



City of Lacey, Washington City Council Regular Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, December 3, 2024

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Land Acknowledgment

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

5. Approval of Agenda and Consent Agenda Items

- A. Approval of the Minutes of November 12, 2024
- B. Approval of the Minutes of November 19, 2024
- C. Approval of wages, claims, and transfers for November 7-22, 2024
- D. Adopt Amendment to Interlocal Agreement Supporting Permanent Supportive Housing on Franz Anderson Road
- E. Authorize Interlocal Agreement for Specialized Recreation

6. Public Recognitions and Presentations

7. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

8. Public Hearing

A. 2025 Final Budget Hearing

Troy Woo, Finance Director

9. Proclamations

A. Proclamation Against Hate, Racism, and Discriminatory Actions

Larry Jefferson, NAACP President

10. Resolutions

A. Resolution 1160 - Astound Telecommunications Franchise Renewal

Shannon Kelley-Fong, Assistant City Manager

11. Ordinances

A. Ordinance 1667 - Human Services Commission

Michelle Chavez, Human Services Coordinator

B. Ordinance 1668 - City Logo and Seal

Ty Keltner, Communication Manager

12. Mayor's Report

A. Commission on Equity Reappointments - Annie Clay, Thelma Jackson, Makieda

Hart

Mayor Ryder

13. City Manager's Report

A. 2024 Retained Property Report

Robert Almada, Police Chief

B. Snow and Ice Response

Scott Johnston, Transportation Maintenance Supervisor

C. Home Electrification and Appliance Rebate Program (HEAR)

Vanessa Dolbee, Community and Economic Development Director

Linsey Fields, Climate and Sustainability Coordinator

D. State Legislative Agenda and Manual

Shannon Kelley-Fong, Assistant City Manager

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 Malcolm Miller:

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)



3. Thurston County Coalition Against Trafficking (TCCAT)
4. Joint Animal Services Commission (JASCOM)
- C. Councilmember Lenny Greenstein:
 1. Emergency Medical Services (EMS)
 2. TCOMM911
 3. Opioid Abatement Council Independent Subcommittee
- D. Councilmember Michael Steadman:
 1. Nisqually River Council
 2. Thurston County Law & Justice Council
 3. Olympic Region Clean Air Agency (ORCAA)
- E. Councilmember Carolyn Cox:
 1. LOTT Clean Water Alliance
 2. Regional Housing Council
 3. Intercity Transit Authority
- F. Councilmember Robin Vazquez:
 1. Thurston Climate Mitigation Collaborative
 2. Thurston Regional Planning Council (TRPC)
 3. Thurston County Board of Health
- G. Councilmember Nicolas Dunning:
 1. Thurston Thrives
 2. Solid Waste Advisory Committee (SWAC)
 3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)

16. Adjourn

Attendance and Public Comment

Attend Remote or In-Person

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

- In-Person Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503
- Zoom: https://us02web.zoom.us/webinar/register/WN_WZ1ZcnrpTlODXJmOS18eog
- Website: <https://cityoflacey.org/government/public-meetings/>
- Facebook: <https://www.facebook.com/cityoflacey>



YouTube: <https://www.youtube.com/watch?v=lyt2lopanps>
Cable: Channel 77 with your local cable provider
Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 863 4593 1504)

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person: Use the sign-up sheet located in the the meeting room.
Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_WZ1ZcnpTlODXJmOS18eog

Instructions and access details will be provided once registration is complete.

Written Public Comment

Public comments may also be submitted by email to PublicComment@cityoflacey.org. The commenting period will close two hours before the meeting time. Written comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the Council meeting; however, comments received will be added to the official record.





City of Lacey, Washington Lacey City Council Worksession Minutes

Tuesday, November 12, 2024

6:00 PM

Council Chambers and Online

1. Call to Order

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

2. Roll Call

Council Present

Mayor Andy Ryder (remote)
Councilmember Lenny Greenstein (remote)
Councilmember Michael Steadman (remote)
Councilmember Carolyn Cox
Councilmember Robin Vazquez
Councilmember Nicolas Dunning (remote)

Council Excused

Deputy Mayor Malcolm Miller

Staff Present

Rick Walk, City Manager
Matt Sharp, Assistant City Attorney
Vanessa Dolbee, Community and Economic Development Director
Troy Woo, Finance Director
Ryan Andrews, Planning Manager
Sarah Schelling, Senior Planner
Brandy Legomina, Deputy City Clerk

**Mayor Ryder moved to have Councilmember Cox preside over the meeting.
Councilmember Vazquez seconded. The motion carried.**

3. Land Acknowledgment

Councilmember Cox presented the abbreviated Land Acknowledgment.

4. Approval of the Agenda

Mayor Ryder moved to approve the agenda. Councilmember Vazquez seconded. The motion carried.

5. Public Comment

Verbal Public Comment

No one signed up to speak at the meeting and no one registered to speak via Zoom.

Written Public Comment

Three (3) written public comments were received.

6. Agenda Items

A. **South Sound Military and Communities Partnership (SSMCP) Annual Update** Bill Adamson, Program Director

The SSMCP is an organization that collaborates and builds partnerships between local jurisdictions and military installation leadership. This update included history on the Joint Land Use Study; an overview on the Growth Coordination Plan; SSMCP's 2025-2026 Work Plan; 2025 legislative agenda; statewide military/defense sector economic impact and analysis outcomes; results from a community business survey; and a funding timeline for the I-5 Nisqually Delta project. Discussion ensued.

B. **Bond Issuance Update**

Troy Woo, Finance Director

David Trageser, Senior Vice President, Public Finance, D.A. Davidson & Co.

Stacie Amasaki, Principal, Foster Garvey

This update focused primarily on the police station bond issuance for \$18 million. Current market conditions; steps needed to conduct financing; tax and disclosure requirements; utility local improvement districts (ULID) revenue bond considerations; and key provisions on the proposed ordinance were discussed.

C. **Franz Anderson Interlocal Agreement Amendment**

Vanessa Dolbee, Community & Economic Development Director

Ryan Andrews, Planning Manager

The Franz Anderson Road project is a community supportive housing project between the Cities of Lacey, Olympia, Tumwater, and Thurston County. This amendment would alter funding sources from the City of Tumwater and Thurston County, removing American Rescue Plan Act (ARPA) of 2021 funding and replacing those funds from other sources. Due to construction restraints, ARPA funding will sunset before possible construction and cannot be used. This amendment will not



affect the City of Lacey's \$3 million commitment from the general fund. This item is expected to go before the City Council on December 3, 2024.

D. Community & Economic Development Private Development Update

Vanessa Dolbee, Community & Economic Development Director

Sarah Schelling, Senior Planner

This update included an overview of various projects throughout the city and statistics on land use permits, commercial and industrial building permits, other permit activities, and housing starts (not including pipeline projects). Discussion ensued.

7. Adjourn

Councilmember Cox adjourned the meeting at 7:24 p.m.





City of Lacey, Washington
City Council Regular Meeting Minutes
Tuesday, November 19, 2024 - Council Chambers and Online

1. Call to Order

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

2. Roll Call

Council Present

Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein
Councilmember Michael Steadman
Councilmember Carolyn Cox
Councilmember Robin Vazquez
Councilmember Nicolas Dunning

Council Excused

Mayor Andy Ryder

Staff Present

Rick Walk, City Manager
Shannon Kelley-Fong, Assistant City Manager
Robert Almada, Chief of Police (remote)
Dave Schneider, City Attorney
Troy Woo, Finance Director
Wesley Nguyen, Economic Development Coordinator
Elissa Fontaine, City Clerk

3. Pledge of Allegiance

Deputy Mayor Miller led the flag salute.

4. Land Acknowledgment

Deputy Mayor Miller presented the abbreviated Land Acknowledgment.

5. Approval of Agenda and Consent Agenda Items

- A. Approval of the October 22, 2024, Worksession meeting minutes
- B. Approval of the November 5, 2024, Council meeting minutes
- C. Approval of wages, claims, and transfers for October 14, through November 18, 2024

Councilmember Greenstein moved to approve the agenda and consent agenda. Councilmember Steadman seconded. The motion carried.

6. Public Recognitions and Presentations

A. **Lacey Youth Council Report**

Lacey Youth Council Representatives

The following reports were provided by the Youth Council:

Pope John Paul II - Eliana Allin
River Ridge High School - Dior Trinh
Summit Virtual Academy - Kieran Sills-Powell
North Thurston High School - Lily Schneider
Timberline High School - Avani Kumar
Home School - Luka Froehlich
Northwest Christian High School - Faith Kim
Youth Council - Zury Ramirez Plascencia

B. **Governor's Smart Community Award for Lacey MakerSpace Expansion Project**

Andrew Ness, Washington State Department of Commerce
Wesley Nguyen, Economic Development Coordinator

Nguyen announced the Lacey MakerSpace Expansion Project was awarded the Governor's Smart Community Award. The award recognizes local communities and their partners for outstanding efforts in creating vibrant and livable communities that align with the goals of the Growth Management Act and other community development objectives throughout Washington State.

Ness highlighted the recipient review process and congratulated the City and its partners on the successful project. Staff shared a video produced by the Department of Commerce, as well as a video acknowledgment from Governor Jay Inslee.

7. Public Comment



No one signed up to speak in person or via Zoom. No written public comment was received.

8. Public Hearing

A. 2025 Budget Hearing

Troy Woo, Finance Director

Deputy Mayor Miller opened the public hearing at 6:36 p.m.

Woo presented the subsequent changes to the 2025 proposed budget since the last Council presentation on October 15. The 2025 Budget is balanced through the strategic use of budget policy reserves in the amount of \$1,759,545. The City Council is scheduled to conduct a second and final budget hearing on December 3, 2024. Budget adoption is scheduled for December 17, 2024.

No public testimony was received.

Deputy Mayor Miller closed the public hearing at 7:14 p.m.

9. Proclamations

A. Small Business Saturday

Amber Young, President, Lacey South Sound Chamber of Commerce, America's Credit Union

Deputy Mayor Miller and Council proclaimed Saturday, November 30, 2024, as Small Business Saturday. Young was present to accept the proclamation.

B. Veterans Appreciation Month

Mark Moffett, Social Services Manager, Thurston County Developmental Disabilities Veterans Assistance Program

Deputy Mayor Miller and Council proclaimed the month of November 2024 as Veterans Appreciation Month. Moffett and representatives of the Thurston County Developmental Disabilities Veterans Assistance Program were present to accept the proclamation.

10. Resolutions

A. Resolution 1159: Resolution Authorizing the Ad Valorem (Property) Tax

Troy Woo, Finance Director

Woo presented draft Resolution 1159, authorizing the Ad Valorem Property Tax.



RCW 84.55.005(2)(c) sets the property tax limit factor for a taxing jurisdiction with a population over 10,000 as the lesser of 101% percent, or 100% percent plus inflation.

Councilmember Dunning moved to adopt Resolution 1159, authorizing the increase of the 2025 Ad Valorem tax levy by one percent over the tax levy of 2024. Councilmember Cox seconded. The motion carried.

11. Ordinances

A. **Ordinance 1664: Ad Valorem Tax Ordinance**

Troy Woo, Finance Director

Woo presented the draft Ordinance 1664, setting the 2025 property tax levies. The proposed ordinance sets the 2025 general property tax, as well as the voter-approved General Obligation (GO) Bond redemption property tax levies.

Councilmember Greenstein moved to adopt the Ad Valorem Tax Ordinance 1664. Councilmember Dunning seconded. The motion carried.

B. **Ordinance 1665: 2025 Limited Tax General Obligation (LTGO) Bond Ordinance**

Troy Woo, Finance Director

The proposed ordinance authorizes the issuance of Limited Tax General Obligation (LTGO) Bonds with a total principal amount not to exceed \$18,300,000. These bonds are intended to fund the construction and equipping of a new police station and training facility. The ordinance serves as a comprehensive framework for the bond issuance process.

Councilmember Steadman moved to adopt Ordinance 1665 authorizing the Finance Director or City Manager to conduct the sale of limited tax general obligation (LTGO) bonds. Councilmember Greenstein seconded. The motion carried.

C. **Ordinance 1666: LMC 5.38 Massage and Reflexology Services**

Dave Schneider, City Attorney

Schneider presented the proposed Ordinance 1666, amending the Lacey Municipal Code (LMC) relating to massage and reflexology services. The proposed amendments are intended to prevent an individual or business from engaging in the practice of providing unlicensed massage and reflexology, deter criminal activity, and support the legitimate delivery of these services by licensed massage practitioners and reflexologists.

Councilmember Greenstein moved to adopt Ordinance 1666, amending LMC 5.38 relating to Massage and Reflexology. Deputy Mayor Miller seconded. The



motion carried.

12. Mayor's Report

13. City Manager's Report

A. Astound Telecom Franchise Renewal

Shannon Kelley-Fong, Assistant City Manager

Kelley-Fong presented an application for the location of telecommunications facilities within the City right-of-way. The purpose is to install and operate facilities to provide telecommunications, internet access, and private line services to potential customers, including mobile back haul services to existing cell phone towers within the city. No new infrastructure is proposed. Discussion ensued. Final Council action is tentatively scheduled for December 3, 2024.

B. Other Items

Walk highlighted a recent award issued to Scott Egger, Public Works Director. Egger received the 2024 Outstanding Service Award from the Washington Chapter of the American Public Works Association (APWA).

Walk thanked staff for the efforts to successfully provide online public meeting access when faced with technical challenges.

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)

Mayor Ryder was excused, and no reports were provided.

B. Deputy Mayor Malcolm Miller:

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)
3. Thurston County Coalition Against Trafficking (TCCAT)
4. Joint Animal Services Commission (JASCOM)



Deputy Mayor Miller provided reports from the EDC, and JASCOM.

C. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. TCOMM911
3. Opioid Abatement Council Independent Subcommittee

Councilmember Greenstein provided a report from TCOMM911.

D. Councilmember Michael Steadman:

1. Nisqually River Council
2. Thurston County Law & Justice Council
3. Olympic Region Clean Air Agency (ORCAA)

Councilmember Steadman did not provide any reports.

E. Councilmember Carolyn Cox:

1. Lacey-Olympia-Tumwater-Thurston Clean Water Alliance (LOTT)
2. Regional Housing Council
3. Intercity Transit Authority

Councilmember Cox provided reports from the Intercity Transit Authority, and Regional Housing Council.

F. Councilmember Robin Vazquez:

1. Thurston Climate Mitigation Collaborative (TCMC)
2. Thurston Regional Planning Council (TRPC)
3. Thurston County Board of Health

Councilmember Vazquez did not provide any reports.

Councilmember Vazquez requested the Council host a discussion at a future meeting regarding addressing the legislature concerning PERS 1 benefit holders and cost-of-living adjustments. Council expressed support for having the discussion.

G. Councilmember Nicolas Dunning:

1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)



Councilmember Dunning provided a report from the VCB.

16. Executive Session

A. Executive Session Pursuant to RCW 42.30.110(1)(i)

At 8:10 p.m., the City Council recessed to an executive session pursuant to RCW 42.30.110(1)(i), to discuss matter(s) pertaining to current or potential litigation. Deputy Mayor Miller announced that the executive session would start at 8:10 p.m. and last approximately 15 minutes, after which the City Council would reconvene the regular meeting at or shortly after 8:25 p.m.

The executive session lasted 13 minutes, during which no final actions were taken.

17. Adjourn

Deputy Mayor Miller reconvened the Council meeting and immediately adjourned the meeting at 8:25 p.m.





LACEY CITY COUNCIL MEETING

December 3, 2024

SUBJECT: Disbursement Approval

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

STAFF CONTACT: Troy Woo, Finance Director *TW*
Alix Turcotte, Senior Accountant *AT*
Carrie Bode, Accounting Technician *CB*

ORIGINATED BY: Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 11/7/2024 through 11/22/2024. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	11/15/2024	277324	277389	208,579.15
	11/22/2024	277390	277687	518,185.15

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	11/7/2024	132.07
	11/8/2024	26.80
	11/12/2024	801.00
	11/15/2024	809,701.99
	11/15/2024	131,949.60
	11/18/2024	44.02
	11/18/2024	8,346.18
	11/21/2024	116.78
	11/22/2024	1,875,236.06

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
Pacific Civil & Infrastructure	\$ 636,568.28	Madrona & Westside pH Treatment
Pumptech, LLC	\$ 63,253.02	Well 29 Replace VTP & Labor
WA State Dept. of Revenue.	\$ 131,949.60	October 2024 Excise Taxes
Forma Construction Co.	\$ 1,476,393.13	New Police Station
Freightliner NW	\$ 146,758.60	Chassis for New Vactor
Heritage Bank	\$ 70,505.87	Forma Construction Co. Retainage
KMB Architects, Inc.	\$ 64,496.89	Police Department Facility
Nisqually Indian Tribe	\$ 92,858.85	October 2024 Inmate Support
Puget Sound Energy	\$ 95,806.02	Utility Bills



LACEY CITY COUNCIL MEETING

December 3, 2024

SUBJECT: Interlocal Agreement Amendment for the Franz Anderson Permanent Supportive Housing Project

RECOMMENDATION: With approval of the consent agenda, authorize the City Manager to sign the First Amendment Amending and Restating Interlocal Agreement Between the City of Olympia, City of Lacey, City of Tumwater and Thurston County for Pooling and Transfer of Funds to Support Permanent Supportive Housing Project at Franz Anderson Road.

STAFF CONTACT: Rick Walk, City Manager *RW*
Vanessa Dolbee, Community & Economic Development Director *VD*
Ryan Andrews, Community Planning Manager *RA*

ORIGINATED BY: Regional Initiative

ATTACHMENTS: Draft Interlocal Agreement Amendment

FISCAL NOTE: \$3,000,000 has been budgeted to carry forward into 2025

WORK PLAN GOAL AND STRATEGY: Vibrant Place to Live, Work and Play – (D)(7)

HOUSING ACTION PLAN: Goal 1.m.: Fund development projects that increase low-income housing through grants or loans.

PRIOR REVIEW: November 12, 2024 City Council Work Session

BACKGROUND:

The Franz Anderson Road project located in Olympia was awarded funding through the Washington State Rights-of-Way Safety Initiative to house individuals living in the

Washington State Department of Transportation right-of-way. The first phase of the project includes 50 temporary tiny shelters which have been installed and are currently occupied. The second phase of the project will be to construct permanent supportive housing on the site. Residents of the tiny shelters will be transferred into the permanent supportive housing after construction is completed. The project will contain 71 units (35 studio, 36 one bedroom) which will not only house the residents of the Franz Anderson Tiny Shelter Village but also those exiting Maple Court until the time that Maple Court is converted from an enhanced shelter into permanent supportive housing. The construction of the Franz Anderson project is to be complete by December 31, 2026.

To support the initiative, regional partners including the City of Tumwater and Thurston County previously committed, through an interlocal agreement (ILA) signed in late 2023, to transfer a portion of the funds received through the American Rescue Plan Act of 2021 (ARPA) through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to the project. At that time, the City of Lacey committed \$3 million from the general fund to the project.

Because of challenges around construction timing of the Franz Anderson permanent supportive housing project and deadlines around the use of ARPA funds, the draft amendment proposes to remove ARPA fund commitments from Tumwater and Thurston County and replaces them with other funding sources. Approval of the amended interlocal agreement will address removing the ARPA fund commitment from Tumwater and Thurston County and will not change the City of Lacey's commitment of \$3 million to support the construction of the permanent supportive housing.

NEXT STEPS:

Approve authorizing the City Manager to sign the Interlocal Agreement Amendment for the Franz Anderson Permanent Supportive Housing Project.

**FIRST AMENDMENT AMENDING AND RESTATING
INTERLOCAL AGREEMENT
BETWEEN THE CITY OF OLYMPIA, CITY OF LACEY, CITY OF TUMWATER AND
THURSTON COUNTY
FOR
POOLING AND TRANSFER OF FUNDS
TO
SUPPORT PERMANENT SUPPORTIVE HOUSING PROJECT
AT
FRANZ ANDERSON ROAD**

THIS FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT ("Agreement") amends and restates the December 26, 2023 Interlocal Agreement ("Original Agreement") between the City of Olympia, a municipality organized under the laws of the State of Washington ("OLYMPIA"), the City of Lacey, a municipality organized under the laws of the State of Washington ("LACEY"), the City of Tumwater, a municipality organized under the laws of the State of Washington ("TUMWATER"), and Thurston County, a Washington municipal corporation, ("COUNTY"), jointly referred to herein as "the Parties," or singularly as a "Party."

RECITALS

WHEREAS, the Original Agreement involved the use of Coronavirus State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act of 2021 (ARPA), this Agreement no longer utilizes those SLFRF/ARPA funds, and instead relies on funding provided by Thurston County and City of Tumwater, which removes requirements related to compliance with the SLFRF/ARPA; and

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties; and

WHEREAS, unsheltered and unmanaged homelessness constitutes a public health emergency that requires the Parties to coordinate their resources and actions to work together to abate detrimental effects that threaten public health and safety; and

WHEREAS, the Parties do not have sufficient resources to address the ongoing impacts or needs of unsheltered homelessness without mutual cooperation; and

WHEREAS, the Regional Housing Council supports the development of a permanent supportive housing project at the Franz Anderson Road property; and

WHEREAS, the development of a permanent supportive housing project at Franz Anderson Road property is aligned with the Permanent Supportive Housing Strategic Framework adopted by the Regional Housing Council in 2021 with the intent of funding 200 new permanent supportive housing units in Thurston County by 2024; and

WHEREAS, the Franz Anderson Road project was included in a proposal awarded funding through the State Rights of Way Safety Initiative, an initiative of the Washington State Governor's Office; and

WHEREAS, in March 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide State, local, and Tribal Governments with the resources needed to respond to the pandemic and its economic effects; and

WHEREAS, pursuant to RCW 39.34.030, local governments may enter into agreements for the purpose of financing joint projects; and

WHEREAS, the COUNTY has identified \$3,500,000 in local funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, TUMWATER has identified \$275,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, the funds will be pooled and managed by OLYMPIA; and

WHEREAS, the pooled funds will be disbursed by OLYMPIA on a cost reimbursement basis to Low Income Housing Institute (LIHI) to construct the permanent supportive housing at the Franz Anderson Road Property; and

WHEREAS, LIHI has proposed a development timeline to complete the construction of permanent supportive housing at the Franz Anderson Road Property by December 31, 2026.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

Amended and Restated Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

1. Purpose/Objective/Funding

The purpose of this Agreement is to accommodate for the transfer of funding available for affordable housing capital projects and originating from LACEY, TUMWATER, and COUNTY to OLYMPIA so that the funding may be pooled; committed by contract to be applied toward the development of a permanent supportive housing project (hereinafter “the Project”) proposed to occur at the Franz Anderson Road property (hereinafter “the Property”), as legally described in Exhibit “A” attached hereto; and managed by OLYMPIA in connection to the Project.

A. COUNTY has spent \$825,547 in SLFRF funds towards acquisition of the real property located on Franz Anderson Road and has identified \$3,500,000 in local document recording fee and sales tax funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property for households with incomes below 50 percent of area median income.

B. LACEY has identified \$3,000,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

C. TUMWATER has identified \$275,000 in General Funds it intends to transfer to OLYMPIA for the facilitation of the development of permanent supportive housing at the Franz Anderson Road Property.

D. OLYMPIA has spent \$825,547 towards acquisition of the real property located on Franz Anderson Road.

E. In the event LIHI is unable to construct the Franz Anderson Road project after financial closing occurs, any party to this Agreement may withdraw. Upon the withdrawal of any party, OLYMPIA shall return to such party all funds transferred by such party to OLYMPIA pursuant to this Agreement.

2. Scope of Agreement/Work

The responsibilities of the Parties are as follows:

A. OLYMPIA shall communicate with LACEY, TUMWATER, and COUNTY to indicate when the Project has demonstrated full funding and is ready to start construction.

B. LACEY, TUMWATER, and COUNTY shall facilitate the transfer of funds intended for the development of the Project to OLYMPIA, on a reimbursement basis, at the time that LIHI can demonstrate the Project is fully funded at the time of financial closing and construction is ready to commence. OLYMPIA will process draws by LIHI of funds only after execution of an agreement between OLYMPIA and LIHI that requires LIHI to submit an invoice package to OLYMPIA that includes the percentage of the project completed, what funding amount is being requested, what the funds cover regarding work performed, and

approval of the funds requested, and activities conducted as issued by the project architect. Prior to any payment to LIHI, OLYMPIA will visit the project site to confirm with photographic evidence the work performed. The agreement between OLYMPIA and LIHI shall require that invoice packages requesting funds shall be submitted by LIHI to all funders.

C. OLYMPIA shall perform the following:

- Coordinate with other State and private funders regarding financing of the Project;
- Approve funding draws submitted by LIHI for the Project;
- Prioritize LACEY, TUMWATER, and COUNTY funds to be drawn prior to other funds;
- Monitor the Project throughout the construction phase to ensure the Project is timely and in compliance with other requirements;
- Ensure that LIHI will perform all covenants in the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI (see, Exhibit A), including but not limited to LIHI pursuing project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; that LIHI shall utilize Thurston County's coordinated entry system to place persons into housing units to be constructed upon the Property; that LIHI shall give initial preference to single adults and couples associated with the State of Washington's Rights-of-Way Safety Initiative exiting OLYMPIA's tiny house village and then to single adults and couples associated with the State of Washington's Rights-of-Way Safety Initiative exiting Maple Court until Maple Court has been converted from an enhanced shelter to permanent supportive housing or has been funded for said conversion; that LIHI will use its best efforts to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property; that LIHI shall provide two case managers who will have offices on-site in the project to be constructed on the Property; and that LIHI will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.
- Ensure that LIHI shall execute and record a Restrictive Covenant as required by the Real Estate Purchase and Sale Agreement between OLYMPIA and LIHI, dictating that the Property shall be used for affordable housing in perpetuity;
- Execute any other agreements needed by LIHI to facilitate State, Federal, or private funding necessary to develop the Project;
- Provide periodic Project updates, as requested, to the Regional Housing Council;
- Close out the Project upon completion of development and upon lease up of Project.

D. Each Party to this Agreement is responsible for paying the full cost of its respective staff members to support this project.

E. The Parties shall have the opportunity to jointly participate in any neighborhood outreach or communications to facilitate open communications between the Parties, residents and surrounding businesses, or property owners.

3. Method of Payment

LACEY, TUMWATER, and COUNTY shall provide their respective portions of funding for the Project to OLYMPIA via wire transfer. The parties agree that OLYMPIA shall provide an opportunity to LACEY, TUMWATER, and COUNTY to review all contracts and subawards prior to execution for a period of thirty (30) days before processing same for payment.

4. Indemnification & Insurance

LACEY, TUMWATER, and COUNTY agree to defend, indemnify and hold OLYMPIA, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with OLYMPIA's responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of OLYMPIA.

OLYMPIA agrees to defend, indemnify and hold LACEY, TUMWATER, and COUNTY, and their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorney fees, arising out of or in connection with LACEY's, TUMWATER's, and COUNTY's responsibilities under this Agreement, except to the extent such injuries and damages are caused by the negligence of LACEY, TUMWATER, and COUNTY.

5. Duration of Agreement

This Agreement shall be effective until terminated in the manner described under the termination section of this Agreement, or upon completion of construction and issuance of a final certificate of occupancy by OLYMPIA and payment of all obligations under this Agreement.

6. Termination of Agreement

This Agreement may be terminated upon ninety (90) days' written notice to the other Parties using the method of notice provided for in this Agreement in Section 12 below.

7. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes any and all prior agreements, oral or otherwise, with respect to the subject matter and property addressed herein.

8. Recitals Incorporated

The recitals set forth above are hereby incorporated into this Agreement as though fully set forth herein.

9. Counterparts

This Agreement may be executed in a number of identical counterparts which, taken together, constitute collectively one Agreement; but in making proof of this Agreement, it is not necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically Amended and Restated Interlocal Agreement/City of Olympia, City of Lacey, City of Tumwater, and Thurston County/Franz Anderson Road SE Property Permanent Supportive Housing

scanned signature, or an electronic or digital signature where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement are originals, but all such counterparts, when taken together, constitute one and the same Agreement.

10. Posting or Recording

Prior to its entry into force, this Agreement shall be posted upon the websites of the Parties or other electronically retrievable public source or filed with the Thurston County Auditor's Office or as required by RCW 39.34.040.

11. Employment Relationship

Employees of all Parties shall remain at all times under the direction and control of their original agency and the performance of work for any other agency pursuant to this Agreement shall not change that relationship for any purpose. No Parties shall be deemed to have agreed to pay the other agency's employees any wages or benefits afforded to its own employees. Further, each Party's responsibilities to its own employees for workplace injuries shall remain unchanged by this Agreement.

12. Notice/Contract Representative

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

CITY OF OLYMPIA
Attn: Darian Lightfoot
Housing Manager
City of Olympia
PO Box 1967
Olympia, WA 98507-1967
dlightfo@ci.olympia.wa.us
360.753.8033

THURSTON COUNTY
Attn: Thomas Webster
Thurston County
412 Lilly Road
Olympia, WA 98506
Thomas.webster@co.thurston.wa.us
360.280.6265

CITY OF LACEY
Attn: Rick Walk
City of Lacey
420 College St. SE
Lacey, WA 98503
rwalk@ci.lacey.wa.us
(360) 438-2638

CITY OF TUMWATER
Attn: Lisa Parks
555 Israel Road SW
Tumwater, WA 98501
lparks@ci.tumwater.wa.us
(360) 754-4120

13. Records

Each party shall maintain its own public records and shall be solely responsible for responding to records requests received about the subject matter of this Agreement. Any public records request addressed to the Parties as if this interlocal created a separate legal entity, shall be deemed to be a request received by each party individually. Each party shall respond separately, unless agreed

to otherwise in writing and properly documented. The parties agree to cooperate in responding to requests for public records received about the subject matter of this Agreement.

14. Jurisdiction and Venue

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The Parties hereby agree that venue for enforcement of this Agreement shall be in the Superior Court of Washington for Thurston County.

15. Effective Date

This Agreement shall take effect upon the final signature date affixed hereto.

16. Modification

This Agreement may only be changed, amended, or modified, if in writing, and executed by each of the Parties hereto.

SIGNATURES APPEAR ON NEXT PAGE

CITY OF OLYMPIA

Steven J. Burney, City Manager

Date

Approved as to form:

Mark Barber

City Attorney

THURSTON COUNTY

Leonard X. Hernandez
County Manager

Date

Approved as to form:

Deputy Prosecuting Attorney

CITY OF LACEY

Rick Walk, City Manager

Date

Approved as to form:

City Attorney

CITY OF TUMWATER

Debbie Sullivan, Mayor

Date

Approved as to form:

City Attorney

EXHIBIT "A"
REAL ESTATE PURCHASE AND SALE AGREEMENT
BETWEEN CITY OF OLYMPIA AND LIHI

**AMENDMENT NO. 1
TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

This AMENDMENT NO. 1 to the Real Estate Purchase and Sale Agreement is made by and between the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington (“Seller”), and LOW INCOME HOUSING INSTITUTE (LIHI), a Washington nonprofit corporation (“Buyer”), jointly referred to as “the Parties,” to modify and amend the Real Estate Purchase and Sale Agreement dated June 21, 2023.

1. Modification. The Parties wish to amend the Real Estate Purchase and Sale Agreement (“Agreement”) pursuant to Paragraph 5 of the Agreement, as regards the Closing Date.

2. Closing Date. The Closing Date in Paragraph 5 of the Agreement between the Parties is hereby modified and amended to provide that Closing will occur on or before February 28, 2025. All other terms and conditions in Paragraph 5 remain unchanged.

SELLER:

LOW INCOME HOUSING INSTITUTE(LIHI)

A Washington nonprofit corporation

By: Lynne Behar
Lynne Behar, Chief Financial Officer

Date: 02/28/2024

BUYER:

CITY OF OLYMPIA, a Washington municipal corporation

By: Steven J Burney
Steven J. Burney, City Manager

Date: 02/28/2024

Approved as to form:

Mark Barber
Mark Barber, City Attorney

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is between the City of Olympia, a municipality organized under the laws of the State of Washington ("Seller"), and Low Income Housing Institute (LIHI), a Washington nonprofit corporation ("Buyer"), jointly referred to as "the Parties." This Agreement shall not be effective until the "Effective Date" (as defined in Paragraph 18.16 below).

RECITALS

Seller is the owner of certain real property ("Property") located in the **City of Olympia, Thurston County, Washington**, consisting of TPN Nos. 58900000300, 58900000301, 58900000400, 58900000500, and 58900000600 and located near Franz Anderson Road in Olympia, Thurston County, Washington, and more particularly described on **Exhibit "A"** (legal description) and shown on **Exhibit "B"** (sketch) attached hereto and by this reference incorporated herein.

Pursuant to the Washington State Constitution, Article VIII, § 7, Seller is permitted to make provision for the necessary support of the poor and infirm. The Seller intends, and the Parties agree, that the Property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term "permanent supportive housing" is defined in RCW 36.70A.030(19), which is defined as subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors, and no other purpose except as expressly agreed by the Parties herein.

The Parties specifically agree that the Property shall in perpetuity be used to provide affordable housing as defined in RCW 36.70A.030(2) and permanent supportive housing as defined in RCW 36.70A.030(19). Buyer proposes, and Seller agrees, that the project to be constructed upon the Property will consist of approximately seventy (70) studio and one-bedroom housing units, with one additional one-bedroom unit for an on-site manager (the "Project"). Unit sizes will range from approximately 470 to 630 square feet. An estimated thirty (30) housing units will be accessible to disabled persons. Approximately thirty-five (35) housing units will be studio units designated for households with Area Median Income (AMI) of thirty percent (30%) or less by household size. The remaining thirty-five (35) units will be one-bedroom housing units designated for households with Area Median Income (AMI) at or below thirty percent (30%) by household size. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income. Buyer agrees it will pursue project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements.

It is further agreed by the Parties that Buyer shall utilize Thurston County's coordinated entry system to place persons into housing units to be constructed upon the Property. Preference will be given by Buyer to single adults and couples exiting Seller's tiny house village associated

with the State of Washington's Rights-of-Way Safety Initiative. Further, it is proposed by Buyer, and agreed by Seller, that best efforts will be made to have Sea Mar Community Health Centers provide behavioral health services for tenants in the multi-family housing units to be constructed upon the Property. Further, Buyer shall provide two case managers who will have offices on-site in the Project. Buyer proposes, and Seller agrees, that the Project will operate with a low-barrier model and will offer consistent and accessible supportive services to eligible tenants but will not require tenants to participate in services as a condition of receiving housing.

Buyer anticipates utilizing regional funds, including American Rescue Plan Act funds in an amount of approximately \$6.7 million in the development of the Project. Buyer shall use all reasonable due diligence to enter into an agreement to commit these regional funds no later than November 2024, and to fully draw these funds no later than December 2026 in connection with the housing project. The goal of the Parties is to have housing units upon the Property in service no later than April 2026.

The Parties agree and covenant that the use of the Property shall be subject to a restrictive covenant limiting the Property's use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law.

Buyer has determined that the Property is suitable for providing affordable housing and housing-related services and programs for persons experiencing homelessness, housing insecurity, or inability to secure affordable housing in Thurston County, Washington. Seller and Buyer agree that the Property is appropriate and suitable for redevelopment to provide new construction of affordable housing and facilities providing housing-related facilities and programs. Further, as additional consideration to Seller, Buyer agrees to comply with Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as "**Exhibit F**" to this Agreement, requiring new construction of housing units upon the Property to meet requirements for electrification, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Resolution No. M-2289.

