

Washington State
Department of Social
& Health Services

Report to the Legislature

Frances Haddon Morgan Center Predesign Study for Future Use Options

ESHB 1497

December 21, 2011

Department of Social and Health Services

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TABLE OF CONTENTS

Executive Summary

Chapter 1 Project Introduction	1
I Background and Legislative Direction	1
II Overview of Report	3
III Frances Haddon Morgan Center Overview	3
IV Frances Haddon Morgan Center History	5
V Project Goals	6
Chapter 2 Assessment of FHMC Reuse Potential	7
I Site and Facilities Analysis	7
II Facilities Conditions Analysis	10
III Market Trends Affecting Real Estate Development	13
Chapter 3 Agency and Stakeholder Input	17
I Stakeholder and Agency Meetings	17
II Project Notification	18
Chapter 4 Recommendations to Legislature	19
I Reuse Options	19
II Detailed Description of the Options	21
III Cost-Benefit Summary	30
IV Decision Issues for the Legislature	38
V Topics for Further Consideration	39

Appendices

A ESHB 1497 – Predesign for Future Reuse	
B Legislative Task Force	
C State Operated Living Alternative Overview	
D Technical Fact Sheets – Frances Haddon Morgan Center	
E Facilities Assessment	
F Public Meetings	
G Market Analysis	
H Reuse Options Draft Site Plans	
I Cost-Benefit Analysis and Unit Costing	
J Zoning and Building Occupancy Summary	
K Project Resource and Data List	

LIST OF FIGURES

Figure 1-1 Aerial Photo and Existing Site Use Areas	2
Figure 1-2 Frances Haddon Morgan Center Today	4
Figure 2-1 Market Profile Map	8
Figure 2-2 Olympic Center Building	12
Figure 2-3 Residences	12
Figure 2-4 Forest Ridge Lodge	12
Figure 4-1 Option 1: Community Use Campus	23
Figure 4-2 Option 2: School Campus	25
Figure 4-3 Option 3: Multi-Service Level Special Needs Housing Community	27
Figure 4-4 Option 4: Single Family Residential Neighborhood	29

LIST OF TABLES

Table 2-1 Site Characteristics – Market Reuse	14
Table 2-2 Market Demand Perspectives – Market Rate Products	15
Table 2-3 Market Demand Perspectives – Non-Market Rate Products	15
Table 4-1 Reuse Options Phasing Development Program	21
Table 4-2 Financial Net Benefit	36
Table 4-3 Community and Social Benefits	37

LIST OF ACRONYMS

2SSB	Second Substitute Senate Bill
ADSA	Aging and Disabilities Services Administration
BMC	Bremerton Municipal Code
DCFS	Division of Children and Family Services
DD	Developmental Disabilities
DDD	DSHS Division of Developmental Disabilities
DDSSTF	Developmental Disability Service System Task Force
DEL	Department of Early Learning
DSHS	Department of Social and Health Services
ESHB	Engrossed Substitute House Bill
FHMC	Frances Haddon Morgan Center
GFA	Gross Floor Area
HSS	Health and Social Services
IBC	International Building Code
ICF/ID	Intermediate Care Facilities for the Intellectually Disabled
MD	Master Development
NF	Nursing Facility
RHC	Residential Habilitation Center
SMC	Selah Municipal Code
SOLA	State Operated Living Alternative
YVS	Yakima Valley School

EXECUTIVE SUMMARY

I BACKGROUND AND LEGISLATIVE DIRECTION

The 2011 State Legislature funded a predesign project in ESHB 1497 to identify future reuse options for the Frances Haddon Morgan Center (FHMC) in Bremerton, Washington to support housing or other services for low income, disabled or other vulnerable persons (see Appendix A). This report was prepared in late 2011 in response to that directive.

The 2011 State Legislature also passed 2SSB 5459 which called for the closure of the Frances Haddon Morgan Center by December 31, 2011, established a new statewide task force to make recommendations on the development of a system of services for persons with developmental disabilities and made other investments in community services. The Task Force shall report their recommendations to the appropriate committees of the Legislature by December 31, 2012 (see Appendix B). This report may be useful for the Task Force.

RHC Closure

Prior to its closure, the Frances Haddon Morgan Center was one of five Residential Habilitation Centers (RHCs) in the State supporting persons with developmental disabilities. The last residents moved out of FHMC in November 2011 to Fircrest School, Rainier School, Lakeland Village and other community placements. FHMC closed as a RHC on December 31, 2011.

II FRANCES HADDON MORGAN CENTER

The Frances Haddon Morgan Center campus today is:

- A 12 acre site in central Bremerton, located at 3423 6th Street.
- Owned and managed by the Washington State Department of Social and Health Services (DSHS).
- Bounded by residential neighborhoods, the Bremerton School District Administration Building property and the City of Bremerton Forest Ridge Park.

FHMC has historically housed two DSHS functions: 1) the RHC and 2) non-RHC DSHS offices and programs.

Existing Zoning

The Frances Haddon Morgan Center site is located in the Low Density Residential (R-10) district in Bremerton. As described in Bremerton Municipal Code (BMC) 20.60.010, the intent of this district is to accommodate single family housing by infilling at a range of lot sizes consistent with urban growth patterns. Some attached single-family housing may be appropriate when responding to sensitive areas or with innovative design. The Bremerton Municipal Code establishes a master development (MD) zone to provide large-scale planned development by public entities or through public-private partnerships which provide a clear community benefit. The State could choose to undertake a sub-area plan process for the purpose of addressing the zoning of the property as a whole to ensure future property use for support of housing or other services for low-income, disabled, or vulnerable populations or to achieve other State goals.

Identification of Reuse Options

The development of the reuse options was based on the direction from the Legislature, an existing facilities assessment, a market analyses and public input from other agencies and stakeholders. The following project goals were used to define the range of options in terms of land use, facilities and phasing of any potential future uses. These include:

- Direction from the Legislature.
- Neighborhood compatibility.
- Viability of existing facilities and potential for reuse.
- Real estate market opportunities.
- Benefit to state missions and local communities.
- Potential cost and financial return.

III TRANSITION OF FACILITIES AND PHASING OF REUSE OPTIONS

Phases of reuse and redevelopment were defined for the purposes of this study in response to market conditions, continued DSHS office use in the FHMC Olympic Center and potential near-term lease interest for the RHC residential buildings and Forest Ridge Lodge. The existing facilities assessment reports the buildings and infrastructure are near the end of their life cycle. Reuse of the existing facilities would likely be quite limited in years without major renovations.

