CITY OF SHELTON, WASHINGTON - CITY COMMISSION
Business Meeting Minutes - February 18, 2014
Shelton Civic Center - 6:00 p.m.

Presiding: Mayor Cronce, Commissioner Olsen and Commissioner Moore
Staff Present: Dave O’Leary, Vicki Look, Steve Goins, Cathy Beierle, Greg Clark, Mike Michael, Terry James, and Lesleann Kangas

Mayor Cronce called the meeting to order at 6:00 p.m.

Commission Reports
• Commission Boards and Committees Assignments – Mayor Cronce announced he would be stepping down from the Law Enforcement Officers and Fire Fighters (LEOFF) Board. Commissioner Olsen said he would accept the assignment to this Board.

One or more Commissioners will attend the following activities this week:
• Economic Development Council Luncheon
• Criminal Justice Meeting
• Port of Shelton Commission Meeting

Public Comment
Mayor Cronce recognized the following who expressed their concerns with the toxic sites, Goose Lake and the “C” Street dump, and the potential impacts of Ordinance No. 1845-0214: Ms. Pat Vandehey and Ms. Terri Thompson.

Consent Agenda
1. Vouchers numbered 82765 through 82867 in the amount of $321,737.65
2. Payroll Warrants numbered 70855 through 71024 in the amount of $641,908.55
3. Commission Meeting Minutes of:
   • Study Session of January 27, 2014
   • Business Meeting of February 3, 2014
   • Study Session of February 10, 2014

Commissioner Olsen moved to approve the consent agenda; Commissioner Moore seconded the motion. A vote was taken and the motion passed.

Mayor Cronce recessed the regular meeting and opened the Public Hearing at 6:16 p.m.

Public Hearing – Ordinance No. 1845-0214 – First Reading - An Ordinance of the City of Shelton, Washington, Establishing the Shelton Hills Planned Action Pursuant to the State Environmental Policy Act – Community and Economic Development Director Goins reported that this public hearing is to consider the planned action ordinance for the Shelton Hills mixed use development project in conjunction with the Final Environmental Impact Statement (FEIS) that was released January 30, 2014. DH Goins said the development is West of Highway 101, from the Wallace Kneeland overpass, South to the “C” Street overpass, and adjacent to the airport, Goose Lake property and lands owned by Green Diamond Resources. The project is a multiphase master plan community to be developed over a 20 year period including commercial development, business park, and residential housing, and incorporates amenities including open spaces and trails. The consideration tonight is to consider this ordinance that is designed to facilitate future development in a manner so that further subsequent environmental action is not required. Three basic steps are necessary to designate a planned action project: preparing an EIS, designating the planned action project by Ordinance, and review of future permit applications to determine if the proposed project(s) are consistent with the designated planned action. In considering the proposed Planned Action Ordinance, the City Commission needs to make the following findings:
A. Chapter 1 of the FEIS summarizes the probable significant adverse environmental impacts of the Shelton Hills project and outlines mitigation measures for these impacts. Chapter 1 is attached as Exhibit B to this Ordinance. The Commission adopts the entire FEIS and incorporates it by reference into this Ordinance.

B. The EIS—in conjunction with the Development Regulations applicable to the Shelton Hills project—adequately address the probable significant environmental impacts associated with development of the Shelton Hills project.

C. The mitigation measures set forth in the FEIS, together with the applicable Development Regulations, are adequate to mitigate the significant adverse impacts from development within the designated Planned Action area.

D. Public notice and opportunity for comment appropriately provided during the DEIS phase and for this Ordinance.

DH Goins requested the Commission take public testimony and consider a First Reading of this Planned Action Ordinance tonight with a Second Reading under Old Business for the meeting of February 24, 2014.

Public Testimony

Mayor Cronce recognized the following who commented on the environmental, traffic, financial and other potential impacts of Ordinance No. 1845-0214: Ms. Pat Vandehey, Ms. Terri Thompson, Mr. Paul Vandehey, Ms. Annette Matrisiano, Mr. Brandon Farrell, Ms. Marilyn Vogler, Ms. Marie LaRock, Mr. Tom Davis, Ms. Constance Ipson, Mr. Doug Sayan, Mr. Toby Kevin, Mr. Jacob Rufer, Mr. Wilson Durham, Mr. Ken Vanbuskirk and Ms. Laurel Nelson-King

