

**TUMWATER CITY COUNCIL WORKSESSION**  
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**CONVENE:** 5:33 p.m.

**PRESENT:** Mayor Pete Kmet and Councilmembers Joan Cathey, Eileen Swarhout, Nicole Hill, Michael Althaus, Debbie Sullivan, Tom Oliva, and Neil McClanahan.

Staff: City Administrator John Doan, City Attorney Karen Kirkpatrick, Police Chief Jon Weiks, Finance Director Ursula Euler, Public Works Director Jay Eaton, Planning Manager Brad Medrud, Communications Manager Ann Cook, and Recording Secretary Valerie Gow.

**BUSH PRAIRIE  
HABITAT  
CONSERVATION  
PLAN (HCP) STATUS:**

Manager Medrud briefed the Council on the status of the Bush Prairie Habitat Conservation Plan (HCP). The plan provides a mechanism to the City and Port of Olympia to cover development activities under a broad permit issued by U.S. Fish and Wildlife Service (USFWS) to avoid individual projects needing separate permits from USFWS.

The effort began in spring 2016 with the selection of a consultant to assist the City in developing the plan. In fall of 2016, the Port of Olympia joined the City through an interlocal agreement. The plan is a joint effort between the City of Tumwater and Port of Olympia.

Phase I tasks include identifying species covered, area and term, covered activities, effects on covered species, conservation strategy, and NEPA/SEPA review. Current efforts include modeling the effects on covered species.

The species selected for inclusion in the plan are either threatened or endangered under the ESA, listed by state Department of Fish and Wildlife (WDFW) as threatened or endangered, or has an appreciable probability of becoming listed under ESA within the proposed 30-year permit term.

Other selection criteria include the range of the species (must intersect with the City), some substantial risk of incidental take of the species from covered activities, and sufficient scientific knowledge on the species to determine possible impacts.

Through each stage of the initial evaluation process, the consultant developed specific memorandums outlining why particular species were included and the process for selecting the species. In December 2016, the City and Port of Olympia selected the following species to cover in the HCP:

- Olympia Mazama Pocket Gopher
- Streaked Horned Lark

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- Oregon Spotted Frog
- Oregon Vesper Sparrow

Mayor Kmet asked about the status of possibly genetically testing the different species of pocket gophers found throughout the region. Manager Medrud said he was unsure of the status of any testing other than USFWS requires the listing of the gopher to be a separate subspecies based on some level of research documenting sufficient differences. From the City's perspective, the plan addresses a specific subspecies, which could limit the location of conservation areas. Staff learned from a meeting with USFWS representatives that the Yelm subspecies of the gopher occupies a portion of the City on the eastern side of the river, which may need to be factored in the plan. Mayor Kmet asked staff to confirm with USFWS how the agency's conclusions were established with respect to the various subspecies.

Manager Medrud reported the HCP requires definition of the permit area. The permit area has been defined to include:

- City of Tumwater
- Lands in the City of Tumwater Urban Growth Area under the direct control of the Port of Olympia
- Additional lands managed by the City and Port of Olympia for covered species conservation
- Recommended to add: Tumwater's urban growth area

Because the urban growth area is outside the jurisdiction of the City, discussions with the Thurston County are necessary to ensure that there is a mechanism to address property owners who chose to be annexed by City during the term of the HCP. Additionally, the City anticipates annexing areas within the urban growth area during the term of the HCP.

Activities covered in the HCP include:

- Urban Development Projects – projects that require a permit by the City
- Resource Development Projects that require a permit (Agriculture, Forestry, etc.)
- Recurring Activities (Farmers Market, Public Events: 4<sup>th</sup> of July Parade, Fireworks, etc.) that produce temporary impacts
- Conservation Strategy Implementation – construction of mitigation areas and ongoing maintenance of those areas
- City Operations and Maintenance
- Park and Open Space Facilities

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- Public Services, Infrastructure, and Utilities Operations and Maintenance
- Transportation Facilities Operations and Maintenance

Manager Medrud addressed questions about whether the HCP covers private owner activities. Private activities are covered within the plan if the action requires a permit or approval from the City. For example, tree removal might be a covered activity as the City issues tree removal permits.

Mayor Kmet noted the Preserve subdivision completed a mitigation process and allocated land for gopher habitat. He asked whether the mitigation process provides protection to the subdivision for any future activity. Manager Medrud replied that when individual HCPs were approved for developments it generally covers construction activities. He is unsure whether the HCP covers subsequent activities. Those areas in the City subject to an individual HCP are excluded from the City's HCP.

Councilmember Cathey asked about those circumstances surrounding contamination or encroachment of environmentally sensitive areas, such as along a water body. Manager Medrud said the action depends on the approved management practices for the particular water body.

Manager Medrud reported other covered activities include Port of Olympia activities that are exclusive to the Port. They include:

- Aeronautical Activities
- Capital Infrastructure, support Facilities, and Utilities
- Recurring Activities (Airshow)

Projects and activities not covered are those activities that do not require a City permit.

