



AMENDED

03-25-2020

LACEY CITY COUNCIL AGENDA
MARCH 26, 2020
4:00 P.M.
420 COLLEGE STREET, LACEY CITY HALL

CITY COUNCIL

ANDY RYDER

Mayor

CYNTHIA PRATT

Deputy Mayor

LENNY GREENSTEIN

MICHAEL STEADMAN

CAROLYN COX

ED KUNKEL

MALCOLM MILLER

CITY MANAGER

SCOTT SPENCE

CALL TO ORDER:

1. PLEDGE OF ALLEGIANCE

2. APPROVAL OF AGENDA & CONSENT AGENDA ITEMS*

- A. [Council Worksession minutes of March 5, 2020](#)
- B. [Council Meeting minutes of March 12, 2020](#)
- C. [A motion to approve payment of claims, wages, and transfers for March 5, 2020 through March 19, 2020](#)

** Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

3. PUBLIC RECOGNITIONS AND PRESENTATIONS:

4. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA*

The City Council will allow comments under this section on items **NOT already on the agenda. Where appropriate, the public will be allowed to comment on agenda items as they are addressed during the meeting.*

5. PUBLIC HEARING:

6. PROCLAMATION:

7. REFERRAL FROM PLANNING COMMISSION:

8. REFERRAL FROM HEARINGS EXAMINER:

9. RESOLUTIONS:

- A. [Resolution to Establish a Business Support Program in Response to COVID-19](#)
(Dave Schneider)
- B. [Resolution to Provide Temporary Procedures in Response to COVID-19](#)
(Dave Schneider)

10. ORDINANCES:

11. MAYOR'S REPORT:

12. CITY MANAGER'S REPORT:

- A. COVID-19 Update (Scott Spence)

13. STANDING GENERAL COMMITTEE:

14. OTHER BUSINESS:

15. BOARDS, COMMISSIONS, AND COMMITTEE REPORTS:

A. Mayor Andy Ryder:

1. Mayors' Forum
2. Thurston Chamber Shared Legislative Committee
3. Transportation Policy Board (TPB)

B. Deputy Mayor Cynthia Pratt:

1. Joint Animal Services Commission (JASCOM)
2. LOTT Clean Water Alliance
3. Olympic Region Clean Air Agency (ORCAA)

C. Councilmember Carolyn Cox:

1. Regional Housing Council
2. Health & Human Services Council (HHSC)
3. Intercity Transit (IT)

D. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. TCOMM911
3. Thurston County Law & Justice

E. Councilmember Malcolm Miller:

1. Thurston Regional Planning Council (TRPC)
2. Thurston Thrives
3. Lodging Tax Advisory Committee (LTAC)
4. Thurston County Coalition Against Trafficking (TCCAT)

F. Councilmember Michael Steadman:

1. Community Action Council
2. Solid Waste Advisory Committee (SWAC)

G. Councilmember Ed Kunkel:

1. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
2. Lacey South Sound Chamber
3. Economic Development Council (EDC)

16. ADJOURN

MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

MARCH 5, 2020

7:00 P.M. – 9:02 P.M.

COUNCIL PRESENT: MAYOR RYDER, DEPUTY MAYOR PRATT, COUNCILMEMBERS
GREENSTEIN, STEADMAN, COX, KUNKEL, MILLER

STAFF PRESENT: S. SPENCE, J. BURBIDGE, S. EGGER, M. HARDIE,
D. SCHNEIDER, R. ARMADA, R. WALK, T. WOO, P. EDMONDS

Mayor Ryder amended the agenda to move the Public Comment Policy and Council Travel agenda items to a future Worksession.

ACTION: APPROVE THE AMENDED WORKSESSION AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS
GREENSTEIN AND COX

LACEY YOUTH COUNCIL POLICY RECOMMENDATION

PRESENTERS: WILLA EISEL, MAYOR, LACEY YOUTH COUNCIL
XIMYUE YU, DEPUTY MAYOR, LACEY YOUTH COUNCIL
DAISY VILLALOBOS, COUNCILMEMBER, LACEY YOUTH COUNCIL

ACTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS
STEADMAN AND GREENSTEIN TO ACCEPT THE PROPOSED POLICY FOR
LACEY YOUTH COUNCIL AND FORWARD TO FULL CITY COUNCIL FOR
FORMAL ADOPTION

The City Council created the Lacey Youth Council to engage with the community's youth and develop future leaders. At the October 24, 2019, Council Meeting, Council confirmed the appointment of seven members to the Lacey Youth Council as recommended by Mayor Ryder.

The Youth Council presented a draft policy to the City Council. The policy defines the purpose, structure, operations and recruitment process of the Lacey Youth Council.