The signatories to this Agreement acknowledge they are authorized to execute associated documents, to correct legal descriptions, if necessary, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

The Parties now enter into this Agreement to memorialize the terms and conditions under which Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Property. Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the following:

1.1 **Land.** The real property constituting the Property legally described on **Exhibit "A"** to this Agreement and generally shown on a sketch attached as **Exhibit "B"** to this Agreement "as is."

1.2 **Appurtenances.** All rights, privileges, and easements appurtenant to the Property owned by Seller, including without limitation any and all leases, subleases, easements, rights-of-way and other appurtenances, including any buildings, structures or fixtures, if any, used in connection with the beneficial use and enjoyment of the Property (the "Appurtenances").

The Property and Appurtenances described in Paragraph 1 above are collectively referred to in this Agreement as the "Property."

2. **Escrow.** Within thirty (30) business days after the Effective Date of this Agreement as defined in Paragraph 18.16, the Parties shall confirm that an escrow account is opened for the transaction contemplated by this Agreement with Thurston County Title Company (in such capacity, "Escrow Company"). Jen Dempsey or another designee of Escrow Company will serve as escrow agent for Closing of this Agreement ("Escrow Agent"). The Parties shall deliver a fully executed copy of this Agreement to Escrow Agent.

3. **Purchase Price.** The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") is **One Dollar and NO/100 Cents** (\$1.00) U.S., together with other additional nonmonetary consideration consisting of a Restrictive Covenant to be recorded upon the Property, limiting the Property's use in perpetuity for affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter amended by law, and providing for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289, a copy of which is attached hereto and incorporated herein as **"Exhibit F"** to this Agreement.

4. **Payment of Purchase Price.** On the Closing Date, Buyer shall deposit with Escrow Agent the amount of the Purchase Price, less any amounts to be credited against the Purchase Price, pursuant to this Agreement.

5. **Closing Date.** The Closing (the "Closing") of the purchase and sale of the Property under this Agreement shall be held at the offices of the Escrow Company, and shall occur on or before February 29, 2024, unless otherwise agreed in writing by the Parties. Closing shall occur when the Deed to Buyer and the Restrictive Covenant (as hereinafter defined) are executed and recorded, and the Purchase Price is delivered to the Escrow Company for delivery to Seller.

6. **Title and Survey Matters.**

6.1 **Title Binder and Survey.** Buyer shall order a preliminary commitment for an ALTA owner's extended coverage title insurance policy provided by Thurston County Title Insurance Company ("Title Company") describing the Property, showing all matters of record pertaining to the Property and listing Buyer as the prospective named insured. Following the mutual execution of this Agreement, Buyer shall obtain from Title Company a written

supplemental report to such preliminary commitment in a form acceptable to Buyer, updating the preliminary commitment to the execution date of the Agreement. Such preliminary commitment, supplemental reports and true, correct, and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the "Title Binder." Buyer may order a survey of the Property (the "Survey").

6.2 Title Review. Within sixty (60) business days after Buyer's receipt of the updated Title Binder and Survey, Buyer shall review the Title Binder and any surveys of the Property, and shall notify Seller what exceptions to title, if any, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property (the "Title Review Period"). If no title matters appear in the updated Title Binder since the initial preliminary commitments, then the Parties shall proceed to Closing as set forth in this Agreement. If any title matters appear and Buyer objects to any of the same during the Title Review Period, then Seller shall have thirty (30) business days after receiving Buyer's objections to notify Buyer if Seller will remove any of the exceptions objected to prior to the Closing Date or if Seller elects not to remove such objected to exceptions. If Seller shall fail to remove any such exceptions objected to by Buyer from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Buyer may elect to either terminate this Agreement, or take title despite the existence of such exception. If Buyer elects to terminate, neither Buyer nor Seller shall have any further liabilities, obligations or rights with regard to this Agreement which shall then become null and void and of no further force or effect.

6.3 Title Policy. At Closing, Seller and Buyer shall cause Title Company to issue a standard ALTA owner's policy ("Title Policy") to Buyer, at Buyer's cost. The Title Policy shall (a) be satisfactory to Buyer, (b) be issued in the amount of the total Purchase Price and (c) insure fee simple, indefeasible title to the Property in Buyer. The Title Policy shall contain endorsements as Buyer may require. Buyer's obligation to close this transaction shall be contingent on Buyer's approval, in its sole and absolute discretion of the Title Policy required under this Paragraph 6.

7. Conditions and/or Contingencies to Buyer's Obligations.

7.1 Documents and Reports. Within sixty (60) business days after the execution and delivery of this Agreement (the "Document Delivery Date"), Seller shall deliver to Buyer copies of the documents and reports listed on attached **Exhibit "C"** to this Agreement and in Seller's possession. Seller shall certify to Buyer, as of the Document Delivery Date, as to any documents listed on **Exhibit "C"** not in Seller's possession.

7.2 Inspection of the Property. Buyer shall have the right and permission from the date Seller signs this Agreement through the Closing Date (or earlier termination of this Agreement) to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Buyer's cost and expense, of making all tests and/or studies of the Property that Buyer may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Buyer shall indemnify and hold

harmless Seller from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Seller as a direct result of any actions taken by Buyer in connection with the Property, including but not limited to permitting Seller to review a written description of Buyer's proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the property. Buyer shall also provide Seller with a copy of all soil or environmental test results for the property upon Seller's request. Buyer shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by Seller in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.

7.3 Appraisal of the Property. Buyer shall have the right to obtain an appraisal. Buyer's appraiser may enter onto the property upon reasonable notice to Seller as is necessary to appraise the Property.

7.4 Approval of Property/Feasibility Contingency. Buyer's obligation to purchase the Property shall be subject to and contingent upon Buyer's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property and documents delivered by Seller pursuant to Paragraph 7.1 above, or otherwise obtained by Buyer regarding the Property. Buyer's approval and obligation to purchase the Property under this paragraph shall be for the period set forth in Paragraph 7.5. Upon waiver by Buyer or expiration of the feasibility contingency, the Parties shall move on to Closing.

7.5 Feasibility Contingency Period. As used herein, the term "Contingency or Feasibility Period" shall mean the period from the Effective Date of this Agreement as defined in Paragraph 18.16 until the period ending on October 1, 2023.

7.6 Buyer's Right to Terminate. If in Buyer's sole and absolute discretion, Buyer is not satisfied with the condition of the Property, Buyer may terminate this Agreement by sending written notice to Seller and Escrow Agent (such notice referred to as a "Termination Notice") prior to the expiration of the Contingency/Feasibility Period. If Buyer gives its Termination Notice to Seller, this Agreement shall terminate and neither Buyer nor Seller shall have any further liability to the other under this Agreement.

7.7 Additional Closing Conditions. Buyer's obligation to purchase the Property shall also be subject to the following conditions that must be satisfied as of Closing.

(i) Prior to Closing, all Contracts or Leases (whether written or oral) with respect to the Property, if any, shall be terminated in writing by Seller. Seller shall provide Buyer, prior to Closing, with written termination agreements with respect to all Contracts or Leases, which are not assumed by Buyer;

(ii) All representations and warranties of Seller contained herein, to the best of Seller's knowledge, shall be true, accurate and complete at the time of the Closing as if made again at such time;

(iii) Seller shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);

(iv) At Closing, title to the Property shall be in the condition required by Paragraph 6 of this Agreement and Escrow Agent shall deliver the Title Policy to Buyer; and

If the conditions set forth in this Paragraph 7 are not satisfied as of Closing and Buyer does not waive the same, Buyer may terminate this Agreement, and thereafter neither Buyer nor Seller shall have any further liability to the other under this Agreement.

8. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties, to the best of Seller's knowledge, which representations and warranties shall be deemed made by Seller to Buyer also as of the Closing Date:

8.1 Title. Seller is the sole owner of the Property, except for reservations of record. At Closing, Seller shall convey the entire fee simple estate and right, title and interest in and to the Property by statutory warranty deed to Buyer with a restrictive covenant limiting use of the Property to affordable housing as provided in the Recitals hereto, free and clear of unapproved encumbrances of record.

8.2 Compliance with Law; Compliance with Property Restrictions. The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property related to zoning, building, subdivision, and engineering.

8.3 Bankruptcy, etc. No bankruptcy, insolvency, rearrangement or similar action involving Seller or the Property, whether voluntary or involuntary, is pending, threatened, by a third party, or contemplated by Seller.

8.4 Taxes and Assessments. Other than amounts disclosed by the Title Binder, no other property taxes have been or will be assessed against the Property for the current tax year, and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.

8.5 Foreign Person. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Buyer prior to the Closing an affidavit evidencing such fact and such other documents as may be required under the Code.

8.6 Mechanics' Liens. No labor, material or services have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborer's or materialmen's liens or claims might arise.

8.7 Underground Storage Tanks. Seller has knowledge of one underground storage tank, and a decommissioned well. Other than as previously stated, Seller has no knowledge of other (a) subterranean storage or underground storage tanks that exist on the Property, and (b) any previously existing underground storage tanks that have been removed or filled in compliance with applicable law. If there had been an underground storage tank on the site, to the best of Seller's knowledge, the tank was decommissioned in compliance with applicable law.

8.8 Leases and Other Agreements. Seller represents that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property, except those of record or disclosed pursuant to Paragraph 7.1.

8.9 Assumption of Liabilities. Buyer, by virtue of the purchase of the Property, will not be required to satisfy any obligation of Seller arising prior to the Closing Date.

8.10 Defaults. Seller is not in default and there has occurred no uncured event, which, with notice, the passage of time or both would be a default, under any contract, agreement, lease, encumbrance, or instrument pertaining to the Property.

8.11 Utilities. The Property may or may not be served by water, storm and sanitary or septic sewer, electricity, and telephone supplied directly to the Property by facilities of public utilities. All such utilities are located within the boundaries of the Property or within lands dedicated to public use or within recorded easements for the same.

8.12 Public Improvements. Seller has no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Property.

8.13 Subdivision. The conveyance of the Property will not constitute a violation of any subdivision ordinance. The improvements on the Property comply in all material respects with all applicable subdivision ordinances and statutes.

8.14 Due Authority. Seller and Buyer have all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Seller and Buyer and constitute their legal, valid and binding obligation enforceable against Seller and Buyer in accordance with its terms.

8.15 No Omissions. The copies of any documents furnished to Buyer in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

9. Covenants of Seller. Seller covenants and agrees as follows:

9.1 **Perform Obligations.** From the date of this Agreement to the Closing Date, Seller will perform any monetary and non-monetary obligations they have regarding the Property.

9.2 **No Liens.** From the date of this Agreement to the Closing Date, Seller will not allow any lien to attach to the Property, nor will Seller grant, create, or voluntarily allow the creating of, or amend, extend, modify or change, any easement, right-of-way, encumbrance, restriction, covenant, lease, license, option or other right affecting the Property or any part thereof without Buyer's written consent first having been obtained.

9.3 **Provide Further Information.** From the date of this Agreement to the Closing Date, Seller will notify Buyer of each event of which Seller becomes aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

10. Covenants of Buyer. Buyer covenants and agrees as follows:

10.1 **Perform Obligations.** Buyer shall perform all obligations from the date of this Agreement, including all provisions herein that shall survive the Closing, including those relating to its obligations to provide affordable low-income housing units upon the Property.

10.2 **Application for Impact Fee Reduction.** Buyer may apply for impact fee reductions as permitted by OMC Section 15.04.060.C. for any form of low-income housing occupied by households whose income meets the definition of low-income housing in OMC 15.04.020.Y when adjusted for size is at or below eighty percent (80%) of the area median income as annually adjusted by the U.S. Department of Housing and Urban Development (HUD) from paying school impact fees, provided a covenant is approved by the Olympia School District No. 111 to assure continued use for low income housing and that the covenant is recorded against the title to the Property. As provided in OMC 15.04.060.F, upon application a partial exemption of not more than eighty percent (80%) of park, transportation and school impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, may be granted to a low-income housing development.

10.3 **Application for Land Use Approval.** Buyer covenants and agrees it shall promptly submit the Project to Seller for land use approval following written removal of the contingency/feasibility period set forth in Paragraphs 7.4 and 7.5 herein; however, Buyer further agrees to schedule with Seller's planning staff a preapplication conference prior to submittal of Buyer's land use application for the Property.

10.4 **Seller's Option to Repurchase.** Buyer agrees that Seller shall have an option to repurchase the Property at the same price as the Property is sold to Buyer in this Agreement in the event Buyer fails to commence construction of the housing units contemplated in this Agreement within twenty-four (24) months of the Closing date. Seller agrees that Buyer will have an option to extend its period of construction for an additional year based upon an economic or financial circumstance beyond Buyer's control upon a showing of its best efforts to

move forward with the construction of affordable housing units contemplated in this Agreement. In the event the City (Seller) exercises its option to repurchase the Property, the City (Seller) shall pay any real estate excise tax due on repurchase. In no event shall any period of delay caused by the City permit approval process be counted against Buyer. Such approval process shall toll the deadlines in this paragraph.

11. Closing.

11.1 Time and Place. Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in Paragraph 5 of this Agreement.

11.2 Documents to be Delivered by Seller. For and in consideration of, and as a condition precedent to the payment to Seller of the Purchase Price, Seller shall obtain and deliver to Buyer at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) **Title Documents.** Such other documents, including, without limitation, lien waivers, indemnity bonds, indemnification agreements, and certificates of good standing as shall be required by Buyer, or by the Title Company as a condition to its insuring Buyer's good and marketable fee simple title to the Property.

(ii) **Authority.** Such evidence as the Title Company shall require as to authority of Seller to convey the Property to Buyer.

(iii) **Surveys and Drawings.** All surveys, site plans, and plans and specifications relating to the Property as are in the possession or control of Seller, if any.

(iv) **Assignment.** Seller and Buyer agree any assignment of Buyer's rights under this Agreement shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except as provided in this Agreement. Seller acknowledges and agrees that Buyer shall either assign this Agreement or transfer the Property after Closing to an entity that is affiliated with Buyer. Such transfer or assignment shall not require the consent of Seller.

(v) **Warranty Deed.** A statutory warranty deed ("Deed") conveying to Buyer a good, marketable and indefeasible title in fee simple absolute to the Property in the form set forth in **Exhibit "D"** attached hereto.

(vi) **Restrictive Covenant.** A covenant restricting use of the Property in perpetuity for the specific purposes as defined in RCW 36.70A.030(2) and (19), and as otherwise agreed by the Parties, in the form set forth in **"Exhibit E"** attached hereto.

11.3 Payment of Costs. At Closing, Buyer shall pay all charges for title insurance for a standard ALTA owner's title policy insuring Buyer's title, the escrow fee, all

recording fees, technology fees, and real property excise taxes, if any, and any other costs of Closing.

11.4 **Taxes.** Seller is exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205(2).

11.5 **Monetary Liens.** Seller shall pay or cause to be satisfied at or prior to Closing all monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements, except where Seller is exempt by statute or administrative rule or regulation.

11.6 **Possession.** Possession of the Property shall be delivered to Buyer at Closing. The Property, including without limitation the improvements, if any, shall be delivered to Buyer in good order.

11.7 **Proration.** All amounts required to be prorated hereunder as of Closing, shall be calculated as if Buyer were in possession of the Property as of the date of Closing.

12. Environmental.

12.1 Notwithstanding anything to the contrary in this Agreement or otherwise, the Parties agree that Seller shall have no obligation to defend, indemnify, or hold Buyer harmless with respect to any loss, liability, claim, demand, damage, or expense of any kind, including attorneys' fees, costs, and expenses (collectively, "Loss") arising (a) out of the release or threatened release of Hazardous Substances on, under, above, or about the Property after Closing, or (b) out of the past release or threatened release of any Hazardous Substance on, under, above, or about the Property caused or contributed to by Buyer, or any employee, agent, tenant, or contractor of Buyer.

12.2 **Definitions.** The term "Hazardous Substance" includes without limitation (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," or "solid wastes" in any Environmental Law; (b) petroleum products and petroleum byproducts; (c) polychlorinated biphenyls; (d) chlorinated solvents; and (e) asbestos. The term "Environmental Law" includes any federal, state, municipal or local law, statute, ordinance, regulation, order or rule pertaining to health, industrial hygiene, environmental conditions, or hazardous substances.

13. **Indemnification.** Seller shall pay, protect, pay the defense costs of, indemnify and hold Buyer and their successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of Seller set forth in this Agreement, (b) the failure of Seller to perform any obligation required by this Agreement to be performed by Seller, (c) the ownership, maintenance, and/or operation of the Property by Seller prior to the Closing not in conformance with this Agreement, or (d) any injuries to persons or property from any cause

occasioned in whole or in part by any acts or omissions of the Seller, its representatives, employees, contractors or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 12 applies to Losses arising out of the presence of Hazardous Substances on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property except as specifically provided in Paragraph 11 above.

14. Condemnation. In the event of any commenced, to be commenced or consummated proceedings in eminent domain or condemnation (collectively “Condemnation”) respecting the Property or any portion thereof, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller shall have any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect, there shall be no reduction in the Purchase Price, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, Seller’s entire right, title and interest in and to any condemnation award or settlement made or to be made in connection with such Condemnation proceeding. Buyer shall have the right at all times to participate in all negotiations and dealings with the condemning authority and approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such Condemnation respecting the Property.

15. Casualty. If any fire, windstorm or casualty occurs and materially affects all or any portion of the Property on or after the date of this Agreement and prior to the Closing, Buyer may elect, by written notice to Seller, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to purchase the Property. If Buyer terminates this Agreement, neither Buyer nor Seller has any further liability to the other hereunder. If Buyer fails to make such election prior to the Closing Date, this Agreement shall continue in effect. The Purchase Price shall not be reduced by the amount of loss or damage occasioned by such casualty not covered by insurance, and Seller shall, prior to the Closing Date, assign to Buyer, by an assignment agreement in form and substance satisfactory to Buyer, its entire right, title and interest in and to all insurance claims and proceeds to which Seller may be entitled in connection with such casualty. Buyer shall have the right at all times to participate in all negotiations and other dealings with the insurance carrier providing such coverage and to approve or disapprove any proposed settlement in respect to such matter. Seller shall forthwith notify Buyer in writing of any such casualty respecting the Property.

16. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, “Notices”) shall be in writing and shall be validly given or made to another party if delivered either personally or by FedEx, UPS, USPS or other overnight delivery service of recognized standing, or if deposited in the United States mail, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by FedEx or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given seven days (7) days after the deposit thereof in the

United States mail. Each such Notice shall be deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Seller: Steven J. Burney, City Manager
City of Olympia
601 4th Ave E
PO Box 1967
Olympia, WA 98507-1967
Email: jburney@ci.olympia.wa.us

With a copy to: Mark Barber, City Attorney
City of Olympia
601 4th Ave E
PO Box 1967
Olympia, WA 98507-1967
Email: mbarber@ci.olympia.wa.us

To Buyer: Low Income Housing Institute (LIHI)
Attn: Lynne Behar, Chief Financial Officer
1253 S Jackson Street, Suite A
Seattle, WA 98144
Email: lynneb@lihi.org

Any party hereto may change its address for receiving notices as herein provided by a written notice given in the manner aforesaid to the other Party hereto.

17. Event of Default. In the event of a default under this Agreement by Seller (including a breach of any representation, warranty or covenant set forth herein), Buyer shall be entitled, in addition to all other remedies, to seek monetary damages and specific performance of Seller's obligations hereunder.

18. Miscellaneous.

18.1 Applicable Law. This Agreement shall in all respects, be governed by the laws of the State of Washington.

18.2 Further Assurances. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder to carry out the intent of the Parties hereto.

18.3 Modification or Amendment, Waivers. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in

this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

18.4 Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns. Any assignment shall be subject to Seller's approval, which shall not be unreasonably withheld, conditioned or denied except by the terms of this Agreement. Buyer must notify and, if required, request approval by Seller of any such assignment prior to the Closing. Any such assignee shall for all purposes be regarded as Buyer under this Agreement.

18.5 Entire Agreement and No Third Party Beneficiaries. This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm or corporation other than the Parties.

18.6 Jurisdiction, Venue, and Attorneys' Fees. Jurisdiction and venue shall be in the Superior Court of Thurston County for the State of Washington. Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

18.7 Construction. Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it. If the date on which Buyer or Seller are required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

18.8 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

18.9 Survival. The recitals, covenants, agreements, obligations to indemnify, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.

18.10 Finders' or Brokers' Fees. Seller represents and warrants that it has not engaged the services of any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement. Seller agrees to indemnify, defend and hold harmless Buyer against any loss, liability, damage, cost, claim or

expense, including interest, penalties and reasonable attorneys' fees that Buyer shall incur or suffer by reason of a breach by Seller of the representation and warranty set forth above.

18.11 **Time.** Time is of the essence of every provision of this Agreement.

18.12 **Risk of Loss.** All of Seller's personal property, of any kind or description whatsoever that is on the Property after Closing, shall be at Seller's sole risk of loss.

18.13 **Force Majeure.** Performance by Seller or Buyer of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused).

18.14 **Recitals.** The Recitals set forth above are incorporated by this reference into this Agreement and are made a part hereof and shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof and are fully enforceable by either Party.

18.15 **Counterparts.** This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned or digital signature, where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same Agreement.

18.16 **Effective Date.** The term "date of this Agreement" or "date hereof" or "Effective Date," as used in this Agreement, shall mean the later of the following dates: (1) the date of Buyer's signature on this Agreement; or (2) the date of Seller's signature on this Agreement.

*****SIGNATURES APPEAR ON NEXT PAGE*****

BUYER:

**LOW INCOME HOUSING INSTITUTE
(LIHI)**, a Washington nonprofit corporation

Lynne Behar
Lynne Behar, Chief Financial Officer

Date: 06/07/2023

SELLER:

CITY OF OLYMPIA, a Washington
municipal corporation

Steven J. Burney
Steven J. Burney, City Manager

Date: 06/21/2023

APPROVED AS TO FORM:

Mark Barber
Mark Barber, City Attorney

Date: 06/06/2023

EXHIBIT "A"
LEGAL DESCRIPTION

Lots 3, 4, 5, and 6 of Leach's Johnson Hill Tracts as recorded April 3, 1923, under Auditor's File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor's File No. 579323 and February 20, 1985 under Auditor's File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to reservations, restrictions, and easements of record.

EXHIBIT "B"

GENERAL VICINITY SKETCH

Vol. 10 Pg. 2
AF # 126186

Vol. 10, Pg. 2

LEACH'S JOHNSON HILL TRACTS THURSTON COUNTY WASHINGTON

DEDICATION AND DESCRIPTION

This is to certify that Gertrude E. Leach, owner in her own right and as her separate estate of the following described premises:- Commencing at the $\frac{1}{4}$ corner between Sections 17 and 18 T.18N, R.1W, W.M., thence N.89°-09'-32" W. 207.612 feet, thence S.0°-06'-10" E. 772.900 feet to the true place of beginning, thence S.0°-06'-10" E. 1119.70 feet, thence S.84°-05'-09" W. 995.70 feet, thence N.0°-38'-28" E. 1228.01 feet, thence S.89°-42'-16" E. 974.59 feet to the place of beginning, containing 26.48 acres and that I have caused the same to be surveyed and platted to be hereafter known as "Leach's Johnson Hill Tracts". All streets and roads are hereby dedicated as highways for uses and benefits of the public forever.

In witness hereof I have hereunto set my hand and seal this 21 day of March A.D. 1923

ACKNOWLEDGMENT

State of Washington } ss
County of Thurston }

This is to certify on this 21 day of March A.D. 1923, personally appeared before me, a Notary Public in and for the State of Washington, Gertrude E. Leach, well and truly known to me to be the person described in and who executed the foregoing instrument, and acknowledged the same as her voluntary act and deed for the uses and purposes therein expressed.

In witness whereof I have hereunto set my hand and affixed my official seal, the day and year first above written.

Notary Public in and for the State of Washington, residing at Olympia.

Certificate of Surveyor

This is to certify that I have surveyed and staked the above plat, and the same is correct.

W.C. Dillingham
Surveyor

Certificate of Treasurer

This is to certify that all of the taxes on the land herein platted have been fully paid and discharged up to and including the year 1922.

W.C. Dillingham
County Treasurer

Certificate of County Engineer

Approved this 30 day of March A.D. 1923.

Franklin W. ...
County Engineer

Certificate of County Commissioners

Approved by the Board of County Commissioners this 22 day of April A.D. 1923.

Attest: *E.L. ...*
County Auditor & Clerk of Board

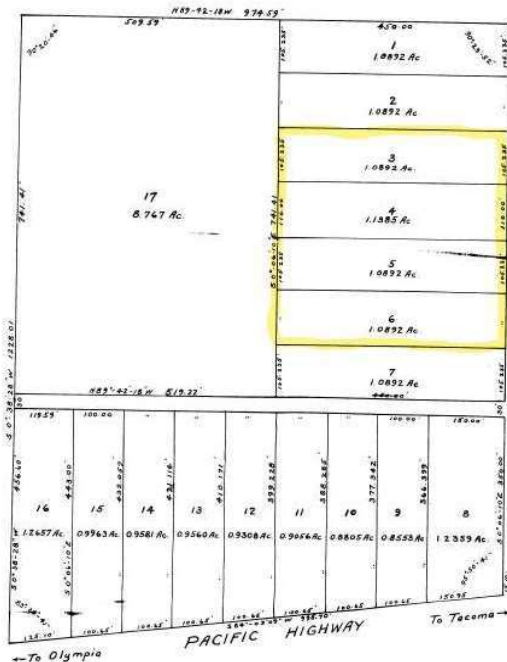
No. Filed for record ... 1923 at ...

at the request of Gertrude E. Leach, and recorded in Vol. Page of Plat Records of Thurston County Washington.

...
County Auditor

by *...*
Deputy

Scale 1 inch = 100 feet



Note: All stakes facing Pacific Highway offset 4 feet North.

EXHIBIT “C”
DOCUMENTS AND REPORTS

1. Copies of all leases or other occupancy agreements relating to the Property, if any, with originals to be delivered at Closing.
2. Copies of all licenses, permits and approvals, if any, issued by governmental authorities for the use and occupancy of the Property or any facility located thereon.
3. Any other information about the Property reasonably requested by Buyer if in the possession or control of Seller.
4. Any service contracts or other similar agreements related to the Property.
5. Reports of environmental conditions related to the Property, if any.
6. Surveys, if any.
7. Soils reports, if any.

EXHIBIT “D”
FORM OF STATUTORY WARRANTY DEED

Low Income Housing Institute (LIHI)
Attn: Lynne Behar, Chief Financial Officer
1253 S Jackson Street, Suite A
Seattle, WA 98144

Document Title:	Statutory Warranty Deed
Grantor:	City of Olympia, a Washington municipal corporation
Grantee:	Low Income Housing Institute (LIHI), a Washington nonprofit corporation
Abbreviated Legal Description:	Lots 3, 4, 5, and Ptn. of Lot 6, Leach’s Johnson Hill Tracts SE 18-18-1W
Assessor’s Tax Parcel Numbers:	58900000300, 58900000301, 58900000400, 58900000500, and 58900000600

The Grantor, **CITY OF OLYMPIA**, a Washington municipal corporation, for and in consideration of the sum of ONE and NO/100---(\$1.00) Dollar, and other good and valuable considerations, in hand paid, hereby conveys and warrants to the Grantee, **LOW INCOME HOUSING INSTITUTE (LIHI)**, a Washington nonprofit corporation, the following described real property and all rights thereto, situated in the City of Olympia, County of Thurston, in the State of Washington, including all after acquired title:

Lots 3, 4, 5, and 6 of Leach’s Johnson Hill Tracts as recorded April 3, 1923, under Auditor’s File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor’s File No. 579323 and February 20, 1985 under Auditor’s File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

**EXHIBIT “E”
FORM OF RESTRICTIVE COVENANT**

After Recording Return to:

City of Olympia
Attn: Legal Department
P.O. Box 1967
Olympia, WA 98507-1967

Document Title:	Restrictive Covenant
Grantor:	Low Income Housing Institute (LIHI), a Washington nonprofit corporation
Grantee:	City of Olympia, a Washington municipal corporation
Abbreviated Legal Description:	Lots 3, 4, 5, and Ptn. of Lot 6, Leach’s Johnson Hill Tracts SE 18-18-1W
Assessor’s Tax Parcel Numbers:	58900000300, 58900000301, 58900000400, 58900000500, and 58900000600

RESTRICTIVE COVENANT

As additional consideration to the City of Olympia, a Washington municipal corporation (“Grantee”), for the purchase of its real property by Low Income Housing Institute (LIHI), a Washington nonprofit corporation (“Grantor”), Grantor and Grantee agree that the real property legally described as:

Lots 3, 4, 5, and 6 of Leach’s Johnson Hill Tracts as recorded April 3, 1923, under Auditor’s File No. 126186, in Volume 10 of Plats, Page 2, records of Thurston County, Washington.

TOGETHER WITH an easement for ingress and egress, over the North 12-feet of the South 77-feet of the East 200-feet of said Lot 3.

EXCEPTING therefrom those portions of said Lot 6 conveyed to the State of Washington for highway purposes by deeds recorded December 21, 1956 under Auditor’s File No. 579323 and February 20, 1985 under Auditor’s File No. 8502200047.

All situated in the Southeast Quarter of Section 18, Township 18 North, Range 1 West, W.M., Thurston County, Washington.

Subject to easements, restrictions, and reservations of record.

shall be held, transferred, sold, conveyed, leased, used, assigned, and occupied in perpetuity subject to the following covenants and restrictions:

1. The above legally described real property shall be used in perpetuity to provide affordable housing as defined in RCW 36.70A.030(2) and (19), as now or hereafter lawfully amended, and providing housing-related facilities and programs; and
2. The residential units to be constructed upon the real property shall have approximately seventy (70) studio and one-bedroom units, and one additional one-bedroom unit for an on-site housing manager; and
3. An estimated thirty (30) residential units shall be accessible to disabled persons; and
4. The real property shall be used to construct permanent supportive housing and facilities in a multi-family rental project as the term “permanent supportive housing” is defined in RCW 36.70A.030(19), as now or hereafter lawfully amended, which means subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors, and no other purpose except as expressly agreed by the Parties herein; and
5. The residential units to be constructed upon the property shall be for households with Area Median Income (AMI) of thirty percent (30%) or less. At no time will tenants occupying these housing units pay an amount for rent and utilities that exceeds thirty percent (30%) of their income; provided, however, if a tenant is not receiving a project-based Section 8 voucher, such tenant may be charged the applicable restricted rent for such unit at 30% AMI; and
6. Grantor agrees it will seek project-based vouchers from the Housing Authority of Thurston County to meet affordability requirements; and
7. Grantor shall select persons for residential placement upon the real property by use of Thurston County’s Coordinated Entry system to prioritize persons who are homeless or facing housing insecurity in Thurston County, Washington; and
8. Grantor shall provide for electrification of all new construction upon the Property, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints as set forth in Section 2 of Olympia City Council Resolution No. M-2289.

It is the express intent of the Grantor and Grantee that the provisions of the Restrictive Covenants stated herein shall be deemed to run with the land in perpetuity unless otherwise stated, and shall pass to and be binding upon Grantor’s successors in title, including any subsequent purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser,

grantee, owner, assignee, trustee, trustor, or lessee of any portion of the real property and any other person or entity having any right, title or interest therein.

It is further agreed by Grantor and Grantee, that Grantee shall have the right to enforce the aforesaid Restrictive Covenants running with the land by either a request for equitable relief and specific performance or an action at law for damages, or by both such equitable relief and monetary damages, in the Superior Court of Thurston County for the State of Washington, as permitted by law. The prevailing party shall be entitled to recover its attorneys' fees and costs of litigation to enforce the covenants set forth herein.

GRANTOR: LOW INCOME HOUSING INSTITUTE (LIHI),
a Washington nonprofit corporation

Lynne Behar, Chief Financial Officer

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that **Lynne Behar**, Chief Financial Officer of the Low Income Housing Institute (LIHI), a Washington nonprofit corporation, appeared before me, and that said person acknowledged that she signed this instrument, and on oath stated that she is authorized to execute this instrument, and acknowledged it as her free and voluntary act for the uses and purposes mentioned in the instrument.

Signature
Print Name _____
NOTARY PUBLIC in and for the State of _____
Residing at _____
My appointment expires: _____

EXHIBIT "F"

RESOLUTION NO. M-2289

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, TO RESPOND TO THE CLIMATE EMERGENCY, DECLARING THE INTENT OF THE CITY TO ELECTRIFY CITY-OWNED FACILITIES AND OLYMPIA'S BUILT ENVIRONMENT

WHEREAS, climate change is an existential crisis posing one of the most serious threats to the existence of humanity and all species on the planet; a threat that intersects and compounds all other crises facing humanity and our earth; and

WHEREAS, the 11th United Nations Intergovernmental Panel on Climate Change ("IPCC") report from October 2018 states that we must cut greenhouse gas emissions in half by 2030 to limit devastating global warming and avoid a climate catastrophe; and

WHEREAS, in 2018, the City of Olympia adopted Resolution No. M-1976 adopting common targets to reduce communitywide greenhouse gas emissions 45 percent below 2015 levels by 2030, and then 85 percent below 2015 levels by 2050. In 2019 these goals were placed in the Comprehensive Plan via amendment; and

WHEREAS, in 2019, in collaboration with Olympia High School students, Olympia approved a Resolution Expressing a Commitment to Protect the Youth of this Community from the Risks of Climate Destruction (M-2045), which among other things committed the City to achieve net zero emissions by 2040; and

WHEREAS, in February 2021, the City passed a Resolution Declaring a Climate Emergency (M-2194). A declaration that challenges our regional partners and community members to "to help further the Thurston County Climate Mitigation Plan through partnership with local jurisdictions and other entities" and to "adopt a lens of climate change and climate equity" in planning, zoning, permitting, budgeting, expenditures, ordinances, and all other city efforts, policies, and practices to further climate action efforts and our accepted regional climate mitigation plan; and

WHEREAS, in February 2021, the City accepted the Thurston Climate Mitigation Plan (TCMP), committing the City to working with Thurston County, the cities of Lacey and Tumwater and the Thurston Regional Planning Council to substantially reduce regional greenhouse gas emissions; and

WHEREAS, a Greenhouse Gas Inventory Report for Calendar Years 2015 – 2019 found that Thurston County greenhouse gas emissions have increased 15% since 2015, and the built environment was responsible for 63% of all emissions in 2019; and

WHEREAS, in Washington State, homes and buildings are the single fastest growing source of carbon pollution, up 50 percent since 1990, and now account for 27 percent of Washington's carbon emissions; and

WHEREAS, natural gas consumption represents the second largest source of greenhouse gas emissions from the built environment in Thurston County and the Thurston Climate Mitigation Plan identifies reducing natural gas use as a key strategy to achieve the most substantial reductions in local greenhouse gas emissions; and

WHEREAS, methane leaks during the production, processing, transmission, and distribution of natural gas can be substantial, releasing a potent greenhouse gas with 84 times the warming potential of carbon dioxide; and

WHEREAS, the United States and other leading economies recently agreed to the Global Methane Pledge to reduce Methane emissions 30 percent by 2030; and

WHEREAS, in 2019, Washington State passed the Clean Energy Transformation Act (CETA), which sets milestones for electric utilities to transition toward a 100% clean electricity. Under CETA, utilities must eliminate coal-fired electricity from their mix by 2025, become greenhouse-gas neutral by 2030 (using offsets, if necessary), and provide 100 percent renewable energy by 2045; and

WHEREAS, Olympia must take additional measures to decarbonize, transitioning from fossil fuel powered space-heating, water-heating, and cooking equipment to all-electric buildings powered by affordable, renewable electricity; and

WHEREAS, electrification will improve indoor air quality and overall health, by eliminating natural gas combustion inside homes that produces harmful indoor air pollution; and

WHEREAS, there are well-documented risks to respiratory health from gas stove pollution, and infants and children are particularly vulnerable to respiratory illnesses associated with gas stove pollution; and

WHEREAS, lower-income households are more likely to suffer from health impacts from outdoor and indoor air pollution, which are exacerbated when exposed to pollution from gas stoves; and

WHEREAS, electrification is widely recognized as a powerful strategy to address both climate change and poor air quality in the frontline communities most vulnerable to climate impacts; and

WHEREAS, every new building relying on fossil fuels for heating, cooling, and cooking will have a negative impact on the climate for decades to come and require additional investments to be retrofitted to electric systems as the climate emergency worsens; and

WHEREAS, in June of 2021, the Olympia City Council supported a referral to require the electrification of all new City-owned buildings and major renovations of existing City buildings; and

WHEREAS, in June of 2021, the Olympia City Council supported a referral directing staff to develop a scope, schedule, and budget to conduct a regional cost assessment of requiring non-fossil fuel sourced heating and power in new commercial and residential development in the City; and

WHEREAS, the City has the opportunity to lead by example to make decisive, transformative, and sustainable changes in its municipal energy consumption, and can significantly lower the City's greenhouse gas emissions and overall carbon impact; and

WHEREAS, citywide building electrification is necessary to achieve Olympia's greenhouse gas reduction targets, and such actions will also improve public health and increase the quality of life throughout the City;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OLYMPIA, that the City of Olympia recognizes the global and local benefits of accelerating the transition to all-electric buildings throughout the City; and be it

FURTHER RESOLVED as follows:

Section 1. The City Manager is directed to electrify all newly constructed City-owned buildings and major renovations of existing City buildings, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Additional upfront costs of five percent (5%) or less shall not be considered a cost constraint. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective January 12, 2022.

