



Real Estate Development & Management Services

September 13, 2011

Pete Kmet, Mayor
City of Tumwater
555 Israel Rd. S.W.
Tumwater, WA 98501

Re: Final Report for the Community Visioning Project - Former Olympia Brewery

Dear Mayor Kmet:

On behalf of all members of our consultant Team, Lorig Associates is pleased to submit this final report and recommendations on our work related to developing a community vision for the site of the former Olympia Brewery.

In the following pages, you will find a summary of the project approach and a report on the findings and conclusions of our work. We also offer a limited number of recommendations for future activities that, in our view, will help to make the community vision for the former brewery that emerged from this project a reality.

It was a great honor for our Team to work on this Project. As you know several members on our Team live and work in the Tumwater Community, so for them, the Project was even more special. In fact, without their dedication to the Community and willingness to contribute significant time at no cost to the project, this ambitious undertaking would not have been possible. We thank them for this and their great work.

We hope you find our work on this project helpful in defining a strategy to achieve the clear community vision and expectations that emerged from the community engagement process.

Again, we thank you for the opportunity to have worked on this project and we look forward to further discussions with you about our report.

Sincerely,



Tom Fitzsimmons
Chief Operating Officer

Cc: Mr. Jared Burbidge, *Project Manager*
Thurston Regional Planning Council

TABLE OF CONTENTS

1. Project Overview

- a) Project Background
- b) Project Approach
- c) Project Team

2. Community Visioning

- a) Brewery Visioning Focus Group
- b) Citizen Engagement in Brewery Visioning and Development
- c) Values, Visions And Themes For Brewery Development
- d) Community Perspective About Methods To Achieve Desired Outcomes

3. Building and Site Analysis

- a) Assessment Methodology
- b) Regulatory Considerations
- c) Site Infrastructure
- d) Building Condition
- e) Adaptive Re-use Assessment

4. Economic Analysis (Lorig)

- a) Methodology
- b) Residential Rent Study
- c) Development Proforma

5. Overall Project Conclusions and Recommendations

6. Exhibits

- 1.1 Project Scope of Work
- 1.2 Client Oversight Group
- 1.3 Site Ownership
- 1.4 Site Areal Map with Sub Area Delineations
- 1.5 Assessment Screen Tool
- 2.1 Brewery Engagement Plan
- 2.2 Focus Group Roster
- 2.3 Brewery Visioning Project Public Response VALUES
- 2.4.1 Brewery Visioning Public Meeting - The Entire Site
- 2.4.2 Brewery Visioning Public Meeting - The Knoll
- 2.4.3 Brewery Visioning Public Meeting - The River
- 2.4.4 Brewery Visioning Public Meeting - The Valley
- 2.5 Press Articles
- 3.1 Site Areas#1
- 3.2 Site Areas#2
- 3.3 Land Use Map
- 3.4 Zoning Map
- 3.5 Flood Plain Map
- 3.6 Knoll Building Massing
- 3.7 Knoll Buildings
- 3.8 Knoll Pictures Exterior
- 3.9 Knoll Pictures Interior
- 3.10 Valley Buildings #1
- 3.11 Valley Buildings#2
- 3.12 Bottle House Interior Pictures
- 3.13 Bluff Site
- 3.14 Knoll Demo Idea #1
- 3.15 Knoll Demo Idea #2
- 3.16 Knoll Demo Idea #3
- 4.1 Office Comparable
- 4.2 Apartment Comparables
- 5.1 Matrix of Community Action
- 5.2 Continuum of Partnerships

Project Background

This document is the final report of a project to develop community vision for the site of the former Olympia brewery in Tumwater, Washington. The project was sponsored by the City of Tumwater in collaboration with the Thurston Regional Planning Council (TRPC). This site consists of two separate properties, the former brewery complex and the historic brew house. This project focused on the brewery complex, although in the context of the iconic historic brew house.

TRPC secured funding for this project through a federal energy grant. Key aspects for use of the grant funds were to include: reuse of an existing industrial site; rejuvenating a former urban activity center; integrating the site into the surrounding area; and maximizing its potential to contribute to trip reduction by adding opportunities to live, work, shop and play where possible. The former brewery site was targeted as a perfect candidate for this work.

The City of Tumwater Economic Development Plan recognizes the brewery site as a key economic development asset, important to both Tumwater and the broader region. The site has the potential to serve as an economic engine and iconic symbol for Tumwater long into the future, but features specific challenges that community stakeholders need to address collaboratively.

TRPC solicited responses from consultant teams to assist on the project through a competitive process. The Lorig Associates team was selected through the process and contracted for a scope of work that involved project management, community outreach, building and site infrastructure analysis, regulatory considerations, assessing the potential for realistic redevelopment including public/private partnership scenarios and providing “next step” recommendations to TRPC and the City. The full scope of work for the project is included with this report as Exhibit 1.1. The project activities progressed generally through four phases:

Phase I – Project Start Up (March – April): This involved a detailed discovery process to understand the political, community, historical and environmental context of the project by the project team as well as confirmation of scope and schedule of work and the outline and framework for Community Engagement Plan.

During this phase, working closely with TRPC and the City of Tumwater a *Client Oversight Committee* comprised of TRPC, Tumwater staff and elected officials was formed and began meeting. This Committee served as a guiding group for the work throughout the project for the public and jurisdictional review processes. The composition and members of this group are detailed in Exhibit 1.2.

Also during this phase the *Brewery Focus Group*, described further in the Citizen Engagement portion of this report was formed; background meetings with current property owners, brokers and agents were held; and review and compilation of previous site planning, historic assessment and economic development documents was conducted.

Phase II – Assessment (May, June, and July): This phase included analysis of the buildings and property, current property owner plans, structures and site conditions, economic, political, regulatory and community vision and attitudes to develop a baseline for compatibility or lack of compatibility

with potential development scenarios and plans. The phase identified the extent to which the property can be developed, critical concerns for the adaptive reuse of structures on site, key economic issues, survey the local and regional market demand for viable and likely uses, establish the necessary investment and financial return parameters and identify likely funding and finance mechanisms. In addition, this phase identified the range of potentials and public and private aspirations currently existing through community and Brewery Focus Group meetings and discussion and dialogue with the public at planned public meetings

Phase III – Citizen Engagement and Development Scenario (May, June, July): This phase completed the assessment of the property ownership, buildings and site considerations, zoning, environmental and economic issues and integrated what was learned about the capacity of the buildings and the site, the likely future regulatory environment, the most economically realistic new uses in the current market and political environment with the vision and community aspirations for the area. This correlation of capacity, market demand and community aspiration defined options for the economic development of the site and framed realistic development scenarios used for community conversations and reaction in the context of the citizen visioning results from the previous phase.

Phase IV – Project Findings Review, Documentation and Reporting (August – September): This phase developed this report on findings, processes and recommendations. The report is designed to serve as a guide to the best, most effective reuse of the buildings and property, considering and balancing the current and likely future economic, structural, community and programmatic context.

Project Approach

The project was approached as a fully integrated Team including Lorig Associates staff, all other members of the Lorig Team as well as staff from the City of Tumwater and TRPC. The work was performed in an interactive and transparent approach designed to encourage collaboration and exploration guided by the City and community visioning in the context of financial and property condition and ownership realities.

The City's Economic Development Strategies clearly contemplates creating a renewed sense of place for the Brewery site. The central focus of the work was to create development strategies to implement the community vision for an economically vibrant district.

Outside of the scope of work, Lorig sponsored a brainstorming charrette based upon background information and economics for the community and past studies. Many Lorig staff not working on the project directly participated in the charrette as well as several staff from the City and TRPC. The brainstorming charrette allowed orientation, relatively unrestrained exploration of the potentials and defined the possibilities and challenges.

The approach to assessing structures was to essentially let the buildings, the site and its surrounding urban context guide us to the best conclusion. The methodology for assessing the site and buildings was based on a parallel investigation of the three main influences on a successful strategy: Jurisdictional and Community Interests, Economic and Market Factors, Architectural and Engineering Assessment. The Team incorporated the lessons provided by the previous planning for the area, assessments of the structures and the local use and regulatory environment. We held meetings with code officials and planners to understand the potential for site-specific land use and environmental regulations.

The architectural and engineering sub-team did the technical review of building conditions and structural integrity. The methodology of this approach is outlined in the Building and site analysis section of this report.