Scale of Development

A lack of parking and the site's terraced topography are two important factors that control and limit development on the property. The need for new on-site parking is driven by the site's location distant from arterial streets and limited access to transit services. Most users will need to travel by car to the site in the foreseeable future. Site topography impacts the location of development on the site.

Range of Options Considered

Potential options were defined based on the factors and goals cited above, market opportunities and conditions of the existing facilities. The options range from a literal interpretation of the Legislature's direction to market-rate housing. This approach was taken to provide the Legislature with a broad spectrum of possibility in their deliberations. These are:

- Offices: non-profit uses, government agencies, health or human services operations that could serve low-income, disabled or other vulnerable persons.
- Educational Uses: public school or other educational uses.
- Residential uses: affordable housing, market rate housing (single family or attached housing) or emergency, transitional housing or other housing types that could serve low-income, disabled or other vulnerable populations.
- Park/community uses.

Uses Ruled Out

The following uses were ruled out due to location, incompatibility or lack of market potential:

- Correctional facilities.
- Retail and commercial uses.
- Industrial uses.

The study placed emphasis on a phased transition in use of the property due to the RHC closure, condition of the facility and potential agency and non-profit service providers interested in leasing space at the FHMC. Transition phases identified for the purposes of this study are:

- Near-term reuse without renovation (0-5 years),
- Renovation and reuse of existing facilities (3-10 years).
- Full site redevelopment (7+ years).

IV REUSE OPTIONS PRESENTED

The document presents four Reuse Options for comparison and consideration:

- Option 1: Community Use Campus
- Option 2: School Campus
- Option 3: Multi-Service Level Special Needs Housing Community
- Option 4: Single Family Residential Neighborhood

The report also contains discussion of a number of decision issues for the Legislature and DSHS to address. These include:

- Opportunities to provide housing or other services to low-income, disabled or vulnerable populations.
- Near term leases to other entities.
- Future Investment in existing buildings and infrastructure.
- Sale of land.
- Long-term lease of property.
- Transfer or surplus of the property to another public agency.
- Maintaining land use control for public benefit.

Topics for further consideration include:

- Developmental Disabilities Trust implications of reuse decisions.
- Future additional property accesses.

Cost-Benefit Analysis

The facilities assessment determined that the useful life of the existing structures is limited to a few years. The estimated costs for renovation (or demolition plus new construction) for all Options are greater than expected revenues from uses proposed in the four Reuse Options. Therefore, the costs associated with renovation and demolition of the structures for all Options are a financial liability that outweighs the asset value of the structures and land combined. Alternatively, the State could hope to pass on the demolition costs to new users, and in that scenario would need to lease the land for \$1 per year or bestow the property to a recipient with no payment expected in return.

The State would receive different levels of costs and benefits for the four Reuse Options in the form of property leases or sales – after incurring the demolition costs. Options 1-3 would be operated by not-for profit agencies or local governments to provide public and community benefits and services. Of these, Option 3, Multi Service Level Special Needs Housing Community, most directly responds to the directives in ESHB 1497 with the provision of housing and other services to low income, disabled or vulnerable populations. Option 4, Single Family Residential Development, which is a market-driven Option, presents the least costs to the State and also provides the least benefit as defined in ESHB 1497.

Based upon the assumption that the State will likely need to incur demolition costs in order for the site to be attractive to new users, those new users would need to assume renovation and redevelopment costs. Due to availability of other sites in attractive locations which do not include these costs, interest in such a financial scenario may be low. These assumptions, made for the purposes of this analysis, may be revisited if and when the State enters into detailed discussions with potential end users regarding any Reuse Option beyond Phase 1 (near-term reuse without renovation). Specific discussions regarding reuse would need to include more detailed design, permitting and financial analysis which could then provide the basis for specific financial arrangements.

CHAPTER 1 PROJECT INTRODUCTION

I BACKGROUND AND LEGISLATIVE DIRECTION

The 2011 State Legislature funded a predesign project in ESHB 1497 to identify future reuse options for the Frances Haddon Morgan Center (FHMC) in Bremerton, Washington (see Appendix A). This report was prepared in late 2011 in response to that directive.

The 2011 State Legislature also passed 2SSB 5459 which called for the closure of the Frances Haddon Morgan Center by December 31, 2011, established a new statewide task force to make recommendations on the development of a system of services for persons with developmental disabilities and made other investments in community services. The Task Force shall report their recommendations to the appropriate committees of the Legislature by December 31, 2012 (see Appendix B). This report may be useful for the Task Force.

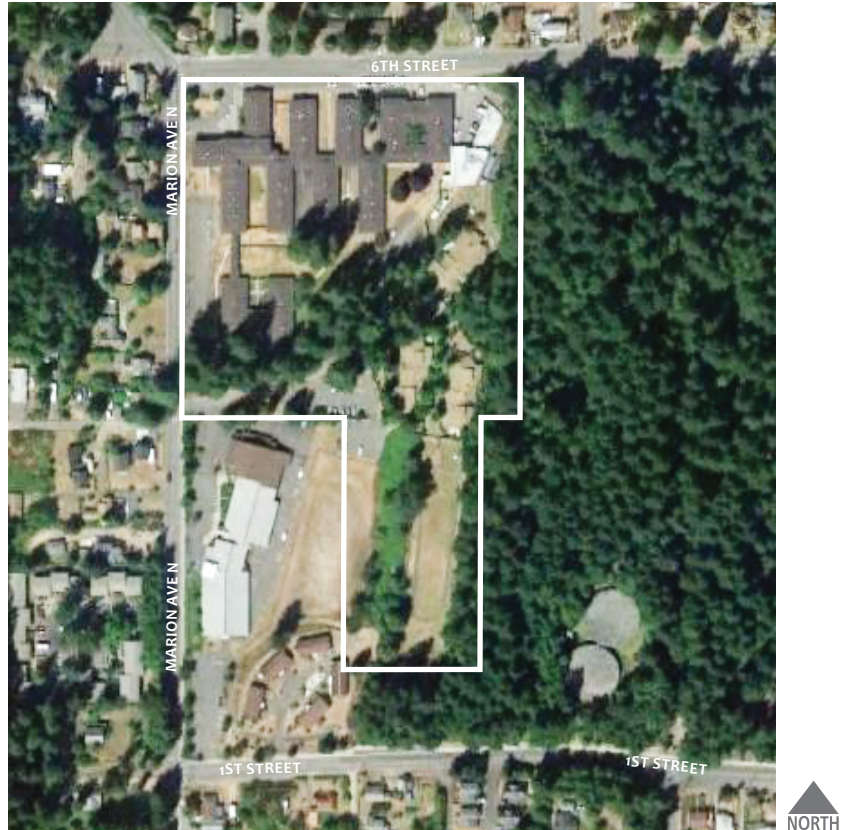
RHC Closure

Prior to its closure, the Frances Haddon Morgan Center was one of five Residential Habilitation Centers (RHCs) in the State supporting persons with developmental disabilities. The last residents moved out of FHMC in November 2011 to Fircrest School, Rainier School, Lakeland Village and other community placements. FHMC closed as a RHC on December 31, 2011. Eight positions remained until December 31, 2011.