Section 2. The City Manager is directed to require the electrification of all new projects and major renovations of existing buildings receiving City funding of \$50,000 or more, a donation of City property with an appraised value of \$50,000 or more, or a sale of City-owned property where the difference between the appraised value and sale price is \$50,000 or more, except where exemptions are necessary due to physical space limitations, availability of technology, or cost constraints. Council may consider the total cost of construction and operating costs in determining the issue of cost constraints. Exemptions must be approved by the City Council and exempt buildings should be built in a manner to support the easy transition to electric systems at any time during the life of the building. This policy will become effective following a work session to discuss citywide electrification on or before April 1, 2022.

Section 3. The City Manager is directed to inventory City-owned facilities that use fossil fuels and evaluate the feasibility of retrofitting existing buildings to become all-electric by 2030. The inventory and evaluation will make use of existing reports and data to prepare preliminary feasibility recommendations by January 1, 2024.

Section 4. The City of Olympia will encourage the Washington State Legislature and State Building Code Council, and other local entities, such as Thurston County, neighboring cities, school districts, and major institutions, to join in this step to address regional greenhouse emissions from our built environment, by adopting similar building electrification policies to invest in clean energy assets.

Section 5. The City Manager is directed to schedule a City Council work session no later than April 1, 2022, to discuss policy pathways and potential challenges to citywide electrification of all new buildings

PASSED BY THE OLYMPIA CITY COUNCIL this 18th day of January 2022.


MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY



LACEY CITY COUNCIL MEETING

December 3, 2024

SUBJECT: Interlocal Agreement Regarding the Provision of Specialized Recreation Services

RECOMMENDATION: Motion to: Authorize City Manager to sign Interlocal Agreement with Thurston County regarding the Provision of Specialized Recreation Services.

STAFF CONTACT: Rick Walk, City Manager *RW*
Jen Burbidge, Parks, Culture and Recreation Director *JB*
Sue Falash, Recreation Manager *SR*

ORIGINATED BY: Parks, Culture & Recreation

ATTACHMENTS: 1. Interlocal Agreement Regarding the Provision of Specialized Recreation Services.

FISCAL NOTE: Funding in the amount of \$8,377 is included in the approved 2025 Budget for Professional Services – Sunshine Program, account 001.7403.574.4137.

PRIOR REVIEW: Parks, Culture & Recreation Board November 6, 2024 meeting.

BACKGROUND:

Thurston County is again proposing an Interlocal Agreement, between the City of Lacey and Thurston County, for the purpose of documenting the services and payment of funds for the Specialized Recreation Program that has been offered to people in the community under this model partnership since the early 1990's. Thurston County provides a countywide Specialized Recreation program for persons with developmental or physical disabilities, with contribution of funds from the cities of Lacey, Olympia, and Tumwater. The Cities of Olympia and Tumwater will each be parties to respective interlocal agreements with Thurston County.

As per the agreement, the City of Lacey would contribute \$8,377 per year toward Specialized Recreation programs. This is the same amount that has been contributed per year since 2016. The agreement would be for a period of three years, 2025 through 2027, assuming City Council's passing of the budget each year.

This collaboration has served our City residents very well in the past. It is to our collective benefit to continue this partnership to provide an efficient delivery of a much needed,

valued and highly regarded service. Specialized recreation programs offer social interaction opportunities, as well as fitness and fun.

The Parks, Culture & Recreation Board reviewed the agreement at their November meeting and are recommending Option 1 as listed below.

RECOMMENDATION: Staff recommends Option 1

Option 1: Authorize City Manager to sign Interlocal Agreement with Thurston County regarding the Provision of Specialized Recreation Services.

Option 2: Do not authorize City Manager to sign Interlocal Agreement with Thurston County regarding the Provision of Specialized Recreation Services.

AGREEMENT FOR RECREATION PROGRAM

THIS AGREEMENT is between Thurston County (“County”), and the City of Lacey (“City”).

WHEREAS, RCW 67.20.020 allows a city and county to enter into an agreement for the purpose of conducting a recreation program; and

WHEREAS, the City desires to provide a recreation program for individuals with developmental disabilities; and

WHEREAS, the County is willing to provide such a recreation program to the City pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual benefits and covenants contained herein, the City and the County agree as follows:

I. DURATION

This Agreement takes effect on the date of the last authorizing signature on this Agreement through December 31, 2027, unless otherwise terminated in the manner described under the termination section of this Agreement.

II. SCOPE OF SERVICES

A. Responsibilities of the County:

1. The County shall offer a minimum of 370 hours of recreation programs for youths and adults with developmental disabilities, including program marketing and registration, and program administration, during the term of this Agreement. Programs will include, but not be limited to, Day Trips, Monthly Events, and Fitness Programming. The recreation programs are regional in nature and that no recreation program provided under this Agreement may be limited to residents of the City.

2. The County may use volunteers to assist in the provision of the recreation programs. County shall screen employees and volunteers, as required by law, who assist in the recreation programs.

3. The County shall invoice the City on an annual basis at the beginning of each Agreement year for the recreation programs provided herein by the County.

4. The County may request the City to provide the use of City facilities for conducting recreation programs, subject to availability. The City shall invoice the County on an hourly rate basis for facility use. The hourly rate must be agreed upon by the County and the City before each use, and the rate must include the direct cost of facility use and any staffing, if needed, as provided by the City. The County shall pay the City the mutually agreed hourly rate within 30 days of receipt of the City’s invoice.

B. Responsibilities of the City:

1. The City will refer those seeking to participate in recreation programs geared toward people with developmental disabilities to the County programs as an option for obtaining recreational services. The City may provide website links to the County's specialized recreation webpages and other appropriate marketing opportunities.

2. The City shall pay the County an annual amount as set out in Section III for the recreation programs provided for in this Agreement within 30 days of receipt of an invoice from the County.

3. At the County's request, the City shall provide the use of City facilities for conducting recreation programs, subject to availability. The City shall invoice the County on an hourly rate basis for facility use. The hourly rate must be agreed upon by the County and the City before each use, and the rate must include the direct cost of facility use and any staffing, if needed, as provided by the City. The City shall provide to the County written documentation of the hourly rate prior to the use of City facilities.

C. This Agreement is for the benefit of the parties, and no third party beneficiary relationship is intended.

III. COMPENSATION

The City shall pay the County the yearly amount of \$8,377 for recreation programs provided by the County as set forth in this Agreement. In the event services are suspended due to long term non-financial emergencies that make specific services undeliverable, the County shall refund payment based on a monthly amount of \$698.08 for every month programs are suspended.

IV. INDEMNIFICATION

A. To the extent permitted by law, the County agrees to defend, indemnify, and hold the City, its elected and appointed officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorneys' fees, arising out of or in connection with the County's performance of this Agreement, except to the extent such claims, injuries, damages, losses, or suits are caused by the negligence of the City. No liability attaches to the County by reason of entering into this Agreement except as expressly provided herein.

B. To the extent permitted by law, the City agrees to defend, indemnify, and hold the County, its elected and appointed officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including reasonable attorneys' fees, arising out of or in connection with the City's performance of this Agreement, except to the extent such claims, injuries, damages, losses, or suits are caused by the negligence of the County.

V. TERMINATION OF AGREEMENT

A. Either party may terminate this Agreement upon a minimum of 90 days written notice to the other party using the method of notice provided for in this Agreement. The effective date of the termination will be December 31 of the current year in which notice of termination is given.

B. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way during the term of this Agreement, either party may, upon written notice to the other party, terminate or suspend this Agreement. Notwithstanding any provision to the contrary, funding under this Agreement beyond the current appropriation year is conditional upon the appropriation by each party's governing body of sufficient funds to support the work described in this Agreement. Should such an appropriation not be approved, the Agreement terminates at the close of the current appropriation year and the parties shall negotiate any refunds if applicable.

VI. RELATIONSHIP OF PARTIES

Employees of the City and the County remain at all times under the direction and control of their original party and the performance of work for the other party pursuant to this Agreement does not change that relationship for any purpose. Neither the City nor the County may be deemed to have agreed to pay the other party's employees any wages or benefits afforded to its own employees. Further, the City and the County responsibilities to its own employees for work place injuries remain unchanged by this Agreement.

VII. NOTICE

Any notice required under this Agreement must be sent, in writing, to the party at the address listed below and becomes effective three days following the date of deposit in the United States Postal Service.

CITY

Attn: Sue Falash
402 College St SE
Lacey, WA 98503

COUNTY

Attn: Tracey Villanueva
412 Lilly Road NE
Olympia, WA 98506

VIII. INTERPRETATION AND VENUE

This Agreement is be governed by the laws of the state of Washington. Any action arising out of this Agreement must be instituted and maintained in the Superior Court of Thurston County, Washington.

IX. ENTIRE AGREEMENT

This Agreement sets forth all terms and conditions agreed upon by the City and the County and supersedes any and all prior agreements oral or otherwise with respect to the subject matter addressed herein.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year written below.

CITY OF LACEY

THURSTON COUNTY

Rick Walk, City Manager

Jennifer Freiheit, Interim Director
Public Health and Social Services

Dated: _____

Dated: _____

APPROVED AS TO FORM:

David Schneider, City Attorney



LACEY CITY COUNCIL MEETING

December 3, 2024

SUBJECT: Final 2025 Budget Hearing

RECOMMENDATION: Conduct Budget Hearing, accept public comment, and discuss potential changes to the proposed budget.

STAFF CONTACT: Rick Walk, City Manager *RW*
Troy Woo, Finance Director *TW*

ORIGINATED BY: Finance Department

ATTACHMENTS:

FISCAL NOTE: Total Proposed 2025 Budget - \$280,088,819
Total Proposed 2025 General Fund Budget - \$78,069,464

**WORK PLAN GOAL
AND STRATEGY:** None

PRIOR REVIEW:

BACKGROUND:

The 2025 budget process is nearing completion, thanks to the dedication and efforts of the City Council and city staff. During the summer months and concluding in September, city staff developed the 2025 budget proposal. On September 10, 2024, preliminary revenue and expenditure estimates were presented to the City Council. Key budget issues for 2025 were then discussed during the annual budget workshop on September 24, 2024, where the City Council provided crucial guidance. City Manager Walk presented a balanced 2025 Budget to the City Council on October 15, 2024. Public input was sought through two public hearings, starting with the 2025 revenue public hearing on November 5, 2024, followed by the first budget public hearing on November 19, 2024. The proposed 2025 Budget reflects the City Council's guidance and policy direction provided throughout the process. The final public hearing on the budget is scheduled for December 3, 2024.

The total Proposed 2025 Budget is \$280,088,819. This is a decrease of \$49,948,924 compared to the amended 2024 Budget. Lower capital expenditures, the exclusion of one-time capital transfers from 2024, and the elimination of 2024 utility debt issuance transactions and related transfers in 2025 are helping to offset workforce additions and rising labor costs.

The total proposed General Fund Budget is \$78,069,464. This is a decrease of \$19,616,353 or 20.1 percent compared to the amended 2024 General Fund Budget. The decrease in General Fund Budget expenditures is primarily due to the reduction in one-time capital transfers associated with the first year of construction for the new police station and training facility. However, this is partially offset by significant increases driven by inflationary growth in labor costs.

The current proposed budget contains the following changes, which were discussed at the November 19 public hearing.

- Property tax adjustments for the 2024 refund levy and a slight decrease due to adjustments to new construction. These adjustments increased the property tax projection by \$143,026. This increase reduces the reliance on the use of the Budget Policy Program reserves to balance the proposed budget.
- A \$26,046 decrease to the joint animal services administrative support fee.
- \$3,904 increase to governmental legal services and prosecution. A 2024 budget amendment for permanent increases was inadvertently not included in the proposed 2025 Budget.
- It was discovered that the funding allocation of \$213,520 for the Mobile Outreach Team agreement had been inadvertently included in both the Human and Social Services Department and the new Public Safety Fund proposed budgets. Since the permanent funding for this vital community service is secured by the new Public Safety sales tax, the proposed budget for the Human and Social Services Department was reduced to reflect this correction.
- An additional \$500,000 from the City Council's Strategic Economic Development Investment reserve was identified as authorized for use, providing significant financial flexibility. This allocation reduces the reliance on Budget Policy Program reserves needed to balance the Proposed 2025 Budget.

The purpose of the Final 2025 Budget Hearing is to accept public testimony and for City staff to receive final direction for any budget changes. The 2025 Budget is scheduled for adoption on Tuesday, December 17, 2024.



CITY OF LACEY

Official Proclamation

WHEREAS, the City of Lacey recognizes and values the diversity of its community members and is committed to fostering a safe, welcoming, and inclusive community for all, regardless of race, ethnicity, religion, sex, gender identity, sexual orientation, national origin, disability, income, educational attainment, and English proficiency; and

WHEREAS, hate, racism, and other discriminatory and oppressive actions harm not only the targeted individuals but also the social fabric of our community, undermining trust, and cooperation among neighbors; and

WHEREAS, civil rights are fundamental to the foundation of our democratic society, ensuring that all community members feel safe, welcome, and valued and that discrimination, hate, and acts of violence undermine these values; and

WHEREAS, America has a 400-plus year history of violence and oppression of Black, Indigenous, other People of Color, and LGBTQIA+ communities in the United States, and recent events at the national, state, and local levels have highlighted the need for communities to take a firm stand against hate and the violation of civil rights and to reaffirm our shared commitment to justice, equity, and human rights; and

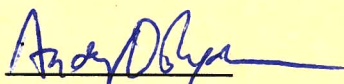
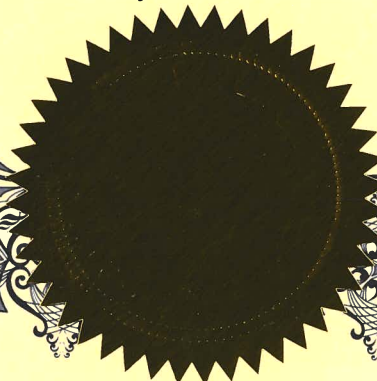
WHEREAS, the City of Lacey is committed to taking action to eliminate systemic barriers to equity and to promoting policies and programs that build understanding, reduce prejudice, and celebrate the contributions of all community members, as demonstrated by the recent adoption of our first-ever Diversity, Equity, Inclusion, and Belonging Strategic Plan; and

WHEREAS, the City of Lacey reaffirms its dedication to “act with purpose” in advancing equity, justice, and accountability by making meaningful progress on the goals, strategies, and action items identified in the Diversity, Equity, Inclusion, and Belonging Strategic Plan, including improving community engagement and outreach, creating more equitable policies and procedures, and continuing to protect against hate, hate crimes, discrimination, intimidation, and other forms of violence and oppression; and

NOW, THEREFORE, I, Andy Ryder, Mayor of the City of Lacey, on behalf of the Lacey City Council, do hereby proclaim that the City of Lacey is united:

Against Hate, Racism, and Discriminatory Actions

and urge all community members, businesses, and organizations to stand together in rejecting hate, promoting kindness and understanding, and working towards a community where everyone feels safe and is treated with dignity and respect.



Mayor Andy Ryder
December 3, 2024



LACEY CITY COUNCIL MEETING 12/03/2024

SUBJECT: Astound Broadband, LLC Telecommunications Franchise Renewal

RECOMMENDATION: **Motion to:** Adopt Resolution No. 1160 granting a telecommunications franchise renewal for Astound Broadband, LLC and authorizing the City Manager to enter into a franchise agreement with Astound Broadband, LLC.”

STAFF CONTACT: Rick Walk, City Manager *RW*
Shannon Kelley-Fong, Assistant City Manager *SKF*

ORIGINATED BY: City Manager’s Department

ATTACHMENTS:

1. Resolution No. 1160
2. Astound Broadband, LLC Franchise Renewal Agreement
3. Astound Broadband, LLC Franchise Renewal Application

FISCAL NOTE: \$1,500 – Franchise Application Renewal Fee

Astound Broadband, LLC will pay all fees applicable to persons doing business within the City, in addition to all applicable permit and development fees.

WORK PLAN GOAL AND STRATEGY: None

PRIOR REVIEW: [City Council Meeting – November 19, 2024](#)

BACKGROUND: The Lacey City Council previously reviewed these items at the November 19, 2024 City Council meeting.

On August 29, 2024, Astound Broadband, LLC (“Astound”) a Washington limited liability company, submitted a complete franchise renewal agreement to the City of Lacey (“City”) to install and operate facilities to provide telecommunications, internet access, and private line services to potential customers, including mobile backhaul services to existing cell phone

towers, within the City. Previously, the City granted Astound a five (5) year telecommunications franchise on February 2, 2015; this agreement was renewed on January 16, 2020 for an additional five (5) year period.

By entering into the City's proposed franchise agreement, Astound would need to meet the requirements and procedures of [Lacey Municipal Code Chapter 5.60, Telecommunications](#), and the [Development Guidelines and Public Works Standards of the City](#). As part of the application review process, Chapter 5.60 requires the city to make the following determinations:

1. Make a determination within 120 days of receiving a complete franchise agreement; and

Review: The City has until December 27, 2024 to make a determination.

2. Determine whether to grant or deny an application based on the following criteria:

Review: If the franchise agreement is approved, Astound would be required to comply with all conditions and regulations established by [LMC Chapter 5.60](#).

- A. The applicant must have legal ability to provide the service or use proposed for franchise authorization.

Review: Astound provided: Astound provided 1) FCC documentation, and 2) Washington Utilities and Transportation Commission (UTC) registration.

- B. The capacity of the rights-of-way to accommodate additional utility and telecommunications facilities if the application is granted.

Review: Astound is not proposing to build new infrastructure.

Astound would need to meet the hierarchy of physical locations of telecommunications facilities found in LMC 5.60.100.

The franchise renewal agreement states, "Before commencing any work pursuant to this agreement, Astound shall first file with the City an application for a permit to do such work, accompanied by drawings showing the position and location of all conduit, wire, fiber or any other equipment sought to be constructed, laid, installed or erected the depth below the surface of the ground and the relative position to existing streets, other utilities and other public places or ways."

- C. The applicant must have current registration issued by the FCC and WUTC.

Review: Astound provided 1) FCC documentation, and 2) Washington Utilities and Transportation Commission (UTC) registration.

- D. The applicant must demonstrate the willingness and ability to mitigate and/or repair damage or disruption, if any, to public or private facilities, improvements, services, travel or landscaping if the application is granted.

Review: Franchise agreement states that Astound will need to meet all provisions of LMC 5.60, including LMC 5.60.100:

“A. General Duties.

1. All grantees, before commencing any construction in the rights of way, shall acquire appropriate permits and comply with all requirements of the Lacey Municipal Code, specifically chapters 12.16 and 12.22 LMC, and the City of Lacey Development Guidelines. In the event of a conflict between this chapter and the Lacey Development Guidelines, the Lacey Development Guidelines shall control.”

In addition, LMC 5.60.090(J) provides terms specific to the restoration of rights-of-way or Other Property.

The franchise agreements state that Astound shall, at all times, keep a complete set of plans, specifications and records showing the exact location and depth of all such facilities. These records shall be subject to inspection by the City at any reasonable time. In addition, Astound shall provide to the City this information in the electronic format specified by the City.

- E. The damage or disruption, if any, of public or private facilities, improvements, service, travel or landscaping if the application is granted, giving consideration to an applicant’s willingness and ability to mitigate or repair same.

Review: See response to criteria “D” above.

- F. The availability of alternate locations for the proposed facilities.

Review: Astound is not proposing to build new infrastructure.

Astound would need to meet the hierarchy of physical locations of telecommunications facilities found in LMC 5.60.100.

- G. The grant to use the rights of way will serve the community interest.

Review: Astound could provide the Lacey community with additional data services options (residential, business, and wholesale).

H. Applicable federal, state and local laws, regulations, rules and policies will be met.

Review: Astound would need to comply with all provisions of LMC 5.60. The City believes LMC 5.60 meets all state and federal requirements at this time. LMC 5.60.190 states that state and federal law would preside if there is any future conflict with the LMC.

As outlined above, the City must review and make determinations of telecommunications franchise agreements that provides “reasonable, fair, and equitable access to the public rights of way of the city for telecommunications purposes on a competitively neutral basis.”

Pursuant to LMC 5.60.140, Astound is required to carry a minimum of \$2 million in liability insurance during the term of the franchise. Astound must also acquire a performance bond prior to any construction in the rights-of-way, which must remain in place until the Director of Public Works has approved the work.

LMC 5.60.100 prescribes the hierarchy of physical locations of telecommunications facilities in Lacey. This section states that overhead facilities would be required to be undergrounded if required by current or future underground construction requirements. In their application, Astound indicated that they are not proposing to build new infrastructure.

Astound has paid the City’s \$1,500 telecommunication franchise renewal application fee. In the future, Astound must apply for and receive all applicable rights-of-way and development permits for any work performed in the public rights-of-way.

Astound will pay all fees generally applicable to persons doing business within the City. Pursuant to the Internet Tax Freedom Act, internet services may not be taxed (47 U.S.C. §151). RCW 35.21.860 precludes cities from imposing franchise fees for any “telephone business” as defined in RCW 82.16.010 or “service provider” as defined in RCW 35.99.010, except for administrative expenses or any tax authorized by RCW 35.21.865.

Like previous City telecommunications franchise agreements, the proposed term of the Astound franchise agreements is five years from the date of execution.

Next Steps: The City Council could consider one of the following options:

Option 1: Adopt Resolution No. 1160 granting a telecommunications franchise renewal for Astound Broadband, LLC and authorizing the City Manager to enter into a franchise agreement with Astound Broadband, LLC

Option 2: Do not adopt Resolution 1160. Do not renew the telecommunications franchise agreement with Astound Broadband, LLC.

Option 3: Provide direction to City staff on other elements to consider. After further diligence on these elements, City Staff would then return to the City Council to review additional materials for consideration.

Option 4: Some other option not contemplated in the above options.

RESOLUTION No. 1160

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY GRANTING A FRANCHISE RENEWAL FOR TELECOMMUNICATIONS AND DIRECTING THE CITY MANAGER TO ENTER INTO A TELECOMMUNICATIONS FRANCHISE RENEWAL AGREEMENT WITH ASTOUND BROADBAND, LLC.

WHEREAS, Chapter 5.60 of the Lacey Municipal Code sets forth the process, requirements and conditions for telecommunications carriers to occupy the public rights of way via a franchise agreement; and

WHEREAS, on February 2, 2015, Astound Broadband, LLC a Washington limited liability company, was granted a five (5) year telecommunications franchise to Astound to install and operate facilities to provide telecommunications, internet access, and private line services to potential customers, including mobile backhaul services to existing cell phone towers, within the City of Lacey; and

WHEREAS, Astound Broadband LLC, received a telecommunications franchise renewal agreement from the City of Lacey (“City”) on January 16, 2020 for a period of five (5) years; and

WHEREAS, On August 29, 2024, Astound Broadband LLC, submitted a complete franchise renewal agreement application pursuant to Chapter 5.60 LMC; and

WHEREAS, said application has been reviewed by city staff who determined that the applicant meets the requirements of Chapter 5.60 LMC and has recommended that said application be granted; and

WHEREAS, the Council finds that the grant of a telecommunications franchise renewal to Astound will serve the community interest.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

1. Astound Broadband, LLC, a Washington limited liability company, is hereby granted a franchise for telecommunications.
2. The City Manager is hereby directed to enter into a Telecommunications Franchise Renewal Agreement with Astound Broadband, LLC, which Agreement shall include all of the conditions and requirements of Lacey Municipal Code Chapter 5.60.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON,
this _____ day of _____, 2024.

CITY COUNCIL

By _____
Mayor Andy Ryder

Attest:

Approved as to form:

Elissa Fontaine
City Clerk

Dave Schneider
City Attorney

ASTOUND BROADBAND, LLC
TELECOMMUNICATIONS FRANCHISE RENEWAL AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2024, by and between the City of Lacey, a municipal corporation of the State of Washington, hereinafter called “City” and Astound Broadband, LLC, a Washington limited liability company.

WHEREAS, on February 2, 2015, Astound Broadband, LLC, was granted a five (5) year telecommunications franchise to Astound Broadband, LLC to install and operate facilities to provide telecommunications, internet access, and private line services to potential customers, including mobile backhaul services to existing cell phone towers, within the City; and

WHEREAS, Astound Broadband, LLC received a telecommunications franchise renewal agreement from the City on January 16, 2020 for a period of five (5) years for these purposes; and

WHEREAS, on August 29, 2024, Astound Broadband, LLC, submitted a complete franchise renewal agreement pursuant to Chapter 5.60 LMC for these purposes; and

WHEREAS, the City has enacted Chapter 5.60 of the Lacey Municipal Code which provides for the requirements, conditions, and procedures for installation of such facilities in the City right-of-way and the granting of a franchise for the same, and

WHEREAS, Astound Broadband, LLC has paid to the City a franchise renewal application fee the sum of One Thousand Five Hundred Dollars (\$1,500.00).

NOW, THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The City hereby grants a franchise renewal to Astound Broadband, LLC to install facilities to provide telecommunications, internet access, and private line services to potential customers, subject to the following conditions:

A. This grant and the requirements and procedures to be followed shall specifically be subject to all provisions of Chapter 5.60 of the Lacey Municipal Code and the Development Guidelines and Public Works Standards of the City.

B. The performance bond required by the terms of Lacey Municipal Code Section 5.60.140B shall be acquired and shall remain in place until the Director of Public Works has approved the work. The bond shall then be maintained for one year after the approval of the work.

C. Astound Broadband, LLC shall, in addition to the franchise application fee provided to the City above, pay to the City all right-of-way permits or other fees generally applicable to all other persons doing business in the City. In addition, Astound Broadband,

LLC shall pay to the City that certain public utility business tax levied by Chapter 3.01 of the Lacey Municipal Code as the same now exists or may hereafter be amended.

D. Before commencing any work pursuant to this agreement, Astound Broadband, LLC shall first file with the City an application for a permit to do such work, accompanied by drawings showing the position and location of all conduit, wire, fiber or any other equipment sought to be constructed, laid, installed or erected the depth below the surface of the ground and the relative position to existing streets, other utilities and other public places or ways.

E. Astound Broadband, LLC shall, at all times, keep a complete set of plans, specifications and records showing the exact location and depth of all such facilities. These records shall be subject to inspection by the City at any reasonable time. In addition, Astound Broadband, LLC shall provide to the City this information in the electronic format specified by the City.

F. Astound Broadband, LLC shall place any new facilities underground in areas where existing telecommunications and cable facilities are installed underground. In areas where existing facilities are installed above ground, Astound Broadband, LLC may install facilities above ground, and at such time as the City requires other utilities to install facilities in the area underground, Astound Broadband, LLC will move its facilities underground.

G. Any new facilities to be located above-ground shall be placed on existing utility poles. No new utility poles shall be installed in connection with placement of new above-ground facilities.

2. The term of this agreement shall be five (5) years from the date of execution. Such term may be extended under conditions approved by both the City and Astound Broadband, LLC, its successors and assigns.

In witness whereof, the parties have hereunto set their hands this day and date first above written.

CITY OF LACEY

ASTOUND BROADBAND, LLC

By _____
Rick Walk, City Manager

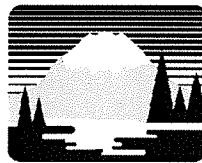
By: _____
Its: _____

ATTEST:

Elissa Fontaine, City Clerk

APPROVED AS TO FORM:

David Schneider, City Attorney



**City of Lacey
License / Franchise
Application**

For Location of Telecommunications
Facilities within City Right-of-Way

City of Lacey
420 College St SE
Lacey, WA 98503
Ph: 360-491-3214 | Fax: 360-412-3185

IMPORTANT: PURSUANT TO CITY OF LACEY RESOLUTION NO. 812, THIS APPLICATION CANNOT BE SUBMITTED UNLESS ACCOMPANIED BY A FRANCHISE APPLICATION FEE

OF:

1. TELECOMMUNICATION LICENSE - \$1,000
2. NEW TELECOMMUNICATIONS FRANCHISE - \$3,000
3. RENEWAL OF EXISTING TELECOMMUNICATIONS FRANCHISE - \$1,500

FEES ARE USED TO COVER ACTUAL ADMINISTRATIVE EXPENSE INCURRED BY THE CITY (INCLUDING TO STAFF AND ATTORNEY/CONSULTANT RELATED TIME) AND FEES ASSOCIATED WITH THE REVIEW OF THIS LICENSE/FRANCHISE APPLICATION AND ASSOCIATED LICENSE/FRANCHISE NEGOTIATIONS.

Applicants may attach additional pages to further explain the answers below. If you have any questions related to filling out this License/Franchise Application, please contact the City of Lacey City Manager's Department.

GENERAL INFORMATION			
1.	Name of Applicant Telecommunications Carrier: Astound Broadband, LLC		
2.	Address: 650 College Road East, Suite 3100		
3.	City, State: Princeton, NJ	Zip Code: 08540	Telephone: 6094528197
4.	Has the Applicant obtained a City business license? Yes ☐ No ☐ City of Lacey Business license: #602531913 PLEASE NOTE: All telecommunication carriers and service providers engaged in the business of transmitting, supplying or furnishing telecommunications service of any kind originating, traversing, or terminating in the City of Lacey shall apply for and obtain a Business License from the City pursuant to Chapter 5 of the Lacey Municipal Code.		

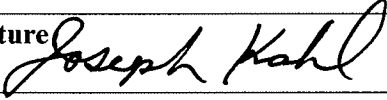
5.	Name of Person Filing this Application: Joseph Kahl Title: VP, Corporate Regulatory & Government Affairs Company: Astound Broadband, LLC
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6.	Address: 650 College Road East, Suite 3100		
7.	City, State: Princeton, NJ	Zip Code: 08540	Telephone: 6096812184
8.	Are you serving as agent for the above-named telecommunications carrier? Yes ☐ No ☒ If yes, please attach proof of agency.		

PROPERTY AND FACILITY INFORMATION:

9.	Is this an application for: (i) Telecommunications License? Yes ☐ No ☐ (LMC 5.60.020 - "License" is an agreement with any telecommunications carrier who desires to construct, install, operate, maintain or otherwise locate telecommunications facilities in rights of way <u>and</u> to also provide telecommunications services exclusively to persons and areas outside the city.) (ii) New franchise? Yes ☐ No ☐ (LMC 5.65.020 – "Telecommunications franchise" or master permit is required with any telecommunications carrier who desires to construct, install, operate, maintain or otherwise locate facilities in rights of way and to also provide telecommunications to persons or areas in the city.) (iii) Renewal of existing franchise? Yes ☒ No ☐ (iv) Transfer of a franchise? Yes ☐ No ☐ If yes, identify the current franchisee:
10.	If you are renewing/amending an existing franchise, has your franchise otherwise expired? Yes ☐ No ☒ If not, what is the expiration date of your current franchise? January 16 th , 2025
11.	Describe any other telecommunication service the applicant currently provides within the city. Astound Broadband, LLC began providing dark fiber, internet, phone and point-to-point services throughout the City of Lacey in January 2015 and continues to do so.

