



Meeting Agenda

City Hall
601 4th Avenue E
Olympia, WA 98501

Community & Economic Revitalization Committee (CERC)

Information: 360.753.8447

Monday, June 22, 2015

5:30 PM

Council Chambers

Special Meeting of the Council to Conduct Business of the CERC

1. ROLL CALL

2. CALL TO ORDER

3. APPROVAL OF MINUTES

- 3.A** [15-0641](#) Approval of June 1, 2015 Community and Economic Revitalization Committee Minutes

Attachments: [Minutes](#)

4. COMMITTEE BUSINESS

- 4.A** [15-0640](#) Review the Community Renewal Area Request for Proposal Document

Attachments: [CRA RFP 06.22.2015.Revisions](#)

PUBLIC COMMENT

- 4.B** [15-0642](#) ORAL REPORT - Status Report and Updates

PUBLIC COMMENT

5. ADJOURNMENT

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council Committee meeting, please contact the Council's Secretary at 360.753-8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

Community & Economic Revitalization Committee (CERC)

Approval of June 1, 2015 Community and Economic Revitalization Committee Minutes

Agenda Date: 6/22/2015
Agenda Item Number: 3.A
File Number:15-0641

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

Title

Approval of June 1, 2015 Community and Economic Revitalization Committee Minutes



Meeting Minutes - Draft

City Hall
601 4th Avenue E
Olympia, WA 98501

Community & Economic Revitalization Committee (CERC)

Information: 360.753.8447

Monday, June 1, 2015

5:30 PM

Council Chambers

Special City Council Meeting to Conduct Business of the CERC

1. ROLL CALL

Present: 3 - Chair Nathaniel Jones, Councilmember Jim Cooper and Councilmember Julie Hankins

OTHERS PRESENT

Community Planning and Development Director Keith Stahley

2. CALL TO ORDER

Mayor Pro Tem Jones called the meeting to order at 5:31 p.m.

3. APPROVAL OF MINUTES

- 3.A [15-0554](#) Approval of April 22, 2015 Community & Economic Revitalization Committee Meeting Minutes

The minutes were approved.

4. COMMITTEE BUSINESS

- 4.A [15-0539](#) Debrief Community Renewal Area Open House and City Council Workshop

The committee discussed the events of the open house and the following City Council study session. The community voiced support for the project as a whole, but there were some issues expressed. In particular, there was some frustration over not being able to ask questions of everyone together and over not selecting the Griswold block as their CRA area.

The discussion was completed.

- 4.B [15-0540](#) Review Community Renewal Area Request for Proposal Document and Process

The Committee reviewed the Community Renewal Area requirements and the pro forma of Griswold's block. Griswold as an option becomes less viable the lower the rent would be and some owners are interested in pursuing their own development in that area.

Mr. Stahley presented an explanation of the CRA plan. With responses to the RFP, the City will receive a set of plans and direct market feedback from a developer about what will work in this situation. The City's urban design team would provide technical assistance. The City will be looking for very specific sets of information focusing more directly on approach and vision. The proposals will be presented at an open house event to allow questions and communication with the community. With a successful response and proposal selection, the City will enter into a development agreement. The overall timeline has been revised to begin development around April 2016 instead of January/February, to allow for more time to process before beginning.

The Committee began their discussion of the review. The Committee discussed the historical policy for the fountain block area and the Parks Department's money that was used to procure the property of the fountain block and on the west side. The discussion included review of the maps in the paperwork, the importance of being clear about what is expected and desired of the public for this process, and whether the balance between residential and commercial for this CRA should be explicit or decided by the developer. It was discussed how best to convey the City's openness to both mixed-income options as well as non-mixed income.

The RFP was edited to reflect the discussion.

It was noted that whatever is submitted, the Committee will still vet the design, so what is received can be modified to fit the project goals more closely.

Mr. Stahley asked the Committee if there was any interest in discussing other areas, but consensus was that other areas could be included through other projects, such as the Downtown Strategy.

Mayor Pro Tem Jones opened the floor to public comment.

Citizen Bob Jacobs commented on the mixed-use language in the paperwork. He responded to the Committee's inquiry of previous visions for the fountain area, citing that the original intent was for a completely open area with potential for a few small buildings that would serve the immediate area to the fountain, with none bigger than a single story. Conflict could arise from having tall buildings directly next to the fountain, including noise issues if housing is placed directly next to such a highly trafficked park. He expressed the importance of the community being involved from early on to help ease controversy.

