

BREWERY VISIONING PROJECT FOCUS GROUP MEETING #3

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CONVENE: 5:42 p.m.

PRESENT: **Client Oversight Group:** Planning Manager Tim Smith, Senior Planner Veena Tabbutt, Thurston Regional Planning Council (TRPC); Tom Fitzsimmons, Lorig (CEO); Kendra Dahlen, FLT Consulting, Inc.; and Stevan Johnson, Johnson Architecture and Planning; Neil McClanahan, Councilmember.

Focus Group: Eric Carrier, Parks Board; Nancy Stevenson, Planning Commission; Marcus Glasper, Planning Commission; Marnie Slakey, Historic Preservation Commission; Chuck Hoeschen, South Sound Bank; Tom Oliva, Councilmember; Joe Gross, Tumwater Chamber of Commerce; Clarita Mattox, Port of Olympia; David Read, Citizen; Mike Crowe, Citizen; Steve Diddy, Citizen; Troy Dana, Brewery Representative; Gary Wilburn, Citizen; Rob Kirkwood, Citizen; Walter Jorgenson, Citizen; and Eric Kjesbu; Citizen.

Staff: Building & Fire Safety Official John Darnall; and Recording Secretary Cheri Lindgren.

Others: Jon Potter, George Heidgerken, and Patrick Rhodes, representing The Old Brewhouse, LLC; Nancy Partlow, Citizen; David Brubaker, Redevelopment Consultants, LLC; and Cheri Lindgren, Recording Secretary.

WELCOME: The meeting began with an audio of the brewery whistle sounding for the last time. Nancy Partlow provided the recording.

PURPOSE AND GOALS FOR MEETING: Manager Smith outlined the purpose and goals for meeting #3. Stevan Johnson, Johnson Architecture and Planning, will brief the group on site evaluation, structural analysis, constraints, and market conditions. Another goal is engaging members to share information about their vision for the site. A public meeting to receive public feedback on the future for the former Olympia Brewery site is scheduled on May 31.

FOCUS GROUP AND CONSULTANT DISCUSSION OF ISSUES, OPPORTUNITIES, AND PREFERRED VISIONS FOR DEVELOPMENT: Kendra Dahlen reviewed a revised agenda. A portion of the agenda is dedicated to a discussion of brewery property sub-areas identified as The Knoll, The Valley, and The Bluff. The Knoll sub-area is the most complex. Issues to be covered include ownership implications, impact of member comments on next steps, and public meeting notice. Members received copies of the public meeting notice including a public comment sheet. The public is asked to respond to three questions and return the comments to TRPC. Ms. Dahlen displayed a public comment box created by Mr. Johnson. Comment boxes will be placed in the lobby at City Hall and at Tumwater Library. Others will be located at various areas throughout the City over the next several months.

Tom Fitzsimmons reported the intent of the briefing is for members to share information and ideas without constraints but with some knowledge of information. Some of the information might relieve rather than adding constraints. The consultants will capture ideas generated from the discussion and carry them forward to the next step of the process.

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THE KNOLL:

Stevan Johnson reported he participated in evaluating the old Rainier Brewery in Seattle and the Georgia Pacific buildings in Bellingham. Several focus group members have also visited the interior of some of the brewery buildings.

A floodplain is located within most of the Valley. Mr. Johnson pointed out an area flooded in 2009 and the proposed draft 100-year floodplain designation recommended by the Federal Emergency Management Agency (FEMA). FEMA is reviewing photographic evidence provided by the City.

A slide of the Knoll sub-area was presented. The Knoll is comprised of three major buildings to include an office, bottle house A, and maintenance shop. Mr. Johnson identified the locations of M Cellar, and the brewhouse/cellar buildings. The “blocks” represent individual structures constructed on separate foundations built over time.

A plan of the brewhouse/cellar building was provided. The brewery sign was located on the L Cellar building. The brewhouse/cellar structure is unique and offers various possibilities for rehabilitation. However, it is also quite massive. Mr. Johnson reviewed the dimensions of the individual structures. Photographs of the Knoll buildings were presented. Aerial images of Brewhouse C, the last building constructed that overlooks the Valley were shared. Cellars R, S, T buildings are located in the distance.

Members viewed photos showcasing the interiors of the brewery/cellar, bottle house, and office structures. The bottle washing structure is one of the most interesting. It is structurally sound and has extraordinarily good lighting inside. A picture of the southeast corner of the brewhouse was displayed. The walls are an aluminum curtain with uninsulated glass, which are quite attractive. A typical office space within the brewhouse itself was shared.