The citizen involvement and visioning sub-team led the visioning work consistent with the budget for the project and the desires of the city. The economic sub-team, led by Lorig, surveyed of the local and regional market demand for viable and likely uses, established the necessary investment and financial return parameters and identified likely funding and finance mechanisms. This report provides considerable detail on the approaches and outcomes of each of these lines of effort in the following sections.

Finally, what was learned about the capacity of the buildings and the site, the likely future regulatory environment, the most economically realistic new uses in the current market and political environment was merged with the vision and community aspirations for the area. The correlation of capacity, market demand and community aspiration is what resulted in reasonable options for viable economic development of the site.

Property Subareas: The former Olympia Brewery property that was the subject of this project is quite large covering some 175 acres in total. It is also under a variety of ownerships as depicted in Exhibit 1.3. To help focus the assessment of the property, the study team divided the site into three distinct areas. These areas are: The Knoll, The Valley and The Bluff and are identified in Exhibit 1.4. Since each of these areas offers unique challenges and opportunities for redevelopment, this approach allowed the community to better understand these potentials and opportunities and better structured the conversations and visioning. This subarea approach was used throughout the project and is one of the central organizing principles of this report.

Potential Reuse Screening Tool: The Team developed a screening tool to quickly identify the opportunities and challenges of each idea for potential reuse of the property or property subareas. A copy of this tool is included with this report as Exhibit 1.4. The tool was applied to most of the reuse ideas, and to some degree, was helpful. However, with the exception of flood plain issues, in applying the tool, it became clear that the answer for nearly all reuse proposals was the same: *there are few significant environmental, structural, regulatory or access issues that will prevent nearly any of the reuse ideas. The factors that work against most of the reuse ideas are economics and market conditions.*

Project Team

The Team assembled for this project consisted of experienced members of Lorig's staff who managed the project, coordinate all work, conducted the economic and development potential analysis and strategic plan, assisted in the community visioning, and wrote this final report.



Lorig Associates is an award-winning real estate development company with a strong reputation of success in improving communities in the Pacific Northwest through creative and insightful real estate development and property management. Since 1972, the firm has completed over 58 significant projects through personal attention, quality design and construction, and sensitivity to our clients' goals.



Johnson Architecture & Planning performed the architectural, historical and building condition assessment, regulatory requirements and urban concept design. Johnson has extensive experience leading teams to assist public and private property owners with economic and structural assessments of large urban sites and landmark properties in the Puget Sound region.



KPFF Consulting Engineers is one of the largest civil and structural engineering firms in the Puget Sound area. KPFF has accomplished hundreds of significant site development projects. The firm’s role on this project was to help on the environmental assessment, review of past studies, and assessed civil & structural engineering issues.



FLT Consulting, Inc. is a public affairs consulting firm with offices in Olympia and Seattle, Washington. Since 2000, the firm has helped clients get projects unstuck, develop solutions, and move ideas forward committed to strengthening public programs by grounding decisions in solid performance planning, best management practices and informed decision making. The firm’s role on this project was to design and conduct the community and stakeholder outreach, visioning, and public information.

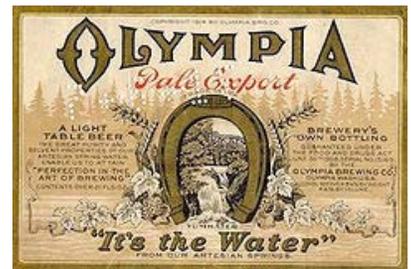
REDEVELOPMENT CONSULTANTS LLC is a local development firm with thirty years experience in development including six approved historic tax credit projects. The firm assisted in reviewing building Conditions and developing potential development approaches. Specific Team members working on the project included:

Lorig	Johnson Architects	KPFF	FLT	Redevelopment Consultants
Bruce Lorig Tom Fitzsimmons Kim Orr Dawn Frivold	Stevan Johnson Susan Upton, Project Manager	Bryan L. Tokarczyk, PE Mark A. Veldee, PE, Jordan Brown, Civil Design Engineer	Faith Trimble, Kendra Dahlen, Linda Hoffman	David Brubaker

Clearly the project would not have been a success without help from other members of the full “team” including Tim Smith, City of Tumwater Planning Manager and Veena Tabbutt, TRPC Senior Planner, Members of the Oversight Committee and Members of the Brewery Focus Group.

In addition we thank the following for their help as well:

- South Sound Bank – Tumwater Lodge donation
- Michael Cade, Executive Director, Economic Development Council of Thurston County; Newsletter articles and announcements
- George Sharp, Executive Director, Olympia-Lacey-Tumwater Visitors and Convention Bureau; Newsletter articles and announcements
- Jacalyn Tobosa and John Freedman, Olympia Tumwater Foundation; Donation of Brewery historic materials for public meetings
- Eimaleins Broadcasting Network, <http://einmaleins.tv.com>; Video of May 31st Public Meeting



The public engagement goals for the Brewery Community Vision Project were to:

1. Ensure broad and specific participation;
2. Develop a community vision that incorporates the realities of market, site and structural analysis; and,
3. Build momentum and excitement for possible future development.

The consultant team, guided by the Oversight Committee, sought to achieve these goals by capturing the community's imagination of what the site could become informed by the history and prominence of the former Brewery and a comprehensive evaluation of the site's economic and physical potential for redevelopment. To this end, the project team implemented a strategy that involved multiple opportunities for public comment on specific issues, ideas for subareas and values for development of the entire site.

This strategy was guided by Team's comprehensive Brewery Visioning Project Engagement Plan and is included in this report as Exhibit 2.1. The Plan proved to be exceptionally effective. Between April and July 2011, an inspired community provided over 700 comments through mail surveys, public comment cards, website response and public meetings. Comments were correlated into themes for subareas of the brewery site and values were defined to guide future development of the entire site.

Brewery Visioning Focus Group

As the project began, Mayor Kmet nominated a select group of community citizens to work directly with the consultant Team on a substantive ongoing basis. This group became known as the Brewery Focus Group and anchored the public engagement process. The group was comprised of elected officials, city advisory board members, citizens, business representatives, property owner representatives, and community stakeholders. This dedicated group served as the project sounding board, adding perspective and experience to the research, analysis, findings and observations offered by the consultant team. The Membership Roster for this group is provided in Exhibit 2.2.

The Focus Group met five times. Each meeting was structured to provide an informed and iterative sequence to lead toward a realistic and sustainable vision for the Brewery's future. The meetings involved intensive review of site analysis, including establishment of distinct site subareas, discussion of the integrity and complexity of structures, property ownership issues, valley flood plain constraints, access, assets and liabilities, and historic, regulatory and market analysis. Focus Group members achieved a thorough understanding of the development challenges balanced with the obvious and unique attributes of the site. They comprehensively addressed marketing and economic realities affecting development. The group de-briefed after public meetings, discussed the public's values, priorities and themes generated from the robust public meetings, and melded themes into conceptual scenarios.

The final Focus Group meeting resulted in a relatively robust conversation between Group members about their various perspectives on the visioning process and what members believed the City of Tumwater should consider in moving the community vision forward. A sample of member's comments during this final meeting included:

- Leverage the purchasing interest of LOTT. Move on this opportunity.
- Involve larger regional community to realize long term vision.
- Implementation needs a Champion.
- Achieve success in one area at a time.
- Conduct a worldwide design contest.
- Assemble public/regional entities to agree to do something together.
- Re-engage the tribe in the fish hatchery development. The fish hatchery could “flip the switch” and generate more development opportunities; city, county and tribes join to make it happen.
- The ‘Heart’ is not the buildings; it is the spirit of the people who worked there.
- The people of Tumwater will make a new history for this site.

All the Focus Group meeting agendas and detailed notes from their meetings are available on the City of Tumwater Homepage: <http://www.ci.tumwater.wa.us/> Click Emerging Issues - Tumwater Brewery Visioning Project

Citizen Engagement in Brewery Visioning and Development

Survey and Comment Cards: Tumwater residents and businesses received letters from Mayor Pete Kmet informing them of the Brewery Visioning Project. Monthly news releases were issued and public meeting notices included a brief survey. Prominent comment boxes like the one pictured to the right, were located in City Hall and the Library. The following questions comprised the survey and were also printed on comment cards:



- What is your vision for future use of the former Olympia Brewery site?
- What types of improvements to the site would you like to see that could enhance the community’s quality of life?
- Do you think there may be obstacles or challenges to developing the property as you envision?

