



REAL ESTATE | LAND USE | ENVIRONMENTAL LAW

October 31, 2017

TRANSMITTED VIA ELECTRONIC MAIL ONLY TO: nfloyd@ci.olympia.wa.us

Ms. Nicole Floyd
 City of Olympia
 Olympia Community Planning & Development Department
 601 4th Ave. E
 Olympia, WA 98501

**Re: Views on 5th, File No. 17-2528, Applicant's Response to August 10, 2017
 Comments from Department of Archaeology and Historic Preservation**

Dear Ms. Floyd:

This firm represents the Applicant for the above-referenced project. The purpose of this letter is to provide the Applicant's response to the enclosed August 10, 2017 Department of Archaeology and Historic Preservation ("DAHP") agency comment on the project as requested by the City in conjunction with ongoing substantive land use review of the pending application.

As a preliminary matter, the Applicant notes that in response to City and DAHP comments, a complete Cultural Resources Assessment ("CRA") for the project consistent with DAHP guidelines was prepared and submitted to the City on October 11, 2017. The Applicant's consultant subsequently submitted an electronic copy of the CRA and all Historic Property Inventory forms to DAHP on October 18, 2017.

The Applicant's responses to specific DAHP agency comments are as follows:

- *Request for analysis of impact of the Views on 5th project on the historic viewshed from the Washington State Capitol Campus.*

Appendix C of the CRA includes the historic viewshed analysis for the Views on 5th project as requested by DAHP. This analysis clearly demonstrates that existing views from various historic buildings and viewpoints in the City of Olympia, including the Washington State Capitol Campus, are generally unchanged with the Views on 5th project, which will re-develop the previously existing non-conforming tower structure without increasing the tower's height or bulk. Indeed, the Views on 5th project reduces the non-conforming height of the existing structure through elimination of certain rooftop mechanical systems, as shown in Figure 4, thereby enhancing, rather than impairing, current views. In addition, as shown in Figure 12, the proposed curtain wall façade on the existing tower will include a glazing system that is expected to have the effect of better blending the existing tower with the surrounding water and sky, particularly when viewed from the Capitol Campus.

Although the requested historic viewshed analysis was completed in response to DAHP comments, the Applicant notes for purposes of the record that no viewshed analysis was required for the project under applicable view preservation standards in the Olympia Municipal Code. *See* OMC 18.110.060 (requiring development to “reserve a reasonable portion” of certain specified views). Further, neither the historic Wilder and White nor the Olmsted plan for design of the State Capitol Campus are incorporated within the City’s Comprehensive Plan or development regulations, and are therefore not directly applicable to City land use review for the project.

- *Request for socioeconomic assessment of the beneficial or negative effects of the proposal on the historic Olympia downtown as a viable neighborhood.*

The DAHP also requested that the Applicant prepare a separate socioeconomic assessment to analyze the “beneficial or negative effects of the proposal on the historic downtown as a viable neighborhood.” The Applicant respectfully declines to complete the requested project-specific socioeconomic analysis because the anticipated positive socioeconomic benefit of the project is adequately addressed by the City’s existing planning documents under the Growth Management Act (“GMA”), ch. 36.70A RCW, including, but not limited to the recently implemented City of Olympia Downtown Strategy, available online at: <http://olympiawa.gov/community/downtown-olympia/downtown-strategy.aspx>.

As part of the City’s planning efforts for the Downtown Strategy, the City commissioned a Market Analysis to specifically evaluate market and demographic factors relevant to development of the City’s vision for a vibrant historic downtown. The study area for the Market Analysis includes the Downtown Olympia Historic District. *See* Olympia Downtown Strategy, Market Analysis (March 2016). The Market Analysis included evaluation of downtown conditions and the market demand for various types of uses, including the retail and residential uses proposed as part of the Views on 5th project. With respect to Downtown Residents, the Market Analysis specifically noted as follows:

The population of Downtown is targeted to increase by approximately 5,000 over the next 20 years. These residents will make many of their frequent and convenience purchases in the immediate area. These purchases will support additional growth in retail and service businesses. ...

Market Analysis at 44-45. As detailed in the Market Analysis, additional downtown residents can be expected to support corresponding increases in various retail demand and uses, including within the Downtown Olympia Historic District.

Here, the Views on 5th project will re-develop a currently unused and blighted property within the downtown to provide 140 units of market-rate apartments, units which are needed to accommodate the City’s anticipated downtown population growth. The project includes conversion of an existing unoccupied office structure to residential use, which will in turn support additional growth in retail and service businesses.

Finally, as explained in the September 29, 2017 comment in support of the Views on 5th project from the Thurston County Economic Development Council (“EDC”) (copy attached), the project is expected to have a total economic impact of approximately \$26,740,000.00 to the City of Olympia and Thurston County. As the EDC comment notes, even this significant quantified impact “does not fully capture...the increase in individuals living in the downtown core that will patronize downtown businesses.” The EDC also confirms that the proposed project “is in alignment with the Olympia Downtown Strategy [Plan] which has a strong focus on increasing housing options in the downtown core.”

