

COVER MEMO

Briefing Date/Time:	January 20, 2026
Staff Contact/Title:	Mike Reid, Director of Community and Economic Development, miker@portolympia.com
Subject:	Waterfront Site Solicitation of Interest Briefing
Purpose:	<input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Decision Needed

Type of Agenda Item:

- Briefing

Background:

On October 1, 2025, the Port issued a Solicitation of Interest (SOI) seeking responses from qualified developers, operators, and prospective tenants for the development of a 6.05-acre waterfront parcel adjacent to Swantown Marina in Olympia, Washington. This solicitation sought innovative and viable concepts that align with the Port's long-term Destination Waterfront vision and guiding principles. The response period closed on November 15. Staff will be reviewing the results of the effort with the Port Commission. There were three responses to the SOI:

1. **AIKA Wellness Ltd.** - This respondent is seeking to be a tenant of a future development. They would like to locate a spa and wellness center as part of a future project.
2. **Thomas Architecture Studios, OAC, and JFJ Partnership** - Proposing to assist in refining feasibility and identifying developers. A planning + feasibility + engagement team, not a developer. They are not proposing to develop the site themselves.
3. **Kalyan Hospitality** - A full-site, single-phase 120-room major-brand hotel with café, restaurant, rooftop bar, meeting space, public plaza, and marina offices.

The response from Kalyan Hospitality most clearly aligns with the guiding principles and vision articulated in the Solicitation of Interest. Staff will be presenting more details on the response and will be presenting potential next steps.

Any and all long-term real estate agreements such as leases are required to come before the Port Commission for action.

Summary and Financial Impact:

The Solicitation of Interest communicated clear project vision and guiding principles that were created and refined by the Port Commission over the course of two Commission Work Sessions (5/19/25 and 6/16/25). The consensus of the Commission was that a successful project would align with the six guiding principles:

- **Leverage Marine Identity** – Prioritize water-dependent and water-related uses consistent with Port investments and regulatory requirements.
- **Support Marina Operations and Growth** – Integrate Swantown Marina offices, enhance boater services, and expand opportunities for marine-related businesses.
- **Ensure Financial Sustainability** – Pursue development that is economically viable, generates net revenue, and demonstrates partner capability.
- **Maintain Strategic Flexibility** – Allow adaptable approaches to transaction structures while ensuring alignment with Port goals.
- **Enhance Community Access and Tourism** – Create inclusive public spaces, improve pedestrian connectivity, and support tourism amenities/programming.
- **Plan for Climate Resilience and Sea Level Rise** – Design with resilience to sea level rise, flooding, and seismic risks, incorporating adaptive strategies such as raised building pads, living shorelines, and adaptable infrastructure to protect long-term public and private investment.

Planning alignment: The development of the property adjacent to the Swantown Marina for a marine related and tourism connected development has been tied to Port planning documents starting in 1995 Port Comprehensive Plan with the concept of a “Marina Village.” This land use concept has been maintained through multiple Port planning efforts and is communicated in the current primary Port strategic visioning document, Vision 2050 (unanimously adopted by Commission Resolution 2019-08).

The Port further refined its land use planning for the Swantown waterfront property through the 2021 Destination Waterfront public engagement effort. This effort was approved by Commission through unanimous motion on March 22, 2021, stating the following:

“The Commission acknowledges the community input given to this vision for the development of a Destination Waterfront and recognizes that staff will use this vision to continue to build partnerships, market Port properties, and develop project proposals for Commission consideration.”

Financial Impact: At this point it would be premature to make deep assumptions on the financial impact of the three responses, however only one of the proposals as presented would likely generate a significant positive net revenue to the Port, that being the Kalyan Hospitality response.

Alignment with Vision 2050:

Goal #3: Turn the Port Peninsula into a premier destination by adding attractions, increasing accessibility and maintaining a clean and safe environment.

Action Item #14: Establish task force to develop waterfront destination opportunities. (Note: This task was completed through the Destination Waterfront planning effort. The outcomes of that effort are reflected in this solicitation).

Action Item #18: Attract another anchor tenant to port peninsula.

Environmental Considerations and Review:

Any future project will require environmental review and compliance with City of Olympia permitting, Shoreline Master Program requirements.

Alternatives Considered:

There is no requested Commission action at this time. Staff is seeking feedback from the Commission on the results of the Solicitation of Interest.

Staff Recommendation:

There is no proposed motion at this time. Staff review of the responses to the Solicitation of Interest concludes that the Kalyan Hospitality response warrants further due diligence with the respondent and would best be managed through an Exclusive Negotiation Agreement.

Document(s) Attached:

PowerPoint presentation