



# Meeting Agenda

## Community & Economic Revitalization Committee (CERC)

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Monday, November 21, 2016

5:30 PM

Council Chambers

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1. **CALL TO ORDER**

2. **ROLL CALL**

3. **APPROVAL OF AGENDA**

4. **APPROVAL OF MINUTES**

- 4.A [16-1304](#) Approval of October 24, 2016 Community & Economic Revitalization  
Committee Meeting Minutes

Attachments: [Minutes](#)

5. **COMMITTEE BUSINESS**

- 5.A [16-1287](#) Review of Draft Exclusive Negotiating Agreement (ENA) For  
Redevelopment of the Former Griswold's Property in Partnership With Big  
Rock Capital Partners

Attachments: [Draft Exclusive Negotiating Agreement](#)

6. **REPORTS AND UPDATES**

- 6.A [16-1288](#) Status Report and Update on Various Economic Efforts

7. **ADJOURNMENT**

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City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

## Community & Economic Revitalization Committee (CERC)

### Approval of October 24, 2016 Community & Economic Revitalization Committee Meeting Minutes

**Agenda Date:** 11/21/2016  
**Agenda Item Number:** 4.A  
**File Number:** 16-1304

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**Type:** minutes **Version:** 1 **Status:** In Committee

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**Title**

Approval of October 24, 2016 Community & Economic Revitalization Committee Meeting Minutes



## Meeting Minutes - Draft

### Community & Economic Revitalization Committee (CERC)

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Monday, October 24, 2016**

**5:30 PM**

**Room 207**

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#### Special Meeting

**1. CALL TO ORDER**

Mayor Pro Tem Jones called the meeting to order at 5:30 p.m.

**2. ROLL CALL**

**Present:** 3 - Chair Nathaniel Jones, Committee member Jim Cooper and  
Committee member Julie Hankins

**OTHERS PRESENT**

Community Planning and Development:  
Leonard Bauer, Deputy Director  
Renée Sunde, Economic Development Director  
Linda Bentley, Senior Planner  
Mark Rentfrow, Senior Program Specialist

Walker John, Principal Urban Olympia

**3. APPROVAL OF AGENDA**

**The agenda was approved.**

**4. APPROVAL OF MINUTES**

- 4.A** [16-0791](#) Approval of June 13, 2016 Community & Economic Revitalization  
Committee Meeting Minutes

**The minutes were approved.**

**5. COMMITTEE BUSINESS**

- 5.A** [16-1165](#) Status Report on Water Street Redevelopment Area (WSRA) Plan

Ms. Sunde provided an update on the Water Street Redevelopment Area (WSRA) plan. The City's contractor for the project, Mr. John with Urban Olympia, was present and provided an update on the WSRA process and a high level concept of what he believed could be a potential project on the site. A recommendation to consider a Neighborhood

Meeting as a potential next step in the process was discussed. The Committee recommended Mr. John come back to a meeting in January to provide a status update and to readdress the recommendation for next steps. Mr. John also wanted to express that he has truly enjoyed working with the City staff throughout this process.

**The discussion was completed.**

**5.B**     [16-1166](#)            Recommendation on Request for Proposal (RFP) responses for the City-owned Property known as the Former Griswold Property

Ms. Sunde and Ms. Bentley provided an update on the two Request for Proposal (RFP) submittals received for the City-owned property known as the former Griswold property. The Committee recommended proceeding into an Exclusive Negotiation Agreement (ENA) with the preferred respondent. Once the ENA draft is complete, Ms. Sunde will bring the document to the Committee to be reviewed prior to continuing to full Council for approval.

**The discussion was completed.**

**5.C**     [16-1167](#)            Briefing on Thurston Community Economic Alliance Strategic Plan

Ms. Sunde provided a brief overview of the Thurston Community Economic Alliance (TCEA) and how the City plans to coordinate its efforts to support the regional plan. Ms. Sunde suggests scheduling a follow-up presentation with Thurston Economic Development Council (TEDC) to provide an overview of the plan to the full City Council.

**The discussion was completed.**

**5.D**     [16-1168](#)            Status Report and Update on Various Economic Efforts

Ms. Sunde provided an update on various economic development efforts:

- Tune-up Course
  - 16 businesses signed up in one week, 8 being businesses located in the downtown area.
  - There will be another course happening in early 2017.
- Automall
  - The Olympia Automall outreach strategy has been in progress.
- Meet the Cities
  - Ms. Sunde will be speaking at the Meet the Cities program put on by the International Council of Shopping Centers (ICSC) in Tukwila on October 25, 2016. This program is a forum for the public and private sector to network, share ideas and discuss development issues and mutually desired retail projects.

