

**CITY OF OLYMPIA  
LAND USE AND ENVIRONMENT  
COMMITTEE  
MINUTES  
May 18, 2009**

**Members Present:** Councilmember Messmer, Councilmember Machlis, Councilmember Strub

**Staff Present:** Steve Friddle, Keith Stahley, Kip Dernovich, Tom Hill, Todd Stamm, Subir Mukerjee, Jennifer Kenny, Sophie Stimson

**Guests Present:** Tim Byrne - School District Board, Jason Robertson - Barney and Worth

The May 18, 2009 meeting of the Land Use and Environment Committee was called to order at 5:07 p.m.

**1. Approval of March 23, 2009 Land Use and Environment Committee Minutes**  
Minutes of the March 23, 2009 LUEC were approved with no changes.

**2. Downtown Parking Fees for Contractors (*Tom Hill, CP&D*)**

Mr. Dernovich said that he and Mr. Hill, together with CP&D staff, looked at the current fees charged to developers for parking (\$10/space/day). This issue is on the agenda because we have had feedback from developers saying that more fees create deterrence to developers. The development community and the Downtown Business Association would appreciate any help they could get in reducing fees. Staff proposed a two-tier parking fee system as an incentive for developers to be able to finish their projects as fast as possible with minimal impact to the surrounding businesses. The fees for the downtown area (see staff report for definition) would continue to cost \$10/space/day; "B" streets (everything else) would cost \$5/space. For example, fees currently charged for building the new City Hall are 124,800; with this new proposal, it would be \$78,859, a substantial savings to the developer.

It has been noted that currently City staff actively discourages the use of parking stalls for non-parking purposes.

**Issues discussed include:**

- **Revenue losses to Parking.** Mr. Hill said that we will not have a direct loss or a net gain because somebody in the construction zone can still park at a meter in the downtown zone at their own risk. \$10/day/space is higher than our current rate.
- **Parking Enforcement Program.** There needs to be some latitude so we can work with the parking enforcement world. For example, if a truck comes in and parks in a certain location, it may be parked illegally, but we need to be able to negotiate, give a grace period if truck is only there for a short period of time. (Mr. Hill)
- **Disruption to local businesses because of lack of parking spaces.** People and business are complaining about lack of parking spaces at the new City Hall site has been having problems.
- **Staging/Parking spaces taken up for worker parking vs. construction needs.** In the past we would block off the street to pedestrians. We are on the cusp of telling construction people that

they need to do what they can to stage on site. This would help protect pedestrians and bikes. We have learned that early dialogue with developers is helpful so they can they find parking places for workers. (Mr. Hill)

- **Parking options.** There are many options open and available for construction worker parking: 9-hour meters; carpool permit program; allow them to pay less as an individual and as a group. We are looking at possibility of a discount if people are willing to buy bulk permits. (Mr. Dernovich)
- **Creating incentives so developers finish up jobs quickly.**
  - With a flat rate, there is no incentive to get out quickly. If you have a street closure, it trumps the parking - there is no incentive to go in or out. (Mr. Dernovich)
  - The reason to incentivize is *not* to get out quicker. (Mr. Friddle)
  - Developers are highly motivated to get in and out. There are a lot of incentives already in place. As time goes on, their costs go up due to interest rates. We need to be able to motivate those contractors who are remodeling, window walking, pressure washing, who let it sit there for a weekend or weeks, etc. They often don't have the wherewithal to create the safe pedestrian passages or bike lanes. They will put their bucket in the parking lane, so you have the sidewalk blocked off. This is what causes the most problems. (Mr. Hill)
  - One consideration is if the developer is repairing the sidewalk because of a City mandate or if they are just fixing it up to look better.
- **Seasonal adjustment factor.** There are peak parking periods, such as between Thanksgiving and Christmas, and during Lakefair. Contractors sometimes want to do work during these times, we try to encourage them to do the work off season or Sundays or nights, not when citizens want to enjoy the downtown core. Flexibility is helpful - we can negotiate for different times of day or days of the week.

