

**DATE:** October 14, 2013

**ECO Project #: 20765**

**TO:** City of Olympia CRA Ad Hoc Committee

**FROM:** Lorelei Juntunen and Emily Picha

**SUBJECT:** OPTIONS FOR AD HOC CRA RECOMMENDATIONS TO COUNCIL

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ECONorthwest (ECO) is under contract to the City of Olympia to assist with the formation of a Community Renewal Area (CRA) in the City's downtown. ECONorthwest has drafted a feasibility study for City Council review, but three key policy questions remain unanswered. At its meeting on October 18, the CRA Ad Hoc Committee, which provides policy direction for the CRA process, will consider these policy questions, and will discuss and approve a recommendation to the Olympia City Council regarding CRA formation. This memorandum supports the October 18 meeting with a set of options and questions to be considered and answered by the Ad Hoc committee. The three policy questions are:

- (1) Governance structure for the CRA
- (2) Boundary and associated project activities
- (3) Process for completing the Community Renewal Plan (CRP)

This memorandum also describes the consultant's understanding of the next steps to get Council approval to move from the feasibility assessment phase of this project to developing a CRP for adoption.

This memorandum has two attachments:

- (1) A draft feasibility study that summarizes the Ad Hoc Committee recommendation to Council, with placeholders for these unresolved policy issues; ECONorthwest will complete this document after the October 18 Ad Hoc Committee meeting for Council review
- (2) A memorandum from Foster Pepper regarding governance options to inform the discussion at the October 18 meeting

## Governance options

The City Council's key consideration regarding governance will be the degree of control it wants to retain weighed against the desire to limit the City's liability relating to potential redevelopment projects. The table below describes pros and cons; for more details, please see the attached memorandum from Foster Pepper.

	What?	Pros	Cons	Notes
#1 Appointed Board	Appoint a board or commission composed of five elected or appointed city officials, who are selected by the Mayor with the approval of the City Council	More direct control over CRP direction, but does provide some separation of Council from development projects	City resources required City takes on liability and financial risk Leadership and priorities could shift	
#2 City Council	Actions directed by City Council	Direct control over CRP activities	City resources required City takes on liability and financial risk Council priorities change over time	
#3 Public Development Authority or other public body	Authorize a public development authority ("PDA"), housing authority, port or public facilities district to act as a community renewal agency	PDAs can adapt to address the challenges of unique projects, independent of the regular, bureaucratic functioning of local government: Persons with special expertise can be retained, Joint ventures with the private sector or even another PDA,  Potentially limits the City's liability Provides a degree separation between the City and the redevelopment project. Provides a vehicle for a city to support a project without diverting city staff to the undertaking Can remain stable, even if City leadership and priorities change over time Tend to be more entrepreneurial than City government.	Despite contract or charter provisions providing for the oversight and control over the PDA, the PDA remains autonomous. Does not have power of eminent domain. Sometimes can be run by boards that lack expertise, whether to raise money in creative ways, or to manage major developmental projects.	The degree of independence depends on how their charters are framed and what controls the City retains. Governance is flexible in the PDA statutes. All liabilities of a PDA must be satisfied from its own assets. Need determine that a PDA is qualified and has the resources to do this work. Government might charter a PDA to pursue a project which otherwise might be abandoned, whether for financial, political, or liability reasons.

Source: Foster Pepper and ECONorthwest.

## Boundary Options

Together with City Staff and based on conversations with stakeholders and CAC members, ECO has identified three potential boundaries for consideration. The key questions for the development of a boundary recommendation is how large of a CRA should be established and whether the projects identified in the boundary should span the entire boundary or be focused in certain areas. Three options are defined below.

	Potential projects	Why?	Benefits	Challenges
#1 Isthmus	The City's recently acquired properties on the Isthmus and surrounding land	Focus on the Isthmus as a catalyst, dedicate limited resources to this area	More granular focus on a key gateway to downtown; leaves out some potentially controversial properties; option for later expansion still open	Leaves out many potential projects that could also use this tool; less flexibility over time to address blight in other areas of downtown
#2 Comp Plan Boundary	Isthmus projects, plus Griswold's, DFW site, others?	Provides flexibility for a variety of projects to be included in the CRP, including those in the downtown core	Contiguous with Comp Plan boundaries to align policies and better support future planning processes; could be a good "seed" for a downtown Master Plan	A more spread out focus requires additional work to establish blight; to justify a larger boundary, the CRP would require a more careful prioritization of activities and resources; requires more City resources to initiate broad outreach and stakeholder conversation
#3 Comp Plan + West Bay Drive	#2 plus strategic properties on West Bay Drive	Provides flexibility for a variety of projects to be included in the CRP	Allows for investment at the western gateway to downtown	#2 Cons, plus a less obvious nexus to downtown implementation