- *Request for additional analyses of archaeological resources, including: an overview of the project area with reference to historical maps and archival resources; examination of bored soils; and recommendation for further archaeological work based upon such studies.*

The CRA submitted on October 11, 2017 includes all archaeological studies and analyses requested by DAHP in this portion of the comment. The CRA includes recommendations for further architectural work that includes preparation of an Inadvertent Discovery Plan for construction activities and further consultation with DAHP regarding remodel and development of the existing building. The Applicant is implementing both of these CRA recommendations.

We appreciate the opportunity to provide this response to the August 10, 2017 DAHP comment on behalf of the Applicant. Please do not hesitate to contact me directly if you require additional information.

Very truly yours,



Heather L. Burgess

HLB/ach
Enclosures

- 1 - August 10, 2017 DAHP Comment
- 2 - September 29, 2017 Thurston County EDC Comment

cc:

Gregory Griffith, Deputy State Historic Preservation Officer, via email only (greg.griffith@dahp.wa.gov)
Ron Thomas, Thomas Architecture Studios, via email only: (ron@tasolympia.com)
Troy Nichols, Phillips Burgess Government Relations PLLC, via email only: (tnichols@phillipsburgessgr.com)
Darren Neinaber, Deputy City Attorney, City of Olympia, via email only: (dnienabe@ci.olympia.wa.us)
Ken Brogan, via email only: (kbrogan@brogancompanies.com)

ENCLOSURE 1

AUGUST 10, 2017 DAHP COMMENT



Allyson Brooks Ph.D., Director
State Historic Preservation Officer

August 10, 2017

Ms. Nicole Floyd
City of Olympia
Olympia Community Planning & Development Department
nfloyd@ci.olympia.wa.us

In future correspondence please refer to:
Project Tracking Code: 2017-07-05018
Property: 410 5th Avenue SE, Olympia
Re: Land Use Application for Views on 5th

Dear Ms. Floyd:

The Washington State Department of Archaeology and Historic Preservation (DAHP) is in receipt of the Notice of Land Use Application for the proposed Views on Fifth project at 410 5th Avenue in Olympia. From the notice, we understand that the applicant proposes to remodel the existing building for multiple uses accompanied by construction of low-rise structures for residential and parking purposes. The above referenced project has been reviewed on behalf of the State Historic Preservation Officer (SHPO) under the auspices of the State Environmental Policy Act (SEPA). Our review is based upon documentation contained in the Notice.

The proposed project occupies a highly sensitive and prominent historic area. The proposal will have effects to view sheds, cultural landscapes and the economy of the historic downtown. All these should be considered. There will also be potential for archaeological resources and a presence/absence analysis of those resources should also be considered.

The Washington State Capitol Campus Historic District is part of a cultural landscape that comprises much of the view shed from the Historic District to Budd Inlet. The Historic District is a local icon listed in the National Register of Historic Places at the *national* level of significance. Once a historic property is considered historic at the *national* level of significance, it can also be nominated and designated as a National Historic Landmark (NHL). Capitol Lake and the surrounding Heritage Park are key elements that fulfill in part the 1912 Wilder & White Plan that created the capitol campus. The historic view shed was central to Wilder and White's vision for the Capital Campus. A study of the impacts to the historic view shed should be conducted.

As our agency administers the Washington Main Street program, there should be a socioeconomic assessment of the proposal's effects to the National Register listed Downtown Olympia Historic District. The agency is regularly engaged with the Olympia Downtown Association to ensure that the area is an economically viable place to live, conduct business and recreate. This type of assessment should examine any beneficial or negative effects of the proposal on the historic downtown as a viable neighborhood.

Along with the socioeconomic and view shed studies above, we are also requesting that the following analyses be completed for archaeological resources:




- 1) Prepare an overview for this project area that utilizes archival resources including historical maps.
- 2) Monitor geotechnical borings making sure a professional archaeologist has an opportunity to examine the soils in the bore.
- 3) Use the above data to make an informed recommendation for further archaeological work which may include monitoring by a professional archaeologist or an IDP or both. Recommendations may also include archaeological survey using mechanical trenching to be able to examine soils and stratigraphy for the presence of archaeological resources.

The above comments and recommendations are based on the information available at the time of this review and on behalf of the State Historic Preservation Officer (SHPO). Also, we appreciate receiving copies of any correspondence or comments from concerned tribes and other parties that you receive about this proposal. Should additional information become available, our assessment may be revised.

Finally, please note that in order to streamline our responses, DAHP requires that all documents related to project reviews be submitted electronically. Correspondence, reports, notices, photos, etc. must now be submitted in PDF or JPG format. For more information about how to submit documents to DAHP please visit: <http://www.dahp.wa.gov/programs/shpo-compliance>. To assist you in conducting a cultural resource survey and inventory effort, DAHP has developed guidelines including requirements for survey reports. You can view or download a copy from our website.

Thank you for the opportunity to review and comment. If you have any questions, please contact me at greg.griffith@dahp.wa.gov or 360-586-3073.

