



# 108 State Ave Request for Proposals

City of Olympia | Capital of Washington State



Request for Proposals:

Historic Building Lease

108 State Ave NW, Olympia, WA 98501

Responses Due: October 18, 2023

## **Summary**

**GENERAL:** The City of Olympia (“City”) is issuing this Request for Proposals (“RFP”) to develop a lease with prospective tenants and commercial property developers or managers interested in creating an active, unique, memorable, and lasting destination within a historic building located at 108 State Ave NW. The 14,790 square foot structure, which was built in 1912 to serve as the original Olympia City Hall and main Fire Station, is situated in the heart of downtown at the intersection of Capitol Way and State Ave.

**INTERESTED RESPONDENT SITE TOUR:** The City will conduct a site tour for parties interested in responding to the RFP on September 8, 2023, from 12:00-3:00 pm at the property, located at: 108 State Ave NW, Olympia, Washington, 98501. Tour time slots will be first come, first served and will be available for signup on the project website: [olympiawa.gov/108state](https://olympiawa.gov/108state). While attendance at the site tour is not a condition for offering interest, all interested parties are encouraged to attend.

**OBTAINING THE RFP:** The RFP and all supporting materials will be made available to interested parties electronically via the City website at: <https://olympiawa.gov/108state>

**PROCESS:** The City is using this process as a means of identifying interested and qualified tenants. The successful selection of a Preferred Tenant Partner will result in an Exclusive Negotiation Agreement (ENA) between the parties. The ENA will provide the following benefit to the selected partner:

- 90-day exclusive negotiation period to reach terms on a lease for the property.

**SUBMISSION DEADLINE:** Responses to this RFP must be received no later than October 18, 2023. Only hardcopy submittals will be accepted (See “Guidelines for Submittal” for more information on response requirements).

Submittals should be sent to:

City of Olympia  
Attn: Mike Reid, Economic Development Director  
PO Box 1967  
Olympia, Washington 98507-1967

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**Project Vision:** An active historic building that increases pedestrian activity and creates a lasting and unique destination in our downtown core.

**Elements of a successful project (Project Vision) are:**

- Historic building and key location are an integral part of the use of the space.
- City is able to retain ownership of the building while achieving the objective of a successful tenant that achieves the project vision.
- City would like to see an emphasis on partnerships between public, private, and nonprofits.
- The Downtown Strategy, specifically the character area designation of the “Capital to Market District” is the guide for the vision and use.
- Demonstratable financial ability to execute and sustain proposed use of building.
- Ability by tenant to accept some degree of financial obligation for tenant improvements and operating expenses.

**Leasing Opportunity**

The City of Olympia is issuing this RFP to prospective tenants or commercial building managers for the lease and active use of the city owned building at 108 NW State Ave, Olympia, WA 98501.

- The preferred relationship structure is a lease between the City (Lessor) and the selected respondent (Lessee).
- The City intends to lease the property at fair market value unless respondent can articulate why rent reductions are necessary to achieve project vision and, in such case, how a community benefit can be articulated, specifically a benefit for low-income or infirm individuals.
- Respondents to the RFP may propose partnerships between developers, building managers, potential tenants, commercial enterprises, and non-profits. Responses will require the identification of the lead respondent.
- The City intends to retain long-term ownership of this property therefore the interest is in leasing the property. If a respondent is interested in purchasing the property, they will need to make a demonstratable case as to why purchase would be a more favorable transaction for the City.

**Site Description**

*Excerpts from SH & H Valuation Appraisal, March 10, 2019*

*Full copy of appraisal available on project website*

*The site is located at the southwesterly corner of State Avenue Northwest and Capitol Way North, within the city limits of Olympia, in Thurston County, Washington. The subject site is generally rectangular in shape and is level and at grade with its frontage streets. The subject property is improved with a two-story office building that is divided into two separate floors with access only from two separate exterior entrances. The first floor contains 7,980 square feet and the second floor contains 6,900 square feet. The total building square footage is 14,790.*

**STREET ADDRESS:** 108 State Avenue Northwest, Olympia, Washington 98501

**AREA:** The subject site contains an area 0.40 acres

**SHAPE:** The subject property is generally rectangular in shape.

**SITE IMPROVEMENTS:** The subject property is improved with the building, rear yard/play area and nine asphalt paved parking spots. (Parking spots are reserved for Olympia Center. Building does not have dedicated parking. Leased parking is available in nearby lots).