WASHINGTON CENTER FOR THE PERFORMING ARTS FUNDING REQUEST

PRESENTERS: JOCELYN WOOD, DEVELOPMENT DIRECTOR
ALEX BUNN, CAPITAL CAMPAIGN CHAIR
SPENCE WEIGAND, BOARD MEMBER

ACTION: INFORMATION ONLY

The Washington Center presented their capital needs for all areas of the interior totaling \$6.6 million. Phase I includes upgrades backstage including energy efficient lighting, sound equipment, and rigging. Phase II includes the front of the house such as paint, carpet, and theater seats.

Currently, they have commitments of \$4.3 million, which includes matching funds available from the State of Washington Building for the Arts Program, as well as \$500,000 from the Murdock Charitable Trust, and the cities of Olympia and Tumwater.

The Washington Center requested an investment of \$250,000 from the City of Lacey to support their capital campaign.

Council encouraged the Washington Center to apply for \$200,000 in lodging tax funds through the Lodging Tax Advisory Committee (LTAC). A meeting of the Committee is scheduled for March 27, 2020. Council will discuss other funding options if LTAC denies or modifies the Washington Center's request.

LACEY HEARINGS EXAMINER'S REPORT

STAFF: RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
TED HUNTER, HEARINGS EXAMINER, SOUND LAW CENTER
ANDREW REEVES, HEARINGS EXAMINER, SOUND LAW CENTER

ACTION: INFORMATION ONLY

Council received a presentation on the process of hearing and deciding land use applications and appeals. The hearings examiner works for the City of Lacey and carries out what the City Council enacts through the City's ordinances and policies.

The hearings examiner must adhere to the appearance of fairness doctrine by ensuring outside observers believe a fair process is occurring. This includes avoiding concerns about personal bias, financial interest, and ex parte contact. Recusal is

appropriate if personal bias, financial interest, or inappropriate ex parte contacts emerge as potential issues.

REVIEW OF APPEAL FEE

STAFF: RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
ACTION: COUNCIL DIRECTED STAFF TO REVIEW COMPARABLE RATE STRUCTURES FOR SEPA AND PROVIDE A FEW OPTIONS TO THE LAND USE COMMITTEE.

Staff provided a presentation on the administrative appeal fee and the fee study conducted in 2016-17. The fee study included a multi-part process to determine average staff time required to complete tasks. Council adopted the \$2,000 appeal fee in 2017. In 2019, the appeal fee increased to \$2,179 due to the annual cost increase.

Appeal Fee Options:

1. No change
2. No change to current fee – fee is refunded if appellant prevails
3. Set appeal fee at \$1,000 – 2017 rate (13%)
4. Set appeal fee at \$500 (6.5%)
5. Something else or a combination of the above

Council discussed combining Options 2 and 3, or using Option 2 with an appeal fee of \$1,500. Council directed staff to review comparable rate structures for SEPA and provide a few options to the Land Use Committee.

CULTURAL CELEBRATION CANCELLATION

STAFF: JEN BURBIDGE, PARKS & RECREATION DIRECTOR
ACTION: INFORMATION ONLY

Staff provided an update on the cancellation of the March 7, 2020, Cultural Celebration. This was due to a significant number of vendors who have cancelled their participation in the event. Vendors expressed concern about COVID-19 and the potential for exposure during public events.

MINUTES OF A REGULAR COUNCIL MEETING
OF THE LACEY CITY COUNCIL HELD
THURSDAY, MARCH 12, 2020, IN LACEY
COUNCIL CHAMBERS

CALL TO ORDER: Deputy Mayor Pratt called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE: Deputy Mayor Pratt led the Pledge of Allegiance.

COUNCIL PRESENT: C. Pratt, C. Cox, L. Greenstein, M. Miller,
S. Steadman

COUNCIL EXCUSED: A. Ryder, E. Kunkel

STAFF PRESENT: S. Spence, R. Armada, S. Egger, M. Hardie,
D. Schneider, R. Walk, T. Woo, P. Edmonds

Deputy Mayor Pratt requested amending the agenda to adjourn to Worksession to discuss Commerce Emergency Funding Shelter and an update on COVID-19.

APPROVAL OF AGENDA
AND CONSENT AGENDA:

Consent Agenda Items:

- A. Council worksession minutes of February 20, 2020
- B. Council meeting minutes of February 27, 2020
- C. A motion to approve payment of claims, wages and transfers for February 19, 2020, through March 4, 2020

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE THE AMENDED AGENDA AND CONSENT AGENDA. COUNCILMEMBER STEADMAN SECONDED. MOTION CARRIED.

PUBLIC COMMENT:

Michelle Andrews, a resident of Olympia and volunteer at Joint Animal Services, requested Council support with the City of Olympia's ordinance relating to Puppyland, and encouraged Council not to allow the business to locate in Lacey.

Donna Snow, a resident of Lacey, encouraged Council to adopt an ordinance banning Puppyland and similar businesses from locating in Lacey.

