

**CITY OF OLYMPIA  
ISTHMUS BALLOT AD HOC COMMITTEE  
DRAFT MINUTES  
JUNE 15, 2009**

Present: Mayor Doug Mah, Councilmembers Joe Hyer and Joan Machlis.

Mayor Mah called the meeting to order at 12:00 Noon.

**1. Minutes – June 1, 2009.**

Moved by Councilmember Hyer, seconded by Councilmember Machlis to approve the June 1, 2009 Minutes as submitted. Unanimous.

**2. Committee Discussion about June 11 Facilitated Session.**

Mayor Mah said that the purpose of the meeting is for committee members to discuss observations from the June 11, 2009 facilitated discussion session.

Councilmember Hyer said a main take-away for him is that the fountain block is in our way; it is not seen as essential as the others. He said that we have created a shared vision for Percival, but not for the other properties, which makes it harder to go to the voters.

Councilmember Machlis said she heard the same thing about the fountain block. In addition, she said there may be growing traction for some level of retail on the fountain block and people need a chance to explore that idea.

Mayor Mah affirmed that he too heard no sense of urgency for acquiring the remaining properties on the fountain block. He said he heard some discussion about possibly splitting the Capital Center and Percival projects into two ballot measures.

Councilmember Machlis said she heard mixed concerns about Percival, and similar comments about splitting the issues. She said that she heard the Parks and Recreation Advisory Committee member express concern about diverting focus/resources from Percival.

Councilmember Hyer stated his opinion that he is not sure we can afford to rebuild Percival. The current total estimate for all phases is \$50 million. In addition we have acquired 10 acres on west bay that we want to redevelop. He noted that the Council has the option of reprioritizing use of the 2% utility funds for parks and pathways projects, and it might be something to explore related to Percival and/or the fountain block.

Councilmember Machlis said that there is a \$4 to \$9 million gap on Percival Phase 1 with no obvious way to fill it in the near future.

Mayor Mah pointed out that the gap for funding Phase 1 of Percival is getting smaller and we are actively seeking funds, which we haven't done on the other parcels. He noted that a capital campaign is part of the funding anticipated for Percival.

City Manager Steve Hall reminded the committee that a community fundraising effort is currently on hold while HOCM conducts its capital campaign.

Mayor Mah said that the Council is also still awaiting information, a proposal, and assistance with a capital campaign from the Isthmus Park Association.

Councilmember Machlis noted that it is a big strategy to design a philanthropic campaign. She said that it would be helpful to receive information about the Isthmus Park Association's ideas and to match that with campaign approaches proposed by Sparrowhawk Consulting who is working with the City on the Percival Landing project.

Mayor Mah directed the conversation to the Capital Center building. He posed the question of which comes first strategically – getting the building into public ownership or creating the vision.

Councilmember Machlis said that she is there with the need to first acquire the building and land as public space so we have site control. She noted that if the city takes the first step with acquisition, development could be a more long term effort after a community vision is created for use of the space.

Councilmember Hyer said that he could not support going to the voters with a proposal to acquire the Capital Center building absent a vision for how the building and site will be reused. He noted the other park projects currently underway or planned at the city, including Percival Landing renovation, west bay, the interim use parks that are in need of long term development, neighborhood park acquisition identified in the prior parks and pathways ballot measure. He expressed concern that moving forward with acquiring the Capital Center building may divert time and resources from these and other projects.

Mayor Mah said that he proposed including the Capital Center building in the ballot measure so the community could get the building into public ownership as soon as possible and create flexibility for future opportunities. He said that for years he has heard people talk about the building as an eyesore and an impediment to views. He reminded the committee that there is currently a willing seller and that the opportunity to acquire the building from a willing seller may or may not be present in the near future.

Councilmember Hyer questioned whether or not there really is a willing seller, given the price they have quoted to the City. He noted that the price was significantly lower a few years ago and no one proposed a measure to acquire the building at that time. He said that he could not support going to the voters solely for site control; from his perspective there first needs to be a shared vision in place and it's the vision that may sell a ballot measure.

