OLD BREWERY

LONG RANGE PLAN

CITY OF TUMWATER
POLICY AND PLANNING DEPARTMENT

1996

TABLE OF CONTENTS

INTRODUCTION

This is a long-range strategic plan for the City of Tumwater outlining its approach to restoration and adaptive re-use of the Old Olympia Brewery complex in Tumwater's New Market Historic District.

Past literature about the historic preservation of the Historic District contains three recurrent goals:

Saving the Brewhouse
Supporting the preservation of the Crosby and the Henderson Houses
Interpreting the rich history of the District

Economic feasibility of reusing the Brewhouse and access to the site are challenges identified as early as 1977.

In 1992, the City of Tumwater began work on a New Market Historic District Master Plan. The goal of the project was to identify how to achieve a historic-commercial district that would use the attributes of the natural and man-made environments; provide opportunities for public recreation, education and historical interpretation; and efficiently move people into and out of the area. Emphasis in the plan was placed on an assessment of the potential rehabilitation of the Old Olympia Brewery as the centerpiece of this historic-commercial district.

Since its adoption in 1993, the New Market Historic District Master Plan has served as the guide for ongoing planning and development efforts in the entire district. This strategic plan carries forward the recommendations of the Historic District Master Plan regarding the Old Olympia Brewery complex into a planning document focussed on the future of that group of structures.

EXISTING CONDITIONS

Historical Designation Status

Tumwater has been recognized by the Washington State Historic Preservation Officer as a Certified Local Government. The Tumwater/New Market Historic District is listed in the National Register of Historic Places.

The Historic District is notable for its historic and prehistoric archaeology, its patterns of early settlement and industrial use, and its architectural and natural beauty. Preliminary archaeological investigations indicate the area near the mouth of the Deschutes may have been occupied for 500 years or more before the arrival of white settlers. In 1845, the area served as a northern branch of the Oregon Trail. The town of New Market established an American foothold in the region, predating the boundary settlement between the United States and Great Britain in 1846.

The Historic District includes 25 contributing features. The Old Olympia Brewery complex is listed as a pivotal historic structure on the National Register Nomination.

The historic brewery complex was built across the river from the residential center of early Tumwater. Leopold E. Schmidt chose to relocate his Centennial Brewery from Butte, Montana to Tumwater after learning of the artesian wells in Tumwater and after sampling and testing the water. He purchased the Biles and Carter Tannery site located at the mouth of the Deschutes River and obtained water rights to the lower falls as a source of power. He named his company the Capital Brewing Company and produced its first beer, Olympia Pale Export, in October of 1896.

Prior to the existing structures, a series of wooden structures and piers housed the brewery operations between 1896 and 1906 when the existing brick factory was built. The Brewhouse was built between 1905 - 1906.

East of the Brewhouse are two small cement block structures constructed in 1927 for a proposed paper mill. To the east of these are galvanized storage sheds approximately 200 feet by 30 feet. Adjoining the sheds is an 80-foot square, two-story concrete building built in 1907 as a cooperage shop and piston plant. Near the northeast corner of the building complex is a small brick structure housing the pump facilities for the first artesian well used by Leopold Schmidt. Other well openings are to the south of the paper mill building. South of the concrete building is a 320' by 80' rectangular structure originally built for the paper mill. Next to it is the other original brewery building which was used as a brew cellar.

In 1921, the brewery closed and the site was sold. The site went through a series of ownerships and uses including a paper company, a manufacturing plant, and a kitchen cabinet manufacturer. The Olympia Brewery purchased the site in 1965 for storage.

Extending south up the hill from the brewery complex were the Olympia Light and Power trolley tracks.

The following is a list of structures and sites included in the National Register Nomination for the Tumwater Historic District, which are shown on Map 1.

1.Ward and Hayes Sawmill (1852)
2. Olympia Light and Power Company Penstock Headgates (1905)
3. Washington State Department of Fisheries fish ladders (1952)
4. Granite monument commemorating arrival of first settlers to Tumwater
5. Roadbed of the Olympia and Chehalis Valley Railroad
6. Washington Flour Mill
7. Olympia Light Company Power Plant (1883)
8. Puget Sound Power and Light Substation (1970's)
9. Primary historic structure: The Leopold Schmidt House
10. Olympia Light Company Power Plant No. 2 (1905)
11. Simmons Gristmill (1846)
12. Horton Water Pipe Factory (1868)
13. Puget Sound Milling Company (1847)
14. Lincoln Flour Mill (1861)
15. Kendal Furniture and Chair Factory, Pressey Box Factory, and others
16. Esterly Mill
17.Pivotal Historic Structure: Old Olympia Brewery Complex (beginning 1906)
18. Biles and Carter Tannery (1860's)
19. Secondary historic structure: Henderson House (1905)
20. Primary historic structure: Nathanial Crosby III House (1858)
21. McIntosh House (1890)
22. Biles House (1860)
23. Esterly House (1895)
24. Whitemarsh Sawmill (1872)
25. S. N. Cooper Glazing

Land Use and Zoning

Map 2 shows existing conditions and land uses surrounding the Old Olympia Brewery site. To the north and west of the site is the remainder of the New Market Historic District and the Interstate 5 freeway and Deschutes Way, which create a major barrier between the district and adjacent uses. To the south of the site is the currently operating Olympia Brewery and the Tumwater Falls Park. Along the west side of the Brewery, the Deschutes River runs through a ravine which includes two waterfalls. To the east of the site a combination of commercial and residential uses can be found. These uses are removed from the site by an elevation change of almost 100 feet and very steep, wooded slopes. An active Union Pacific railroad line traverses this hillside. Noise from the railroad could have an effect on potential uses for the site. The

residential uses have filtered views across the site and could be affected by lighting conditions on the site. Noise generation on site and its potential effect on the up-hill residential use will have to be taken into consideration. Other than lighting impacts, it is not likely that redevelopment on the site will affect any views from residential uses. There are dramatic views of the Old Olympia Brewhouse traveling south on Interstate 5 but they are limited by traffic dividers and speed of travel.

Tumwater Land Use Plan

Prepared as an element of the Tumwater Comprehensive Plan, the Land Use Plan addresses the New Market Historic District as part of the Deschutes Neighborhood planning area, and designates that all development that occurs in the Historic District be subject to the standards and land use recommendations of the New Market Historic District Master Plan.