**The discussion was completed.**

**6.        REPORTS AND UPDATES - None**

**7. ADJOURNMENT**

The meeting was adjourned at 7:35 p.m.



## Community & Economic Revitalization Committee (CERC)

### Review of Draft Exclusive Negotiating Agreement (ENA) For Redevelopment of the Former Griswold's Property in Partnership With Big Rock Capital Partners

**Agenda Date:** 11/21/2016  
**Agenda Item Number:** 5.A  
**File Number:** 16-1287

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**Type:** recommendation   **Version:** 1   **Status:** In Committee

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#### **Title**

Review of Draft Exclusive Negotiating Agreement (ENA) For Redevelopment of the Former Griswold's Property in Partnership With Big Rock Capital Partners

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to committee.

##### **City Manager Recommendation:**

Review the draft Exclusive Negotiating Agreement (ENA) and recommend moving it forward to Council for review.

#### **Report**

##### **Issue:**

Whether to receive an update on the process that has led to the draft ENA and review draft elements for possible recommendation.

##### **Staff Contact:**

Renee Sunde, Economic Development Director, Community Planning & Development Department

##### **Presenter(s):**

Renee Sunde, Economic Development Director  
Keith Stahley, Community Planning & Development Director  
Leonard Bauer, Deputy Director, Community Planning & Development

#### **Background and Analysis:**

##### Request for Proposal - Downtown Redevelopment Opportunity

The City of Olympia issued a Request for Proposal (RFP) on July 22 to identify a qualified development partner to fulfill the City's primary objective to create a vibrant mixed-use development on the property. Two proposals were received by the September 23 deadline. The City's Review

Committee (City staff, Mayor Pro Tem Jones and representatives from ECO Northwest, Pacifica Law Group, and the National Development Council) formally recommended to CERC the selection of Big Rock Capital Partners as a qualified development partner.

At the October 24 CERC meeting, the committee approved the recommendation to Council to accept the redevelopment proposal recommended by the review committee and requested a briefing of the draft Exclusive Negotiation Agreement (ENA) during the November CERC meeting.

The proposed ENA is an agreement between the City of Olympia and Big Rock Capital Partners that will provide a framework for next steps and define obligations of the developer and the City of Olympia. The agreement allows for the exclusive right to conduct due diligence and negotiations with the City for the sale of the Property and development of the Project for a specified period of time. Staff seeks review by the CERC and a recommendation to forward the agreement to City Council for their review. The ENA attached to the staff report is in draft form. Legal review is ongoing and may result in revisions to this agreement. A revised agreement may be presented to the CERC for their consideration on November 21.

If the ENA is approved by City Council then a negotiation period would commence that may result in a Purchase and Sale Agreement being presented to the CERC and City Council in the next six months. The Purchase and Sale agreement would detail the purchase price, design, use and timeline for the project.

**Neighborhood/Community Interests (if known):**

Over the past several years, there has been significant interest throughout the community in understanding the challenges for downtown development and the tools available to assist in the removal of blight. The adoption of the Community Renewal Area (CRA) Resolution establishing a CRA boundary was an important first step.

Through the work of the Downtown Strategy hundreds of citizens have been engaged in an ongoing effort to plan for the future of Downtown. The former Griswold property is in the heart of Olympia's Entertainment and Artisan Tech character areas and remains a significant blight in the area.

There has been much interest from neighbors and the community at large to support a project that returns the property to economic use and enhances the existing Downtown businesses. The project ideally will contribute to the social, environmental and economic health of the community.

**Options:**

1. Review the agreement and forward a recommendation to Council to accept the ENA.
2. Direct staff to make significant changes to the ENA prior to recommendation.
3. Receive the briefing and make no recommendation to Council.

**Financial Impact:**

The City closed on the subject property with the intent of partnering with the selected development team for redevelopment of the subject property and its return to economic use. Financial terms will be part of the Purchase and Sale Agreement.

**Attachments:**

Draft Exclusive Negotiation Agreement (ENA) between City of Olympia and Big Rock Capital

Partners



**AGREEMENT  
BETWEEN THE CITY OF OLYMPIA  
AND BIG ROCK CAPITAL PARTNERS**

**THIS AGREEMENT** (this “Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the CITY OF OLYMPIA, a municipal corporation of the State of Washington (the “City”) and BIG ROCK CAPITAL PARTNERS, a limited liability company organized under the laws of the State of Washington (the “Developer”) (and together, the “Parties”).

