

**DATE:** September 12, 2013 **ECO Project #: 20765**  
**TO:** Keith Stahley  
**FROM:** Lorelei Juntunen, Abe Farkas, Emily Picha  
**SUBJECT:** STATUS REPORT AND NEXT STEPS: CRA PLAN DEVELOPMENT

---

This memorandum is a mid-point progress report for ECONorthwest’s (ECO’s) contract with the City of Olympia to produce two related but separate deliverables: (1) Component A: an evaluation of Redevelopment Opportunities and Implementation Options (2) Component B: Community Renewal Area for Downtown. The memorandum addresses these deliverables separately, providing recommended revisions for Component B deliverables.

**Component A**

While ECO’s schedule for this deliverable has been extended for a variety of process-related reasons, we anticipate that we will complete the document and present results to City Council Oct 1. Our Component A budget totaled \$20,000. We expect to incorporate comments and complete the presentation without exceeding this budget.

**Component B**

The Component B scope of work is divided into two major written deliverables (with process and research tasks supporting these deliverables): (1) CRA feasibility analysis; (2) CRA plan document. The table below provides an overview of status on these deliverables.

Written deliverable	Description from scope	Status	Notes
CRA Feasibility Analysis	Analyze benefits and constraints of creating a CRA in Downtown Olympia, resulting in a concise report describing how CRA works, what types of projects it is useful for, and limitations.	Review draft submitted per schedule in Contract. Some revisions needed to reflect ongoing conversations with the CAC about isthmus property.	Expect to complete this on budget per contract.
CRA Plan document	Draft and present a CRA Plan to City Council that has broad-based support from the Community and provides a clear path forward for the next five years while meeting the requirements of the RCW	Progress made via the feasibility analysis on major sections of document, and substantial stakeholder outreach has been conducted. <sup>1</sup> However, significant work remains to complete the Plan document per the contract.	Rescope necessary to address stakeholder concerns raised in the Feasibility Analysis, and to focus on the Isthmus. Major deliverable remains a CRA Plan document for the downtown area, with visualizations.

---

<sup>1</sup> This includes two CAC meetings, several Ad Hoc committee meetings, one work session with Council, and substantial contact with property owners (interviews and two brownbag sessions).

### Proposal for completing Component B CRA Plan document with remaining budget

The total budget for both deliverables in Component B is \$85,000. We estimate that, at the end of September's invoicing period, we will have about \$35,000 remaining of this Component B budget. The work items outlined below can be completed within the remaining budget, though our feeling is that the budget will be tight and we will be watching it closely and communicating any challenges we face.

Comment [LJ1]: Em – probably need to revise this language

The goal of the rescope is to produce **an adoptable CRA plan** that will: (1) address stakeholder concerns about community renewal and help the City as stakeholders reach consensus on a vision for Isthmus redevelopment (2) define viable projects for the Isthmus and roles that community renewal can play to achieve these and (3) explain the potential that community renewal brings to implementing redevelopment in the larger downtown area.

We are recommending a transition away from using Mithun Architects (our previous team member) and toward Fregonese Associates. Fregonese Associates is a planning firm with whom ECO works frequently. We feel that they can provide facilitation, visualization, and urban design skills that will increase the likelihood of stakeholder buy-in, in a design process focused on the Isthmus. In our experience, they have been very efficient with their work, approachable to community members, and flexible in dealing with difficult situations. We highly value Mithun, but the transition in this scope from a building-specific approach to an area redevelopment approach suggests that Fregonese Associates may be a better fit. We have spoken with John Fregonese, and he is willing and available to facilitate the workshop described in the revised scope below.

The following text revises our original scope of work in ECO's contract to describe the remaining process. We have removed language that references tasks that are already complete or nearly complete, in particular, the CRA feasibility analysis, downtown market area characterization, finalization of the CERB Grant contract, and CAC meetings or other outreach that occurred in the past. In other words, the text describes the steps necessary to complete the work within the budget remaining.

### Recommended revisions to Component B scope text, to complete a CRA document

#### *Expected outcomes:*

- Support outreach and education efforts around the creation of the Community Renewal Area.
- Create a Community Renewal Plan for Downtown Olympia as required by RCW 35.81.010(18) for Council's consideration.
- Identify what land is to be acquired, buildings demolished or redeveloped and what improvements are to be carried out to revitalize Downtown.
- Identify what changes in existing land use regulations are necessary to implement the Community Renewal Plan.
- Create an action plan with clear next steps for project implementation.
- Provide an ample opportunity for public engagement while sustaining a sense of urgency and an action orientation.