DH Goins said regarding the Goose Lake and landfill cleanup; staff has been working with Rainier for a number of years to get the Goose Lake site cleaned up. The disagreement with comments presented is the sequence of which the work needs to occur. Staff believes in the need for cleanup but stop short of requiring that done in advance of development of the adjacent property. The mitigation measures included in the FEIS address the scenario of whether this clean up activity is completed or does not commence and the need to take other measures to protect the public while development activity occurs on the site. In terms of traffic issues, there has been a lot of work done on the interchange through Washington State Department of Transportation (WSDOT) process to design proposed improvements for the interchange. The developer and the City are in the process of establishing a development agreement on how the costs will be divided. The EIS is clear that at a certain traffic threshold, certain improvements need to occur and the public has an assurance that it will occur. This is built into the EIS. There is a large chapter that describes all the improvements, not just at the Wallace Kneeland interchange. To meet all the obligations there, are approximately 20 different enhancements City-wide that need to be made. Staff’s position is understanding of the desire to have the sites cleaned up and will continue to make progress with that. We believe that the mitigations proposed are adequate in allowing development to proceed.

Commissioner Olsen said he also has concerns about the overpass not being done before excavation starts on the site. He said the truck traffic created by hauling away all the fill is going to impact traffic.

DH Goins said it is not anticipated that a great deal of material will be hauled off the site. The material will be used for different portions of the construction activities. It has been a goal to have Goose Lake cleaned up at this time and if there is capping material it could be used for that.

Commissioner Olsen asked if it has been mapped yet on Hall’s property exactly where the cleanup sites are located. He asked what part of the Master Plan where it shows the different developments

DH Goins responded there is a ravine that extends off the Rainier site to the Hall Equities Development site where there has been some testing. In the draft EIS document 3.4.1 it identifies the study area DOE has focused on and includes the described ravine.

Mayor Cronce asked staff to explain the water testing and what that has to do with this project.
DH Goins responded that the sites that are contaminated which are raising concerns are predominantly off site. The cleanup activities they are seeking are on properties that are largely not part of what Shelton Hills is contemplating to develop. In regards to Goose Lake, we do have more information on the soil and the groundwater and its movement around that area. DOE has identified the area where there is a soil contamination issue and has identified that specifically with a portion going on Hall Equities property. The mitigations proposed and interim action that will remove the soil and haul off the site is required to be completed in advance of a development in that area which is included in the mitigation measures. In terms of the landfill, the impact is not the result of any activity on the Shelton Hills site nor does development of the Shelton Hills site change the outcome of what is happening underground with that water. The needs to mitigate that on the City landfill site are a separate action, as well as with the Goose Lake property. Those properties will have a subsequent environmental review and DOE will ultimately agree on an appropriate action to deal with those. They are not something that is a result or a cause that should be mitigated as part of development activity on the Shelton Hills site.

CA O’Leary responded to a procedure question saying that Commission rules are to have a First Reading and, under normal circumstances, a Second Reading and adoption will occur at the meeting following the First Reading.

DH Goins responded that it is a proposed to have a Second Reading at the meeting of February 24, 2014.

Commissioner Moore said it is difficult when there is so much passion involved and very many facts. The concern we all have it is the health and safety of our community. She said the question has come up why we have waited 30 years to clean this up; the answer is we are taking care of it now and hoping it will be quick with the support of the community. The difficulty with this is the fact is the toxic areas are not contained completely on the property we are talking about and we can’t make decisions based on adjacent properties in this case. She said she has read all the documents and is not certain on how much we can hold back on this decision. She said the planned action ordinance is not a new thing and in doing research, the City of Bellingham has used this in cleanup areas. She asked staff if additional contamination is found on the site if it would negate the agreement and would cause a new environmental study.

DH Goins responded that in regards to the Goose Lake site the process is to complete the remedial investigation, which is still under way, and develop a feasibility study that would consider different alternative methods to clean up the site. As of today, DOE has landed on the impacted area and is requesting additional water monitoring to determine where water might be moving and to evaluate the impacts downstream from the landfill site. Their process would culminate a cleanup action plan utilizing a feasibility study to build on that to develop a plan to be agreed upon by the partners, Hall Equities and ITT Rainier. DOE is in the process of getting the funding and a contract for a site hazard assessment for “C” Street. The site assessment will tell us what approach might be considered. The concern that staff has is that, absent this amount of work that the assessment would provide and information it would give us, is to have a mechanism to test the soil on the southern portion of Hall Equities property to see if some of the contaminates may have migrated up on the site would happen in advance of construction activities. Depending on the results, we would rely on DOE for recommendations and mitigation it would require.

