



# Economic Development Proposal

## Downtown Olympia Redevelopment Project

### Request for Proposal

308 – 310 4<sup>th</sup> Avenue East

Downtown Olympia

Former Griswold property

**Responses Due by Friday, Sept 9, 2016 at 4pm**

**Delivery in Person** | City of Olympia  
Attention: Renée Sunde  
601 4th Ave E | Olympia, WA 98507-1967

**Delivery by Mail** | City of Olympia  
Attention: Renée Sunde  
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**More Information**  
[olympiawa.gov/RFP](http://olympiawa.gov/RFP)  
Contact Renée Sunde, Economic  
Development Director  
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# Request for Proposals

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## Downtown Olympia

### 308 – 310 4<sup>th</sup> Ave East, Former Griswold Property

The City of Olympia seeks proposals to partner in a mixed-use development in Downtown Olympia. The subject property was recently acquired by the City of Olympia to encourage the removal of blight and to further redevelopment on this critical block in the City's Downtown.

This opportunity for partnership comes at an exciting time in Downtown Olympia. The City has invested millions of dollars in Downtown, including a new City Hall, rebuilding a significant portion of its waterfront boardwalk, renovating its performing arts center and building a new children's museum, all within blocks of the former Griswold site. These investments are paying dividends; several significant private sector projects are either under construction or recently completed that will add to downtown's vibrancy. These projects include several adaptive reuse projects that converted vacant office space to mixed-use buildings, a new six-story 138-unit apartment building with structured parking and 7,000 square feet of ground floor retail and a four story 36 unit new apartment building located on Legion Way. Local lending partners also recognize this opportunity, with Thurston First Bank recently announcing a \$10,000,000 loan pool directed at Downtown redevelopment.

Enhancing the livability and vibrancy of Downtown is one of the City of Olympia's highest priorities. The City's recently updated Comprehensive Plan sets forth the City's overall vision for downtown. Some key elements of that vision describe downtown as:

- The social, cultural and economic center of the region
- An attractive place to live, work and play
- A complete neighborhood with a mix of office, retail and residential uses – including 25% of the City's future residential growth (about 5,000 people)
- A place that contains public art, significant landscaping, and public spaces throughout

The City is serious about achieving successful public-private partnerships, and has taken several steps to prepare to welcome a development partner:

- The City has retained the National Development Council (NDC) to provide technical assistance related to development finance. The NDC is expert in economic and housing development and brings years of experience and expertise to the table in helping local governments work effectively with private sector partners. NDC has also partnered with the City to create the Grow Olympia Fund to assist small business

## Request for Proposals Former *Griswold Property*

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expansion and is providing underwriting services for a \$1,500,000 Section 108 Guaranteed Loan Fund that could be applied to a project at the proposed site.

- The City has established a community redevelopment tool known as a Community Renewal Area (CRA - Chapter 35.81 Revised Code of Washington) to incent reinvestment in underdeveloped and blighted properties. The CRA covers all of downtown Olympia, including the former Griswold's site.
- Recent community engagement forums indicate strong support for this process and the right redevelopment project in downtown.

The City seeks a development partner who understands the City's objectives and wants to create a project that enhances the existing downtown and contributes to the social, environmental and economic health of the community, setting the bar for new development in our downtown. Through this partnership the City proposes to sell the property to the selected developer and enter into an agreement for its redevelopment.

The RFP that follows summarizes the opportunity, including market area characteristics, a downtown profile, development requirements and objectives, site details and potential city incentives and programs. Enclosed you will find detailed submission requirements and the process for reviewing proposals.

We look forward to reviewing your RFP submission. If you have any questions or need further information, please contact Renée Sunde, Economic Development Director, at (360) 753 - 8591 or [cra@ci.olympia.wa.us](mailto:cra@ci.olympia.wa.us).

Sincerely,

STEVEN HALL

City Manager

# Olympia and the Downtown Area

## ***Population and Location***

Olympia is the capital of the State of Washington and the County seat of Thurston County. It sits on the picturesque southern-most shore of Puget Sound. The City has a nationally recognized reputation as one the most livable cities in the U.S. It has an estimated 2016 population of about (51,020 update when OFM releases 2016 numbers) and projected growth of approximately 50% over the next 20 years. Thurston County had an estimated population of 267,410 in 2015 and a projected population of 370,600 in 2035. A strong and highly educated public employment base, combined with a vibrant economy and excellent schools, create an environment that engenders a strong sense of community and an excellent long-term economic outlook.