*Tasks:*

**B1. OUTREACH TO STAKEHOLDERS**

This plan would rely heavily on input from key stakeholders and the general public. Key personnel from the Consultant Team would assist the City in establishing a Community Advisory Committee (CAC) comprised of local property owners, residents and representatives of affected businesses. The Consultant Team would implement, together with staff, a three-step process to address the issues required to be addressed in the CRA plan.

**Step 1: CAC meeting (early October 2013).**

\*\*\*prework: 1: get together with CAC and talk to them about horizon and get them to agree to a workshop and agree on process,\*\*\* ADD budget for this?? Do we need to ask for more??

**Comment [LJ2]:** I ran out of time to draft language. Can you finalize?

**Step 2: Workshop (early November 2013)**

The Consultant will work with the City to host a workshop with CAC members (including key property owners) to address issues raised in the initial CAC meetings. The workshop will focus on the Isthmus area, and be organized as a half-day workshop, facilitated by John Fregonese from Fregonese Associates. ECO will work with John and City staff to design the details of the workshop, but in general, it will follow this format:

We recommend targeting late-October or early Nov for the workshop, to give plenty of time to recruit participants and solidify workshop materials.

- ECONorthwest will present the work done thus far, including market analysis work done for downtown Olympia.
- The purpose of the workshop will be to get agreement on potential uses, public improvements, and design characteristics for Isthmus properties.
- Fregonese Associates uses instant polling technology very effectively to “take the temperature” of participants anonymously, and would use this technology for this workshop to try to reach consensus.

The workshop approach carries some risks. It is possible that the CAC will not come to a clear consensus on uses, or after the presentation on the market analysis, will suggest uses that are not market-viable. If this occurs, ECO and City staff will revisit the remainder of this scope and determine the best path forward. In an ideal world, however, when the workshop is complete, Fregonese Associates will design one or two (depending on the degree of agreement) conceptual diagrams. In this phone check-in with staff, we will determine what our next steps are, align those with our remaining budget, and confirm the path forward.

**Step 3: CAC meeting (early December)**

We will present the results in a final (third) CAC meeting, along with ideas for how to implement them, to get feedback for incorporation into a CRA Plan document.

## **B2.PLANNING AND ANALYSIS**

**B. Evaluation of Blight.** The ECO Team would analyze socio-demographic trends in the Area, including unemployment, household income, as well as real estate trends such as improvement-to-land-value ratios (I:L), vacancy rates, floor-to-area (FAR) ratios and visual surveys. Using these data, the Consultant would help the City determine to what extent Downtown Olympia suffers from blight, and which areas of Downtown are most crucial to include in the proposed CRA. After determining blight and working with the City staff to identify boundaries for the proposed CRA, the Consultant Team would work with City staff and the Community Advisory Committee to identify specific actions that the City could take to alleviate blight in the CRA and spur private redevelopment and investment in the Area. City staff will recommend a boundary for the analysis and for the CRA itself. ECO's work will focus on the Isthmus, as the areas with the first set of activities to be completed in the CRA.

### **C. Project identification and evaluation on the Isthmus.**

An outcome of the workshop will be a conceptual visualization (or possibly two options) for the area's redevelopment that matches the vision developed through the workshop process, and an action plan for implementing the concept. These visualizations, based on preliminary land use code and regulations review, and review of market data and economic viability, will help communicate to the community the power of a public-private partnership on the Isthmus to transform Downtown Olympia into a more vibrant, urban community. Realizing that many projects would not pencil out through private resources alone, ECONorthwest will examine a range of financing tools that could help spur new development in Downtown Olympia, including State and Federal grants, Local Improvement Districts, Section 108 loans, EB5 foreign investments, sole-source Impact Fees, City revenue bonds, and various tax credits and abatements. While the numbers will be estimates, the team will also roughly forecast future tax revenues that could be generated through redevelopment of the Isthmus.

Where appropriate, the Consultant will recommend changes to local land-use regulations to better facilitate the desired redevelopment on the Isthmus. During this analysis, the Consultant will work with staff to confirm consistency with other City planning efforts, such as the updates of the City's Comprehensive Plan and Shoreline Master Program.

## **B3. REPORT AND RECOMMENDATIONS (JANUARY 2014)**

The Consultant Team will draft and present a CRA Plan to City Council that has broad-based support from the community, and achieves the City's vision for a more vibrant Downtown and provides a clear path forward on Isthmus properties for the next five years while meeting the requirements of the Revised Code of Washington as provided in 35.81.010(18).