Figure 1-1 shows existing FHMC site development. For the purposes of this report, the site is divided into four use areas, as illustrated in Figure 1-1. These use areas, which are described in more detail in subsequent sections of this report, include: the Olympic Center (former hospital), the Forest Ridge Lodge (former nursing staff housing), Residential Duplexes (3 total) and the Running Track (a primarily undeveloped parcel with existing utilities).

OFM has given permission to enter into short term leases for unoccupied spaces. DSHS is accepting requests for space through December 30, 2011. Buildings will be warm closed pending space use evaluation.

FIGURE 1-1 AERIAL PHOTO AND EXISTING SITE USE AREAS



II OVERVIEW OF REPORT

Report Organization

This report is divided into four chapters.

- Chapter 1 includes a brief introduction to the study and FHMC.
- Chapter 2 provides analyses to determine reuse potential, including site and facilities assessment and market trends analysis.
- Chapter 3 summarizes agency and stakeholder outreach and input.
- Chapter 4 describes Potential Reuse Options, study findings, conclusions and decision questions for the legislature.

Appendices to the report contain detailed supporting information.

The study process included the following steps:

- Building and site condition assessment.
- Market assessment.
- Stakeholder and agency outreach.
- Development of draft options.
- Financial and cost-benefit analysis.
- Findings and decisions questions preparation.
- Report preparation.

III FRANCES HADDON MORGAN CENTER OVERVIEW

The FHMC Campus

The FHMC campus consists of approximately 12 acres located at 3423 6th Street in Bremerton. The site is located in a developed single family residential area and served by local access streets. To the south, the site adjoins Bremerton School District facilities, including administrative offices and an alternative high school. To the west, the site adjoins Forest Ridge Park, an undeveloped City of Bremerton park site.

Existing FHMC Facilities

RHC FACILITIES

Prior to RHC closure in 2011, the FHMC hosted two separate types of DSHS facilities:

- 1) The RHC, comprised of a cluster of three duplexes constructed in the early 1980's with a capacity of 48, the Forest Ridge Lodge (original nurse's quarters) and support services in the main Olympic Center building.



FHMC Facility



Internal service road at FHMC

- 2) The Olympic Center (original hospital building). In addition to providing support services to the RHC, the building contains non-RHC DSHS offices such as Child Protective Services and Child Early Learning Programs.

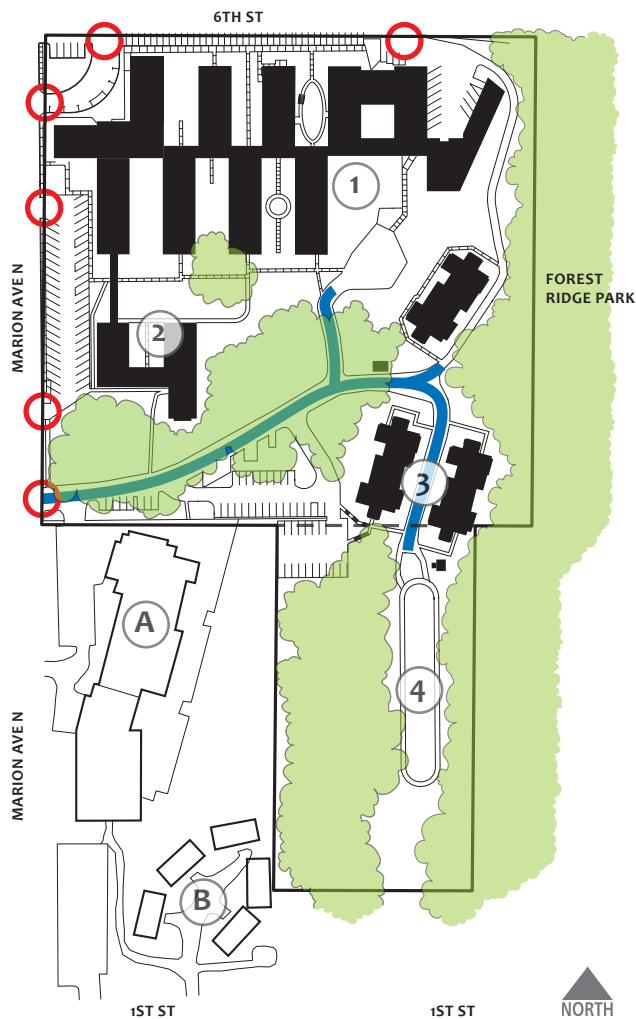
EXISTING NON-RHC DSHS PROGRAMS

The FHMC is co-located with the DSHS Division of Children and Family Services, the community field services offices of the Division of Developmental Disabilities and the Department of Early Learning. The current office space in wings 100-500 is near capacity with approximately 120 employees.

Though there are no specific plans to relocate these offices, it was assumed for the purposes of this study that the existing DCFS, DDD and DEL offices would remain onsite at the Olympic Center campus for a minimum of two years.

FIGURE 1-2 FRANCES HADDON MORGAN CENTER TODAY

- Property Line
 - Access Drive
 - Campus Entrance
 - Existing Vegetation
 - Building
 - Bremerton School District Building
- 1 Olympic Center
 - 2 Forest Ridge Lodge
 - 3 Residences
 - 4 Running Track – Undeveloped with Utilities Connection
- A/B** Bremerton School District



IV FRANCES HADDON MORGAN CENTER HISTORY

Frances Haddon Morgan Center was named for the late Senator Frances Haddon Morgan who was instrumental in establishing social services in Kitsap County. Established in 1972 as one of the five DSHS RHCs, the FHMC was originally a children's center, supporting children with autism and later became a long-term residential care facility. The campus contains buildings from the 1940s which were originally developed as a naval hospital and supporting facilities (Olympic Center and Forest Ridge Lodge). In the mid-1980s, the state's policy changed and families could choose to have their sons and daughters stay at the center as they grew older. Many families have chosen to have their family member remain living at the center. In the 1970s, children as young as five were admitted to the center. The average age in 2011 was 31 years old.