RESOLUTIONS:

Mary Ann Hardie, Human Resources Director, presented Council with Resolution 1084 adopting the 2019 City of Lacey Comprehensive Emergency Management Plan.

All independent local emergency management organizations in the state of Washington are required to develop a Comprehensive Emergency Management Plan (CEMP). The CEMP addresses the four phases of emergency management which are mitigation, preparedness, response, and recovery. The CEMP serves as the roadmap to guide Lacey Officials and Staff in how to mitigate, prepare, respond, and recover from emergencies. Lacey last updated its CEMP in 2013.

COUNCILMEMBER STEADMAN MOVED TO APPROVE RESOLUTION 1084 ADOPTING THE 2019 COMPREHENSIVE EMERGENCY MANAGEMENT PLAN AND AUTHORIZE THE MAYOR TO SIGN THE LETTER OF PROMULGATION. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

ORDINANCES:

Troy Woo, Finance Director, presented Council with Ordinance 1564 amending the 2020 Budget.

The proposed amendments are limited to carryover encumbrances and capital projects. This carryover process relieves concerns that authorized budgets will be exceeded when large carryover projects do not have the authorized appropriations until late into the year. It is the City's practice to amend the budget once per year during September. If the City Council approves these appropriations earlier in the year, the risk of exceeding authorized expenditure levels is minimized.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE ORDINANCE 1564 AMENDING THE 2020 BUDGET. COUNCILMEMBER COX SECONDED. MOTION CARRIED.

Troy Woo, Finance Director, presented Council with Ordinance 1565 which updates the business and occupation tax section of the Lacey Municipal Code.

On December 5, 2019, the City Council adopted Ordinance No. 1560, which adopted the provisions of the business and occupation (B&O) tax model ordinance as required by State law (RCW 35.102). A new LMC section 3.02.077 relating to B&O tax apportionment was adopted in accordance with the B&O tax model ordinance. The adopted ordinance failed to repeal the old LMC section 3.02.080 also relating to B&O tax apportionment, so there are conflicting sections relating to apportionment.

The proposed ordinance repeals LMC 3.02.080 to be consistent with the B&O tax model ordinance.

COUNCILMEMBER STEADMAN MOVED TO APPROVE ORDINANCE 1565 AMENDING LACEY MUNICIPAL CODE 3.02, BUSINESS AND OCCUPATION TAXES. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

CITY MANAGER'S REPORT: Scott Egger, Public Works Director, requested Council award Contract Number PW 2020-07 to low bidder Reed Trucking & Excavating from Puyallup, Washington in the amount of \$350,058.12 for the Meridian Water Improvements. The Engineer's Estimate was \$362,387.50.

This contract provides for the installation of approximately 1,700 LF of 6-inch, 8-inch, and 12-inch diameter water main. The start date is anticipated to be May 2020, with 30 working days allotted.

COUNCILMEMBER GREENSTEIN MOVED TO AWARD CONTRACT NO. PW 2020-07 TO LOW BIDDER REED TRUCKING & EXCAVATING FROM PUYALLUP, WASHINGTON IN THE AMOUNT OF \$350,058.12 FOR THE MERIDIAN WATER IMPROVEMENTS. COUNCILMEMBER COX SECONDED. MOTION CARRIED.

STANDING COMMITTEES: Finance & Economic Development Committee
Councilmember Greenstein reported the Committee met on February 25, 2020, to discuss the 2019 encumbrance carryover budget amendment, 2020 budget amendments, B&O tax model ordinance, and 2020 property tax report.

General Government & Public Safety Committee

Deputy Mayor Pratt reported the Committee met on February 25, 2020, to discuss the Community Development Block Grant timeline and receive an update on cable franchise negotiations.

Utilities Committee

Councilmember Steadman reported the Committee met on March 2, 2020, to receive updates on the Stormwater Comprehensive Plan and Nisqually Flood Utility Response.

BOARDS & COMMISSIONS:

LOTT

Councilmember Cox reported on the cost-of-service project, construction projects, and surplus equipment hearing.

Olympic Region Clean Air Agency

Councilmember Cox reported on COVID-19, air quality report, and the agency's website.

Intercity Transit

Councilmember Cox reported on COVID-19 briefing, ridership, and service changes.

Councilmember Cox requested Council discuss Intercity Transit's request for construction mitigation dollars for transit at a future Worksession.

Health & Human Services Commission (HHSC)

Councilmember Cox reported on several items:

- Interlocal Agreement to combine HHSC and Regional Housing Council
- Current grant cycle
- Olympia's Home Fund presentation
- United Way Education to Financial Stability presentation

Solid Waste Advisory Committee

Councilmember Steadman reported on the bylaws, future work plan, and capital projects.