## Discussion

- We don't want to make it difficult for neighboring businesses, and we need to consider pedestrian and bicycle safety. We also want to be careful that it is predictable on both sides. They should know the costs in advance and we should explain some of the options: tell them when the high times are, going to a paid lot, getting shared parking permits. We shouldn't have to negotiate site by site. A set fee would be preferable. Otherwise, tailoring each parking space means that the complexity goes up and we will hear the concern that it is too complex and unpredictable. It's fine to be flexible when a big truck comes in and needs to take more space for a little while. But if anyone can negotiate the fee and rate per space, then why so we have an ordinance? Also, if fees are not predictable, you can't plan them in your budget. (Councilmember Messmer)
- The issue is more reducing the number of spaces used by construction rather than the revenue. In the scheme of things, our parking fees are not that big a deal, but it sounds like it is a way of being in a better relationship with our development community, especially if we can continue to implement a customized approach, season by season, site by site. We could charge a minimum fee per site, or we can give them a certain number of permits for vehicles at a reasonable rate for those trucks they really need at the site - and charge other - commuters - at a more expensive rate, which would encourage them can use remote parking. I like Councilmember Messmer's idea of theory being set, but also see the need for flexibility. (Councilmember Machlis)
- We could include a provision for developers building housing - don't charge them any fees. We need housing badly. You could at least make it free for a certain period in order to provide the incentive for doing it quickly. (Councilmember Strub)
- Mr. Mukerjee suggested that if there was a two-tier system, the housing developer would pay lower rate.

- We want housing and development, but we don't want to lose money for the Parking system. They will lose in the peak areas, especially with more construction activity. We have to build this into the parking system assumptions. Maybe we could create a new construction make-up money fund for this. If we reduce fees for housing, we need to decide if it will be for new construction only or if the housing is created by renovation - have a conversation about a fee structure for this situation. Also, we should put something in place that gives them a time limit. Don't make this rule system to be so complicated that it takes them a long time to figure out. They want to see in advance what the fee is and then be able to talk with you. (Councilmember Messmer)

All Committee members agreed to send the proposed ordinance with a two-tiered structure option can go to Council in the category of Other Business.

### 3. Safe Walking Routes *(Todd Stamm, CP&D)*

Mr. Stamm said that the State mandates Safe Walking Routes to schools, but they don't give us much guidance; for 20 years we have struggled with this. A safe walking route varies a great deal from location to location, and it is an effort to try to be consistent. It is also a barrier in terms of cost. Should we set fees collectively rather than in a piecemeal fashion?

When a development does safe walking routes, do they have to put in curb gutters, trees, or just a minimum safe walk route; asphalt ribbon sidewalk or a full-fledged standard sidewalk? One problem that keeps recurring is when you have to put a sidewalk in for a two lot short plat. Also, a lot of developers who are confused about whom to go to for questions. They think this is a school district requirement, and contact Mr. Burton, whereas it is a State requirement that is imposed by the City.

The law says that a housing development must provide for a route; it doesn't talk about timing or route. We have been reluctant to defer those kinds of improvements beyond when housing will be occupied. There have been a couple of instances when we have allowed a six month bond if houses are not occupied yet.

A walking trail counts as a safe walking route as long as it is a public easement - not trespassing. We have not said anybody needs to light the route. It is a physical, not a security issue. The big developments have built great pieces. It's the small ones we are missing.

#### Discussion

- Yes, it is a barrier, but there are good reasons for the State law for Safe Walking Routes. The question is how to get the intent of the law while seeing if it is preventing things from happening that we want to have happen. This is not an issue I'm prepared to compromise on. I don't want to remove this particular barrier, particularly for suburban residential. We don't need to incentivize safe routes. This is great place to live, people will move here. (Councilmember Messmer)
- We don't have major disagreement; the problem is in the details. How do we set standards to make sure the City is getting what it really wants? In a big subdivision vs. a short plat, we are not necessarily implementing the same standards. Some sidewalks include gutters, planting strips and others are just basic - are we getting what we want from what we are requiring? (Councilmember Machlis)
- Part of the issue is retrofit vs. brand new. In a retrofit, you may not have the right of way where sidewalk is just curb and gutter with no planter strip. (Councilmember Messmer)
- This situation could influence where development happens. (Councilmember Machlis)

