

TUMWATER CITY COUNCIL STRATEGIC PLANNING WORK SESSION

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CONVENE: 7:00 p.m.

PRESENT: Mayor Ralph Osgood, Councilmembers Joan Cathey, Judith Hoefling, Pete Kmet, Neil McClanahan, Karen Valenzuela, and Bruce Zeller.

Excused: Councilmember Ed Stanley.

Staff: City Administrator Doug Baker, City Attorney Karen Kirkpatrick, Planning and Facilities Director Mike Matlock, Finance Director Jim Hendrickson, Planning Manager Tim Smith, Development Services Director Roger Gellenbeck, Fire Chief John Carpenter, Parks and Recreation Director Chuck Denney, and Recording Secretary Cheri Lindgren.

Others: Brian Murphy and Kapena Pflum, Berk & Associates.

STRATEGIC PLANNING WORK SESSION: Mr. Murphy reviewed an agenda for the work session:

- Orientation: Where we are in the planning process
- Discussion of high level economic development “Straw Man”
- Summary and adjournment

Objectives for the work session include:

- Reminder of objectives, process and progress to date, and interconnections between preliminary goal areas.
- Establish common ground on economic development objectives by refining the straw man to represent agreeable strategic direction for economic development

A handout was distributed outlining a strategic planning framework, implementation flowchart, and responsibilities of policymakers and managers.

Mr. Murphy reviewed ground rules for the discussion:

- Appreciating the common desire to do the best for the community
- There are many commonalities in what that means
- There are differences of opinion about what that means
- The scope that can absorb this diversity.

Mr. Pflum reviewed the straw man concept.

Discussion followed on the use of the term as it relates to the strategic planning process.

Mr. Murphy described the difference between a strategic plan (SP) and an economic development plan (EDP). Action strategies and/or tactics are within

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the realm of the EDP and the charge of the Economic Development Advisory Committee (EDAC).

Overarching preliminary goal areas include:

- Manage City resources effectively
- Enhance Tumwater's neighborhoods and residential quality of life
- Take proactive steps to enhance environmental and social sustainability
- Create dynamic and vibrant places for residents and visitors
- Facilitate desirable economic development consistent with the City's vision

Councilmember Kmet referred to a subset of goal 2 stating, "...explore opportunities to preserve open space and public recreation uses on the Black Hills Soccer Club property." He suggested the goal should refer to the general vicinity of the soccer club rather than the specific site.

Mr. Murphy reviewed discussion topics suggested by the Council during January interviews including the following:

- Strategies to support neighborhood scale commercial and local businesses
- Potential City role in marketing and business attraction
- Opportunities in clean tech and green jobs
- Council's involvement in implementation of vision/policy

Items for potential discussion at future meetings include business location criteria, development potential of Port of Olympia properties, and land use composition in other cities.

The Council referred to the *Discussion Guide III: Economic Development Straw Man*. The straw man represents points of agreement/potential consensus through prior Council discussions and recent phone interviews. Inputs include fiscal and market analyses, community input (stakeholder interviews, community open houses, and survey), and previous Council discussions and recent phone interviews.

Mr. Pflum reviewed straw man components. Desired outcomes include:

- Guide development to achieve the community's vision.
- Maintain a diverse economy and strengthen the City's neighborhood commercial centers.
- Establish a sustainable tax base for the City's provision of services.

Mr. Pflum referred to overarching principle 4 stating, "Resources focused on portions of the economy that might not otherwise develop on their own." The City has a steady demand for office space. One theme to consider is the option of the City not expending resources attracting office space and that Tumwater

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should focus resources where needed, such as encouraging neighborhood retail development. Overarching principle 5, "Predictability and certainty are needed for businesses and developers" was emphasized.

Topic areas include development climate, guidance on specific development types, placemaking (with entertainment uses), potential sector focus, and key partners. Mr. Pflum reported neighborhood scale commercial was a high priority identified by the community survey and discussions with Councilmembers. Larger scale retail is an important piece of the City's economy. Another common theme is proactively supporting light industrial/manufacturing in the Mottman Industrial Park and near Olympia Regional Airport and maintaining current restrictions and addressing opportunities for large scale warehouse/distribution on a case-by-case basis. Many people are interested in clean tech and green job opportunities.

It was noted that "Port of Seattle" should be changed to "Port of Olympia" in the key partners section.

