversations and conducting some surveys.

Councilmember Dahlhoff noted that the list of subject matter experts did not include Leanne Perry with Little Free Pantries. Since the pandemic, efforts have been ongoing for the City to adopt Little Free Pantries

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similar to Lending Libraries. She asked whether the stakeholders include representatives from those entities. She also suggested considering individuals who access different food systems.

Ms. Potasnik said ongoing efforts include reaching out to identify existing and active food distribution sites. The food bank provided a list of satellite facilities, as well as a list of other institutions. She plans to work with some of the food distribution sites to determine the best form of engagement with individuals who are accessing the sites.

Councilmember Dahlhoff noted that the Tumwater Fire Department hosted a small food distribution center prior to the pandemic. The service has not been reinstituted since the pandemic because of various reasons surrounding retirements, access, and availability. She asked whether a small food center at the fire department would be considered as an option.

Councilmember Dahlhoff offered to provide names and contact information of individuals and entities that should be included in the process.

Ms. Potasnik advised that another goal is ensuring a balance of interests represented by government entities, non-profits, businesses, food waste, and hunger relief. She asked members to identify and forward information on other entities she should contact.

**AMENDMENT ONE TO
INTERLOCAL
AGREEMENT WITH
THE REGIONAL
HOUSING COUNCIL
FOR THE FRANZ
ANDERSON PROJECT:**

Manager Medrud reported the City Council approved an interlocal agreement (ILA) last year with Olympia, Thurston County, and Lacey to support the building of the Franz Anderson project in Olympia. The initial ILA included some language referencing the utilization of American Rescue Plan Act (ARPA) funds. As the City has changed how it utilizes those funds, the ILA requires an amendment to remove the reference to ARPA funds. No other changes are proposed to the ILA in terms of the amount of the contribution of \$275,000 or the timeline.

MOTION:

Councilmember Dahlhoff moved, seconded by Chair Althausser, to place Amendment One to the Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project on the December 3, 2024, City Council consent calendar with a recommendation to approve and authorize the Mayor to sign. A voice vote approved the motion.

**INTERLOCAL
AGREEMENT WITH
CITIES OF LACEY,
OLYMPIA, AND YELM
FOR THE UPDATE OF**

Manager Medrud reported the proposal pertains to the continuation of the program in conjunction with the Cities of Lacey, Olympia, and Yelm and the Artesian Group that produced plans for accessory dwelling units (ADUs). The purpose of the proposed ILA is to incorporate energy code updates recently approved by the jurisdictions and other changes to

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**THE ACCESSORY
DWELLING UNIT
PLANS:**

adjust the square footage of ADUs to account for changes in state law.

MOTION:

Councilmember Dahlhoff moved, seconded by Chair Althausser, to place the Interlocal Agreement with Cities of Lacey, Olympia, and Yelm for the update of the Accessory Dwelling Unit Plans on the November 19, 2024, City Council consent calendar with a recommendation to approve and authorize the Mayor to sign. A voice vote approved the motion.

**ORDINANCE NO. O2024-
005, DEVELOPMENT
CODE
ADMINISTRATION:**

Manager Medrud reported the amendments are to Title 14, Development Code Administration chapter and other amendments to Tumwater Municipal Code (TMC) that are related.

Last year, Governor Inslee signed Senate Bill 5290 modifying the state requirements for local land use permit review. The amendments to the Local Project Review Act are intended to increase the timeliness and predictability of local project review of development applications. The changes focus on what jurisdictions can require to process permits quicker. The City is required to update its code by the end of the year to avoid state law preempting the City's current codes.

The Planning Commission conducted a public hearing and received some public testimony. One comment letter was sent prior to the public hearing. Following deliberations, the Commission recommended approval of the ordinance subject to some conditions.

The proposed ordinance primarily modifies Title 14 for compliance with state law, as well as modifications to other provisions in the TMC:

1. TMC Chapter 2.58 Hearing Examiner
2. TMC Chapter 3.30 Multifamily Housing Tax Exemptions
3. TMC Title 11 Telecommunications and Telecommunications Facilities
4. TMC Title 13 Public Services
5. MC Title 15 Buildings and Construction
6. TMC Title 16 Environment
7. TMC Title 17 Land Division
8. TMC Title 18 Zoning

Staff introduced some permit types that the City currently does not use. The intent of the amendments was to simplify the process to increase user friendliness for those submitting applications. Staff assigned different types of permits to different types of development. Each type of permit has different requirements, timelines, and required processes:

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- Type 1 Permits are applications approved administratively by the Community Development Director. Type 1 permits do not require a SEPA review.
- Type 2 Permits are land use permits requiring a SEPA review.
- Type 3 Permits are land use permits that require a hearing before the Hearing Examiner (conditional use permits or preliminary plat approval).