The abundant and thoughtful responses to these questions were blended with results from public meetings to define Values and Themes for future development of the Brewery properties. Exhibit 2.3 provides a summary of the public’s ideas for the Brewery generated through these comment cards and survey questions.



Public Meetings: Over 200 citizens participated in two dynamic public meetings at the Tumwater Valley Lodge. Participants arrived with drawings, photos, proposals and notebooks to illustrate their inspired ideas and visions for the future of the Brewery. During meetings, we displayed historic artifacts and prominent news articles to honor and illustrate the legacy and vitality that once existed and the central role the Brewery served in the community.

The public meetings were structured to capture the public’s ideas and to solicit values and visions for the future of the Brewery. Break-out sessions, small group discussions, and electronic polling were interspersed with interactive information presented by Tom Fitzsimmons and Steve Johnson. The public engaged in lively sharing of concepts and priorities for distinct subareas of the Brewery property: the Knoll, the Valley, the River, and the Floodplain.

Public Meeting #1, May 31st, 2011; Tumwater Valley Lodge: The first public meeting provided participants information about the project from the consultant team and obtained the public's perspectives. The meeting was planned and facilitated to achieve five goals:

- Orient the public to the project and the site.
- Present analysis of the site, buildings, challenges and assets, and issues for consideration.
- Obtain values for future development of the Brewery.
- Solicit ideas and priorities for development of specific areas.
- Influence project planning and final public meeting.



Meeting participants were oriented to the substantial geographic area encompassed in the visioning process. We introduced the concept and rationale for establishing sub-areas within the site, presented issues for consideration including building configuration and structural conditions, ad-hoc construction methods, economic and marketing challenges, and property ownership implications.

With the assistance of City of Tumwater and Thurston Regional Planning Council,

some 14 facilitators led systematic table based discussions with approximately 8 participants per table. These small group discussions addressed the core components of the visioning process: Values to guide the future of the Brewery site; and Preferred uses for the Knoll, the Valley, the River and the Floodplain.

The results from these highly energetic discussions were recorded and combined with public comments derived from survey, website and comment cards. Thurston Regional Planning Council staff sorted and organized the multitude of value statements, development ideas and public priorities. These comments were then distilled and consolidated into predominant values and themes for Brewery development.

Public Meeting #2, June 30th; Tumwater Valley Lodge: The second and final public meeting was structured to:

- Confirm the values and themes that emerged from the 700+ comments received through public outreach, and
- Determine the level of public support for achieving desired priorities for future development.
- Electronic polling was used to measure concurrence with value statements and themes for development of the Knoll, the Valley, the River and Floodplain.

Values, Visions and Themes for Brewery Development

Defining the values was a central discussion point with members of the public. Public meeting participants expressed their desire to assure that future plans for the Brewery are rooted in community values that will guide future development scenarios. In general people agreed with the values; however their comments implied that more time was needed to refine the values and develop clear definitions. Employment opportunities (72%) and public access (68%) received the highest level of support, with family and youth recreation (33%) receiving less enthusiasm. This was due in part to interpretation of ‘family and youth’; “what about teenagers and young adults?” people asked. And, “we don’t want the whole site to be devoted to family and youth recreation”. These comments suggest the need for further work on the values, including defining values statements that pertain to specific areas of the brewery site.



Community Values

Concurrence with Value Statement

<p>Employment opportunities Business incubator space, new sustainable light industry, mixed commercial development.</p>	<p>Strongly Agree 72% Agree 26% Disagree 0%</p>
<p>Public Access Provide public plazas, recreation opportunities, bicycle paths and trails throughout the site.</p>	<p>Strongly Agree 68% Agree 23% Disagree 7%</p>
<p>Create a Place – Community Heartbeat A new vibrant center of activity for Tumwater</p>	<p>Strongly Agree 60% Agree 28% Disagree 5%</p>
<p>Honor the environment, especially The River Riparian corridor restoration, access to the river. Learning/interpretive center. Wildlife viewing.</p>	<p>Strongly Agree 57% Agree 38% Disagree 6%</p>
<p>Honor the history Acknowledge heritage with museum and evoke history through restoration and design standards.</p>	<p>Strongly Agree 56% Agree 33% Disagree 9%</p>
<p>Connectivity Connect site with community, Pioneer Park and provide trails and paths to connect the entire site.</p>	<p>Strongly Agree 55% Agree 39% Disagree 5%</p>
<p>Family and youth recreation Provide opportunity for year round family recreation and exercise.</p>	<p>Strongly Agree 33% Agree 47% Disagree 15%</p>

Ideas from the public meeting break-out sessions were combined with those submitted through survey, website and public comment cards. All of the public’s ideas and statements were recorded verbatim, sorted and consolidated into themes for the Knoll, the Valley, the River and Floodplain. Hundreds of creative and thoughtful ideas were received, along with sketches, renderings, photos, and research of other old breweries that have been successfully revitalized.

The majority of the ideas for development of the Knoll pertained to mixed use. Comments and ideas for the Knoll referred specifically to “mixed use” or delineated a combination that comprised mixed use. Below are typical examples of comments supporting mixed use?

- Residential, retail, offices, shops, public market
- Apartments, condominiums, retirement community, restaurants, retail
- Live/work/nightlife
- Offices, school, restaurants, residential, retail, parking garages
- Shopping, live performance, lodging, art studios, restaurants, rock wall
- A hub for Tumwater-like a downtown district

Fifty nine percent (59%) of meeting participants strongly agreed with the themes for development of the Knoll, and thirty four percent (34%) agreed. Meeting participants requested to rank the list of nine proposed uses for the Knoll. Electronic polling was conducted to rank the themes. Mixed Use received forty four percent (44%) of the votes with Conference/Convention/ Cultural and Event Center trailing in second place at thirteen percent (13%).

Themes for the Knoll

Preferred Uses

Mixed Use: Residential, Commercial and Public Use	44%
Conference / Convention / Cultural and Event Center	13%
Historic Center / Museum	9%
Education Campus	9%
Restaurants and Retail	6%
Small /Sustainable Business	6%
Hotel	4%
Residential	4%
Parks and Recreation, Public Space	2%
Manufacturing, Light Industrial	2%

Concurrence with Overall Themes for the Knoll

Strongly Agree: 59% Agree: 34% Disagree: 4%

Public comments and ideas for the Valley were distinctly different from the ideas for the Knoll, utilizing the warehouses, rail lines, flood plain and nearby river to inspire a range of uses. Public use and access comprised the majority of ideas. A wide variety of creative ideas were proposed for recreation activities, light industrial use, education, solar energy and performing arts. Below is a sampling of ideas received for the Valley:

Multi-use indoor sports and recreation center

- Aquatic center
- Athletic complex/ Basketball courts
- Ball fields / Minor league baseball stadium
- Family fun center - indoor putt-putt golf, batting cages, go-carts, bumper cars, etc.
- Skating rink
- Indoor soccer

Manufacturing/Industrial/Warehouse use

- Brewery /Micro breweries
- Light manufacturing - Bikes, kayaks, economical and sustainable.
- Green industries / solar panels
- High tech industry

Cultural and Performing Arts / Links with Community Center

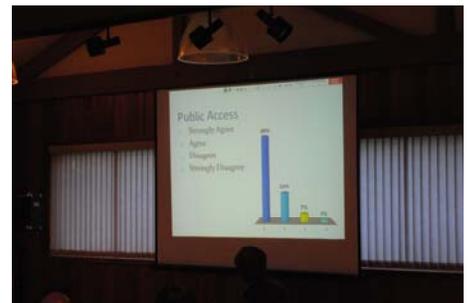
- Music/arts/concert venue
- Natural amphitheater
- Performing arts

Transit and Transportation

Pedestrian/transit and bike friendly-public transit
Preserve rail corridor and/or increase rail activities
Transportation link to downtown Olympia

Thirty three percent (33%) of meeting participants strongly agreed with the themes for the Valley and fifty two percent agreed. The ideas and themes for the Valley were so diverse that meeting participants needed more time to discuss the possibilities for the warehouses and recreation opportunities for the floodplain. Discussion of the rail line, frequency of use and its potential also needed more discussion. Also, further understanding of compatible activities in the Valley would benefit the public's vision for future uses.