Zoning

Current base zoning for the Old Brewery site is Historic/Commercial (HC). Its intent is to recognize and protect the historic nature of the site and to promote its redevelopment in a sensitive manner appropriate to its context and history. Development is to be consistent with the New Market Historic District Master Plan. Permitted uses include parks and open space; multi-family residential (without density requirements or limitations); personal and professional services; offices; general retail; food and drink establishments; conferencing facilities and hotels; post office, library, museum and art galleries; wholesaling, manufacturing, assembling, warehousing, storing, repairing, fabricating or handling of products entirely within a building; support facilities; and child and adult care facilities. On site hazardous waste treatment and storage is permissible as an accessory use.

In the HC zone, there are no minimum or maximum lot size and coverage, and yard setback regulations. Structure heights are subject to City Council approval. No building may be built, altered, or removed from the site without City Council approval. City Council is empowered to review, reject, or approve all plans for any structure erected within this Historic District based upon guidelines that proposals should help "recreate the ambiance and landscape of the Historic District as it existed from 1845 to 1906", and be consistent with the New Market Historic District Master Plan.

Flood Plain Zone District

The Flood Fringe subdistrict of this zone skirts the western edge of the Old Brewery complex property. It is the intent of this zone to protect people and property from flood losses. In the Flood Fringe subdistrict, all structures must be built above base flood elevations and/or allow unobstructed flow of flood waters. Standards are delineated for achieving these results. Uses of the underlying zone are not affected.

Deschutes River Special Area Management Plan

The Deschutes River Special Area Management Plan supplements and amends the Shoreline Master Program for the Thurston Region and is implemented under the authority of the Washington Shoreline Management Act.

The plan specifically and directly governs only the shorelines as defined by the Act, which lie along the Deschutes River between Interstate 5 and Henderson Boulevard within the City of Tumwater. Recommendations are also included for adjacent lands of special importance. The plan attempts a balance between protection and enhancement of the river as a natural resource, public access for enjoyment by the community, and opportunities for development of adjacent lands.

In addition, the plan specifically encourages the rehabilitation of the Brewhouse for commercial use and specifically permits a new access bridge across the river, below the falls, in the context of the New Market Historic District Master Plan. The plan also grants an individual and specific exception for over-water construction to construct replicas or architectural interpretations of historic structures along the falls area to the extent they were originally located over-water and in accordance to the Historic District Master Plan.

City of Tumwater Conservation Plan

This Conservation Plan is an element of the Comprehensive Plan and addresses the conservation of natural resource lands (none identified in the New Market Historic District) and the protection of critical areas such as wetlands, aquifer recharge, or geological hazard areas identified in the New Market Historic District.

Wetlands

While wetlands are acknowledged in the Historic District Plan, they have not been mapped or categorized. They are likely to be categorized as either Class II or Class III. The following buffer requirements will apply:

- Class II: 200 feet to high intensity land use (commercial)
  100 feet to low intensity land use(<4 DU/acre or recreation)

- Class III: 100 feet to high intensity land use
  50 feet to low intensity land use

These buffers can be reduced with a buffer enhancement plan including native vegetation or if the City determines there is no significant impact. Activities exempt from the buffer include outdoor recreation, education and interpretation, utility installation, and minor modification of existing structures. Uses permitted within the buffers include low intensity, passive recreation.

Fish and Wildlife Habitat Conservation Areas

While an outline of a specific area or areas is not available, it is acknowledged that the Deschutes River and associated wetlands are likely to be considered such an area. Allowed uses include floats and docks; beach access and enhancement; outdoor recreation; open space, parks and trails; utilities; and remodeled existing structures. A "habitat protection plan" is required for all sites or areas to be developed.

Tumwater Parks and Recreation Plan

Within the Historic District, both the Tumwater Falls Park (5 acres) and the Tumwater Historical Park (17 acres) are presently designated primarily for passive recreational use. They are the most used parks in the City of Tumwater according to survey respondents. This plan defers recommendations about future use to the New Market Historic District Master Plan. According to survey respondents, the most needed or desired recreational activities include bicycle and hiking trails and associated activities including nature watching, open space, and new neighborhood and community parks. The Urban Trails Plan for the cities of Lacey, Olympia, and Tumwater recommends connecting the Tumwater Falls Park and the Tumwater Historical Park with a walking trail.

Ownership

The historic district shares a variety of public and private ownership (see Map 3). The Old Brewery Complex, along with the majority of the eastern shoreline, hillside, and hilltop is the property of the Pabst Brewing Company. The northern wetlands on the site are owned by the State of Washington. The City of Tumwater owns a portion of the lower Tumwater Historic Park (the State of Washington owns the rest), while the Olympia-Tumwater Foundation owns much of the gorge and the upper Tumwater Falls Park. There are a few private outholdings including the Falls Terrace restaurant and power facilities by Puget Sound Power and Light. Each ownership brings different considerations and requirements.

Vehicular Access

The Old Olympia Brewery site is currently accessed by a steep and narrow roadway that is not adequate for two-way travel. (For purposes of this analysis, this existing access roadway will be referred to as Old Brewery Road.) This roadway intersects Custer Way just east of the Custer Way Bridge and is stop-sign controlled.

Access to the site is constrained by steep slopes and the Union Pacific Railroad to the east, the Deschutes River to the west, and I-5 and Capitol Lake to the north. These constraints make access to the site extremely difficult from every direction. The New Market Historic District Master Plan analyzed four different access alternatives for the Old Brewery site. The resulting recommendations are discussed later in this plan.

Other Modes of Access

Opportunities for pedestrian and bicycle access to the site appear to be unrestricted. Remote parking with access to the site by shuttle bus or van would be an alternative to on-site parking. However, shuttle bus access would still require some improvements to existing roads and intersections. These improvements may not be as extensive due to the more limited number of vehicles and the fact that they would be scheduled and controlled by specific on-site uses. This same opportunity would exist for local transit access to the site as regular routed service or from park and ride lots.