**STREET FRONTAGE:** The subject includes approximately 250 feet of frontage along State Avenue NW and approximately 100 feet of frontage along Capitol Way North.

**ACCESS:** The subject property is accessed by a curb cut along Capitol Way N and another curb cut along the rear westerly side on Columbia St NW.

**VISIBILITY:** The subject site has good visibility from State Avenue NW and Capitol Way North.

**ZONING:** The subject property is zoned UW (Urban Waterfront) by the City of Olympia. The intention of the zone is as follows:

- a) Integrate multiple land uses in the waterfront area of downtown and the West Bay in a way that improves the City’s appeal and identity as the Capital City on Budd Inlet
- b) Encourage high-amenity recreation, tourist-oriented, and commercial development which will enhance public access and use of the shoreline.
- c) Encourage development that protects views of Budd Inlet, the Olympics, Mt. Rainier, and the Capitol, and preserves a sense of openness on the waterfront.

Permitted uses include, but are not limited to drinking establishments, restaurants, publishing, warehousing, welding, wholesale sales, banks, business offices, government offices, art galleries, commercial recreation, health and fitness, parks, theaters, museums, theaters, apartments, mixed use developments, boarding houses, group homes, retirement homes, retail stores, office supplies, medical supply stores, medical offices, bed and breakfast, hotels, day care centers, colleges, business and vocational schools.

## **Building Description**

*Excerpt from Facility Condition Assessment prepared by Sazan Environmental Services – 2019  
Full Building Condition Assessment available on the project website.*

*Executive Summary:* The building was the original Olympia City Hall and main Fire Station constructed in 1911 and is considered a historic building. It was renovated into its current use 1992 and configured with office, daycare and support spaces.

*Civil:* This is an Olympia Heritage Site. The building has city sidewalks on three sides and a small parking lot to the west. There are two outdoor play areas which support the daycare program.

*Architectural:* This building has a good structure and shows no signs of settlement. The finishes are generally worn and typical of a high-use, community facility with over 20 years of use since its last remodel. The second floor is partially vacant. The exterior façade has areas of necessary wall patching.

## **Downtown Strategy**

**Character Area – Capitol to Market:** Reinforce the historic character in the Core which features excellent examples of classically detailed buildings and early 20th Century storefronts. Improve streetscapes to emphasize pedestrian mobility and complement the traditional town center grid. Strengthen the visual connection between the [Capitol Campus](#), [Downtown Core](#), and [Olympia Farmers Market](#) by applying more uniform streetscape elements and encouraging substantial mixed-use development in the area. Improve east-west cross streets north of State Avenue to better connect the waterfront/[Percival Landing](#), Farmers Market, Capitol Way activities, and the [Hands-On Children’s Museum](#). Design guidelines for the area north of State Avenue should complement the Farmers Market and neighboring development but could also allow architecture with character appropriate for the Artisan/Tech area.

### **Request for Proposal Schedule**

The following schedule is to inform respondents of the estimated timetable of the SOI response preparation and evaluation. Please note the following dates when preparing your response to the SOI. The City reserves the right to modify this schedule at its discretion; timelines will never shorten.

