

BREWERY VISIONING PROJECT FOCUS GROUP MEETING #2

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CONVENE: 5:38 p.m.

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

Client Oversight Group: Mayor Pete Kmet, City Administrator John Doan, Community Development Director Mike Matlock, Planning Manager Tim Smith, Veena Tabbutt, Thurston Regional Planning Council (TRPC); Kathy McCormick, TRPC; Tom Fitzsimmons, Lorig (CEO); and Kendra Dahlen, FLT Consulting, Inc.

Others: Chuck Hoeschen, South Sound Bank and Recording Secretary Cheri Lindgren.

WELCOME: Mayor Pete Kmet welcomed everyone to the meeting.

Mayor Kmet thanked members for their willingness to participate on the focus group. This is a great opportunity for the focus group to guide the consultant and staff as the City embarks on a broader community involvement.

Kendra Dahlen reviewed the meeting agenda. Some items recently discovered at the brewery site include a 1,000-watt light bulb, a bottle carrier found in the tasting room, placards from 1990 (Miller Brewing Company) highlighting a vision, desired future state, mission, a plan to get there, and business strategies, which are appropriate for this process. The Olympia Tumwater Foundation provided the group with a "Tumwater Falls Park – A Gift to the Community for 50 Years" flyer, a 2011 calendar, and a copy of the original stock certificate (1876). The flyer includes a map and a sequential history of the brewery (1845-2003). A copy of, "It's the Future," a community vision for the Tumwater Brewery Report from the June 25, 2003 community forum, was also provided.

STRATEGIC PLAN VISION LANGUAGE AND FOCUS GROUP MEMBER COMMENTS:

Manager Smith provided additional information on the City's Strategic Plan (SP) process initiated in 2007. The objective was developing broad City priorities and a policy document. The Council created strategic policies to pursue over the next 5 years. Concurrently, the City was also working to develop an Economic Development Plan (EDP). There is language in both plans discussing the Brewery specifically. The SP refers to the brewery as an opportunity area; a

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regional/destination draw for the City. The EDP includes suggestions on different areas of the brewery properties and potential uses.

Manager Smith outlined the boundaries of the new Brewery Neighborhood of approximately 500 acres on an aerial map. Outcomes from this process will inform the subarea planning process next year. The Brewery Neighborhood is the historic corridor of the City. Many people consider it one of the main downtown or shopping areas in Tumwater. The area is dated and underdeveloped. There are opportunities for new, mixed-use, and pedestrian-oriented development.

Ms. Dahlen referred to comments members provided at the last meeting on their interest in participating in the focus group. Those comments represented values and a potential vision for the site, which have been captured on a display board. The comments are in three categories representing: Achieve Potential; Brewery Represents our Community's History and Identity; and Critical to the Entire Community.

Ms. Dahlen reviewed comments shared by the focus group at the last meeting. Members were invited to write other ideas on the display, which will become a working visioning document updated and posted at each meeting.

Mr. Fitzsimmons advised that the charge is developing a vision and achievable outcomes in terms of implementing the vision. The June 25, 2003 Community Forum Report provides a framework for developing vision, mission, and values that will be incorporated into the work. Vision, strategic view, and values depicting a vision for the site and properties will be a major outcome. The process affords the public with an opportunity to engage and the focus group will engage in the effort as the process moves forward. The vision includes an additional objective of considering the vitality, functionality, and usability of the large site to achieve energy outcome goals and objectives for corridor planning and urban development.

PROJECT STATUS AND SITE EVALUATION PROCESS:

Mr. Fitzsimmons reported the consultants developed and presented an engagement plan to the Client Oversight Group. He commented on the individual and team site visits. Market research has begun.

Members received an "Olympia Brewery Visioning: Alternative Use Screening" document. The tool will assist in screening or filtering alternatives for development. Mr. Fitzsimmons provided an overview of the technical, regulatory, and market/finance screening methods. The intent is developing a list of alternative uses that will be embedded in the values and vision for the site. The list will be endorsed by the group and serves as an instrument for the future.

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The consultants are evaluating the complexity of the site. It's important that the community understands the complexity involved in the process. One complexity is the size of the site. Several developments could occur on the site with the remaining site dwarfing such development. Another complexity is topography of the site.