Citizen Joe Illing expressed his support for having a festival street as an option and agreed with concerns over conflict between housing and the fountain if the two are directly next to each other, but did note the benefit of housing near to parks. A suggestion was made to consider some examples set in Portland that incorporate patio space for entertaining instead of fully constructing a second story. Additional suggestions included spreading the mixed-income goals using the entire downtown

instead of trying to spread them within the limited CRA area and to consider adding the word "Capital" into the CRA name.

Citizen Chris Goddard suggested that public involvement be held with importance and started the right way. It was also suggested that the verbiage used in the RFP about mixed-income be removed to lessen confusion and promote responses.

The Committee discussed the verbiage about heights and considered expressing some limitations in the RFP in a more narrative way to convey the vision instead of just imposing limitations.

The RFP was approved as amended and referred to the City Council.

5. ADJOURNMENT

The meeting was adjourned at 6:51 p.m.



Community & Economic Revitalization Committee (CERC)

Review the Community Renewal Area Request for Proposal Document

Agenda Date: 6/22/2015
Agenda Item Number: 4.A
File Number: 15-0640

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

Title

Review the Community Renewal Area Request for Proposal Document

Recommended Action

City Manager Recommendation:

Review the updated Request for Proposal (RFP). Provide feedback and direction to staff on the latest draft of the RFP and provide a recommendation to City Council for their July 7, 2015 meeting.

Report

Issue:

The CRA Resolution adopted by City Council on February 3, 2015, directed the City Manager to develop of an RFP document and process for City Council review and approval. City Council reviewed the Attached Request for Proposals (RFP) on June 16, 2015 and made suggested revisions. The Community and Economic Revitalization Committee will review these revisions and make a final recommendation to the City Council for consideration at their July 7, 2015 meeting.

Staff Contact:

Keith Stahley, Director Community Planning and Development Director 360.753.8227

Presenter(s):

Keith Stahley, Director Community Planning and Development Director

Background and Analysis:

The CERC has continued to review and provide feedback to staff and the consultant team about the draft RFP since November of 2014. The latest edition is included as **Attachment 1**. This document responds to the feedback and direction provided by City Council at their June 16, 2015 meeting along with additional clarifying amendments by staff and the consultant team.

Options:

1. Review the updated RFP. Provide feedback and direction to staff on the latest draft of the RFP and forward a recommendation regarding final adoption to City Council for consideration at their July 7, 2015 meeting.
2. Hear the staff report and provide feedback and refer it to a future CERC agenda for further

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

deliberation and later action by City Council.

Financial Impact:

The work proposed herein is within the project scope and budget.

JUNE 17~~5~~, 2015: ~~CRA RFP 06.16.2015~~[CRA RFP 06.22.2015.Revisions](#)

REQUEST FOR QUALIFICATIONS AND PROPOSALS
Downtown Olympia
Community Renewal Area

Offered by: The City of Olympia.

Issued: XXXX 1, 2015

Submissions Due:
No later than 4:00 pm
XXXX, 2015

Deliver by mail or in person to:

City of Olympia
601 4th Avenue E
PO Box 1967
Olympia, WA 98507-1967
Attention: Keith Stahley

www.ci.olympia.wa.us



Joe Mabel

JUNE 17~~5~~, 2015: ~~CRA RFP 06.16.2015~~[CRA RFP 06.22.2015.Revisions](#)

**DOWNTOWN OLYMPIA
COMMUNITY RENEWAL AREA
REQUEST FOR ~~QUALIFICATIONS AND PROPOSALS~~**

This is an exciting time in Downtown Olympia. The City of Olympia has invested millions of dollars in downtown including building a new City Hall, rebuilding a significant portion of its waterfront boardwalk, renovating its performing arts center and building a new children's museum. These investments appear to be paying dividends as there are several significant private sector projects either under construction or recently completed that will add to the vibrancy of the downtown and point towards an even more exciting future. These projects include several adaptive reuse projects converting vacant office space to mixed use buildings and one new six story 138 unit apartment building with structured parking and 7,000 square feet of ground floor retail. Local lending partners seem to recognize the inflection point we are at too, with Thurston First Bank recently announcing a \$10,000,000 loan pool directed at downtown redevelopment.

[With the RFP, the City seeks an innovative private partner to build upon this momentum by entering into an exclusive negotiating agreement with the City on key development parcels in the downtown.](#)

The City of Olympia has retained the [National Economic Development Council \(NDC\)](#) to support the City's ongoing economic development activities and to assist in this process. The NDC is expert in project financing and brings years of experience and expertise to the table in helping local governments work effectively with private sector partners. NDC will also be providing underwriting services for the City's \$1,000,000 Grow Olympia Fund and \$1,500,000 Section 108 Loan Program. In particular NDC brings expertise about Federal Economic Development Resources such as New Market Tax Credits, Brownfields Economic Development Initiative, and Low Income Housing Tax Credits.

