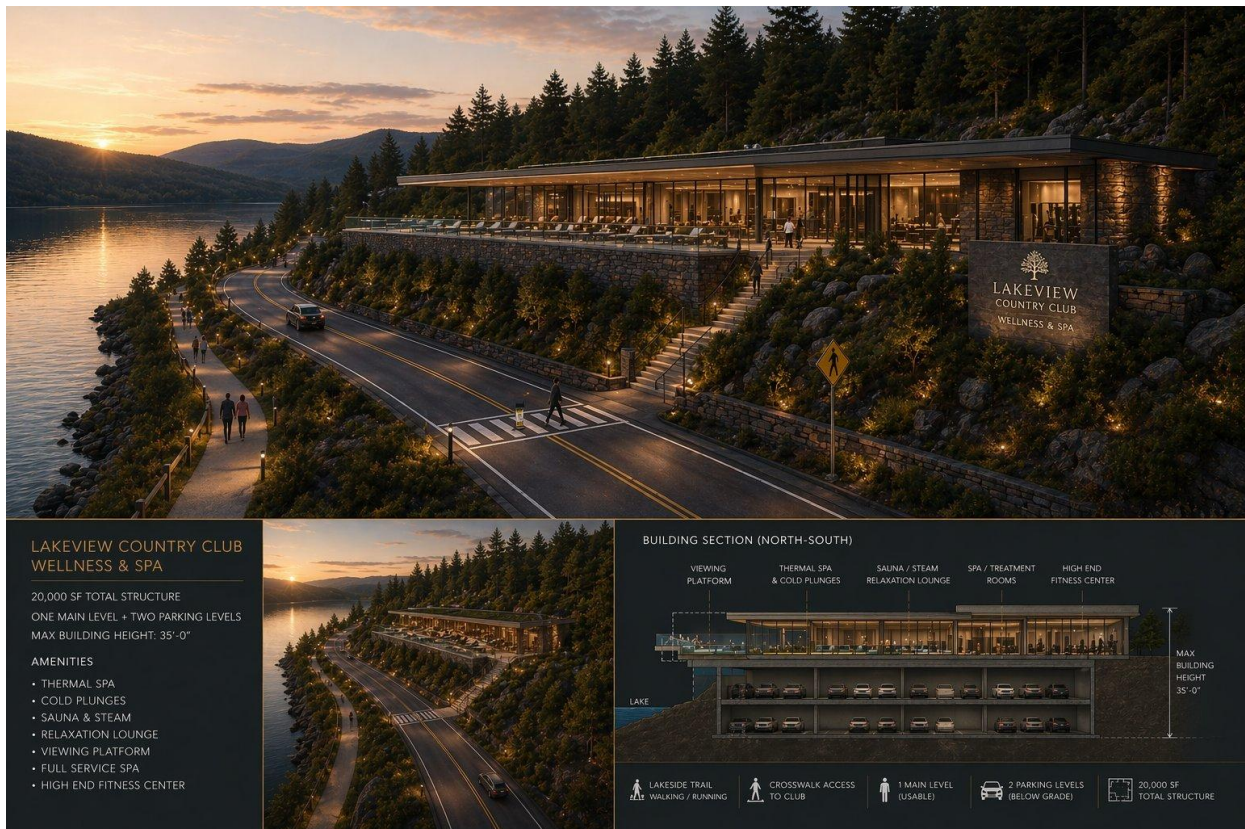


PROJECT DESCRIPTION

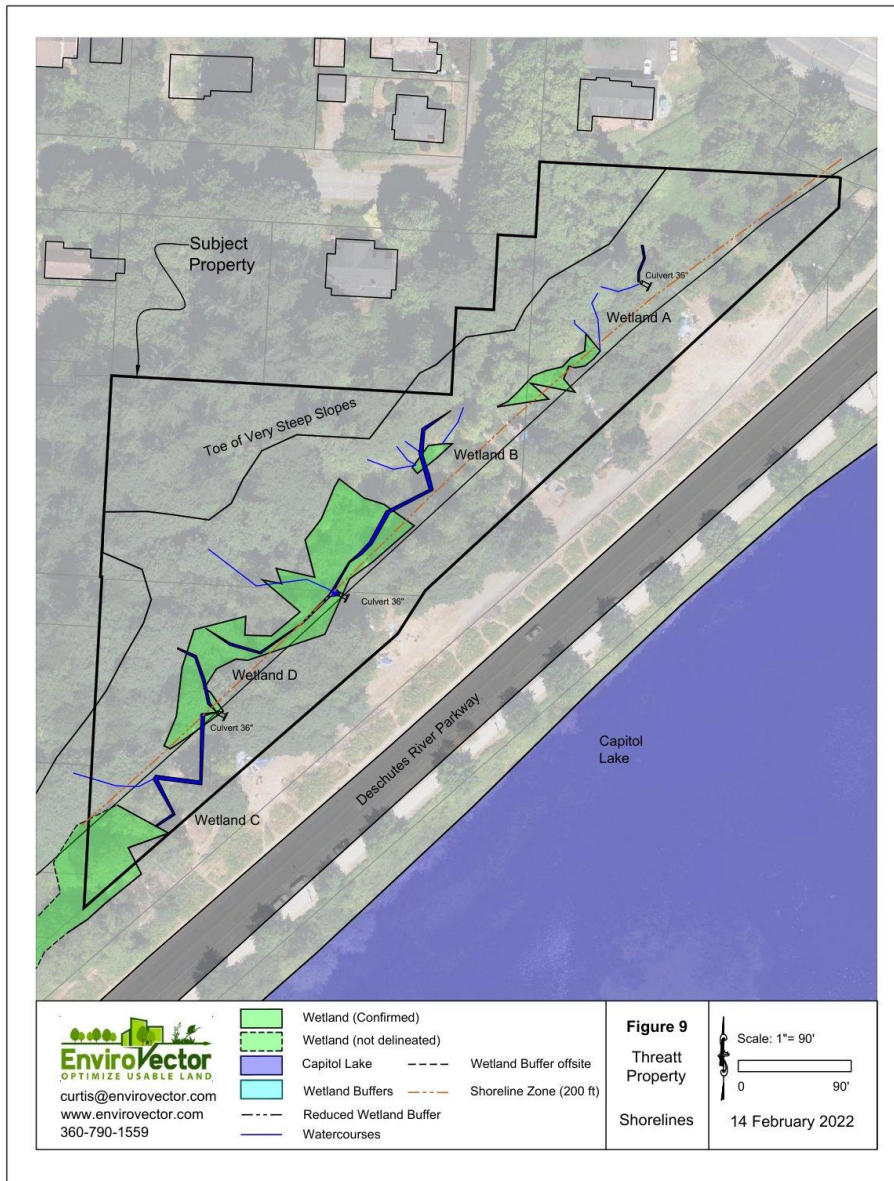
Shoreline Preferred Development — Water Enjoyment and Public Access
Capitol Lake Waterfront, Deschutes Parkway SW, Olympia WA
Lurida Capital Investments LLC
April 2026

Parcel Nos. 68600200100, 68600100100
Address. Deschutes Parkway SW, Olympia WA
County. Thurston
Zoning. R6-12
Shoreline Designation. Urban Conservancy

Country Club



Conceptual Rendering — For Illustrative Purposes Only



Wetland Delineation Map — EnviroVector — Figure 9 — February 14, 2022

SITE DESCRIPTION AND REGULATORY ANALYSIS

1. Site Description

The subject property is a shoreline parcel situated along Deschutes Parkway SW in Olympia, Washington, directly adjacent to Capitol Lake. The northern end of the parcel represents the highest and driest area on the site and the most viable location for development. A wetland delineation and geotechnical study have both been completed and their findings support the analysis presented in this document. Both reports will be provided to the city prior to formal application.

The parcel is substantially encumbered by critical areas including wetlands, steep slopes, and associated buffers, such that no portion of the site is entirely free of regulatory constraint. The proposed building site was deliberately selected to minimize impact, representing the highest, driest, and least sensitive area on the parcel and the location farthest from the larger wetland resources to the south. Throughout this document, references to the impacted wetland refer to Wetland A and references to the seasonal watercourse refer to the small watercourse identified immediately to the north of Wetland A in the EnviroVector delineation. These are the only wetland and watercourse features directly implicated by the proposed development.