Thurston Regional Planning Council

Councilmember Miller reported on several items:

- Education and housing subcommittees
- Streamflow restoration
- Regional Transportation Plan and I-5 interchange improvements
- 2020 legislative session update

Deputy Mayor Pratt adjourned to a Worksession at 7:54 p.m.

WORKSESSION

COUNCILMEMBERS GREENSTEIN AND STEADMAN MOVED TO APPROVE THE WORKSESSION AGENDA. MOTION CARRIED.

Commerce Emergency Funding Shelter

Thurston County recently received information from the Department of Commerce indicating the State budget may include up to \$13 million for use between April 1 and June 30, 2020, to add new shelter beds throughout the State and additional funding during 2021. Commerce asked for immediate feedback on a number of questions relating to how communities could use these funds, local matching funds, the number of shelter beds needed, and whether there is a regional commitment.

Thurston County requested Council's commitment to work regionally to add shelter beds throughout all jurisdictions, and support the County's draft responses to Commerce.

Council was in agreement to support Thurston County's responses and approach to Commerce.

COVID-19 Update

The City is adjusting and making decisions related to COVID-19 based on State and regional recommendations. On March 12, 2020, Thurston County declared a health

emergency and mandated closing events with more than 250 people. This will affect some City-sponsored events as well as tournaments at the Regional Athletic Complex.

On March 13, 2020, staff will prepare a Declaration of Emergency for the Mayor's signature. A resolution to affirm the declaration will be forwarded to Council for formal adoption.

Travel and nonessential training for all City employees will be suspended until March 31, 2020, and will be re-evaluated at that time. The City will consider a 14-day leave bank to assist employees if schools are closed.

COUNCILMEMBERS GREENSTEIN AND STEADMAN MOVED TO SUSPEND ALL NONESSENTIAL MEETINGS OF BOARDS AND COMMISSIONS, AT THE DISCRETION OF DEPARTMENT DIRECTORS, THROUGH APRIL 1, 2020. MOTION CARRIED.

Council was in agreement to cancel all parks events, and field and shelter reservations until March 31, 2020, and will be re-evaluated at that time.

Deputy Mayor Pratt adjourned the Worksession at 8:26 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



LACEY CITY COUNCIL MEETING

March 26, 2020

SUBJECT: Disbursement Approval

RECOMMENDATION: By motion, approve payment of claims, wages, and transfers.

STAFF CONTACT: Troy Woo, Finance Director 

ORIGINATED BY: Troy Woo, Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 3/5/2020 through 3/19/2020. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	3/6/2020	250388	250471	240,623.30
	3/13/2020	250472	250618	1,795,245.31

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	1/13/2020	85.10
	3/5/2020	489.00
	3/6/2020	117,984.78
	3/6/2020	1475.20
	3/9/2020	197.19
	3/9/2020	3.20
	3/12/2020	270.30
	3/13/2020	154,509.89
	3/13/2020	11,733.61
	3/16/2020	16.45
	3/16/2020	4,321.79

Payroll:	<u>Month Ended:</u>	<u>Wages</u>
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Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
KBH Construction	\$ 60,467.77	Depot Playground
Superior, LLC	\$ 68,296.06	Enterprise Subscription
LOTT Wastewater Alliance	\$1,246,476.31	LOTT Reserve Cap Fees/ERU's
N. Thurston Pub. Schools	\$ 64,918.86	School Impact Fees

Secoma Fence	\$ 96,103.06	City Hall Security Gate
Thurston Co. Dist. Court	\$ 179,343.00	Violations



LACEY CITY COUNCIL MEETING

March 26, 2020

SUBJECT: Small Business Stabilization Fund

RECOMMENDATION: Approve a resolution establishing the Lacey Small Business Stabilization Fund in response to the impacts of the COVID-19 Pandemic.

STAFF CONTACT: Scott Spence, City Manager 
Dave Schneider, City Attorney
Rick Walk, Director of Community Development 
George Smith, Economic Development Coordinator

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS: [Attachment 1: Covid-19 Small Business Stabilization Fund Grant Criteria & Procedures](#)

FISCAL NOTE: \$1,000,000 of the Strategic Investment fund (i.e., economic development account) will be allocated for economic impacts and recovery associated with the COVID-19 public health emergency. If approved, the new balance of the Strategic Investment reserve will total \$1,500,000.

PRIOR REVIEW: Council Worksession – March 19, 2020

BACKGROUND:

The COVID-19 pandemic has become a critical public health safety concern that is significantly impacting our public health agencies, medical facilities, first-line responders, and medical supply resources. The threat of COVID-19 has forced social distancing, prohibition of large crowds, and the closure of business activities in response to this new virus.