Field Code Changed

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:

- A 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

To help to ensure that these goals are met, the City ~~will develop~~[is initiating](#) a Downtown Strategy. ~~–~~ This document will help foster a rich diversity of downtown places and spaces that will attract and support the people who live, work and play in our downtown ~~including 5,000 new residents~~. Key concepts to be pursued [through the Strategy](#) include reducing development uncertainties, encouraging private investment, enhancing public spaces and preserving the unique qualities of downtown. As part of this process, the City will be employing an urban design team to explore retail and housing opportunities in downtown, consider needed street and sidewalk improvements, examine view protection standards and design standards, ~~–and–~~ evaluate State Environmental Policy Act thresholds and exemptions, and lead a public involvement process. We will encourage our development partner to be part of this process and provide critical market backed feedback to the design team about approaches to these issues. The design team, in turn, will be asked to evaluate development proposals received through our Request for Proposal (RFP) process.

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Through this RFP process the City intends to ensure that the recent investments and new private development projects represent the start of the rebirth of our downtown and that additional private investment will follow to ~~keep this trend alive and growing and~~ jump start the implementation of the Comprehensive Plan. The City is using a community redevelopment tool known as a Community Renewal Area (CRA - [Chapter 35.81 Revised Code of Washington](#)) to help to ~~incent the reinvestment of underdeveloped properties. get some properties that are eyesores transformed into productive private use.~~ The City hopes to attract one or more private partners to assist in this effort and is willing to put significant City resources into this effort for a project(s) that yields substantial community benefit through the elimination of blight, and the creation of economic growth and redevelopment within Downtown Olympia.

Field Code Changed

The City is seeking qualifications and proposals to partner in a mixed-use project(s), to include residential, commercial/[office](#)/retail, and parking. The City plans to adopt a Community Renewal [Area Plan](#) (CRPA); ~~and~~ this request for proposals (RFP) is an extension of that process. Recent community engagement forums indicate strong support for this process and the right redevelopment project(s) in our downtown. ~~–~~ The City plans to spur economic vitality and redevelopment within the CRA through this process.

JUNE 17~~5~~, 2015: ~~CRA RFP 06.16.2015~~[CRA RFP 06.22.2015.Revisions](#)

The CRA covers all of downtown Olympia and a portion of the area along West Bay Drive. The City has targeted an area between 4th Avenue and 5th Avenue east and west of Water Street ~~as-for~~ its first redevelopment ~~area~~ [project](#) – the Water Street Redevelopment Area.

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The City expects this RFP~~Q~~ will result in the City and the selected development team entering into an Exclusive Negotiation Agreement (ENA) during which predevelopment activities can occur. During the period of the ENA, the development team and the City may have access to predevelopment funds to offset some of the cost of predevelopment activities, as provided for below.

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The City is seeking a development partner(s) that understands the City's objectives and wants to partner with us to create a project(s) that enhances the existing downtown and contributes to the social, environmental and economic health of the community and sets the bar for new development in our downtown.

The sections that follow describe the purpose of the RFP~~_~~ and summarize many of the project considerations, including market area characteristics, site location and characteristics, downtown profile, site profile, zoning and parking, environmental issues, and potential City incentives. The RFP details submission requirements and the process in reviewing proposals. Developers who wish to respond to this RFP should follow the procedures outlined in the Submission Requirements section.

We look forward to reviewing your RFP submission ~~and we invite you to learn more about City incentives at our Public Finance Symposium on June XX, 2015.~~ If you have any questions or need further information, please contact Keith Stahley, Community Planning and Development Director with the city, at (360) 753-8227 or kstahley@ci.olympia.wa.us.
Sincerely,

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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 2014 population of about 50,000 and projected growth of approximately 50% over the next 20 years. Olympia resides within Thurston County, which has an estimated 2012 population of 256,000 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.

Olympia has easy access to three vibrant metropolitan areas with Vancouver, BC located about 200 miles north- and Seattle 60 miles north and Portland, Oregon about 100 miles south. Residents can enjoy a wide range of activities, including biking, sailing, fishing, skiing and hiking, all within a short driving distance. The beautiful setting and the strong sense of community make Olympia a highly desirable location to live, work and play. Residents have easy access to many world-class natural areas including: the Washington coast, San Juan Islands, Olympic National Park, Mt. St. Helens National Monument, Mt. Rainier National Park, Nisqually National Wildlife Refuge and numerous wilderness areas in the surrounding forest lands all within a few hours' drive. Additionally, there are numerous beaches, local parks, golf courses, tennis facilities and walking trails closer to home.

