



February 13, 2025

To: Nicole Floyd, City of Olympia
From: Deschutes Estuary Restoration Team,
Subject: Deschutes Estuary Restoration Team (DERT) comments on proposed West Bay Yards

Background

The Deschutes Estuary Restoration Team (DERT) was formed in 2009, with the mission of removing the Fifth Avenue Dam (Dam) and restoring a free-flowing Deschutes River (River) and the Deschutes Estuary (Estuary). DERT's advocacy was based on well-established science that documented the necessity of dam removal in order to restore the health of the Estuary and the entire Budd Inlet, and to recognize and remediate the damage done by the Dam to the historic and cultural use of the River and Estuary by the Squaxin Tribe.

West Bay Yards (WBY) is a complex of five buildings that would include 478 market-rate rental housing units, 20,500 square feet of retail space, and 833 parking stalls. The proposed complex would require 0.77 acres of new upland to be created by placing ~40,000 cubic yards of fill into Budd Inlet, burying intertidal marine habitat. The proposed WBY will clearly have significant negative environmental impacts to Budd Inlet due to the dense capacity and uses onsite, the increased vehicle traffic at the site and along West Bay Drive, the reduction of salmon habitat, and the allowance for ongoing deposition of toxics from the site into Budd Inlet. These impacts are recognized, and not in dispute.

(1) The proposed development is inconsistent with the restoration of the Deschutes River and Estuary, and the City of Olympia's commitments to those efforts: In part due to the advocacy of DERT, the Legislature funded a complete Environmental Impact Statement (Dam EIS) to evaluate future alternatives for the Dam and Capitol Lake. That EIS was completed by the Washington Department of Enterprise Services (DES) in 2022. It concluded that removal of the Dam, and restoration of the Estuary, was the preferred alternative based on economic, environmental, and historic/cultural analyses. DES formally adopted the preferred alternative and created the Deschutes Estuary Restoration Project (DERP, or Project), with initial funding of \$7 million from the Legislature. That project is now at the 30% design phase and includes multiple elements to restore and improve habitat in the Estuary. DES has secured additional federal funding, and Governor Inslee included another \$25 million in his proposed budget for 2025-2027.

The City of Olympia, the Port of Olympia, the City of Tumwater, the Squaxin Tribe, Thurston County, and the State (via DES) entered into an Interlocal Agreement (ILA) in 2024 where all parties recognized and accepted the goals of the Project, agreed with specific responsibilities related to it, and obligated themselves to providing annual funding shares to the costs envisioned for the Project.

Moreover, the Department of Ecology (Ecology) recently finalized the WRIA 13 (Deschutes) Watershed Restoration and Enhancement Plan (WREP) that was to a large extent developed by a multi-party committee—including DERT, the City of Olympia, and the Squaxin Tribe—authorized by the Legislature in 2018 to address degraded habitat in multiple watersheds in the state—including the Deschutes. That committee (the Watershed Restoration and Enhancement Committee, or WREC) adopted a draft Plan in 2021, which was subsequently modified and completed by Ecology.

<https://apps.ecology.wa.gov/publications/documents/2211015.pdf> Under the 2018 legislation, Ecology is now obligated to begin rulemaking to implement the Plan, to be completed within two years.

The proposed WBY construction project, and its negative environmental impacts, is inconsistent with all the foregoing efforts to restore the Deschutes Watershed and Estuary, and with the commitments made by the City of Olympia within those efforts. For that reason alone, the WBY project should not be allowed.