The existing rail line through the site appears to offer little or no opportunity for access due to its frequent active use. Constructing a new trolley line, or something similar, to the site does not appear to be feasible due to its high capital and operating costs and similar problems with terrain and right-of-ways, including intersections, that the automobile has. Terrain and slope gradients offer more difficulty for rail vehicles than for rubber-tired vehicles.

ARCHITECTURAL EVALUATION

Purpose

The Old Olympia Brewery complex (see Figure 1) has been abandoned (for the most part) for many years. The original structures are severely deteriorated and in need of repair. The purpose of this section is to identify the scope of architectural repairs necessary for the renovation of the original Brewhouse and Warehouse and associated structures at the Old Olympia Brewery. Preliminary budget estimates follow this evaluation to provide city staff an estimate of the magnitude of the renovation. A detailed structural evaluation is included in the appendices of this plan.

Note on This Evaluation

Deficiencies in the building envelope account for a large measure of the construction costs associated with this renovation. However, the specific future use of the buildings also accounts for a sizable share of construction costs (i.e., whether the building will house residential or office uses has a significant cost impact). At the time of the preparation of this report, no specific use for the brewery complex has been established. As a result, this evaluation does not address costs associated with specific future uses. Those costs are discussed later in the Economic Analysis section of this plan.

General Description of Existing Buildings

The Brewhouse

The original Brewhouse was designed by The Vilter Manufacturing Company of Milwaukee, Wisconsin, and constructed in 1905 (according to the cornerstone). The original Brewhouse is approximately 53' in the north/south direction and 64' in the east/west direction, creating a gross floorplate at the first floor just under 3,400 square feet. However, the east section of the building (approximately 53' x 20'), where the grain used in the brewing process was stored, is separated from the main floor area of the Brewhouse by an interior masonry structural wall. Thus, the typical gross floorplate of the Brewhouse is approximately 2,350 square feet (53' x 44'). There are currently no openings in this interior wall isolating the east section from the main floor area. Furthermore, there are no floors in this east section adjacent to the second and third floor levels of the main Brewhouse. There is a floor adjacent to the fourth level of the Brewhouse.

The main structure is five-stories high with a small sixth floor located below the tower which is a central, organizing element in the floor plan. The floor-to-floor heights vary considerably from 22'-3" to 10'-4", but the overall building height from the first floor to the ridge of the tower is just over 100'.

The structure consists of unreinforced masonry bearing walls with interior columns of steel or cast iron. The original window frames and sash were painted wood often gracefully arched within a masonry opening. Most of the windows have been closed or boarded over, or in some cases, blocked up with masonry. Lower portions of the north facade were clad in Wilkerson sandstone. A decorative, sheet metal cornice, which once terminated the exterior masonry walls, has rotted away leaving the masonry walls exposed to weather and water damage. The low pitched roofs surrounding the tower on three sides have completely deteriorated, allowing water to penetrate the structure. As a result, the roof structures in these areas have completely collapsed. The copper roof over the central tower is still in good condition and has retained its structural integrity.

The floor structures within the building are constructed of concrete slabs and 15 inch deep steel beams. Cast into several floors were large circular openings where cookers, mash tubs, and brew kettles were located. This equipment has been removed leaving openings in the floor which have been covered temporarily with plywood and other materials. The first and second floors were finished in tile to facilitate cleaning.

Existing Conditions and Opportunities

The Brewhouse has been abandoned for many years. The interior condition of the building is severely dilapidated. There is little value in any of the existing interior finishes. *The principle architectural value of the interior space is the opportunity that can be created by emphasizing the vertical nature of space.* This can be achieved through the interplay of various floor openings within the existing structure.

The exterior shell of the Brewhouse is in poor condition. The water damage, resulting from the deteriorated roofing membranes and overhanging cornice, has caused severe decay on portions of the exterior masonry wall. This decay is evident in the form of "spalled" masonry, and is caused when the units become completely saturated with water and then freeze. Ice crystals forming in the microscopic cells within the brick expand and break off the exposed face of the brick. While these areas of damaged masonry will have to be replaced, they do not pose a particularly serious structural problem to the wall itself.

There is little value in the existing window and door systems as they have been neglected since the building was abandoned. It would be less expensive to replace these systems rather than repair them.

The sheet metal cornice is also beyond repair, and will need to be replaced.

Despite the general decay of the exterior, the building retains a very powerful architectural expression and connection to the old world. *There is no question that architectural opportunities abound in the renovation of the exterior elevations. These elevations can be easily restored to create a tremendous appeal which people will*

appreciate and value.

The Warehouse Buildings

The Original Warehouse

It is more difficult to establish the scope of the original Warehouse structure. Existing documentation is limited; however, there were drawings prepared by the Vilter Manufacturing Company for a warehouse structure during the same period as the Brewhouse. This structure with a building footprint of 4,100 square feet measures approximately 57' in the north/south direction and 71'-3" in the east/west direction. The structure housed the stock tubs where it is assumed the beverage from the Brewhouse was stored before it was placed in smaller containers and distributed for sale. Three principle floor levels totaling 12,300 square feet were dedicated to the storage of the beverage. It appears that two additional floor levels were constructed to house a "ventilating floor" and some other unknown function.

The original Warehouse consists structurally of masonry load bearing perimeter walls with interior steel columns and beams. The floor structure, combining steel beams with cast-in place concrete slab construction, is exceptionally stout to accommodate the dead loads of the storage tubs for the beverage. The floor-to-floor heights at the three lower levels vary but range from 14 to 20 feet. The upper levels, containing the "ventilating" floors, have lower floor-to-floor heights in the range of 8 to 9 feet. As indicated above, the floor structure of these upper levels consists of wood framed construction.

The exterior elevations of the original structure are very active especially considering the warehouse function of the building. There is a modulation to the exterior walls into pilasters and infill panels that reflect the structural system of the building. There is an abundance of ornamental brickwork in a 5 foot high band of masonry just below the sheet metal cornice. However, there are few window openings on the east and west sides of the building, particularly at the upper levels.

The "West Addition"

An addition was constructed sometime later adjacent to the west end of the original Warehouse building. The "west addition" housed more storage area, the company's administrative offices and cafeteria. The addition extended the original Warehouse 60 feet to the west, creating a footprint just over 3,400 square feet. Five floors were constructed providing a total gross building area of 17,000 square feet.