Councilmember Hoefling asked whether the community's vision has been established. Mr. Murphy said it's articulated through the SP and can be found in *Discussion Guide I*.

Councilmember Kmet commented that any type of economic development could fit within the outcomes listed. An important piece is the vision aspect, which is the least defined of the three bullet points. Mr. Murphy responded that the second bullet under overarching principles states, "Economic development will adhere to the community's vision, enhancing quality of life." He provided additional detail as it relates to that point. Councilmember Kmet said the three outcome bullet points are good; however, the outcomes and overarching principles do not speak to balancing residential and business development. Mr. Murphy explained the intent of economic development supporting residential development. Mr. Pflum suggested adding language similar to, "economic development does not compete with a livable, vibrant community." Councilmember Kmet agreed that it would be helpful.

In response to a comment from Councilmember Kmet, Mr. Murphy suggested adding a fourth bullet to desired outcomes stating, "Create vibrant, cool places in the City." That outcome is a common theme that emerged throughout the public process.

In reply to comments from Councilmember Cathey on the community's vision as it relates to placemaking, Mr. Murphy said placemaking was previously discussed. Some of the City's greatest economic opportunities are within newly created places, large and small.

Councilmember Hoefling reported that Tumwater is the only City in the Thurston region with an airport, which is an asset. She recommended the City

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should work collaboratively with the Port of Olympia.

Discussion ensued on the second bullet under desired outcomes. There are many characteristics related to maintaining a diverse economy.

Councilmember Hoefling suggested adding, "Take advantage of Tumwater's assets including its proximity to I-5 and the airport" to the overarching principles list.

Related to diverse economy, Councilmember Kmet said there are some retail sectors Tumwater does not have. One option is developing strategies to attract some of those retail sectors. For example, the City has few good quality restaurants. Mr. Murphy replied that full service restaurants could be an element within the neighborhood scale commercial development type. He suggested adding, "Round out retail sectors in the City" under overarching principles.

Councilmember Kmet suggested modifying the third bullet under desired outcomes to state, "Establish a sustainable and diverse tax base for the City's provision of services."

Councilmember Valenzuela suggested expanding the City's list of assets beyond I-5 and the airport. Mr. Murphy said other assets could include the Deschutes River and historical aspects.

The Council commented that currently the airport is a roadblock to development in Tumwater. It appears the Port of Olympia is focusing on waterfront properties in downtown Olympia. Mr. Murphy offered that the Council could ask the EDAC to investigate the development potential around the airport and evaluate how to promote the City's relationship with the Port of Olympia. The Council agreed with the recommendation.

Mayor Osgood advised that the EDAC could also evaluate redevelopment potential for the Mottman Industrial Park in the long term.

Councilmember Kmet commented that the Mottman Industrial Park is serving as a small business incubator. Another area the EDAC could investigate is the vicinity around the Bonneville Power Administration (BPA) property at the end of Trospen Road.

Mr. Murphy referred to the overarching principles and the idea to focus on rounding out retail sectors rather than hiring a recruiter for office space. Councilmember Kmet agreed the City has a high concentration of state offices providing family wage jobs. He suggested caution in not attracting more state office space but encouraging complimentary office type uses that are desirable in conjunction with state government.

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Councilmember Valenzuela added that the vision for the Tumwater Town Center includes offices and small storefront retail.

Discussion ensued on developing strategies for encouraging housing development within the Tumwater Town Center or its immediate vicinity to help eliminate vehicle trips, minimize traffic congestion, and create a sense of place.

Mr. Murphy suggested considering limiting further expansion of Preferred Leasing Areas (PLAs) and/or targeting future office development. Councilmember Kmet agreed because office growth is occurring outside the Tumwater Town Center.

Mr. Murphy pointed out that the cities of Olympia and Lacey collect fees in lieu of the state paying property taxes, an opportunity Tumwater could also pursue.

Councilmember Kmet said the City also doesn't want to send a message that development is not welcome in Tumwater.

Mr. Murphy reported stakeholders expressed a desire for predictable and certain rules for businesses and developers, even if it's a restriction. The City's vision, policies, regulations, and implementation should align. Tumwater can make adjustments accordingly based on feedback from stakeholders as the economy evolves.

Discussion followed on straw man topic areas. Specific to the development climate, the City needs to establish and communicate a clear vision, review and revise codes and processes to align with policy, and create opportunities for regular discussion and revision of the vision, codes, and implementation. Tumwater should ensure practices and culture adhere to the vision and that it provides predictability and support for desirable investments.