Meeting participants requested to rank the list of proposed uses for the Valley. We conducted electronic polling to rank the themes. Multi-Use Indoor Sports and Community Center / Family and Youth Recreation Opportunities received the highest ranking at thirty seven percent, followed by Manufacturing, Industrial and Warehouse use at twenty seven percent. Transportation hub received the least votes at five percent.



Themes for the Valley

Preferred Uses

Multi-Use Indoor Sports and Community Center / Family and Youth Recreation Opportunities	37%
Manufacturing/Industrial/Warehouse Use	27%
Public Events and Performing Arts	14%
Education / Vocational Training	10%
Public Access and Connectivity	7%
Transportation Hub	5%

Concurrence with Overall Themes for the Valley

Strongly Agree: 33% Agree: 52% Disagree: 8%

Public comments and ideas for The River and Floodplain essentially focused on public access, recreation opportunities and river restoration. Below are some of the main ideas that emerged for the river and floodplain:

- Green space connecting people to the river
- Interpretive center, river-walk, learning center, ecosystem education
- Jogging/walking paths, passive recreation, wildlife viewing
- Kayaking, river activities
- Salmon restoration and fish hatchery
- Passive recreation and open space, picnicking and eating areas
- Paths and trails throughout the flood plain connecting Pioneer Park to Deschutes Parkway
- Baseball fields and sports fields

Sixty five percent (65%) of meeting participants strongly agreed with the themes for the river and floodplain. Participants did not rank the list of themes for the River.

Themes for the River and Floodplain

1. Parks, Recreation and Public Access	2. Bicycle Paths and Trails
3. River Restoration	4. Connectivity Throughout Entire Area and to Pioneer Park
5. Trails, Pathways, Picnic Areas Along River Corridor	6. Public Event and Performance Space, Amphitheatre
7. Wildlife and Interpretive Center	8. Recreation Opportunities in the Floodplain

Concurrence with Overall Themes for the River

Strongly Agree: 65% Agree: 35% Disagree: 0%

A summary of themes for the entire site, the Knoll, the River and Floodplain and the Valley is provided in Exhibits 2.4.1, 2.4.2, 2.4.3, and 2.4.4.

Community Perspective About Methods To Achieve Desired Outcomes

During the second public meeting, in addition to confirming values, visions and themes for development of the Brewery properties, meeting participants were asked to express what level of public effort they would support to achieve their desired uses. The questions for this exercise emerged from both the Focus Group and The Oversight Group as described in the final section of this report. Four alternative approaches with increasing levels of public initiative were discussed:

1. **Passive:** Let the Market Do It (Little to No action would be taken influence outcomes for the Brewery).
2. **Moderate:** Use Existing Tools (Zoning, expedited permitting, infrastructure improvements).
3. **Assertive:** (Partner with Others; Adapt Additional Tools.....Public/Private partnerships with development agreements and incentives).
4. **Aggressive:** Take Local Responsibility; Create New Tools (Create an entity to take charge of marketing and developing the Brewery).

The ideas behind these approaches were discussed at length during the meeting. Examples were provided and terms were defined generally, but in a manner that was meaningful and understood by the majority of the participants. Using electronic polling devices, participants registered their comfort level with the other alternatives responses for each of the site subareas; The Bluff, The Knoll and The Valley. A summary of the results of the polling during the meeting appears in the table below.

The Bluff	Moderate Action 66%	Assertive/Aggressive Action N/A <i>(Consultant's recommendation: Moderate action is adequate for the Bluff)</i>
The Knoll	Moderate Action 87%	Assertive/Aggressive Action 77%
The Valley	Moderate Action 84%	Assertive/Aggressive Action 78%

As the table suggests and as was voiced loudly during the discussion about the approaches, participants in the meeting strongly expressed a sense of urgency to take action to achieve their visions for the site and strong support for more assertive/aggressive approaches for action related to the Knoll and the Valley.

Media Attention: As a result of both the consultant team and the City staff, the project gained some attention in the local press. City Staff and the Mayor also conducted an Editorial Board interview. Copies of articles are included with the report as Exhibit 2.5.

Assessment Methodology

The assessment of the Olympia Brewery site and buildings was an effort in which the entire team participated. There were several site visits and walk-through(s) of all the Brewery buildings with team members from Lorig, Johnson, KPFF, Redevelopment Consultants and FTL accompanied by City of Tumwater and Thurston Regional Planning Council staff. The team visually inspected and photographed every level of every major structure on the site, walked the entire site area and toured the surrounding community. The Team also developed an overview orientation to the site which is included with the report as Exhibits 3.1 and 3.2

Construction and permit documents were found on-site in some disarray, but were organized by the team and reviewed for structural and building systems information and for their future usefulness as background information for future redevelopment planning and design.

Team members interviewed planning staff and staff from the local utility providers, obtaining information on the condition and capacity of the infrastructure serving the site. Agencies and organizations with specific interests in the site (e.g. FEMA) were also contacted and provided documentation and information regarding the property.

The team also reviewed available documentation provided by the Tumwater Historical Society and by George Heidegerken, the current owner of the historic brewery property and his architectural team. The information available from these sources was exceptionally helpful in our investigation and assessment.

Regulatory Considerations

The redevelopment of the Olympia Brewery property will be controlled by several local regulatory ordinances including:

- The City of Tumwater's Land Use map
- The Tumwater Zoning Ordinance and Map and
- The Riparian, Floodplain and Shoreline Regulation areas.

Land Use: The Tumwater Land Use Map (Exhibit 3.3) identifies the current uses and regulatory districts affecting the site. The Land Use Map identifies the Knoll property as Light Industrial (LI) for the most part, with the western portion that lies within 200' of the Deschutes River as Shoreline Environmental (SE). The SE area includes all of the M Cellar Building and the western and southwestern portion of the Brewhouse/Cellar building.

The Zoning Map (Exhibit 3.4) identifies the Valley area as LI, with a portion designated SE extending from the river to the existing railroad tracks and including the southern part of the valley floor coincident with the FEMA 100-year floodplain. The FEMA floodplain map (Exhibit 3.5) is in process of being revised to include essentially the entire Valley with the exception of the major building footprints and the Tumwater Land Use map will likely be revised to conform to these changes. The Bluff area is designated as LI on the Land Use Map.

Zoning: The Tumwater Zoning Map and zoning code establishes the permitted uses and development limitations on the site. The Zoning Map designates the site areas as follows:

- The Knoll: LI, with Historic Commercial (HC) designation across Boston St. SE along the Deschutes River
- The Valley: LI, with Open Space (OP) along the Deschutes River
- The Bluff: LI with Single Family Low Density (SFL) across Cleveland Ave SE and to the south

A review of the Tumwater Zoning Code suggests that General Commercial zoning would be appropriate for most of the potential uses of the Knoll and the Valley and that the Multi-Family Mediums Density (MFM) zone might be appropriate for the Bluff parcel.

The shoreline regulatory environment for the Deschutes River and floodplain includes the Riparian Buffer, which extends 200' from the river or to the west edge of the railroad tracks, and the Shoreline Jurisdiction, which extends to the limits of the FEMA designated 100-year Floodplain (Exhibit 3.5). FEMA regulations allow local jurisdictions to permit development within a 100-year flood plain under certain conditions. However, the Tumwater Municipal Code (TMC) expressly prohibits development within the flood plain for structures or grading. This is located in Section 18.38.055 – One-Hundred Year Floodplain Sub district—Permitted Uses.

Several previous land use studies have been conducted to facilitate improvement of the area. A Land Use Plan for the Deschutes Neighborhood of Tumwater, updated in 2005, has been compiled by the TRPC. This document cites the Deschutes River Special Area Management Plan, which amends the Shoreline Master Program for the Thurston Region. All of these planning documents should be reviewed as part of a redevelopment plan.

Historic Considerations: The Olympia Brewery property has played an exceptionally significant role in the history and development of the City of Tumwater and Thurston County. The structures on the site being analyzed in this study are not currently listed on local, state or national registers of historic buildings. However, it is the opinion of the consulting team that, although the structures are relatively recent - largely being constructed between 1934 and 1976 - the importance of the site to the local community, the scale and extent of the development and the architectural quality of several of the buildings support consideration as an historic district, with individual buildings eligible for historic status. This opinion appears to be supported by the historic assessment of the site prepared in 2009 for the City of Tumwater.