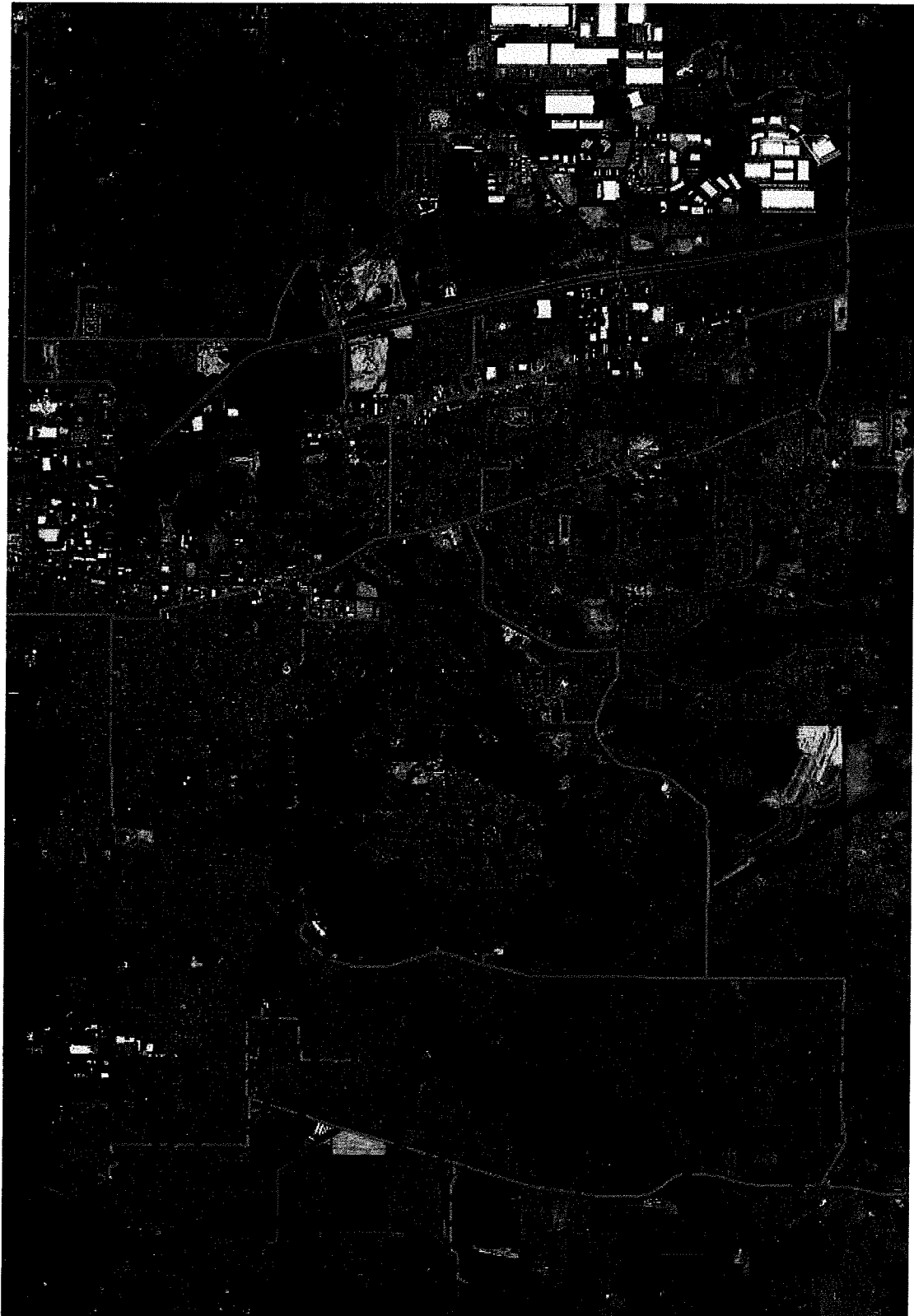
12.	Describe the telecommunications facilities and/or other equipment proposed to be located within subject right-of-way. Astound existing facilities consists of underground conduit, aerial strand, vaults, risers and fiber optic cable. Attached is a map that outlines our current fiber footprint. The application is for a franchise that is (select the option that applies): ☒ City-wide ☐ Specific area(s) or route(s). For this option provide: 1. Provide an estimated construction schedule and completion date: 2. Attach preliminary engineering plans, route map, and sufficient explanation to identify where facilities are proposed to be located within the City.
13.	This application proposes to install infrastructure (mark all that apply): ☐ Underground in existing conduits ☐ Underground in new conduits ☐ Overhead ☐ On street level For each of the above, evidence must be provided by the applicant that sufficient surplus capacity exists, including underground utilities in place in proposed route, height of lines if overhead, the amount of surplus capacity remaining after installation of the applicant's facilities, and evidence of ownership or right to use of facilities, see 23.vii. NOTE: For permits, the following information will be required (this list may not be comprehensive): overhead and underground electric, cable, telecommunications, natural gas, water, sewer, storm facilities, location(s), if any, for interconnection with facilities of other telecommunication providers; specific trees, structures, and obstructions that the applicant proposes to temporarily or permanently remove or relocate. Currently Astound Broadband is not proposing to build new infrastructure. All are existing facilities.
14.	Indicate what registrations, licenses, certificates, and authorizations are required from the Federal Communications Commission, the Washington Utilities and Transportation Commission and any other federal or state agency with jurisdiction over the proposed activities. Have all such licenses, certificates and authorizations been obtained? Provide copies of registration filed with and issued by the Washington Utilities and Transportation Commission pursuant to WAC 480-121 and any approved tariff or price list and permit, operating license or other right or approvals issued by the Federal Communications Commission to provide telecommunications services.

15.	Describe in detail the services that you expect to provide within/outside of the City, including whether the provision of services will be to commercial and/or residential customers. As noted in number 11 above, Astound Broadband, LLC began providing dark fiber, internet, phone and point-to-point services throughout the City of Lacey in January 2015 and continues to do so.		
16.	Provide a summary of all utility taxes the proposed activities, facilities, and other equipment will be subject to. In doing so, provide an estimate of income/revenues that can be used to calculate estimated future utility taxes. Should applicant believe it is not subject to any utility taxes, provide the basis for such belief. The estimated revenue subject to utility tax is approximately \$5,000 per month.		
17.	Explain whether the Internet Tax Freedom Act does or does not apply to the services being provided. The Internet Tax Freedom Act ("ITFA") does apply to the services being provided. The ITFA prohibits all state and local taxes on internet access.		
<i>The City of Lacey reserves the right to ask additional questions on a case by case basis.</i>			
Certification			
I certify that the information and any attachment herewith submitted are true and correct to the best of my knowledge and that I have the authority to file this application and act on behalf of the above-named telecommunications provider or carrier.			
18.	Signature	Please Print Name	Date
		Joseph Kahl	5/27/2024
19.	SUBMIT TO: City Manager's Office ATT: Assistant City Manager City of Lacey 420 College St SE Lacey, WA 98503 Ph: 360-491-3214 Fax: 360-412-3185		
ALSO SUBMIT WITH THIS COMPLETED APPLICATION FORM:			

20.	i. Evidence of registration in the one-number locator service, as described in RCW Chapter 19.122. ii. Proof of agency, if necessary (as indicated above). iii. If you are a new franchisee or if you are requesting a franchise transfer provide a copy of the Utilities and Transportation Commission Registration and Competitive Classification of Telecommunications Companies form, if you are registered with the Utilities and Transportation Commission and any approved tariff or price list or permit, operating license or other right or approvals issued by the Federal Communications Commission to provide telecommunication services. iv. If you are a current franchisee or if you are requesting a franchise transfer provide the most recent income statement or report of gross revenues used for calculating utility taxes paid to the City. This report should contain detailed information as to how you calculated the utility taxes owed to the City. PLEASE SEE ATTACHED REPORT, iv. For franchises for specific area(s) or route(s) - Attach preliminary engineering plans, route map, and sufficient explanation to identify where facilities are proposed to be located within the City. All permits on file /record with the City of Lacey. Astound Broadband permitted all facilities in the City of Lacey right-of-way. vi. Evidence of ownership or right to use of facilities. vii. If lines are to be installed in existing conduits, new conduits, or overhead, provide evidence that sufficient surplus capacity exists, including underground utilities in place in proposed route, height of lines if overhead, the amount of surplus capacity remaining after installation of the applicant's facilities, and evidence of ownership or right to use of facilities. Astound Broadband is currently not proposing to build new infrastructure. All are existing facilities.
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CITY REVIEW	
21.	Received By: SHANNON KELLEY-FONG
22.	Application fee received (amount): \$1500.00
23.	 Signature Date 08/29/2024
24.	Reviewed by (initial): PW: CD: C/A: FI: CM:
25.	Date Approved:
26.	_____ Signature _____ Date

Astound Network



PRICE LIST AND SERVICE DESCRIPTION APPLICABLE TO
SWITCHED ACCESS SERVICES
PROVIDED BY
ASTOUND BROADBAND, LLC WITHIN
THE STATE OF WASHINGTON

Issued By:
Joseph Kahl
VP Regulatory & Public Affairs
650 College Road East, Suite 3100 Princeton,
NJ 08540

APPLICATION OF PRICE LIST

This Price List contains the regulations and rates applicable to intrastate switched access services provided by Astound Broadband, LLC (the "Company") within the State of

Washington. Company's services are furnished subject to the availability of facilities and subject to the terms and conditions of this Price List.

The rates and regulations contained in this Price List apply only to the services furnished by Company.

Changes in rates, terms and conditions are subject to change without notice.

DEFINITION OF TERMS

Effective: January 1, 2010

Revised: May 31, 2019

Astound Broadband, LLC
Joseph Kahl – VP Regulatory & Public Affairs
650 College Road East, Suite 3100, Princeton, NJ 08540

Certain terms used generally throughout this Price List for Communications Service of this Company are defined below.

Access Services: The services provided under this Price List, consisting of the offering of access to telephone exchange services or facilities, or their functional equivalent thereof, for the purpose of terminating Customer's toll service traffic to Users served directly or indirectly by the Company. Originating access services may be available upon request on an ICB basis.

Advance Payment: Part or all of a payment required before the start of service.

Commission: The Washington Utilities and Transportation Commission.

Company: Astound Broadband, LLC, the issuer of this Price List.

Customer: The person, firm or corporation that purchases service and is responsible for the payment of charges and compliance with the Company's regulations.

Dedicated: A facility or equipment system or subsystem set aside for the sole use of a specific Customer.

End Office: The switching system office or serving wire center (or functionally equivalent or analogous facilities) from which End Users receive exchange service. By way of example, system(s) or facility(ies) in a carrier's network which host telephone numbers listed in the database of the Number Portability Administration Center as assigned to the carrier, constitute an "End Office." For purposes of this price list, with respect to each 101-XXXX code prefix assigned to the Company, the location of the Company's "end office" for purposes of this price list shall be the point of interconnection associated with that 101-XXXX code in the Local Exchange Routing Guide (LERG). Services provided at a Trunk Gateway location (as defined elsewhere) are the functional equivalent of services provided at an End Office location.

End User: A non-carrier customer of an intrastate telecommunications or unregulated service provider.

Individual Case Basis (ICB): A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the case.

Effective: January 1, 2010

Revised: May 31, 2019

Astound Broadband, LLC

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Interconnect Carrier: Any carrier that connects to Company's network for exchange of communications traffic.

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Trunk Gateway: The point of interface between the PSTN trunk facility and the Company defined by Common Language Location Identifier (CLLI) codes assigned to the Company as reflected in the LERG. A customer may purchase services at a Trunk Gateway location that are the functional equivalent of services provided at an End Office location.

User: A Customer or any other person, firm, corporation or End User authorized by a Customer to use service provided under this Price List. A User may include a third-party carrier whose services are necessary to serve End Users.

VoIP-PSTN Traffic: Traffic exchanged between the Company and the Customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format.

SECTION 1. - UNDERTAKING OF THE COMPANY

1.1 General

1.1.1 The Company does not undertake to transmit messages but offers the use of its facilities for transmission of communications.

1.1.2 Customers and Users may use services and facilities provided by the Company to obtain access to services offered by other companies. The Company is responsible for the services and facilities it provides and it assumes no responsibility for any service provided by any other entity.

1.1.3 The Company shall have no responsibility with respect to billings, charges or disputes related to services used by the Customer that are not included in the services herein including, without limitation, any local, regional or long distance services not offered by the Company. The Customer shall be fully responsible for the payment of any bills for such services and for the resolution of any disputes or discrepancies with the service provider.

1.2 Description of Service

The Service consists of terminating Exchange Access service (as defined in 47 U.S.C. § 153(16)), in which the Company routes Customer's communications to End-Users directly, or indirectly on a wholesale basis through third-parties. Third-parties may be interconnected VoIP service providers (as defined in 47 C.F.R. § 9.3) who, in turn, will undertake to deliver messages to end-users. Originating access services are available on an ICB basis only.

1.3 Shortage of Equipment or Facilities

1.3.1 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control, on a nondiscriminatory basis.

1.3.2 The furnishing of service is subject to the availability on a continuing basis of all the necessary facilities and is limited to the reasonable capacity of the Company's facilities as well as facilities the Company may obtain from other

carriers to furnish service from time to time as required at the sole discretion of the Company.

1.4 Terms and Conditions

1.4.1 Access services are available upon request.

1.4.2 Customers may be required to enter into written service orders that shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, characteristics of the traffic to be routed (*i.e.*, percent toll subject to interstate or intrastate access charges; percent local) and other terms and conditions, as may be required.

1.4.3 The price lists of the Company shall be interpreted and governed by the laws of the State of Washington without regard to its choice of laws provision.

1.5 Liability of the Company

1.5.1 The Company assumes no liability for the failure to furnish the service, whether caused by acts or omissions of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer or User as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company, Company's employees or agents.

1.5.2 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority, national emergencies, insurrections, riots, wars, unavailability of rights-of-way or materials, or strikes, lockouts, work stoppages, or other labor difficulties.

1.5.3 The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers or Users facilities or equipment used for or with the services the Company offers.

- 1.5.4 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or User or due to the failure or malfunction of Customer or User provided equipment or facilities.
- 1.5.5 The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered, or as required by Washington Law.
- 1.5.6 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer provided equipment or facilities.
- 1.5.7 The Company shall not be liable for any damages resulting from delays in meeting any service dates for any reason.
- 1.5.8 The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with the Company.

1.6 Provision of Equipment and Facilities

- 1.6.1 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer, its designate, or Authorized User.
- 1.6.2 The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment.
- 1.6.3 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing its services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

1.7 Suspension of Service in the Case of Suspected Fraud or Misuse

Company may immediately suspend service in the case of suspected fraud or misuse without incurring any liability. Company will contact Customer as soon as practical and service will be restored when concerns have been addressed or rectified.

Effective: January 1, 2010

Revised: May 31, 2019

Astound Broadband, LLC
Joseph Kahl – VP Regulatory & Public Affairs
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1.8 Installations

At the Customer's request, installation and/or maintenance may be performed by the Company. In such cases, charges based on the cost of the actual labor, material, or other costs incurred by or charged to the Company will apply, including additional charges for nonroutine work and work done after regular business hours.

1.9 Ownership of Facilities

Title to all facilities provided by the Company remains with the Company, its agents or contractors. The Customer shall not have, nor shall it assert, any right, title or interest in any of the fiber optic or other facilities and associated equipment provided by the Company hereunder.

1.10 Governmental Authorizations

The provision of services is subject to and contingent upon the Company and Customer obtaining and retaining such approvals, consents, governmental authorizations, licenses and permits, as may be required or be deemed necessary by the Company. The Company and the Customer shall use reasonable efforts to obtain and keep in effect all such approvals, consents, authorizations, licenses and permits that may be required to be obtained by it. The Company shall be entitled to take, and shall have no liability whatsoever for, any action necessary to bring the Services into conformance with any rules, regulations, orders, decisions, or directives imposed by the Federal Communications Commission or other applicable agency, and the Customer shall fully cooperate in and take such action as may be requested by the Company to comply with any such rules, regulations, orders, decisions, or directives.

SECTION 2. - OBLIGATIONS OF THE CUSTOMER**2.1 General**

The Customer shall be responsible for the following:

2.1.1 Payment of all applicable charges pursuant to the price lists of the Company.

2.1.2 Damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer or of any User; or by the noncompliance by the Customer or any User with the Company's tariffs or price lists; or by fire or theft or other casualty on the Customer's or any User's Premises, unless

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caused by the negligence or willful misconduct of the employees or agents of the Company.

- 2.1.3 Providing at no charge, as specified from time to time by the Company, any personnel, equipment space and power needed to operate the Company facilities and equipment installed on the premises of the Customer or any User, and the level of heating, ventilation, air conditioning, and access necessary to maintain the proper operating environment for such facilities and equipment on such premises.
- 2.1.4 Providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company.
- 2.1.5 Identifying, monitoring, removing and disposing of any hazardous material (for example, but without limitation, friable asbestos) prior to any construction or installation work;
- 2.1.6 Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any Customer or User premises or the rights-of-way for which Customer is responsible; and granting or obtaining permission for the Company's agents or employees to enter the premises of the Customer or any User at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.
- 2.1.7 Not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities.
- 2.1.8 Making the Company's facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

2.2 Customer Responsibility

Effective: January 1, 2010

Revised: May 31, 2019

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Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s), for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.3 Prohibited Uses

- 2.3.1 The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all governmental approvals, authorizations, licenses, consents and permits required to be obtained by the Customer.
- 2.3.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to provide a letter to the Company confirming that their use of the Company's offerings complies with Company tariffs or price lists, Commission regulations, policies, orders, and decisions, and any other relevant law.
- 2.3.3 The Company may, without the consent of Customers, assign any rights, privileges, or obligations under this Price List. Customers shall not, without prior written consent of the Company, assign, transfer, or in any other manner dispose of, any of rights, privileges, or obligations under this Price List, and any attempt to make such an assignment, transfer, disposition without such consent shall be null and void.
- 2.3.4 The Company may require a Customer to immediately shut down its transmission of signals if that transmission is causing interference to others, in the case of suspected fraud or misuse, or if usage is otherwise degrading the Company's network or services being provided to other customers.
- 2.3.5 A Customer may not use the services so as to interfere with or impair service over any facilities and associated equipment, or so as to impair the privacy of any communications over such facilities and associated equipment.
- 2.3.6 A Customer shall not represent that its services are provided by the Company, or otherwise indicate to its customers that its provision of services is jointly with the Company, without the written consent of the Company. The relationship between the Company and Customer shall not be that of partners or agents for one or the other, and shall not be deemed to constitute a partnership or agency agreement.

2.4 Claims

Effective: January 1, 2010

Revised: May 31, 2019

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With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for the following:

- 2.4.1 Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer or User or their employees, agents, representatives or invitees.
- 2.4.2 Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer or User, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between Customer and the Company.
- 2.4.3 Any claim of any nature whatsoever brought by a User with respect to any matter for which the Company would not be directly liable to the Customer.

SECTION 3. - PAYMENT ARRANGEMENTS

3.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold or shared with other persons.

3.2 Billing and Collection of Charges

- 3.2.1 Charges are due and payable within 30 days after the date an invoice is mailed to the Customer by the Company.
- 3.2.2 The Company will begin billing the Customer on the Service Commencement Date, and billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

- 3.2.3 If the Company receives any portion of the payment after the date due, or if the Company receives any portion of the payment in funds that are not immediately available, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment for regulated telecommunications services not received by the date due, net of taxes, not compounded, multiplied by a monthly late factor of 1.5%.
- 3.2.4 For any check the Company receives from the Customer that is returned to the Company due to insufficient funds, uncollected funds, or closed account, the Company will assess a \$35.00 fee on the Customer for each check returned.
- 3.2.5 Ordering, Rating and Billing of Access Services where more than one exchange carrier is involved will be handled as follows:

All recurring and non-recurring charges for services provided by each exchange carrier are billed under each Company's applicable tariffs or price lists. Under a Meet Point Billing arrangement, the Company will bill for charges for traffic terminated or originated by the Company.

The multiple billing arrangement described in this section is subject to the provisions of the Multiple Exchange Carrier Access Billing Guidelines (MECAB) and the Multiple Exchange Carrier Ordering and Design Guidelines (MECOD). For terminating access services provided via jointly provided arrangements with other local exchange carriers, Company provides the shared transport, common line, and end office switching components of the service, or the functional equivalent thereof.

Each company will provide its portion of access service based on the regulations, rates and charges contained in its respective tariff or Price List.

Originating access services are available on an ICB basis only.

3.3 Advance Payments

- 3.3.1 To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and the first month's estimated recurring charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated nonrecurring charges for the

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special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill.

- 3.3.2 A customer whose service has been discontinued for nonpayment of bills will be required to pay the unpaid balance due for regulated telecommunications services and may be required to pay reconnect charges.

3.4 Deposits

Company may require Customer to make deposits for special installation and services, the amount to be determined upon Company's sole discretion.

3.5 Discontinuance of Service

- 3.5.1 Upon nonpayment of any amounts owing to the Company, the Company may, after ten days prior written notice, discontinue or suspend service without incurring any liability.
- 3.5.2 Upon violation of any of the other material terms or conditions for furnishing service the Company may discontinue or suspend service without incurring any liability.
- 3.5.3 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer, or if a condition immediately dangerous or hazardous to life, physical safety or property exists, or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- 3.5.4 Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- 3.5.5 Upon the Company's discontinuance of service to the Customer under this section, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of applicable, contracts, tariffs or Price Lists, the Company may declare all future monthly and other charges that would have been payable by the Customer during the remainder of the minimum term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

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SECTION 4 - MISCELLANEOUS

4.1 Cancellation of Application for Service

4.1.1 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply.

4.1.2 The special charges described in this Section will be calculated and applied on a case-by-case basis.

4.2 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

4.3 Taxes

The Customer is responsible for the payment of Federal excise taxes, gross receipts, access, state and local sales and use taxes and all taxes, fees, surcharges (however designated) and other exactions imposed on the Company or its services by governmental jurisdictions, other than taxes imposed generally on corporations. Any taxes imposed by a local jurisdiction (e.g. county and municipal taxes) will only be recovered from those customers residing in the affected jurisdictions. All such taxes, fees, and charges shall be separately designated on the Company's invoices, and are not included in the rates for service. The Customer shall be responsible for paying any such taxes that subsequently become applicable retroactively.

4.4 Disputed Bills

The Customer may dispute a bill only by written notice to the Company. Unless such notice is received within 30 days of the date Customer receives the bill, the bill statement shall be deemed to be correct and payable in full by Customer. When Customer makes a timely written dispute, Company will make such investigation as is required by the particular case and shall report the results of its investigation to

Customer. All disputes between the Company and the Customer that cannot be settled through negotiation may be resolved by arbitration upon written demand of either party. Arbitration shall be referred to the American Arbitration Association (AAA) and conducted pursuant to its Commercial Arbitration Rules. The arbitrator shall have the authority to award compensatory damages solely; such award shall be final and binding and may be entered in any court having jurisdiction thereof. The provisions of the Federal Arbitration Act shall govern such arbitration. This dispute process does not preclude the Customer from filing a complaint with the Commission.

SECTION 5. - NOTICES AND COMMUNICATIONS

5.1 All notices or other communications required to be given pursuant to the tariffs or Price Lists of the Company will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

5.2 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

SECTION 6. - CUSTOMER EQUIPMENT AND CHANNELS

6.1 General

A User may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals. A User may transmit any form of signal that is compatible with the Company's equipment, but except as otherwise specifically stated in its tariffs or Price Lists, the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication.

6.2 Interconnection of Facilities

Effective: January 1, 2010

Revised: May 31, 2019

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Joseph Kahl – VP Regulatory & Public Affairs
650 College Road East, Suite 3100, Princeton, NJ 08540

- 6.2.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- 6.2.2 Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs or Price Lists of the other communications carriers which are applicable to such connections.
- 6.2.3 Facilities furnished under the Company's tariffs or Price Lists may be connected to Customer-provided terminal equipment. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations, and all User-provided wiring shall be installed and maintained in compliance with those regulations.

6.3 Tests and Adjustments

Upon suitable notice, the Company may make such tests, adjustments, and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition. No interruption allowance will be credited to the Customer for the period during which the Company makes such tests, adjustments, or inspections.

6.4 Inspections

- 6.4.1 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that Customers and Users are complying with the requirements of this Price List.
- 6.4.2 The Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving the notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do so, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

SECTION 7. - SPECIAL CONSTRUCTION AND SPECIAL ARRANGEMENTS**7.1 Special Construction**

Subject to the agreement of the Company and to all of the regulations contained in the Company's tariffs or Price Lists and upon Customer's request, the Company may undertake special construction and special arrangements on a reasonable efforts basis. Special arrangements include any service or facility relating to a regulated telecommunications service not otherwise specified under a tariff or Price List, or for the provision of service on an expedited basis or in some other manner different from the normal offering of service.

7.2 Basis for Charges

Where the Company furnishes a facility or service on a special construction basis, or any service for which a rate or charge is not specified in the Company's tariffs or Price Lists, charges will be based on the costs incurred by the Company and may include, (1) nonrecurring charges; (2) recurring charges, (3) termination liabilities; or (4) combinations thereof. The Customer and the Company shall negotiate an agreement for special construction the pricing for which will be set on an ICB basis and which will typically include a minimum service commitment based on the estimated service life of the facilities provided and early termination liability provisions.

SECTION 8. - SWITCHED ACCESS SERVICE**8.1 Switched Access Service**

Switched access service provides for the switching and routing of interexchange traffic to or from the called party's premises, either directly or via contractual or other arrangements with an affiliated or unaffiliated entity, regardless of the specific functions provided or facilities used. The charges for such services shall be assessed at the rates set forth in the table below. Services may be provided directly by Company or in conjunction with a n affiliated, or unaffiliated, third-party.

8.2 Application of Tariff to VoIP-PSTN Traffic

VoIP-PSTN Traffic is defined as traffic exchanged between the Company and the Customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section 8 governs the identification and compensation of VoIP-PSTN Traffic that is subject to compensation at rates equivalent to interstate access rates (unless the parties have agreed otherwise) pursuant to the Federal Communications Commission's Report and Order in WC Docket Nos. 10-90, etc., FCC Order No. 11-161. The terminating VoIP-PSTN Traffic identified in accordance with this tariff section, and in the absence of an interconnection agreement setting forth alternative rates and terms, will be billed at rates equal to Company's applicable tariffed interstate switched access rates as provided in the Company's FCC tariff, as reflected in the rate table below.

The Company affirms that all of its traffic either originates from or terminates to a VoIP end user and is, therefore, VoIP-PSTN, as defined in the FCC Order. Accordingly, the use of a traffic factor, for example in the form of a percent of VoIP usage (or "PVU") or otherwise, is unnecessary and will not be used unless Company otherwise agrees to the use of such a factor.

8.3 Rate Categories**8.3.1 Tandem Transport**

Effective: January 1, 2010

Revised: May 31, 2019

Astound Broadband, LLC

Joseph Kahl – VP Regulatory & Public Affairs

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The Tandem Transport rate category provides for transmission between an access tandem and the Company's End Office, Trunk Gateway, or other functionally equivalent location. Rate elements include:

A. Transport Termination

The Transport Termination element includes the non-distance sensitive portion of Tandem Transport and is assessed on a per-access-minute-of-use basis.

B. Transport Facility

The Transport Facility element includes the distance-sensitive portion of Tandem Transport and is assessed on a per-access-minute-of-use-per-mile basis. Transport Facility will be calculated based on the airline mileage between the access tandem (or functional equivalent) and the Company's End Office, Trunk Gateway, or functionally equivalent location within the applicable LATA.

8.3.2 Network Access

Network Access provides the functional equivalent of traditional end office switching, and consists of the following elements: Network Switching.

A. Network Switching

Network Switching provides for: (a) the establishment of a call path for the routing of Customer communications from the Company's End Office, Trunk Gateway, or functionally equivalent location to a Company End User and (b) the establishment of a call path for the routing of communications originating from a Company End User for delivery to the Company's End Office, Trunk Gateway, or functionally equivalent location.

The "establishment" of a call path and routing is achieved through equipment and facilities, including, in some cases, a soft switch or similar equipment, owned, or controlled through contractual or other arrangements, by the Company, which allows for the routing of voice communications between the Company's End Office, Trunk Gateway, or functionally equivalent location and End Users via SS7 signaling based on telephone numbers obtained by the Company and assigned to End Users as set forth in the LERG.

8.4 Rates

Effective: January 1, 2010

Revised: May 31, 2019

Astound Broadband, LLC

Joseph Kahl – VP Regulatory & Public Affairs

650 College Road East, Suite 3100, Princeton, NJ 08540

<u>Rate Element</u>	<u>Recurring Rate per MOU</u>	
	<i>Qwest/CenturyLink Territory</i>	<i>Frontier Territory</i>
A) Tandem Transport		
1) Tandem Transport Termination		
a) Originating	\$0.004579	\$0.004579
b) Terminating	\$0.0002400	\$0.000000
2) Tandem Facility		
a) Originating	\$0.000120	\$0.000120
b) Terminating	\$0.00003	\$0.0000020
3) Tandem Switching	\$0.002252	\$0.0036642
B) Network Access		
1) Local Switching		
a) Originating	\$0.00197400	\$0.0018654
b) Terminating	\$0.00080700	\$0.00070000
2) Trunk Port		
a) Originating	\$0.00074700	\$0.00038610
b) Terminating	\$ 0.00030600	\$0.00000000
3) Multiplexing	\$.000036	\$0.000000

Effective: January 1, 2010

Revised: May 31, 2019

Astound Broadband, LLC
 Joseph Kahl – VP Regulatory & Public Affairs
 650 College Road East, Suite 3100, Princeton, NJ 08540

C) 8XX Toll Free Access Customer Identification Charge	\$0.00480 per query	\$0.0099138
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8.5 Other Services

For other services, including without limitation, direct connect arrangements and originating access services, all pricing and service arrangements will be furnished, practicable, to meet the communications needs of specific Customers on a case by case basis under individual contracts subject to competitive pricing principles.

SECTION 9. – SUBSCRIBER LINE CHARGE

The Subscriber Line Charge is a monthly recurring charge and applies to all line, trunk and PRI services offered by the Company. There are no exemptions associated with this product charge. Rates are subject to change.

Residential**Per Line****Monthly****\$6.50****Commercial****Per Line****\$6.50**

Effective: January 1, 2010

Revised: May 31, 2019

Astound Broadband, LLC
Joseph Kahl – VP Regulatory & Public Affairs
650 College Road East, Suite 3100, Princeton, NJ 08540



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 12th STREET S.W.
WASHINGTON D.C. 20554

News media information 202-418-0500

Fax-On-Demand 202-418-2830; Internet: <http://www.fcc.gov> (or ftp.fcc.gov) TTY
(202) 418-2555

DA No. 06-2616

Report No. TEL-OI 100

Friday December 29, 2006

INTERNATIONAL AUTHORIZATIONS GRANTED

Section 214 Applications (47 C.F.R. 63.18); Section 310(b)(4) Requests

The following applications have been granted pursuant to the Commission's streamlined processing procedures set forth in Section 63.12 of the Commission's rules, 47 C.F.R. 63.12, Other provisions of the Commission's rules, or procedures set forth in an earlier public notice listing applications accepted for filing.

Unless otherwise noted, these grants authorize the applicants (1) to become a facilities-based international common carrier subject to 47 C.F.R. 63.22; and/or (2) to become a resale-based international common carrier subject to 47 C.F.R. § 63.23; or (3) to exceed the 25 percent foreign ownership benchmark applicable to common carrier radio licensees under 47 U.S.C. 310(b).

This PUBLIC NOTICE SERVES AS EACH NEWLY AUTHORIZED CARRIER'S SECTION 214 CERTIFICATE. It contains general and specific conditions, which are set forth below. Newly authorized carriers should carefully review the terms and conditions of their authorizations. Failure to comply with general or specific conditions of an authorization, or with other relevant Commission rules and policies, could result in fines and forfeitures.

An updated version of Sections 63.09—25 of the rules, and other related sections, is available at <http://www.fcc.gov/ib/pd/pf/telecomrules.html>.

ITC-214-20061130-00536 E

OMELY TELECOM CORPORATION

International Telecommunications Certificate

Service(s): Global or Limited Global Facilities-Based Service, Global or Limited Global Resale Service

Grant of Authority

Date of Action: 12/22/2006

Application for authority to provide facilities-based service in accordance with Section 63.18(e)(1) of the rules, and also to provide service in accordance with Section 63.18(e)(2) of the rules.

ITC-214-20061201-00539 E

American Telephone Company LLC

International Telecommunications Certificate

Service(s): Global or Limited Global Resale Service

Grant of Authority

Page 1 Of 5
Date of Action: 12/22/2006

Of the rules.

Application for authority to provide service in accordance with Section 63.1

ITC-214-20061205-00549 E

Sunshine State Telephone Co

International Telecommunications Certificate

Service(s): Global or Limited Global Resale Service

Grant of Authority

Date of Action: 12/22/2006

Application for authority to provide service in accordance with Section 63.8(e)(2) of the rules.

ITC-214-20061206-00548 E

A&A COMMUNICATIONS INC.

International Telecommunications Certificate

Service(s): Global or Limited Global Facilities-Based Service, Global or Limited Global Resale Service

Grant of Authority

Date of Action: 12/22/2006

Application for authority to provide facilities-based service in accordance with Section 63.18(e)(1) of the rules, and also to provide service in accordance with Section 63.18(e)(2) of the rules.

ITC-ASC-20061106-00504 E

Astound Broadband, LLC

Assignment

Grant of Authority

Date of Action: 12/22/2006

Current Licensee: RCN Telecom Services, Inc.
FROM: RCN Telecom Services, Inc.

T O: Astound Broadband, LLC

Application consent to assign certain telecommunications assets from RCN Telecom Services, Inc. (RCN) to Astound Broadband, L.L.C. (Astound). Pursuant to an Asset Purchase Agreement dated August 17, 2006, Astound will acquire from RCN the customer accounts, networks, and telecommunications switch located in the San Francisco and San Mateo counties of Northern California (Affected Service Area). After the acquisition RCN will continue to provide services outside the affected service area pursuant to its international section 214 authorization, ITC-214-19970723-00430. Astound will provide service pursuant to its existing section 214 authorization, ITC-214-20050701-00565 (see ITC-ASG-20050701-00241, DA 05-2397 dated sept 1, 2005),

Astound is a Washington limited liability company and wholly-owned subsidiary of WaveDivision Holdings, LLC (Wave). The limited liability company agreement pursuant to which Wave is organized authorizes the issuance of three classes of units (A, B, and C) for purposes of distribution of proceeds of the company. The following U.S. entities hold 10 percent or greater Class A Units in Wave: WaveDivision Capital, LLC (11 members, all U.S. citizens) (10 percent), Sandler Capital Partners V, L.P. (Sandler Capital Partners) (60.19 percent), and SCP V FTE WaveDivision Holdings, L.P. (SCP V FTE WaveDivision) (27.01 percent). Sandler Investment Partners, L.P. (Sandler Investment Partners), U.S. entity, is general partner of both Sandler Capital Partners and SCP V FTE, WaveDivision. Sandler Capital Management, L.L.C. entity, is general partner of Sandler Investment Partners, Five Individuals, all U.S. citizens, hold 10 percent or greater ownership or controlling interest in Sandler Capital Management. The following U.S. entities or individuals hold 10 percent or greater Class B and C Units in Wave: WaveDivision Networks, LLC (sole member Steven Weed, U.S. citizen) (85 percent); Steve Friedman (15 percent). Upon consummation, no Other person or entity will hold 10 percent or greater direct or indirect interest in Astound. This authorization is without prejudice to the Commission's action on any other related pending application(s).

PUBLIC NOTICE

Federal Communications Commission

0500 445 12th st., S.W. Internet: <http://www.fcc.gov>
Washington, D.C. 20554

News Media Information 202 / 418-

TTY: 1-888-835-5322

DA 06-2580

Released: December 26, 2006

NOTICE OF DOMESTIC SECTION 214 AUTHORIZATIONS GRANTED

WC Docket No. 06-209

WC Docket No. 06-202

The applications listed in this notice have been granted pursuant to the Commission's streamlined procedures for domestic section 214 transfer of control applications, 47 C.F.R. ss 63.03. The Wireline Competition Bureau has determined that grant of these applications serves the public interest.¹ For purposes of computation of time for filing a petition for reconsideration or application for review, or for judicial review of the Commission's decision, the date of "public notice" shall be the release date of this notice.

Domestic Section 214 Application Filed for the Acquisition of Certain Assets of RCN Telecom Services, Inc. by Astound Broadband, LLC, WC Docket No. 06-209, DA 06-2363 (rel. Nov. 22, 2006).

Effective Date of Grant: December 23, 2006

Domestic Section 214 Application Filed for the Transfer of Control of Corona Holdings, Inc. to SSF Partners, LLC, WC Docket No. 06-202, DA 06-2359 (rel. Nov. 22, 2006).

Effective Date of Grant: December 23, 2006

For further information, please contact Alex Johns at 202-418-1 167, Competition Policy Division, Wireline Competition Bureau.

- FCC -

¹ Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and order, 17 FCC Rcd 5517, 5529, para. 22 (2002).

² Id.; see 47 C.F.R. SS 1.4 (Computation of time).