Along with its award winning public school system, there are three institutions of higher learning including St. Martin's University, The Evergreen State College and South Puget Sound Community College that add to the local economy and local quality of life.

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, state and county government, with many associated political, administrative, professional, and tourist activities. It is also an historic area, with much of

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the state's and region's past reflected in the layout, design, and character of its buildings.

Our vision for downtown Olympia is a neighborhood where residents contribute to a vital and safe city center; where ownership and use of cars is a choice, not a necessity; and where dense housing encourages sustaining use of land and supports full use of alternative transportation modes.

The local colleges and universities contribute to the active social and entertainment scene in our downtown. The four theaters there host live shows, movies and concerts nearly every night of the week. Restaurants are full and several new ones have successfully launched in the past year. There's always something going on in downtown Olympia.

Amenities in Downtown Olympia

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

- A historic downtown.
- An active employment and activity center.
- The Dash -- a free shuttle bus connecting the Capitol Campus with Downtown Olympia
- Over 400 local restaurants, shops, and services.
- A full service grocery store.
- The second largest farmer's market in the state.
- Several theaters, including the Washington Center for the Performing Arts.
- Percival Landing, the waterfront boardwalk, that connects to a trail running along the shore of much of Budd Inlet.
- Sylvester Park, Heritage Park, Artesian Commons and Fountain Park.
- The Transit Center.
- The State Capitol Campus.
- The Olympia Center.
- The Hands on Children's Museum.
- The WET Center (science center), and
- Views of Budd Inlet, the Olympic Mountains, Mount Rainier, Capitol Lake, Heritage Park, and the State Capitol.

PROJECT SUMMARY

Development Opportunity

The City is committed to promoting high quality redevelopment of our downtown and is looking for partner(s) to help make it happen. The City ~~may be~~ is willing to put its resources into ~~the right~~ project(s) that meet public objectives.

Comment [LJ1]: ??

The Site

The City seeks redevelopment proposals for projects within the Water Street Redevelopment area and adjoining areas:

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OWNER_NAME	SITUS_STRE	TOTAL_AQ	BLDG_VALUE	LAND_VALUE	RATIO	Zoning
1 ILLING, JOSEPH		0.06	\$2,000	\$102,450	0.02	UW-H
2 TAYLOR SAPLAN TRUSTEE, KARALEE	219 W 4TH AVE	0.11	\$1,000	\$231,950	0.00	UW-H
3 ILLING, JOSEPH	406 WATER ST SW	0.14	\$235,600	\$128,150	1.84	UW-H
4 TAYLOR SAPLAN TRUSTEE, KARALEE	406 WATER ST SW	0.03	\$6,900	\$21,150	0.33	UW-H
5 MALLORY FAMILY REVOCABLE TRUST	416 WATER ST SW	0.17	\$57,200	\$158,950	0.36	UW-H
6 MALLORY FAMILY REVOCABLE TRUST	416 WATER ST SW	0.17	\$5,300	\$242,850	0.02	UW-H
7 OLYMPIA, CITY OF	301 4TH AVE W	0.07	\$69,900	\$121,600	0.57	UW
8 OLYMPIA, CITY OF	407 WATER ST SW	0.17	\$189,400	\$215,300	0.88	UW
9 WOOD, SHARON MALLORY	300 SW 5TH AVE BLK	0.17	\$0	\$384,450	0.00	UW
10 PROPERTY ONE PARTNERSHIP	419 SW WATER ST		\$420,600	\$0		UW
		1.09	\$987,900	\$1,606,850		

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The Water Street Redevelopment area consists of 1.09 acres of public and privately owned property adjacent to the City's waterfront. This area plays a crucial role in linking community activity centers to the north and south in Percival Landing and Heritage Park as well as the east and west in the core of Downtown and Fountain Block. The City sees this area as one of the keystone areas in the redevelopment of downtown and believes that redevelopment here will have substantial positive impact on the immediately surrounding properties as well as the broader downtown.

The City envisions vibrant mixed use development in this area bringing more market rate housing, ground floor retail/restaurant space and perhaps structured parking to the area. The City envisions lower buildings located west of Water Street and taller building to the east.