(2) A complete Environmental Impact Statement (EIS) should be completed before consideration of a land-use permit. DERT has commented before on the need for an EIS to thoroughly identify and analyze the environmental impacts from the proposed project. An EIS would evaluate the impact of the proposed development and consider alternatives to the proposal. However, no EIS has been developed nor a SEPA determination made. The City and the developer of WBY are instead assuming that the City's existing land use requirements adequately and fully determine whether impacts are adequately mitigated and whether the proposal is lawful and aligns with City priorities. The City's website for WBY, and its table showing elements of the City's review, has no timeframe for completing an EIS, and simply says that the EIS will identify and address impacts that have not already been addressed and mitigated for in the City's consideration of the WBY proposal. That is putting the cart before the horse and undermining the intent of state law to evaluate alternatives in advance of considering a significant development project, such as WBY. It is, for instance, exactly what the Legislature required for evaluating alternatives for the future of Capitol Lake, and what drove the decision to remove the Fifth Avenue Dam. While the WBY project is not as large as the dam removal, it clearly is a major project with potential for significant impacts to the environment. A lack of an EIS in advance of the permit evaluation locks the City into the development, and forecloses the opportunity for Olympia to become a sustainable city and will negatively impact our recovering marine life for generations to come.

(3) The proposed development does not adequately address legacy pollution and remediation of toxics at the site, nor propose any coordination with other remediation efforts underway by the

Port of Olympia. The project site has a history of heavy industrial use dating back to 1924. Hardel plywood manufacturing was the most recent industry there. Hardel stopped operations at this site in 1996 and buildings were demolished in the late 1990s. Even though some remediation was undertaken by land owners, the site is still contaminated based on a 2020 study. Contaminants include diesel, gasoline, carcinogenic polycyclic aromatic hydrocarbons (PAHs), and arsenic, among others.

Both the City and the developer appear to be avoiding this issue, and ongoing nearby efforts by the Port to remediate contamination in Budd Inlet, Instead entertaining the idea of intertidal fill to create upland as a way to cap the legacy soil pollution. The Port's efforts will be undermined if the proposed WBY does not address this issue and prevent future contamination of Budd Inlet from leakage off the development site.

(4) The proposal does not adequately address future sources of contamination to Budd Inlet from the Project itself: The applicant has recognized but minimized the extent and severity of future contamination of the Deschutes Estuary due to the stormwater runoff that this new site with 833 parking stalls would create. As one example, 6-PPD is an anti-degradant ubiquitous in tires, and 6-PPD quinone, derived from 6-PPD and found in stormwater from road runoff is toxic to aquatic organisms and thus contaminates water systems. More specifically, 6PPD-quinone is lethal to coho salmon.

(5) The proposal is inconsistent with the State's and the City's efforts to address climate change: The Project includes 478 new residential units, as well as 20,000 square feet of retail space. That will generate an enormous increase in automobile traffic along West Bay Drive, and increase greenhouse gas emissions from that traffic. The existing plan does not propose any mitigation, and it is not consistent with the City's effort to reduce vehicular traffic (and greenhouse gas emissions) in its future transportation planning. Moreover, the development, sitting on old fill in Budd Inlet, will be subject to negative impacts from existing and anticipated effects of climate change in Budd Inlet, notably sea level rise and more serious storm and rainfall events. Those climate change effects will likely degrade the site, and create both environmental consequences, as well as taxing the City's resources for public safety.

Conclusion: The MBY project would preclude an opportunity to restore the nearshore of this section of Budd Inlet, where this development project is proposed, is a critical nursery for juvenile salmonids from as far away as the Green River watershed (Seattle) and the Puyallup watershed (Tacoma). The area has been degraded due to past development and neglect. However, the people and governments in this region have already committed—through activities and projects identified above, as well as in other efforts, like the Puget Sound Partnership—to restoration of the entire Deschutes Watershed, including Budd Inlet, with an objective of recovery of fisheries and rectifying past injustices. That is the rationale behind DERP and the WREC plan. Instead, projects like WBY represent the kind of thinking that has created significant environmental issues in the past and will leave it to future generations in Olympia and Thurston County to fix the problems that this project would create. We should learn from the past and not leave our children with that kind of legacy and burden. Contact: Dave Monthie or Sue Patnude at olydert@gmail.com.