The "west addition" was of similar construction type as the original Warehouse. Masonry load bearing walls carried floor beams which internally were supported by interior steel columns. The floor-to-floor heights generally align with the original Warehouse and it is believed that when the "west addition" was constructed,

improvements were made to the upper floor areas of the original Warehouse. Documentation to corroborate this assumption has not as yet been validated. A monumental internal staircase connects the upper four levels of the addition.

The east and west elevations of the addition are of the same character as the original building. The rhythms of the pilasters and in-fill panels are similar as is the decorative brick work below the cornice. With close scrutiny, a keen eye can detect the slight difference in color that distinguishes the masonry of the original building from the Warehouse. The west elevation of the addition, however, represents a marked departure from the wall treatment of the east and west elevations. Concrete masonry units clad this side of the building. The structure is boldly expressed on the exterior through the placement of in-fill panels approximately three feet behind the face of the pilasters and horizontal lintels. Large window openings in the in-fill panels create a "light" wall, providing internal illumination for the building. The grey color of the concrete masonry units and the expression of the structural grid are unlike any other portions of the complex and, as such, are of a very different character.

The "East Addition"

An addition was also constructed adjacent to the east end of the original Warehouse building. The "east addition" housed the primary storage facility for the brewery. Two floor levels were constructed. The building, measuring 78 feet in the north/south direction and approximately 320 feet in the east/west direction, added approximately 50,000 gross square feet of storage area to the complex. The east end of this addition was truncated at an oblique angle to the main building axis to accommodate vehicular site circulation and an existing two-story cast-in-place concrete storage building. The "east addition" was constructed around this existing storage building and the two buildings were connected internally, thereby, increasing the gross floor area of the "east addition" by approximately 10,000 gross square feet. Thus, the total area of the "east addition" including the structure at the east end amounts to approximately 60,000 square feet.

The structure of this addition consists of exterior masonry perimeter walls with internal steel beams and columns. The second floor structure is a concrete slab, supported by steel beams and four lines of columns spaced approximately 16 feet on center along the east/west axis. The roof structure is supported by light steel trusses. The floor-to-floor height is approximately 20 feet. The height from second floor to bottom of truss is also approximately 20 feet. The roof structure is exposed so the floor to structure height at the ridge line is approximately 40 feet.

The east and west facades of the two story "east addition" continue the masonry rhythms of the original Warehouse at the upper level of the structure. Cast-in-place concrete foundation walls form the exposed wall finish at the lower floor level. The architectural expression of masonry pilaster and in-fill panel is continued and a hint of the decorative brickwork is also evident in the slightly corbelled coursing established

between pilasters below the eave line of the roof. Large window openings, approximately 16 feet high by 12 feet wide at the upper level, are located between the structural pilasters on both sides and on both levels of the addition. The cornice element of the original Warehouse, however, was not constructed so the architectural termination of the exterior walls is quite different in the "east addition." A simple gutter and slightly overhanging eave cap the exterior walls.

Existing Conditions and Opportunities

The Original Warehouse

The lower floors of the original Warehouse are currently in use today, serving as storage for miscellaneous materials associated with the operating brewery. The upper floors, however, remain vacant and rather bleak with little natural illumination emitted into the building interior from the exterior wall fenestration. For the most part, it appears that the roof structure has retained its weatherproof integrity so the interior of the building has suffered very little structural decay.

The exterior walls of the original Warehouse are showing signs of neglect, particularly at the upper levels of the structure. The sheet metal cornice, although still intact, is leaking badly and will have to be replaced. Its interior structural support system has deteriorated. Unfortunately, this has allowed excessive amounts of water to infiltrate the masonry wall, "spalling" the masonry in this area. While it does not represent a structural problem, these areas of masonry will have to be replaced.

The few remaining windows in the structure will all require replacement.

The inherent architectural value of the original Warehouse remains the masonry exterior shell with its decorative brickwork and pilaster expressions. The interior areas, with the possible exception of the ample floor-to-floor heights of the lower levels, has little inherent value. With some structural alteration of the floor system of the upper level to increase the floor-to-ceiling height, a suitable floorplate can be created in this area. The installation of skylights in the roof can make this area very pleasing. Numerous new structural openings in the exterior walls will be required to allow more natural sunlight into the interior of the structure.

The "West Addition"

It appears that the "west addition" with the exception of the lowest level, is no longer used by the brewery. The "light" wall at the west end of the addition has been invaded by ivy growing outside the building's southwest corner. It appears that the roof has retained its weatherproofing membrane so there is little structural damage to the interior floor systems.

The exterior walls of the "west addition" are suffering from the same problems as the

original Warehouse. The lack of protection of the masonry due to the failure of the cornice has caused "spalling" in large areas of the upper walls, particularly on the south side of the building. As indicated above, the entire southwest corner of the building is covered by ivy vines which are flourishing.

The west facade should be clad with a new exterior finish material, such as Dryvit, to provide better weather protection than which exists currently with concrete masonry unit exterior wall.

Like the original Warehouse, the inherent value of the "west addition" is the exterior masonry shell. The repairs and improvements suggested for the original Warehouse also hold true for this addition. The interior stairway could be removed to permit a larger, uninterrupted floor plate.

The "East Addition"

Both floors of the "east addition" are currently used by the brewery for storage of miscellaneous materials. The interior areas of this addition are in far better condition than the other areas of the brewery complex. *There is an appealing architectural character to the second floor area due to the immense volume of interior space below the roof and steel trusses.* With little improvement, the second floor area could be transformed into a very dramatic interior space, well suited for many different functions. For example, one function that would be well served in this space is display or exhibition purposes.

The exterior masonry walls are in good condition, requiring only minor repairs and improvements. The cast-in-place concrete foundation wall (north and south sides), like the west wall of the "east addition", should be clad in a better exterior finish system such as Dryvit.

The east end of the addition, which has a lower ridge line (and less appealing interior volume) and which insensitively wraps around the two-story concrete building and terminates at an oblique angle to the primary building axis, should be demolished. There would be costly improvements required to try to architecturally modify this end of the structure and the existing concrete structure to make it more sympathetic with the main portion of the "east addition." For this reason, the concrete structure should also be demolished. It would appear that the resultant loss of interior area, approximately 10,000 gross square feet, would not be a major problem in housing a suitable tenant for the complex.