The City has a long standing commitment to create **and maintain** a **vibrant** park space on the ~~entirety of the~~ Heritage Fountain Block (west side of Water Street) and seeks a development partner to help realize this vision and enhance the park experience. The City will consider acquiring the private property on the west side of Water Street to consolidate ownership of the block **and expand the park** **and will also consider private development proposals in this area that meet the intent of this RFP**. The City plans to raze its two buildings on the west side of Water Street this year. The City seeks proposals that result in ~~no no not less reduction~~ of park acreage ~~than from what~~ presently exists on the Fountain Block.

Proposed development ~~will need to~~**must** complement the existing amenities of the area and create new ones. For example, with Heritage Park to the south and Percival Landing to the north, the City believes that this segment of Water Street ~~plays a critical role in linking these two vital areas and that new development in this area should enhance this connection.~~ **Development teams should consider Water Street itself to be part of the overall project site and integral to the project design.** **The City encourages developers to think creatively about how the existing street or the area now comprised of the street could be incorporated into the project and used to create an extraordinary redevelopment project.** ~~could be the City's first festival street.~~

The existing buildings on the west side of Water Street turn their backs on the adjoining park's property. **The City seeks proposals that** ~~Any new development on this property will need to~~ strengthen the ~~is~~ connection **between Water Street and the park**, both physically through appropriate architectural and urban design **elements**, and operationally through uses that enhance or complement the adjoining park use. **The City will**

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consider proposals that further connect indoor and outdoor space through exterior elements such as outdoor seating areas on park property.

There are a number of viable businesses located in the area and the City does not intent to put them out of business as a result of this redevelopment process. The City encourages developers to view these businesses as assets and potential future tenants in any new development.

▲ The City will limit new development on its property to a maximum of two stories and will require the second floor of any new development proposed to be stepped back from the park. First floors should be as transparent as possible to facilitate the visual connection between Water Street and the park. Uses should be complementary to the park and may, by way of example, include restaurants, coffee shops, cafes, ice cream/frozen yogurt/gelato parlors, retail and other uses that enhance the park experience.

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▲ On the east side of Water Street the City envisions intensive mixed use development similar in scale and nature to the 123 4th Avenue project located one block to the east. That project is a six story 138 unit apartment building with 7,000 square feet of ground floor commercial and 120 parking stalls currently under construction. With height restrictions on the property to the west properties in this area will enjoy spectacular views to the north, south and west.

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▲ The City is most interested in redevelopment proposals in this area; however, it will entertain proposals within the nearby areas to the north and west of this site. The City is particularly interested in visions for the area that can be implemented in phases, coordinated with investments in public amenities and streetscape improvements, for the greatest transformative effect. ~~and~~ The City will evaluate all proposals submitted against the criteria in this RFP ~~and to~~ determine whether to enter into exclusive negotiations with one or more of the respondents.

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▲ **Exclusive Negotiation Agreement**

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The City expects this RFP will result in the City and the selected development team entering into an Exclusive Negotiation Agreement (ENA) during which predevelopment activities can occur. During the period of the ENA, the development team and the City will have access to predevelopment funds to offset some of the cost of predevelopment activities, as follows:

- In recognition of the fact that the redevelopment is expected to meet significant public policy goals and ~~result in~~[require](#) significant private investment, the city will provide up to **\$25,000** in predevelopment matching grant funding for a defined scope of work, to be expended during the ENA period [that will focus on the Water Street Redevelopment Area](#). The scope of work will be negotiated with the successful respondent, but is expected to refine all elements of the development program including an understanding of public and shared parking needs and costs, public and private design details and overall private development program and feasibility including [a pro forma, as well as](#) renderings and illustrations of development concepts. The ENA will have milestones and descriptions of deliverable products in order to receive the funds.
- In addition to this project focus within the Water Street Redevelopment Area the City seeks a development partner to participate in the development of a Downtown Strategy and master planning for the surrounding area. —The City hopes that these plans could lead to other redevelopment projects in the future. As noted above, the City will be retaining an urban design team to assist in this process and may offer up to **\$10,000** in predevelopment funding to its development partner to offset the cost of the development partner's participation in this process. Key deliverables will be defined in the ENA, however, they will generally include the development team providing market backed feedback to the design team on approaches to key tasks in the Downtown Strategy such as design standards and view protection standards as well as redevelopment concepts for adjoining areas to the north and west [of the Water Street Redevelopment Area](#).
- All plans, drawings, illustrations, reports and studies prepared in support of the work described in the ENA will be owned by the City.
- The ~~C~~city will also provide technical assistance to the selected development team through its urban design team and its relationship with the NDC in a manner to be defined in the ENA.