Additional photographs presented included the pump room, Brewhouse B, and the lower brewhouse. Mr. Johnson outlined the sequence of the gravity brewing process. The cellars, five stories high, 60-feet wide and 100-feet long, were filled with the tanks measuring 10-feet high and 25-feet long. The tanks are in very good condition and there are likely 600 or more in the building. The tanks were supported by separate, massive structural systems. The exterior wall was supported by another structural system, which is typical of how all of the buildings were constructed. The north façade of Cellar S facing the Schmidt Mansion parking lot was displayed. The tanks are set on plinths, which may make removal possible. There may be salvage value associated with the stainless steel tanks. The interior of the building is a fascinating puzzle. Removing tanks from the B Cellar building will prove to be more difficult. The sheer scale of the brewhouse and cellar building is a challenge.

Discussion ensued on potential applications that could take advantage of the tanks rather than having the tanks removed. Each tank can hold approximately 55,000 gallons.

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Mr. Johnson reviewed possible selective demolition schemes, which keeps the building intact:

- Removing A and B tanks and lowering the floor, which begins to expose interior façade elements for the other cellar buildings resulting in more surface area, window possibilities, and smaller floor plates.
- Remove the central core leaving a U-shaped building in place.
- Demolish the building leaving the M, two other cellars, and the brewhouse intact, creating four freestanding structures the size of a small office or apartment building.

Mr. Jorgenson asked whether there was any consideration on the types of heavy-duty industrial uses that could use the unique strength of the upper floors. Mr. Johnson responded that the vertical capacity of the building is quite high. The soils are stable and the tanks are independently supported. The structural grid is 12 feet by 25 feet. Most industrial users prefer a clear span of space. Office, residential, and hotel uses could work around a 12-foot bay. Brewmasters had the best views from the buildings.

Ms. Dahlen said proximity to the river is an issue. Mr. Johnson acknowledged that the M Cellar building hovers very near the lower falls. It's not possible to build within the stream setback, or within 200 feet of the Deschutes River. The buildings have a unique value in that they are in a location where it is no longer possible to build. The views from the roof of the M Cellar building are impressive. The brewhouse and cellars contain approximately 350,000 square feet, which dwarfs any other building in the City.

Discussion ensued on redeveloping buildings located in close proximity to the river. Manager Smith reported the City is updating its Shoreline Master Program (SMP) that will address how to accommodate non-conforming uses and buildings.

It was noted that there is a deed restriction on the property and that the facility cannot be used to manufacture alcoholic beverages.

Mr. Fitzsimmons said it's fair to assume the structure of the existing building is promising as it relates to strength and condition. In essence, the shell is immaterial to the structure. Challenges include the size and the magnitude of the building with existing tanks in the building limiting access. Structurally, there is the potential for a variety of uses. Mr. Johnson added that the walls would have to be removed with any redevelopment.

Discussion followed on redeveloping the building into a parking garage. Mr. Johnson said parking and transportation between floors would be inefficient. Removing the wood framed part of the office building would create a large open surface area that could handle a fair number of cars. The brewery employed 400 people working various shifts. There was some parking behind the buildings north of Custer Way. There is plenty of parking in the Valley. Parking and traffic circulation are issues to

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address during the process.

Mr. Fitzsimmons pointed out that the removal of structures and construction of parking space on the site is a different approach.

Mr. Gross asked whether there is an alley between the M Cellar building and the main block building that could provide access to the Valley. Mr. Johnson identified several routes to the Valley. Mr. Gross asked about the possibility of removing building blocks and relocating them to create modular buildings. Mr. Johnson said it's easier to recycle the steel and construct new.

Members were invited to share their ideas on the Knoll.

Mr. Read commented that the S Cellar building, north of Custer, appears much like a natural parking garage with exterior ramps similar to those found at SeaTac Airport. The issue is whether the floor plates could support the use. Mr. Johnson advised that circulation would need to occur on the exterior because of the complexity associated with the interior of the building. Steel structures are flexible. Mr. Darnall added that a study shows only 30 to 40 cars could be accommodated on each floor without a major renovation.

Ms. Slakey asked whether it's possible for the City to challenge the deed restriction on future owners prohibiting the manufacture of alcoholic beverages. Mr. Johnson advised that the City would need to have a legal standing. It was noted that the restriction is permanent and attached to the deed requiring compliance by any future owner. An option that could be pursued by a future buyer is having the restriction removed by Miller as the restriction could be an impediment to future development.

Ms. Stevenson said a combination of housing, office, and retail mixed use could take advantage of the sizes and shapes of existing facilities.

Mr. Johnson said another option is considering and identifying possible interim uses. Ms. Dahlen added an interim use could bring life back to the site as well.