The immediate slowdown and/or closure of business activities has had a sudden and immediate impact on businesses' ability to retain employees, pay rent, loans, and

obligations. Local small businesses provide the foundation of employment, sales and services; small business activity provides revenue, through taxes and fees, to the corresponding government, which allow cities to provide essential services to the community. The survival of local businesses to financially endure a sudden closure and loss of activity is critical for the future recovery of the local economy once health officials declare that COVID-19 is no longer a public health emergency. A small business stabilization fund would provide an avenue to mitigate the economic impacts to employers and employees impacted by the COVID-19 pandemic.

The City of Lacey has a Strategic Investment fund specifically created for economic investment. An allocation of \$1,000,000 of the reserve would help address the economic impacts and recovery associated with COVID-19. Of the \$1,000,000 allocated, \$500,000 will be directed to the small business stabilization fund and \$500,000 will be held in reserve to be used strategically for economic recovery strategies in the near future. A partnership will be created with the Thurston Economic Development Council's Center for Business Innovation (CB&I) in order to administer the small business stabilization program. The program will be available for businesses with five or fewer employees, a Lacey business license, a physical location in Lacey prior to March 1, 2020, and the additional criteria identified in attachment A. The CB&I would review and provide grants for up to a maximum of \$10,000 to stabilize Lacey businesses.

ADVANTAGES:

1. Establishing a business stabilization fund will provide a resource for small business owners that do not qualify for employment security programs, state grants, or cannot obtain funding from SBA loan programs or federal relief packages for several weeks.
2. Providing aid to small businesses could be the difference in those businesses being able to survive and recover from State ordered closures of businesses in response to the public health emergency known as COVID-19.
3. The business stabilization fund will provide a short-term resource for payment of rent, loan payments, employee wages essential to keep doors open, and to create an economic bridge to endure the financial impacts associated with the mandated closures from the State of Washington.

DISADVANTAGES:

1. Allocating \$1,000,000 from the Strategic Investment fund will reduce the overall balance reserve. This may limit the City Council's ability to respond to other economic priorities in the future.
2. The designated funds are limited and not all Lacey businesses will qualify; however, the fund is intended to fill gaps in resources not provided for small business owners that large businesses or employees may qualify.

RESOLUTION NO. 1086

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY ESTABLISHING A BUSINESS SUPPORT PROGRAM IN RESPONSE TO THE NOVEL CORONAVIRUS (COVID-19).

WHEREAS, on January 31, 2020, the United States Department of Public Health and Human Services Secretary Alex Azar declared a public emergency for the novel coronavirus (COVID-19) beginning on January 27, 2020; and

WHEREAS, on February 29, 2020, Governor Jay Inslee signed a Proclamation declaring a State of Emergency exists in all counties in the State of Washington due to the number of confirmed cases of COVID-19 in the state; and

WHEREAS, the United States Centers for Disease Control and Prevention identifies the potential public health threat posed by COVID-19 as high, and has advised that person-to-person spread of COVID-19 will continue to occur and the best way to prevent a calamitous explosion of cases is to prevent infected people from coming in close contact with healthy ones; and

WHEREAS, on March 16, 2020, Governor Jay Inslee imposed restrictions prohibiting gatherings of fifty (50) people or more and implementing measures to contain the spread of the virus; and

WHEREAS, on March 17, 2020, the Center for Disease Control and Prevention issued recommendations limiting gatherings to ten (10) persons or fewer.

WHEREAS, on March 19, 2020, the Lacey City Council passed Resolution No. 1085 finding the COVID-19 outbreak to constitute an emergency; and

WHEREAS, on March 23, 2020, Governor Jay Inslee imposed a “Stay Home, Stay Healthy” order requiring every Washingtonian to stay home unless they are engaged in an essential activity and banning all gatherings for social, spiritual and recreational purposes and ordering all businesses to close unless they are designated as an essential business; and

WHEREAS, while the practice of social distancing is critical in mitigating the rate of spread of the COVID-19 virus, it is having significant negative economic effects on small businesses and workers; and

WHEREAS, disruptions to workers and small businesses are serious, as small businesses are the backbone of our economy, and provide the foundation of employment, services for the community, and revenue in order for cities and other public agencies to continue to provide essential services for the public welfare and benefit; and

WHEREAS, citizens who have lost their primary source of income may be unable to afford to stay home or practice social distancing which could have a negative impact on the public's health; and

WHEREAS, state agencies and partners are working to swiftly respond to the economic impact that the COVID-19 pandemic is having on Washington State; and

WHEREAS, the Lacey City Council recognizes that one of its essential functions is to secure the health and welfare of Lacey's citizens; and

WHEREAS, small business plays a vital role in the overall health and welfare of Lacey's citizens; and

WHEREAS, resources are necessary to help small businesses survive and certain small businesses reasonably require public aid in order to survive; and

WHEREAS, the Lacey City Council has previously designated funds for investment in economic development that are currently available to address the COVID-19 emergency.