Following adoption of the ENA the developer will be expected to provide a conceptual design drawing showing the size and character of the proposed development. Drawings should include the following:

- The building footprint, parking, and location of vehicular and pedestrian access.
- Conceptual elevations and renderings that take into account the design guidelines.

- The design should use high-quality materials that relate to an urban context and enhance the project's sustainability in terms of durability and efficient operations.
- A cross section showing a typical structure.
- A typical floor plan.
- Pedestrian circulation and access to the surrounding community.
 - Use design elements that result in a building with a perceived size that maintains a human scale street that is comfortable for pedestrians and attractive to them.
 - Maintain interest at the street level in buildings that abut the street by orienting the primary building entrance and active uses (such as retail storefront window displays or restaurants) to the street.
- Architectural features and elements.
 - Enhance and create a positive visual experience for pedestrians moving along the street and to add interest and variety to building facades.
 - Create visually interesting street walls that interrupt expanses of horizontal and vertical wall surfaces. Use architectural elements that define a base, middle, and top.
- Active retail at ground level with high transparency and building lobbies with windowed spaces are preferred along all street frontages. Provide relevant information in the narrative and conceptual drawings requested above.
- Projects that recognize the historic nature of downtown and incorporate aspects of existing buildings into the overall project design are welcomed. If the project includes an existing building, provide information about how the existing building or elements of the existing building will be incorporated into the project design.
- Anticipated energy efficiency measures and LEED designation to be sought.
- Provide a preliminary proposed development budget with sources of funds sufficient to meet budgeted expenses.
 - Letter of interest from a lender.
 - Letters of reference from past lenders.
 - Selected partners may be asked to confidentially disclose their project financials.
- Purchase price offered including expectations of public financial participation and conditions and limitations pertaining to environmental remediation.

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- Identify any code changes necessary to accommodate the proposed project or to make a project feasible.
- Additional visualizations will be required at later stages of the selection process.

Project Characteristics

The most desirable project will be a mixed use building or residential building depending upon the location and ideally will include market rate housing.

Residential Component

The residential component of the project may either be rental or owner occupied, however, condominiums or other for sale units are highly desirable as are projects creating market rate housing. The unit characteristics are left to the development team to determine; however, the project must be designed to a human scale and inviting to residents as well as customers of retail business. Mixed income projects will also be considered.

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Retail/Commercial Component

Projects proposed along the City's [Pedestrian A Streets](#) (Section 18.16) must include a retail/commercial component, and the developer may determine how to address the inclusion of this project component in a manner consistent with the City's land development regulations.

Field Code Changed

Parking Component

The ~~RFQ~~/RFP 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 portions of buildings that are residential projects) in downtown or for commercial projects less than 3,000 square feet. Further, existing buildings are exempt from parking requirements (except for bicycle parking).

Field Code Changed

See City Incentives below for additional information about parking.

City Incentives

The City may offer one or more of the following incentives to the selected developer(s) depending on the benefit to the community from the proposed redevelopment project(s):

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- ~~City owned property within the Water Street Redevelopment Area and elsewhere in Downtown (see attached map of City owned property);~~
- Residential property tax exemption ([See OMC 5.86 for exemption requirements](#));
- Priority permitting;
- Joint or shared development of a parking facility;
- Other property sales or trades;
- ~~Timberland Regional Library site is owned by the City and the City may be willing to sell or trade this property as part of the redevelopment agreement;~~
- Loans through the City's Section 108 Loan Program, Grow Olympia Fund and Grow America Fund;
- Infrastructure and frontage improvements;
- Assistance with land assembly, including reconfiguration of streets ; and
- Remediation of contaminated soil including creation of a [Redevelopment Opportunity Zone if deemed beneficial](#).
- Public finance technical assistance through the NDC and design assistance through the City's urban design team.

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Section 108 Loan Program

The City of Olympia has recently established a Section 108 Loan program. This loan program can be used to stimulate economic redevelopment activity within the City in a manner consistent with the Department of Housing and Urban Development's standards. A mixed use project within the CRA could potentially be eligible for a [Section 108 Loan](#) up to \$1,500,000.

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Permitting

A priority permit review process will apply to the development for a downtown mixed-use housing project. The City will prioritize the project and a project ombudsman will assist with developer/City relations and communication.

Density/Height

Because the City's goal is to substantially increase the number of housing units in downtown, there are no minimum or maximum residential density requirements within the downtown area. Development proposals must comply with the City's zoning requirements that allow for a range project heights from 35 feet up to 65 feet tall.

Zoning

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Nearly all sites within the CRA are appropriately zoned for mixed-use housing within the Urban Waterfront, Urban Waterfront Housing or Downtown Business Zoning Districts.