## ***Downtown Olympia***

Downtown Olympia is the historic urban hub of Southern Puget Sound, with an emphasis on cultural, entertainment, and recreational opportunities naturally associated with its role as the economic center of the region. Olympia is waterfront-oriented, with a modern seaport, marinas, recreational uses, public boardwalk and outstanding views. Downtown Olympia is home to the Washington State Capitol, seat of county government, with associated political, administrative, professional, and tourist activities. It is also an historic area, with much of the state's and region's past reflected in the layout, design, and character of its buildings.

Our strong educational network of local colleges and universities contribute to the active social and entertainment scene in our downtown. Four Downtown theaters host live shows, movies and concerts nearly every night of the week. Olympia offers a wide variety of local restaurants with several new eateries that have successfully launched in the past year.

## ***Our Vision***

Over the past twenty years, Downtown has benefitted from over \$150 million in investment in public infrastructure and amenities. The City is looking to capitalize on that investment by adopting a Downtown Strategy that will provide a plan for achieving the vision for Downtown. Through the CRA, the City seeks to engage more directly with the developers to ensure that new development is market supported and advances the goals of the Downtown Strategy to meets public need.

Our vision for Downtown Olympia is a vibrant, attractive regional destination where residents contribute to a vital and safe city center. The Downtown we desire is full of distinctive pedestrian-oriented places and spaces, supports ownership and use of cars as a choice, not a necessity, includes dense housing that encourages sustaining use of land, and supports full use of alternative transportation modes.

## ***Amenities in Downtown Olympia***

This RFP presents an extraordinary opportunity to develop an important downtown project in an area that includes the following amenities:

- An historic Downtown

- An active employment and activity center
- Over 400 local restaurants, shops, and services
- A full service grocery store
- The second largest farmer's market in the state
- Theaters, including the Washington Center for the Performing Arts
- Percival Landing, the waterfront boardwalk, with trail connections running along the shore of Budd Inlet
- Sylvester Park, Heritage Park, Artesian Commons and Fountain Park
- The Dash -- a free shuttle bus connecting the Capitol Campus with Downtown Olympia
- The Intercity Transit Center
- The State Capital Campus
- The Olympia Center
- The Hands on Children's Museum, voted "Best Family Entertainment"
- The WET Science Center
- Views of Budd Inlet, the Olympic Mountains, Mount Rainier, Capitol Lake, Heritage Park, and the State Capitol

## Development Opportunities

The Community Renewal Act provides the City with tools to eliminate blight, to encourage private sector participation in Downtown renewal and shape development in furtherance of the City's goals of creating a safe and welcoming downtown for all and increasing commerce and private investment. The Community Renewal Plan is a means to increase commercial activity in Downtown and stabilize the City's revenue base by encouraging and ensuring quality development through public/private partnerships.

The City is committed to promoting high quality Downtown redevelopment and is looking for a private development partner to help make it happen. The City is willing to put its resources into a project that meets public objectives that include the removal of blight, Downtown renewal and the furtherance of City goals.

### **308 – 310 4th Ave. East – Former Griswold Property**

The City seeks redevelopment proposals for a project on the former Griswold Property located at 308 – 310 4th Ave. East. The City is most interested in proposals that will return this property to productive economic use quickly. At the same time, the City is interested in the longer-term vision for the surrounding properties and views the redevelopment of the proposed site as potentially catalytic to additional redevelopment opportunities in Downtown Olympia.

*See Figure 1.*

**Figure 1. Former Griswold Property, 308 – 310 4th Ave. East**



The Griswold's site consists of .17 acres (or about 7,405 square feet) of property. A shell of the building remains on site. It is anticipated that this structure will be razed and that a new multiple story building will replace it. The building was a complete loss in a fire in 2004. A recent structural evaluation indicates that the existing walls, foundation and the remaining roof would need to be razed and replaced with code compliant construction.



The 300 Block of 4th Avenue is in the heart of Olympia's Entertainment District with numerous restaurants, bars and theaters all within close proximity. The City sees this as a key area for redevelopment of downtown that will have substantial positive impact on the immediately-surrounding properties as well as the broader Downtown.

### ***Development Requirements and Objectives***

The City envisions vibrant mixed-use development on the proposed site with the goal of bringing more market rate housing and ground floor retail/restaurant space into Downtown Olympia.

