

**SPECIAL MEETING AND PUBLIC HEARING MINUTES
THURSTON COUNTY BOUNDARY REVIEW BOARD
Wednesday, March 21, 2018
Thurston County Courthouse Building 1, Room 280, 7:00pm
2000 Lakeridge Drive SW
Olympia, WA 98502**

Vice-Chair Thomas called the meeting to order at 7:02 p.m.

CALL TO ORDER

Members Present: Chair Patrick Thomas, Mr. Michael Marchand, Mr. Lance Caputo

Members Excused: None

Staff Present: Acting Chief Clerk Jeremy Davis, Scott Cushing, Thurston County Deputy Prosecuting Attorney, Cami Petersen, Thurston County Administration

Others: David Schneider, City of Lacey Attorney; Rick Walk, Director, Community & Economic Development Department, City of Lacey; Duana Kolouskova, Attorney for Petitioner DR Horton; Travis Burns, Thurston County Deputy Prosecuting Attorney

Citizens: Steve Morris

Public Hearing

Chair Thomas called the public hearing to order at 7:03 p.m. for the Lacey Island Annexation – Gateway II, project number 2017106236 (known as the Gateway II annexation). Chair Thomas explained the purpose of the hearing is to take testimony and gather facts on the annexation proposal before them. No additional exhibits were provided to the Boundary Review Board (Board).

Acting Chief Clerk Davis administered an oath to those who wish to testify.

Chair Thomas asked if there is any person in attendance who questions whether any member of the Board has any conflict of interest or bias in the matter before them. No question of conflict of interest or bias was stated.

Staff Presentation:

Acting Chief Clerk Davis provided a brief overview of the Annexation proposal before the Board. The City of Lacey submitted a Notice of Intent to the Board to annex approximately 80.43 acres generally located near the intersection of Callison Road N.E. and Gateway Blvd. N.E. The City is using the island form of annexation for a code city allowed under RCW 35A.14.295.

On December 18, 2017, SSHI, dba DR Horton has submitted a petition for review of the Gateway II annexation, and an amended petition for review on December 19, 2017. Thurston

County submitted a petition for review on December 27, 2017. Thurston County has subsequently submitted a voluntary dismissal of the petition for review on March 20, 2018.

Acting Chief Clerk Davis briefly discussed the Factors and Objectives considered by the Board and outlined the actions and determinations the Board may make following the public hearing. The Board may choose to continue the public hearing to consider the information and testimony given. A second meeting and hearing date of April 12, 2018 has been set aside, if the Board deems this necessary. A decision shall be issued by April 18, 2018, or 40 calendar days after the final public hearing, whichever occurs first.

Acting Chief Clerk Davis stated that the required notice for public hearing was published in The Olympian on February 28, March 7, March 14, and March 15, 2018. Notice was posted in at least ten public places in the area affected by the annexation on March 8, 2018.

Testimony:

The following provided public testimony.

- Scott Morris, 120 W. Cotaldo Avenue, Suite 100, Spokane WA 98201. Mr. Morris stated that is there on behalf of the Inland Group, who is the developer of an approximately six acre multi-family property within the annexation area. The developer of this property is intending to build a 170 unit age-restricted apartment building and are awaiting the outcome of this annexation in order to be able to proceed. Mr. Morris explained that they purchased this property in July 2017, shortly after this annexation process began. They were made aware of the annexation proposal from Thurston County staff during a pre-construction meeting and was informed of the annexation project. Mr. Morris stated that he is in support of this annexation and asked the Board to expedite this process as much as possible because this delay is detrimental to them financially.

The Board asked questions of Mr. Morris, who pointed out the location of the property, and explained that their project is separate from the DR Horton development.

- David Schneider, City of Lacey Attorney; Rick Walk, Director. Mr. Schneider provided testimony to the Board, stating that the City of Lacey and Thurston County have agreed to an Interlocal Agreement and are awaiting signatures to finalize this. Mr. Schneider stated that the City Council is awaiting the signed agreement from the Board of County Commissioners (BOCC), and it is his understanding that they stated they agree, but the signatures are in the process of being obtained. Mr. Schneider also summarized the City's Prehearing Statement, stating that he does not believe the DR Horton argument regarding impact fees is something that the Board has authority over, and that this is a legal argument that is appropriate for a Superior Court action.

The Board asked questions of Mr. Schneider and Mr. Walk regarding the City's noticing of the resolution, Fire District and Police impacts and the Interlocal Agreement that has yet to be signed.

- Travis Burns, Deputy Prosecuting Attorney. Mr. Burns briefly outlined the County's position regarding the Interlocal Agreement and explained how that agreement was reached. Mr. Burns encouraged the Board to refer to the agreement even though is has not officially been signed and objects to the argument that this is not a final agreement.

Mr. Burns stated that the County encourages the Board approve the annexation with the conditions of the Interlocal Agreement.

The Board asked questions of Mr. Burns.

- Duana Kolouskova, DR Horton Attorney. Ms. Kolouskova provided the Board with a summary of the issues that they have raised with the annexation proposal before them. Ms. Kolouskova stated that her client was not given sufficient notification of this annexation process and was therefore unable to provide comments and concerns to the City prior to the approval of this island annexation due to the lack of public comment. Ms. Kolouskova stated that they are not opposed to paying fees, but are not in agreement with the Interlocal Agreement between the County and the City of Lacey, and as the affected property owner, do not believe this is a legal process. Ms. Kolouskova asks the Board to consider modifying this annexation.

The Board asked questions of Ms. Kolouskova.

- Mr. Schneider provided rebuttal and re-stated that the concerns raised by DR Horton are more appropriate in Superior Court, and the BRB does not have the authority for decided this issue.

The Board asked additional questions of Mr. Schneider. Acting Chief Clerk Davis was asked to read RCW 36.93.150 into the record for the Boards information.

- Mr. Burns did not have additional response or comment.
- Ms. Kolouskova provided a response to the questions and concerns raised by the Board and the City.

The Board asked additional questions of Ms. Kolouskova.

Being no further questions of the petitioners or the public, Chair Thomas asked the Board if they had sufficient information to close the public comment portion of the hearing.

Mr. Caputo moved to close the public comment portion of the hearing. Mr. Marchand seconded. Motion carried.

Chair Thomas asked the Board to discuss the factors and objectives to be considered for the annexation proposal before them.

During discussion, staff stated that they will research case law regarding the legal questions that were raised during public comment and to provide additional information to the Board at the April meeting. Regarding legal

Mr. Caputo moved to continue the public hearing to April 12, 2018. Mr. Marchand seconded. Motion carried.

Acting Chief Clerk Davis read the complete information into the record: The hearing is continued to April 12, 2018, 7:00 p.m., Building One, Second Floor, Room 280, 2000 Lakeridge Drive SW, Olympia WA.

ADJOURNMENT

Chair Thomas moved to adjourn the meeting at 9:25 p.m.



Michael Marchand, Vice-Chair

Prepared by Cami Petersen and Katrina Van Every for
Washington State Boundary Review Board for Thurston County