Commissioner Althaus asked about those situations where a species is moved from threatened to endangered. Manager Medrud said the HCP serves as an insurance policy based on known conditions, identified impacts, and planned mitigation over the period of 30 years. In exchange for completing the plan, a no surprise clause prevents changes in status; however, ongoing mitigation strategies could be improved based on new information or advances.

Councilmember Hill asked whether the expectation of the plan is to maintain existing population or enhance the population to some sustainable level. Manager Medrud said many of those issues remain

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to be addressed; however, the plan serves as a baseline in terms of identifying levels of impact and required offsetting mitigation measures. The City could benefit if the plan includes provisions that increase the population of species through expansion of conservation areas.

Manager Medrud reported the project team is working on models for:

- Olympia Mazama Pocket Gopher
  - Soils and Presence
- Streaked Horned Lark
- Oregon Spotted Frog
- Oregon Vesper Sparrow

Once the effects on covered species are determined through the modeling exercise, the next step is determining how mitigation will occur if there are impacts. The progression of steps includes avoidance, minimization, and mitigation. At the end of the process, the intent is to determine the cost to the City. Some of the costs would be incurred over the course of the 30-year plan as impacts occur. However, the cost of the plan should be identified, such as acquisition, establishment of the mitigation sites, and ongoing maintenance.

Councilmember Hill commented that Thurston County likely would utilize Conservation Futures funds (property fee on all parcels in the county) to mitigate for prairie species. She asked whether any regional discussions have occurred between the cities and the county about possible access to some of those funds for city mitigation efforts. Manager Medrud reported multiple funding options were presented to Thurston County Commissioners and discussions on the sources of funding continue.

Manager Medrud reviewed the public involvement process. Two stakeholder meetings were held to review the HCP process, confirm stakeholders, and review the project structure and timeline. A third stakeholder meeting is scheduled in early 2018 to review covered species effects and conservation strategy.

Staff and the Council discussed the possibility of significant tree loss to provide conservation areas for prairie habitat.

Development of the HCP requires both a NEPA (National Environmental Protection Act) and a SEPA (State Environmental Protection Act) review. For Phase I activities, the City provided a draft NEPA Scoping Notice of Intent to USFWS to publish in the

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Federal Register. The notice is pending acceptance from USFWS, as well as addressing questions regarding the federal timing of the review. The City plans to publish the SEPA/NEPA Notice of Intent with the City leading the SEPA process for the Port of Olympia as well. City staff is negotiating the process with Port staff. The process would likely require an Environmental Impact Statement (EIS).

Next steps in the process include completing Effects Memorandum (*January 2018*), preparation of Conservation Strategy Memorandum (*January/February 2018*), and conduct third stakeholder meeting (*first quarter 2018*). The City submitted a grant application in early fall. The City has received no feedback from USFWS regarding the application.

**OPERATIONS &  
MAINTENANCE  
FACILITY PROJECT:**

Director Eaton reported the briefing updates the Council on progress for developing a recommended alternative for the City's new Operations & Maintenance Facility. Additionally, staff recommends moving forward with a demolition plan for existing buildings on the site and attaining Council consensus to begin efforts to engage the public.

Randy Cook, Principal, TCF Architecture, reported the project was initiated over a year ago with City staff responsible for infrastructure maintenance for the City participating in a series of workshops. The predesign process identifies the scope of the project to develop different site options.

Mark Hurley, TCF Architecture, briefed the Council on the project scope, goals, existing site and building conditions, and current Public Works facility needs. He presented a recommended program and several site layout alternatives for the Trails End site.

Council and staff discussed the condition of existing buildings and possible use of the buildings on an interim basis for storage. The Council agreed with the assessment that the buildings should be removed. Director Eaton noted staff is required to visit the site regular basis to handle complaints from neighboring residents about the number of people trespassing on the property. Existing building conditions render the buildings unusable for future use. Staff recommends moving forward to develop a plan for demolition of existing facilities. Staff is exploring the possibility of using some structural components of the existing buildings and repurposing them for finishes, etc. in a future facility. Additionally, the City is required to undertake a SEPA process for demolition activities.

City Administrator Doan provided additional information on the

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timing of the different steps moving forward for the design process, public outreach, demolition, and the SEPA process.

The Council agreed with staff moving forward with a demolition plan to remove existing buildings to include contracting with a demolition company.

Mr. Hurley presented several site design alternatives developed after a two-day site workshop with staff. Design considerations include a 20-year timeframe for expansion needs, future staffing needs, and operations and maintenance functions. An additional option studied was the addition of Public Works Engineering and Administrative functions. Initial programming identified 121,000 square feet for meeting rooms, public spaces, offices, shop space, canopy covered parking, and other space needs to include space allocation for a neighborhood park. An estimated project budget is \$40 - \$46 million for all construction of buildings, soft costs, taxes, permits, and design fees.

The Council's comments focused on egress and ingress to the site, aesthetic impacts to surrounding neighborhoods, and minimizing truck traffic impacts to local residents.