While historic or landmark status may restrict or modify certain approaches to redevelopment, the tax-credits available to potential investors could prove a valuable incentive.

Environmental Considerations: While a detailed review of environmental issues and considerations was beyond the scope of the project, the Lorig Team did make several observations. The Team's review of available studies and regulatory references identify some potential limitations to redevelopment, largely due to the site's proximity to shoreline, function as a flood plain, and the impact of stormwater.

The majority of the site area that is affected by these limitations lies within the Valley and Knoll parcels. The Knoll parcel is within the riparian buffer, but according to available maps, is out of the

100-yr flood plain. The Valley parcel lies within the 100-yr flood plain of the Deschutes River and within the shoreline buffer areas. Due to periodic flooding and the current Tumwater Municipal Code, grading and construction of new structures will not be allowed. Future uses of the Valley Parcel will need to be tolerant of periodic flooding.

The Tri-City and Olympia railroad track bed and adjacent areas of the Valley Parcel may contain pollution of heavy metals. An environmental site evaluation is needed to identify the need for remediation or isolation of contaminants.

The most recent Phase II Environmental Report on the brewery property was completed for the Miller Brewing Company in 2001 before their subsequent sale of the property in 2004. The current owner in California has declined the opportunity to share that report with the visioning team. Their realtor reports that the report apparently deals primarily with asbestos pollution in the form of pipe wrappings and potentially in ceiling tiles.

Since the brewery shipped much of its production by semi-tractor trailer, the site should be screened for hydrocarbon spillage.

Because the Deschutes River is a salmon-bearing stream we recommend further investigation of the main rail line and the many spur lines in the valley sub area to determine levels of heavy metal pollution along the tracks. Since some of these right-of-ways have been in use for approximately one hundred years, particulates of lead, mercury, and cadmium that are part of older rail car brake shoes may well be present. Since the rail lines have been inundated by flood waters twice in the last ten years it is also possible that heavy metals are getting into the river during these events.

Other forms of pollution from upstream agricultural and non-point sources could leave residues on the brewery property during these flood events. This kind of pollution cannot be addressed from the brewery property without channelizing the river itself. It would take a basin-wide interlocal plan and agreement to prevent this kind of flood related pollution, thereby improving the salmon habitat. With the potential for public ownership of the valley sub area the other major habitat improvement could be accomplished by landscaping the river banks with native shade trees that were lost with re-channelization during the 1940's. Providing shade over most of the surface water could lower ambient stream temperature and improve the salmon habitat.

The Thurston County Regional Planning Council has developed a river bank restoration plan as part of the June 2009 Final Proposed Shoreline Master Program and area specific Land Use Plan for the Deschutes Neighborhood of Tumwater. This will be a consideration in any redevelopment of the Valley Parcel.

Drainage improvements will be required according to the Thurston County Drainage Design and Erosion Control Manual at the time of future permitting and construction. Construction of bio-swales and ponds are needed to provide water quality and flow control mitigation of proposed redevelopment plans.

The Bluff parcel may have a potential sensitive area in that the area lies near the top of a steep slope. Additional geotechnical site investigations are needed to determine the possible impacts and limitations to structural foundations and setbacks to the existing slopes. Drainage improvements

needed for development of the Bluff parcel will be based on geotechnical investigations, grading concepts, and investigation of existing drainage courses.

Building Codes: A detailed analysis of the local building codes as they apply to the redevelopment of the Olympia Brewery buildings was largely beyond the scope of this study. However, observations made by the Lorig team during the site and building walk through and document reviews brought out a number of issues that must be considered.

While significant architectural changes will be required to many of the buildings (particularly the Brewhouse/Cellar building) to allow for new uses, conformance with current code requirements will have an equal or greater impact on the redevelopment scope of work. The buildings have been vacant since 2003, therefore any and all new uses must comply with current building codes, including structural, energy and accessibility codes all of which have been greatly changed since the Brewery buildings were constructed. Code requirements will require significant alterations or complete replacement of the structural systems, the exterior walls and roofs, exit stairs and elevators, electrical and mechanical systems among others.

Because building systems and the exterior envelop require substantial renovation, it is the study team's opinion that the Knoll buildings should be considered as unfinished floor plates, and redevelopment should not rely on the reuse of any of the existing building systems, except as they may contribute to and be preserved as historic preservation efforts.

Site Infrastructure

The Knoll Site: The parcel defined as the Knoll (See Exhibit 3.2) is 7.2 acres on the bluff above the Deschutes River. The parcel is separated topographically from the valley floor and is bounded by Custer Way SE to the north, Boston St. SE and the Deschutes River to the west, the railroad tracks to the east and the elevated Capitol Boulevard S to the south. Steep slopes confine the Knoll on the west, south and east.



The Knoll appears to be a remaining piece of a glacially formed ridge that has been cut away and isolated by the Deschutes River. The dense soils appear to be competent to support large loads on conventional spread footings. Further geotechnical explorations will provide information needed to determine feasibility of redevelopment.

While the Knoll is surrounded on three sides by public streets, site access is limited due to relatively high volumes of traffic, difficult turning movements and topography. Further evaluation of traffic ingress/egress and emergency access will be needed for potential redevelopment options.

The Knoll is served by public utilities that were used to support the former brewing operations. The assessment of the current capacity and condition of these utilities is beyond the scope of this study; however, the Lorig team has reviewed the available public documents and has made the following general observations:

1. The Knoll is served by public utilities that have been used to serve the former brewing operations. The assessment of the current capacity and condition of these utilities is beyond the scope of this study. There are public utilities in adjacent Custer Way Southeast, as shown on city utility maps, available to serve the site. Further research and analysis will be needed to document the capacity and condition of existing utilities needed to accommodate proposed development options. Utility providers will assess utility availability and/or need for potential upgrades once the scope of development has been resolved in enough detail to quantify service needs and impacts to existing utility capacity.
2. The site is served by a sanitary sewer lift station, located beneath the bridge of Capital Boulevard South, which discharges to a 14" force main to the public main running along the railway to the north of Custer Way Southeast. According to available maps, this is at or near the 100-yr flood stage boundary. Upgrades will likely be necessary for future redevelopment of the sites.
3. Apparently water service has been provided via connection to existing well fields, located south of the parcel, and public water mains in Custer Way Southeast. Due to well water rights being changed to municipal use, we anticipate improvements to the water system to connect to the municipal system and to provide loops for fire fighting use.
4. Power service has been provided via a PSE substation located near the east limit of the Deschutes River, east of, and below, the Capital Boulevard Bridge. The location of the substation is vulnerable to river flooding, so upgrading the power services is expected to be necessary.
5. Existing Site drainage systems consist of buried conveyance piping that discharges to the Deschutes River. There are no documented water quality or flow control facilities on-site.
6. There are three separate structures on the Knoll: The Office & Bottle house A Building, the Main Brew house & Cellar Building and the M Cellar Building. These structures are assessed in the subsequent Section and are shown in Exhibit 3.6.



The Valley Site: The Valley site is comprised of the parcels directly surrounding the Brewery warehouses. These parcels, totaling 11.2 acres, are shown on the accompanying Exhibit 3.10. Physically the Valley is defined by the Cleveland Avenue bluff to the east and northeast, and the hill forming the Knoll to the northwest. The south boundary is defined by the properties currently being acquired by LOTT. The west boundary is the Deschutes River. The Valley properties are accessed from the driveway down from the Knoll and by the bridge at E St Southeast. Evaluation of traffic ingress/egress and emergency access will be needed for potential redevelopment options.

The Valley site is divided by the Tri-City & Olympia Railroad Company (TCRY) railroad tracks. We understand cargo train traffic will remain operational well into the future. Coordination with the railroad companies will be necessary to develop access and site improvements.

The Valley site is an industrial site that is essentially flat and largely covered with asphaltic concrete paving. The entire area falls within the FEMA designated 100-year flood plain, as shown in Exhibit 3.5.

Site drainage systems consist of buried conveyance piping discharging to the Deschutes River. There are no documented water quality or flow control facilities on-site.

Since the former brewery operations occupied both the Knoll and Valley parcels, the utility services are understood to be inter-connected. Therefore, infrastructure evaluations for The Knoll Site are applicable to the Valley as well.

The buildings in the Valley fall into two categories:

The main warehouse/bottle house structure and several nearby support structures. These structures are assessed in the following section.