The parcel contains four identified wetlands as mapped by EnviroVector, designated Wetland A, Wetland B, Wetland C, and Wetland D. The larger wetlands, B, C, and D, are located to the south and are avoided entirely by siting the proposed development at the northern end of the parcel. Wetland A is the only impacted wetland on the subject parcel, a single small wetland of approximately 1,052 square feet, one third of which falls within the 200 foot shoreline jurisdiction boundary. The wetland biologist has classified Wetland A as Category 3, carrying a 140 foot buffer under the applicable regulations. The parcel and the proposed development area are physically separated from the shoreline of Capitol Lake by Deschutes Parkway SW and the BNSF Railway corridor, leaving no natural ecological or hydrological pathway between the subject parcel and the lake that is not already interrupted by that infrastructure. The wetland biologist report concludes that the wetlands on this parcel are not hydrologically connected to Capitol Lake in any naturally occurring sense, with the only drainage connection being through 36 inch culverts running under Deschutes Parkway SW.

A defining characteristic of this site is that the regulatory buffers associated with the identified wetland areas are not protecting pristine natural environments. The BNSF Railway corridor and Deschutes Parkway SW are already situated well within the applicable setback areas of the wetlands on this parcel. These are not undisturbed ecological buffers. They are buffer zones already occupied by major transportation infrastructure. The small size of the impacted wetland, the limited portion falling within shoreline jurisdiction, the absence of natural hydrological connectivity, the existing infrastructure well within the wetland setbacks, and the physical separation of the parcel from the actual shoreline collectively and substantially reduce the ecological significance of any additional buffer impacts associated with the proposed development.

2. Proposed Development

The proposed facility is a water oriented country club incorporating a destination wellness and spa program including cold plunge pools, steam room, sauna, and full spa and treatment services, a high end fitness facility, and a smoothie and refreshment bar open to the public. The

view of Capitol Lake and the surrounding shoreline is the primary amenity, placing this facility squarely within the water enjoyment classification under the Olympia Shoreline Master Program regardless of whether members ever touch the water directly.

The facility is structured as a private membership country club with tiered access available to the general public. Members receive full access to all amenities including thermal wellness facilities, fitness, spa treatments, and priority booking. Day passes are available to the general public providing full access to all amenities on a walk in basis. Certain designated amenities including the smoothie and refreshment bar, wellness supplements, and the view terrace are open to the general public without a day pass, ensuring that the facility is genuinely accessible to the broader community regardless of membership or day pass purchase.

The proposed country club is a conditional use in the R6-12 zone under Olympia Municipal Code Table 4.01. It is the highest and best use of this shoreline parcel and the use most aligned with the intent of the Shoreline Management Act. RCW 90.58 reserves shorelines for water oriented uses and prioritizes uses that facilitate public access to the shoreline environment. Every other private use realistically available in this zone is residential in nature, and the SMA explicitly identifies residential development as a non-water-oriented use that is not a priority under the Act. A private residence delivers no public access, no water orientation, and no community benefit from this rare shoreline location. The country club delivers all three. The conditional use framework exists precisely to enable this outcome on parcels like this one, where the right use for the public and the right use under the law are the same use.

3. Seasonal Watercourse and Stream Buffer Question

Geotechnical studies confirm that substantial retaining structures are required to stabilize the slopes on and adjacent to the parcel. This physical constraint is independent of the proposed use, any development on this parcel will require retention of significant size. A full geotechnical report will be provided with the complete application package.

A seasonal feature has been identified on the subject parcel to the north of Wetland A and has been classified by the wetland biologist as a watercourse. On its face the feature likely meets the definition of a stream under OMC 18.32, it originates as a natural toe of slope seep, it produces surface flow, and the channel or bed need not contain water year round. The applicant does not dispute that characterization. However the applicant respectfully submits that the stream definition under OMC 18.32 does not appear to contemplate the complexity of sites like this one, and that applying the full stream buffer standard to this feature without accounting for its character would produce a regulatory outcome inconsistent with the intent of the stream protection framework.

The feature originates as seasonal seepage from the toe of a steep slope and flows only during rain events. It has no fish bearing capacity. Its open surface reach is short. Approximately 95 percent of its drainage alignment runs through buried culverts beneath the subject parcel, the BNSF Railway corridor, and Deschutes Parkway SW before discharging to Capitol Lake through existing infrastructure. The feature exists in a landscape already fundamentally altered by major transportation infrastructure, and its ecological function as a stream corridor is a fraction of what an unimpacted open stream would provide. If this feature is a stream, it is a stream of a character and condition that the standard buffer framework does not appear designed to address. Treating it with the same protection as an intact, naturally functioning, open stream corridor would not serve the intent of the stream protection standards, it would apply a protective framework to a feature that does not possess the ecological values those protections exist to preserve.