While in operation, the FHMC RHC received funding from the state and federal governments. Programs and services to enhance an individual's skills and strengths, along with providing active, individualized treatment, were the cornerstones of daily life at the center. The FHMC RHC was not a hospital, group home, independent living, mental health program, locked residence, involuntary commitment, a detention center or a nursing home, rather, it was a group residential facility.

Prior to closure at the end of 2011, the residential census of Frances Haddon Morgan Center remained at about 56 clients for over 20 years. Client needs changed over this time due to residents growing older along with the varied needs and numbers of people admitted for short term care. Short term needs resulted in more emphasis on medical and behavioral interventions. All clients required 24 hour supervision, care and monitoring of a varying, individualized degree. Many residents had a diagnosis of autism; many had a co-existing mental health condition; many had social/emotional and behavioral conditions. The majority of the people supported at the RHC had significant behavior challenges such as aggression, self-injurious behavior, property destruction, and inappropriate social behavior.

Services at the FHMC also included planned short-term respite care for those 18 and older, or those approved by exception to policy. FHMC provided 24-hour supervision by qualified staff and residential care, recreational and community activities as was appropriate.

FHMC typically did not support children under the age of 14, individuals who were not ambulatory, or individuals who required extensive medical or nursing services, or nursing home care.

V PROJECT GOALS

The project team (including DSHS staff and consultants) developed the following goals to guide the development of the Reuse Options.

Legislative Intent

- Provide options which include the permanent use of the property to support housing or other services for low-income, disabled, or vulnerable persons.
- Provide an orderly, phased transition (in the near term) from RHC uses to those compatible with DSHS offices and programs.

Physical Features

- Preserve mature vegetation and visual quality of campus.
- Integrate green building principles into new development on the campus.

Circulation and Access

- Improve pedestrian connections through and around the campus in order to avoid pedestrian-vehicular conflicts and to provide linkages to adjacent neighborhoods and park.
- Provide a second access from 1st Street.

Balancing Priorities

- Balance financial return to the State with benefits to the local community.
- Ensure compatibility of future uses with the surrounding area.
- Within the campus, ensure compatibility of future shared uses with each other.

Community Benefit

- Consider Reuse Options which integrate local community benefits (such as affordable housing, community services, and open space/ community connections).

CHAPTER 2 ASSESSMENT OF FHMC REUSE POTENTIAL

This chapter provides summaries of assessments conducted to identify the potential opportunities for reuse of FHMC after RHC closure. These include two major categories of analysis: 1) Site and Facilities Assessment, and 2) Market Assessment. From these assessments, the following were identified:

- Opportunities and constraints for reuse and renovation of existing buildings.
- Potential future new uses which would be compatible with the DSHS office uses at the site.
- Potential site redevelopment options.
- Project goals to guide transitions and reuse.
- Transitions and phasing from the RHC and DSHS office use to future reuse.

I SITE AND FACILITIES ANALYSIS

Site and Neighborhood Context

The FHMC is located in the Forest Ridge Neighborhood, a low to moderate income neighborhood with mostly single family houses. The neighborhood is hilly and has large and mature trees. The property is several blocks in each direction from arterial streets and commercial services.

Existing Zoning

The Frances Haddon Morgan Center site is located in the Low Density Residential (R-10) district in Bremerton. As described in the Bremerton Municipal Code (BMC) 20.60.010, the intent of this district is to accommodate single family housing by infilling at a range of lot sizes consistent with urban growth patterns. Some attached single-family housing may be appropriate when responding to sensitive areas or with innovative design.