The Bluff Site: The Bluff is a 2-acre parcel of undeveloped land accessed from Cleveland Avenue S.E. The site is approximately level and is well setback from the steep bluff above the valley floor. The site is served by utilities including power, water, sewer and storm drainage from Cleveland Ave. SE. There is an easement for electrical power along the eastern boundary of the site. Additionally there is an unopened 1939 street right of way easement across the center of the parcel, but it is not known if this easement is in effect at this time.

Existing site drainage appears to sheet flow away from the site to the west, down the slope. Site development will likely involve grading to collect drainage which will then be conveyed to a stabilized downstream conveyance system.

Further research and analysis will be needed to document the capacity and condition of existing utilities needed to accommodate proposed development options. Utility services will provide an assessment of utility availability and/or needed upgrades once the scope of development has been resolved in enough detail to clarify requirements.

Building Condition Assessment

The Knoll Buildings (Exhibit 3.6): There are three separate structures on the Knoll: The Office & Bottlehouse A Building, the Main Brewhouse & Cellar Building and the M Cellar Building. All of these buildings were built in several phases, as shown in Exhibit 3.7.

The Office and Bottlehouse Building was constructed in several stages from 1935 to 1960. It is the first building constructed by Olympia Brewery on the knoll, and it has housed many functions over its life. Most recent uses include corporate offices and a bottling facility.

The northern and western portions of the Office & Bottlehouse building are part of the earliest phase of construction. These portions of the building are cast-in-place concrete frame, with stucco-finished masonry exterior walls and steel industrial windows. The building has a high-bay central room with bottle washing equipment. The upper floors contain corporate offices, break-rooms and maintenance shops. The structural frame is apparently in sound condition. Structural improvements are likely to be required to the lateral system, particularly with any selective demolition.

The exterior walls are in good condition. However, these exterior walls are un-insulated and will need significant improvements and full window replacement to meet current code requirements.

The southeastern addition to the building was built as corporate offices and is a wood-framed structure. The exterior condition is fair, with un-insulated walls and glazing. There are no provisions for accessible access to the structure. (See Exhibit 3.8 for photographs of the Knoll buildings exteriors)

The interior of the Office & Bottlehouse building is in fair to poor condition. The high-bay bottling areas and the maintenance areas have no interior finishes. The office space interiors have been significantly damaged by water intrusion and mold. There are elements of reasonably high-quality interior finish construction (e.g. the open stairways, railings), but these elements in many instances do not meet current codes. (See Exhibit 3.9 for photographs of the Knoll buildings interiors)



The Main Brewhouse & Cellar Building: The Main Brewhouse and Cellar Building housed the brewing operations and an estimated 600 55,000 gallon tanks. This four, five and six story building is an agglomeration of 15 separate but adjacent structures. Built between 1936 and 1968, each individual “block” was separately permitted and supported on its concrete foundation. The “blocks” can be seen in the attached diagram in Exhibit 3.7 with the separate cellar blocks labeled A through L and the brew house blocks labeled A through C. Common utilities, corridors and stairs serve the combined blocks.

The Brewhouse and Cellar Building blocks are typically constructed with concrete foundations, exposed steel structural frames and cast-in-place concrete floors. A few of the roofs are framed in wood. There are two distinctly different exterior wall types in the Main Building. The fermentation and malting room blocks (Brew houses A, B, C) have aluminum and glass curtain walls. The storage blocks (Cellars A through L) are enclosed with cast-in-place concrete walls with metal siding. The concrete walls partially encapsulate and brace the steel structural frame. None of the exterior walls or the roofs is insulated.

The steel-framed structural system and concrete foundations appear to be in good condition, with posted large vertical-load capacities in most areas. The Cellar tanks are supported independently of the floor system, which may need investigation as part of a redevelopment plan. Any existing lateral resistance structures will be compromised with the removal of the exterior facades. The buildings may have been constructed in a way that the individual blocks are not integrally tied together.

The original staged construction of the “blocks” of buildings may have been performed in such a manner that the buildings are not integrally tied to act as a cohesive unit. Further study should be performed to identify existing conditions and possible retrofit scenarios to address this issue.

Existing diaphragm continuity and attachment to the exterior walls requires examination as a gap for insulation between the slab edge and wall is visible in the original construction drawings of the M Cellar building, which may apply to other existing cellar buildings. Façade removal and replacement will likely facilitate making required new connections as part of a future redevelopment)

Anticipated floor loading and existing gravity framing capacity, with primary focus on the Cellar buildings, should be investigated for future re-development. Design floor loads, such as those listed on the existing drawings, could be violated under certain uses in particularly when modifications necessary to address existing sloped floor framing are incorporated. Future redevelopment as residential or light office may not have floor-loading concerns. Retail, hospital, and educational could have vertical capacity concerns depending on how the buildings may be used and specific loading conditions.

The curtain wall systems in the Brewhouse areas are in fair to good condition, but the glazing and the aluminum mullions have minimal thermal performance, and do not meet current code. The concrete/metal siding facades of the Cellar building blocks are also in fair to good condition, but lack insulation, fenestration and interior finishes. While currently providing weather-protection, the exterior facades offer no value for most redevelopment scenarios.

The interior of the Brewery areas are in fair to poor condition, having been damaged by the salvaging of equipment and tanks and by water intrusion. There are large holes in the Brewery building floors, left by tank removal. The existing interior partitions and room functions are highly specialized to the brewery operations and are not appropriate for most redevelopment options. There are three elevators in the Brewery area, which do not meet current passenger elevator codes.

The interiors of the Cellar buildings are entirely taken up by beer ageing tanks. The floor levels vary between individual blocks and are connected by open steel stairs, which are non-code compliant.

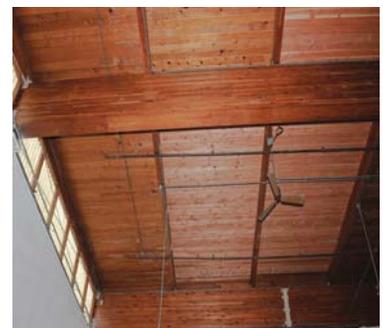
M Cellar Building: The M Cellar Building is a 6 story isolated storage tank structure. It is separated from the Main Building by a driveway leading from Boston St. SE to the valley floor and is perched directly above the banks of the Deschutes River and falls. It is constructed very similarly to the storage “blocks” in the Main Building, with concrete foundation, steel structural frame and concrete floors.

The M Cellar building is essentially identical to the Cellar Buildings in the main building with similar concerns regarding the exterior building shell and building systems. There are no interior partitions or finishes. Except for one small lab area, the interior is almost entirely dedicated to ageing tanks.

The Valley Buildings: The buildings in the Valley fall into two categories: The main Warehouse & Bottlehouse B structure and the several surrounding support structures. See Exhibit 3.10 and Exhibit 3.11

The Warehouse & Bottlehouse B Building: The Warehouse & Bottlehouse B building was constructed in six phases over a period from 1954 to 1968. The building contains a total of approximately 300,000 SF, with a 250,000 square foot footprint.

The earliest building was Bottle House B, constructed in three phases in the north portion of the valley, with either laminated arched structures or open wood trusses and contained office mezzanines and two levels of bottle washing and filling. The Bottle house structure is on an approximate 30' x 30' structural grid. The roof of the Bottle House is constructed with saw tooth clerestories and ceiling heights vary up to approximately 20'. Gable end fenestration also provides natural light.



The Warehouse was developed to the south of the original Bottle House structure, in three phases, creating a continuous warehouse floor of 210,000 S F. These later phases are framed with long-span laminated timbers.

The Warehouse buildings are constructed with long-span open bays with 60' spans. The long spans and ceiling heights of 20+/-make for highly flexible and adaptable spaces. The structure and exterior shell of these buildings is in good to excellent condition. The exterior facades provide numerous access doors, but few windows. Natural light is provided by skylights or clerestories.

There are very few interior partitions, with the exception of the office areas in Bottlehouse B. The interior finishes, where they exist, are in fair to good condition. See Exhibit 3.12 for images of the interiors of the Warehouse & Bottlehouse B building.

The Support Structures: There are approximately 10 structures designed for specific brewery utility, maintenance, canning and bottling functions built surrounding the main warehouse/bottle house. Most of these structures are small and are function-specific, containing boilers, or brewery process equipment. They are typically steel framed, single story industrial structures.