The applicant respectfully asks whether the city's code or administrative interpretation provides any avenue for a more nuanced analysis of features like this one, features that technically meet the stream definition but whose character, condition, and ecological function differ fundamentally from the stream corridor the definition was intended to protect. If no such avenue exists within the current framework, the applicant accepts that the standard stream buffer review process applies and is committed to demonstrating through the formal application and critical area report that a variance is warranted. The applicant will build on this parcel regardless of the classification outcome. Any development here requires substantial retention that will by physical necessity extend into the area adjacent to this feature. Impacts to whatever buffer applies cannot be avoided regardless of what is built. Mitigation sequencing on avoidance and minimization is addressed by the site's physical constraints confirmed by the geotechnical engineer.

4. Access, Utilities, Parking, and Slope Retention

The approximately 42 foot slope associated with the development area is located primarily on the neighboring parcel to the northwest. Vehicular access, parking, slope retention, and all utilities will be accomplished through a combined access and utility easement from that neighboring parcel, with the adjacent owner having agreed to provide that easement.

The retention and parking structure are located on the neighboring parcel via the easement, anchored into the upper slope at its least ecologically sensitive point. While the full regulatory picture of applicable setbacks will be clarified through the feasibility review, the design deliberately concentrates infrastructure at the highest and driest location on the slope, as far as physically possible from the larger wetland resources to the south.

The site plan identifies two potential access routes for city consideration. The primary access enters from the northwest via the neighboring parcel easement from Olympic Way SW, with parking located on the roof of the structure at the upper slope level. The alternative access enters from Deschutes Parkway SW at the eastern boundary of the site at the base of the slope, with parking accommodated at the lower level. Both options avoid any access road traversing the slope entirely. Any private residential development on this parcel would face the same geotechnical reality confirmed by the geotechnical report. A residential driveway accessing the parcel independently would by necessity traverse the slope further south where the grade exceeds 90 feet, demanding retention walls of extraordinary scale running well into the most sensitive wetland buffer areas and in all likelihood requiring the filling of Wetland A simply to achieve a buildable access grade. The ecological impact of a residential driveway traversing the slope would therefore be substantially greater than anything associated with the proposed country club access.

Sewer service will be provided via a commercial grinder pump system owned and maintained by the facility operator, pumping sewage up through the utility easement corridor to connect to the municipal sewer system at street level, eliminating any need for gravity drainage infrastructure within the sensitive lower portions of the site.

Fire apparatus access depends on the access configuration selected. Under the primary access from the northwest the fire apparatus reaches the building from the parking deck at the upper level. Under the alternative access from Deschutes Parkway SW the fire apparatus parks at the base of the building at street level. In either scenario the building descends the slope such that unobstructed 150 foot apparatus access to all portions of the structure is not achievable, a constraint analogous to high rise construction where ladder trucks cannot physically reach all floors directly. The applicant is therefore exploring whether a high rise comparable automatic

sprinkler system throughout all levels, including a standpipe system with fire department connections accessible from both the upper parking deck and the lower street level entry, would satisfy fire suppression requirements under either access configuration. The applicant welcomes guidance from the fire marshal on this approach.

5. Building Footprint, Parking, and Height

As depicted on the preliminary site plan prepared by IRIS Group dated April 20, 2026, the proposed building footprint is located outside the 140 foot wetland buffer. The full picture of applicable setbacks, including those associated with the seasonal watercourse, is subject to the feasibility discussion. The building footprint was intentionally kept narrow, comparable in width to a single family residence, for purposes of this initial concept submission. At 10,000 square feet in its current narrow configuration the building can realistically accommodate only a single level of parking, which limits the facility capacity to serve the general public. The applicant believes the current design is supportable on its merits and that a variance, if the city determines one is required, is well justified given the site characteristics, the existing infrastructure already within the applicable setbacks, and the public benefit the facility delivers.