- **Residential** - The residential component of the project may either be rental or owner occupied. The unit characteristics (number of bedrooms, size, configuration of common areas, etc.) are left to the development partner to determine. Mixed income projects will also be considered.
- **Retail/Commercial** - 4th Ave is a "Pedestrian A" Street. Projects proposed along the City's Pedestrian A Streets (Section 18.16) must include a retail/commercial component. The developer may determine how to address the inclusion of this project component in a manner consistent with the City's land development regulations. Downtown has an eclectic mix of more than 400 unique independent retailers, restaurants, and service businesses; developers are encouraged to seek opportunities to enhance this mix.
- **Parking** -The City encourages the development team to consider a variety of ways of meeting the project's parking needs. The City's land development regulations (OMC 18.38.160 C) do not require that parking be provided for new residential buildings or for existing buildings. The City will consider this project to be a redevelopment of an existing building and will not require additional parking to be provided for the project.
- **Construction Standards** – Alternative Materials and Methods. The provisions of chapter 16.05 may be used to design and construct mixed-use apartment buildings as an alternative to complying with the Olympia Building and Construction Regulations. Buildings complying with this chapter may be designed and constructed so that the first story and/or the second story of a structure are constructed of Type IA Construction, and the remaining stories of Type VA construction. Please see Olympia Municipal Code 16.05 for code alternative details.

## Site Details

### ***Utilities***

Utilities are available to most sites in downtown.

### ***Environmental and Geotechnical Findings***

- **Environmental Investigation:** A Phase I Environmental Characterization has been completed for the site and is available for review.
- **Flood:** Review the FEMA Flood Insurance Rate Map for downtown Olympia for flood zone information. Sea level rise issues will be addressed through the development review process and will require flood proofing of the building.

### ***Site Control***

The City of Olympia acquired the Griswold's site through a negotiated purchase on or about June 1, 2016 for \$300,000. The City has clear title to the property.

### ***Design Review***

The RFP offers an opportunity to develop an attractive building in Olympia's historic Downtown area and will be subject to the City's design review regulations including sections 18.100, 105, 110 and 120 as well as section 18.16 Pedestrian Street Overlay District. The City anticipates that this project will set a high standard for all future development through the use of high quality durable materials, timeless design principles and sensitivity to the context of Olympia's Downtown. Designs that respect the historic nature of Downtown will be more successful in the design review process and are encouraged.

### ***Heritage Register***

The subject property is of historic interest in that it once housed a movie theater. The property is not on the historic register or within a historic district.

### ***Appraisal Information***

The City had an appraisal of the former Griswold property conducted in 2015. This information will be made available to interested parties upon request.

## City Incentives and Programs

The City may offer one or more of the following incentives to the selected developer depending on the benefit to the community from the proposed redevelopment project, the project's ability to meet requirements for eligible programs, and the results of negotiation of a comprehensive development agreement:

- Negotiable terms for sale of the property;
- Residential property tax exemption (See OMC 5.86 for exemption requirements);
- Priority permitting;
- Loans through the City's Section 108 and Grow Olympia Fund Loan Programs;
- Infrastructure and frontage improvements;
- Remediation of contaminated soil;
- Demolition of existing structures;
- Public finance technical assistance through the NDC;
- Potential to lease nearby city-owned parking

## Proposal Requirements and Preferences



Details on the development requirements and objectives are provided earlier in this RFP. In summary: the City is interested in entertaining project proposals that will result in a near-term redevelopment project that is market feasible, attractive and impactful. The most desirable project will be a mixed-use building and ideally will include market rate housing. The project design is an important aspect of the selection process; however, the City recognizes that market viability is equally important. The City anticipates negotiating a development agreement or other legal instrument with the selected partner that will contractually establish the sale of the property, project design, project timeline and any specific terms for the City's involvement in the project.

### **Requirements for Proposal Responses**

1. Identify and describe the developer, including developer's name, corporation name (if applicable) or business name, addresses, telephone numbers, fax numbers, e-mail addresses, and the name of the primary project contact.
2. Identify each person or entity involved with the project team, including development partners, technical partners (architects, engineers, others), and briefly describe their respective roles, including:
  - Information regarding the team member's experience and qualifications.
  - Resume of key team members.
3. Demonstrate financial capacity of developer and development partners, including guarantors.
4. Describe the developer's relevant project experience for up to 5 projects. The City is most interested in current or recently completed projects in similar markets. Projects described must illustrate the developer's experience with construction projects similar in scope and size to the proposed project. The City is particularly interested in assessing the developer's experience in participating with public/private partnerships. Submit photos or drawings and the following information, for projects used to demonstrate experience:
  - Project name and location
  - Description or renderings of project size and scope, including the number of units and unit type (e.g., 20 studios; 25 1-bdrm) along with square footage costs for apartments, condos, and retail.
  - Approach to project financing including sources and uses tables (1: uses: breakdown of total project costs into hard and soft costs, developer fees, etc. and 2: sources of funds, amount of debt, equity, and public participation, etc.)
  - Date project conception, date project started construction and date construction completed.
  - Challenges and obstacles addressed during the development and construction process.
  - Other types of public financial participation (provide your capital stack).
  - Name of the developer's project manager and contact information.
  - Name of the architect and contact information.
  - Name of the construction manager or general contractor and contact information.
  - Contact name and information of the primary public official who worked with the developer on the project.
5. Briefly describe experience or strategy for marketing and managing urban redevelopment projects including approaches to public participation.
6. In this proposal, please provide your best thinking, in narrative form, about your initial concepts for each of the following:
  - The anticipated target market for the project.