Manager Medrud outlined the simplified project review process comprised of five general levels:

1. Preapplication Process (intended to provide an opportunity for the City to discuss the proposal with the applicant before project submittal to ensure all applicable permits are addressed and the application materials are complete)
2. Application Submittal Process (state law requires an additional requirement of ensuring applications are procedurally complete)
3. Application Review (distribution of application to other affected governmental entities or other departments in the City, description of the SEPA review process, and a review of timelines)
4. Permit Decision
5. Permit Appeal Process (each permit type has a different permit appeal process)

Manager Medrud explained that the proposed new structure for TMC Title 14 Development Code Administration will replace the entire chapter and section structure of the title.

Manager Medrud reviewed some of the major proposed changes:

- TMC 14.10.010 Intent – The title combines and consolidates the application, review, and approval processes for land use in the City of Tumwater in a manner that is clear, concise, and understandable. It is further intended to comply with state guidelines for expediting development review and integrating environmental review and land use regulations.
- 14.10.020 Definitions – Senate Bill 5290 amended the state definition of a project permit removing building permits and changing the requirements of Title 14 as it currently exists. Title 14 currently addresses all development activities from building permits to wireless permits. The new focus if Title 14 (Land Use Permits and Approvals) will be Title 16 (SEPA, Critical Areas, Trees), Title 17 (Land Division Chapter), and Title 18 (Zoning Chapter). Building permits are governed by Title 15 (to include construction permits)
- 14.10.040 Time limits – The City’s previous time limit was 120

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days from the time of complete application and decision. Under new state law, a financial penalty is incurred by the City if it does not meet deadlines. The penalty is a 15% return of the application fee or 20% review, dependent upon the length of delay.

Chair Althausen asked about the City's ability to comply with the new time limits. Manager Medrud advised that many conversations have occurred with permitting staff as to the new requirements and how the new timelines might affect the workload and the capacity of staff to meet the new deadlines. State law enables jurisdictions to make determinations on some of the timelines by extending them if the jurisdiction lacks sufficient time. However, new state law imposes a cap of 170 days, which cannot be exceeded by the jurisdiction. The intent is to issue permits if the applicant meets all requirements as quickly as possible. Additionally, the City has the ability to stop the clock dependent on missing information in the application, insufficient information, or the quality of the submittal makes it difficult to understand the proposal. He described the intricacies of the permitting and review process for a development proposal and how timelines can be impacted as different departments and agencies are often involved in the review process. The new timelines are effective once an application has been deemed complete through issuance of the final decision to include all public comment periods, SEPA review (if applicable), notice of application, and all time necessary for scheduling and conducting a Hearing Examiner meeting and receiving a decision from the Hearing Examiner. However, if an appeal is filed, the timeline is stopped.

Councilmember Dahloff asked whether the new laws align with some of the complaints from local non-profits about the delay of some development processes. Manager Medrud said the new laws are a beginning point to address those issues. It is also important to consider that since the change covers so many steps of the process, the new state law cannot be guaranteed as a final solution. The new law provides an opportunity improve the City's development process.

Chair Althausen inquired about the impact of the new state law with respect to development encountering difficulties because of the presence of gophers and the requirement to complete a Habitat Conservation Plan. Manager Medrud said the issue is of ongoing discussion by staff. Under both the current and new system, staff has the ability to pause review if an applicant submits an application that requires external approval. However, timelines are included as to the extent of any pause. The intent

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is for the timeline process to account for external approvals that may be required.