Commissioner Moore asked if this is approved could it be amended by further findings.

DH Goins responded that the findings are not conclusive. A common area where this wouldn’t apply is if you were to encounter archaeological elements in the soil as you were digging, there is a protocol that will determine on how to deal with it. It would be evaluated by the experts.

Commissioner Moore asked as far as the Critical Aquifer Recharge Area (CARA) mapping and protection of the CARAs, what is being done and how close are we to having those mapped so we can adequately address the CARAs during the construction phase.
DH Goins responded that a portion of the site has been identified as a CARA and the development would have to meet all of our adopted criteria for protecting CARAs in place now. That would be true for any development in that area. The mapping process would possibly alter and the desired outcome would be to make consistent the maps the County had adopted with the ones the City has adopted. The City maps have indicated a greater portion of the mapped areas as extremely critical more so than the County. In that regard, the City’s regulations seem to be more conservative in terms of the sensitivity of the resource and means to protect that. The mapping processes wasn’t intended to expand or to contract the CARAs as it was to make a positive identification based on studies that were done and to have that digitized as a better tool for the future.

Commissioner Moore asked if that would affect allowed uses.

DH Goins responded that is correct, particularly the business park where there might be some industrial activities that might be the source of some point contamination. There are limits on types of uses that could occur there and certain uses would have to follow certain procedural processes such as double containment tanks and come uses would not be allowed outright.

Commissioner Olsen said he is very worried environmentally with the site. He does believe staff’s workings with various State agencies are using the best sciences possible to arrive at their conclusions and believes this project can work with enough oversight over it. He commented that the legal implications that people keep talking about and liability - the Federal EPA has consistently come down on the polluter making them responsible for the cleanup. He said this is our best chance and ally in getting the DOE and ITT Rainier to get this cleaned up. The other part is the development agreement that is not in place yet. He said this could be a tool to help mediate some of the issues such as traffic and school impact and when that would take place.

DH Goins said that will be the next step. The City would begin to coordinate with the developer over what elements the agreement would need to include. Typically, the transportation improvements are the issue in which the City is responsible for as well as the developer whose project is causing additional traffic on our streets. He said we can mutually agree on any other issues and certainly will have on the table how to address some of the offsite issues such as the C Street landfill and mitigation measures included in the FIES and how the costs are going to be addressed. The underlying concurrency requirements give us a lot of protection, insuring that elements of the project that would impact our traffic would not be put off until the project starts.

Commissioner Olsen asked if we approve the FIES before the development agreement what if something comes up that is not mutually agreed upon and does that affect their ability to continue with the project.

DH Goins said there might be some debate over how things will get paid for. The goal is to come up with an agreement so large scale improvements could be addressed. An example is some of the intersections in the City will have an incremental impact and affect because of additional traffic the retail and homes would impose on the City. It has identified a percentage of that traffic which the development might be responsible for and that might be low. As you are contemplating on how to remedy that, it is a lot easier to build the improvements and fund overtime rather than to ask someone to fund a portion with the City having to come up with the balance. The developer could choose to contribute incremental chunks of money as a mechanism to move forward. The preferred approach is to develop a mechanism where we could identify who was building the improvements and funding those and share the costs and developments with the understanding we have a timeline.

Commissioner Olsen said that in the language it seems like the developer would get a credit for impact fees like in the school site.

DH Goins said there is commonly a credit for costs that are born upon the developer such as when a large infrastructure element like the overpass is constructed - the cost of construction is offset by the impact fees that the retailers would bring in. This is a complex mathematical problem. The amount of money that it takes to fund all of our capital improvement projects is around $20,000,000. One of the values of having an agreement is being
able to arrive at a process that not just pays for the improvements but actually gets them in place. An example where that works well is with water and sewer connection charges. We have a complex model that we have
developed that evaluates the share of buying into and improving the system incrementally to address that impact.
If we had thousands of homes built over 20 years, the general facility charges we have in place for water and
sewer will fund improvements. The same is true with these other elements, it is just harder to make sure that they
align with the need.

Commissioner Olsen recognized County Commissioner Jeffries who used the statement - do not underestimate
the power of your own voice and let DOE and Legislative Representatives know we want the development and
want it to be clean. He ended with we all want the development but we want it to be clean.

Mayor Cronce said this is not something we did overnight. He asked Mr. Brandon Farrell, Hall Equities Group, if
this is the first development Hall Equities has done.