- Expected mix of uses (residential market rate and mixed income, if any) and retail including an estimate of the approximate amount of square footage for each component and the number of units and stories anticipated.
- Floor plans showing the location of key project elements.
- Building elevations showing general building design.
- Preliminary description of possible project financing including sources and uses tables (1: uses: breakdown of total estimated project costs into hard and soft costs for each use type, developer fees, etc. and 2: sources of funds, amount of debt, equity, and public participation, etc.)
- Proposed development schedule outlining the developer's anticipated project timeline and key milestones such as due diligence period, execution of a development agreement, construction, and occupancy.

## Evaluation and Selection

### **Evaluation Criteria**

Evaluation of RFP responses will be based upon the following:

1. Developer Experience:
  - Success in developing similar urban redevelopment projects
  - Quality of representative projects
  - Qualifications of project team and key project managers
  - Financial capacity
  - Experience in partnering with the public sector in redevelopment projects
2. Proposal Requirements and Preferences:
  - Degree to which the preliminary development concept and site design meets the RFP requirements and preferences
  - Market targeted (housing type and number of units, amount and type of retail)
  - Demonstrated market viability
  - Project timing and commitment to move forward

Public process will be required as part of the consideration of the development agreement and project approval.

The City anticipates entering into exclusive negotiations with a developer following the initial screening and evaluation process and will result in a development agreement. All projects will be reviewed and approved through the City's normal development review processes.

### **General Provisions and Conditions**

The City reserves the right to:

- Reject any and all responses
- Negotiate with more than one redevelopment partner
- Waive minor irregularities in a response
- Cancel, revise, or extend this solicitation
- Request additional information on any response beyond that required by this RFP

- Modify the selection process set forth in this RFP upon written notification to all respondents who have not been rejected at the time of modification

## Selection

The City of Olympia shall have the final decision on the developer selection and whether to move forward with a selected team or not. The City will use a selection committee consisting of the Community Planning and Development Director, Economic Development Director, Chair of the Community and Economic Revitalization Committee and members of the consultant team. This team will review proposals, conduct interviews with respondents and make a recommendation to the City Council.

## Pre-Submission Conference

One pre-submission conference will be offered. On July 29th at 1:30 p.m. in Room 112 at the Olympia City Hall 601 4th Avenue East, Olympia, Washington. The purpose of the conference is to answer questions about the proposed site. Attendance by a representative of each proposer is encouraged but not mandatory. A walking tour of downtown and site will be conducted following this session. Please contact Keith Stahley (360) 753-8227 or [kstahley@ci.olympia.wa.us](mailto:kstahley@ci.olympia.wa.us), for directions or questions.

## Submission Requirements and Schedule

Interested developers must submit 1 paper copy of the response to the RFP, including a letter of interest outlining response requirements and preferences and 1 electronic copy. Limit the responses to no more than 20 pages. The City will become owner of all submitted materials and will not pay any costs related to any responses to the RFP.

The City reserves the right to modify the timeline and to issue addenda to this document.

<b>RFP Action</b>	<b>Approximate Completion</b>
Issue Request For Proposals	July 18, 2016
Pre-Submission Conference and Tour	July 29, 2016
Release of RFP Addendum <i>(if necessary)</i>	August 5, 2016
RFP Responses Due	September 9, 2016
Preliminary Consideration by City Council	October 11, 2016
City Council Review and Approve Development Agreement	November 1, 2016

Selected developer may be invited to give a presentation on all aspects of the proposal, including design concepts, development cost, financial capacity/lender commitments, terms of site acquisition, and implementation schedule to Community and Economic Revitalization Committee and/or the City Council.

## Exhibits

***Exhibit A: Phase 1 Environmental Characterization***

***Exhibit B: Appraisal***

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## Contact Information

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### **Renée Sunde**

*Economic Development Director*

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To obtain an electronic copy of this information please email [cra@ci.olympia.wa.us](mailto:cra@ci.olympia.wa.us).