A wider building footprint would substantially better serve the public interest. Greater width accommodates multi level parking, increases on site parking supply, and expands the facility capacity to welcome far greater numbers of members and public visitors. The applicant welcomes the city guidance on whether a wider footprint could be accommodated through the variance process, and if a buffer reduction or variance would be required to achieve it, the applicant respectfully submits that the public benefit of the expanded facility more than justifies that relief.

The applicant proposes to construct the facility at a height exceeding the 35 foot limit applicable in the R6-12 zone. The nature of the site, a sloping parcel where the building descends the grade and the structure itself performs the retention function, raises important questions about how building height is calculated. Is building height measured from average finished grade around the perimeter of the structure, from natural grade, or from the highest point of finished grade adjacent to the building? The applicant also asks whether a height variance, if required, could be considered alongside wetland setback variances, recognizing that a taller building with a smaller footprint concentrates impact in the smallest possible area while maximizing the public water enjoyment program.

6. Water Related Uses and Shoreline Access

The facility sits directly across from Heritage Park via a marked crosswalk on Deschutes Parkway SW, placing it at the gateway to the Capitol Lake waterfront trail, a continuous trail system circumnavigating the entire lake and connecting to the broader Olympia waterfront. Members and visitors cross directly to the trail and Heritage Park on foot, activating the shoreline as a destination rather than a backdrop. At the same time the facility enhances the experience for those already enjoying Heritage Park and the waterfront trail. The SMA identifies the provision of public viewing platforms and comfortable gathering spaces oriented toward the water as a defining characteristic of water enjoyment uses. Someone strolling the Heritage Park trail is approximately 200 feet from the facility, where they can access spa treatments, wellness services, a comfortable viewing platform overlooking Capitol Lake, or simply rest in a well designed waterfront environment. The facility and the park reinforce each other, improving the overall quality of public access to this rare shoreline resource.

7. Shoreline Variance and Regulatory Intent

The proposed development site was deliberately selected to be the least impactful location on this heavily constrained parcel. The northern end is the highest, driest, and most geotechnically feasible location, with a slope of approximately 42 to 50 feet manageable with an integrated retention superstructure. Further south the slope exceeds 100 feet, more than doubling the retention challenge, the ecological disturbance, and the cost and complexity of stabilization. Any development attempted further south would require retention structures of extraordinary scale running deep into the most sensitive areas of the parcel, would necessitate the filling of Wetland A and the larger, more ecologically significant wetlands B, C, and D to the south, and would dewater watercourses of greater size and ecological value than the seasonal feature north of Wetland A. The proposed northern location causes the least ecological transformation of any feasible development scenario on this parcel.

The dewatering and effective elimination of the seasonal watercourse north of Wetland A as a surface feature is not a consequence of the development program. It is an inevitable result of the retention system required to stabilize the slope on this parcel regardless of what is built here. The retention structure will manage all hydraulic pressure from the slope above, intercepting the seasonal seepage that feeds the watercourse before it reaches the surface and routing it into the existing culvert system or on site stormwater infrastructure. The wetland biologist report is anticipated to demonstrate better than no net loss mitigation outcomes. The parcel retains sufficient area for robust on site mitigation to support that finding.

RCW 90.58.020 recognizes that the interest of all people shall be paramount in the management of shorelines and contemplates economic development as a legitimate and intended shoreline use alongside ecological protection. The SMA is not a preservation statute. It is a management statute designed to ensure that the rare and finite resource of the shoreline is used in ways that best serve the public interest, while managing rather than categorically prohibiting impacts to sensitive ecological areas. The city is not deciding whether the watercourse will be impacted. It is deciding what use best justifies that inevitable outcome on a finite shoreline resource. The applicant respectfully submits that a water enjoyment country club is that use, and welcomes the city guidance on the regulatory pathway and whether a wider footprint delivering greater public capacity would be supported through the variance process.

8. Accommodation Component

The development team is exploring whether a limited short term rental or destination casita component may be appropriate as an accessory use within the facility. The applicant welcomes the city's guidance on whether a limited accessory lodging component could be considered as part of the conditional use review and what conditions or limitations would apply.

9. Closing

The proposed development area has been intentionally selected as the highest, driest, least environmentally impactful, and most geotechnically feasible location on the property. The applicant looks forward to a productive discussion and welcomes the city's feedback on the regulatory pathway and development concept presented here.