NOW THEREFORE, the Lacey City Council resolves as follows:

Section 1. The City Council hereby adopts the recitals expressed above as Findings of Fact in support of this Resolution.

Section 2. The City Council hereby allocates One Million Dollars (\$1,000,000) from the Strategic Investment fund to be utilized for economic recovery response to the impacts resulting from the COVID-19 pandemic.

Section 3. The City Council directs that Five Hundred Thousand Dollars (\$500,000) of the funds allocated in Section 1 herein be used to establish the COVID-19 Small Business Stabilization Fund and directs the City Manager to enter into an agreement with the Thurston Economic Development Council Center for Business & Innovation to administer a grant program consistent with the criteria described in Exhibit A, attached hereto.

Section 4. The City Council directs that the remaining Five Hundred Thousand Dollars (\$500,000) of the funds allocated in Section 1 herein be utilized to supplement the COVID-19 Small Business Stabilization Fund or other economic recovery measures as deemed appropriate by the City Manager.

Section 5. The provisions of this Resolution shall become effective upon adoption and shall continue until further formal action of the City Council.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this ____ day of March, 2020.

LACEY CITY COUNCIL

By_____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

EXHIBIT A
COVID-19 SMALL BUSINESS STABILIZATION FUND
GRANT CRITERIA & PROCEDURES

Purpose

To assist small, locally owned Lacey-based for-profit businesses, the City of Lacey is committing up to \$500,000 to the COVID-19 Lacey Small Business Stabilization Grant Fund, an emergency fund that provides working capital grants in amounts up to \$10,000 to qualifying small businesses. The following are the criteria for financial support:

Criteria

1. The business must be a current Lacey business and have had a Lacey business license and a physical location in the City of Lacey on or before March 1, 2020. The business must also have been in business for at least one year from the date of application.
2. The business has five full time equivalent employees or fewer.
3. The business is engaged in a type of business eligible to receive funding by the US Small Business Administration.
4. Grants cannot be made to businesses owned, or partially owned, by managers, officers, directors or public officials associated with the Thurston Economic Development Council (EDC) or the City of Lacey.
5. The business must have experienced a loss of income due to COVID-19.
6. The business must be able to demonstrate with financial statements or tax returns that they were profitable prior to the disruption caused by the COVID-19 virus.
7. Based on the information submitted on the Economic Injury Worksheet, grants may not exceed \$10,000.
8. Grant may be used to leverage funding from a public or private financing program, so long as the total of the funding does not exceed the amount on the Economic Injury Worksheet
9. Priority will be given to businesses not eligible for federal or state programs providing equal or greater economic relief under the Lacey Small Business Stabilization Grant.

Grant funds eligible for:

1. Payment of rent or required monthly loan payments
2. Payments of essential wages, taxes, and normal benefits to employees essential to maintain business.
3. Normal operating costs that are included in "cost of goods sold" on businesses' income statement (raw materials for manufacturers, component pieces for assemblers, items for resale for retailers, food for restaurants. etc.)

4. Normal operating expenses that are included in “operating expenses” on businesses’ income statement (utilities, insurance, professional services, etc.)
5. Normal draw or wages on a weekly or monthly basis to owner

Grant funds ineligible for:

1. Any expense that would not be considered an eligible business expense by IRS rules
2. Political contributions
3. Bonuses to owners or employees
4. Wages to any member of owner’s family who is not a bona fide employee
5. Charitable contributions
6. Gifts or parties
7. Draw or salary to owner that exceeded the amount that they were paid on a weekly or monthly basis for the same period last year
8. Pay down or pay off debt by more than required in underlying debt instrument.

Process

1. Business owner contacts the EDC to obtain application and confirm whether:
 - a. Funds are still available, and
 - b. The business has met the business license requirement, and
 - c. The business is a for-profit business, and in a type of business that is eligible for SBA financing.
2. Complete the Economic Injury Worksheet and submit it electronically to the EDC.
3. After reviewing the Worksheet for completeness, The EDC will determine whether the business qualifies for the amount sought, verify additional data as necessary, and communicate the amount of the grant to be funded, if any.
4. If awarded, EDC will prepare a check, contact the applicant, execute any necessary documents, and provide check to applicant.

Reconsideration Process

1. Grant Reconsideration process will be handled as follows:
 - a. Declined due to not meeting business license requirements—Applicant can seek reconsideration by providing proof of both current business license, and business license for same business operating on or before one year before date of application, even if operating in a different name, or form of business (sole proprietorship, LLC, etc.) Reconsideration to be made by EDC.
 - b. Declined due to business being of an ineligible type for SBA funding—Applicant can seek reconsideration by providing proof that business is engaged in an eligible type of business. Reconsideration to be made by EDC.