Councilmember Machlis noted that with the City has used much of the 2% money for site control and that the vision for the parcels has come after site acquisition. She questioned why the approach should be any different with the Capital Center building. She said that she too was surprised to not hear overwhelming enthusiasm at Thursday's meeting for acquiring the building. She noted that for well over a year the Council has heard interest from the community in a view corridor, and that this proposal directly responds to the view corridor interest.

Mayor Mah said that what he heard regarding the "view" is a lack of consensus on vision below 35 feet. He said that there appears to be consensus that Capital Center building impacts the view, but we don't now have a vision for what to do with the space below 35 feet. He questioned which comes first: do you control the site to control the vision, or not?

Councilmember Hyer said that if we tear down the building, it triggers site cleanup. He expressed concern about any movement on the building until all of the costs and the vision for the use are known.

Mayor Mah asked for observations about discussions around levy lid lift and an excess levy.

Councilmember Machlis said her discussion group was concerned about meeting the 60% threshold for the excess levy.

Councilmember Hyer said that his group expressed concern, but concluded that if it is something that the community really wants, 60% is achievable.

Mayor Mah asked the committee members if they felt there would be support for a levy lid lift for Capital Center acquisition only.

Councilmember Hyer said he could not support a levy lid lift request unless it also includes money for City programs that may be cut this year in bad economy. He commented that a healthy, functioning city with fully funded fire and public safety services is more important than the view. He noted that an excess levy is different.

Mayor Mah said that there's another discussion about the Capital Center building that has not yet occurred – which is impact on revenue. When we convert a commercial building to park land, do we decrease potential revenue to the city from developed property?

Councilmember Machlis said that the Council had people tell them through the isthmus park petition that the whole isthmus, and she presumes part of it, should preserve views.

Councilmember Hyer said his take on the petition was “we want you to study this,” not necessarily “we want you to put this on the ballot.” He said that he doesn't feel compelled to put any proposal about the isthmus on the ballot measure absent a vision, more research, and quantifiable opinion data.

Mayor Mah mentioned that the City Council will not be meeting the last two weeks in June and that he wished to report-out to the full Council at this week's meeting about the status of committee discussions. He said that based on the facilitated discussion and the committee's observations, he would report that:

- The fountain block is getting in the way of a ballot measure proposal. Acquisition of the remaining properties could be addressed through reprioritization of existing plans, funding sources, and potential uses, such as perimeter revenue-generating businesses. He would ask for Council concurrence to remove the fountain block from future discussions about a potential ballot measure.
- Perhaps there should be two ballot measures - split off Percival into one, and another for Capital Center. Tying the two together may be challenging for a number of reasons.

Councilmember Machlis asked if there is any urgency with regards to Percival. Mayor Mah responded that there may be the opportunity to fund Phase 1 through a ballot measure. Councilmember Machlis commented that she did not feel discussion of a ballot measure for Percival would have been introduced at this time absent the potential opportunity to acquire the Capital Center building. She expressed concern about splitting the two.

Councilmember Hyer said that the only thing potentially ready for this fall is Percival. He expressed concern that having two measures on the ballot this fall may cause both to fail.

Mayor Mah said he would report out to the Council about discussions, and that the committee needs an additional meeting to finish its work. He identified the following information requests for the next meeting:

- Fundraising/donor information and criteria from the Isthmus Park Association.

- Report back on continued conversations with Capital Center owners.
- Percival Landing – review of finances.
- Polling firm availability; and time validity of polling data. Informal survey data from Isthmus Park Association.

Committee members agreed to meet on Monday, June 29, 5:30 p.m.

Regarding the proposed Capital Center report, Councilmember Hyer said it concerns him greatly to conduct real estate negotiations during transparent public process. Councilmember Machlis commented that it's the reality. She noted that we can't second guess any property owner's intentions.

Mayor Mah reiterated that the committee would meet on Monday, June 29, 5:30 p.m. to review and discuss the items noted previously, and that he would report out to the Council about the discussions to date.

He adjourned the meeting at 12:55 p.m.