Mr. Fitzsimmons displayed a series of slides including a ground shot "looking up" photo of the new brewhouse that housed the copper tanks. It is a good size office building within the Thurston County area in terms of the number of floors and floor plates. In retrofitting a building for reuse, architects consider floor plates - how large and how strong are the floor plates, what they rest on, and the difficulty or adaptability for new uses. It's essentially a floor-by-floor exercise. People typically think 80-foot floor plate dimensions are adaptive for hotel rooms and apartments. The floor plates in the building are larger than 80 feet. More information will be provided at future meetings.

The intent is evaluating a number of areas to include the historic brewery structure, Bellatorre property, parcels owned by the municipalities, former brewery facilities, valley properties, and the Cleveland bluff parcels. It's difficult to develop the brewery property in its entirety given the scale, configuration, and complexity. A significant portion of the property is privately owned. Size and scale must be considered within the visioning process.

Mr. Fitzsimmons referred to LOTT's gray water facility configuration that could occupy a great deal of the valley floor. An issue is whether there is sufficient space to meet LOTT's needs and provide for light industrial uses and job creation.

Mr. Fitzsimmons presented an ownership map. Parcels labeled "3" are imbedded in some of LOTT's proposal. Lot lines should not necessarily define the future. It's possible to move property boundaries to create more desirable configurations. He encouraged members to think about the land and how it could be used for economic development.

Another consideration is obtaining as-built drawings to understand how existing facilities might be adaptively reused and/or demolished so that the land could be used for other uses. He presented an image of a subset of plans for the large warehouse at the south end of the building, and a set of plans for the buildings just south of Cleveland on the hill. Each box represents an individual plan built over a series of years and permitted separately. Mr. Fitzsimmons described how the brewery owner built the tanks and designed a box that was built around the tanks. The buildings have strong floors, are devoid of HVAC systems, many of the areas were purposely kept cold, and the skeleton around the floor plates are very strong. However, the skeleton evolved over time.

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He presented a slide of a set of storage tanks in a cool room framed in by solid steel on an exceptionally strong floor plate. Some salvage value is associated with reconfiguring the space, which would offset the cost of adaptive reuse.

Mr. Fitzsimmons provided a slide highlighting the space when entering the old brewery structure. Girders/beams support the space. The drawings indicate a floor plate strength ranging between 250-500 pounds per square foot. Reuse of the site with foundations is feasible. Office buildings typically include approximately 30,000 gross square feet on a floor plate. Another intriguing site is the bottle washing area.

The remainder of the building is fairly straightforward and has fair potential for reuse. As an example, the market in this area would support a hotel with 150 rooms, which could fit within the building. A fair amount of the remaining buildings might be demolished to provide light and air for the hotel.

Because of the sequential development for the entirety of the buildings, there will be complexity in treating them as a single, unified floor plate. Given the size of the buildings, it may be overcome by simply not using all floor plates and demolishing what's not needed.

A slide was shared illustrating the strength and good condition of the steel constructed skeleton of the warehouse within the valley, which totals approximately 322,000 square feet. Mr. Fitzsimmons described the current characteristics of the roof structure. Challenges of reuse include access, infrastructure, ownership, and end user issues. The site and where it's located is a factor together with the changing nature of the warehousing industry.

Ms. Dahlen reported on Steve Johnson's attendance at the next meeting, which will likely be two hours in length. She invited comments and questions from members.

COMMENTS, QUESTIONS, AND DISCUSSION:

Mr. Yerrington asked about the status of LOTT's proposal. Mr. Fitzsimmons replied that the seller and buyer have not reached an agreement. There is time to have some influence on the project.

Ms. Slakey asked about the type of market analysis to be completed to identify alternatives. Mr. Fitzsimmons said that key market factor forces will have influence on the future of the site that are driven by the regional economy and the state's budget. Because it's a regional facility, regional forces, such as jobs and job creation, housing, land costs, and values will be considered as well. For example, a number of apartment/condominium buildings were built during the last decade near the Glass Museum in Tacoma. The 800 to 900 square-foot units were

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built at a cost ranging from \$1.45-\$1.60 per square foot, which includes parking. Factoring financing and operational expenses, the projects entered the market with rental rates between \$1.85-\$2.05 per square foot, or approximately \$1,200 per month. The average rental rates in Olympia are \$1.00 a square foot. Additional data including demographics and statistics will be presented to the focus group at a future meeting. Vacancy rates are up. Banks are loaning 65% loan to value compared to 80% loan to value in the past. Banks also require debt coverage of 1:2 rather than 1:1. The risk ultimately finds its way into a cost center for delivering an apartment. Those are the types of financial issues the group will consider for uses involving warehousing, hotels, multi-family, and office buildings.