<b>SCHEDULE TASKS</b>	<b>DATE</b>
Issuance of Request for Proposals (RFP)	September 1, 2023
Site visits (optional), 12:00 – 3:00 p.m., 108 State Ave – RSVP Required at <a href="mailto:mreid@ci.olympia.wa.us">mreid@ci.olympia.wa.us</a>	September 8, 2023
Question and Answer forum from 10 a.m.- 11:30 a.m. via Zoom: insert link	September 12, 2023
Deadline for questions from respondents	September 15, 2023
Responses to questions with Question & Answer addenda from City	September 22, 2023
Responses due by 3:00 pm	October 18, 2023
Shortlisted respondents selected and notified	TBD
Staff presentation to Council on shortlisted respondents	
Staff recommend Preferred Leasing Partner	
Negotiation of between City and Leasing Partner	

**Guidelines for Submittal**

Parties wishing to be considered for Leasing Opportunity at 108 State Ave must submit:

- One (1) original unbound copy of the RFP response;
- One (1) bound hardcopy of the RFP response;
- One (1) electronic PDF file of the RFP response contained on a thumb drive.

Please tab sections for easy reference and limit your responses to no more than 15 pages (tabs, letter of interest, and resumes will not count toward the page maximum). Responses must be marked “Response to Request for Proposals – 108 State” and addressed to:

Mailing option:

City of Olympia  
Attn.: Mike Reid, Economic Development Director  
PO Box 1967  
Olympia, WA 98507

Hand delivery option:

City of Olympia City Hall  
Attn.: Mike Reid, Economic Development Director  
601 4<sup>th</sup> Avenue East  
Olympia, WA 98501

Responses must be received by 3:00 p.m. on October 18, 2023. Responses may be sent by mail or hand-delivered; however, if sent by mail, the responsibility of their timely delivery is wholly upon the respondent. Faxed or emailed responses to this RFP will not be accepted.

Please direct any questions you have about information contained in this RFP via email only, to:

**Mike Reid**  
Economic Development Director  
City of Olympia  
[MREID@ci.olympia.wa.us](mailto:MREID@ci.olympia.wa.us)

## **Information Required**

Responses to this RFP must include the following elements:

**1. Letter of Interest:** A letter expressing your interest in this development project.

**2. Proposed Use of Building:** How do you intend to utilize the building?

a) Responses should touch on the following areas:

1. *Activation:* Frequency of use, foot traffic estimates, hours of operation, programming
2. *Economic Impact:* Tourism, Employment, Taxes generated, Entrepreneurial activity.
3. *Comparative examples* from other communities that are similar to your proposal.
4. *Alignment:* City of Olympia values and plans -Diversity, equity, inclusion, climate adaptation, downtown strategy.
5. *Strategic Value:* How are you highlighting and capitalizing on the location and history of the building.

**3. Operation and Business Plan Basics:**

- a) Provide a summarized business plan that includes an explanation of your business model.
1. Who is the customer?
  2. What is the market demand?
  3. What is the revenue model?
  4. What is the financing strategy?

**4. Qualifications, Experience, and Financial Sustainability**

- a) Statement of relevant or previous experience
- b) Professional profiles of key executing staff
- c) Statement of financial ability to borrow if needed (Letter from lender)
1. Business and financial reference, including evidence of ability to secure equity and debt for a project of this caliber, and likely funding sources.
  2. The selected respondent will require verification of ability to secure funding, obtain insurance, and ability to comply with financial compliance.

**5. Proposed Transaction**

- a) Responses should touch on the following items, but City recognizes that terms would need to be negotiated and responses at this stage are for exploratory purposes only:
1. What are the proposed terms of the lease?
    - a. Length of transaction
    - b. Rent calculation (if a discount is requested what is the Community Benefit specifically related to providing a benefit to low-income community members)
    - c. Maintenance responsibilities
    - d. Tenant Improvement Allowance request
  - b) City prefers a lease, if a purchase is proposed the respondent will need to make their case as to why it is a more beneficial transaction for the City.



## Evaluation Process

The selection process for the preferred tenant partner for 108 State will consist of the following stages:

**STAGE ONE – Request for proposals:** The City of Olympia’s 108 State RFP Review Team will review the responses to this RFP and develop a shortlist of firms. Additional materials may be requested by the Review Team.