Councilmember Oliva said he would like to explore a range of uses perhaps starting with some high volume fluid processes to the end of the continuum which is pretty much starting over at the site. The tanks are an asset. At some point it might not be economical to renovate and more economical to demolish. Mr. Johnson advised that rehabilitating the buildings is an intended goal and one that is important to communities.

Rather than spending time on identifying interim uses, Councilmember Oliva suggested the focus group should identify community values for the space located in the heart of city, next to the river with very good visibility taking into account the historical parameters.

Focus group members offered comments:

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- One value is contributing to the economic vitality of the community.
- A manufacturing use, such as a fertilizer plant would not be compatible next to the river.
- There are a myriad of other liquid uses such as shampoo.
- Any fluid use should be nontoxic.
- The focus group should discuss objectives/goals for the property first. Uses would then be more obvious. Mr. Fitzsimmons replied that in terms of additional discussion around objectives and goals, there is an existing set of the values and some visioning work has already been completed. The City has adopted a Strategic Plan and the EDP. The issue to address is identifying potential end users as it's difficult for the consultants to quantify jobs in terms of development potential.
- The location is in a prime area. The property is on an active railroad line with easy access from the freeway and next to the river.
- The value of the location outweighs the value of the buildings on the site.
- Some members liked the idea of removing some of the interior of the buildings and exposing new surfaces. Another consideration is connecting the site to downtown Olympia. Previously, a railroad car traveled in the area of the China Clipper restaurant in the 1950s. It would be beneficial to consider further enhancement of the established arts community. Industry and manufacturing are seeking new spaces. It appears easier to build a new structure rather than renovating an existing building. The "ah ha" for the brewery is to invite a campus user, such as a software company, arts, for-profit colleges, or nonprofit schools. There are schools, which lease space, providing tenants with access to school facilities. Another option is creating a center for users, such as art manufacturers. It's difficult to imagine how to attract industry to the old brewery property. It's likely a developer could build what it wants for less than what it might cost to renovate.

Discussion ensued concerning artists in residency programs and focused marketing.

- Another possible use is an international beer museum.
- Exposed utilities and/or wiring running along the ceiling in a high tech or industrial environment could be attractive.
- Maximizing the view and reuse of structures within the southerly portions of the site was mentioned. Offering users with ready access to the river could also be a valuable component.
- Members liked demolition scheme #2 that removes the middle of a building creating a U-shape providing additional light. The exterior would remain the same with a mix of vibrant uses such as residential and commercial. Members also liked the idea of removing the wooden part of the office building in the back making it difficult to view one or two levels of parking from the street.
- The region could use a hotel/conference center. A restaurant could flank one side with condominiums located on the other side. Mr. Fitzsimmons pointed out that the option supports integrated and mixed-use holistic development, which points to the campus idea with multiple uses.
- The brewery is over. There is no value in retaining the brewery just for the sake of

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keeping it alive. The City can maintain the memory of the brewery through plaques and art. The most important consideration is acquiring the 400 family wage jobs lost jobs and connecting the property to downtown Olympia. Uses within a campus setting must be compatible. Is it possible to create a feature and turn a segment of the river into a white water river with kayak manufacturers on the property while preserving salmon runs?

THE VALLEY:

Mr. Johnson provided a slide of the Valley. Uses within the bottle house/warehouse structures include a keg building, paint/carpenter shop, bottle washing warehouses, and a shipping/receiving office. The warehouse is extremely large and in good condition. The warehouse was constructed in sections with the dimensions of warehouses 1, 2, and 3 shared with members. The structures are classic, industrial warehouse buildings.

Ms. Stevenson asked whether food processing is a possibility within the warehouses. Mr. Johnson said food processing is more about the equipment rather than the building. The warehouses could accommodate food processing.

Images of the Valley buildings were shared. Mr. Johnson identified the location of the old railroad loading dock, the tunnel under Custer, the entrance to the brewhouse, and the bottle wash building. The first two warehouses provide good space, excellent light, and feature beams. The Valley buildings total approximately 324,000 square feet.

Discussion ensued on whether the warehouses could be served exclusively by rail rather than by truck. Mr. Johnson said the rail tracks are active. The E Street bridge was built in the 1960s simultaneously with the last warehouse. The bridge is in good condition.

Mr. Johnson provided additional information on the trusses consisting of some open web trusses and some glue lams. There is approximately a 24-foot clear span to the bottom of the beam representing an essentially well-built warehouse built four feet above the floodplain. Four feet is at the truck bed and rail car height. The warehouse is geared for producing widgets or shipping products in and out.

Members discussed recreation equipment manufacturing, the concept of a sports complex, and regulatory policies.