Olympia Community Renewal Area Boundary Options

## CRP Development Process Options

Overall, the outcome of this process will be to:

*“Approve a community renewal plan that (among other requirements) is consistent with the City’s comprehensive plan and describes in detail any land acquisition, any work to be carried out, any contemplated zoning changes, and ‘the plan’s relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.’” RCW 35.81.015(6).*

### Workable Plan

CRA’s require a workable plan that outlines uses of public and private funds to eliminate or prevent the spread of blighted areas, steps to encourage redevelopment, and activities that will achieve the goals of the plan. The plan must:

- Conform to the comprehensive plan
- Indicate with some specificity what land is to be acquired, buildings demolished or redeveloped, and what improvements are to be carried out
- Outline the plan’s relationships to appropriate land uses, improved traffic and transportation, public utilities, rec/community facilities,
- Address the need for replacement housing

### Adoption steps

- The plan is drafted, consistent with the provisions of the Growth Management Act
- The Council holds a public hearing on the plan after publishing notice in the newspaper and giving written notice to all property owners in the area
- The Council may adopt the plan if it find that 1) the plan is feasible, 2) the plan conforms to the comp plan (which may be amended to accommodate the CRP), 3) involves private enterprise as much as feasible 4) the plan is financially sound, 5) the area of concern is blighted.

Three possible approaches to arriving at this goal are outlined below for discussion

	Deliverables	Engagement	Timeline / Budget	Pros	Cons
<i>Minimum effort: Get it done with what we know</i>	Basic CRP document consistent with RCW that identifies project activities from the feasibility study	Limited engagement with CAC and property owners; two Ad Hoc committee meetings required	Could be adopted in early Jan 2014 and within existing contract budget	Efficient with budget and time	Limited buy-in from property owners and stakeholders likely to complicate adoption and implementation; limited information about redevelopment outcomes reduces likelihood of implementation
<i>Medium Effort: One action plan</i>	CRP document includes action plan for Isthmus or one other area, but may not include visualizations of redevelopment	CAC and Ad Hoc Committee meeting, plus outreach to property owners in action plan area; some Council engagement in funding decisions in action plan area	Could be adopted in February or March 2014 within existing contract budget	Efficient with budget	Uncertain public buy-in for CRA adoption and redevelopment implementation
<i>High Effort:</i>	CRP document includes action plans and visualizations of a vision for Isthmus and possibly other properties	Extensive: CAC, Ad Hoc Committee, open houses and/or workshops for action plan area(s); Council engaged in project prioritization and funding decisions	Dependent upon number of action plans areas and boundary size decisions. May or June 2014? Budget amendment required	Increased likelihood of support for adoption and implementation; better information about and planning for specific projects; stronger likelihood of implementation with specific (funded) action plans	Could begin to look more like “master planning” and cause confusion with future Downtown Plan if not carefully constructed and described

## Next steps

A series of upcoming meetings will further shape the recommendations and hopefully lead to Council decisions to approve the feasibility study and authorize staff and consultants to complete the CRP process. The table below outlines ECO's understanding of that process, which is an item for discussion and confirmation at the October 18 Ad Hoc Committee meeting.

	October Ad Hoc meeting	November CAC meeting	December Council Work Session
<b>Meeting goal</b>	Recommend boundary, preliminary projects, governance, process for completing CRP	Discuss and provide comment on feasibility study, including Ad Hoc recommendations on boundary and governance issues, rationale for CRA, and process for CRP completion	Approve feasibility study with specific boundaries, preliminary projects, a governance structure; Council charges staff to move forward with the more detailed work within parameters of work program
<b>Who decides</b>	Ad Hoc Committee	CAC is advisory; comments included for Council discussion in December	City Council
<b>Consultant tasks that follow</b>	Finalize feasibility study document draft Finalize technical analysis to establish blight w/in boundary Draft overall rationale for CRA, including nexus to downtown revitalization	With staff direction, incorporate some comments into feasibility study document and identify others for Council discussion	With staff, outline specific work program (including outreach) for completing the plan, based on Council direction, and implement