The window systems for the east addition should be replaced entirely.

The general character of the exterior elevations of the east addition is a positive element upon which to build the renovation of this complex. They can be enhanced to create a more appealing environment for whatever use and uses that are ultimately found for

this complex.

Miscellaneous Storage Structures

There have been numerous storage structures added to the original buildings over the many years this complex has been in use. These structures have been placed, for the most part, between the Brewhouse and the original Warehouse or immediately adjacent to them. The result has been that the complex has been joined into one, all-encompassing facility.

Our recommendation concerning these structures is to demolish them for several reasons. First, they have no redeeming architectural value and only serve to detract from the value of the original structures. Second, the improvements required to bring them up to code compliance and to the level of architectural finish of the original buildings is prohibitive. Third, more pleasing circulation space around the original structures can be created with new construction. And fourth, the east end of the site could benefit with additional space to dedicate to site circulation of both pedestrians and vehicles.

In the event a user is found who could use the floor area covered by these structures, a different approach can be considered for the possible restoration of this floor area.

BUDGET ESTIMATE

Following are two budget estimates. The first is for rehabilitation of the Olympia Brewery complex, including demolition of infill structures. The second is for temporary measures to halt further deterioration of the Old Brewhouse only, due to exposure to the elements. A detailed listing of items included in the first budget is included in the appendices of this plan.

	DESCRIPTION	QUANTITY	UNIT	RATE	TOTAL
Overall Summary					
A.	Brewhouse	17,000	SF	108.47	
	1,844,000				
B.	Warehouse	69,600	SF	84.35	
	5,871,000				
C.	Siteworks				
	1,605,000				
Total Estimated Construction Cost, March 1993 dollars					
	9,320,000				

The following, second estimate is for temporary rehabilitation measures to halt further deterioration of the Brewhouse.

DESCRIPTION	QUANTITY	UNIT	RATE	TOTAL	
Brewhouse					
Structural upgrade roof area	3,200	SF	25.00		80,000
Roof finish	3,200	SF	5.00		16,000
Allowance for roof drainage	1	LS			5,000
Temporary cornice/projection	254	LF	60.00		15,240
Allowance for removing all debris	1	LS			15,000
Subtotal					**131,240**
General conditions, OH & profit		15%		19,700	
Estimated contingency		25%		32,800	
Total					**183,740**

ECONOMIC ANALYSIS AND POTENTIAL USES

Potential Uses of Old Brewery Complex

The following list identifies several different uses as possible development alternatives for the complex. It is important to note that this list was compiled based on the future possibility of financing being accomplished primarily by a private developer. Office development and conference/convention center uses are considered the most likely primary uses that could be financed by the private sector, with auxiliary spaces possible in conjunction with these uses for cultural facilities, restaurants, recreation, and other secondary uses. Should public financing be identified, this list obviously would change in terms of which uses are most likely or most difficult to accomplish. For example, public financing may provide for a cultural center as a more likely use.

The conclusions presented here are not the result of technical market research studies, but represent the combined data of numerous interviews with government agencies, developers, market professionals, and facility managers to assess the potential viability for any of the suggested alternatives. More detailed information on each alternative is included in the appendices.

<u>Most Likely Uses to be Financed by Private Sector</u>

- Single tenant office complex, either government agency or private sector
- Multi-tenant office complex
- Regional conference center
- Conference center with hotel, potentially new construction of guest rooms

<u>Most Difficult Uses to be Financed by Private Sector</u>

- Cultural center with some combination of museum, exhibition, performance and studio space (*Note: This use may be more likely to be accomplished if pubic financing became available.)*
- Residential complex with some combination of rental and condo, with the potential for additional new construction
- Retail complex, presumably multi-tenant and theme oriented

<u>Tenant Specific Uses</u> (Ability to deliver depends on identification of specific individual user and matching program needs to existing physical plant.)

- Community college campus
- Public or private, primary or secondary school
- Cottage industry: brewery, light manufacturing

<u>Partial Uses</u> (Appropriate uses in conjunction with more significant primary uses.)

- Restaurants
- Health/sports facility
- Public access/waterfront recreation

Other Uses

- Low security detention center

Economic Considerations

Costs

The budget estimates provided earlier in this plan are based on retaining only 87,000 square feet out of the existing 145,000 square foot building, and did not include many significant cost components. The estimate was very conceptual because no physical plan had been prepared from which to estimate, and no uses had been established. For this reason, the numbers were appropriately conservative.

Without suggesting that the plans are any more firm, it would be worthwhile to present a budget that represents all costs associated with the brewery complex development rather than simply the hard construction costs.

Cost estimates are dangerous when they are not tied to a specific set of plans and specifications. Therefore, these estimates are not intended as a budget or as a benchmark to establish a scope or an offer. Their purpose is to demonstrate that a project budget includes much more than the cost of bricks and mortar. The following arithmetic starts from the earlier budget estimate of $9,320,000 and adds all of the items that were specifically excluded from the estimate.

	1993 dollars
Original estimate (based on 86,000 square feet):	$ 9,320,000
Add:	
Tenant improvements @ $30.00 per sq. ft.	$ 2,598,000
Washington State sales tax @ 8-percent	$ 953,000
Architects & engineers @ 8-percent	$ 1,030,000
Roadway improvements	$ 1,000,000
Intersection/signalization	$ 200,000
Property acquisition	$ 1,000,000
Site contingency	$ 500,000
Project management, financing, interest, legal, etc.	$ 1,500,000
TOTAL:	$ 18,101,000

Using the 86,000 square feet of building area that the earlier budget estimate used,

this cost equates to over $200 per square foot. This is comparable to the cost of developing Westlake Center in downtown Seattle which commands rents of five times the amount that could be generated here.

Spreading the costs over a larger building area would help somewhat. If the program retained the keg house and the concrete building and spent only $40 per square foot in reconditioning them, the average project cost would go down to $174 per square foot, based on a 120,000 square foot project costing $21,000,000. The costs could also be reduced by outlining a specific program and budgeting a real project. The estimate uses very high unit costs because specific plans are unknown. For example, the estimate includes five new elevators at a cost of over $750,000 (including contingency, tax, and A&E fees). Once a program is defined, there may only be a need for two elevators.