WASHINGTON
UTC
UTILITIES AND TRANSPORTATION
COMMISSION

REGISTRATION
OF

Astound Broadband, LLC

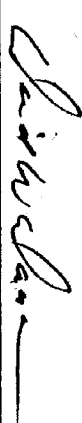
AS A COMPETITIVE
TELECOMMUNICATIONS COMPANY

Docket Number UT-090160

February 28, 2009
Effective Date



CERTIFICATE IS NOT VALID



DAVID W. DANNER
Executive Director and Secretary



Lacey, WA
City of Lacey
Finance Department 420 College Street SE Lacey WA 98503

August 6, 2024

Dear Sir or Madam:

Please find enclosed our Telecom Utility Tax remittance and the schedule of supporting calculations for Astound Broadband.

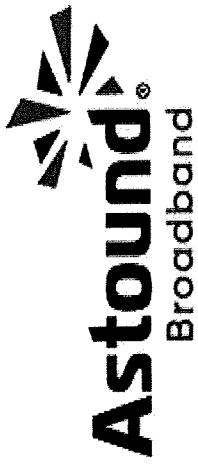
The computation is prepared in compliance with the provisions of the franchise agreement.

Should you have any questions or require any additional information, please feel free to contact our office at tax.dept@astound.com or 425-217-4000.

Sincerely,

A handwritten signature in black ink, appearing to read "moo", written over a horizontal line.

Michael O'Day
Senior Vice President, Tax



**Summary of Revenues
Subject to Telecom Utility Tax**

Lacey, WA

Franchise: **Lacey**
Payment Frequency: **Monthly**

Reporting Year: 2024

	Jan	Feb	Mar	Apr	May	Jun
Telephone Revenue subject to Fee	\$ 3,908.83	\$ 3,908.83	\$ 3,907.83	\$ 5,078.83	\$ 4,582.17	\$ 4,591.67
Phone Utility tax rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Utility Tax Due	\$ 234.53	\$ 234.53	\$ 234.47	\$ 304.73	\$ 274.93	\$ 275.50



LACEY CITY COUNCIL MEETING

DECEMBER 3, 2024

SUBJECT: Human Services Commission

RECOMMENDATION: Option 1: Motion to adopt Ordinance 1667 establishing a permanent Human Services Commission to provide human service-related recommendations on: needs, policies and programs, and funding allocations, such as future Human Service Grant Programs, Community Development Block Grant programs, and other grant programs.

STAFF CONTACT: Rick Walk, City Manager *RW*
Shannon Kelley-Fong, Assistant City Manager *SKF*
Michelle Chavez, Human Services Coordinator *mjc*

ORIGINATED BY: City Manager's Department

ATTACHMENTS: 1. Human Services Commission Ordinance 1667

FISCAL NOTE: 2024 budget includes \$300,000 for the Human Services Grant Program. Future funding is pending budget decisions.

The City of Lacey will become a CDBG Entitlement Community in 2025 with an estimated annual allocation of \$304,850

PRIOR REVIEW: [City Council Worksession – March 12, 2024](#)
[City Council Meeting – March 19, 2024](#)
[City Council Meeting – June 18, 2024](#)
[Human Services Workgroup – September 5, 2024](#)
[Commission on Equity – September 23, 2024](#)
[Human Services Workgroup – October 3, 2024](#)
[City Council Worksession – November 26, 2024](#)

**WORK PLAN GOAL:
AND STRATEGY** Vibrant Place to Live, Work and Play
D. Finalize Homeless Response Plan and Enhance Social Services

An Engaged Community
L. Enhance Communication and Engagement Efforts

DEIB STRAT PLAN: Vibrant Place to Live, Work and Play
Livability: Human Services, C. Provide and support culturally appropriate human services that meet the needs of the Lacey community.

Create a strategic City human services grant program that is transparent, consistent, and removes barriers to participation.

COE & HSWG REC: Option 1: Pass an ordinance establishing a permanent Human Services Commission.

BACKGROUND: The following provides a brief background on the Human Services Grant Program and Community Development Block Grant program.

Human Services Grant Program (HSGP): In the 2024 Budget, the Lacey City Council (City Council) allocated \$300,000 to establish a comprehensive, reliable, and accessible Human Services Grant Program (HSGP). This program was established to take the place of the ad hoc funding the City of Lacey (City) provided to various non-profit groups over the past few years to make the process more equitable, efficient, and predictable for the community and the organization.

On March 12, 2025, staff presented the City Council with research and findings regarding several Human Services Grant programs at the municipal level and how these jurisdictions provide funding and oversight of their programs. City Council and staff discussed best practices and recommendations for moving ahead.

On March 19, 2025, the City Council approved a motion to adopt [Resolution 1145](#) to establish the Human Services Workgroup. This group is tasked with:

- **Meeting once per month or as needed through 2024, no longer than one year;**
- Review 2024 HSGP applications and make recommendations to Lacey City Council for 2024 funding allocations;
- Advise on a human service needs assessment;
- Make recommendations on longer-term priorities for HSGP funding; and
- **Make a recommendation on a standing human services advisory board.**

As emphasized in bold above, the Human Services Workgroup is contemplated to meet through 2024 and is tasked with making a recommendation on a permanent human services advisory board.

Community Development Block Grant (CDBG) Program: On June 18, 2024, the City Council approved starting the process of becoming its own entitlement community; the City provided letters to US Department of Housing and Urban Development (HUD) and Thurston County declaring the City's intent to become a CDBG entitlement grantee and to not participate in the Urban County CDBG program as part of the Thurston County CDBG Consortium. As an entitlement community, Lacey will receive funding from HUD directly on an annual basis. Lacey will receive an estimated \$304,850 in CDBG funding for 2025.

There are three CDBG work products needed for the City to establish its CDBG program:

1. **Lacey CDBG Community Participation Plan** – This can be produced in parallel with the Community Engagement Plan for the Lacey Human Services Grant Program (HSGP).

Per HUD:

“Citizen Participation

A grantee must develop and follow a detailed plan which provides for, and encourages, citizen participation and which emphasizes participation by persons of low- or moderate-income, particularly residents of predominantly low- and moderate-income neighborhoods, slum or blighted areas, and areas in which the grantee proposes to use CDBG funds. The plan must:

- Provide citizens with reasonable and timely access to local meetings, information, and records related to the grantee's proposed and actual use of funds
- Provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance
- Provide for timely written answers to written complaints and grievances
- Identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate”

Source: CDBG Entitlement Program Eligibility Requirements | HUD.gov / U.S. Department of Housing and Urban Development (HUD)

Having a permanent Human Services Advisory Group is a process frequently used by entitlement jurisdictions to provide opportunities for public participation, see **Table A**.

2. **Lacey CDBG 3-Year Consolidated Plan 2025-2027** – This can be produced in conjunction with the Community Needs Assessment and Human Services Strategic Plan in conjunction with the HSGP.

3. **Lacey CDBG Annual Action Plan** – This is the list of approved projects for 2025 and serves as year 1 of the Lacey 3 Year Consolidated Plan 2025-2027. This would be a competitive application process like the HSGP, however with federal requirements.

Establishing a permanent Human Services Commission: There is a need for human services in Lacey. The forthcoming Need Assessment and Strategic Plan will provide more detailed information on current needs within the community. With the success of last year's HSGP, and in anticipation of continuing the HSGP and with the City starting to directly receive CDGB funding in 2025 and beyond, Staff recommends creating a permanent Human Services advisory board, known as the Human Services Commission, to provide program and funding recommendations to the City Council.

As noted above, public participation is a requirement of CDBG programs. Transitioning the Human Services Work Group to a permanent Human Services Commission would meet this requirement. **Table A** lists various jurisdictions and how they manage their Human Services Grant Programs and CDBG Programs. In many jurisdictions, the advisory board makes recommendations for grants and CDBG programs.

Attachment 1 provides an ordinance to establish a permanent Human Services Commission.

Advisory Board Recommendations

The Commission on Equity (COE) reviewed establishing a permanent Human Services Commission at their September 23, 2024 meeting. The COE was supportive of the recommendation to establish a permanent Human Services Commission.

The Human Services Workgroup (HSWG) met on October 3, 2024 and recommended that the Lacey City Council establish a permanent Human Services Commission, see Option 1 below.

November 26, 2024, Worksession Discussion

At the November 26, 2024 Worksession meeting, the Lacey City Council discussed the option of establishing a Human Services Commission. Through this discussion, the Lacey City Council indicated that they were interested in proceeding with the establishment of a permanent Human Services Commission to serve as an advisory body to the Lacey City Council on Human Services-related needs, policies and programs, and funding allocations.

Next Steps: Lacey City Council could consider one of the following options:

- Option 1:** Approve Lacey Municipal Ordinance 1667 that will establish a permanent Human Services Commission to provide human service-related recommendations on: needs, policies and

programs, and funding allocations, such as future Human Service Grant Programs, Community Development Block Grant programs, and other grant programs.

Option 2: Do not approve Lacey Municipal Ordinance 1667 that would establish a permanent Human Services Commission.

Recommend a resolution extending the Human Services Workgroup for an additional year (2025) to:

- Meeting once per month or as needed through 2025;
- Pending budget: Review 2025 HSGP applications and make recommendations to Lacey City Council for the 2025 funding allocations;
- Continue to advise on a human service needs assessment;
- Make recommendations on longer-term priorities for HSGP funding; and
- Make a recommendation on a standing human services advisory board.

Option 3: Do not approve Lacey Municipal Ordinance 1667 that would establish a permanent Human Services Commission. Do not recommend a resolution extending the Human Services Workgroup into 2025.

Option 4: Provide direction to City staff on other elements to consider. After further diligence on these elements, City Staff would then return to the Human Services Workgroup to review additional materials for consideration.

Option 5: Some other option not contemplated in the above options.

Table A

Comparison of Select Human Services Grant Programs including CDBG Programs												
Agency	State	Stand Alone Human Services Program	Advisory Board / Work Group	Competitive Application	Only Social Services Funding	Small Capital Projects	Min. Award	Max Award	No partial funding	Needs Assessment	CDBG Recommendations	Advisory Board Name
Bellevue	WA	X	X	X	X		X			X	Human Services Commission	Human Services Commission
Hillsboro	OR	X	X	X		X	X	X	X	X	Finance Committee	Impact Grant Work Group - Finance Commission and Community Members
Issaquah	WA	X	X	X	X					X	City Council (Joint Interlocal agreement with King County)	Human Services Commission
Lakewood	WA	X	X	X	X		X	X		X	Community Services Advisory Board	Community Services Advisory Board
Marysville	WA	X	X	X		X					CDBG Advisory Committee	CDBG Advisory Committee

ORDINANCE NO. 1667

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON ESTABLISHING A HUMAN SERVICES COMMISSION TO MAKE RECOMMENDATIONS FOR HUMAN SERVICES NEEDS, HUMAN SERVICES POLICIES, AND HUMAN SERVICES FUNDING INCLUDING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING, ADDING A NEW CHAPTER TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the Lacey City Council budgeted \$300,000 in 2024 for a new, competitive Human Services Grant Program (HSGP) to support vulnerable community members and enhance the wellbeing of all; and

WHEREAS, in 2024, the Lacey City Council started the process of becoming a stand-alone Community Development Block Grant (CDBG) Entitlement Community with direct funding from the US Department of Housing and Urban Development; and

WHEREAS, the City provides and supports a broad range of local human services in the community to alleviate hardships and help individuals access community resources, including by providing funding to support the work of non-profits and other governmental agencies; and

WHEREAS, the Lacey City Council wishes to enhance community engagement, government transparency, and community oversight of human services funding, including but not limited to, the HSGP and CDBG Program; and

WHEREAS, the City has many capable and experienced community members with expertise in the area of human services and assessing the needs of the community; and

WHEREAS, in 2024, the Lacey City Council passed Resolution 1145 establishing an Ad Hoc Human Services Workgroup to make HSGP funding recommendations, advise on a human services needs assessment and the creation of a permanent advisory board; and

WHEREAS, the Lacey City Council desires to establish a Human Services Commission to better understand overall human services needs in the community and help make recommendations on human services grant funding.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON as follows:

Section 1. There is hereby added to the Lacey Municipal Code a new Chapter 2.35, Human Services Commission, to read as follows:

2.35.010 Creation

There is created a commission to be known as the Human Services Commission which shall perform all of the duties and shall have all of the authority hereinafter set out.

2.35.020 Purpose

The purpose of the commission is to help the City to identify human services needs, review human services draft policies, review human services grant applications and make recommendations for human services grant funds.

2.35.030 Membership — Terms

- A. The commission shall consist of seven general members and one youth member who reside in the city of Lacey or may reside in Lacey's urban growth management area, except as outlined in subsection C of this section. Commissioners shall be appointed by the mayor, which appointment shall be subject to confirmation by the city council. Terms for general members shall be for three years. General membership on the commission shall be limited to two full consecutive terms. If there are no applicants for a vacant position one month prior to the expiration of term, the incumbent may be reappointed to an additional three-year term by the mayor with the approval of the city council. All members shall be selected without respect to political affiliations.
- B. The youth member shall be at least sixteen years of age (when appointed), enrolled as a junior or senior in the North Thurston School District, or enrolled in private school or homeschooled, and be a resident of the city of Lacey or reside in Lacey's urban growth management area. The youth member shall be appointed to serve for a term of one year. The incumbent youth member may be reappointed to an additional one-year term. Except as outlined in this section, the youth member shall have the same rights and responsibilities of the general members.
- C. General membership on the commission shall always include at least two professionals who have experience in human services, e.g., direct service, management, or volunteer work. Any commission action that would otherwise be valid shall not be rendered invalid by the temporary vacancy of one or both of the human services positions. The Mayor and City Council, in order to obtain representatives with this expertise, may make appointments despite the residency requirements of Section A of this section.
- D. A majority of the general members of the commission shall constitute a quorum for the transaction of business. The youth member shall not be included in the count to constitute a quorum. Any action taken by a majority of those present when those present constitute a quorum, at any regular or special meeting of the commission, shall be deemed and taken as the action of the commission.
- E. The commission members shall not receive any salary or other compensation for services rendered on the commission, but necessary expenses actually incurred and within the budget as set by the annual budget ordinance shall be paid.
- F. The Lacey City Council adopted an Advisory Board Stipend Program aimed at reducing barriers to participation in government and increasing representation on the City's Advisory Boards. Human Services Commission Members will have the option to opt-in to this program.

G. Terms for Commissioners shall be for three years, with the following exception:

A. Initial terms appointed in 2025 for Commissioner positions One (1), Two (2), and Three (3) will be appointed until 2027.

B. Initial terms appointed in 2025 for Commissioner positions Four (4), Five (5), Six (6), and Seven (7) will be appointed until 2028. All subsequent terms will be appointed on a three-year cycle.

H. Vacancies occurring otherwise than through the expiration of terms shall be filled for the unexpired terms. The members shall be selected without respect to political affiliations. The general commissioners may request the resignation of a general and/or youth member who has three or more unexcused absences at regular meetings in a calendar year.

I. General or youth members may be removed from the commission prior to the expiration of their term of office by the mayor with approval of the city council, pursuant to the city of Lacey policy procedure manual and boards and commissions standards, protocols, and ground rules handbook

2.35.040 Organization --- Records

A. The commission shall select its own chairperson from within its membership and may create such other offices as it may deem necessary and shall adopt all necessary rules for the transaction of its business and the keeping of its own records. A recording secretary shall also be appointed from within its membership or from city of Lacey staff.

B. An accurate record shall be kept of the proceedings of all meetings. These records shall be public and a copy thereof shall be transmitted to the city clerk after each meeting.

2.35.050 Commission Duties and Responsibilities

The commission shall have the power and it shall be its duty, subject to such rules and regulations as may from time to time be prescribed by ordinance to:

- A. Identify and make recommendations on human service needs; and
- B. Review and make recommendations on human services related policies; and
- C. Review human services grant applications and make recommendations for the distribution of human services grant funds.

Section 2. This Ordinance shall take effect five (5) days after its passage and publication as provided by law.

Section 3. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or

unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 4. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make corrections to this ordinance including, but not limited to, the corrections of scrivener's/clerical errors, references, ordinance numbering, section/subsection number and any references thereto.

Section 5. The summary attached is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this
____ day of December, 2024.

By: _____
Mayor

Attest:

Approved as to form:

City Clerk

City Attorney

Published: ____ December, 2024 CITY COUNCIL

SUMMARY FOR PUBLICATION

ORDINANCE NO1667

CITY OF LACEY

The City Council of Lacey, Washington passed on December __, 2024, Ordinance No. 1667, entitled "AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON ESTABLISHING A HUMAN SERVICES COMMISSION TO IDENTIFY HUMAN SERVICE NEEDS, REVIEW DRAFT HUMAN SERVICES POLICIES, AND MAKE RECOMMENDATIONS FOR HUMAN SERVICES FUNDING ADDING A NEW CHAPTER 2.35 TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION."

The main points of the Ordinance are described as follows:

1. The Ordinance adds a new chapter 2.35 to the Lacey Municipal Code establishing a Human Services Commission.
2. The Ordinance approves this summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: December __, 2024



LACEY CITY COUNCIL MEETING DECEMBER 3, 2024

SUBJECT: City logo and seal

RECOMMENDATION: Option 1: Motion to “Approve Ordinance 1668, establishing the logo and seal.”

This would establish the Proposed Updated logo as presented on November 26, 2024 as the City’s logo and basis for the seal.

STAFF CONTACT: Shannon Kelley-Fong, Assistant City Manager
Ty Keltner, Communications Manager SKF
K

ORIGINATED BY: Communications Department

ATTACHMENTS: 1. Draft Ordinance related to the City logo and seal

FISCAL NOTE: TBD. The City will try to prioritize updating the logo on existing elements nearing the end of life.

PRIOR REVIEW: [City Council Worksession – November 26, 2024](#)

COMMS PLAN: Goal 3: A, “Establish consistent City Materials by creating a Citywide style guide, logo and flag use policy, and pursuing other comprehensive changes to communication materials.”

BACKGROUND: The City of Lacey (“City”) is working on the first-ever brand guide.

As the City continues to grow, a brand guide helps ensure all official City content contains the same look and feel no matter what type of material you are viewing. This consistency is important to establish a cohesive internal process, and maintain credibility, uniformity, and overall image of the City.

Creating a brand guide is a key project in the 2022-2027 City of Lacey Communications Plan, which is a City Council priority.

GOAL 3



Proactively craft communications and establish defined Lacey brand.

TARGETED ACTIONS	Priority	ANTICIPATED IMPLEMENTATION			
		2022	2023	2024	2025
A. Establish consistent City materials by creating a Citywide style guide, logo and flag use policy, and pursuing other comprehensive changes to communication materials.	High				
B. Refine key messages and create a unified voice for City priorities and initiatives, establish proactive media responses to ensure rapid, accurate, and widespread message reach, and craft policies on when to use certain types of communications. Collaborate with departments to identify and enhance distinct communication needs.	High				
C. Enhance the City's image by developing a comprehensive marketing and branding campaign that raises awareness of the City's amenities and attractions. Create a process that allows for specialized branding for major initiatives.	High				
D. Expanding community partnerships with other organizations and stakeholders to leverage messaging, marketing, and storytelling opportunities.	Medium				
E. Continue to identify and refine future market targets and communications strategies with Community Stakeholders (e.g., press, future residents, visitors)	Medium				

Elements of a brand/style guide will contain information on:

- Voice**
 History | Mission | Core values | Tone
 The Voice section details the history of Lacey and includes our mission, core values and other language from our comprehensive plan and communications plan. The Voice section brings together all the other elements of the brand guide to set a tone for our overall look and way of doing business.
- Logo (see “Draft Updated Logo” section below)**
 Primary logo | Variation logos | Grayscale logo | Non-text logo | Sizing | Spacing | Single colors | Prohibited use | Co-branding | City Seal | File type | Official use
 Preference is to limit the number of official logos to four different styles. Notes on the City Seal.
- Font**
 Approved fonts | Logo font | web fonts
 Approved fonts should be limited to four, with circumstances for other font usage. All fonts should be fully accessible.
- Colors**
 Primary colors | Expanded colors | Secondary colors | Accessibility

The brand guide will define the primary colors the City uses in its communications, which will likely match the logo. A secondary color pallet will provide differentiation and options.

- **Images**

Subject | Inclusivity | Editing | Permissions | Don'ts

Anyone can take a picture, but not everyone can take a *good* picture. This section helps establish what types of pictures are helpful, how to take them, and what not to do.

- **Graphics**

Icons | Colors | Sizing | Accessibility

Graphic standards should follow current accessibility practices. Lacey Parks already has an established icon library.

- **Video**

Length | Bug/graphics | Slates | Fonts | Captions | Don'ts | Quality | Video basics

Graphic and font standards can be different with video, this section provides guidance on those differences. Other general video capture info is also included.

There is also a separate style section planned that will provide writing guidance:

- **Voice**

Tone | Writing | Specific terms | Don'ts

This section expands on the brand guide with more specific examples, including what *not* to do. City also has City-specific terms it uses, which will be outlined here.

- **Structure**

Acronyms | Formatting | Capitalization | Links | Punctuation | Numbers

This section covers proper use of the nuts and bolts of communication, including formatting elements like headers and bullets; punctuation elements like use of ampersands; numeral elements like phone numbers, times, and budget items; plus much more.

- **Guidance**

Accessibility | Training

Guide is a reference to which style guide our work uses, such as the Chicago Manual of Style or the Associated Press Stylebook. Training references required trainings for City employees, such as Plain Talk. Accessibility includes the required language we must include with posted information.

Draft Updated Logo

One of the most important parts of a brand guide is the section on the official logo. Currently, there are several City logos, but no single official one. Multiple logos can lead to brand confusion, and inappropriate logo usage. Every version of the current logo has complications. These complications could be solved with an update.

Current Logo Issues:

1. **The logo looks dated.** The colors and style are reminiscent of a logo designed in the 1980s or early 1990s. While its elements have a timeless appeal, its presentation does not. Both the washed-out colors and lines behind the mountain are not typical of modern logo.
2. **The logo does not lend itself to all purposes easily.** The logo cannot be used when the white is transparent. When displayed on some colored backgrounds, the logo must have a white box behind it, or it is unreadable.

The lines behind the mountain bleed together when used on television because they do not interlace cleanly. The same effect can happen on computer screens, especially when scrolling.

Some uses call for a round image, but the City's logo is an imperfect square, which leads to fitting a square image into a round hole, distorting the image.

3. **The logo is difficult to reproduce.** In places where the logo is used, the lines behind the mountain can vary from image to image because of formatting difficulties. As years have passed, others have attempted to copy the logo, which has led to copies of copies. There are some versions where the colors are not correct. This all stems from people trying to reproduce the logo.
4. **There is no definitive logo.** Several different versions of the logo are in use, with no clear direction on which is the most current. There is also no guidance on which logo to use in which situation.

From this, slightly different versions of the logo have emerged, creating a proliferation of bad copies with colors and other elements that are slightly off. Relatedly, contractors have had to copy the logo for reports and other uses, leading to less than perfect results. An official logo and brand guide could alleviate this scenario.

5. **The logo does not identify the City.** Some versions of the logo simply read "Lacey," which does not identify that Lacey is a city government. "City of" should be included in all logos to minimize confusion.

Process:

City staff collected the current logo and other logos for comparison, then reimagined several versions of the logo as a modern take.

It is important to understand this process is not a logo redesign, but a simple modern update. At this time, a full redesign of the logo is not warranted or recommended. An update of the logo is the best path forward. After getting feedback from staff within the organization, and working through a process of elimination, Communications settled on a recommended updated design.

New design:

The new logo mitigates several problems with the previous logo, while keeping important connections to the previous logo. The logo is made up of two elements: the symbol and the logotype.

The symbol is composed of:

- **The water** – Represents Lacey’s many lakes and wetlands. Lacey is also located at the southernmost part of Puget Sound.
- **The trees** – Lacey is a heavily wooded community and has been designated a Tree City USA since the early 1990s. Sustainability, healthy tree canopies, and parks are a perennial priority of the City Council.
- **The mountain** – In the background is Mount Rainier, also known as Mount Tahoma, which is the highest point in the Cascade Range. Mount Rainier is a symbol of strength, and pride for those who live in the South Sound.
- **The hawk** – The hawk ties in historical and ecological references in to the logo: including ties to Hawk’s Prairie and the frequent habitants of this area red-tailed hawks. The hawk flying in front of the mountain also appears on the patch for the Lacey Police Department, among other places.
- **Colors** - The colors have been adjusted to be richer and more vibrant, rather than washed out. The lines behind the mountain have been replaced with a single color.
- **Font** - The font type used in the Lacey logo is Garamond Pro. While not a unique font, it is distinctive, and has become a recognizable symbol of our brand, nicknamed “the Lacey font.” The font has been spaced out correctly, unlike in previous versions, making it easier to read and reproduce.
- **Border** – The entire image, including the logotype is encompassed by a border, making the image fully contained and easier to use.

Table A	
Current and Proposed Updated logo 11.26.2024	
Current logo	Proposed Updated logo 11.26.2024
 The current logo features a stylized landscape with a white mountain peak, green evergreen trees, and a green body of water. The background consists of horizontal blue and white stripes. Below the graphic, the text "CITY OF LACEY" is written in a blue, serif font.	 The proposed logo features a similar landscape but with a blue sky, a blue eagle in flight, and a blue body of water. The background is a solid light blue. Below the graphic, the text "CITY OF LACEY" is written in a white, serif font.

Implementation Approach:

If approved, the logo will be used to update all City documents and templates. These include, but are not limited to, letterhead, press releases, business cards, presentations, reports, and other documents. Other visuals include the website, LaceyTV77, signage, and other uses.

One important note is that the City will not be seeking to replace the logo across all uses immediately. Replacing the logo everywhere would be cost and time prohibitive, not to mention difficult since the older logos in many places. The City will not be replacing logos on trucks, public signs, or other places. Instead, these items will be replaced as they age out or are replaced. Gradually, the old logo will be fully replaced with the new version.

November 26, 2024, Worksession Discussion

At the November 26, 2024 Worksession meeting, the Lacey City Council discussed the proposed updated logo and requested seeing the logo with the addition of "Washington" or "WA" to better define the City's location.

Staff created a few additional alternative logos for this purpose, see **Table B**.

Table B			
Current and Proposed Updated logo 11.26.2024			
Proposed Updated logo 11.26.2024	Alternative 1: Washington	Alternative 2: City of and Washington	Alternative 3: WA
			

Staff recommends the “Proposed Updated logo” for the following reasons:

1. The logo will be used mainly locally, e.g., on street signs, vehicle markings, park signage, local letters, etc. Adding “Washington” or “WA” could be redundant in most uses.
2. Alternative 1 (Staff’s preferred alternative of the three) adds additional green space on the sides of the text.
3. Alternative 2 appears very text-heavy with the addition of “City of” and “Washington”
4. Alternative 3 is hard to read and could present accessibility challenges. Staff tried a similar concept with a comma.

If a logo is selected, it will be the official logo of the City and will be the centerpiece of the new brand guide. Once completed, Staff will update the look and feel of all City documents and templates. These include, but are not limited to, letterhead, press releases, business cards, presentations, reports, and other documents. Other visuals include the website, LaceyTV77, signage, and other uses.

Options:

Option 1: Approve Ordinance 1668, establishing the logo and seal.

Option 2: Approve an amended Ordinance 1668 with one of the alternatives, see **Table C** for example language.

Option 4: Do not approve Ordinance 1668 and provide staff with additional direction.

Option 3: Do not approve Ordinance 1668 and continue to use the existing logo.

Table C

Option 2: Potential Amendments for Alternatives

Alternative 1: Washington	Alternative 2: City of and Washington	Alternative 3: WA
		
“Amend Ordinance 1668, Section 1.30.010, to logo Alternative 1 and the text description to, “The text “Lacey Washington” is underneath.”	“Amend Ordinance 1668, Section 1.30.010, to logo Alternative 2 and the text description to, “The text “City of Lacey Washington” is underneath.”	“Amend Ordinance 1668, Section 1.30.010, to logo Alternative 3 and the text description to, “The text “Lacey Washington · WA” is underneath.”

ORDINANCE NO. 1668

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY RELATED TO APPROPRIATE USE OF THE CITY LOGO AND CITY SEAL, ADDING A NEW CHAPTER 1.30 TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the logos and seal of the City are symbols of the authority and jurisdiction of the City, and as such are valuable assets of the City and its community members.; and

WHEREAS, The City Council desires to ensure that only appropriate uses are made of the City's logos and seal; and

WHEREAS, The City Council finds it in the interest of the residents of the city of Lacey to protect the integrity of City property;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. There is hereby adopted a new Chapter 1.30.000 of the Lacey Municipal Code, to read as follows:

Chapter 1.30 USE OF CITY LOGO AND SEAL

1.30.000 Policy

The City Council finds that the logos and seal of the City, as set forth herein below, are symbols of the authority and jurisdiction of the City, and as such are valuable assets of the City and its community members. The City Council desires to ensure that only appropriate uses are made of the City's logos and seal.

1.30.010 Adoption of logo

The City hereby adopts a symbol as the primary City logo for the City of Lacey. The primary City logo is a stylized portrayal of the City's lakes and strands of trees, with Mount Rainier, also known as Mount Tahoma, depicted in the background. The text "City of Lacey" is underneath.



The City may adopt a secondary logo and an emblem logo to use for various purposes. Any additional logos shall be treated with the same reverence as the primary logo, and all rules and regulations apply.

The official logo design is dictated by the City of Lacey branding guide as the governance and policy source for City logos.

1.30.020 Adoption of seal

The City adopts the symbol that incorporates the image of the City's logo, with the words "City of Lacey, WA," and the year of incorporation, 1966, integrated into the design.

The City seal is a stylized portrayal of the City's lakes and strands of trees, with Mount Rainier, also known as Mount Tahoma, depicted in the background. The text "City of Lacey" is underneath.

1.30.030 Use for official purposes

The City logos and seal shall be used for official purposes only, or as authorized by the City Council.

1.30.040 Restrictions on use

Use of the City logos and seal shall be restricted as follows:

A. Except as authorized by the City or as otherwise provided by law, the City logos and seal shall not be used on or in connection with any advertisement or promotion for any product, business, organization, service or article, whether offered for sale, for profit or offered without charge.

B. No persons shall use a symbol that imitates the City logos or seal or that is deceptively similar in appearance to the City logos or seal.

1.30.050 Violation

Any person who willfully violates this chapter is guilty of a misdemeanor for a first offense and is subject to imprisonment for up to 90 days and a fine up to \$1,000, or both a fine and imprisonment. Any person who willfully violates this chapter is guilty of a gross misdemeanor for a second offense and is subject to imprisonment for up to 364 days and a fine up to \$5,000, or both a fine and imprisonment.

The City's right to prosecute under this section shall not affect its rights to pursue civil or injunctive relief under federal or state laws, or any other relief available under the law.

Section 2. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a duly noticed public meeting thereof, held this December 3, 2024.

CITY COUNCIL

By: _____
Mayor

Approved as to form:

City Attorney

Attest:

City Clerk

SUMMARY FOR PUBLICATION
ORDINANCE NO 1668
CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on December 3, 2024, Ordinance No. 1668, entitled “AN ORDINANCE OF THE CITY OF LACEY RELATED TO APPROPRIATE USE OF THE CITY LOGO AND CITY SEAL, ADDING A NEW CHAPTER 1.30 TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.”

The main points of the Ordinance are described as follows:

1. The Ordinance creates a new Chapter 1.30 of the Lacey Municipal Code which pertains to the City logo and seal.
2. The Ordinance approves this Summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: _____, 2024.



LACEY CITY COUNCIL MEETING

December 3, 2024

SUBJECT: Yearly Review of Property Retained by the Police Department

RECOMMENDATION: RCW 63.32.010 requires a yearly review of property retained by the Police Department by the City's Mayor or Council

STAFF CONTACT: Rick Walk, City Manager *RW*
Robert Almada, Chief of Police *RA*

ORIGINATED BY: Lacey Police Department

ATTACHMENTS: 2024 Police Department Retained Property List

FISCAL NOTE: None

WORK PLAN GOAL AND STRATEGY: A Safe and Secure Community - (H)(12)
None
Ongoing Services

PRIOR REVIEW: None

BACKGROUND:

RCW 63.32.010(2) states police departments may:
"Retain the property for the use of the police department subject to giving notice in the manner prescribed in RCW 63.32.020 and the right of the owner, or the owner's legal representative, to reclaim the property within one year after receipt of notice, without compensation for ordinary wear and tear if, in the opinion of the chief of police, the property consists of firearms or other items specifically usable in law enforcement work: PROVIDED, that at the end of each calendar year during which there has been such a retention, the police department shall provide the city's mayor or council and retain for public inspection a list of such retained items and an estimation of each item's replacement value."

Typically, a “retained property list” is attached to comply with this RCW instruction and provide the Mayor and City Council with a list of items currently retained by the police department along with their current location and estimated value.

No new items have been retained for department use since 2022.

NEXT STEPS:

Option 1: Approve the review of property retained by the Police Department.

Option 2: No change. Continue as is.

Option 3: Provide direction to City staff on other elements to consider in regards to this issue. After further diligence on these elements, City Staff would then return to the Lacey City Council to review.

Option 4: Some other option not contemplated in the above options.

2024

Lacey Police Department Retained Property List

Case #	Description	Location	Approx. Value
2006-3914	Two tree limb cutters	Response Trailer	\$40
2007-1322	24" bolt cutters	Sgt. Vehicle	\$20
2008-4414	"Dakine" brand backpack	Investigations	\$15
2008-4751	Coleman Generator	Response Trailer	\$300
2009-2055	"Nextar" brand GPS unit	Investigations	\$50
2009-2905	"Rosetti" brand purse	Investigations	\$20
2009-4680	"Garmin" brand GPS unit	Investigations	\$60
2011-0750	"LG" brand 55" LED TV	Investigations	\$300
2011-0750	Honda Generator ES6500	Impound Yard	\$700
2011-4190	24" bolt cutters	Sgt. Vehicle	\$20
2013-6829	128GB Apple i-pad air 174	Investigations	\$200
2013-6829	128GB Apple i-pad air 174	Investigations	\$200
2013-6829	128GB Apple i-pad air 174	Investigations	\$200
2016-2792	36" bolt cutters	Patrol Vehicle	\$40
2020-4616	Magpul rifle magazine, 30rds of .223	Armory	\$60
2022-3469	Bolt Cutters (large)	Sgt. Vehicle	\$50



LACEY CITY COUNCIL MEETING

December 3rd, 2024

SUBJECT: Interlocal Agreement Implementation of the 2025 “Energize Thurston” Heat Pump Group Purchase Campaign

RECOMMENDATION: **Motion to:** Authorize the City Manager to sign the Interlocal Agreement with Thurston County and the cities of Olympia, Tumwater, & Tenino related to the implementation of Energize Thurston.

STAFF CONTACT: Rick Walk, City Manager *RW*
Vanessa Dolbee, Community & Economic Development Director *VD*
Ryan Andrews, Planning Manager *RA*
Linsey Fields, Climate and Sustainability Coordinator *LF*

ORIGINATED BY: Regional Initiative, via the Thurston Climate Mitigation Collaborative Executive Committee

ATTACHMENTS: Attachment 1: Interlocal Agreement
Attachment 2: Launch and Implementation Plan
Attachment 3: Lacey HEAR Project Plan

FISCAL NOTE: HEAR Grant Funding equaling \$477,555.00

WORK PLAN GOAL AND STRATEGY: Environmental Stewardship
Continue implementation of Climate Mitigation efforts (K)

OTHER POLICY DOC. ALIGNMENT: Thurston Climate Mitigation Plan
Strategy B1. Reduce energy use in existing residential buildings.