- It creates the incentive to develop where it is close in, where there are sidewalks and paths near. If you leap frog out the 10 acre gap, you still create a demand for the need to walk to the school site, but somebody has to provide the ability of kids to walk. If the kids aren't walking, the parents are driving them, and we are building really expensive renovations near schools in order to accommodate those. Safe walking routes at least give us the infrastructure to avoid those drives. The other barrier is whether the parents are willing to have the kids walk. (Councilmember Messmer)
- The only situations I can imagine for a fee-in-lieu is if the fee was the same cost as what it would cost the City to install and the money came to us to do it, or if we know we have a project coming up in the next few months, where we could take their money and add it to ours. The suggestion has been to consider a fee-in-lieu and continue to ensure consistent application of the regulation. When I first saw this issue, I thought that maybe fee-in-lieu can work, but am not convinced now. (Councilmember Messmer)
- I think there is a built in disproportionality. Some neighborhoods would like to have input about the situation. They would like to let them build sidewalk as part of a route designated as a key route, rather than a sidewalk in front of house in a neighborhood without other sidewalks and where it will be a long time before the possibility of other sidewalks. (Councilmember Machlis)
- A fee-in-lieu means to me that the neighborhood kid never gets a sidewalk, but the sidewalk maybe goes up in a neighborhood somewhere else. I don't trust fees-in-lieu - safe walking routes should be built as you go. If the problem is they want a short plat to put a house on an acre, but can't afford the sidewalk, then maybe we will get 8 plats instead and denser development. We may get infill. If it's infill, they should have sidewalks already. (Councilmember Strub)
- In response to a question, Mr. Stamm said that if they are in an old neighborhood we still require them to build a sidewalk all the way to bus stop. He also said that we are focused on taking children to bus stop or school, and you can wind up getting a piece of sidewalk that does that, but that is not necessarily the best route for the neighborhood. (Mr. Stamm)
- Mr. Burton said that the fee-in-lieu is interesting, but it is more complex than it might be worth. He advocates for safe walking to schools, particularly within one mile to school. The School District assumes that within one mile, people will walk. If it is outside one mile, they would like to see a safe route to at least a bus stop. We have to comply with State law but don't want to see anything complex especially if it doesn't provide a route. This might happen if we do fee-in-lieu. It would also be nice if the City would let him work with neighborhood associations to encourage them to walk to school because the parents will drive the kids to school if there is no bus. Ms. Stimson said that there is a workshop on safety without fear the idea is to help parents accept their kids walking to school.
- Maybe we need a different approach in established neighborhoods and in new subdivisions. There might be more opportunities for a more sophisticated policy than subdivision and big plats. In some situations, where there is already a set route, or a local access street that is a great walking route, it would be good to have the ability for the contractor to build it there. I agree with Councilmember Strub about fees-in-lieu in large developments. (Councilmember Machlis)
- Mr. Mukerjee said that fees-in-lieu are difficult to manage. There has to be a nexus from where you spend it and where you put it in.
- What if we had fees-in-lieu in smaller unit developments, but we have to line up those dollars in their very local sidewalk program in the very immediate area in the very short run. (Councilmember Messmer)

- Councilmember Strub said that she is willing to talk about this issue again if more flexibility can be had in a situation such as the one Councilmember Machlis mentioned above (allowing them to build a sidewalk as part of a route designated as a key route, rather than a sidewalk in front of house). However, she doesn't want money in exchange for no sidewalks in a situation like Briggs Village.
- Councilmember Messmer said the question about if we are encouraging or discouraging infill is still looming. (Councilmember Messmer)

It was agreed to recommend that Staff should stay the course and take no specific action on the implementation that we currently have, and that we add this to the Barriers to Infill issue when it arises.

#### 4. Final Downtown Report (*Steve Friddle, CP&D*)

Mr. Robertson gave a summary of the work his company has done. They chose a site (4<sup>th</sup> and Jefferson) that is transferable to other parts of downtown, and they incorporated most of feedback that the Committee gave last time. He described the sustainability aspects of the design, as well as the incorporation of the artesian well.

Mr. Robertson said that the proforma analysis that he is providing is the best estimate of how much it will cost to put the project together and how much revenue is anticipated to be generated from that project. From the proformas that he did for all the sites that were discussed last time, he found out that the project needs to be at least 1/2 block in size (for parking and other factors). In the financial toolbox, he outlined 25 different tools that could be applied, from paying for street trees to getting a public-private partnership, and outlined the pros and cons of each. The next step is to truth-test it with some developers. He feels that the biggest barrier to getting housing downtown is parking, and adjacent parking is the simplest answer. That will alleviate a lot of the cost and stimulate development.

The building has a couple of problems: 1) It is taller than 75 feet, and after 75', code requires a set back of eight feet each successive story - an easy fix. 2) Parking: He provided 87 onsite spaces. Retail requires 65 spaces (for the 18,500 sq. ft. of retail space). People who live there are going to want parking in the building. So he calculated a demand - 96 spaces overall. The remainder of the housing related parking and retail parking would have to be found elsewhere - on the street, in the district, or a future parking structure. Mr. Robertson said that he doesn't want to support any of those retail spaces on site because he prefers to reserve it for parking for the housing.

Mr. Stahley and Mr. Friddle explained that when you redevelop retail in an existing building, you don't have to provide parking, but if you build a new structure that houses retail, you need to provide parking for anything over 3,000 sq. ft. There is no parking required for housing.