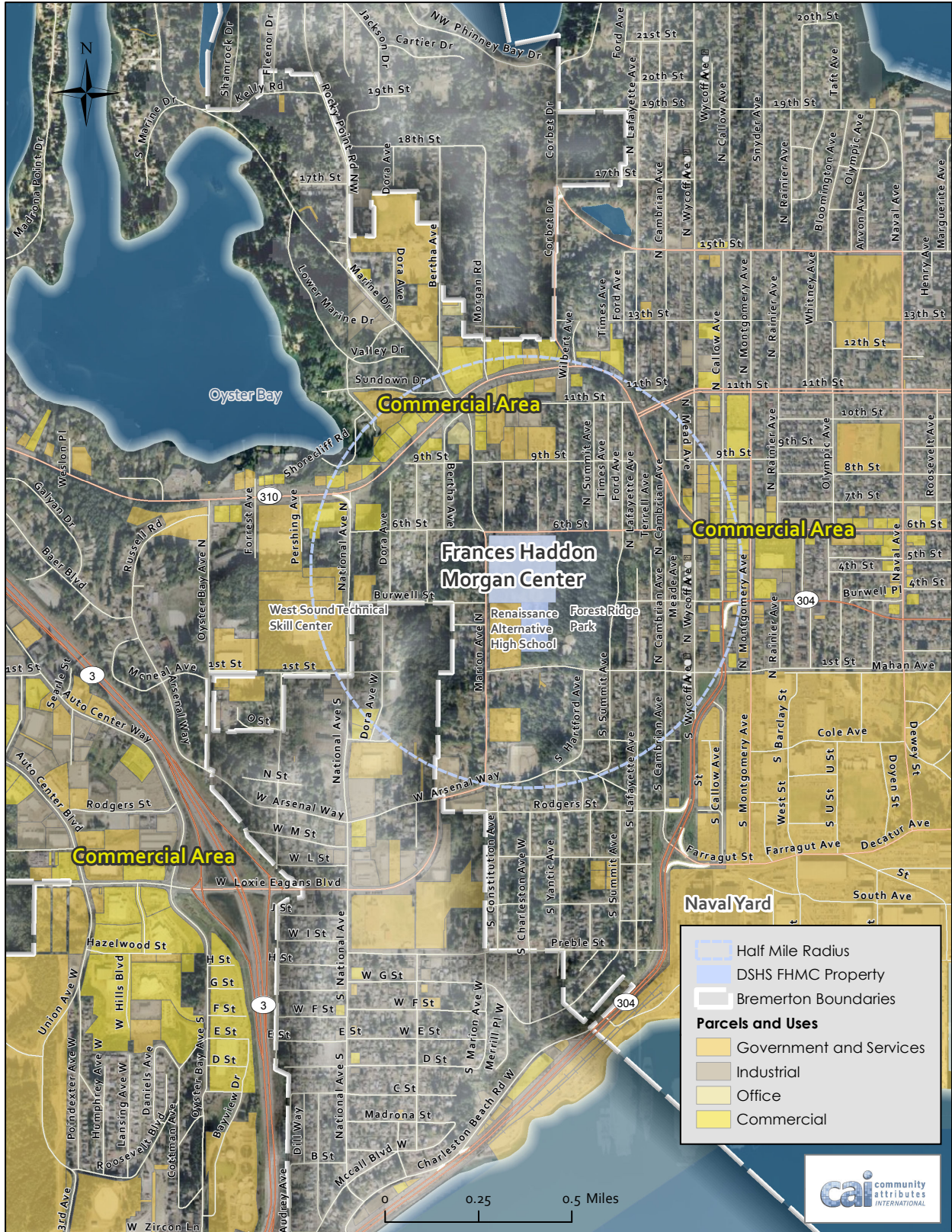


FIGURE 2-1 MARKET PROFILE MAP

Permitted uses in the R-10 zone related to existing and potential future uses include the following. A full summary of existing zoning is located in Appendix J.

- Daycare facility of 12 or fewer persons receiving care.
- Education or schools (K-12) of 12 or fewer students.
- Foster home.
- Group residential home, defined as up to six individuals.
- Parks, playground or open space equal to or less than one-half acre.
- Single unit dwelling unit, detached.
- Single unit dwelling unit, attached (zero lotline).
- Incubator for business associated with a worship or religious facility or community facility, subject to conditions.

A partial list of conditional uses in the R-10 zone that relate to existing and potential future uses are listed below. Conditional uses are reviewed subject to the requirements of BMC 20.58.020. The review process may be processed as a Director decision (Type II permit) or a Hearing Examiner decision (Type III permit), depending on the Director's assessment that the use has a significant impact beyond the immediate site, is of a neighborhood or community-wide interest or is of a controversial nature.

- Class 1 group residential facilities (7 or more persons).
- Senior housing complex.
- Nursing/convalescent homes.
- Daycare facilities (13 or more persons receiving care).
- Adaptive reuse of public and semi-public buildings.
- Schools, parks and associated uses.
- Public utility facilities located above ground.
- Law enforcement and fire facilities.
- Neighborhood businesses.
- Community facilities under 20,000 sf.

The Bremerton Municipal Code establishes a master development (MD) zone to provide large-scale planned development by public entities or through public-private partnerships which provide a clear community benefit. The State could choose to undertake a sub-area plan process for the purpose of addressing the zoning of the property as a whole to ensure future property use for support of housing or other services for low-income, disabled, or vulnerable populations or to achieve other State goals.

Building Occupancy Classification

Building occupancy information, described below, is based on discussions with the FHMC Plant Manager and City of Bremerton.

EXISTING BUILDING TYPES

The existing Olympic Center building is assumed to be IBC construction Type VA, with wood framing and a fire sprinkler system; approximate size 66,000 GSF. The duplex residences are assumed to be IBC construction Type VA, with wood framing and fire sprinklers; they are between 5,300 and 5,800 GSF each. The Forest Ridge Lodge is also assumed to be IBC construction Type VA, wood framed and with fire sprinklers; approximate size 3,300 GSF.

OCCUPANCY GROUPS

The Olympic Center could potentially be used by IBC Occupancy Groups A/Assembly, B/Business, E/Educational and R/Residential. The Olympic Center is now used for offices and conference rooms. The duplex residences were occupied as an Institutional Group I/R-2 Congregate Care Occupancy, and subject to Department of Health regulations. They could possibly be occupied as A/Assembly, B/Business, E/Educational, I/Institutional or R/Residential occupancies. The Forest Ridge Lodge was currently occupied as an Institutional Group I/R-2 Congregate Care Occupancy, and subject to Department of Health regulations. Similar to the Olympic Center and the duplex residences, possible occupancy groups that could be considered include A, B, E, I and R.

Many of the details of a full building code review would not be known until a specific project triggers issues for a more formal discussion. Not all A, B, E, I or R occupancies could necessarily be included in a change of use without consideration of maximum areas allowed based on the construction type. Additionally, the existing configuration of floor plans may or may not be conducive to a particular change from a current occupancy use, to a new occupancy use, even if the construction type and occupancy group are acceptable from a code standpoint.

II FACILITIES CONDITIONS ANALYSIS

This section presents a summary of the existing facilities assessment conducted to identify the extent to which existing buildings and infrastructure could support future reuse with both current conditions or if renovated. The analysis was done in part to identify at what level potential investments would exceed the value or life cycle of existing facilities. Site access, parking, buildings and utilities were assessed in terms of assets and constraints. The full analysis is contained in Appendix E.

Dates of construction for the existing FPMC buildings were between 1944-1984. The original Naval Hospital Buildings were constructed in the WWII era and the RHC residences in the 1980s. Existing buildings total 93,233 gross square feet.

Site and Infrastructure Overview

This section summarizes the findings in the Facilities Conditions Analysis. A detailed analysis of the site, infrastructure and buildings conditions is located in Appendix E.

Overall, the site is characterized as follows:

- Buildings and utilities in fair to poor condition; near end of life cycle.
- Age and condition of site utilities and buildings do not warrant substantial investment for change of use.
- Potential reuse of buildings in existing condition limited to 0-5 years.
- Reuse of existing utilities limited to 5 years; redevelopment would likely require new utilities.
- High operations & maintenance costs.
- Site contains two distinct areas; one at street level (office buildings) and an upper bench adjacent to the Forest Ridge Park (3 residential buildings).
- Well maintained grounds landscaped with mature trees and vegetation.

Site Reuse Considerations

- Single site access drive, limited vehicular connections to residences, limited parking remote from buildings.
- All residences are ADA accessible; however, they are above a sloped hillside that does not meet ADA standards and is almost impossible for use by persons who use wheelchairs.

Building Reuse Considerations

OLYMPIC CENTER (FORMER HOSPITAL BUILDING; SEE FIGURE 2-2)

- General condition of original WWII hospital buildings is fair to poor with evidence of foundation damage.
- Buildings age and condition do not warrant any substantial investment for change of use. Necessary investments would likely exceed existing building value and the cost of new construction. Suitable for short term use for transitional occupancy only.

RESIDENCES (SEE FIGURE 2-3)

- Residence general condition is fair to good with some deterioration in buildings proximate to hillside.
- Not near streets, limited visibility; substandard for commercial office use.