Parking Requirements

Downtown housing is exempt from parking requirements, however, any proposed parking must meet all parking design, Design Review Criteria, and applicable Pedestrian A and B Street Overlay Criteria. Projects that include over 3,000 square feet of gross commercial leasable area are required to meet vehicle parking and bicycle parking standards for the commercial space.

The City provides public parking and may be willing to partner with private developers to provide parking as part of a redevelopment agreement.

Building Heights

The base zoning height limit in the Urban Waterfront – 35 zoning district is 35 feet and Urban Waterfront –H-65 zoning district is 65 feet. Properties within the Urban Waterfront Housing Zoning District are limited to a maximum of one floor area ratio of non-residential development. See Section [18.06.60, 80 and 100](#) for more information about allowed uses, building heights and other development regulations.

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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 designed and constructed under this chapter shall comply with all provisions of this chapter. Where a provision in this chapter is in conflict with the Building Code, the provision of this chapter shall take precedence. Six-story buildings complying with this chapter may be designed and constructed so that the first story and / or the first and second story of a structure is constructed of Type IA Construction, and the remaining top four or five stories of Type VA construction. Please see [Olympia Municipal Code 16.05](#) for code alternative details.

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Heritage Register

Some of the building within the CRA are listed on the State and National Historic Register. Alteration and/or demolition of the building must comply with the requirements of Olympia Municipal Code 18.05 and 18.12.

Utilities

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Utilities are available to most sites in downtown.

Environmental and Geotechnical Findings

Environmental Investigation: Phase I/II Environmental Characterizations have been completed for some of the sites and are 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.

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Site Control

As noted above possible redevelopment sites are owned by both the City and private property owners. The majority of the owners of the private property included in the Water Street Redevelopment Area have agreed to have their property included in this RFP. Their contact information is included in **Attachment 1**. Respondents are encouraged to coordinate with private property owners to the extent their properties are included in their project proposal. The City has established relationships with many of the property owners within downtown and may be willing to help coordinate and facilitate contacts, land assembly and development agreements.

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Design Review

The ~~RFQ~~/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](#), however, projects will be expected to exceed these standards. The City expects a project that will set a very high standard for all future development through the use of high quality durable materials, timeless design principles and a sensitivity to the context of Olympia's downtown. Designs that respect the historic nature of downtown are encouraged.

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Appraisal Information:

The City has recent appraisals for some of the properties that it owns. This information will be made avail to interested parties.

DEVELOPER - REQUIREMENTS

The RFP seeks a well-qualified development partner who clearly possesses the ability to successfully complete a high quality redevelopment project.

Requirements

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.
 - Example projects that the team or key team members have been involved with.
3. Demonstration of financial capability of developer and development partners, including:
 - Description of approach to project financing, including expectations of public participation.
4. Describe the developer's relevant project experience for up to 5 projects. The City is most interested in current projects and projects completed recently. Projects described must illustrate the developer's experience with construction projects similar in scope and size to the proposed project. The City is 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
 - Location
 - Description of project size and scope, including the number of units and unit type (e.g., 20 studios; 25 1-bdrm).
 - Total project cost and approach to project financing including sources of funds, amount of debt, equity and public participation, along with square footage costs for apartments, condos, and retail.
 - Date project conception, date project started construction and date construction completed.
 - Challenges and obstacles addressed during the development and construction process.

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- 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.

PROPOSAL REQUIREMENTS AND PREFERENCES

The City is interested in entertaining project proposals that will result in projects that are both market feasible and beautiful. The most desirable project will be a mixed use building or residential building depending upon the location 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 also recognizes that that any work done prior to the ENA will be very conceptual in nature. The City anticipates negotiating an Exclusive Negotiation Agreement and a development agreement or other legal instrument with the selected partner(s) that will contractually establish the project design.

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Requirements

The submittal should include:

A narrative description of the approach to the proposed project, including the following:

- The anticipated target market for the project.
- Approach to Transportation Demand Management and facilitation of the use of alternative modes of transportation.
- Approach to mixed use projects including residential, retail, and parking, including the estimate of the approximate amount of square footage for each component and the number of stories anticipated.
- A site plan showing the location of key project elements and preliminary building footprints.
- A statement regarding the developer's willingness to participate in the predevelopment activities as described above.

Preferences

Respondents should demonstrate how their proposal will address each of the objectives below in their written and graphic materials.