Unfortunately, under the best of circumstances, the total project costs would probably be no less than $15,000,000 (in 1993 dollars) with a floor area of no more than 120,000 square feet. This still produces a cost per square foot of $125, which is much more than the cost of high quality new construction.

Revenues

Neither office nor residential rents come close to paying for costs of this magnitude. Office rents in 1993 range from $10 - $14 per square foot in Olympia, with operating expenses taking $3 - $4 of that. Residential (apartment) rents probably range from $.60 - $1.00 per square foot per month ($7.20 - $12.00 per year) with 35 - 50 percent deducted for operating expenses and vacancy. The economic rent that museums, art centers, conference centers, and industrial users can pay will be even less. The basic question is "how much debt can the project carry?" This is illustrated on the following chart. On the horizontal axis is dollars of Net Operating Income and on the vertical axis is interest rate. All of the calculations are based on 100,000 per square foot of occupancy, a debt coverage ratio of 1.2, and a fully amortized thirty-year loan.

PROJECT DEBT CAPACITY (in thousands)

NET OPERATING INCOME/sf	@ 5%	@ 7%	@ 9%
$4.00	$5,100	$4,100	$3,400
$6.00	$7,700	$6,200	$5,100
$8.00	$10,200	$8,300	$6,800
$10.00	$12,800	$10,300	$8,600

This matrix covers a range of revenues from the low-end of residential rents to the top end of office rents. The interest rates range from what might be a municipal debt rate

to a conventional commercial mortgage today.

Funding Gap

Comparing the project costs (at least $15 million) to the debt capacity (maybe $6 - $8 million) produces a funding gap of $7 - $9 million dollars. This may appear frightening, but is not unreasonable under an average set of circumstances. Without a specific user and architectural plan, it is impossible to be any more precise.

Financing Options

The historic redevelopment of the Officers Row project in Vancouver, Washington, faced a very similar prospect. It was a project estimated to cost $10 million and could support financing (at municipal debt rates) of only $4 million. The balance of the funds were eventually forthcoming with roughly $2 million in infrastructure costs paid by the City through General Obligation bonds, $1.4 million of open-space improvements from City Capital Improvement funds, and $2.6 million in a State grant and Community Development Block Grant. The $4 million of debt was issued by a specially created public development authority, secured by the revenues of the project, which were in turn guaranteed by a master lease with the City.

A similar combination of funding sources would be necessary to pay for the brewery redevelopment. Public investment in a specific project requires public commitment and political support. To secure the level of funding that would bridge the gap between cost and revenues would require a level of interest, prominence, and political dedication that has not previously existed. Nevertheless, there are numerous possible sources of public capital. If the project has been brought to the attention of the State's national lawmakers, there could be federal funds available. Community Development Block Grants are available at the State level. There is a Housing Trust Fund administered by the State Department of Community, Trade and Economic Development (DCTED) that supports low-income housing development. Similarly, the Community Economic Revitalization Board within the DCTED issues loans and grants for industrial and business development. There is a Public Works Trust Fund in DCTED that can be used for infrastructure development. These are all avenues that can be explored once a program and a direction has been established for the development of the project.

The National Trust for Historic Preservation administers grants and loans for rehabilitation projects. Unfortunately, most of these grants are for very small amounts, and are used primarily for feasibility analysis and pre-development activities.

The creation of a Public Development Authority (PDA) may be appropriate at some point in time, granting non-profit status to the development and insulating it from some kinds of risk and liability. A discussion of the appropriate corporate and tax

structure is presented in the appendices.

MASTER PLAN RECOMMENDATIONS

The New Market Historic District Master Plan anticipates that the brewery complex will be an integral part of the historic district and will ultimately become its centerpiece. However, at the present time no user has been identified for the complex that would make renovation of the structures feasible. Ideally a public use or public related use will be found for the buildings. Potential uses have been outlined and discussed earlier in this plan. Until that use is found, it is imperative that further deterioration of the complex, especially the Brewhouse and Old Warehouse structures, be halted. Further on in this report, a step by step course of action is outlined for the City to pursue in an effort to secure control of the destiny of this building complex, especially those structures currently in danger of being lost.

While it is difficult to produce physical plans of any certainty for the brewery complex, the New Market Historic District Master Plan has been conceived so that the design and development of the remainder of the historic district plan elements can proceed independently without waiting for a final resolution of the brewery situation. However, accepting this uncertainty, the Master Plan does offer several suggestions and design ideas for proceeding with further investigations and planning for use of the brewery complex (see Figure 2).

Vertical Circulation and Galleria

The opportunity exists in the area between the Brewhouse and the Original Warehouse to develop a new vertical circulation element (including elevators) and multi-story galleria that would provide required assisted access to both existing multi-storied structures as well as a dramatic lobby space that would connect all the major building elements of the complex. The entire galleria infill structure would be transparent so as not to cover or detract from the restored existing building facades.

Patio Arcade

The existing metal, one-story infill structure, along the north facade of the Old and New Warehouse structures and now serving as a storage shed and loading dock, should be removed and the original facades of the Old and New Warehouse structures revealed and restored. It should be replaced with a glass canopy providing shelter for outdoor dining, casual sitting and gathering and protected entrances for potential activities within the restored structure. This upper patio area should be connected to the "Grand Plaza" with an equally grand staircase.

Grand Plaza

The Master Plan recommends that the area to the north of the Brewhouse structure be developed as a grand pedestrian plaza, as a visual and functional forecourt to the building, as a space for formal gatherings and events, and as a place for casual sitting,

strolling, and viewing. The plaza should contain ample pedestrian amenities including planting, lighting, benches, special paving, and treatment at the water's edge allowing small boat access. The plaza would complement the promenade across the river and be connected to it by the new footbridge.