- c. Declined due to incomplete submission of necessary documents, incomplete Economic Injury Worksheet, or other required information or documentation-- Applicant can seek reconsideration by providing required complete documents. If documents are not available, applicant can work with EDC to determine if alternative documents are available. Reconsideration to be made by EDC.
- d. Declined due to EDC's evaluation of amount of economic injury or determination that financial information for period prior to economic injury does not support amount of grant requested or any grant—EDC may develop a reconsideration process.

Reporting

The EDC will provide a weekly report to the Lacey Director of Community and Economic Development documenting the businesses grant funding, the amount of the funding, the business need and remaining grant fund balance.

Administration of program

1. Upon the Lacey City Council adoption of the Resolution establishing the COVID-19 Lacey Small Business Stabilization Grant Fund, the City will transfer funds to the EDC. The EDC will hold funds in a separate account specifically set up for the business stabilization grant fund.
2. The EDC will not provide, and the City will not seek, confidential business information such as financial statements, tax returns, or proprietary information. This applies to the financial information of the owner(s) of the businesses.
3. Minor technical changes regarding the administration of the grant program be permitted with written approval of the City Manager or Community & Economic Development Director.
4. Adjustments beyond those that are considered minor and technical, such as grant criteria or change to maximum funding amount shall be approved by the Lacey City Council.
5. City and EDC will jointly develop any application document needed beyond the Economic Injury Worksheet to ensure that the process is as simple, streamlined, and easy for the applicant as possible. City and EDC will also develop an acknowledgement form to meet audit requirements. Application may be approved on behalf of City by Community & Economic Development Director, and Acknowledgement document may be approved on behalf of City by Finance Director.



LACEY CITY COUNCIL MEETING

March 26, 2020

SUBJECT: Temporary Procedures in response to COVID-19

RECOMMENDATION: Approve a resolution providing temporary procedures in response to the impacts of the COVID-19 Pandemic.

STAFF CONTACT: Scott Spence, City Manager 
Dave Schneider, City Attorney 

ORIGINATED BY: City Attorney

ATTACHMENTS: [Resolution](#)

FISCAL NOTE:

PRIOR REVIEW: Council Worksession – March 19, 2020

BACKGROUND:

The COVID-19 pandemic has become a critical public health safety concern. Governor Jay Inslee's March 23, 2020, "Stay Home, Stay Healthy" order requires every Washingtonian to stay home unless they are engaged in an essential activity. The order banned all gatherings for social, spiritual and recreational purposes and ordered all businesses to close unless they are designated as an essential business.

While necessary to mitigate the spread of the COVID-19 virus, these restrictions require change to the process in which the city normally conducts business. Additionally, the restrictions are causing significant negative economic effects to the citizens and business community of Lacey. To address these effects it is recommended that certain changes to city policy and code be implemented for the duration of the COVID-19 emergency. The proposed changes are as follows:

- Council Procedures
 - Remove any rule that would prohibit telephonic meetings;
 - Streamline Council meetings by removing the following:

- Public Recognitions and Presentations,
 - Public comment,
 - Proclamations,
 - Boards, Commissions, and Committee reports.
- Change meeting time from 7:00pm to 4:00pm
- Cancel future worksessions
- Utility Billing
 - Suspend imposition of any interest or late penalty to delinquent utility accounts
 - Suspend any enforcement action against any delinquent utility account
- B&O tax
 - Defer first quarter B&O tax payments to July 31st
- Pass-through charge for paper bags
 - Suspend requirement of \$0.05 pass-through charge for each recyclable paper carryout bag provided to customers
- Sign regulations
 - Allow additional signage to assist business owners inform the public of shifts in their business operations

It is recommended that Council approve Resolution No. 1087 to provide temporary procedures in response to COVID-19

ADVANTAGES:

1. The Resolution will assist in social-distancing by shortening Council meetings and discouraging the public from attending in person
2. The Resolution will assist citizens by deferring certain payments and waiving certain interest and late fees.
3. The Resolution will assist business owners advertise in this emergent time.

DISADVANTAGES:

1. The Resolution will result in less public participation at Council meetings.
2. Additional administrative effort will be required to implement these changes.

RESOLUTION NO. 1087

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY PROVIDING TEMPORARY PROCEDURES IN RESPONSE TO THE NOVEL CORONAVIRUS (COVID-19).

WHEREAS, on January 31, 2020, the United States Department of Public Health and Human Services Secretary Alex Azar declared a public emergency for the novel coronavirus (COVID-19) beginning on January 27, 2020; and

WHEREAS, on February 29, 2020, Governor Jay Inslee signed a Proclamation declaring a State of Emergency exists in all counties in the State of Washington due to the number of confirmed cases of COVID-19 in the state; and

WHEREAS, the United States Centers for Disease Control and Prevention identifies the potential public health threat posed by COVID-19 as high, and has advised that person-to-person spread of COVID-19 will continue to occur and the best way to prevent a calamitous explosion of cases is to prevent infected people from coming in close contact with healthy ones; and

WHEREAS, on March 16, 2020, Governor Jay Inslee imposed restrictions prohibiting gatherings of fifty (50) people or more and implementing measures to contain the spread of the virus; and

WHEREAS, on March 17, 2020, the Center for Disease Control and Prevention issued recommendations limiting gatherings to ten (10) persons or fewer.