Mr. Hurley presented a reduced program design accommodating 70,000 square feet with an estimated budget of \$30 - \$33 million. To accommodate a reduced program Public Works Engineering and Administration functions were not included, as well as reducing covered vehicle space with required covered space for equipment and vehicles maintained.

Discussion ensued on the potential of increasing maintenance costs for equipment and vehicles by reducing covered space, potentially adding covered space in the future when the need increases over time, security concerns, which would be addressed by including security cameras, and shifting programming costs of maintaining space for the Public Works Engineering and Administration functions at the current City Campus.

Mr. Hurley outlined some of the elements removed from the original program to help contain costs. Two design options were developed for the reduced program. The first (A) is placement of the facilities on the westside of Trails End Road and the second (B) places the facilities on the eastside of Trails End Road. Both options preserve Trails End Road. Project costs account for escalation over the next three to five years, as well as demolition costs.

Director Eaton reported initial project cost estimates included in the

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Capital Facilities Plan were based on rough estimates. The reduced program provides a good facility that will meet needs for a specific period. Further reductions in programming and spaces are not advised, as it is important to maintain the efficiency and comfort level of staff for a functioning building.

Mayor Kmet noted the project cost does not include intersection improvements at 79<sup>th</sup> Avenue and Old Highway 99.

Director Eaton added the westerly site is populated by gophers and likely would require some of the City's gopher mitigation credits. Some low quality gopher habitat is located near the kettle on the east site.

City Administrator Doan commented on the community value for meeting room space and the neighborhood park. He asked for feedback on those elements prior to initiating the public conversation, as park improvements are not included in the budget estimate. Councilmember Cathey advocated for larger meeting room space.

Councilmember Hill asked whether construction sustainability standards were factored in the budget. Mr. Cook affirmed project strategies include standard best practices for stormwater management and energy efficiency. Director Eaton pointed out that planning focused on achieving a business case scenario rather than expending funds for the sake of achieving LEED green building status or similar.

Councilmember Hill supported avoiding metal and concrete and using locally procured wood products for the buildings. Mr. Cook cited other projects designed by the company utilizing timber products.

Mayor Kmet requested Council approval to proceed with community discussions and the demolition plan. The Council supported moving forward with Site Alternative A (West Parcel) as recommended by staff.

**COMMUNITY  
DEVELOPMENT  
BLOCK GRANT  
(CDBG) FUNDING  
SELECTION  
PROCESS:**

City Administrator Doan requested direction on the funding process for 2018 Community Development Block Grant funds of approximately \$871,000. Staff provided information on some proposed projects based on the City's participation in a consortium with Thurston County on behalf of the small cities and the City of Lacey for distribution of CDBG funds. The City of Olympia receives CDBG funds through a separate process.

Some proposed projects to consider include:

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- Cottage Housing by Habitat for Humanity
- Warming/Cold Weather Shelter
- Single Family Housing Renovation by Homes First
- Family Education and Support Services Office
- Connect Union Gospel Mission Housing Septic Conversion
- Renter Support Program

City Administrator Doan cautioned against funding for ongoing services that do not have a source of sustainable funding.

Gary Aden, Thurston County Department of Public Health and Social Services, addressed questions regarding carryover of unspent CDBG funds from one year to another. However, the City is required to commit all CDBG funds.

City Administrator Doan reported some options to consider include opening the process to all funding requests, selecting projects from a list, or funding projects based on specific goal, such as housing, i.e., helping people to secure housing, etc.

Mayor Kmet commented that asking organizations to invest time to prepare a proposal would be unfair if the Council prefers to focus funding on a specific issue.

A majority of the Council preferred an open competition without identifying a specific funding focus at this time. Several Councilmembers preferred to fund only Tumwater-specific projects. The Council agreed to continue the discussion at a future worksession to determine the funding focus.

Mr. Aden advised that the release of the Request for Proposal is scheduled on February 20 to meet grant deadlines. Final selections are required by the end of May.

*Councilmember Hill left the meeting.*

#### **FILLING A COUNCIL VACANCY:**

Mayor Kmet reviewed the prior process to fill a pending Council vacancy.

Mayor Kmet shared information on some inquiries of interest he has received from several individuals.

Councilmember Cathey recommended reducing the length of the process to fill the vacancy. City Attorney Kirkpatrick advised the

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Council of its option to define the process, as state law provides no formal guidance for filling a vacancy.

The Council shared opinions about the timing, application process, and scheduling of interviews.

The Council supported City Administrator Doan's recommendation to work with staff to reduce the timeline and publish the schedule for review by the Council to avoid any potential conflicts. Mayor Kmet recommended tentatively scheduling February 24 for interviews. The Council approved using the current application.

**MAYOR/CITY  
ADMINISTRATOR'S  
REPORT:**

There were no reports.

**ADJOURNMENT:**

**With there being no further business, Mayor Kmet adjourned the meeting at 8:15 p.m.**