PRIOR REVIEW: No previous review by the City Council, however, some members have been involved though the Thurston Climate Mitigation Collaborative Executive Committee and Community Advisory Workgroup.

BACKGROUND:

The Thurston Climate Mitigation Collaborative (TCMC) prioritized development of a Residential Energy Efficiency and Electrification Campaign as one of its 2024 regional initiatives. The TCMC Staff Team presented a Phase I Project Plan to the Executive Committee and Community Advisory Workgroup (CAW) in January/February 2024. The Staff Team has now completed key tasks in the Phase I plan including a market assessment and incentive program research, stakeholder interviews, and a resident survey.

The forthcoming campaign is named “Energize Thurston” and is moving toward launch and implementation in the first quarter of 2025. Energize Thurston will provide outreach and financial incentives to accelerate residential building decarbonization and reduce energy costs for households throughout the county. The campaign will provide turnkey, subsidized installations of heat pumps and heat pump water heaters (HPWH) for income-qualified participants. It will also provide access to equipment discounts, streamlined installations, guidance, and customer support for all participants regardless of income.

Energize Thurston will have two pathways to participate which include the low- and moderate-income (LMI) pathway or the self-funded pathway:

The LMI pathway will provide fully subsidized equipment installations for low-income households (<80% area median income (AMI)) and partially subsidized installations for moderate-income households (≥80% but <120% AMI). The self-funded pathway will provide a group purchase discount, free educational workshops, guidance on relevant incentives and financing, streamlined installation, and customer support available to all households in Thurston County.

Each of the jurisdictional partners will contract with a partner organization (who is yet to be determined) that will contract with the selected installers to provide qualifying equipment for qualified LMI participants. The LMI pathway administrator will verify participant income eligibility, coordinate installer site assessments and installations, review completion of work with LMI participants as well as provide installer oversight. They will also support campaign promotion, administration of grant funding for subsidized installations, participant recruitment, marketing, and outreach efforts.

Installer(s) will be selected through a competitive Request for Proposals (RFP) process evaluating qualifications, experience, pricing, alignment with campaign goals, and commitment to customer support. The RFP and resulting contract(s) with the lead jurisdiction will detail the installer scope of work and specify equipment requirements for qualifying heat pump space conditioners and heat pump water heaters. The contract(s) will set a group purchase discount rate for all participants and require that the installer(s) apply all available rebates as a time-of-sale discount. Installers will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates, information on financing if requested, and execute installations for the campaign.

The City of Lacey has been awarded \$477,555 from the Department of Commerce for its Home Electrification and Appliance Rebate (HEAR) Program. HEAR funding was established through the Climate Commitment Act (CCA) and allocated to local jurisdictions to create or boost current residential and commercial electrification programs. The City of Lacey will utilize HEAR funding to participate in Energize Thurston. The campaign administrative cost will not exceed \$11,750 per jurisdiction, the City can utilize up to 15% of HEAR funding on administrative costs.

The City's contract with the Department of Commerce permitted the City to utilize the HEAR funds for both the rebate program and the Energize Thurston program. However, since the otherization of the contract, the Department of Commerce has provided direction to the City that "stacking rebates" is not the goal of the grant program and has requested that the City not spend their funds in a way that would result in "staking". The result of this direction, and to ensure stacking of funds does not happen, only one program can be utilized for these funds.

Staff is recommending to utilize HEAR funding for Energize Thurston and not towards the matching rebate for four reasons. First, HEAR funding is more restrictive than general funds, limiting the types of rebates we can match. Second, Energize Thurston targets rebates to lower-income households and fully subsidizes their transition to electric. Third, the City running two programs at the same time could present confusion in messaging and marketing. Finally, PSE has started using HEAR funding as of November 1st for electrification rebates, which miss aligns the timing for partnering with PSE, as the City is expected to receive its funding by the end of 2024.

However, approximately \$40,000 of the HEAR funding will be allocated to the 2024 City of Lacey–Puget Sound Energy energy efficiency rebate program.

NEXT STEPS:

- Option 1:** Approve staff recommendation and authorize the City Manager to sign the ILA.
- Option 2:** Approve staff recommendation, and advance the ILA to the next Council meeting for consideration.
- Option 3:** Do not approve staff recommendations, suggest alternative recommendations for staff to explore, and coordinate an updated ILA accordantly with jurisdictional partners.

**Interlocal Agreement Between Thurston County and the Cities of Lacey, Olympia,
Tumwater, and Tenino to Support Implementation of the 2025 “Energize Thurston”
Heat Pump Group Purchase Campaign**

THIS AGREEMENT (“Agreement”) is made and entered into as of the date of the last signature below (which is the “effective date”) by and between the City of Lacey, a Washington municipal corporation (“Lacey”); the City of Olympia, a Washington municipal corporation (“Olympia”); the City of Tumwater, a Washington municipal corporation (“Tumwater”); the City of Tenino, a Washington municipal corporation (“Tenino”); and Thurston County, a Washington municipal corporation (“County”), collectively referred to herein as “the Parties” and individually as “Party.”

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner pursuant to forms of governmental organization that will accord best with geographic, economic, populations, and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each Party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract is authorized by the governing body of each Party to the contract and sets forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

WHEREAS, the Thurston Climate Mitigation Collaborative (TCMC) is an ongoing partnership among Thurston County, Lacey, Olympia, and Tumwater to identify and implement actions to reduce local sources of greenhouse gas emissions that contribute to global climate change; and the TCMC was formalized through a December 2023 Interlocal Agreement; and

WHEREAS, the TCMC’s 2022 greenhouse gas emissions inventory found that residential natural gas use and associated emissions increased 31% from 2015 to 2022 in Thurston County, and that natural gas use had the largest increase of all emissions-generating activities over that time period, underscoring the importance of transitioning homes away from fossil fuels to meet regional emission reduction goals; and

WHEREAS, from 2015 to 2022 in Thurston County, residential electricity use increased 17% but emissions from residential electricity use only increased 3% as a result of growing investments in clean electricity generation, and these investments are expected to continually reduce emissions from electricity use in the future; and

WHEREAS, the TCMC executed another Interlocal Agreement in March 2024 to implement two regionally coordinated initiatives that aim to reduce emissions in residential buildings and implement Strategies B1 and B6 in the *Thurston Climate Mitigation Plan*, one of which was to design a Residential Energy Efficiency and Electrification Campaign; and

WHEREAS, the TCMC completed background research and stakeholder engagement to design the Residential Energy Efficiency and Electrification Campaign, named the campaign “Energize Thurston,” and plans to launch Energize Thurston in the first quarter of 2025; and

WHEREAS, Energize Thurston will expand on the City of Olympia’s 2023-2024 “Energize Olympia” campaign by providing discounted and streamlined installations of efficient electric heat pump space heaters and heat pump water heaters to residents throughout Thurston County, as well as subsidized installations for qualifying low- and moderate-income (LMI) residents; and

WHEREAS, the City of Tenino wishes to join the four TCMC jurisdictions in implementing Energize Thurston, and all five jurisdictions have been awarded state and/or federal grant funding to contribute to subsidized equipment installations for qualifying residents within their jurisdictions; and

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

I. Purpose and Goals of Agreement

The purpose of this Agreement is to establish a framework for regionally coordinated implementation of the 2025 Energize Thurston heat pump group purchase campaign. Energize Thurston aims to make it faster, easier, and more affordable for Thurston County residents to purchase and install efficient, all-electric heat pump space heaters and heat pump water heaters. Energize Thurston will reduce upfront costs through a group purchase discount provided by competitively selected Campaign Installer(s), and application of all available rebates as a time-of-sale discount. The campaign will offer two participant pathways:

- Low- and Moderate-Income (LMI) Pathway: will provide fully subsidized equipment installations for low-income households (<80% area median income; AMI) and partially subsidized installations for moderate-income households (≥80% but <120% AMI).
- Self-Funded Pathway: will provide a group purchase discount, free educational workshops, guidance on relevant incentives and financing, streamlined installation, and customer support available to all households in Thurston County.

This Agreement defines partner roles and responsibilities to complete all tasks and deliverables detailed in Exhibit A to enable the Parties to launch and implement the multi-jurisdictional Energize Thurston campaign. The Agreement also proposes a Campaign Administration Budget and cost share structure to cover shared costs of Energize Thurston administration, outreach, and marketing (Exhibit B).

II. Roles

- i. **TCMC Staff Team.** The Staff Team consists of staff representatives from Thurston County and the cities of Lacey, Olympia, and Tumwater. The Staff Team will work collaboratively to implement the Energize Thurston campaign as described in the Launch and Implementation Plan (Exhibit A). Staff Team members will assist with development of installer scopes of work, selection of suitable installers to meet project needs, campaign outreach and marketing, participant case management, and other tasks as needed to complete the activities detailed in Exhibit A.
- ii. **Jurisdiction Parties.** Thurston County, Lacey, Olympia, Tumwater, and Tenino each received state grant funding to support the Energize Thurston campaign. Some of the jurisdictions also expect to contribute federal grant funding as detailed in Section III below. Each Party will execute a contract with the LMI Pathway Administrator to transfer grant funds and authorize the LMI Pathway Administrator to perform its role as detailed below. Each jurisdiction will allocate staff time as needed to implement Energize Thurston.

- iii. **Lead Jurisdiction.** As Lead Jurisdiction, Thurston County will hold contract(s) with the selected Campaign Installers and a Customer Support Consultant. Staff from the Lead Jurisdiction will lead the campaign's execution and administration with support from TCMC Staff Team members and the Customer Support Consultant.
- iv. **LMI Pathway Administrator.** Each of the Parties will contract with a partner organization (TBD) that will contract with the selected Campaign Installers to provide installations of qualifying equipment for qualified LMI participants. The LMI Pathway Administrator will verify participant income eligibility, coordinate installer site assessments and installations, review completion of work with LMI participants as well as provide installer oversight. They will also support campaign promotion, administration of grant funding for subsidized installations, participant recruitment, marketing, and outreach efforts.
- v. **Campaign Installer(s).** Installer(s) will be selected through a competitive Request for Proposals (RFP) process evaluating qualifications, experience, pricing, alignment with campaign goals, and commitment to customer support. The RFP and resulting contract(s) with the Lead Jurisdiction will detail the Installer scope of work and specify equipment requirements for qualifying heat pump space conditioners and heat pump water heaters. The contract(s) will set a group purchase discount rate for all participants and require that the Installer(s) apply all available rebates as a time-of-sale discount. Campaign Installers will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates, information on financing if requested, and execute installations for the campaign.
- vi. **Customer Support Consultant.** The Lead Jurisdiction may also contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support, case management, and/or outreach and education.

III. Services Provided by Thurston County

- i. Thurston County shall serve as Lead Jurisdiction for the 2025 Energize Thurston campaign as defined in Section II.
- ii. Thurston County shall serve as the contract manager and conduct all contracting responsibilities with the selected Campaign Installers, a Customer Support Consultant, and other contractors as needed, except for design and printing of marketing materials (provided by Olympia). Thurston County shall comply with all laws governing municipal contracting for services of the type sought.
- iii. Thurston County shall monitor the actions of the contractors, and if the contractors fail to comply with an applicable term or condition of their contracts, take appropriate actions to ensure the contractors comply with the fiscal conditions of the contract.
- iv. Thurston County shall host a Community Energy Fellow through the U.S. Department of Energy's Energy Efficiency Conservation Block Grant (EECBG) Program, from August 2024 through July 2025 or longer. The Fellow will lead campaign outreach and marketing, customer service, and case management for Energize Thurston.
- v. Thurston County shall allocate all or some of its awarded grant funding from the State Home Electrification and Appliance Rebates (HEAR) program and/or the federal Energy Efficiency & Conservation Block Grant (EECBG) program toward subsidized installations of heat pumps and/or heat pump water heaters for income-qualified participants as described in Exhibit A.
- vi. Thurston County shall execute a contract with the LMI Pathway Administrator to utilize the County's grant funds to provide equipment installations and associated services for income-qualified participants.

- vii. Thurston County shall hold primary responsibility for case management for Energize Thurston participants who reside in any area of Thurston County outside the city limits of Olympia, Lacey, and Tumwater.

IV. Services Provided by Olympia

- i. Olympia shall serve as contract manager and conduct all contracting responsibilities for design and printing of Energize Thurston marketing materials. Olympia shall comply with all laws governing municipal contracting for services of the type sought.
- ii. Olympia shall monitor the actions of the contractor(s), and if the contractor(s) fail to comply with an applicable term or condition of their contract(s), take appropriate actions to ensure the contractor(s) comply with the fiscal conditions of the contract(s).
- iii. Olympia shall allocate all or some of its awarded grant funding from the State Home Electrification and Appliance Rebates (HEAR) program and/or the federal Energy Efficiency & Conservation Block Grant (EECBG) program toward subsidized installations of heat pumps and/or heat pump water heaters for income-qualified participants as described in Exhibit A.
- iv. Olympia shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.
- v. Olympia shall hold primary responsibility for case management for Energize Thurston participants who reside within the City of Olympia.

V. Services Provided by Lacey

- i. Lacey shall allocate all or some of its awarded grant funding from the State Home Electrification and Appliance Rebates (HEAR) program and/or the federal Energy Efficiency & Conservation Block Grant (EECBG) program toward subsidized installations of heat pumps and/or heat pump water heaters for income-qualified participants as described in Exhibit A.
- ii. Lacey shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.
- iii. Lacey shall hold primary responsibility for case management for Energize Thurston participants who reside within the City of Lacey.

VI. Services Provided by Tumwater

- i. Tumwater shall allocate all or some of its awarded grant funding from the State Home Electrification and Appliance Rebates (HEAR) program toward subsidized installations of heat pumps and/or heat pump water heaters for income-qualified participants as described in Exhibit A.
- ii. Tumwater shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.
- iii. Tumwater shall hold primary responsibility for case management for Energize Thurston participants who reside within the City of Tumwater.

VII. Services Provided by Tenino

- i. Tenino shall allocate all or some of its awarded grant funding from the State Home Electrification and Appliance Rebates (HEAR) program toward subsidized installations of heat pumps and/or heat pump water heaters for income-qualified participants as described in Exhibit A.

- ii. Tenino shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.

VIII. Funding and In-Kind Commitment

- i. **Funding.** Exhibit B specifies the proposed Campaign Administration Budget of \$47,000 for the 2025 Energize Thurston campaign.
 - a. Thurston County, Lacey, Olympia, and Tumwater shall each contribute an equal share of funds not to exceed \$11,750 per Party.
 - b. Tenino is exempt from the cost-share requirements of this Agreement.
 - c. Thurston County shall issue an invoice to each Party specifying each Party's share of actual expenses, excluding design and printing of outreach and marketing materials. Invoices must be paid within thirty (30) days.
 - d. Olympia shall issue an invoice to each Party specifying each Party's share of actual expenses for design and printing of outreach and marketing materials. Invoices must be paid within thirty (30) days.
 - e. The Campaign Administration Budget in Exhibit B does not include the following:
 - 1) Costs of subsidized equipment installations, which are to be funded through jurisdictional grant awards and administered through contracts between the LMI Pathway Administrator and each individual jurisdiction.
 - 2) Costs of any social media marketing, jurisdiction-specific mailers, and/or other outreach and incentives that may be provided by individual jurisdictions.
- ii. **In-kind Commitment.** Each Party shall allocate in-kind staff time to implement this Agreement. In-kind staff support includes, but is not limited to:
 - a. Staff time to manage jurisdictional grant awards, execute this Agreement, and execute a contract with the LMI Pathway Administrator.
 - b. Participation on the Installer Selection Committee to review RFP submissions and select one or more Campaign Installer(s).
 - c. Participation on the TCMC Staff Team (Thurston County, Olympia, Lacey, and Tumwater only).
 - d. Support from jurisdictional staff with specific expertise (i.e., communications, housing, planning, permitting, etc.).

IX. Indemnification and Insurance

Each Party shall defend, indemnify, and hold the other parties, their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including reasonable attorney fees, arising out of or in connection with the indemnifying Party's performance of this Agreement, including injuries and damages caused by the negligence of the indemnifying Party's officers, officials, and employees.

Each Party shall maintain liability insurance; this may be fulfilled by a Party's membership and coverage in Washington Cities Insurance Authority (WCIA), a self-insured municipal insurance pool, or another recognized self-insured municipal risk pool.

No Separate Legal Entity Created; No Real or Personal Property to be Acquired or Held

This Agreement creates no separate legal entity. No real or personal property will be acquired or held as part of carrying out this Agreement. To the extent any Party furnishes property for purposes of carrying out this Agreement, such property must be returned to that Party upon termination of this Agreement, or upon that Party's withdrawal from this Agreement.

X. Relationship of the Parties

The employees or agents of each Party who are engaged in the performance of this Agreement continue to be employees or agents of that Party and may not be considered for any purpose to be employees or agents of the other Party. This Agreement is for the benefit of the Parties, and no third-party beneficiary relationship is intended.

XI. Duration of Agreement

This Agreement terminates on December 31, 2025, unless earlier terminated as provided in Section XII, below.

XII. Amendment of Agreement

This Agreement may be amended only by written agreement by all Parties and executed in accordance with chapter 39.34 RCW.

XIII. Termination of Agreement

This Agreement may be terminated upon mutual agreement of the Parties. Any party may withdraw upon thirty (30) days written notice to the other Parties.

XIV. Interpretation and Venue

This Agreement is governed by the laws of the State of Washington as to interpretation and performance. Venue for enforcement of any provision of this Agreement, or for any lawsuit arising out of or relating to this Agreement, is the Superior Court of Thurston County.

XV. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes all prior agreements oral or otherwise with respect to the specific subject matter addressed herein.

XVI. Recording

Prior to its entry into force, Thurston County shall file this Agreement with the Thurston County Auditor's Office.

XVII. Counterparts

This Agreement may be executed in counterparts, and all such counterparts once so executed together must be deemed to constitute one final agreement, as if one document had been signed by all Parties, and each such counterpart, upon execution and delivery, must be deemed a complete original, binding on the parties. A faxed or email copy of an original signature must be deemed to have the same force and effect as the original signature. A Party may sign by digital or electronic signature, which signature shall be effective as permitted by law.

XVIII. Rights

This Agreement is between the signatory Parties only and does not create any third-party rights.

XIX. Notice

Any notice required under this Agreement must be to the party at the address listed below and it becomes effective five business days following the date of deposit with the United States Postal Service.

THURSTON COUNTY

Attn: Rebecca Harvey, Climate Mitigation Senior Program Manager
Thurston County
3000 Pacific Avenue SE, Suite 200
Olympia, WA 98501

CITY OF OLYMPIA

Attn: Pamela Braff, Director of Climate Programs
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967

CITY OF LACEY

Attn: Vanessa Dolbee, Community and Economic Director
City of Lacey
420 College Street SE
Lacey, WA 98503

CITY OF TENINO

Attn: Jen Scharber, Clerk Treasurer
City of Tenino
149 Hodgen St. S./PO Box 4019
Tenino, WA 98589

CITY OF TUMWATER

Attn: Dan Smith, Water Resources & Sustainability Director
City of Tumwater
555 Israel Road SW
Tumwater, WA 98501

XX. Waiver

A failure by a Party to exercise its rights under this Agreement does not preclude that Party from subsequent exercise of such rights and does not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the Party and attached to the original Agreement.

XXI. Severability

If any provision of this Agreement or any provision of any document incorporated by reference is held invalid, such invalidity does not affect the other provisions of this Agreement which can be given effect without the invalid provision if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

XXII. Records Retention and Audit

During the progress of the work and for a period not less than six (6) years from the completion of the tasks set forth herein, the records and accounts pertaining to the work and accounting therefore are to be kept available for inspection by any Party and the Federal and State Government and copies of all records, accounts, documents, or other data pertaining to the work will be furnished upon request. If any litigation, claim, or audit is commenced, each Party shall retain the records and accounts along with supporting documentation until all litigation, claim, or audit finding has been resolved even though such litigation, claim, or audit continues past the six-year retention period.

[The remainder of this page is left intentionally blank. Signatures follow on next page.]

This Agreement is hereby entered into between the Parties, and it takes effect on the date of the last authorizing signature affixed hereto:

GOVERNMENT AGENCY EXECUTIVE

APPROVED AS TO FORM

CITY OF LACEY 420 College Street SE Lacey, WA 98503	CITY OF LACEY 420 College Street SE Lacey, WA 98503
Rick Walk , City Manager Date	David Schneider , City Attorney Date
CITY OF OLYMPIA 601 4th Ave East Olympia, WA 98501	CITY OF OLYMPIA 601 4th Ave East Olympia, WA 98501
Steven J. Burney , City Manager Date	Mark Barber , City Attorney Date
CITY OF TENINO 149 Hodgen St. S./PO Box 4019 Tenino, WA 98589	CITY OF TENINO 149 Hodgen St. S./PO Box 4019 Tenino, WA 98589
David Watterson , Mayor Date	Richard L. Hughes , City Attorney Date
CITY OF TUMWATER 555 Israel Road SW Tumwater, WA 98501	CITY OF TUMWATER 555 Israel Road SW Tumwater, WA 98501
Debbie Sullivan , Mayor Date	Karen Kirkpatrick , City Attorney Date
THURSTON COUNTY 3000 Pacific Avenue SE Olympia, WA 98501	THURSTON COUNTY 3000 Pacific Avenue SE Olympia, WA 98501
Leonard Hernandez , County Manager Date	Jon Tunheim , Prosecuting Attorney Date

Exhibit A

Energize Thurston Launch & Implementation Plan

DRAFT

Exhibit B**Proposed Campaign Administration Budget for Energize Thurston 2025**

The budget includes project tasks that are expected to be completed by third-party service providers. Project tasks not listed here will be completed in-house by jurisdictional staff.

Project Step and Task	Description	Total
Step 1: Contract with Energize Thurston Partners		
1.4 Contract with Customer Support Consultant	Thurston County may contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support, case management, and/or outreach and education.	\$30,000
Step 2: Develop Communications Plan and Outreach Materials		
2.1 Design and Print Energize Thurston marketing materials	City of Olympia is contracting with Kelly Design to design Energize Thurston marketing materials and will pay for the printing of all materials.	\$14,000
2.3 Design Energize Thurston workshops	Language Interpretation Services (as needed)	\$3,000
Total Proposed Budget (not to exceed)		\$47,000
Per Partner Cost Share (not to exceed)		\$11,750



Thurston Climate Mitigation Collaborative

“Energize Thurston”

Launch and Implementation Plan

2024 TCMC Regional Initiative: Energy Efficiency & Electrification Campaign

Phase 1 - Campaign Design and Planning

Deliverable #3

Prepared by the Thurston Climate Mitigation Collaborative Staff Team:

Rebecca Harvey, Thurston County
Julia Downing, USDOE Community Energy Fellow
Dominic Jones, City of Olympia
Pamela Braff, City of Olympia
Linsey Fields, City of Lacey
Alyssa Jones Wood, City of Tumwater

November 15, 2024

TABLE OF CONTENTS

Introduction.....	3
Campaign Goals	3
Partnerships and Funding.....	4
Project Team Roles and Responsibilities	5
Campaign Funding	6
Participant Pathways	7
Income Qualifications	7
LMI Pathway	8
Self-Funded Pathway	8
Types of Equipment and Services.....	9
Heat Pumps	9
Heat Pump Water Heaters	10
Campaign Structure and Processes	11
Contracting Structure	11
Applicant Process	13
Participant Management System	13
Outreach and Marketing Strategy	14
Campaign Timeline, Tasks and Deliverables.....	15

Introduction

The [Thurston Climate Mitigation Collaborative \(TCMC\)](#) prioritized development of a Residential Energy Efficiency and Electrification Campaign as one of its 2024 regional initiatives. The TCMC Staff Team presented a Phase I Project Plan to the Executive Committee and Community Advisory Workgroup (CAW) in January – February 2024. The Staff Team has now completed key tasks in the Phase I plan including [Market Assessment and Incentive Program Research](#), Stakeholder Interviews, and a Resident Survey.

We have named the forthcoming campaign “Energize Thurston” and are moving toward launch and implementation in the first quarter of 2025. Energize Thurston will provide outreach and financial incentives to accelerate residential building decarbonization and reduce energy costs for households throughout the county. The campaign will provide turnkey, subsidized installations of heat pumps and heat pump water heaters (HPWH) for income-qualified participants. It will also provide access to equipment discounts, streamlined installations, guidance, and customer support for all participants regardless of income.

Energize Thurston builds on the foundation of existing local and regional campaigns:

- City of Olympia’s [Energize Olympia](#) campaign, which has provided discounted and subsidized ductless heat pumps to City residents in 2023-2024
- [The Switch Is On](#) web platform, which provides education about electric home appliances and location-based tools to find incentives and vetted contractors.

The Staff Team applied recommendations from the Phase I research to make programmatic decisions about elements of the Energize Thurston campaign. This Launch and Implementation Plan describes the structure and processes for Energize Thurston including Partnerships and Funding, Participant Pathways, Types of Equipment and Services, Campaign Structure and Processes, and Outreach and Marketing Strategy. This plan provides a timeline and a detailed list of tasks and deliverables to guide the launch, implementation, evaluation, and continuation of Energize Thurston.

Campaign Goals

The Phase I project plan defined the following overarching goals for the energy efficiency and electrification campaign:

- Deliver a compelling and accessible educational campaign to raise awareness of the climate, health, and economic benefits of building electrification and energy efficiency among broad segments of the Thurston community.
- Support energy equity by prioritizing program benefits to low- to moderate-income (LMI) households and members of overburdened communities.
- Connect a quantifiable number of residents with information about technologies, incentives, and advisory support services.
- Implement a quantifiable number of home electrification and efficiency improvements across the participating jurisdictions during the campaign period.
- Maintain program flexibility to respond and adapt to regional, state, and national clean energy programs and investments, with the aim of ensuring ongoing benefits to Thurston residents.

Based on prior outputs of Energize Olympia and considering the currently available funding and geographic scale of Energize Thurston, approximate numeric goals for the campaign are listed below.

- Engage at least 600 residents via community workshops, online and in-person.
- Complete a total of 60-70 subsidized HPWH installations for LMI participants.
- Complete a total of 70-95 subsidized heat pump installations (combination of ducted and ductless) for LMI participants.¹
- Enable approximately 150 total discounted and streamlined equipment installations for self-funded participants (i.e., we anticipate approximately the same number of LMI and self-funded installations).

Partnerships and Funding

Partner Jurisdictions: The Thurston Climate Mitigation Collaborative (TCMC) is an ongoing partnership among Thurston County and the cities of Lacey, Olympia, and Tumwater to identify and implement regional climate mitigation initiatives including the 2024 initiative Energize Thurston. These jurisdictions along with the city of Tenino each received funding from the State Home Electrification and Appliance Rebates (HEAR) program to support the campaign. Thurston County, Olympia, and Lacey also expect to receive federal Energy Efficiency & Conservation Block Grant (EECBG) funding to support the campaign. The partner jurisdictions expect to enter into an interlocal agreement for joint implementation of Energize Thurston.

Lead Jurisdiction: As Lead Jurisdiction, Thurston County will hold contract(s) with the selected Campaign Installers and a Customer Support Consultant. Staff from the Lead Jurisdiction will lead the campaign's execution and administration with support from TCMC Staff Team members and the Customer Support Consultant.

Customer Support Consultant. The Lead Jurisdiction may also contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support, case management, and/or outreach and education.

LMI Pathway Administrator: Each of the Parties will contract with a partner organization that will contract with the selected Campaign Installers to provide installations of qualifying equipment for qualified LMI participants. The project team expects that this role will be served by **South Puget Sound Habitat for Humanity (SPSHFH)** because they have been an integral partner in the design and implementation of Energize Olympia (2023 and 2024). The LMI Pathway Administrator will verify participant income eligibility, coordinate installer site assessments and installations, review completion of work with LMI participants as well as provide installer oversight. They will also support campaign promotion, administration of grant funding for subsidized installations, participant recruitment, marketing, and outreach efforts.

Installation Partners: Installers will be selected through a competitive Request for Proposals (RFP) process evaluating qualifications, experience, pricing, alignment with campaign goals and commitment

¹ Potential supplemental grant funding from partner SPSHFH may add at least 20 more subsidized heat pump installations, for a campaign total of approximately 90-115.

to customer support. Installation partners will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates, and execute installations for the campaign. Energize Thurston expects to contract with up to five installation partners.

Puget Sound Energy (PSE): PSE is the local electric and natural gas utility and provides rebates for energy efficiency retrofits including heat pump and heat pump water heater installations. This includes increased rebates amounts for households up to 90% AMI through the Efficiency Boost Rebate Program. This incentive helps reduce the cost of installations and will allow Energize Thurston to provide subsidized installations to a greater quantity of households. Note: While the TCMC is coordinating with PSE on the design and implementation of Energize Thurston, PSE is not an official campaign partner.

Project Team Roles and Responsibilities

Name	Organization/Work Group	Role
Julia Downing	DOE Community Energy Fellow (Thurston County)	• Campaign Co-Lead • Primary participant contact • Case management and outreach lead
Dominic Jones	City of Olympia, Building Decarbonization Manager	• Campaign Co-Lead (TBD) • Marketing materials lead • Participant management software lead • Case management and outreach support for Olympia participants
Rebecca Harvey	Thurston County, Climate Mitigation Senior Program Manager	• Contracting lead • Installer and campaign administration oversight • Case management and outreach support for Thurston County participants
Pamela Braff	City of Olympia, Director of Climate Programs	• Campaign advisor • Outreach support
Linsey Fields	City of Lacey, Climate and Sustainability Coordinator	• Case management and outreach support for City of Lacey participants
Alyssa Jones Wood	City of Tumwater, Sustainability Coordinator	• Case management and outreach support City of Tumwater participants
Amanda Schuyler	South Puget Sound Habitat for Humanity	• Installer selection support • LMI intake and case management • Outreach support
Amit Singh	Puget Sound Energy, Program Manager	• PSE Point of Contact
TBD	TBD Customer Support Consultant	• Support of case management, customer support, and/or outreach and education

Campaign Funding

Thurston County and the cities of Olympia, Lacey, Tumwater and Tenino have each been awarded funds through the Washington State Home Electrification and Appliance Rebate (HEAR) Program². The jurisdictions will utilize these funds to subsidize installations of eligible equipment for low- and moderate-income (LMI) households. Since the EECBG funding (described below) is allocated to subsidize heat pump water heater (HPWH) installations, the partners expect that the HEAR funding will be used primarily to subsidize heat pump space conditioning systems. The HEAR program allows up to 15% of the grant funding to be used for administrative costs. This portion of the funding will help to cover the cost of administering the Energize Thurston LMI Pathway.

Thurston County, Olympia, and Lacey have also applied for formula grants through the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program. This grant funding will be used to subsidize installations of HPWH for qualifying LMI households. The cities of Tumwater and Tenino do not meet the population threshold to qualify for this EECBG formula funding, but the County's allocation can support residents in small cities and unincorporated Thurston County.

Table 1 summarizes the jurisdictions' grant funding sources that directly support the Energize Thurston campaign. Across all five jurisdictions, total funding available to subsidize equipment installations is approximately \$1.7 million. This is anticipated to fund 60-70 subsidized HPWH installations, and 70-95 subsidized heat pump installations (ducted and ductless) for qualifying LMI participants.

² The Home Electrification and Appliance Rebates Program is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.

Table 1: Jurisdictions' Grants for Energize Thurston 2025.

Jurisdiction	Total Grant Funds	HEAR Grants			EECBG Grants
		Total HEAR Grants	Administration Costs	Heat Pump Subsidies	HPWH Subsidies
Thurston County	\$553,303	\$472,263	\$70,839	\$401,424	\$81,040
Olympia ³	\$603,513	\$481,483	\$72,222	\$409,261	\$122,030
Lacey ⁴	\$593,015	\$477,555	\$71,633	\$350,000	\$115,460
Tumwater	\$477,540	\$477,540	\$71,631	\$405,909	\$0
Tenino	\$95,009	\$95,009	\$14,251	\$80,758	\$0
Total	\$2,322,380	\$2,003,850	\$300,578	\$1,647,351	\$318,530

In addition to the grants provided by the jurisdictions, partner SPSHFH may supplement the campaign by leveraging approximately \$360,000 of their own grant funding from the WA State Department of Commerce HEAR Program to supplement the quantity of heat pump and heat pump water heater retrofits provided to LMI households. These funds will be used to provide integrated weatherization services in coordination with the energy upgrades for LMI participants.

The City of Olympia also expects to allocate approximately \$96,000 in Federal Community Development Block Grant (CDBG) funding for additional heat pump and heat pump water heater installations, as well as weatherization upgrades for low-income participants in Olympia.

Participant Pathways

Income Qualifications

Energize Thurston participant pathways are defined based on household gross annual income compared to Thurston County's area median income (AMI). This is the same metric used by the U.S. Department of Housing and Urban Development (HUD) to determine eligibility for affordable housing. A table of specific income levels for the 80% and 120% AMI thresholds in Thurston County can be [found here](#).

Table 2: Energize Thurston Income Qualification Levels.

Pathway	Qualifying Income Levels
Low and Moderate Income (LMI) Pathway	
Fully Subsidized	Less than 80% AMI
Partially Subsidized	At least 80% but less than 120% AMI
Self-funded (Market Rate) Pathway	120% AMI or higher

³ City of Olympia may allocate a some of its HEAR grant towards ductless heat pump installations during the 2024 Energize Olympia program dependent on program demand.

⁴ City of Lacey plans to allocate about 12% of its HEAR grant to the City's existing matching rebate program, and the rest to Energize Thurston.

LMI Pathway

The Energize Thurston LMI Pathway will provide subsidized equipment and services for low-to moderate income (LMI) households as defined in Table 2. It is expected that campaign partner SPSHFH will administer this pathway by contracting directly with installer(s) and subcontractors to coordinate subsidized installations for LMI participants along with site assessments, integrated critical home repair, and limited weatherization services.

Energize Thurston will subsidize the cost of home energy equipment and services for LMI participants at two different levels based on household income qualification:

- Full Cost Coverage for Low-Income: Households under 80% AMI will be eligible for 100% cost coverage of equipment and services. The campaign will reserve at least 60% of available funding for this pool of applicants on a first-come first-served basis.
- Partial Cost Coverage for Moderate-Income: Households with annual incomes of at least 80% AMI but less than 120% AMI will be eligible for partial cost coverage of eligible equipment and services. The exact portion of required household contribution is to be determined but is expected to be capped at \$2,500.

Self-Funded Pathway

The Energize Thurston Self-Funded Pathway (aka “Market Rate”) will provide a group purchase discount⁵ to participants with household incomes of 120% AMI or higher. The exact discount rate will be negotiated with installers during the contracting process. Installers will also be required to include all applicable rebates (from Puget Sound Energy, manufacturers, jurisdiction partners, etc.) as a time-of-sale discount to participants.

In addition to the financial incentives noted above, self-funded participants will have access to further benefits of Energize Thurston:

- Free educational workshops;
- Guidance on additional incentives (e.g., tax credits) and financing;
- Streamlined installation; and
- Customer support.

Jurisdictional staff will administer the self-funded pathway and provide case management and installer oversight.

The Energize Thurston project team may identify local financing providers (e.g., banks, credit unions) with favorable rates/terms that participants may choose to use to finance their projects. Installation partners may also recommend financing products if approved by Thurston County per the terms of their contract.

⁵ Group Purchase discount in Energize Olympia 2024 was 10% discount up to a maximum of \$1,200 off total equipment + labor cost.