Mr. Brandon Farrell responded they have done a similar project in the City of Turlock that included a large retail
center, infrastructure financing, cleanup and mediation and a development agreement that has been very
successful. He said they are in the process of the development agreement that will have everything addressed
including the environmental cleanup and traffic impacts.

Mayor Cronce said it is in Hall Equities’ best interest that Goose Lake and the “C” Street dump cleanup get taken
care of. This process has been discussed in great lengths and great effort has been put forward to involve the
community. He said that Hall Equities is the reason that Goose Lake and “C” Street dump will get cleaned up.
There are a lot of people who need jobs and solid places for our young people to work and Hall Equities will
bring this and Shelton needs this for its citizens.

Commissioner Moore said that this development is the best thing for Shelton but has concerns about the
environmental issues but her hesitation is to make sure we do the best for the safety of our community.

Mayor Cronce closed the Public Hearing at 7:49 p.m.

Mayor Cronce requested a First Reading of Ordinance No. 1845-0214 as follows:
An Ordinance of the City of Shelton, Washington, Establishing the Shelton Hills Planned Action Pursuant to
the State Environmental Policy Act

Old Business

1. Resolution #1061-0214 – A Resolution of the City of Shelton, Washington Establishing a Policy for Long
Term Memorial – Public Works Director Clark reported on this in detail at the meeting of February 10, 2014.
He said the resolution allows the City Administrator to set the policy and procedure for memorials.
Commissioner Olsen had comments regarding notice to the family and right-a-way permits. DH Clark said
this resolution gives the CA the ability to define the purpose of a temporary and long term memorials and
identify the departments that will administer those.

Public Comment on Action Item

Mayor Cronce recognized Mr. Forrest Cooper who suggested looking further into reasons for temporary
memorials, saying we do not need to create an ordinance that makes it easy for anyone to be memorialized with
no regard to businesses or citizens. He suggested sectioning a portion of the Shelton Memorial Park for families
to erect memorials for a period of thirteen months, overcoming the hurdle of the one year anniversary, after this
time the memorial would be removed. Mr. Cooper said temporary roadside memorials should be removed after
thirty days.

Mayor Cronce requested a motion to extend the meeting due to the amount of items still needing to be
discussed.

Commissioner Moore moved to extend the regular meeting for one additional hour, Commissioner Olsen
seconded the motion. A vote was taken and the motion passed.
Mayor Cronce recognized Mr. Tom Davis who said temporary memorials are inappropriate. His reason being there is a place and time for grieving and this is very personal and it would be more dignified if there was a specific area for expressing grief.

Commissioner Olsen said that we do not need an ordinance for the short term memorials and that contacting the family should be sufficient.

Commissioner Moore said this is not to promote memorials but an avenue to monitor the short term memorials.

Mayor Cronce said that the City Administrator will set the policies and procedures. There is a need for a policy to monitor possible short term memorials.

CA O'Leary said challenges are possible disputes with families and at some point the short term memorial would have to come to an end.

Mayor Cronce said this will give us defining rules concerning short term memorials.

CA O'Leary clarified this is a resolution not an ordinance. He explained that Ordinances are a matter of law and this will not be in our code, this is a resolution which is a statement on how we will manage the subject.

*Commissioner Moore moved to have a reading and adoption of resolution #1061-0214 as follows: A Resolution of the City of Shelton, Washington Establishing a Policy for Long Term Memorial*

*Commissioner Olsen seconded the motion. A vote was taken and the motion passed with Commissioner Moore and Mayor Cronce in favor and Commissioner Olsen opposed.*

2. **Engineering Services Budget Modification** – City Engineer Michael presented budgetary needs for general engineering services as part of the 2013 Design and Construction standards Update that the Commission included as revised policies relating to “in-fill” lots within the City. It was decided that on “in-fill” lots, engineering staff would provide the basic engineering and initial staking necessary for the builder/owner to construct the grading and sidewalk portion of the frontage improvements. There are currently two building permits approved that require these new services. A quote of $9,500 was received for the needed survey on the two current lots. Funds were not budgeted for the 2014 professional services line so staff is requesting a budget modification to fund the two current lots plus an additional three lots for a total of $25,000. CE Michael requested the Commission authorize the City Administrator to make the necessary budget modifications.

*Public Comment on Action Item* – None

Commissioner Olsen said that this is great, showing that the City is stepping up on something they own and show builders they do not have to pay the whole cost on frontage improvements.