FIGURE 2-2 OLYMPIC CENTER BUILDING

TOTAL: 58,888 SF

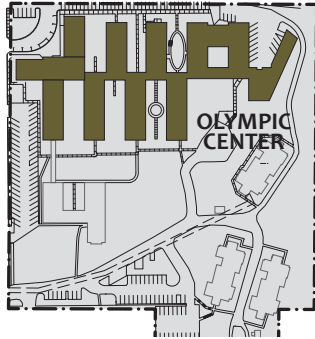


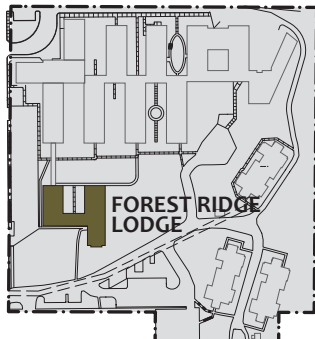
FIGURE 2-3 RESIDENCES

TOTAL: 16,760 SF



FIGURE 2-4 FOREST RIDGE LODGE

TOTAL: 9,590 SF



FOREST RIDGE LODGE (RESIDENCES; SEE FIGURE 2-4)

- General condition is fair.
- Substandard for commercial office use without renovation but suitable for short term use.
- Buildings age and condition do not warrant substantial investment for change of use. Necessary investments would likely exceed existing building value and the cost of new construction. Suitable for short term use for transitional occupancy only.

III MARKET TRENDS AFFECTING REAL ESTATE DEVELOPMENT

This section summarizes key assets and challenges for the FHMC site from a market development perspective. The full analysis is provided in Appendix G.

Market-Oriented Site Perspectives

SITE CHARACTERISTICS

Table 2-1 on page 14 identifies key characteristics of the FHMC site.

KEY ASSETS

- Attractive parcel, adorned with large trees and park-like settings.
- Centrally located near downtown Bremerton.
- Large parcel size.
- City of Bremerton is oriented for economic development.
- Main Building is partly usable as is, for class-room and group activities (may be attractive to non-profits).

CHALLENGES

- Centered in a small residential neighborhood in Bremerton.
- Supports few market-based new uses.
- Access into neighborhood is limited and presents challenges.
- Housing in area relatively lower valued, lower priced than market-wide values and prices.
- Alternative school adjacent to site.
- Asbestos, contaminants known on-site.

Summary of Potential Market-Driven Uses

The following is a general summary of potential uses for the FHMC site. For a breakdown of potential uses and preliminary estimates on market feasibility see Table 2-2 on page 15.

- Market interest in new development of site appears challenging for most uses, given today’s economic climate.
- Market rate single and/or multifamily housing would fit well on site, but current rents in Bremerton do not appear to support new development. Market rate housing may suit longer-term planning for the site.
- The site is not well suited for market rate retail or commercial uses due to residential location and more suitable commercial locations within Bremerton along commercial corridors with high volumes of traffic.

Table 2-2 and Table 2-3 identify more specific market and feasibility potential by land use category, both market-driven and non-market driven products.

TABLE 2-1 SITE CHARACTERISTICS – MARKET REUSE

FHMC – Bremerton, WA	
Land Area (Acres)	12.15
Number of Parcels	2
Assessed Value Land	\$758,450
Assessed Value Improvements	\$7,016,030
Total Assessed Value	\$7,711,900
Dates of Construction Range	1944-1984
Neighborhood Considerations	<ul style="list-style-type: none"> • Located in central Bremerton • Close proximity to commercial core and naval yard • Residential neighborhood • Moderate income housing • Existing park bordering to east
Zoning	Low Density Residential (R-10)
Existing Land Use	Government Services and Recreation
Site Considerations	<ul style="list-style-type: none"> • Mature trees and vegetation • Access from 6th St and Marion Ave • Alternative school contiguous to property
Square Footage Improvements	99,618 s.f.
Condition	Buildings in moderate to poor condition; Grounds well maintained

TABLE 2-2 MARKET DEMAND PERSPECTIVES – MARKET RATE PRODUCTS

Frances Haddon Morgan Center – Bremerton, WA				
Market Demand Perspectives – Market Rate Products				
Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Single Family Housing	Entire Site	Low	Medium	Unlikely in short term due to low demand and values. Possible in long term due to central location within an existing residential neighborhood.
Multifamily Housing	Entire Site	Low	Medium	Unlikely in short term due to low demand for multifamily housing. Possible in long term depending on market conditions
Office	Entire Site	Low	Low	Unlikely because of residential location and limited demand for new office space. More suitable sites in existing commercial areas. Low rent values
Retail	Entire Site	Low	Low	Unlikely because the nearby commercial areas along Kitsap Way offer superior sites with far better access, far more customer access and established commercial activity.

TABLE 2-3 MARKET DEMAND PERSPECTIVES – NON-MARKET RATE PRODUCTS

Frances Haddon Morgan Center – Bremerton, WA				
Market Demand Perspectives – Non-Market Rate Products				
Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Institutional Housing	Entire Site	Medium	High	Existing facilities suitable for this use. Upgrades to facilities required in near and long term.
Schools/Higher Education	Entire Site	Medium	High	Existing facilities suitable for this use. Upgrades to facilities required in near and long term. Costs of operations will determine potential rents.
Non-Profit Activity Space	Entire Site	Medium	High	Existing facilities suitable; dependent on demand for such space. Costs of operations will determine potential rents.
Early Learning Center	Entire Site	Medium	Medium	Existing facilities suitable; building improvements in near and long term required.
Neighborhood Park	Entire Site	Medium	Medium	Benefits community. Portion of site may be dedicated park. Demand of recreational space in Bremerton. No costs/subsidies by state government required.

CHAPTER 3 AGENCY AND STAKEHOLDER INPUT

Outreach was conducted to community members and agency stakeholders during the course of this study to 1) provide the community with an overview of the project and schedule, 2) obtain input from the community about future reuse options and 3) enter into a dialogue with agencies who might wish to enter into near-term leases of FHMC buildings.

I STAKEHOLDER AND AGENCY MEETINGS

1) Bremerton Stakeholder Group, Project presentation to group on October 12, 2011.

This group was convened by DSHS and Bremerton Mayor Patty Lent to identify potential parties interested in immediate to near term lease opportunities at FHMC. The City of Bremerton may be willing to take a master lease for the property and sublease to individual tenants.

The following entities have expressed interest in immediate or near-term leases at FHMC through the Bremerton Stakeholder Group.