Types of Equipment and Services

After attending an Energize Thurston workshop, participants in both the LMI and Self-Funded pathways will be asked to state on their applications if they request a site assessment for a heat pump space conditioning system, heat pump water heater, or both. They will then be connected to a campaign installer who will provide a free site assessment and recommend the appropriate equipment for their home. The installer will also assess and inform participants of relevant aspects of the building envelope, such as air sealing and insulation, that may affect customer satisfaction and savings from the equipment.

Specific requirements for all Energize Thurston equipment and services will be defined in the contracts between Thurston County and the selected installers. These requirements have been defined to align with Puget Sound Energy's planned 2025 rebates for heat pumps and HPWH.

Heat Pumps

Energize Thurston will focus on space conditioning heat pumps because our background research found space heating to be the largest overall consumer of energy for households across all fuel types. Eligible heat pump equipment will include ducted as well as ductless electric heat pumps. For both LMI and Self-Funded participants, the installer will assess the needs of the home and recommend the appropriate heating and cooling equipment for the customer. Installed equipment may replace any type of heating fuel.

Energize Thurston minimum requirements for heat pumps must meet the following criteria:

- Consortium for Energy Efficiency (CEE) highest efficiency tier for 2025:

2025 CEE Split ASHP Specification (DUCTLESS Heat Pumps)					
CEE Level	SEER2	EER2	HSPF2	COP at 5°F*	Capacity Ratio [~]
CEE Tier 1					
Path A	≥ 16.0	≥ 9.8	≥ 8.5	≥ 1.75	≥ 60% at 5°F/47°F
Path B	≥ 16.0	≥ 11.0	≥ 8.0	≥ 1.75	≥ 45% at 5°F/47°F
CEE Advanced Tier					
Refer to the DOE Cold Climate Heat Pump Challenge Specification					

2025 CEE Packaged ASHP Specification (DUCTED Heat Pumps)					
CEE Level	SEER2	EER2	HSPF2	COP at 5°F*	Capacity Ratio [~]
CEE Tier 1	≥ 15.2	≥ 10.0	≥ 7.2	≥ 1.75	≥ 45% at 5°F/47°F

- System must be AHRI Certified as a variable speed heat pump, mini-split or multi-split heat pump and use inverter technology and be a minimum of ¾ ton in heating mode.
- For ductless heat pump only installations, at least one indoor head must be installed in the main living (high-flow) area of the home; bedroom only installations do not qualify for the campaign.

Additional Heat Pump Requirements for LMI Pathway

For participants in the LMI Pathway, Energize Thurston will cover costs of the recommended heat pump equipment plus the following upgrades, which are eligible uses of HEAR grant funding:

- Electric panel upgrades necessary to enable heat pump upgrades
- Duct sealing as needed for installations of ducted heat pump systems

For ductless heat pump systems, the LMI Pathway will cover the cost of up to two ductless heads. At least one indoor head must be installed in the main living (high-flow) area of the home; bedroom only installations are not eligible for Energize Thurston subsidies.

For ducted systems, the campaign will cover the cost of duct repair as required. Installation of new ductwork where existing ductwork was not present is not eligible for Energize Thurston subsidies.

All heat pump installations that are funded with HEAR grants must meet the following HEAR program requirements:

- Remove all fossil fuel equipment where technically and economically feasible.
- All air-source heat pumps must be listed on the Northeast Energy Efficiency Partnership's (NEEP) Cold Climate Air Source Heat Pump (ccASHP) Product List, or meet the most recent ENERGY STAR Cold Climate product criteria.
- All equipment must be ENERGY STAR Certified or CEE North Region Certified.
- All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).

Heat Pump Water Heaters

The campaign will also incentivize heat pump water heaters (HPWH) because our background research found water heating to be the second largest natural gas end use for residential homes in Washington State. HPWH have also been shown to be more cost effective for homeowners when replacing an existing electric water heater.

For both LMI and Self-Funded participants, the installer will assess the needs of the home (in coordination with SPSHFH for the LMI Pathway) and recommend the appropriate water heating equipment for the customer, which may or may not be a HPWH. As for heat pump space heaters, the installed equipment may replace any type of heating fuel.

Energize Thurston's requirements for heat pump water heaters:

- Must be Northwest Energy Efficiency Alliance (NEEA) Tier 3 or 4⁶ heat pump water heater

Additional HPWH Requirements for LMI Pathway

For participants in the LMI Pathway, Energize Thurston will cover costs of a HPWH if it is recommended by the selected installer as appropriate water heating equipment for the site. The campaign may include an age requirement for water heater replacement (e.g., equipment is 10 or more years old; TBD). In addition to the equipment costs, Energize Thurston will cover costs of electrical upgrades to accommodate HPWH installation when needed in LMI households.

All LMI installations that are funded with HEAR grants must meet the following HEAR program requirements:

- Remove all fossil fuel equipment where technically and economically feasible.
- All equipment must be ENERGY STAR Certified or CEE North Region Certified.
- All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).

Campaign Structure and Processes

Contracting Structure

Energize Thurston will follow the “installer model” used by Energize Olympia, in which program installers are selected by evaluating price and qualifications through a competitive bidding process. The lead jurisdiction will issue a Request for Proposals (RFP) to select qualified contractors to provide installation of ducted and ductless heat pumps, heat pump water heaters, and associated electrical work. The partners anticipate needing approximately four to five contracted installers to serve Energize Thurston. Selected installers will be required to provide a fixed group-purchase discount for all installations, and to apply all applicable rebates as a time-of-sale discount to participants. Thurston County will hold a contract with each selected installer to set the group purchase rate. Self-funded participants will contract directly with an installer as described in the “Applicant Process” section below.

SPSHFH will contract with the same suite of selected installers, who will be required to apply the same discounts for the LMI installations as for the self-funded installations. Each of the partner jurisdictions will enter into a contract with the administrative partner to allow them to administer the LMI installations using funding provided by the jurisdiction.

The County will also issue an RFP to select a Customer Support Consultant (TBD), who will support case management, installer oversight, outreach, and/or campaign evaluation.

The contracting structure for Energize Thurston is illustrated in Figure 1 below.

⁶ Refer to NEEA Advanced Water Heating Specification 8.1 for information on HPWH Product Tiers

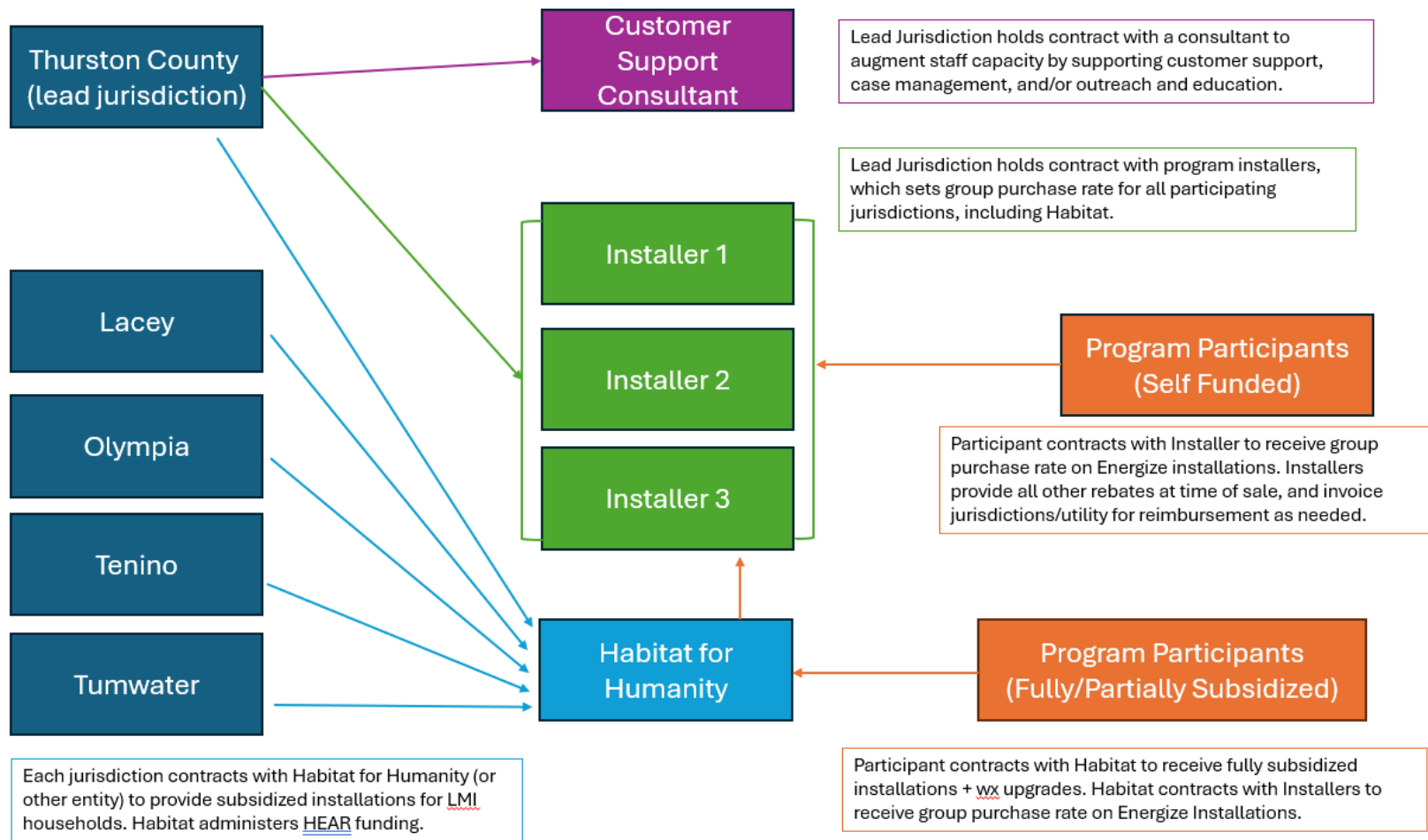


Figure 1. Energize Thurston Proposed Contracting Structure.

Applicant Process

All participants will progress through the Energize Thurston campaign as follows:

- Sign up for and attend a campaign workshop (either in-person or virtual).
- Submit a campaign application that includes their general information and the following:
 - Whether they are applying for the LMI Pathway or the Self-Funded Pathway; and
 - If they request a site assessment for a heat pump space conditioning system, heat pump water heater, or both.
- Campaign staff will verify site eligibility and request income eligibility information from LMI Pathway applicants.
- Campaign staff will provide the participant with a status update and notify the installer that the participant is ready to schedule a site assessment.
- LMI Pathway:
 - The installer will work with the LMI Pathway Administrator and the participant to schedule a site assessment, recommend the appropriate equipment, and provide a quote. If the participant chooses to move forward, the installer will contract with Habitat for Humanity to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing.
 - Moderate-income households (80%-120% AMI) will pay their household cost share to SPSHFH. Payment plans are available.
- Self-Funded Pathway:
 - The installer will contact the participant to schedule a site assessment, recommend the appropriate equipment, and provide a quote. If the participant chooses to move forward, the installer will contract directly with the participant to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing, as well as direct participants to program-approved financing options. The campaign staff team will support self-funded participants by offering customer support throughout the installation process.

Participant Management System

The partners will follow the model used by Energize Olympia for participant tracking and case management. “Monday.com” software will serve as a platform for project and task management, providing a streamlined system to track participant applications and partner tasks all in one place. The Staff Team will modify this system as needed to accommodate the expanded multijurisdictional campaign. We will refine and document the participant intake process for the LMI and self-funded pathways; train all campaign partners and installation partners on the use of the tracking software; and assign roles and responsibilities for case management, customer support, and installer oversight. We will host regular meetings with all campaign partners to ensure installers are meeting all contract deliverables and installation timelines, and address case management issues as they arise.

Outreach and Marketing Strategy

Energize Thurston will build upon the existing “Energize Olympia” brand and will expand outreach and marketing efforts countywide through a variety of methods as described below. Following the recommendations from background research, outreach will target both rural and urban areas with messages emphasizing environmental, health and safety benefits of electrification, as well as concerns about electric appliances cost and performance.

Energize Thurston will focus on reaching underserved and disadvantaged communities via targeted outreach and supportive program implementation. Target communities will include low-income households, communities of color, immigrants, seniors, first-time homeowners, and people on utility support programs, among others. Campaign staff will aim to develop partnerships with community-based organizations to leverage trusted networks that support these communities. A list of Community Outreach Partners will be included in the Energize Thurston Communications Plan.

Educational Workshop Series: Campaign staff, SPSHFH, and campaign installers will educate residents of Thurston County on the benefits of electrification appliances and services through a free series of educational workshops. The workshops provide information on the benefits of heat pump technology, residential energy efficiency, an overview of the program pathways and installation process, as well as information on the many available financial incentives including federal tax credits, and local utility incentives from Puget Sound Energy. The partners will host multiple in-person workshops across the county as well as an on-demand workshop to expand the accessibility of events.

TCMC Website: The TCMC website (Thurstonclimatecollaborative.org) will serve as the primary hub for interested residents to access Energize Thurston campaign information. The site will include information about in-person and on-demand workshops, participant eligibility criteria, FAQs, and contact information for the campaign’s point of contact.

Switch Is On (SIO) Website: The Energize Thurston Campaign will build on an existing outreach and marketing campaign that was launched regionally in 2024 via the wa.SwitchIsOn.org web platform. The Switch Is On (SIO) website serves as a central information hub for residential home electrification. It educates residents about home electrification benefits and technologies and provides tools to find vetted contractors and available incentives.

Outreach at Community Events: Campaign staff and SPSHFH staff will provide targeted outreach to community groups throughout Thurston County. This will include informational presentations for cultural organizations, faith-based organizations, and neighborhood associations, as well as tabling at local businesses, trade shows or community events.

Distribution of Marketing Materials: Physical marketing materials will be distributed around the County including post cards, flyers and street banners at central hubs in the community. Campaign staff will also regularly post online updates on the status of the campaign through partner jurisdictions’ e-newsletters and via social media platforms such as Facebook, Instagram, Threads, X, Nextdoor, and/or Reddit.

Outreach Partnerships and Volunteers: Energize Thurston will leverage trusted community partners to engage members of target communities. Staff will maintain a list of Community Outreach Partners and track engagements before and during campaign launch. Campaign staff will work with partners to recruit community volunteers (“Energize Ambassadors”) to assist with distribution of marketing materials throughout the County. Early recruitment of volunteers can build greater awareness of the program, natural engagement of community partners, and opportunities for press coverage.

Translation and Interpretation services: The partners will set aside marketing budget to translate outreach materials and the on-demand workshop into Spanish; and to provide interpretation services as needed throughout the campaign.

Post-Installation Education: All participants will receive an educational packet providing information on how to use and maintain their newly installed equipment as well as a reference to the sources of funding that helped subsidize their installation.

Campaign Timeline, Tasks and Deliverables

To launch the Energize Thurston campaign in Q1 2025, the Staff Team will aim to complete the following project tasks by the end of 2024.

Step 1: Contract with Energize Thurston Partners (October – December 2024)

This step includes executing an interlocal agreement among the jurisdiction partners for joint implementation of Energize Thurston, conducting a competitive solicitation for installation partners, and contracting with Habitat for Humanity. The jurisdictions may also contract with a Customer Support Consultant to augment staff capacity (TBD).

Tasks:

- 1.1 Execute Energize Thurston 2025 Interlocal Agreement (ILA)
 - Define roles and responsibilities of each jurisdiction partner
 - Develop collaborative budget for campaign launch and implementation
- 1.2 Lead Jurisdiction: Issue Request for Proposal (RFP) for installation partners
 - Develop scope of work and scoring rubric for Energize Thurston installation partners
 - Publish and promote RFP
 - Establish Installer Selection Committee and review proposals
 - Contract individually with up to 5 installers that are selected through the RFP process
 - Negotiate Energize Thurston group purchase discount with selected installers
- 1.3 All jurisdictions: Contract with LMI Pathway Administrator
 - Confirm that South Puget Sound Habitat for Humanity (SPSHFH) will serve as the LMI Pathway Administrator based on their foundational role in the design and implementation of Energize Olympia (2023-2024).
 - Each jurisdiction executes contract(s) with SPSHFH to provide grant funding for subsidized installations for LMI households.

1.4 (TBD) Lead Jurisdiction: Contract with Customer Support Consultant

- Refine scope of work for Customer Support Consultant
- Issue RFP and select consultant
- Contract with consultant

Step 1 Deliverables:

- ☐ Energize Thurston 2025 ILA
- ☐ Contracts with up to 5 installation partners
- ☐ Contracts between SPSHFH and each jurisdiction
- ☐ (TBD) Lead jurisdiction contract with Customer Support Consultant

Step 2: Develop Communications Plan and Outreach Materials (October – December 2024)

Energize Thurston will leverage existing Energize Olympia outreach materials and communication strategies and modify them as needed for the expanded program. This step includes producing the new marketing assets, developing a communications plan and tracking system, establishing outreach partnerships, and developing a framework for the educational workshops.

Tasks:

2.1 Design Energize Thurston marketing materials

- Work with Energize Olympia designer to revise materials for Energize Thurston
- Develop content for campaign website
- Compile weatherization information packet to provide participants (TBD if staff capacity allows)

2.2 Develop Communications Plan

- Build the Outreach & Marketing Strategy into a detailed campaign Communications Plan
- Determine number and locations of in-person workshops

2.3 Establish outreach partnerships

- Develop list of CBOs and outreach partners
- Contact outreach partners to initiate relationships and engage potential volunteers

2.3 Design Energize Thurston workshops

- Build off existing Energize Olympia workshops to add new technologies, application processes, and information about the multijurisdictional campaign
- Provide Spanish translation of workshop subtitles; and explore other options for translation/interpretation of on-demand workshop

Step 2 Deliverables:

- ☐ Energize Thurston brand and marketing materials
- ☐ Energize Thurston webpage
- ☐ Energize Thurston Communications Plan
- ☐ Tracking system for outreach activities and partner engagement

Step 3 – Develop Participant Application and Tracking System (November 2024 – January 2025)

This step involves modifying Energize Olympia’s participant application and tracking system for the expanded multijurisdictional campaign.

Tasks:

- 3.1 Develop application materials and process
 - Revise Energize Olympia’s application as needed for expanded campaign
 - Develop participant intake/tracking process for LMI and self-funded pathways
- 3.2 Set up participant tracking system in Monday.com software
 - Expand existing system to track participants across multiple jurisdictions
 - Establish project and task management boards in Monday.com
- 3.2 Train campaign partners on tracking system
 - Host kickoff meeting with campaign partners, SPSHFH, and installation partners
 - Assign roles and responsibilities for case management, customer support, and installer oversight
 - Establish weekly check-in schedule with all campaign partners

Step 3 Deliverables:

- ☐ Final participant application
- ☐ Guidance document on Participant Tracking Process
- ☐ Complete project, task management system in Monday.com

Step 4 – Implement Campaign (est. March – June 2025)

Tasks:

- 4.1 Implement communications and outreach plan
- 4.2 Conduct in-person workshops
- 4.3 Record virtual “on-demand” workshop and post online
- 4.4 Implement participant intake and management process
- 4.5 Provide customer support and case management
- 4.6 Conduct oversight of installers and partners
- 4.7 Track and report on progress toward goals

Step 4 Deliverables:

- ☐ Campaign Outcomes
 - Workshop registrations
 - Workshop attendances
 - Participant applications
 - Completed installations for LMI Pathway
 - Completed installations for Self-Funded Pathway

Step 5 – Develop Campaign Continuation Plan (est. July - September 2025)

Tasks:

- 5.1 Document and evaluate processes and partnerships developed in the pilot campaign
- 5.2 Develop a plan for continuation of the campaign in alignment with related federal, state, and regional initiatives.
- 5.3 Develop recommendations for expanding the program to further enhance benefits to disadvantaged communities.

Step 5 Deliverables:

- ☐ Energize Thurston Evaluation Report
- ☐ Energize Thurston Continuation Plan

Commerce HEAR Funds
City of Lacey Workplan
06/4/2024

1. Program Description

HEAR funding will be utilized to bolster current electrification programs in our region and jurisdiction. These include the Lacey Matching Rebate and Energize Olympia (the 2025 program will be Energize Thurston). As able, the program will serve residents with AMI ranging from 80% to 150%, small businesses, and multifamily units.

Lacey Matching Rebate

The City of Lacey Matching Rebate program provides electrification rebates for low- and moderate-income (LMI) single-family and multifamily households including Manufactured homes. The Program will focus on heat pump installations, though installation and rebates for additional appliances or enabling upgrades are proposed. All proposed rebates and installations include the following electric appliances and services:

- Heat pump water heaters
- Heat pump space conditioning
- Heat pump clothes dryers

Program rebates are provided as a one-to-one match through PSE's rebate portal. Lacey residents who are low-moderate income (90% AMI per PSE AMI and household size) can qualify for the Efficiency boost rebate through PSE:

- Space Heat: Efficiency boost participants can receive up to \$4,000 from PSE and \$4,000 matching funds from Lacey for a total of \$8,000 when converting from gas to electric. Lacey residents who already utilize electric hear can qualify for a total of \$4,800 (\$2,400 from PSE & \$2,400 from Lacey) when installing a new heat pump.
- Water heaters: Total of \$1,400 to \$1,500 (Lacey and PSE rebates) for purchasing Tier 3 or Tier 4 heat pump water heaters.
- Heat pump Dryer: Residents can receive up to \$400 (Lacey and PSE combined) for the purchase of a heat pump dryer.

Residential Energy Efficiency and Electrification Campaign (EEE Campaign)

The EEE Campaign will build on the success of the City of Olympia's recent outreach and incentive program. In Summer 2023, the city launched a heat pump group purchase pilot program (Energize Olympia) to increase community awareness of the benefits of heat pump technology and increase local installations of air source heat pumps. The pilot program resulted in the installation of 67 efficient, all-electric heat pumps in the City of Olympia, including 22 fully subsidized installations for LMI households. This EEE Campaign will expand Energize Olympia to provide a wider range of services and incentives for all residents of Thurston County. All proposed rebates and installations include the following electric appliances and services:

- Heat pumps for heating and cooling (i.e., air-source, ground-source)
- Residential and commercial induction cooking equipment
- Heat pump water heaters
- Heat pump clothes dryers

- Electric panel and wiring upgrades required for installation of new electric equipment

2. Jurisdiction Service Description

These programs will serve Lacey city limits and our urban growth area. Lacey has an area median income \$79,874. These programs will primarily serve residents with at 90% AMI or lower. Although the EEE Campaign will serve residents with up to 120% AMI. Businesses with 50 or fewer employees will be served through the matching rebate program.

Lacey has a significant population of residents whose first language is not English. Of the 22,256 households in Lacey, 18% speak a language other than English at home.

Overall, Lacey is home to 58,326 residents

3. Program Funding

The total projected program funding is approximately \$477,550. As Commerce funding will add to, and combine with, an existing program that could be supported with other pending grant applications, additional match funds may be claimed depending on the outcome of future grant awards. The anticipated budget for HEAR funds is shown in Table 1 below.

Table 1. Anticipated Budget: HEAR Funds					
	Category	Residential (Matching Rebate & EEE Campaign)	Multi- Family (Matching Rebate)	Small Business (Matching Rebate)	Totals
1	Rebates and Incentives	\$305,922	\$50,000	\$50,000	405,922
2	Administration, including outreach & education (15%)	\$71,633			71,633
		Total			477,555

If either the Residential or Small Business program does not receive noticeable uptake of rebates or installations within six (6) months of contract execution, the program may shift funding allocations between the two programs to ensure timely expenditure of allocated funds and to maximize electrification outcomes in the target area.

4.a Populations Served & Prioritized

The matching rebate Program serves LMI households and small business owners. The Residential Program will prioritize the following populations:

- Low-income homeowners (90% AMI and lower).
- Seniors (one or more persons aged 65 or older).
- Requires language assistance.

The EEE Campaign will provide 100% cost coverage installation for low- (below 80% AMI) and moderate-income (below 120% AMI) residents. HEAR-funded rebates will be distributed on a first-come,

first-served basis to eligible participants in the order that program applications are received. Participant income eligibility will be verified through requesting the participant's most recent Form 1040 tax form or Social Security benefit letter, as well as self-attestation.

The Small Business Program activities will primarily serve businesses with 50 or fewer employees and prioritize businesses that:

- Requires language assistance
- Serves Veteran, Disabled, and Low-Income community members.

5. Outreach and Education Strategies

The City of Lacey will continue to include funding messaging in all education and outreach materials: a byline stating that the funding for these programs is made available through the Climate Commitment Act. Education materials may contain information about how the CCA has funded the program and where the funds come from; while workshops will include slides on the CCA.

Matching Rebate Program

The existing matching rebate program strategy will be continued in the HEAR-funded program and adapted also to serve local business owners, expanding a workshop outreach model that provides language support targeted to low-income households, vulnerable populations, and overburdened communities.

- Outreach focuses on funneling interested residents and business owners to the City of Lacey webpage and to Energy Advisors through PSE.
- One workshop will be recorded and posted online, community members can also attend the online event and ask questions. Translation services will be present during the workshop.
- Outreach is conducted through multiple mediums, including media package outreach and presentations with partner organizations; newsletter postings; posting physical flyers; social media postings; video media releases; and postcard mailings in the target area.
- First Language Not English (FLNE) households in the target areas (having multiple language media available).

Energy Efficiency and Electrification Campaign:

The Thurston County EEE Campaign will build on an existing outreach and marketing campaign that was launched regionally in 2024 via the wa.SwitchIsOn.org web platform. The Switch Is On (SIO) features an educational website with information and resources about heat pumps and electric appliances, tools to find incentives and local contractors, and a regional outreach campaign including events, social media, and paid media. The new Lacey financial incentives will be added to this one-stop-shop website and integrated into ongoing SIO outreach efforts.

As Thurston County and partner cities stand up the new HEAR-funded incentive program, outreach and education will be provided via a free workshop series based on the Energize Olympia model. The educational workshops hosted by Thurston County, partner organizations, and/or installers. The workshops will be available both in-person and on-demand, and will provide information on the benefits of heat pumps and other electric appliances, an overview of the program pathways, and a description of the installation process. The on-demand workshop will be provided with Spanish translations, and Thurston County will budget for interpretation services as required throughout the duration of the program.

In addition to the workshop series, Lacey and partners will conduct outreach through targeted radio and streaming advertising, tabling at community events, sharing marketing materials and flyers throughout the county, and informational meetings with various community groups.

5.b Partnerships

- **Local Government Partners:** The EEE Campaign will be implemented at a regional scale via an Interlocal Agreement (ILA) among Thurston County, City of Olympia, City of Lacey, City of Tumwater, and City of Tenino. The ILA will specify roles and responsibilities of each partner including program management, management of third-party contracts, funding, and in-kind commitments.
- **Campaign Partners:** Partnerships will be finalized during Phase I of EEE Campaign development (summer 2024), and may include South Puget Sound Habitat for Humanity, Community Action Council, and/or other community-based organizations. For example, in the Energize Olympia program, Habitat for Humanity has provided heat pump installations for LMI participants, site assessments, subcontract management, and collaboration on program outreach and recruitment.
- **TBD Installer:** A TBD Installer(s) will provide information for educational workshops, conduct free site assessments, offer streamlined access to financial incentives and equipment rebates, and execute all installations for the program. Lacey and partners will aim to negotiate a group purchase discount (e.g., 10%) to allow program dollars to fund more fully subsidized installations.
- **Puget Sound Energy:** Puget Sound Energy (PSE) is the local electric utility for all of Thurston County; and the natural gas utility for unincorporated county and the cities of Olympia, Lacey, Tumwater, Yelm, and Rainier. Puget Sound Energy provides a variety of incentives including home electrification assessments and energy efficiency rebates. Lacey will coordinate with PSE on all matching rebates and sign a contract to utilize X dollars of HEAR funding on this program.

6. Distribution Process

Matching Rebate Program:

To receive a matching rebate participants will follow the process outlined below:

- Visit the city's webpage to see if they qualify. The webpage will be updated to reflect current funding stipulations and program requirements. Participants will verify their address is in city limits and verify the work they are completing falls under the matching rebate program.
- After verifying they will work with a contractor or complete the work themselves.
- They will then submit their application and application materials through the PSE rebate portal.
- PSE will then verify on their end if they meet program criteria for the matching rebate and approve/reject applications.
- If approved participants will receive the matching rebate via mail 4-6 weeks after they receive the PSE rebate.
- PSE will submit an invoice to Lacey for reimbursement of the matching rebates paid out.

EEE Campaign

To receive a fully subsidized home electrification installation (which may include one or more appliances), participants must progress through the program via the following steps:

- Sign up for and attend a program workshop.
- Submit a program application and specify that the household is interested in receiving a subsidized installation.
- Program staff will verify site eligibility and request income eligibility information.
- Program staff will provide the participant with a status update and notify the installer that the participant is ready to schedule a site assessment.
- Participants will schedule and receive HEAR-eligible installation(s) from the installer.
- The Installer will submit the customer invoice from the installation to program staff verifying the HEAR-eligible equipment installed, and request reimbursement.



LACEY CITY COUNCIL MEETING

December 03, 2024

SUBJECT: 2025 State Legislative Agenda

RECOMMENDATION: Motion: To adopt the 2025 State Legislative Agenda and the 2025 State Legislative Manual.

STAFF CONTACT: Rick Walk, City Manager *RW*
Shannon Kelley-Fong, Assistant City Manager *SKF*

ORIGINATED BY: City Manager's Department

ATTACHMENTS:

1. 2025 State Legislative Agenda
2. 2025 State Legislative Agenda – Accessible Copy
3. 2025 State Legislative Manual

FISCAL NOTE: Not applicable

PRIOR REVIEW: [City Council Worksession – November 26, 2024](#)

BACKGROUND: Annually, the City of Lacey establishes priorities for the upcoming Washington state legislative session.

The 2025 State Legislative Agenda and the 2025 State Legislative Manual are intended to reflect the City's current policies and priorities at the state level. These documents help the City achieve its legislative priorities in 2025 and beyond.

After discussion at the Lacey City Council Worksession on November 26, 2024, **the 2025 State Legislative Agenda was updated to emphasize the top three priorities, which are all regional in nature:**

1. **Develop long-term funding solutions for supportive housing acquisitions:**
The City requests funding to help convert Maple Court to permanent supportive housing and for sustainable operational funding for Rights-of-Way Initiative-funded programs.

2. **Thurston County Regional Basic Law Enforcement Academies at the Lacey Regional Training Center:** The City requests \$1,000,000 for a regional BLEA academy at the Lacey Training Facility in 2026. Funding would be used to support academy operations.
3. **Regional Animal Shelter and Control Facility:** The Joint Animal Services facility is failing and requires significant investment to maintain. The City, with its partners (Olympia, Tumwater, Thurston County), requests \$2,000,000 for facility design.

Other priorities include:

Local Capital Request:

4. Huntamer Park Civic Improvement Project

Policy Items:

5. Public Defense Standards Impact
6. Authorization of Animal Control and Shelter Districts
7. Continued funding for the Defense Community Compatibility Account
8. Increase availability of affordable and accessible childcare
9. Continue focus on I-5 Corridor between Mounts Road and Tumwater

Policy Manual: In the policy Manual, since the last review, the following entry was added for discussion:

PERS 1 COLA

The City supports COLAs for PERS 1 retirees to lessen the impact of inflation on their benefits; however, with AWC, the City opposes PERS 1 COLA plans funded by the Unfunded Actuarial Accrued Liability (UAAL) surcharge. The UAAL surcharge impacts current local government budgets, including the City's, to pay for unplanned benefit increases. Recent legislation was expected to mostly phase out UAAL surcharges. According to past fiscal analysis, a permanent PERS 1 COLA funded by the UAAL surcharge would cost local governments an additional \$1.27 billion over the next 15 years.

Next Steps. Upon review, the Lacey City Council could consider one of the following four options:

Option 1: Motion to adopt the 2025 State Legislative Agenda and the 2025 State Legislative Manual.

Option 2: Take no action; Do not adopt the 2025 State Legislative Agenda and the 2025 State Legislative Manual.

Option 3: Provide direction to City staff on other elements to consider. After further diligence on these elements, City Staff would then return to the Lacey City Council to review additional materials for consideration.

Option 4: Some other option not contemplated in the above options.

Staff recommends option 1.



2025 State Legislative Priorities

LACEY CITY COUNCIL

Andy Ryder, Mayor

Malcolm Miller, Deputy Mayor

Lenny Greenstein

Michael Steadman

Carolyn Cox

Robin Vazquez

Nicolas Dunning

Adopted by Lacey City Council on December 3, 2024

1 DEVELOP LONG-TERM FUNDING SOLUTIONS FOR SUPPORTIVE HOUSING ACQUISITIONS



The City appreciates the state's continued leadership in responding to the homeless crisis, including funding for Maple Court. Since its inception, the plan for Maple Court has been to convert it from an enhanced shelter into needed permanent supportive housing. To date, the Regional Housing Council has allocated \$1.1M to support this transition.

The City requests funding to help convert Maple Court into permanent supportive housing and for sustainable operational funding for Rights-of-Way Initiative-funded programs.

2 THURSTON COUNTY REGIONAL BASIC LAW ENFORCEMENT ACADEMIES (BLEA) AT THE LACEY REGIONAL TRAINING CENTER

Police departments across Washington state face significant police staffing shortages. As communities continue growing and increasing numbers of law enforcement personnel retire, this program must receive adequate funding to provide training opportunities for new hires. Regional academies help reduce academy wait times and officer vacancy rates, and enhance local officer recruitment efforts. They also provide more equitable training opportunities as they increase the ability for community members to participate in academies by eliminating the need for extended stays away from home. Around the South Sound, recent vacancies have adversely impacted public safety services. The City strongly supports the creation of more regional BLEA academies.

The City requests \$1,000,000 for a regional BLEA at the Lacey Training Facility in 2026. Funding would support academy operations.

Law Enforcement Vacancy Rates (Nov. 2024)

Lacey	0.0%
Olympia	10.1%
Tumwater	2.9%
Yelm	0.0%
Thurston County	8.6%

3 REGIONAL ANIMAL SHELTER AND CONTROL FACILITY

Joint Animal Services (JAS) is the animal shelter and control agency for the cities of Lacey, Tumwater, and Olympia, and unincorporated Thurston County ("Partners"). It serves over 303,976 community members in 774 square miles of urban and rural terrain. JAS provides humane law enforcement, sheltering, and medical care of strays (intake of over 2,600 animals in 2022), impounded and surrendered animals, adoption services, pet licensing, temporary emergency housing, and more. In 1996, JAS moved into their existing facility, a former warehouse. In addition to not meeting animal standards of care, **a recent study found the facility is failing and requires significant investment to maintain.** With the growth of the community, JAS operations have outgrown the space. A space needs assessment will take place in early 2025. This will determine facility needs and construction costs, estimated at \$25+ million. Facility design is anticipated to cost around \$2 million.

The City, with its partners, requests \$2,000,000 for facility design.



City of Lacey 2025 State Legislative Priorities

4 HUNTAMER PARK CIVIC IMPROVEMENT PROJECT

For decades, the City has actively worked to transform the Midtown District into a vibrant and community-centered urban core through planning and public project efforts. Huntamer Park, the “heart” of this area, is a 1.5-acre civic space in desperate need of updates to meet the growing community’s needs. Previous significant improvements at Huntamer Park occurred in 2005. Since then, the surrounding Midtown District has grown significantly with new mixed-use and residential (re)developments. This project would strengthen opportunities for civic engagement, improve equity by increasing park access and amenities in a Community Development Block Grant-qualified census tract, increase environmental resiliency, improve public health and wellness, and expand opportunities for economic growth and development.