**WHEREAS**, the City issued a Request for Proposals on July 25, 2016 (the “RFP”) with respect to the sale and development of the former Griswold property located at 308-310 4<sup>th</sup> Avenue East, Olympia, WA 98501 (the “Property”) as part of the City’s continuing efforts to revitalize its downtown pursuant to and in accordance with the Community Renewal Law codified at Chapter 35.81 RCW; and

**WHEREAS**, the Developer submitted a response to the RFP attached hereto as Exhibit A (the “Developer’s Proposal”) and was chosen by the City to enter exclusive negotiations for the sale and development of the Property as a mixed use project (the “Project”); and

**WHEREAS**, the Parties acknowledge that the City has a HUD Section 108 Loan Program and that the Developer may choose to pursue a loan thereunder (the “Section 108 Loan”); and

**WHEREAS**, by this Agreement the Parties intend to set forth more detailed understandings and conditions which will govern the Developer’s exclusive negotiating opportunity to acquire the Property.

**NOW, THEREFORE**, IN CONSIDERATION OF THE MUTUAL PROMISES AND CONDITIONS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

**I. OBLIGATIONS OF THE DEVELOPER**

The Parties agree that the City requires additional information, due diligence and analysis of the Developer’s Proposal before the City can approve an application to HUD for a Section 108 Loan and the final terms and conditions of a purchase and sale agreement between the City and the Developer for the sale of the Property (the “Purchase and Sale Agreement”) can be completed.

**II. OBLIGATIONS OF THE DEVELOPER**

A. The Developer agrees to provide to the City the following supplemental materials in a form acceptable to the City within thirty (30) days of the date first written above (the “Effective Date”):

1. A Project development budget confirming a hard cost construction budget specific to the Project design as well as soft and closing costs and a sources summary;
2. Sources and amounts of funds required to acquire the Property and construct the Project;
3. An operating pro forma for the Project. The operating pro forma should include a lease-up schedule; income and operating statement and summary,

B. The Developer agrees to provide to the City the following supplemental materials and complete the following activities within ninety (90) days of the Effective Date:

1. Pre-submit the Project to the City for land use and permitting approval in order to identify issues related to design and construction;
2. Participate in a neighborhood meeting hosted by the City;
3. If the Developer chooses to pursue a Section 108 Loan, provide the City with information and third party reports necessary for the City to complete and approve an application to HUD for a Section 108 Loan, including:
  - a. a Project description;
  - b. a description of the development team;
  - c. detail to meet CDBG requirements (e.g. national objective, eligible activity, underwriting analysis, development schedule);
  - d. a copy of the Project appraisal provided to lender;
  - e. materials that will enable the City to complete an environmental review such as an environmental assessment (checklist to be provided);
  - f. a lender commitment, including conditions to closing;
  - g. a letter of intent from the work space entity described in the Developer's Proposal or other evidence of intended occupancy by a ground floor commercial tenant; and
  - h. such other information as the City reasonably requires to complete and approve an application to HUD for a Section 108 Loan.

4. If the Developer chooses not to pursue a Section 108 Loan, provide the City with information reasonably necessary for the City to evaluate the financial feasibility of the Project, including 3.(f) and 3.(g) above.

### **III. OBLIGATIONS OF THE CITY**

A. City Review. The City agrees to work with the Developer to identify the form and contents of the submissions identified in Section II above, and the City commits to review such submissions from the Developer in a timely manner to finalize a Purchase and Sale Agreement.

B. Council Review. The City will make a reasonable good faith effort to ensure timely review and consideration of the Developer's submissions, the proposal for a Section 108 Loan, if any, and the Purchase and Sale Agreement by the City Council after review by City staff.

C. Predevelopment Funding. The Developer will pay for development of the materials to be submitted described in Section II, it being understood that to the extent permitted by HUD such costs may be recovered from a Section 108 Loan. Neither the City nor the Developer will be liable for any cost or expense of the other party except by mutual written agreement.

D. Purchase and Sale Agreement. The Parties agree that the desired outcome of this Agreement is a Purchase and Sale Agreement. That agreement shall specify the terms and conditions for the sale of the Property, including but not limited to: sale price; and project timeline.