*Commissioner Moore moved to authorize the City Administrator to prepare a budget modification to cover this new ongoing engineering services expense; Commissioner Olsen seconded the motion. A vote was taken and the motion passed.*

**New Business**

1. **Poverty Task Force Report Recommendation** – Community and Economic Development Director Goins said that earlier last year, the City established a Poverty Task Force to look at data to help arrive at recommendations that would reduce the impacts of poverty in our community. They presented their report to the Commission on December 16, 2013. At the Retreat of January 9, 2014 staff discussed the recommendations of the Task Force. There was concern over the cost of implementation and questions. The
outcome was to come back with recommendations on implementations which are being presented this evening. There are six key recommendations: 1. The City, particularly its elected officials, can provide leadership in forwarding the task force recommendations and providing opportunities to create partnerships with various agencies and organizations working toward mutual objectives. In addition, the City leaders can use their position and influence to seek financial and other assistance in implementing these recommendations through conversations with other county, state, and federal representatives. 2. Support efforts by Youth Empowerment Strategies (YES) in their proposal to Mason County to use the old St. Edward’s rectory as a center for serving Youth at risk. 3. Partner and provide City support to local organizations such as HOST/YES, Mason Transit Authority, Mason Matters, and other organizations/businesses interested in bringing youth-related activities to Shelton. 4. Direct the Police and Public Works Departments to re-illuminate existing street lights that have been turned off in recent years, and evaluate current lighting conditions within alleyways in the downtown and consider where additional alleyway lighting should be pursued. 5. Establish a City Poverty Committee, to work in conjunction with the local leadership to address the viability of the Report recommendations, and to develop and recommend a Strategic Plan for implementation. 6. The City should establish a task force comprised of the business community, including representatives from the Shelton-Mason Chamber of Commerce and EDC, to identify the barriers that may be hindering business growth and enhanced economic development in Shelton and Mason County, and make recommendations for strategies for attracting and partnering with businesses interested in locating in Shelton. DH Goins presented a copy of the Olympia Downtown Ambassador Program. DH Goins recommended that the Commission consider public comment tonight and place under Old Business for the meeting of February 24, 2014.

Mayor Cronce recognized the following who commented on the Poverty Task Force Recommendations: Mr. Dave Salzer, Ms. Marilyn Vogler and Mr. Tom Davis.

2. Basin 5 Acceptance - City Engineer Michael reported that this is the final step in closing this project. Bids were opened for 40,800 linear feet of existing sewer main, including associated laterals, manholes, and appurtenance, along with surface and road restoration. The Basin 5 Sewer Rehabilitation Project was awarded to Buno Construction, LLC in the amount of $9,620,838.97. Sixteen Change Orders were executed over the duration of this contract totaling $1,568,025.50. Funding was secured from Public Works Trust Fund and USDA-RD with more than sufficient monies to cover this contract and associated project management costs. The final step will be to release $409,422.75 in retained funds, following confirmation of all contractual obligations. CE Michael requested the Commission place the Basin 5 Final Acceptance of work done by Buno Construction, LLC on the consent agenda for February 24, 2014.

The Commission concurred to place the Basin 5 Final Acceptance of work done by Buno Construction LLC on the consent agenda for February 24, 2014.

3. Strategic Plan Update – City Administrator O’Leary presented the 2013-2018 Strategic Plan Update as proposed at the January 9, 2014 Retreat. This plan includes the most significant things the City wants to do as a City and how to achieve those things. CA O’Leary requested the 2013-2018 Strategic Plan Update be placed on the consent agenda for February 24, 2014.

The Commission concurred to place the 2013-2018 Strategic Plan Update on the consent agenda for February 24, 2014.

4. Hotel/Motel Tax Advisory Committee Re-appointment – Ms. Annette McGee – Management Assistant Look said Ms. Annette McGee has submitted her letter of interest for reappointment to the Hotel/Motel Tax Advisory Committee for the year 2014. She said Ms. McGee has been involved in activities authorized to be funded by revenue received by Hotel/Motel tax. MA Look requested this reappointment be placed on the consent agenda for February 24, 2014.

The Commission concurred to place the reappointment of Ms. Annette McGee to the City of Shelton Hotel/Motel Tax Advisory Committee on the consent agenda for February 24, 2014.
Administration Reports - None

General Public Comment - None

Administrative Final Touches - None

Announcement of Next Meeting
Mayor Cronce announced the next regular Commission meeting of Monday, February 24, 2014 at 2:00 p.m.

Adjournment
Mayor Cronce adjourned the meeting at 8:44 p.m.

[Signatures]
Mayor Cronce
City Clerk Look