Mr. Fitzsimmons advised that if FEMA adopts the 100-year floodplain map as proposed, local jurisdiction develop building regulations within the floodplain that include no new construction, and/or restrictions and conditions in renovating existing structures. The City is currently updating its Critical Areas Ordinance (CAO) and SMP that will guide what is or isn't allowed in the floodplain. Current regulations suggest no new construction would be allowed in the floodplain with the exception of utilities. He referred to LOTT's interest in building a gray water facility. The facility is completely self-contained and protected from floodwater that could possibly interfere with the functionality of that type of use. Future construction within the floodplain zone is significantly defined by the City's no new construction regulation. He provided additional information about levees.

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Members offered the following comments on the Valley:

- The space could easily be adapted to accommodate wine storage and/or distribution.
- There is an incredible opportunity for public access along the river and bridging the gap between Falls Park and the golf course. Members would like to see the green space linked with development of public sports fields similar to Yuager Park in Olympia, which absorbs flooding events. Flooding problems will increase as more impervious surfaces are created.
- It's important to have a functioning river with a functioning riparian system.

THE BLUFF:

Mr. Johnson provided a slide of the two-acre Bluff site. Images looking south, west, and north on Cleveland Avenue were shared. He reviewed the property boundaries and pointed to the location of the one million gallon water tank. The City owns the parcel, which measures approximately 140 feet deep and 625 feet long. It is currently zoned Light Industrial. A plan with three-story apartment buildings (two, 28 unit structures and one, 26 unit structure) was shared to provide members with a better a sense of the site's capacity. Parking (30 stalls) would be located under the buildings.

Councilmember McClanahan provided additional information concerning the E Street connection to Cleveland Avenue proposal.

Members and staff discussed the ownership pattern, critical slope, and trees abutting the property. A logical conclusion for the property is residential use. Mr. Fitzsimmons said the consultants are open to other ideas. There are noise issues from the freeway and Cleveland Avenue. Ms. Dahlen added that this is the easiest site in terms of its development potential. Members will receive some market data at a future meeting.

Discussion followed on costs associated with demolition. Mr. Johnson noted that the buildings on the Knoll are on a solid foundation on what's called "spread footings." Demolishing the buildings and removing the foundations is not a problem and neither is leaving the foundations intact. Costs vary \$15 to \$25 per square foot leading to a multi-million dollar demolition project. Demolishing the buildings might jeopardize the possibility of redevelopment because of its proximity to the river.

CLOSING COMMENTS:

Mr. Fitzsimmons said information on costs in terms of square footage will be shared at a future meeting. Although some of the ideas are interesting, uses must be financially feasible for the developer. There are ways to close the income/expenditure gap. Potential ways to overcome economics is an important conversation particularly for the Knoll. There are also different rules associated with a number of potential uses.

Erin Carrier left the meeting.

Ms. Dahlen and Mr. Fitzsimmons said the advantages of the site include visibility, it is valued by the community, and it's huge asset in terms of its location to the urban center

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and its ability to adapt to a variety of different uses.

Members discussed tax incentives for brown field developments, historic rehabilitation, and other projects, and the status of an environmental analysis. Mr. Fitzsimmons said a next step could be finding a way to attract a developer whose desire is similar to the community's by developing the space based on the community's vision.

Marnie Slakey left the meeting.

Troy Dana shared that over the last 14 days there have been 12,900 searches on the internet pertaining to Olympia Beer, the Olympia Brewery, Tumwater, and other similar searches. Of the 12,900 searches, 756 actually visited the page on the site that is for sale. A number of visitors downloaded all of information available or contacted him. Those that contacted him were having some difficulty in comprehending the size of the property and the comfort level associated with the size and complexity of the facility. In order to obtain success in creating new jobs, the focus group should consider the facility in the context of its assets and complexity as well as its size. The current owners have 48 other properties across the country. A mixed-use development is a possible solution.

Councilmember McClanahan said it appears the Bluff area is ideal for commercial and/or condominium development. Large warehousing facilities, such as the Target warehouse in Lacey, could be attracted to the Valley. The Knoll is a prime site with the most efficient access and proximity to the river and rail. It might be possible to use the warehouse for storage of wine. It's difficult in today's environment to find market rate housing in the community particularly as it relates to condos.

Gary Wilburn, Nancy Stevenson, and Marcus Glasper left the meeting.

Ms. Dahlen reminded everyone of the public meeting on Tuesday, May 31 at the Tumwater Valley Lodge. She described the meeting format.

The next meeting of the focus group is June 16, 2011. The final meeting is on July 13.

ADJOURNMENT: With there being no further business, the meeting was adjourned at 7:49 p.m.

Prepared by Cheri Lindgren, Recording Secretary
Puget Sound Meeting Services