The Brewhouse

The Master Plan suggests that immediate attention be paid to the Brewhouse with efforts initially focused on preventing further deterioration by sealing off the now collapsed roof structures. A second level of effort should be to gain control and begin restoration of the Brewhouse. The first level of priority in the restoration should be in completing the exterior and sealing the structure from the weather and in reestablishing its visual prominence and attractiveness in the area. The interior restoration and code compliance work could come at a later date. The Brewhouse, with or without the remaining structures, could function as an excellent museum/ interpretive facility focussing on the brewing arts and other historic, industrial activities of the area. It could work in conjunction with the interpretive center recommended under the Historic Cultural Resources section of the New Market Historic District Master Plan. If full interior restoration and code compliance cannot be accomplished in the near or intermediate term, cleaning and repairing the interior and opening it up to small guided tour groups is recommended. The Illustrative Plan of the Historic District Master Plan (Figure 3) illustrates the potential of limited public access to the Brewhouse.

Access and Parking

The Master Plan recommends access to the brewery complex via an improved Old Brewery Road. This appears to be the most direct and least intrusive and least costly of the alternatives delineated in the appendices. Additional access might be provided via a new bridge across the Deschutes River. The Master Plan recommends a new bridge north of the lower falls for primarily pedestrian use. However, future detailed planning and design may allow for some vehicular access across this bridge if the construction of a vehicular bridge results in minimal environmental and visual intrusion and if it does not interfere with pedestrian access and circulation at the Brewery.

Preliminary studies have indicated that approximately 100 parking spaces could be accommodated in the lower level of the New Warehouse ("east addition") within the existing column grid. Further planning and design of the complex for specific future uses should take this into account when testing feasibility. In addition, the area immediately behind the brewery complex could accommodate additional limited parking either in a parking structure or terraced format. It appears a structure 130 feet wide and of unlimited height would be squeezed between the existing building and the steep bluffs to the south with a retaining wall of $\pm$ 10 feet. However, such a building would be right up against the existing structure and would likely be very

intrusive to the visual environment and quite costly. Terraced parking up to the 50-foot contour level seems more appropriate and feasible but would yield fewer parking spaces. Both options deserve further study during detailed planning and design of the complex for specific future uses. ADA parking would occur to the east of the Grand Plaza.

Service Access

Service access could occur at multiple points along the south facade of the complex. A primary service access point and screened delivery court should be explored at the west end of the Original Warehouse "west addition", thereby intercepting service vehicles before they arrive on the site proper.

ACTION PLAN

The restoration and adaptive re-use of the brewery complex is not within the City's current capability to perform, and both from economic and pragmatic necessity, must be approached as a separate exercise from the execution of the other components of the plan.

The challenge for the immediate future is three-fold:

- To establish the role of the City of Tumwater in the process of saving and restoring a private structure, and to determine how the City might fit into an arrangement to purchase the land and buildings from the Pabst Brewing Company;

- To encourage an environment where the sale of the property might be possible; and

- To enable some level of decay prevention or restoration to be done as soon as possible, perhaps while the buildings are still owned by Pabst.

The action plan presented below will suggest a number of tasks and relationships designed to address these three challenges.

The action plan is a combination of tasks that set the stage, prevent backsliding and/or strengthen the vision and commitment to the project. Actions have been divided into six categories:

- Sponsorship
- Brewery relations
- Program refinement
- Physical work
- Marketing
- Funding

- **ACTION**: Determine Sponsorship Entity

Previous sections of this report have identified the renovation of the brewery complex as a $15 - $18 million project, with a $7 - $9 million funding shortfall. Even if the project were scaled down to a much smaller scope, there may still be between $2 - $5 million public sector costs to make it a reality. These costs could include traffic signals, roadway improvements, parking improvements, engineering and legal costs.

A project that requires the $7-$9 million of public money to fund a financing shortfall

should not be sponsored solely by the City of Tumwater, but a broader regional base is more appropriate for a project of this scale. Endorsement and support from Olympia and Lacey, and from Thurston County would be necessary in order to generate the public support and political strength to secure this scale of public funding. Ultimately, some of the funding would likely need to be state or federal money, but these sources cannot be tapped without strong local commitment and support.

- **ACTION**: Determine City Relationship with Brewery

The Pabst Brewery Company is the owner of the Olympia Brewery and the old brewery complex. The City of Tumwater should determine with Pabst which of the following scenarios would be appropriate to accomplish preservation and ultimate rehabilitation of the brewery complex.

>Clarify the circumstances under which the Brewery would be willing to sell the property.

>Explain the tax advantages of having the Brewery perform some of the initial improvements themselves. It is assumed that Pabst is not interested in spending money to fix the building, but if they are interested in selling the buildings, a small investment to prevent deterioration (and loss of value) combined with preservation tax incentives might be sufficient to encourage them to repair the roof.

>Explore cooperative relationships that might allow the City to gain physical control over some of the property in order to stabilize the building condition.

- **ACTION**: Refine Program

The appropriate next steps are a series of small, specific actions that move the project forward but are in keeping with the available funding capacity. Until the City has physical control of the property, there is little that can be done in terms of restoration or capital improvements. Most of these tasks represent additional investigation rather than physical work, and are intended to reduce the questions and uncertainties surrounding the conditions and potential for the property. Many of these tasks can be performed by City staff.

>Ownership. Pragmatic dialogue with the brewery regarding their expectations and intentions, as discussed above, is the most important task.

>Development Structure. Determination of the most realistic development

structure should follow the discussions with the brewery. Control over the project carries a big price tag, and the City must evaluate its priorities, financial capability and public support.

>Legal Structure. An analysis of the optimal legal structure is included in the appendices of this plan.

>Historic Status. The City would see that the district and the property have the most favorable historic designation for tax and development purposes.

>Further Design/Investigation. This plan has documented site and building conditions at a cursory level. The investigation has demonstrated the need, at some point in time, for more detailed study in some specific areas. The following areas should be investigated further:

--Request a preliminary title commitment for the key properties. Identify the ownership entity and review carefully the title exceptions to the policy. Confirm site access through easements and identify other easements affecting property. Look for issues that would affect the development potential for the site.

--Find or conduct a physical survey of the property, identify property corners, building locations and easements. Get a copy of the land title survey (ALTA, is possible) for your files.

--Continue the process of historical research. Identify all of the owners and occupants of the Brewery buildings, along with the phases and dates of additional construction. Determine which parts of the building relate to the Brewery, and which sections were built by subsequent users.