Mr. Read asked about the potential of using a portion of the site for a microbrewery, such as a McMenamins or Fish Tail Brewery. Mr. Fitzsimmons responded that those questions will be asked and answered. A facility such as McMenamins falls under the hospitality concept. There are also deed restrictions regarding brewing on the property that will require some research.

Discussion ensued on water and sewer utilities to the site. Mr. Dana advised that there is sewer at the facility. The City requires redirection of flow. Water is also available. Water rights no longer reside with the property, which were condemned by the three cities and Thurston County.

Mr. Fitzsimmons said an early review of the site suggests transportation and access are critical to future uses. Additional evaluation is necessary to understand infrastructure issues to support future reuse of the site. The "E" Street bridge is privately owned by the property. Another consideration is the Boston Street Bridge and the number of trips per day it can support.

Members discussed the alternative use screening tool. Mr. Jorgensen suggested the focus group should be armed with constraint parameters prior to developing a list of alternatives. Mr. Fitzsimmons affirmed that is the intent. However, foreclosing any options is not an objective. It's possible to predict what the market might support and likely not support, which will help screen alternatives.

Mr. Jorgensen commented there might be one building that could be used very effectively and intensively, which might open up other options. Mr. Fitzsimmons said that uses within subareas could impact future uses for other subareas.

Robert Kirkwood left the meeting.

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Ms. Carrier referred to the proposed LOTT gray-water facility site. It appears there are areas that are not easily accessible and might not be a good use of the space. Mayor Kmet responded that the map illustrates parcels that are under consideration for the facility. Approximately 12 to 15 acres are needed for the proposal. LOTT is seriously considering properties under the bluff. A large part of the facility includes below ground tanks similar to the Martin Way satellite treatment plant. He referred to potential mitigation opportunities along the Deschutes River to help offset other impacts.

Mr. Wilburn asked whether the wellfield will remain in the same location, and if additional infrastructure will be required to deliver water to service areas. Mr. Fitzsimmons replied that those questions will be addressed as the process moves forward. There are processes in place to learn about water and facility needs. He pointed out how wellhead protection areas and clearance zones around the wellfield also impact availability of usable land.

Ms. Stevenson commented on a suggestion for using a portion of the property for a food-processing site.

Nancy Partlow asked whether there will be a discussion about flooding in the valley. Mr. Fitzsimmons advised that issue is addressed during the Federal Emergency Management Agency (FEMA) regulatory screen process. Ms. Partlow referred to public access to the river, restoration of the riverbank, and how volcanic rock is a major impediment for people to enjoy the river.

Mr. Cade asked about historical factors that could impact market rates. Mr. Fitzsimmons advised that there are potentials for an increase in value for some areas of the site. For example, there are views along the Cleveland bluff that might drive market rates up. The downside is the number of sites near urban populations that could support large retail shopping uses. This property is not well suited for that type of use, which is compounded by access and infrastructure issues.

Ms. Carrier left the meeting.

Discussion ensued on the feasibility of building near the “bluff” along Cleveland Avenue. Mr. Fitzsimmons advised that the City’s Capital Facilities Plan (CFP) will be reviewed as part of the visioning process. It’s important to acknowledge other needs in the community that are identified in the CFP.

Councilmember Oliva commented that other characteristics that could increase the value of the site include access to the rail line and visibility from I-5. He suggested a future discussion of public/private partnership

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models, and public uses (community college and state agencies) for the site because of its historic and strategic location.

ADDITIONAL COMMENTS:

Ms. Dahlen reported the next meeting is on May 19 from 5:30 p.m. – 7:30 p.m.

Mayor Kmet shared that this is an iconic piece of property for the City. It has been a focal point for years and represents a tremendous opportunity. There are challenges and this process will inform potential redevelopment alternatives. Redevelopment could take decades to accomplish. He expressed appreciation to members for their willingness to take time to participate in the process and developing a plan to present to the community.

ADJOURNMENT:

With there being no further business, the meeting was adjourned at 6:57 p.m.

Prepared by Cheri Lindgren, Recording Secretary
Puget Sound Meeting Services