- City of Bremerton – Interested in a potential master lease with subleases of different areas to interested parties
- Bremerton School District - Forest Ridge Lodge and some Olympic Center space for school administration offices and expanded school programs
- Bremerton Rescue Mission, emergency housing
- Abused Women’s Transition Shelter, emergency housing



FHMC Public Meeting



FHMC Public Meeting

2) FHMC Public Meeting, November 9, 2011.

Attended by approximately 20 individuals including neighbors, stakeholder group members and FHMC staff.

Comments and questions were primarily about availability of facilities for reuse by non-profit service agencies and questions about on-site parking for the reuse options. No specific preferences or over-riding themes emerged.



Tribal Chiefs of Washington
November 14, 2011

3) Tribal Chiefs of Washington Outreach Meeting, November 14, 2011.

Administrative Policy No. 7.01, Office of Indian Policy and Support Services defines that DSHS is committed to seek consultation and participation by representative of tribal governments to work in collaboration with the Tribal Organizations in the planning of DSHS service programs in Washington State.

A video conference was held on November 14th inviting representatives from all twenty-nine Federally

Recognized Tribes to a presentation of the Future Use Options for the two RHC properties that the Legislature has selected for closure, Frances Haddon Morgan Center and the Yakima Valley School as presented by the DSHS consultant inova.

There was an interest expressed from the Yakima Nation in the usage of the Yakima Valley School. The Yakima Nation would be interested in short term leases that would support senior and social services activities. There was no expressed interest received for the Frances Haddon Morgan Center.

Meeting arranged by: Colleen Cawston, Director, Office of Indian Policy.

II PROJECT NOTIFICATION

Community residents and agencies with potential interest in FHMC property leases or reuse were notified through direct mailings to nearby residents, multiple notices in the Bremerton Sun and direct emails to stakeholders and agencies. (See Appendix D, Project Fact Sheets and Appendix F, Public Meetings for a full record of project notification and outreach).

CHAPTER 4 RECOMMENDATIONS TO LEGISLATURE

This chapter presents the recommended draft Reuse Options to the Legislature, compares costs and benefits of the Options, identifies decision questions and options for the Legislature and topics for further consideration.

I REUSE OPTIONS

Four Reuse Options for FHMC are presented and analyzed below in this Chapter for the Legislature's Consideration. They are:

- Option 1: Community Use Campus.
- Option 2: School Campus.
- Option 3: Multi-Service Level Special Needs Housing Community.
- Option 4: Single Family Residential Neighborhood.

Transition of Uses and Phasing of Reuse Options

Phases of reuse and redevelopment were defined for the purposes of this study in response to market conditions and continued DSHS office use at FHMC (in the Olympic Center) and potential near-term lease interest for the RHC residential buildings and the Forest Ridge Lodge.

- Near-term reuse without renovation (0-5 years).
- Renovation and reuse of existing facilities (3-10 years).
- Full site redevelopment (7+ years).

Identification of Reuse Options

The development of the reuse options was based on the direction from the Legislature, an existing facilities assessment, a market analyses and input from other agencies and stakeholders. The following project goals were used to define the range of options in terms of land use, facilities and phasing:

- Direction from legislature.
- Neighborhood compatibility.
- Viability of existing facilities and potential for reuse.
- Real estate market opportunities.
- Benefit to state missions and local communities.
- Potential cost and financial return.

Scale of Development

Parking and topography are the factors that control and limit development on the property. Because the site is not located on an arterial street and does not have frequent transit service, most users will need to travel by car to the site in the foreseeable future.

Range of Options Considered

Potential options were defined to include the range deemed realistic based on the factors and goals cited above. The options range from permanent use for housing or other services for low-income, disabled or vulnerable persons, consistent with the Legislature’s direction, to market-rate housing. This approach was taken to provide the Legislature with a broad spectrum of possibility in their deliberations. Potential options are:

- Offices: non-profit uses, government agencies, small health or human services.
- Residential uses: affordable housing, market rate housing (single family or attached housing) or housing for special uses (emergency housing, transitional housing, etc).
- Park/community uses.

Uses Ruled Out

The following uses were ruled out due to location, incompatibility or lack of market potential:

- Correctional facilities.
- Retail and commercial uses.
- Industrial uses.

II DETAILED DESCRIPTION OF THE OPTIONS

This section describes the four Reuse Options. The Reuse Options are introduced individually with a written description followed by a “bubble diagram” of potential phased reuse and redevelopment. Table 4-1 below summarizes uses and phasing for the four Reuse Options. Phases are color-coded to further explain the sequence of transition in Figure 4-1 through Figure 4-4. (See Appendix H for Reuse Option Draft Site Plans and program details).

TABLE 4-1 REUSE OPTIONS PHASING DEVELOPMENT PROGRAM

	Site Areas			
	Olympic Center	Forest Ridge Lodge	Residences	Running Track
Phase 1: All Options (0-5 Years) Reuse without Renovation	Existing Offices/ Coop Kitchen	School	Emergency/Short-term Housing	Running Track
Phase 2: All Options (3-10 Years)	Renovate and Reuse Existing Offices (Wings 100-500 only Remain); add parking	Renovate and Reuse School; add parking	Renovate and Reuse Residences; add parking	Temporary Parking
Phase 3: (7+ Years)				
Option 1 – Community Use Campus	Multipurpose Playfields (youth softball/soccer)	Community Center (12,000 SF Plus Parking)	2 Community Use Buildings (14,000 SF each plus parking)	Urban Agriculture/Food Production Area
Option 2 – School Campus	Multipurpose Playfields	School Admin. Building and Alternative School (60,000 SF plus parking)	Open Space	Multipurpose Playfields (youth softball/soccer)
Option 3 – Multi-Service Level Special Needs Housing Community	Assisted Living/Nursing Home (100,000 SF plus parking)		Duplexes (7 buildings, 14 units)	
Option 4 – Single Family Residential Neighborhood	39 residences			

No Renovation – Reuse Existing Building (DSHS/Other Users)

Emergency/Short Term Housing/SOLA

Renovate and Change of Use

New Construction

Option 1: Community Use Campus

Option 1 shows a Community Use campus which would provide a community center and public use buildings with classrooms, meeting rooms, a gym and kitchens plus multipurpose playfields for soccer and softball use. An urban farm would produce food, provide education and for small food production business development.





Option 1 places emphasis on public benefit through the provision of community uses, services and recreation. Uses could be incorporated to provide services to low-income, disabled and vulnerable persons.

Option 1 use areas and phasing are shown in Figure 4-1.