### **IV. DEVELOPER'S RIGHT TO ACQUIRE CITY PROPERTY**

The Developer has the exclusive right to conduct due diligence and negotiations with the City for the sale of the Property and development of the Project for a period of six (6) months from the Effective Date unless extended in writing by the Parties (the "Exclusive Negotiation Period"). The City also agrees that upon execution of this Agreement, it will not offer the Property for sale during the Exclusive Negotiation Period. Notwithstanding the forgoing, either the Developer or the City may terminate negotiations at any time, with or without cause, by providing thirty (30) days prior written notice of such termination to the other party.

### **V. MUTUAL INDEMNITY AND HOLD HARMLESS**

A. To the extent allowed by law, the Developer shall protect, defend, indemnify and save harmless the City and its officers, agents, and employees from and against any and all claims, costs and/or losses whatsoever occurring or resulting from the negligent tortious acts or omissions of the Developer and its officers, agents and employees in connection with or in support of the Developer's performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. The Developer will also defend, indemnify, and save

harmless the City and its officers, agents and employees from any and against any and all claims made by the Developer's employees arising from their employment with the Developer.

B. To the extent allowed by law, the City shall protect, defend, indemnify and save harmless the Developer and its officers, agents, directors, and employees from and against any and all claims, costs and/or losses whatsoever occurring or resulting from the negligent tortious acts or omissions of the City and its officers, agents and employees in connection with or in support of the City's performance of this Agreement, except for injuries and damages caused by the sole negligence of the Developer.

C. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Developer and the City, its officers, officials, agents, and employees, the Developer's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Developer's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Developer's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

## **VI. GOVERNING LAW AND VENUE**

This Agreement will be construed and interpreted in accordance with the laws of the State of Washington. Any legal proceeding that arises out of or in connection with this Agreement will be initiated and maintained in Olympia, Washington. Each party consents to jurisdiction and venue in such court and waives the right to claim that any such court is an inconvenient forum.

## **VII. NOTICES**

Whenever this Agreement provides for notice to be provided by one party to another, such notice shall be in writing and directed to the City Attorney and the Developer at the addresses set forth below, or at such other addresses as to which an addressee party may hereafter give notice to the other party.

If to the City:

Olympia City Attorney  
Olympia City Hall  
601 4<sup>th</sup> Avenue East  
Olympia, WA 98501

With copy to:

Director  
Community Planning and Development Department  
Olympia City Hall  
601 4<sup>th</sup> Avenue East  
Olympia, WA 98501

If to the Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

And with copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VIII. COUNTERPARTS**

This Agreement may be executed in counterpart originals, each of which shall be deemed original, with the same effect as if the signatures thereto were on the same instrument.

**IX. ENTIRE AGREEMENT AND MODIFICATIONS**

This Agreement constitutes all of the understandings and agreements of any nature existing between the Parties with respect to the development of the Project and the purchase and sale of the Property. Unless otherwise provided for herein, no amendments, changes, alternatives or modifications of this Agreement shall be effective unless they are in writing executed by the City and the Developer.

CITY OF OLYMPIA,  
a municipal corporation

BIG ROCK CAPITAL PARTNERS,  
a limited liability company  
of the State of Washington

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Approved as to form:

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT A**

**DEVELOPER'S RESPONSE TO REQUEST FOR PROPOSALS**



## Community & Economic Revitalization Committee (CERC)

### Status Report and Update on Various Economic Efforts

**Agenda Date:** 11/21/2016  
**Agenda Item Number:** 6.A  
**File Number:** 16-1288

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**Type:** discussion   **Version:** 1   **Status:** In Committee

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#### **Title**

Status Report and Update on Various Economic Efforts

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Briefing only; no action requested.

#### **Report**

##### **Issue:**

Staff will provide a brief update on Economic Development efforts

##### **Staff Contact:**

Renee Sunde, Economic Development Director, Community Planning & Development Department,  
360.753.8591

##### **Presenter(s):**

Renee Sunde, Economic Development Director  
Keith Stahley, Community Planning & Development Director

##### **Background and Analysis:**

Update will address the following topics:

1. Downtown Development Update
2. Olympia Auto Mall - Outreach Strategy
3. Technical Assistance Resources (Grow Olympia, NDC, Tune-up Course)

##### **Neighborhood/Community Interests (if known):**

None

##### **Options:**

Debrief and Status Update Only

**Financial Impact:**  
No Financial Impact report