- 14.10.050 General notice requirements – staff updated public notice requirements.
- 14.12.010 Land use permit application procedures and types – Within the chapter are tables of examples of each of the permits, a table of recommendation, decision, and appeal authorities for each permit type, and an explanation of the new timelines. Tables are provided for each permit type.
- 14.12.020 Decision and appeal authorities – The proposed section describes the final recommendation, decision, and appeal authorities and the public notice requirements for each of the three permit types. The section describes the role of department staff, the Development Review Committee, Director, and the Hearing Examiner in the land use permit application review and approval process.
- 14.12.030 Land use permit application review periods – Type I - 90 days, Final Plat: 30 days; Type II - 20 days; Type III -170 days, Preliminary Plat: 90 days (RCW 58.17.140), which may not be possible. The City has an initial 28 days of review to ensure the application is complete that is outside of the stated review timelines. The City can stop the clock for additional studies, additional information, or to correct plans.
- Chapter 14.14 Land Use Permit Application and Application Process – Currently, applicants are required to attend a preapplication meeting to review the project and requirements (2-part process with second meeting waived if requirements are satisfied). The process enables staff to condense the initial 28-day period.
- 14.14.010 Feasibility review – Process enables applicant to review proposal to obtain information on what is required in the development application and for the project.
- 14.14.040 Determination of completeness – As previously mentioned, the requirement has been substantially changed. The section in the chapter addressing the definition of all elements is lengthy.
- Chapter 14.16 Land Use Permit Application Review – Chapter carries over from existing codes requiring applicant to meet all development code and regulations, as well as the City's Comprehensive Plan. Most elements in the Comprehensive Plan are included in development regulations with some instances that include additional requirements outside of development regulations. The chapter includes all requirements for SEPA, the process for review by all other departments and agencies, and explains the notice of application process.
- Chapter 14.18 Land Use Permit Application Decisions and

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Appeals – The code was added and strengthened for combined project reviews and hearings to ensure coordination of review and issuance of concurrent decisions.

Amendments to other sections of the TMC include TMC Chapter 3.30 Multifamily Housing Tax Exemptions with proposed changes as to how contracts are approved (option allowed by state law). Currently, the City Council approves contracts; however, the application from the initial conditional approval to final approval is administrative through the Director of Community Development. The issue is the approval by the City Council of the contracts but without the ability to disapprove the application. The proposal is intended to ensure the Council is not placed in that position and that the Director approves contracts. Additionally, the larger conversation of the multifamily tax exemption program is still pending as the program expires in 2026 for the City, as well as to discuss some recent changes in state law.

Councilmember Althaus asked whether new state law eliminates the ability for the Council to approve the contracts. Manager Medrud said the Council essentially approves the contract containing all provisions for the conditions for the multifamily tax exemption and not the application. The RCW allows the contract approval process to be an administrative decision by the Community Development Director. Staff is proposing that change as part of the update process.

City Attorney Kirkpatrick explained that the RCW speaks to “shall approve the contract.” Essentially, the Council has no option for not approving the contract as the Council approved the program unless the contract does not meet the requirements of the program.

Chair Althaus asked about the consequences if the Council voted against a contract. City Attorney Kirkpatrick advised of the possibility of a lawsuit. However, it is important for the Council to review the program regularly to ensure the program is structured based on the Council’s direction because after adoption, the process is an administrative approval. If applications comply with all program requirements, the statute directs an administrative approval process.

Manager Medrud reported proposed changes to TMC Title 18 Zoning updates the code references to TMC Title 14 and adds a new chapter outlining the requirements for site plan review and approval, which are not currently part of the TMC.

The Planning Commission recommends the committee place the ordinance on the City Council’s December 3, 2024 meeting agenda under Council Considerations with an additional caveat based on correspondence received prior to the public hearing addressing questions about the timing and requiring separation of land use permit approvals before acceptance of a building permit application. The Commission is requesting the Council review the issue. Staff may propose additional

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changes as well as reviewing the preapplication process. The Commission requested the Council consider potential changes to the proposed ordinance to address the proposals.

Chair Althausen expressed some apprehension regarding the multifamily tax exemption program as the proposal represents a significant structural change that should be a component of the Council's evaluation of the program in 2026. It is likely that during the Council's review of the proposed ordinance, that section could be removed from consideration as the section merits a separate discussion.

MOTION:

Chair Althausen moved, seconded by Councilmember Dahlhoff, to place Ordinance No. O2024-005 on the December 3, 2024, City Council consideration calendar with a recommendation to approve and authorize the Mayor to sign. A voice vote approved the motion.

Chair Althausen advised that he would follow up with staff regarding proposed changes to the multifamily tax exemption program prior to the Council's consideration of the ordinance.

ADJOURNMENT:

With there being no further business, Chair Althausen adjourned the meeting at 8:56 a.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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