Councilmember Cathey added that it's important that the Council and City staff work together to implement Tumwater's vision.

Discussion ensued on development types beginning with neighborhood scale commercial. In response to a question from Councilmember Cathey on where existing neighborhood scale commercial uses are located, Mr. Murphy said one model is Safeway and the Tumwater Square area. Councilmember Kmet said the Tumwater Square area is larger neighborhood scale commercial area than he initially envisioned. Mr. Murphy said the Capitol Boulevard vicinity is another example where residential uses are within walking distance to commercial services. Smaller commercial nodes, such as coffee shops, could be located within residential neighborhoods. The Trospen/Littlerock Road intersection of Mega Foods, Albertsons, Blockbuster, and other services was also mentioned.

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Councilmember Hoefling suggested another proposal is supporting a different type of center providing services such as restaurants and gas stations within close proximity to state offices. Councilmember Valenzuela said an initial concept was reserving land within a residential area for office, small retail, and multi-family use opportunities.

Discussion ensued on the need for rooftops to support neighborhood scale commercial uses, establishing a parcel size, and identifying other appropriate nodes, such as south of the airport.

Councilmember McClanahan suggested exploring the option of creating opportunities encouraging retail/commercial services near employment centers to take advantage of Tumwater's daytime population.

Councilmembers were generally comfortable with the larger scale retail statements.

Mr. Murphy reviewed the office development topic area. Councilmember Cathey suggested encouraging people to live in Tumwater, as well as creating vibrant commercial centers attractive for all residents after work hours.

Councilmember Hoefling inquired as to how the City can work with the Port to bring air service to support state offices and conferences. Mayor Osgood advised that the Port's comprehensive plan discusses a long-range vision of building corporate offices within the Tumwater Town Center or on Port property and combining those functions with air service.

Mr. Murphy summarized feedback offered by the Council for supporting light industrial/manufacturing and large-scale warehouse/distribution development types.

Another potential sector focus is clean tech and green jobs. Mr. Pflum referred to current interest within the green sector. Green jobs can be defined as blue-collar workers installing energy efficient systems. Other segments include architecture and engineering, Leadership in Energy and Environmental Design (LEED), low impact development, and other progressive ways of constructing buildings. Green issues span a broad scale. The issue is what a smaller city, such as Tumwater, can do to attract green businesses and establish an image of a green community.

Councilmember Hoefling referred to the possibility of creating a duty free zone for the Olympia airport. She asked whether importing and assembling parts at the airport qualifies as green industry. Mr. Pflum agreed it's an option to consider.

Mr. Murphy reported the City is well positioned to take advantage of clean tech and green job opportunities with its light industrial/manufacturing space.

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Tumwater could communicate that it welcomes that sector of development.

Councilmember Kmet suggested exercising caution on how a green job is defined until the sector is better understood.

Mr. Murphy suggested closing the discussion and continuing the placemaking and key partner topic areas discussion on February 7, 2009.

Councilmember Kmet commented that a topic not discussed involves retail centers attracting customers from a 100-mile radius. As fuel prices increase, big box retail will not survive over time and wouldn't be sustainable within the community. He asked whether there was agreement among the Council not to focus on big box retail. A new overarching principle could be gaining a better understanding the City's definition of "sustainable economy."

Councilmember Hoefling shared that a sustainable economy includes responding to economic forces, people driving less, and using technology to communicate. Another idea is encouraging young adults to remain within the community to assist in developing the community's economy.

Mr. Murphy advised that the Council discussed focusing on neighborhood commercial development, capturing the employment base, and encouraging people employed in the City to live in the City. There is also recognition that Tumwater has opportunities because of its proximity to the freeway and airport.

The Council discussed the potential for a retail destination center on brewery property and opportunities for automobile dealerships to locate in close proximity to I-5.

The Council expressed interest in discussing potential tools and strategies during Saturday's session including placemaking, business attraction, sector specific strategies, development climate (codes, regulations, taxes, fees, and processes), and strategic partnerships

Copies of *Discussion Guide IV, Economic Development Tools and Strategies* were distributed.

The start time for the February 7 session was moved from 9:00 a.m. to 10:00 a.m.

ADJOURNMENT:

With there being no further business, Mayor Osgood adjourned the meeting at 8:55 p.m.