#### Questions and Comments:

- What kind of a relationship could we build in for a public parking structure to benefit both residents and retail? (Councilmember Messmer)

*It doesn't work very well if you put the residential parking offsite. The residential parking that would go in a parking structure would be spill over or second cars. A parking structure would provide easy access for the retail customers, not just for the retail in*

*this development, but in future developments in the area. It would be creating an incentive for people to have parking downtown. (Mr. Robertson)*

*If there was a parking garage within a certain distance we can count those spaces against the requirement for retail if they have some relationship to that parking structure. (Mr. Stahley)*

- Right now we can count some spaces on the street, so does the parking garage serve as additional inventory that you would count as street parking? (Councilmember Messmer)  
*In theory, that is one way you could do it because we won't be able to get all 65 of our retail spaces adjacent to the property. So we would need some number of them to be dedicated in that garage. You also have in the code right now an administrative exception for parking. The easier temporary solution would be to not require parking for this first building; consider it to be a catalyst project. (Mr. Robertson)*
- Mr. Stahley said that that is one of the things they were talking about as a policy option: eliminating parking requirements downtown. We already have created a policy that says if you are just reconstructing in an existing building, we assume that parking inventory is here and available out on the street or on the lots around it.
- We have over 12,000 parking spaces downtown, and the City controls a couple thousand of them. We have a lot of parking. (Councilmember Machlis)
- A garage is attractive for the immediate retail. What does that do for the viability of the structure in terms of our investment? (Councilmember Messmer)  
*That's a thicker question. In the long term, the parking structure is probably part of the mix.*
- On your proforma, the 120 units relative to the amount of retail and parking, was that where you go to break even, or was it based on market demand? (Councilmember Machlis)  
*Basically we went as high as we could under existing code in a half block. We could go to a block; we could do 12 stories if it is allowed. However, given the confines of the 7 story maximum on half a block, it was a size that seemed manageable for a public-private. (Mr. Robertson)*
- If you had higher buildings with more units, how would it come out differently? (Councilmember Machlis)  
*The type of construction changes, costs go up.*
- When you sell or rent the units, does separating out the parking as a separate charge change the marketability or the volume of parking for residential, i.e. renting it out with a package saying you pay this much for your unit and this much for your parking space. (Councilmember Messmer)  
*We made a couple of assumptions - you can play with it. We estimate 0.8 parking spaces/unit. At the rates we are charging - market rate - they are going to expect to have convenient parking on site. We could run it another way with some percentage of affordable housing built in, and then we can shift the source of funds and financing that we get from different places. (Mr. Robertson)*
- Bring this to Council as a business item with discussion, because I'd like to start come public comment around it. Maybe we will get a nibble from developer. (Councilmember Strub)
- All Committee members agreed that it would be helpful for Council to see the package more as the whole contract, including the financial tool kit. Also it would be good to tie

the best practices part back in because some Councilmembers may have not seen that part.

- Make it clear that nobody is proposing on building this particular building. Tell people that what we learned is that we could get a high quality building. There are some trade-offs: we wouldn't have as much parking, etc. It's tempting to say that we might want to reconsider our setback if we get those sort of upper story garden areas - maybe that achieves the same thing. (Councilmember Machlis)
- Some of the elements are already part of the City's plans, i.e. the white sidewalks and street trees are in our plan for that district of town. Balance out how much to show people before they stop seeing the additional value that is being provided by such a project. It is a trade off in any of these details. It would be nice to say we could get this level of quality construction in a building, but it almost goes to the level where you are starting to suggest that this is a plan and we are requiring that, and if we were involved this would occur at this level of detail. You could potentially have these options without getting to the point of where people start to jump to the details instead of getting the big concept. In general this is about how it could go, and it would work. (Councilmember Messmer)
- Mr. Robertson said he will explain how they reviewed more than 20 plans over 20 years and came up with this. He will talk about how he tried to find a project that would embody the most we could out of the five emphasis areas, and apply the best practices and principles to the design, the goal of which is to present a picture of the product that the City would get if you pursue your policy goals. (Mr. Robertson)
- Councilmember Strub said that she liked all the details, particularly the ones relating to sustainability, and she doesn't want to see Mr. Robertson shave a thing out of it because there are people who will want all the details.
- Councilmember Machlis suggested, and all agreed that Mr. Robertson should mention that he knows the City is working on an accessible well and that this design is totally conceptual, and that this ½ block could be any ½ block.
- It was agreed that this will come to Council as Other Business with presentation and discussion. It is on the agenda on June 9.

The meeting was adjourned 7:16 p.m.