

COVER MEMO

Briefing Date/Time: November 10, 2025

Staff Contact/Title: Mike Reid, Director of Community and Economic Development, miker@portolympia.com

Subject: East Bay Real Estate Update: Negotiation Agreement

Purpose: ☒ Information Only ☐ Decision Needed

Overview:

- Staff will be providing an update on real estate in the East Bay District.
- The primary focus on the presentation will be centered on current development interest by an existing tenant (Urban Olympia) in expanding.
- Staff will discuss the potential use of an Exclusive Negotiation Agreement with Urban Olympia.

Background:

- There are three remaining undeveloped parcels in the Port's East Bay District. This district includes the Hands on Children's Museum and adjacent properties.
- The parcels are frequently referred to as:
 - **Lot 9:** 21,314 Sq Ft
 - **Lot 10:** 41,671 Sq Ft
 - **Lot 12:** 61,487 Sq Ft
- In 2017 the then Port Commission (Downing, McGregor, and Zita) unanimously approved an option agreement for these three properties with Urban Olympia (dba 3rd Gen Investments) along with a lease for an adjacent property to be developed into a mixed-use housing development name Westman Mill.
- In 2023 the option agreement with Urban Olympia for these three properties expired.

- Port and Urban Olympia initiated conversations to re-examine development options at East Bay earlier this year and is working towards the creation of an Exclusive Negotiation Agreement (ENA).
- An ENA is a temporary agreement between two parties that takes a piece of property off the market while they mutually advance feasibility.
- An early concept for development that would be embedded into an exclusive negotiation agreement would be the inclusion of an agreed amount of units aimed at workforce housing.
- The exclusive negotiation agreement is not a binding contract, an option, or a lease. It is a 180-day agreement.
- Urban Olympia and the Port would be doing some shared site planning. The Port would be contributing to efforts focused on items like alternatives for auto, pedestrian, bicycles access, sea level rise adaptation planning, and utilities analysis.
- New mixed use and specifically housing is of a high priority need in the City of Olympia right now and this proposed use in this location is consistent with planning efforts at the City of Olympia.

Documents Attached:

PowerPoint presentation

Summary and Financial Impact:

The Port would be participating in some site planning efforts jointly with Urban Olympia for this site and would incur some expenses for this effort. It is anticipated to be less than \$50,000.

Options with Pros and Cons:

There is no requested Commission action at this time.

Environmental Considerations:

Development at this site will require approval of land use and development permits by the City of Olympia, including environmental review under the State Environmental Policy Act ("SEPA"). Additionally any development would need to

comply with the City of Olympia's design standards which in this location various sea level rise provisions.

This is a brownfield redevelopment site that includes a Department of Ecology Environmental Covenant.

- Covenant required under legal agreement with the WA Dept of Ecology
- To protect human health and the environment
- All sales, leases, and development activities must comply with the covenant
- Ground cover cap and associated markings must be maintained
- Annual inspection of protections is required
- Development must receive approval from the WA Dept of Ecology