--Conduct a survey of the services to the site, with the assistance of the Brewery. Identify mechanical, electrical and plumbing systems within the buildings as well as the location and capacities of utility hook-ups that serve the site.

--Quantify the current traffic levels at the top of the access road. Identify possible intersection improvements and evaluate the costs and level of service for different alternatives.

--Perform an environmental audit of the buildings. Identify transformer locations, transformer condition, underground and above-ground storage tanks, presence of asbestos and any other potentially hazardous conditions.

–Confirm status of rail lines and rail beds. Identify which are abandoned and which are in service, who owns/operates each right of way and determine whether any of the lines offer transportation or recreational potential to benefit the project.

The purpose of most of these tasks is to answer questions about the historical or existing conditions. The analysis should not include future design or remediation, because they will have to be done again once a development plan is determined. The objective is to produce a set of base documents that will allow evaluation of the property, and to determine from them what additional investigation will be necessary.

- **ACTION**: Undertake Physical Improvements

There is a limited amount of physical work that can or should be done at this stage. Any work that is considered should be evaluated based on four criteria:

>Eliminating the cause of deterioration.
>Improving the appearance of the building.
>Eliminating hazardous conditions.
>Creating public benefit.

Work that the City might consider, or encourage the owner to perform, might include:

>Roof repair or replacement.

>Cornice removal, or disassembly of any other building components that could fall from the building.

>Garbage/trash removal, including cleaning out the keg house and warehouses of surplus equipment and supplies.

>Demolition and removal of interior partitions and damaged walls and ceilings.

>Pest control, boarding up windows and openings.

>Trail, pathway construction, river access, in accordance with the Master Plan.

Estimated construction costs for replacing the damaged roof and cornice sections appear earlier in this plan.

- **ACTION**: Delineate Marketing Scenario

If the City purchases the site, or if the Brewery retains ownership but will support the process, a formalized buyer search can be conducted. Whether performed by the Brewery, by the City or by a broker, the steps are all the same:

>Assemble presentation package.

>Prepare mailing lists (to brokers, to developers, to corporations).

>Conduct open house, site familiarization tours.

>Promote balance of Master Plan and development opportunity in the media.

>Build awareness through appropriate associations and economic development agencies.

The search process used in preparing the New Market Historic District Master Plan produced interest from a number of parties that should not be forgotten. A number of brokers requested information, and feel that a purchaser can be found once the Brewery and the City work out their respective needs and contributions. All of these contacts should be considered as the project gains definition.

Perhaps the most important component of the marketing effort is the process of political education and awareness. The City should endeavor to secure regional consensus and support for the project among agencies and legislators; it should build and demonstrate City commitment to the project; and it should seek and identify individual sponsors and political leaders to support and champion the process. Without the personal commitment of regional and community leaders, the City cannot hope to procure the public funding to bridge the financing gap for the project.

This can best be done by building project awareness among a key group of committees and individuals. One list of critical players that should be aware of the Tumwater project include:

>Elected officials and chief executive officers from Thurston County, and the cities of Lacey and Olympia
>Thurston County Economic Development Council
>Thurston County Regional Planning Council
> Thurston County Historic Commission
>Washington State Tourism Division (and local Visitor and Convention Bureau)
>Washington State Office of Archaeology and Historic Preservation
>Washington State Department of Fisheries
>Squaxin Island Tribe

>Heritage Park Development Association
>Tumwater Hill Neighborhood Association
>Local newspaper and radio news media
>Local chambers of commerce
>Intercity Transit
>Pabst Brewing Company (and parent S & P Corporation)
>the Schmidt family
>Washington Secretary of State Ralph Monroe
>State Representative Karen Fraser
>US Representatives Linda Smith and Norm Dicks
>The Heritage Caucus
>National Trust for Historic Preservation
>Other private foundations with interest in historic preservation

This is a representative, not an exhaustive, list. The importance of this aspect of the project is illustrated by the case study regarding the "Officers Row" project in Vancouver, Washington. That project could never have been implemented without local, state and federal political and financial support.

- **ACTION**: Undertake Funding Search

At the same time that the City is building awareness in regional and state government regarding the project, it should identify the possible funding sources from the various agencies, along with the criteria for funding from each of them. Federal programs relating to historic preservation are described in the New Market Historic District Master Plan. Additional sources that should be considered include the following:

>Housing Trust Fund, administered by the State Department of Community, Trade and Economic Development, for low income housing projects.

>Public Works Trust Fund, administered by the State Department of Community, Trade and Economic Development, for local infrastructure costs.

>Community Economic Revitalization Board, within the State Department of Community, Trade and Economic Development, which makes loans and grants to support industrial and business development.

>Community Development Block Grants (CDBG) for design or construction costs. See the City of Vancouver "Officers Row" study for a description of practical application of CDBG funds.

>Other state grants.

>General Obligation Bonds from the City of Tumwater.

>Revenue Bonds, which can be used if a PDA is created for the project.

>Funds from the City Capital Budget.

>Funds from the City Operating Budget.

>Private contributions, made into a non-profit organization, or made directly to the City.

The City may consider contracting for outside advice in both the lobbying/awareness programs and to help identify potential sources of public funding.

APPENDIX A

BREWHOUSE & WAREHOUSE STRUCTURAL EVALUATION

APPENDIX B

BUDGET ESTIMATE

The following estimate was prepared by measurement of approximate quantities prepared by the architect, and from outline drawings/quantities received on March 8, 1993.

Where information was lacking, assumptions and allowances have been made, based where possible on discussion with the architects and their consultants.

Pricing is based on current March 1993 costs, and an estimating contingency of 10% has been added to reflect the level of information available.

It is assumed that competitive bids for all trades will be received, unless noted otherwise, and that the contractor will be required to pay prevailing wages.

No escalation allowance has been added.

The following items are not included in this estimate:

- Washington State sales tax
- A/E fees
- Owner furnished and installed furniture, furnishings and equipment
- Post-contract contingency
- Owner's administration
- Off-site work including but not limited to improved vehicle access and utility upgrading
- Toxic waste removal
- Escalation beyond March 1993

APPENDIX C

BREWHOUSE & WAREHOUSE POTENTIAL USES

APPENDIX D

ANALYSIS OF POTENTIAL ORGANIZATIONAL STRUCTURES