Two of the support structures substantially larger than the others: The Empty Bottle Warehouse is a 35,000 SF, single-story, long-span steel-framed industrial building, similarly constructed, the Bottle washing Building is a 25,000 SF high-bay building with a large mezzanine.

The existing systems of the warehouse may lack a complete lateral system or appropriate detailing due to the construction period and staged construction. Adequate seismic detailing of the structures may not be present as required to provide lateral load sharing and reduce the impacts of building pounding. Investigation into potential retrofit schemes and localized strengthening should be an area of focus on further development.

The existing saw tooth clerestories in the original construction of the Bottlehouse B may have created an inherently localized weakened zone within the roof diaphragm against lateral loading that may need to be reinforced.

Adaptive Re-use Assessment

The Knoll Buildings: (The Office and Bottlehouse A Building, The Brewhouse and Cellars Building and the M Cellar Building) It is the team's opinion that the several buildings on the Knoll in combination, and the Brewhouse and Cellars Building in particular, are too large and too bulky to accommodate most adaptive reuse functions. The multiple orientations of the structural frame of the Brewhouse and Cellars Building also will make the removal of the ageing tanks difficult.

Therefore, we developed several test scenarios where selective demolition of various building "blocks" resulted in building configurations better able to support a variety of reuse options. These selective demolition options also improved the natural light and air needed for those uses. Several of these potential selective demolition concepts are shown in Exhibits 3.14, 3.15 and 3.16. For example, the selective demolition shown in Exhibit 3.16 creates a cluster of buildings with depths of 60' to 80', which are suitable for small office and residential uses and for retail lease spaces. The selective

demolition suggested would eliminate portions of the lateral resisting capacity for these buildings and needs to be assessed structurally.

These concepts are not intended to be specific to identified or preferred uses. They are however, generally envisioned as potentially supporting corporate (Exhibit 3.14), educational (Exhibit 3.15), and “town center” (Exhibit 3.16) uses. The town center concept could include a mix of retail, office and residential uses. This concept seems to be generally accepted by the community in the public meetings. The town center idea has been used in the economic analysis presented in Section 4.

The selective demolition of portions of the Brewhouse and Cellars Building, in conjunction with the necessary removal of the concrete façade panels as needed for the application of a new exterior, will require careful structural assessment. See Appendix X for structural observations.

Any redevelopment scenario for the Knoll buildings has to take into account that new construction within the area designated as Shoreline Environment (SE) will face significant regulatory hurdles. For this reason, our consideration of redevelopment options for the Knoll area does not include new construction in the SE mapped zone.

The Valley Buildings (The Warehouse & Bottlehouse B Building, The Empty Bottle Warehouse & Bottle washing Building) The Valley buildings were built as light industrial facilities and warehouses to a high standard of quality and utility for their purpose. They continue to be in good condition and offer highly flexible space. The greatest impediment to their reuse is the likelihood of intermittent flooding of the staging and parking areas surrounding the structures. The floors of the warehouses themselves are set at 4’ above the surrounding area, above the maximum predicted height of flooding.



It should be noted that expansion of the existing building footprints will likely be prohibited by the shorelines and floodplain regulations.

Site access is somewhat limited by the E Street SE bridge capacity. Rail access for freight service should continue to be available in the future.

Utilities appear to be adequate to support most redevelopment options.

These buildings are very suitable for future warehouse and light manufacturing, as long as those functions can tolerate infrequent but unpredictable disruption by flooding. They also may be suitable for other uses such as recreation or business incubators. The column free areas and ceiling heights will not accommodate certain court sports such as tennis and the spaces appear quite adequate for most sport and recreation uses.

Methodology

The key focus of the economic analysis for the project was to consider the potential and challenges of the buildings for development activities from a financial and developer's perspective. To achieve this responsibility, Lorig undertook the following activities:

1. The site development charrette served as a brainstorm for potential development ideas and approaches for the site including and excluding the buildings. Participants in the charrette were provided background material and past studies on the area for the workshop in advance including historic and community information and case studies of other like areas in the country. This workshop generated a number of ideas, not constrained by economic or engineering data about the site and thus served as a vision of what "could be" without consideration practical market constraints.
2. Lorig visited the community and site on at least six occasions to ensure a good sense of the actual condition of the site and its context and help envision potential future uses.
3. Lorig also considered economic trend data for the area from local reports, the TRPC data base and interviews with local real estate experts.
4. Lorig staff conducted extensive and personal research on current market data in the Tumwater Area including apartment, warehouse, and office rental rates, condominium sale prices, land value assessments and the vitality of the local commercial and retail sectors. Lease absorption rates, local construction costs and a number of past economic studies were also considered and the Lorig Team met with the broker on two occasions about potential tenants in a development on the site. The range of office availability, rental rates and comparable opportunities is depicted in Exhibit 4.1. The range of market rate multifamily availability, rental rates and comparable opportunities is depicted in Exhibit 4.2.
5. Based on our market analysis, our own and the community vision for the site, our best experience in similar developments, construction cost estimates, the building specifications and identified uses for the buildings (commercial/retail, multifamily, market-rate rentals, condominiums, and hospitality), current market comparables, and interviews with local experts, Lorig developed proforma analysis for hypothetical residential, commercial and office developments for the site.

Residential Rent Study

Since mixed use development involving multifamily residential was so strongly preferred through the visioning process and since multifamily residential development on the bluff appeared to make most sense, Lorig conducted a more complete apartment rent study using the services of Dupre & Scott. The focus of the study was new (since 2007) single and two bedroom apartments in the area. The tables below show the results of the data research. There were relatively few new apartments available in the area on the date of the assessment which is in part, a good indication that vacancy

rates are low for the new stock. On the other hand, rent rates compared to other areas are also relatively low.

The New Apartments (Since 2007) in the Tumwater / Olympia Area Current Vacancies, One Bedroom Average Rental rate = \$1.14 / sq. foot and the New Apartments (Since 2007) in the Tumwater / Olympia Area Current Vacancies, Two Bedroom Average Rental = \$1.06/ sq. foot.

Most significant to note is that the data for the same unit types for all of King and Pierce Counties average \$180 per square foot.

New Apartments since 2007 in the Tumwater Area Single Bedroom

Comparable Number	Current Rent (\$)	Current rent (\$/nrsf)	NRSF	Other Information
1	948	\$1.25	758	Turnover rent: \$965 (\$1.27/nrsf) Heat paid by: T; Water/sewer paid by: T; Garbage paid by: O; Open parking: Unknown; Carports: Unknown; Garages: 95; Decks: Yes; Fireplaces: Yes; Washers/Dryers: Yes; Elevator: No; Security: No; Rent incentives: Yes
2	941	\$1.26	745	Turnover rent: \$941 (\$1.26/nrsf) Heat paid by: T; Water/sewer paid by: T; Garbage paid by: T; Open parking: Unknown; Carports: Unknown; Garages: Unknown; Decks: Yes; Fireplaces: Yes; Washers/Dryers: Yes; Elevator: No; Security: No; Rent incentives: No
3	875	\$0.92	956	Turnover rent: \$915 (\$0.96/nrsf) Heat paid by: T; Water/sewer paid by: T; Garbage paid by: O; Open parking: Unknown; Carports: Unknown; Garages: 85; Decks: Yes; Fireplaces: No; Washers/Dryers: Yes; Elevator: No; Security: No; Rent incentives: Yes

New Apartments since 2007 in the Tumwater Area Two Bedroom

Comparable Number	Current Rent (\$)	Current rent (\$/nrsf)	NRSF	Other Information
1	1,078	\$1.11	967	Turnover rent: \$1,145 (\$1.18/nrsf) Heat paid by: T; Water/sewer paid by: T; Garbage paid by: O; Open parking: Unknown; Carports: Unknown; Garages: 95; Decks: Yes; Fireplaces: Yes; Washers/Dryers: Yes; Elevator: No; Security: No; Rent incentives: Yes
2	1,134	\$1.15	985	Turnover rent: \$1,134 (\$1.15/nrsf) Heat paid by: T; Water/sewer paid by: T; Garbage paid by: T; Open parking: Unknown; Carports: Unknown; Garages: Unknown; Decks: Yes; Fireplaces: Yes; Washers/Dryers: Yes; Elevator: No; Security: No; Rent incentives: No
3	1,400	\$1.13	1,236	Turnover rent: \$1,650 (\$1.33/nrsf) Heat paid by: T; Water/sewer paid by: T; Garbage paid by: T; Open parking: Unknown; Carports: Unknown; Garages: Unknown; Decks: Yes; Fireplaces: Yes; Washers/Dryers: Yes; Elevator: No; Security: No; Rent incentives: No
4	995	\$0.86	1,156	Turnover rent: \$1,025 (\$0.89/nrsf) Heat paid by: T; Water/sewer paid by: T; Garbage paid by: O; Open parking: Unknown; Carports: Unknown; Garages: 85; Decks: Yes; Fireplaces: No; Washers/Dryers: Yes; Elevator: No; Security:

Development Proforma

As a way of assessing the feasibility of redevelopment of the buildings on the knoll site into a mixed use facility, and / or the development of market rate apartments on the bluff, and as a way of educating the community and decision makers, Lorig used detailed proforma to create hypothetical and interactive (terms can be adjusted on a screen in real time and the results are automatically recalculated) “development” budget calculation tool for potential redevelopment projects. This budget tool was derived from assumptions about lending rates and terms, required equity investment, construction costs and rental rates. The budget for a mixed use multi family residential development derived through the tool appears below.