Sincerely,



Gregory Griffith
Deputy State Historic Preservation Officer

C: Todd Cutts, ODA, Executive Director
Rhonda Foster, Squaxin Island Tribe, THPO
Marygrace Jennings, Dept. of Enterprise Services
Allen Miller
Troy Nichols
Dan Penn, Chehalis Tribe, Acting THPO
Michele Sadlier, City of Olympia HPO
Jackie Wall, Nisqually Tribe, THPO



ENCLOSURE 2

SEPTEMBER 29, 2017 THURSTON COUNTY EDC COMMENT

Thurston
Economic
Development
Council



EDC Board of Directors

Perry Shea, President
SCJ Alliance

Carrie Whisler,
President-Elect
Olympia Federal Savings

Michael McGauly, Treasurer
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Reid Bates,
Immediate Past President
Express Employment
Professionals

Bud Blake
Commissioner,
Thurston County

Heather Burgess
Phillips Burgess, PLLC

Brian Fluetsch
Sunset Air, Inc.

Ann Freeman-Manzanares
Intercity Transit

Jessica Jensen
Jessica Jensen Law PS

Wayne Mannie
Columbia Bank

Denise Marroni
Providence Health & Services
Southwest Washington

Mike Mattox
Access the USA

Bill McGregor
Commissioner
Port of Olympia

Jace Munson
FORMA Construction

Tom Oliva
Councilmember,
City of Tumwater

Evan Parker
Kidder Mathews

Rob Rice
Rob Rice Homes

Cheryl Selby
Mayor,
City of Olympia

Tad Stillwell
Councilmember,
City of Yelm

Dr. Timothy Stokes
South Puget Sound
Community College

Renee Sunde
WA Retail Association
Ex Officio Member

Rachel Young
Councilmember,
City of Lacey

September 29th, 2017

Ms. Nicole Floyd

City of Olympia, Olympia Community Planning Development Department

nfloyd@ci.olympia.wa.us

cc: Heather Burgess, Phillips Burgess Law

RE: Views on 5th, Project, City of Olympia

Ms. Floyd,

Thank you for the opportunity to provide comment and input on this important project. The Thurston Economic Development Council operates with the mission of promoting and increasing the sustainable quality of life throughout Thurston County. The organization is the lead economic development organization for the county as designated by the Washington State Department of Commerce. Our Board of Directors is comprised of both private and public leadership from the region. Our Board has reviewed the proposal and is in support of the above referenced project. This support is based on the analysis outlined below.

Based off of the hard costs provided to the Thurston EDC for this project, we project that there will be a total economic impact of about \$26,740,000.00. In addition to revenues, a total of 203 jobs will be added to our community. These numbers account for the direct, indirect and induced impacts. The direct impact, the hard costs of construction, account for \$18,455,000.00 and will create 138 jobs. The indirect impact, impact on suppliers of goods and services, account for \$3,730,000.00 and will create 29 jobs. The Induced impact, new wages circulating through the economy, account for \$4,555,000 and will create 36 jobs. Construction lends itself to having a significant multiplier effect in comparison to other industries throughout our community. With the influx of the direct construction costs, we will see an additional 69% of economic activity that will circulate throughout our economy.

The above numbers are real numbers that we can expect based off of a modeling tool that captures information for our region. What it does not fully capture is the increase in individuals living in the downtown core that will patronize downtown businesses. Based off of U.S. Census data from the year 2015, there were 910 people who lived in the downtown core. Since 2015, there have been over 200 new housing units constructed, which have been quickly filled by residents. The proposed project will increase this number by over 138 (which is the proposed number of units – however some units will house more than just one individual). This is a significant increase in foot traffic for downtown businesses. The downtown Olympia business community prides itself on having a strong makeup of locally owned and operated businesses. In order for these businesses to remain competitive within a retail economy that has increasingly been dominated by chain retail and ecommerce, they need a higher density of individuals with a disposable income within close proximity to their business in order for them to prosper.

This project is in alignment with the Olympia Downtown Strategy Plan which has a strong focus on increasing housing options in the downtown core. It takes into

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Rachel Young
Councilmember,
City of Lacey

account that a prosperous downtown is one that has a variety of housing options with an appropriate mix of low-income and market rate housing. This project moves these goals forward by providing new housing units in the downtown core.

One of the issues that should be considered when reviewing this project is the impact that redevelopment will have upon the blight of this site – but also the positive impacts it will have upon other pockets of blight of the downtown core of Olympia. The City has undertaken a series of significant efforts to address blight, or rather areas that have historically been neglected by the economy for some reason. This redevelopment of the site, coupled with the infusion of direct investment and the multiplier impacts upon the city's economy, will act to drive new interest and investment into the region. The positive impact upon the blighted areas cannot be understated.

In addition to current retail in the downtown core, the proposed project has retail and live/work components as well. This will provide local businesses the opportunity to expand as the economy continues grow. The new retail space will also attract more individuals to the downtown core as retail options increase and become more diverse, which will benefit the surrounding businesses as well. The live/work spaces will promote new ideas and innovation which will continue to foster the downtown core as a more robust and vibrant place to live, work and recreate.

On behalf of our organization, thank you for your consideration on this important project.

Sincerely,

Michael Cade
Executive Director