WHEREAS, on March 19, 2020, the Lacey City Council passed Resolution No. 1085 finding the COVID-19 outbreak to constitute an emergency; and

WHEREAS, on March 23, 2020, Governor Jay Inslee imposed a “Stay Home, Stay Healthy” order requiring every Washingtonian to stay home unless they are engaged in an essential activity and banning all gatherings for social, spiritual and recreational purposes and ordering all businesses to close unless they are designated as an essential business; and

WHEREAS, while these restrictions are critical in mitigating the rate of spread of the COVID-19 virus, they are having significant negative economic effects on the citizens of Lacey; and

WHEREAS, these restrictions also require changes to the process in which the city normally conducts business; and

WHEREAS, these restrictions have created a need for business owners to inform the public via signage of the shift in business operations to meet the community needs for food and services; and

WHEREAS, certain retail establishments are not allowing the use of personal reusable bags to be brought into their establishment to be used for transporting food or merchandise out of the establishment; and

WHEREAS, the Lacey City Council recognizes the health, safety and welfare of City residents, businesses, visitors and staff is of utmost importance to the City and additional measures are needed to protect and assist the community.

NOW THEREFORE, the Lacey City Council resolves as follows:

Section 1. Council Procedures. During the term of this Resolution, the following amendments to City Council procedures are hereby adopted:

- A. Any rule or procedure adopted by City Council that would prevent or prohibit all City Councilmembers from attending City Council meetings telephonically are temporarily suspended and all City Councilmembers are encouraged to attend all meetings via telephone.
- B. Council directs that the following items be suspended from Council meeting agendas during the term of this Resolution to discourage public in-person attendance of City Council meetings:
 - a. Public Recognitions and Presentations.
 - b. Public comment. City Council and staff will encourage and accept public comment via email or written comment.
 - c. Proclamations.
 - d. Boards, Commissions, and Committee reports.
- C. The requirements of Lacey Municipal Code Section 2.04.010 are amended as follows:
 - a. Council Meetings shall be held on the second and fourth Thursdays at 4:00pm.
 - b. Council Worksessions are cancelled.
- D. Any Council rules that are inconsistent with this Resolution are hereby waived and suspended during the term of this Resolution.

Section 2. Utility Billing. To assist distressed citizens during this emergency:

- A. Any section of Title 13 of the Lacey Municipal Code which requires or allows the charging of interest and/or a late fee to delinquent bill balances is hereby suspended. No new interest charges or late fees shall be added to utility bills issued during the effective date of this Resolution.
- B. Any section of the Lacey Municipal Code which requires or allows enforcement action to be taken against delinquent accounts is hereby suspended during the effective date of this Resolution.

Section 3. Business and Occupation Taxes. To help distressed businesses manage the use of scarce cash resources, the Finance Department is directed and ordered to take administrative action to allow businesses to defer first quarter Business and Occupation (B&O) tax payments until July 31st.

Section 4. Pass-through charge for recyclable paper carryout bags. In recognition that retail establishments are disallowing the use of personal reusable bags, section 8.06.030(B) of the Lacey Municipal Code, which section requires a \$0.05 pass-through charge for each recyclable paper carryout bag provided to customers, is suspended.

Section 5. Sign Regulations. To help business owners inform the public via signage of shifts in business operations, the following regulations are temporarily adopted:

- A. Professionally made banners and posters may be located flush mounted on the exterior building of a business;
- B. One sandwich board (“A” board) type sign or feather type sign shall be allowed along the business property frontage or upon the business property exceeding the maximum 12 foot distance from the entrance of the business;
 - a. sandwich board sign shall be limited in size to a maximum of 9 sq. ft. per side and a maximum of 3’ wide;
 - b. signs shall be placed so as not to impede pedestrian movement or cause a vision hazard to vehicles;
 - c. such signs shall be in place only during open business hours.
- C. The Community & Economic Development Director is authorized to take any administrative action the Director finds necessary, in the Director’s sole discretion, to allow businesses additional flexibility in the application of temporary signage
- D. Any Council rules or provisions of the Lacey Municipal Code that are inconsistent with this Resolution are hereby waived and suspended during the term of this Resolution.

Section 6. The provisions of this Resolution shall become effective upon adoption and shall continue until termination of the emergency declared by the City Council on March 19, 2020.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this ____ day of March, 2020.

LACEY CITY COUNCIL

By _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney