

City of Tumwater

Request for Information

TUMWATER CRAFT BEER, CIDER, AND SPIRITS
STARTUP FACILITY

Contact: Heidi Behrends Cerniwey
January 23, 2020

1. INTRODUCTION

The City of Tumwater ("City") is interested in identifying potential craft beverage businesses and entrepreneurs that may consider leasing production space and/or a tasting room in the proposed Tumwater Craft Beer, Cider, and Spirits Startup Facility ("Startup Facility") to be located in Tumwater, Washington.

This Request for Information (RFI) seeks to identify interested craft producers to ensure public investment in a Startup Facility will bring desired return. Businesses selected through this RFI process, and those that meet additional financial conditions, may be invited to negotiate lease terms in the Startup Facility. Note: Additional business or financial information may be required at a future date.

PLEASE NOTE THAT THIS NOTICE AND ANY RELATED REQUESTS FOR INFORMATION SHOULD NOT BE CONSIDERED A SOLICITATION FOR QUOTATION OR A REQUEST FOR PROPOSAL, AND NOTHING IN THIS NOTICE, OR THE SPECIFICATIONS OBLIGATES THE CITY OF TUMWATER TO ISSUE ANY SUCH SOLICITATIONS NOW OR IN THE FUTURE OR TO CONSIDER ANY UNSOLICITED RESPONSES. FURTHER, THE CITY MAINTAINS NO OBLIGATION TO REIMBURSE RESPONDENT FOR ANY COSTS INCURRED IN ASSOCIATION WITH THIS REQUEST FOR INFORMATION (RFI).

1.1 About the City of Tumwater's Interest

The City of Tumwater (City) has been defined by the presence of the Olympia Brewery site for over a century. The site is located in the heart of Tumwater, adjacent to the Deschutes River, and with signature visibility from the I-5 corridor. The brewery closed for business in 2003 and the site has been vacant of industry since that time. Redevelopment of the former Olympia Brewery site has become a City priority. Many actions have been undertaken to evaluate conditions and prepare the former brewery site and district for reuse.

One strategy to catalyze redevelopment has been to build on the legacy and brand of brewing by working collectively with partners to create a center of excellence to support the growing craft beer, spirits, and cider industry. A 2015 feasibility study outlined a need for training and credentials; support for expanding businesses along the supply chain, and

opportunity to create a gathering place for industry leaders to discuss best practices and regulations to advance growth of craft beverage industry.

Following the completion of that study, the Washington State Department of Commerce designated Tumwater and Thurston County as the State's Innovation Partnership Zone for Craft Brewing, Distilling, and Cider-making (Cider was added in the 2019 re-designation), to bring together education, workforce development, research, and industry operations to grow this emerging sector. South Puget Sound Community College (SPSCC) developed and launched a degree program in craft brewing, distilling and cider-making and will graduate its first cohort from the two-year program in 2020.

The Tumwater Craft Beer, Cider, and Spirits Startup Facility concept was outlined in a 2017 feasibility study that explored best practices to support craft beverage startups and expansions.

1.2 About the Startup Facility

The purpose of developing a Startup Facility is to complement community efforts to create strong support for craft beverage producers, providing a place where entrepreneurs and recent graduates of the community college program can turn their interest and knowledge into new businesses while tapping into a network of existing and emerging support services, and collaborations with other craft beverage producers.

According to industry leaders, a small production space could be especially important to startups in the cider industry, which is just getting established. A small space could also be attractive to small but established breweries, distilleries and cider makers with a primary location somewhere else in the state who would come here to tap new geographic markets. A concentration of small producers allows for cross-marketing and collaborations which can build customer relationships, product awareness, and expand marketing opportunities.

Siting, design, and development of this Startup Center has evolved beyond concept since the study was released in 2017. Strategic siting is critical to success of craft beverage startups. Co-location with other craft beverage operators is key to accelerating profitability of businesses in the Startup Center. Thus, the Brewery District, Craft District, Warehouse District, and Town Center were all considered and are potentially viable locations for the facility.

The City is exploring funding options for facility design and construction through Washington State Community Economic Revitalization Board's

(CERB) Committed Private Partner Program. CERB provides funding to local governments for public infrastructure which supports private business growth and expansion. CERB loans to local governments can support planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of economic development systems, including research, testing, training, and incubation facilities in designated Innovation Partnership Zones (IPZs) authorized under RCW 4.330.270. While CERB funding is desired, other financing tools may ultimately be utilized.

The City of Tumwater seeks interested craft beverage producers that may consider leasing production space and/or a tasting rooms to explore design, construction, and lease options for a Startup Facility. The facility will be located on a site in Tumwater, Washington. The preferred location for the Startup Facility is the Craft District on Capitol Boulevard SE and E Street in Tumwater. The City will ultimately make a decision on the location of the Startup Facility based on economics, lease rates, collaboration opportunities, access, visibility, and other related factors related to startup business success and reduced risk to the City.

The Craft District location is being developed by a private entity, Craft District LLC. It includes the SPSCC education and production facilities, a Heritage Distilling production facility and tasting room, a Ninkasi Brewing Brew Pub, an amphitheater, a market space with small retail and food businesses, and additional unleased retail, office, food service, and craft beverage production space. The site has visibility from I-5 and easy access. It is adjacent to the Deschutes River Trails which is under construction. Numerous events, including the Tumwater Artesian Brewfest, are held at the adjacent Tumwater Golf Course.



The City anticipates the startup businesses will partner to host events, share marketing, and collaborate on promotions. Similarly, the startup

businesses will work on similar partnerships with the other producers in the vicinity.

1.3 Potential Lease Terms

Early planning of Startup Facility has yielded the following potential terms for site development and lease in the Craft District location:

- New construction
- Five (5) production/tasting room spaces
- Approximately 850 sq ft each with potential to partition spaces to as small as 500 sq. ft. and as large 1,200 sq ft.
- Common restrooms
- Range of \$26 to \$28 per square foot annually (Plus Triple Net Lease)
- Graduated lease option
- Proximity to large beverage producers, events, outdoor activities, hotels, and restaurants
- Onsite parking
- Tenant Improvements (TI) and production equipment is excluded
- Shared mechanical systems may be explored

Other sites may be explored in evaluating feasibility and interest of response to this RFI.

2. INDICATION OF INTEREST

If your business is interested in leasing production space and/or a tasting room in Tumwater's Craft Beer, Cider, and Spirits Startup Facility, please respond to this Request for Information by submitting a letter of interest (LOI) according to the instructions in section 3, INSTRUCTIONS.

Note: Information submitted through this response may be used to assist the City of Tumwater in preparing a Request for Qualifications for future phases of the project.

3. INSTRUCTIONS

To be considered as a potential partner, participant, or tenant/lessee in the Tumwater Craft Beer, Cider, and Spirits Startup Facility, producers must submit a Letter of Interest according to the instructions in this section.

3.1 Time Table

Activity	Target Completion Date
Release of RFI	January 23, 2020
Information Responses Due	March 9, 2020
Startup Facility Design Complete	September 2020
Startup Facility Construction Complete	June 2021
Startup Facility Opening	August 2021

3.2 Respondent Requirements

Respondents are limited to producers of craft beer, cider, or spirits. Ideally, respondents will have some level of business maturity; experience implementing a business plan; interest in expanding craft beverage business; interest in exploring lease options; future tenancy would create new jobs and will not displace jobs from one part of the state to another. Producers with training, but minimal business experience may be considered upon a showing of adequate business planning, financing, market potential. All tenants must have a tasting room or similar public component.

3.3 Response Format

In order to facilitate City's review of interest, respondents are required to provide the requested information in the form of a Letter of Interest.

Responses should be tailored specifically to answer this RFI. It is essential that the response be thorough, yet concise.

Electronic (email) responses are preferred and should be sent as an attached Microsoft Word or Adobe PDF document. Include any attachments or other documentation as needed. Please note that our email server will not accept emails over 10MB or containing .zip files.

Responses must be emailed and submitted so as to be received by the City of Tumwater no later than 5:00 PM, Pacific Time, March 9, 2020, at the following email address: hcerniwey@ci.tumwater.wa.us

If documentation cannot be sent by email, it must be received at the following address by the due date and time shown in the above paragraph.

Heidi Behrends Cerniwey, Assistant City Administrator
City of Tumwater
555 Israel Road SW
Tumwater, WA 98501
(360) 754-4128

Note: As a public agency, all submittals are public records and may be available to anyone requesting disclosure pursuant to Washington’s public record laws.

3.4 Letter of Interest Content

Please provide the point of contact in the Letter of Interest. Include information and mailing address for the appropriate participant in any future activities regarding this initiative.

- Organization/Business Name
- Address, City, State, Zip
- Contact Name
- Email
- Phone/Cell

The Letter of Interest must include a general overview of current craft beverage business and reason for interest in leasing production space and/or a tasting rooms. Respondents should provide the following information in the body of the response:

- Why you are interested in leasing space in the Startup Facility
- Business history
- Training and experience of production and business staff
- Current products and production levels
- Distribution format and geography
- Nature of business financing (not details of funding sources or amounts)
- Readiness for growth or expansion
- Preference on size of leased space (sq ft of production and/or tasting room)
- Ability to meet scheduled deadlines (Section 3.1)
- How tenancy in the Startup Facility will create new jobs

3.5 Questions

Any questions concerning the City's specifications or RFI process shall be directed to Heidi Behrends Cerniwey at hcerniwey@ci.tumwater.wa.us.

4. TERMS AND CONDITIONS

4.1. Selection Process

Submittals will be reviewed and evaluated according to the following criteria and weights:

Criteria: Definition	Weight
• Status: Priority will be given to startup producers followed by those seeking tasting facilities.	25%
• Readiness: Evidence of business foundation and readiness for growth or expansion.	45%
• Jobs: Evidence that tenancy will create jobs, not displace jobs from one part of the state to another.	20%
• Use: Complementary mix of tenants to site.	10%

4.2 Project Development

Upon selection of the most qualified firm(s) on the basis of demonstrated competence and qualifications, the City will engage firms in project development.

4.3 Lease Negotiations

Firms selected through this RFI process may negotiate lease terms in the Startup Facility. Additional information to demonstrate ability to secure lease may be required during lease negotiations.

If the City is unable to negotiate a satisfactory lease contract with the firm(s) selected through this RFI process, negotiations with that firm(s) will terminate and the City may select another firm through a process identified by the City.

4.4 Terms

- The City reserves the right to terminate the project at any time and for any reason.
- The City shall not be responsible for any costs incurred by the firm in preparing, submitting or presenting its response to the RFI.
- Any lease contract or agreement resulting from acceptance of a firm's LOI by the City, shall be in a form supplied or approved by the City or its designee.
- This is a solicitation of interest. A submittal does not commit or obligate a submitter in any way. Frivolous responses will not be appreciated.