Evaluation of RFP responses will be based upon the following:

1. Project Vision
  - a. Articulation of how project will achieve the Project Vision: *An active historic building that increases pedestrian activity and creates a lasting and unique destination in our downtown core.*
2. Completeness, clarity, and viability of responses to 4 criteria areas:
  - a. Proposed building use
  - b. Operation and business plan basics
  - c. Qualifications, Experience, and Financial Sustainability
  - d. Proposed Transaction

**STAGE TWO – Council Presentation and Review Team Interviews:** The Review Team will develop a shortlist of respondents. Shortlisted respondents will be invited to attend a Council Study Session (date to be determined) in which City staff will present summaries of the responses to the City Council for review and discussion. The Review Team will then schedule interviews with the shortlisted respondents with the intended outcome of making a recommendation to City Council of a Preferred Tenant Partner. Successfully selected Preferred Tenant Partner will be granted a 90-day exclusive negotiation agreement to develop a lease for the building.

If a final lease agreement cannot be reached with the selected tenant, the City may negotiate with the next highest rank respondent, reissue the RFP, or select a tenant through other appropriate means to be determined at a later time.

## **TERMS AND CONDITIONS**

1. Respondents assume the risk of any delay in email. Any response received after the designated time will not be considered.
2. Any errors discovered after response submission deadline must remain and cannot be adjusted.
3. It is the sole responsibility of the respondent to assure that they have received the most current RFP and accompanying materials.
4. It shall be the responsibility of each respondent to call to the attention of the City any apparent discrepancy in the RFP or any question of interpretation. Failure to do so constitutes acceptance as written.
5. The response, as presented, must remain valid for a period of ninety (90) days from the response due date.
6. The City of Olympia reserves the right to reject all responses or to request and obtain from one or more of the respondents, supplementary information as may be necessary for the City to analyze the responses pursuant to the selection criteria contained herein.
7. The City reserves the right to revise or amend the RFP prior to the response due date by written addenda.
8. The successful respondent will be asked to sign a Lease with the City.
9. The City reserves the right to negotiate with the selected respondent(s) the exact terms and conditions of the lease.
10. The agreement resulting from acceptance of a submittal by the City shall be in a form supplied by the City and shall reflect the specifications in this Request for Proposals.
11. All RFP documents are public record and subject to public disclosure.
12. The successful applicant must comply with all Federal, State, and City of Olympia statutes and codes as may be applicable to the scope of work detailed herein, including all labor laws.
13. The City shall not be responsible for any costs incurred by any respondent in preparing, submitting, or presenting its response to the RFP.
14. Washington State Law and Venue: Any resulting contracts or agreements, shall be construed under the laws of the State of Washington.
15. All respondents shall obtain and shall produce, upon request, a license to do business in the City of Olympia prior to executing an agreement with the City.
16. The City of Olympia is not responsible for any costs incurred or legal actions taken regarding the property details and prior and current uses listed within this RFP. It's the respondent's responsibility to confirm any information presented herein and perform any due diligence the respondent deems necessary.

**Response to this solicitation does not commit the City to pay any costs incurred in the preparation of the response, demonstrations, or any other activities related to this response. All responses and accompanying documentation become the property of the City and will not be returned. This RFP does not obligate the City to enter into a legal agreement of any kind pertaining to the projects specified herein. The City reserves the right to revise the RFP and/or to issue addenda to the RFP.**

**EXHIBIT A**  
**AUTHORIZATION TO SUBMIT RESPONSE**

**City of Olympia**  
**Authorization to Submit Response**

**Respondent Organization Name:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

By my signature below, I attest that all information provided in my organization’s response to the 108 State Ave Request for Proposals has been reviewed and it is true and accurate to the best of my knowledge. I acknowledge that I have read and accept the terms and conditions in the Request for Proposals and I am authorized by the organization/respondent to submit this response for consideration in the City of Olympia 108 State Ave Request for Proposal process.

Authorized Personnel Signature \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

No hard copy is required. Please include a scanned, electronic copy of this form, signed in blue ink, with your response. Responses lacking this authorization may not be considered.