Summary Development Budget for Tumwater Area (Proforma)						
Basic Loan Terms						
Interest Rate						6%
Debt Service Coverage Ratio						1.25
Amortization Period						30
NOI						
Monthly Income per NRSF						\$ 1.10 ¹
Plus: Monthly Other Income per NRSF						\$ - ²
Less: Monthly Expenses per NRSF	\$ 1.10	X	37%	=		\$ (0.41) ³
Monthly NOI per NRSF						\$ 0.69
Monthly NOI per NRSF						\$ 0.69
Less: Allowable Monthly Debt Service per NRSF	\$ 0.69	/	1.25	=		\$ (0.55)
Monthly Cash Flow per NRSF						\$ 0.14
Annual Cash Flow per NRSF	\$ 0.14	X	12	=		\$ 1.66
Divided: by Capitalization Rate ²						6.15% ⁴
Supportable Equity per NRSF						\$ 27.04
Supportable Debt per NRSF						\$95.03
Supportable Development Costs per NRSF						\$ 122.07

Under the terms assumed in the budget case above, which are comparable to the current market conditions in the area, the developer of the project would have some \$122.07 per square foot to acquire the land, construct the project and pay a return to the project equity investors. This budget is clearly inadequate for most reuse ideas for the Brewery buildings and site. It may be adequate for a multifamily apartment on the Bluff. Currently, the Bluff property is on the market for a sales price of \$5.71 / square foot.

This development budget approach was instrumental in understanding the difficulty of the market in the Tumwater area poses to redevelopment of the site and allowed the focus group to gain an appreciation about the realities of redevelopment.

OVERALL PROJECT CONCLUSION AND RECOMMENDATIONS

Summary

It is difficult if not a disservice to attempt to summarize nearly six months of community engagement, visioning and education and site and economic analysis. Nevertheless, the following points are an attempt to provide such a summary of the consultant Team's observations and conclusions:

1. The Former Olympia Brewery property is viewed by the citizens of Tumwater as a very special property. Many hold very emotional connections to the site and believe that what ever happens to it, future redevelopment must retain the cultural and historical significance that the site has contributed to the community over the years.
2. Tumwater citizens are highly interested in having the former Brewery property develop into an active and special place that serves as an asset and focus for the community both on an economic and cultural level.
3. Citizens have many preferences and views about their vision of the specific elements of what this future special place should include. There is strong agreement that it should involve a mixture of uses including residential and retail as well as public and recreational spaces particularly along the Deschutes River corridor.
4. Citizens expressed a strong desire to have community leaders work hard to achieve their vision to see the property become a special place and believe what does happen to the site must be rooted in community values that serve as an ongoing guide for future development.
5. There is strong support for the City of Tumwater to take urgent and assertive steps to make it happen, including adopting or creating new development tools and roles for the City as it embarks on achieving the vision.
6. In general, most of the buildings and structures included on the property can be physically adapted to many future uses, including most of those embodied in the community vision for the site.
7. The site and buildings have significant assets for future redevelopment including location, property size, adaptability and river connection.
8. Lack of market demand, availability of alternative locations, rent rates, the extensive flood plain involved with the site and construction costs related to rehabilitation and reuse of the buildings pose significant financial impediments to future private development of the site.
9. Many of the challenges to private development of the site should be able to be overcome through the types of private / public partnerships and community advocacy that have achieved similar visions for other large and valued properties in other communities.

Perhaps it is this last point that is most important and deserves further explanation. As the project unfolded, it became clear that the economics of the area and the cost of redevelopment for the site posed a significant impediment to achieving the aspirations of the community.

As a result, the consultant team began to explore the concept of community action to overcome these impediments. The matrix included in the report as Exhibit 5.1 was developed and used to sponsor a conversation about such potential actions.

This conversation in turn led to the discussion and polling about the community's willingness to take action described in the Community Engagement section of this report. And ultimately, this conversation led to an exploration of public / private partnership models by the Oversight Group during its last meeting. As a way of defining potential partnerships, the consultant Team produced a graphic that provides a continuum of examples. That graphic is included as Exhibit 5.2. The tools that emerged from these discussions are:

- *Tax-Credit or Tax-Deferral*
- *Long-term Entitlements*
- *Public Development Authorities*
- *Inclusionary Zoning*
- *Property Use/Street Use Development*
- *Agreements / Contract Rezones*
- *Tax-increment Strategies*
- *Non-Profit Development Organizations*
- *Quasi-Governmental Authorities*
- *Direct Financial Support*

While this “community action and partnership” exploration was never anticipated to be a part of the work scope for the project, in fact, in the opinion of the consultant Team, it may have been one of the most critical elements of the project outcomes since it has the potential to serve as an empowerment for action and a foundation for future work.

Recommendations

The volume of comments received during this visioning process, coupled with the extraordinary optimism and energy exhibited during our public meetings suggests that the community is deeply committed to influencing the future of the Brewery properties. The community embraced the visioning process, bringing their personal history, the legacy of the site, and well thought out ideas to the public meetings. The second and final public meeting concluded with a sense of urgency to move forward, this was evident from the discussion of assertive to aggressive actions and multiple comments suggesting “let’s get going”.

The high level of interest and enthusiasm for making something happen at the former brewery site, and the deep connection the community has with the site calls for attention and action by community leaders. With regard to continued work on achieving the community aspirations for redevelopment of the site and continued community engagement, the consultant Team offers the following recommendations:

1. The City of Tumwater and the TRPC should work to find a way to clarify and simplify the site ownership structure, including investigating the possibility of public ownership of the site potentially as part of the apparent acquisition of part of the site by LOTT. In fact, we believe that the City, the Port and LOTT should work together to acquire at least the Valley for public ownership and future public development.
2. We also recommend that the City and the TRPC work collaboratively to further investigate the constraints and possibilities of redevelopment conforming to the visioning evoked during this project, and explore ways to express, visualize and discover markets and/or partners to help achieve that vision for the Tumwater community. The site needs a public advocate and this City and TRPC partnership could serve as that advocate.
3. Keep the community informed and involved in the next steps for the project. Build upon and maintain the momentum established during this Brewery Visioning process.
4. Refine the Values for development of the Brewery site. Build upon recommendations from the Focus Group regarding continued work on the value statements.
5. Elevate and integrate Brewery Values, Visions and Priorities into subsequent neighborhood, community, and regional planning processes. Certainly one conclusion about the engagement process learned from this project is that engagement is most successful if approached on multiple levels. The “Dear Neighbor” letter from Mayor Kmet to introduce the project to surrounding community, the Public Meeting Announcements with Survey Questions, Press Releases, Public Meeting Agendas, and Questions for Public Comment Cards used during this project should serve as examples for future work.
6. Link the visions for development of the Brewery site with the City’s Strategic and Economic Development Plan.
7. Retain and continue to update the Brewery Visioning project website. Consider establishing an independent link on the City’s home page.
8. Celebrate your success. Acknowledge the dedication of the community and the quality of their contribution to the Brewery Visioning process.

And finally and perhaps most importantly, the consultant Team recommends that the City embark on defining and implementing an action plan to achieve the vision of the community for the future of the Brewery. This plan should engage the regional community in the effort, perhaps through some intergovernmental structure and should be pursued with a sense of urgency to protect and develop this community treasure.