



Finance Committee

Request for Proposal Response Briefing by the Olympia Arts and Heritage Alliance Related to City Owned Property at 108 State Avenue NE

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Title

Request for Proposal Response Briefing by the Olympia Arts and Heritage Alliance
Related to City Owned Property at 108 State Avenue NE

Recommended Action

Committee Recommendation:

Briefing only. No action requested.

City Manager Recommendation:

Briefing only. No action requested.

Report

Issue:

Whether to receive a briefing on the Request for Proposal response by the Olympia Arts and Heritage Alliance related to City owned property at 108 State Avenue NE.

Staff Contact:

Mike Reid, Economic Development Director, Office of Community Vitality, 360.753.8591

Presenter(s):

Mike Reid, Economic Development Director

Background and Analysis:

On September 1, 2023, staff released the Request for Proposals for the property at 108 State incorporating the feedback and guidance it received from the City Council. Staff developed a project website that hosted the RFP, related due diligence materials, and a video of the February 28 Council Study Session.

On September 15, staff lead a site tour of the property for all interested parties and on February 18, staff hosted an online Q&A forum.

On October 2, an addendum of all collected questions and their respective answers was posted to the project website. Responses to the Request for Proposals was due on October 25, 2023.

The City received two responses to the request for proposals. The Olympia Arts and Heritage Alliance will present a briefing on their proposal for the property at 108 State Avenue NE.

Climate Analysis:

The proposal is preliminary in nature when it comes to specific energy efficiency improvements that could or would be made to the building. It would be necessary for further evaluation of potential renovations, the expense, and how they would be funded in the instance of retained City ownership.

The proposal does outline adaptive reuse of an existing building which is consistent with our climate objectives. It may also be valuable prior to entering into long-term agreements to obtain an energy audit of the building so that we have a baseline of performance to improve from.

Equity Analysis:

Staff aimed at making response to this proposal as accessible as possible with broad distribution, multiple options for site access, online question and answer forum, and a fair distribution of all collected responses.

Analysis of “who benefits and who is burdened” from each proposal is slightly more subjective and elicits a multitude of layers and questions that may not be able to be clearly answered at this time such as:

1. What are the financial obligations and costs to the City associated with maintenance and repair of the building and what budget areas may see reduced funding to accommodate this commitment?
2. What proposal creates the greatest community and economic benefit both directly and indirectly throughout downtown activation?
3. Who is served by each proposal not only as a “customer” but as a contributor, potential employee, or partner organization?

As the city moves forward with its process, we will ensure that these or similar questions are part of the deliberative process.

Neighborhood/Community Interests (if known):

Options:

There is a significant amount of interest in this project including parties interested in historic preservation, downtown businesses and stakeholders, and community partners. Both uses are consistent in their proposed use with the Downtown Strategy.

Financial Impact:

The property currently has a tax assessed value of \$3,194,700 but also has noted deficiencies and maintenance requirements that were identified as totaling \$1.4 million in a 2019 building condition assessment.

The Olympia Arts and Heritage Alliance is requesting a \$1 a year lease for 25 years with an option to extend for an additional 25 years, with the City covering utility and maintenance expenses. The proposal states: "We expect a city commitment to renovate and improve the building shell and building systems, meet ADA requirements and address seismic, sea-level rise, security, and internet needs. City maintains the building shell in good condition and repair." It is premature to have a solid estimate of this cost but assumptively it would range between \$2.5 - 4 million.

For illustrative purposes the City provides maintenance and covers the utility expenses for the downtown Timberland Library. In 2022 those expenses were as follows:

Operation & Maint.	\$101,450
City Utilities:	\$12,520
PSE electricity/gas:	\$19,718

Attachments:

Proposal Summary