Tentative Project Funding	
City	\$800,000
State	\$200,000
Federal	\$400,000
Total	\$1.4 million

The City seeks \$200,000 to improve Huntamer Park, including adding plazas, a water feature, new landscaping, pathways, and furniture designed to create spaces for daily use while preserving civic spaces for important community events.

POLICY ITEMS

5 Public Defense Standards Impact

The City is concerned about the impacts of the Washington State Bar Association (WSBA) Recommended Revised Standards for Indigent Defense (Recommended Standards). The City asks that the State examine the financial impacts of these proposed changes on local jurisdictions and commit to financial support sufficient to offset these impacts before requiring implementation.

6 Authorize Animal Control and Shelter Districts

The City requests the creation of an Animal Control and Shelter Special Purpose District or the amendment of Metropolitan Municipal Corporations to allow for Animal Service Districts.

7 Continue funding for the Defense Community Compatibility Account (DCCA)

The City requests the State legislature prioritize ongoing investment in this grant program that supports civilian communities near military installations.

8 Increase Availability of Affordable and Accessible Childcare

The City supports efforts to increase affordable childcare access statewide, including reducing barriers for providers, supporting the construction of new facilities, enhancing workforce development, increasing access to state-subsidized childcare slots, and improving childcare availability in all areas.

9 Continue focus on I-5 Corridor between Mounts Road and Tumwater

Interstate 5 (I-5) is the lifeline of commerce, transportation, and JBLM’s mission readiness in the Puget Sound Region. Maintaining existing funding for this project is vital.

CITY OF LACEY ALSO SUPPORTS THE TOP LEGISLATIVE PRIORITIES OF:

Association of Washington Cities
South Sound Military & Communities Partnership
Thurston County Shared Legislative Agenda
Regional Housing Council
Washington Recreation & Park Association
Thurston Regional Planning Council
LOTT Clean Water Alliance

Government
Relations webpage:



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CITY OF **LACEY**

2025 State Legislative Priorities

LACEY CITY COUNCIL

Andy Ryder, Mayor

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Michael Steadman

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Robin Vazquez

Nicolas Dunning

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LAND ACKNOWLEDGEMENT

We are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

1. Develop long-term funding solutions for supportive housing acquisitions.

The City appreciates the state’s continued leadership in responding to the homeless crisis, including funding for Maple Court. Since its inception, the plan for Maple Court has been to convert it from an enhanced shelter into needed permanent supportive housing. To date, the Regional Housing Council has allocated \$1.1M to support this transition.

The City requests funding to help convert Maple Court into permanent supportive housing and for sustainable operational funding for Rights-of-Way Initiative-funded programs.

2. Thurston County Regional Basic Law Enforcement Academies at the Lacey Regional Training Center

Police departments across Washington state face significant police staffing shortages. As communities continue growing and increasing numbers of law enforcement personnel retire, this program must receive adequate funding to provide training opportunities for new hires. Regional academies help reduce academy wait times and officer vacancy rates, and enhance local officer recruitment efforts. They also provide more equitable training opportunities as they increase the ability for community members to participate in academies by eliminating the need for extended stays away from home. Around the South Sound, recent vacancies have adversely impacted public safety services. The City strongly supports the creation of more regional BLEA academies.

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Law Enforcement Vacancy Rates (Nov 2024)	
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3. Regional Animal Shelter and Control Facility

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4. **Huntamer Park Civic Improvement Project**

For decades, the City has actively worked to transform the Midtown District into a vibrant and community-centered urban core through planning and public project efforts.

Huntamer Park, the “heart” of this area, is a 1.5-acre civic space in desperate need of updates to meet the growing community's needs. Previous significant improvements at Huntamer Park occurred in 2005. Since then, the surrounding Midtown District has grown significantly with new mixed-use and residential (re)developments. This project would strengthen opportunities for civic engagement, improve equity by increasing park access and amenities in a Community Development Block Grant-qualified census tract, increase environmental resiliency, improve public health and wellness, and expand opportunities for economic growth and development.

The City seeks \$200,000 to improve Huntamer Park, including adding plazas, a water feature, new landscaping, pathways, and furniture designed to create spaces for daily use while preserving civic spaces for important community events.

Tentative Project Funding	
City	\$800,000
Federal	\$400,000
State	\$200,000
Total	\$1.4 million

POLICY ITEMS

5. **Public Defense Standards Impact**

The City is concerned about the impacts of the Washington State Bar Association (WSBA) Recommended Revised Standards for Indigent Defense (Recommended Standards). The City asks that the State examine the financial impacts of these proposed changes on local jurisdictions and commit to financial support sufficient to offset these impacts before requiring implementation.

6. **Authorize Animal Control and Shelter Districts**

The City requests the creation of an Animal Control and Shelter Special Purpose District or the amendment of Metropolitan Municipal Corporations to allow for Animal Service Districts.

7. **Continue funding for the Defense Community Compatibility Account (DCCA)**

The City requests the State legislature prioritize ongoing investment in this grant program that supports civilian communities near military installations

8. **Increase availability of affordable and accessible childcare**

The City supports efforts to increase affordable childcare access statewide, including reducing barriers for providers, supporting the construction of new facilities, enhancing workforce development, increasing access to state-subsidized childcare slots, and improving childcare availability in all areas.

9. **Continue focus on I-5 Corridor between Mounts Road and Tumwater**

Interstate 5 (I-5) is the lifeline of commerce, transportation, and JBLM's mission readiness in the Puget Sound Region. Maintaining existing funding for this project is vital.

CITY OF LACEY ALSO SUPPORTS THE TOP LEGISLATIVE PRIORITIES OF:

Association of Washington Cities
South Sound Military & Communities Partnership
Thurston County Shared Legislative Agenda
Regional Housing Council
Washington Recreation & Park Association
TRPC
LOTT Clean Water Alliance

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CITY OF LACEY

2025 LEGISLATIVE POLICY MANUAL





CITY OF LACEY LEGISLATIVE POLICY MANUAL

Adopted by the Lacey City Council on December 3, 2024

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CITY OF LACEY LEGISLATIVE POLICY MANUAL

Adopted by the Lacey City Council on December 3, 2024

LAND ACKNOWLEDGEMENT

We acknowledge the ancestral land we are on today as the traditional territory of the Tribal People of the Treaty of Medicine Creek, signed in 1854, including the Nisqually Indian Tribe and Squaxin Island Tribe.

We acknowledge, remember, and must not forget those Tribal People that are named but not recognized today, and who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here.

We acknowledge, Indigenous People who called the land home before the arrival of settlers and have been here Since Time Immemorial.

We recognize the relationship that exists between Indigenous People and their traditional territories, which include the religious significance, self-determination, identity, and economic factors. The relationship helps all people heal from the past and learn how not to inflict new wounds today.

We recognize and respect Indigenous People as traditional stewards of this land, and acknowledge the Tribal Governments and their role today in taking care of these lands.

We recognize that this land acknowledgement, and the Nisqually-Lacey Accord of 2011, are small steps toward true allyship. We commit to partnering with the Tribal People of the Treaty of Medicine Creek to continue to uplift the voices, experience, and histories of indigenous people of this land and beyond.

We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

Visit www.CityofLacey.org/LandAcknowledgement for more information.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

Adopted by the Lacey City Council on December 3, 2024

LAND ACKNOWLEDGEMENT	2
GENERAL GOVERNMENT	5
Local Authority	5
Public Records and Open Meetings	5
Prevent Liability Expansion, pursue crucial liability reforms	5
Continue funding for Defense Community Compatibility Account (DCCA)	6
LEED Building Standard	6
Public Defense Standards	6
Increase availability of affordable and accessible childcare	7
PERS 1 COLA.....	7
AFFORDABLE HOUSING HOUSING SERVICES	8
Develop long-term funding solutions for supportive housing acquisitions.	8
Other Support for Homelessness Services	8
Unfunded Social Service Mandates	8
Wildland Urban Interface	8
Quality Affordable Housing.....	8
Increasing Housing Density	9
COMMUNITY AND ECONOMIC DEVELOPMENT	10
Economic Development Tools	10
Climate Resources and Tools.....	10
Airport Siting Concerns	10
Lacey MakerSpace.....	11
Project Timeline Review	11
Emergency and Transitional Housing Compliance	11
Electric Fences	12
PARKS, CULTURE AND RECREATION COMMUNITY SERVICES	13
CAPITAL REQUEST: Huntamer Park Civic Improvement Project	13
Future Project: Lacey Museum and Cultural Center	13
Future Project: Early Learning Access - Young Child and Families Center of Lacey.....	13
Park and Recreation Funding	14
Parks Rx programs	15
Active Transportation Funding	15



CITY OF LACEY LEGISLATIVE POLICY MANUAL

Adopted by the Lacey City Council on December 3, 2024

TRANSPORTATION AND INFRASTRUCTURE	16
I5 Corridor: Mounts Road to Tumwater and the Nisqually River Delta	16
Stormwater and Culvert Funding	16
Public Property and Rights of Way Control.....	16
Definition of Public Works.....	16
Vehicle miles traveled (VMT) Model.....	16
FINANCE.....	17
Business Tax Simplification.....	17
State-Shared Revenues	17
General Fund Revenue	17
City Financial Liability for Indigent Defense.....	17
Unfunded Mandates (general)	17
PUBLIC SAFETY	18
CAPITAL REQUEST: Thurston County Regional Basic Law Enforcement Academies and Training Center.....	18
Authorize Animal Control and Shelter Districts.....	18
Joint Animal Services: Regional Animal Facility.....	18
Expand Behavioral health access and funding.....	19
Address Law Enforcement Vehicle Pursuits	19
Non-moving Traffic Stops.....	19
Auto-theft prevention and enforcement programs.....	19
School Resource Officers	19
Binding Interest Arbitration	19
Officer recruitment and retention	20
Thurston County Regional BLEA Training Academy and Training Center.....	20
Jail and Court Costs.....	20
Office of Independent Investigation (OII).....	20
CITY OF LACEY ALSO SUPPORTS THE TOP LEGISLATIVE PRIORITIES OF:.....	21
South Sound Military and Communities Partnerships	21
Association of Washington Cities	21
Thurston County Shared Legislative Agenda.....	21
Regional Housing Council	21
Washington Recreation and Park Association:.....	21



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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GENERAL GOVERNMENT

Local Authority

The City supports preserving the authority of local governments regarding local taxation, land use planning, zoning and regulation consistent with the GMA (RCW 36.70A) and SEPA (RCW 43.21C.)

Public Records and Open Meetings

The City respects the right of the public to have access to legitimate public records and documents. The City believes its ability to recover the costs of searching for, gathering and reviewing requested documents is also in the public's interest. The City supports reasonable reforms to the Public Records Act. The City opposes requiring the recording of executive sessions or other restrictions on legitimate uses of executive sessions.

Prevent Liability Expansion, pursue crucial liability reforms

The City is staunchly opposed to legislation that would modify the accrual date for interest on tort judgments to the date the cause of action, such as 2023's SB5059.

The City is a member of Washington Cities Insurance Authority (WCIA), a risk pool made up of 165 municipal entities across the state. The civil litigation environment is bad and getting worse for public entities in the State of Washington. Multimillion-dollar verdicts, also known as nuclear verdicts, were not common against public entities and were often awarded against large for profit private corporations. Over the last several years public entities have now been hit with nuclear verdicts. Risk pools are shouldering millions of dollars of exposure that are being passed down to their members in terms of additional assessments. The additional costs mean that our community is diverting money from community priorities to fund WCIA's assessment. Our pool relies on partnering with traditional insurance to provide further coverage above their self-funded \$4 million per loss. Those traditional insurance carriers are either refusing to write any coverage or doing so at significant costs. The future outlook is that our communities will have less coverage and will need to redirect money to cover losses rather than providing valuable services, programs and much needed maintenance.

The City requests opposing any efforts to expand tort law liability and/or the remedies available under tort law. If expansions are approved by the legislature, then the State should consider creating a fund to cover those costs. Cities and their risk pools cannot be expected to shoulder the staggering costs imposed by legislative changes. At a minimum that State should provide a reinsurance fund that risk pools and individual entities could utilize.

Tort reform for all public entities needs to be addressed and the balance restored between protecting harmed individuals with reasonable verdicts and appropriate defenses. Tort reform could include:



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- Caps on the amount of damages that can be collected against public entities (which is law in 33 States)
- Reinstating immunities that have been eroded by the courts and amending the law on joint and several liability which incentivizes claims against public entities as deep pockets.

Continue funding for Defense Community Compatibility Account (DCCA)

The 2023-25 Capital Budget invests \$35.8 million in defense community compatibility projects throughout the state. This investment leverages over \$126 million in local and federal funds, including the Defense Community Infrastructure Program (DCIP). The City requests the State legislature prioritize ongoing investment in this grant program that supports civilian communities near military installations. In the future, the DCCA and DCIP could serve as important funding opportunities for the Young Child and Family Center of Lacey.

LEED Building Standard

Since 2005, the State has required LEED Silver certification for all new state agency, state college and university and K-12 school construction and major renovation projects over 5,000 square feet. While the City recognizes the need for making buildings more efficient to reduce costs and lower pollution from fossil fuels, we believe that there are other meaningful and more cost-effective metrics and standards that could be used in lieu of the expensive and cumbersome LEED rating system.

Public Defense Standards

The City is concerned about the impacts of the Washington State Bar Association (WSBA) Recommended Revised Standards for Indigent Defense (Recommended Standards). While we support the main objectives of the Recommended Standards, the abrupt increase in required legal support would represent a drastic, unfunded escalation for the City's limited general fund, more than tripling the \$3M the City had projected spending over the next five years. Absorbing this financial burden in the existing general fund revenue structure is unreasonable and untenable without a substantial increase in state funding to support implementation. Compounding this issue, there is also a severe shortage of public defenders across Washington. Even if the state provided sufficient funding to hire the required number of defenders, contracted firms, like the City, would face significant challenges in finding enough qualified candidates to hire and manage in a short period. This issue extends to required support staff, prosecutors, and other connected services. The Recommended Standards necessitate substantial financial resources, which pose the risk of reducing or eliminating funding for various and vital preventative community City programs. The City asks that the State examine the financial impacts of these proposed changes on local jurisdictions and commit to financial support sufficient to offset these impacts before



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requiring implementation, including considering caseload decreases and the timing of phases to minimize impact.

Increase availability of affordable and accessible childcare

With AWC and SSMCP, the City supports efforts to increase affordable childcare access statewide. These efforts include reducing barriers for providers, supporting the construction of new facilities, enhancing workforce development, increasing access to state-subsidized childcare slots, and improving childcare availability in all areas. Childcare is a vital component of economic development. In Thurston County, data shows that 15.32% of the necessary infant care supply is available, 19.78% of the required toddler care supply is accessible, 29.99% of the needed preschool care is provided, and 10.28% of the requisite school-age care is available.

PERS 1 COLA

The City supports COLAs for PERS 1 retirees to lessen the impact of inflation on their benefits; however, with AWC, the City opposes PERS 1 COLA plans funded by the Unfunded Actuarial Accrued Liability (UAAL) surcharge. The UAAL surcharge impacts current local government budgets, including the City's, to pay for unplanned benefit increases. Recent legislation was expected to mostly phase out UAAL surcharges. According to past fiscal analysis, a permanent PERS 1 COLA funded by the UAAL surcharge would cost local governments an additional \$1.27 billion over the next 15 years.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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AFFORDABLE HOUSING | HOUSING SERVICES

Develop long-term funding solutions for supportive housing acquisitions.

The City appreciates the state's continued leadership in responding to the homeless crisis, including funding for Maple Court. Since its inception, the plan for Maple Court has been to convert it from an enhanced shelter into needed permanent supportive housing. To date, the Regional Housing Council has allocated \$1.1M to support this transition. The City requests funding to help convert Maple Court into permanent supportive housing and for sustainable operational funding for Rights-of-Way Initiative-funded programs.

Other Support for Homelessness Services

The City allocates approximately 2% of its general fund to support social services in the community that benefit low-income and vulnerable community members. The City requests the state's partnership in supporting programs and services that help prevent temporary and recurrent homelessness.

Unfunded Social Service Mandates

While recognizing that there is a significant need for enhanced social services throughout Washington, the City strongly opposes any unfunded state mandates regarding behavioral health, crisis relief, housing and shelter, co-responder programs, and employment services. The City supports working with the State Legislature to create state-led, sustainable tools and resources.

Wildland Urban Interface

The State Building Code Council adopted the International Wildland Urban Interface Code with amendments and maps that will significantly drive up the cost of housing in areas which are not at risk of wildfires, including most of Lacey and its Urban Growth Area. The requirements for fire rated construction materials in areas adjacent to a park or high density but vacant land will add significant costs to housing developers. The requirement for defensible spaces will serve to lower achieved densities, driving the need for more land for the same number of housing units.

The Association of Washington Cities along with the Cities of Lacey, Olympia, and Tumwater as well as Thurston County are working with the Code Council to amend the code to lessen the impacts to housing costs, but a legislative review of the intent of the code is warranted.

Quality Affordable Housing

The City supports legislation that incentivizes developers to build affordable housing, such as the multifamily housing tax exemption, and funding allocated for public and nonprofit affordable housing, including the Housing Trust Fund.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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Increasing Housing Density

Housing affordability and access is a high priority issue for Lacey and the greater Thurston County region. The City recently updated its zoning code to allow for at minimum 6 residential units per acre in all residential zones. The City supports continuing to work collaboratively between the state and local jurisdictions to create a variety of affordable housing options and tools. The City supports creating consistent standards between the City and its Urban Growth Area.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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COMMUNITY AND ECONOMIC DEVELOPMENT

Economic Development Tools

The City supports robust and sustainable funding for the Economic Development Strategic Reserve Fund, Tax Increment Financing, Community Economic Revitalization Board, Public Works Assistance Account, Public Facility Districts, and other programs that assist local governments in neighborhood residential and commercial area rehabilitation. The City also supports legislation that provides optional economic development tools for cities, such as the multi-family housing tax incentive, lodging tax, the Main Street Act, complete streets grant program, community facility financing, shared state revenue for construction of convention and special event centers, additional shared state revenue for public facility improvements, etc.

Climate Resources and Tools

Climate change is already affecting our communities. Impacts like hotter summers, wildfire smoke, and flooding endanger our homes and affect public health and local business. Lacey, Thurston County, Olympia, and Tumwater partnered to create the Thurston Climate Action Plan to reduce climate polluting greenhouse gases while maintaining - and even improving - quality of life. The Thurston Climate Action Plan includes mitigation and action strategies that are ready for implementation. However, some of the most impactful greenhouse gas reduction projects and programs are not feasible given funding limitations. The City supports the creation of a sustainable state program using unallocated Climate Commitment Act funds, or other state resources, to fund local climate capital projects that enhance community resiliency. The City also supports the state working with local governments for future climate initiatives in the transition to green energy alternatives to ensure solutions are feasible for all parties.

The City supports building electrification programs that complements the funding in the federal Inflation Reduction Act and helps residents and building owners transition to all-electric buildings, with an emphasis on ensuring low- and moderate-income residents, multifamily housing, and small businesses are prioritized.

The City also supports Medium and Heavy-Duty Vehicle electrification incentive programs that would provide vouchers that purchasers can use at participating dealers.

Airport Siting Concerns

The City, along with Thurston County and the cities of Olympia, Tumwater, Rainier, Yelm, Tenino, and town of Bucoda, opposed the former Commercial Aviation Coordination Commission's (CACC) Thurston County two-runway airport expansion site. An airport in Thurston County would endanger environmentally sensitive areas (e.g., wetlands, prairies, and endangered species), further decrease rapidly-dwindling agricultural lands, augment



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environmental health challenges and exacerbate existing health disparities, and irrevocably damage the quality of life for Thurston County community members. For future study of this issue, the City supports (re)adding previously vetoed language ensuring military compatibility in consideration of increasing commercial aviation.

Lacey MakerSpace

Lacey MakerSpace, currently serving members in Pierce, Thurston, Lewis, and Mason Counties, is a collaborative “innovator’s workshop” designed to support small businesses, entrepreneurs, artists, product developers and manufacturers. Lacey MakerSpace endeavors to 1) reduce barriers for community members by offering instruction and access to state-of-the-art fabrication and prototyping equipment, 2) develop new workforce training and apprenticeship programs aimed at growing advanced manufacturing businesses in the region, 3) foster collaboration and outreach as a hub of a larger ecosystem of business and networking services. Since opening its doors in 2019, every year Lacey MakerSpace has grown and increased its impact on our region’s economic development and workforce readiness. To enhance operations over the next few years to meet future growth and workforce needs, Thurston County partners have diligently worked to obtain funding to expand the footprint of the MakerSpace to over 9500 square feet and obtain additional advanced manufacturing technologies. The Thurston County partners are requesting the creation of a grant program that would allow innovation spaces, like Lacey MakerSpace, to continue to provide and enhance workforce training and development opportunities throughout the state.

Project Timeline Review

The City prides itself in being responsive to all forms of public service, including land use project review. The City has concerns that it will be difficult to demonstrate compliance with shortened state established project review timelines without adequate tracking tools in place. Specifically, there is no efficient and consistent portal for local staff to track the stop clocks when the delay is due to the developer and the time does not count towards the timelines.

Emergency and Transitional Housing Compliance

The City opposes code and permit changes for Emergency housing that create unreasonable time requirements. These bills are often designed for a few “bad actors” and penalizes those who are in good faith complying. Creating an alternative process to challenge local review authority outside the regular appeal process would increase the risk of litigation and create unnecessary work and cost for the City. The City opposes any unfunded mandates related to emergency and transitional housing.



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Electric Fences

The City opposes legislation that would pre-empt local jurisdictions from adopting or enforcing regulations prohibiting the installation or use of an electrified security alarm system on certain properties.



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PARKS, CULTURE AND RECREATION | COMMUNITY SERVICES

The City has worked to create more equitable access to parks for all community members. The City's investments in local parks and requested state partnership reflect work toward this goal.

CAPITAL REQUEST: Huntamer Park Civic Improvement Project

For decades, the City has actively worked to transform the Midtown District into a vibrant and community-centered urban core through planning and public project efforts. Huntamer Park, the “heart” of this area, is a 1.5-acre civic space in desperate need of updates to meet the growing community's needs. Previous significant improvements at Huntamer Park occurred in 2005. Since then, the surrounding Midtown District has grown significantly with new mixed-use and residential (re)developments. This project would strengthen opportunities for civic engagement, improve equity by increasing park access and amenities in a Community Development Block Grant-qualified census tract, increase environmental resiliency, improve public health and wellness, and expand opportunities for economic growth and development. **The City seeks \$200,000 to improve Huntamer Park, including adding plazas, a water feature, new landscaping, pathways, and furniture designed to create spaces for daily use while preserving civic spaces for important community events.**

Future Project: Lacey Museum and Cultural Center

The City is developing a new museum and cultural center that will enrich the community and engage visitors by sharing vibrant stories of the past through the preservation and celebration of Lacey and the South Sound's cultural heritage. The design is currently 100 percent complete, with an estimated completion cost of \$15 million.

Future Project: Early Learning Access - Young Child and Families Center of Lacey

There is a critical need for early learning and indoor recreation resources in Lacey. The demand for high-quality childcare programs has outpaced industry growth for several years. The City supports policies and programs that increase access to affordable, quality childcare in Washington and policies that expand access to preschool. According to the Washington State Department for Children, Youth and Families (DCYF), most of the North Thurston Public Schools (NTPS) service area falls within an “extreme childcare access desert.” NTPS is moving forward with the Early Learning Center portion of this project thanks to state funding for design and the passage of a bond. The City and its partners are assessing the feasibility of a recreation center to include an indoor child aquatics and play space, and outdoor spray park.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

Adopted by the Lacey City Council on December 3, 2024

Park and Recreation Funding

The City supports ongoing funding for the Washington Wildlife and Recreation Program (WWRP), Aquatic Land Enhancement Account (ALEA), Land and Water Conservation Fund (LWCF), and the Youth Athletic Facilities (YAF) grant programs. The City supports ongoing funding for the following:

- **Washington Wildlife and Recreation Program (WWRP):** Continuing to fund \$150M or greater. Funding at this level could support the following Lacey projects:
 - **Playground replacement at William A. Bush Park.** The project goals are to create a safer, more inclusive, more accessible, and more engaging play environment - \$221,000.
 - **Rainier Vista Park improvements.** This project includes the addition of four (4) pickleball courts, two (2) outdoor ping pong tables, and safety netting between the pickleball courts and softball fields. The project goals are to meet the public's need by providing additional active outdoor recreation opportunities for all ages, increasing capacity for use at current facilities, and increasing safety - \$500,000
- **Aquatic Land Enhancement Fund (ALEA)**
- **Land and Water Conservation Fund (LWCF)**
- **Youth Athletic Fund (YAF):** Support for full funding at new grant limits.
- **Community Outdoor Athletic Facilities program (COAF):** Support and maximize funding of the \$25M allocated and expanding funding closer to the original \$42M.
- **Local Parks Maintenance Grants (LPMG)**
- **No Child Left Inside (NCLI):** The City supports renewing operating funding for this initiative.
- **Recreation Access Grant:** The City supports renewing and continue with operating funds and include a cohort grant program WRP is authorized and funded to facilitate.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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Parks Rx programs

There are currently more than 400 studies that demonstrate the numerous health benefits of spending time in nature. Park Rx programs involve health or social service providers who encourage people to spend time in nature to encourage physical activity and improve health and well-being. These programs often include collaboration between park and public land agencies, public health, healthcare providers, and community partners. The City supports the advancement of Park Rx programs.

Active Transportation Funding

The City supports the inclusion of parks in future funding allocations of "Active Transportation" components of the Move Ahead Washington package to support local trails and projects that extend out of the road right of way for safe routes to schools, parks and other business and community centers that can reduce local travel.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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TRANSPORTATION AND INFRASTRUCTURE

I5 Corridor: Mounts Road to Tumwater and the Nisqually River Delta

Interstate 5 (I-5) is the lifeline of commerce, transportation, and JBLM's mission readiness in the Puget Sound Region. However, its current design impedes critical ecological functions of the Nisqually River Delta, critical for salmon survival. I-5 is also at risk of flooding from the Nisqually River, resulting in national security concerns, and it fails to meet the increasing commerce and transportation demands of our state. Maintaining existing funding for this project is vital.

Stormwater and Culvert Funding

Cities have significant stormwater and culvert funding needs. The City joins AWC in requesting secure, ongoing and sufficient funding for city culvert repair and replacement. The City supports funding for current and new grant programs for local stormwater and culvert projects.

Public Property and Rights of Way Control

The City opposes any efforts that would diminish the City's control of public property and rights of way.

Definition of Public Works

The City opposes the expansion of public works projects to include work supported in part or in whole by grants or loans of public dollars, or by tax deferral or reimbursement. This would cause significant increased costs for local governments without adding any substantial public benefit. Additionally, the proposed changes would be a disincentive to non-profits and developers looking to utilize property tax exemptions and other financial tools that were developed to specifically incentivize the construction of multi-family housing and other affordable housing options.

Vehicle miles traveled (VMT) Model

As the State Legislature considers VMT, the City requests that City perspectives be included in future stakeholder discussions.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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FINANCE

Business Tax Simplification

The City supports business tax simplification across the state provided changes are, at minimum, revenue neutral for the City.

State-Shared Revenues

Cities have relied on state-shared revenues to provide critical funding for essential public services. Recognizing the state is facing a budget shortfall, it is critical that commitments to sharing revenues with local governments be honored. During the last recession, the state reduced state-shared revenues when many local governments were already struggling to maintain basic services. The City joins AWC in supporting restoration and continued appropriation of committed state shared funds, such as Liquor Excise Taxes and Profits, City-County Assistance Account, Municipal Criminal Justice Account, Annexation Sales Tax Credit, and public health funding. State shared revenues are used to support city activities, including police, infrastructure development, public defenders, municipal court, etc.

General Fund Revenue

The City supports legislation that will increase, expand, or favorably restructure its revenue-raising ability. In consideration of 1) the continued growth in demand for services that exceed revenue growth and inflation, and 2) intimate knowledge of individual community needs, the City supports unrestricted uses of all general government tax revenue.

City Financial Liability for Indigent Defense

Indigent defense is a constitutional right that should be funded by the state. The City supports state funding for indigent defense that is standardized and non-competitive in order to ensure more equitable funding.

Unfunded Mandates (general)

Mandates from the Federal and State governments are rarely accompanied with adequate new revenues or taxing authority, but instead force the City to reduce funding levels for other services. The City opposes efforts by the State Legislature to balance budgets by shifting responsibilities to cities.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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PUBLIC SAFETY

CAPITAL REQUEST: Thurston County Regional Basic Law Enforcement Academies and Training Center

Police departments across Washington state face significant police staffing shortages. As communities continue growing and increasing numbers of law enforcement personnel retire, this program must receive adequate funding to provide training opportunities for new hires. Regional academies help reduce academy wait times and officer vacancy rates, and enhance local officer recruitment efforts. They also provide more equitable training opportunities as they increase the ability for community members to participate in academies by eliminating the need for extended stays away from home. Around the South Sound, recent vacancies have adversely impacted public safety services. The City strongly supports the creation of more regional BLEA academies. The City requests \$1,000,000 for a regional BLEA academy at the Lacey Training Facility in 2026. Funding would be used to support academy operations.

Authorize Animal Control and Shelter Districts

Joint Animal Services (JAS) is the animal shelter and control agency for the cities of Lacey, Tumwater, and Olympia, and unincorporated Thurston County. See item #2 for more information. The City requests the creation of an Animal Control and Shelter Special Purpose District or the amendment of Metropolitan Municipal Corporations to allow for Animal Service Districts. The purpose of the Animal Service Districts would be for the management, control, improvement, maintenance, and acquisition of animal control and shelter activities. These districts would improve and expand animal care, sheltering, and field response. Like other special districts, this could require a simple majority of voters to impose property taxes.

Joint Animal Services: Regional Animal Facility

Joint Animal Services (JAS) is the animal shelter and control agency for the cities of Lacey, Tumwater, and Olympia, and unincorporated Thurston County ("Partners"). It serves over 303,976 community members in 774 square miles of urban and rural terrain. JAS provides humane law enforcement, sheltering, and medical care of strays (intake of over 2,600 animals in 2022), impounded and surrendered animals, adoption services, pet licensing, temporary emergency housing, and more. In 1996, JAS moved into their existing facility, a former warehouse. In addition to not meeting animal standards of care, a recent study found the facility is failing and requires significant investment to maintain. With the growth of the community, JAS operations have outgrown the space. A space-needs assessment will take place in early 2025. This will determine facility needs and construction costs, estimated at \$25+ million. Facility design is anticipated to cost around \$2 million. The City, with its partners, requests \$2,000,000 for facility design.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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Expand Behavioral health access and funding

With AWC, the City supports greater access to the entire continuum of behavioral health services and substance use disorder (SUD) treatment for adults and juveniles, including crisis treatment, inpatient, intensive outpatient, and ongoing behavioral and mental health treatment and SUD treatment. This includes, but is not limited to, support to improve workforce and staffing issues at community treatment centers, and additional state funding for establishment and expansion of treatment facilities.

Address Law Enforcement Vehicle Pursuits

The City supports recent revisions to state law empowering law enforcement to engage in vehicle pursuits under proper supervision and using risk/benefit analysis to continue an active pursuit. Cities will continue to support safety standards and training for officers who engage in vehicle pursuits.

Non-moving Traffic Stops

The City opposes any effort to restrict or eliminate the ability of local law enforcement to conduct traffic enforcement for non-moving violations. This would remove the ability of the City to ensure that all vehicles operating on our public roadways are mechanically safe, as well as, being properly registered and licensed. Further, the City has a public safety interest to reduce injuries from traffic collisions by confirming that drivers are wearing their seatbelts and are not operating vehicles while distracted. The City is committed to protecting the environment and has a vested interest in ensuring that vehicles operating upon its public roadways are not producing excessive audible or climate altering exhaust pollution due to vehicle operators bypassing manufacturer installed pollution control systems.

Auto-theft prevention and enforcement programs

The City supports additional tools to address auto theft and property crime including additional investment in auto-theft prevention and enforcement programs, regional property crimes task forces, and prosecution, public defense, and judicial resources.

School Resource Officers

While the City participates in a highly effective program with North Thurston Public Schools to offer School Resource Officers (SROs) at each of the high schools, the City opposes any legislation mandating SROs that add an unfunded mandate and exacerbate the existing officer shortage across Washington state.

Binding Interest Arbitration

The City recognizes the importance of having a tool to help resolve potentially devastating strikes by essential service personnel, such as police and firefighters. The City opposes expanding binding arbitration and supports revising the current arbitration system, including creating a system to review the qualifications, standards, and performance of appointed arbitrators to reduce bias, enhance equity, and achieve objective decision making.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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Officer recruitment and retention

The City supports additional funding tools and resources to support officer recruitment and retention, including but not limited to pursuing changes to eligibility requirements to allow those in DACA status to serve as police officers.

Thurston County Regional BLEA Training Academy and Training Center

Police departments across Washington state are experiencing significant police staffing shortages. As communities continue to grow and increasing numbers of law enforcement personnel retire, it is imperative this program receive adequate funding to provide training opportunities for new hires. The City supports the creation of more regional BLEA academies. Regional academies help decrease academy wait times and officer vacancy rates, enhance local recruitment of officers, and provide more equitable opportunities as they increase accessibility for community members to participate in academies by eliminating the need to stay away from family for extended periods of time. Around the South Sound, recent vacancies have adversely impacted public safety services. The City requests \$1,000,000 for a regional BLEA academy at the Lacey Training Facility in 2026. Funding would be used to support academy operations.

Jail and Court Costs

The City supports legislative proposals that reduce jail and court costs, and maintain its flexibility in providing jail and court services. The City also supports maintaining the flexibility to select the most appropriate way to provide jail services.

Office of Independent Investigation (OII)

The City supports independent and transparent investigations into the use of deadly force by law enforcement. The City holds that it is unreasonable to expect local jurisdictions to assist OII with their investigations of other jurisdiction's law enforcement without compensation. Further, the City believe it is unreasonable to not provide the assisting jurisdiction with the same level liability granted to OII and its personnel.



CITY OF LACEY LEGISLATIVE POLICY MANUAL

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CITY OF LACEY ALSO SUPPORTS THE TOP LEGISLATIVE PRIORITIES OF:

South Sound Military and Communities Partnerships

- Create a centralized military affairs position
- Improve Access to Child Care
- Support the DCCA
- Support the Tumwater and Nisqually River Delta

Association of Washington Cities

- Provide sustainable financial tools for cities
- Increase grant funding for Behavioral Health Programs
- Create new regional Basic Law Enforcement Academies
- Increase Housing Supply and affordability

Thurston County Shared Legislative Agenda

- ENTER

Regional Housing Council

- Increase funding for rent assistance
- Provide long-term operational funds for ROW Initiative Projects
- Increase capital funding in the Housing Trust Fund for affordable housing
- Provide capital funding for Maple Court transition to permanent supportive housing

Washington Recreation and Park Association:

- Keep funding vital park and recreation grant programs
- Provide equitable Parks and Programs

TRPC

LOTT Clean Water Alliance