1. **Community Benefit** – Projects that leverage limited public resources to achieve long-term measurable community benefits, significant levels of private sector investment and are based in the realities of the market.
2. **Innovative and Effective Approaches to Public Involvement** – Development processes that engage the community in a highly collaborative and proactive process that uses public input to shape the final project.
3. **Impactful –Projects** – Proposals that will have a broad and lasting impact on other nearby properties and areas as well as the entire downtown.
4. **High Quality Design** – Proposals that are extraordinarily well designed, sensitive to the surrounding context and use timeless, durable and high quality materials.
5. **Property Owner Participation** -- Responses that demonstrate participation or authorization by affected property owners.
6. **Timeliness** – Projects that are positioned to move forward in the near term and commit to significant milestones.
7. **Partnership** -- Respondents with a demonstrated capacity to partner with the City, property owners and the community and a proven ability to develop high quality projects.
8. **Comprehensive Plan Implementation** –
 - a. Treat our urban waterfront and vistas as priceless assets by enhancing access, protecting view corridors and expanding usable open space.
 - b. Stimulate private investment in residential and commercial development, increasing downtown Olympia's retail and commercial vitality.
 - c. Create or enhance town squares framed by commercial or civic buildings, pocket parks, plazas and other small public or private spaces in downtown.
 - d. Develop highly walkable communities.
 - e. Include public art and public spaces.
 - f. Encourage intensive residential and commercial development.
 - g. Enhance landscaping with trees, planters and baskets, banners, community gardens and other decorative improvements.
 - h. Encourage development that caters to a regional market.
 - i. Enhance the sustainability of our community and downtown.
 - j. Encourage the use of alternative modes of transportation including biking, walking and transit.
9. **Sustainability** -- Projects pursuing LEED Gold or higher certification are preferred.

Development Agreement.

The project design documents generated in the ENA period may be used to develop a formal Development Agreement or other legally binding contract between the City and the development team.

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EVALUATION AND SELECTION

Evaluation Criteria

Evaluation of RFP responses will be based upon the following:

1. Developer Experience:
 - Success in developing 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, retail & parking).
 - Demonstrated market viability.
 - Proposed public participation process and demonstrated experience facilitating public involvement processes.

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The City anticipates using an open house type event to allow respondents to this solicitation to present their proposals to community members and respond to questions from the community. Additional public process will be required as part of the consideration of an exclusive negotiation agreement and development agreement.

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

General Provisions and Conditions

The City reserves the right to the following:

- To reject any and all responses.
- To negotiate with more than one redevelopment partner.
- To waive minor irregularities in a response.
- To cancel, revise, or extend this solicitation.

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- To request additional information on any response beyond that required by this ~~RFQ/RFP~~.
- To modify the selection process set forth in this ~~RFQ/RFP~~ upon written notification to all respondents who have not been rejected at the time of modification.

Selection

The City shall have the final decision on whether to move forward with a development team or not.

SUBMISSION REQUIREMENTS

Interested developers must submit 1 paper copy of the response to the ~~RFQ/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 ~~RFQ/RFP~~.

PRE-SUBMISSION CONFERENCE

A pre-submission conference will be held on XXXX, XXXX, 1:00 p.m. in Room 207 at the Olympia City Hall 601 4th Avenue East, Olympia, Washington. The purpose of the conference is to answer questions about the downtown redevelopment RFP. Attendance by a representative of each proposer is encouraged but not mandatory. A walking tour of downtown and key sites will be conducted following this session. Please contact Keith Stahley (360) 753-8227 or kstahley@ci.olympia.wa.us, for directions or questions.

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SCHEDULE

The City reserves the right to modify the time line.

RFP Action	Approximate Completion
Issue Request For Qualifications and Proposals	TBD
Public Finance Symposium	TBD
Pre-submission conference	TBD
RFQ/RFQ/RFP responses due	TBD
Presentations City Council	TBD
Presentations to the Community	TBD
Select respondent(s) to enter negotiations	TBD

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Selected developer(s) will 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 City Council and the community.

CONTACT INFORMATION

City of Olympia:

Keith Stahley, Community Services Manager: (360) 753-8227 or kstahley@ci.olympia.wa.us.

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Other information available upon request:

- Exhibit A, Property Appraisals.
- Exhibit B Phase I and Phase II Environmental Characterization.
- Exhibit C Historic Register Report.
- Exhibit D Property Owner Contact information.
- Map of City Owned Property

To obtain an electronic copy of this information please email Kstahley@ci.olympia.wa.us.

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City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

Community & Economic Revitalization Committee (CERC)

ORAL REPORT - Status Report and Updates

Agenda Date: 6/22/2015
Agenda Item Number: 4.B
File Number: 15-0642

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

Title

ORAL REPORT - Status Report and Updates