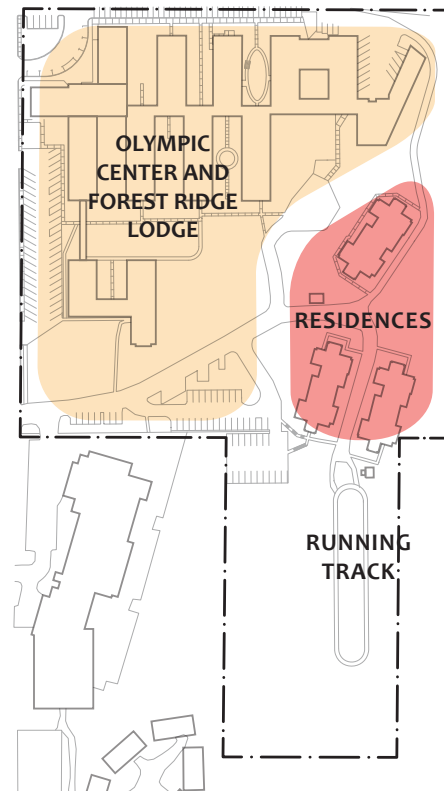
OWNERSHIP AND MANAGEMENT ASSUMPTIONS:

- Phase 1 (0-5 Years): Continued DSHS ownership. Reuse could be managed through one master lease.
- Phase 2 (3-10 Years): Long-term lease or ownership transition. Renovation costs borne by new user. Ownership transition to new primary user or DSHS has long-term lease with new user.
- Phase 3 (7+ Years): Long-term lease or ownership transition. Full site redevelopment financed, built and operated by new entity and managed by one entity such as the City of Bremerton or non-profit agency.

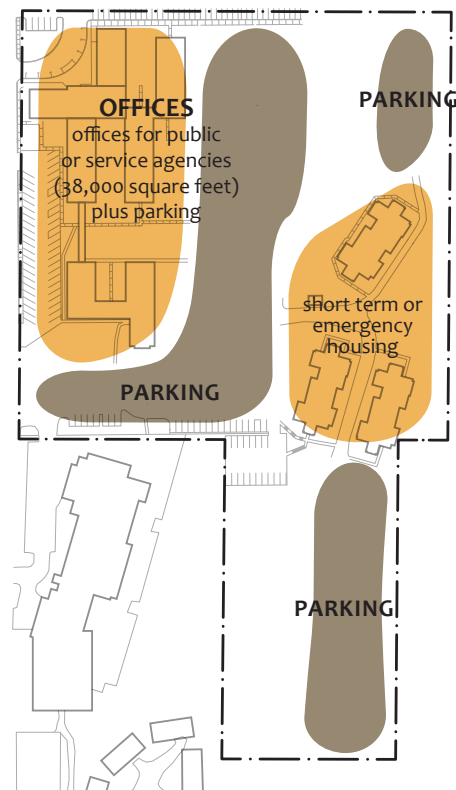
FIGURE 4-1 OPTION 1: COMMUNITY USE CAMPUS

-  No Renovation – Reuse Existing Building (DSHS/Other Users)
-  Emergency/Short Term Housing/SOLA
-  Renovate and Change of Use
-  New Construction

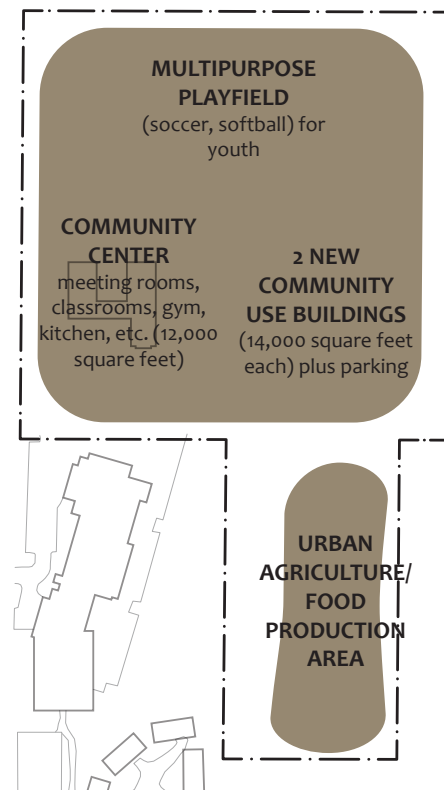
PHASE 1 (0-5 YEARS)



PHASE 2 (3-10 YEARS)



PHASE 3 (7+ YEARS)



Option 2: School Campus

Option 2 shows a School Campus with a new administration or alternative high school building with parking, and multipurpose playfields for soccer and softball use. These new facilities combined with the adjacent Bremerton School District buildings, would create an educational campus.

Option 2 places emphasis on public benefit through the provision of public schools and recreation facilities.

Option 2 use areas and phasing are shown in Figure 4-2.

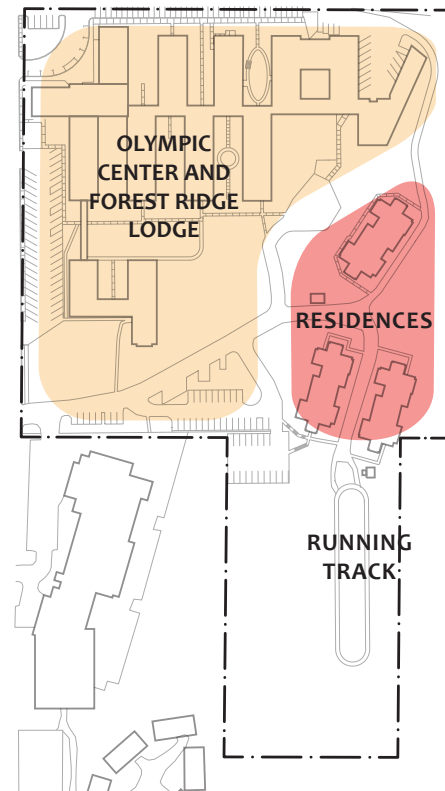
OWNERSHIP AND MANAGEMENT ASSUMPTIONS:

- Phase 1 (0-5 Years): Continued DSHS ownership. Reuse could be managed through one master lease.
- Phase 2 (3-10 Years): Long-term lease or ownership transition. Renovation costs borne by new user. Ownership transition to new primary user or DSHS has long-term lease with new user.
- Phase 3 (7+ Years): Long-term lease or ownership transition. Full site redevelopment financed, built and operated by new entity and managed by one entity such as the Bremerton School District.

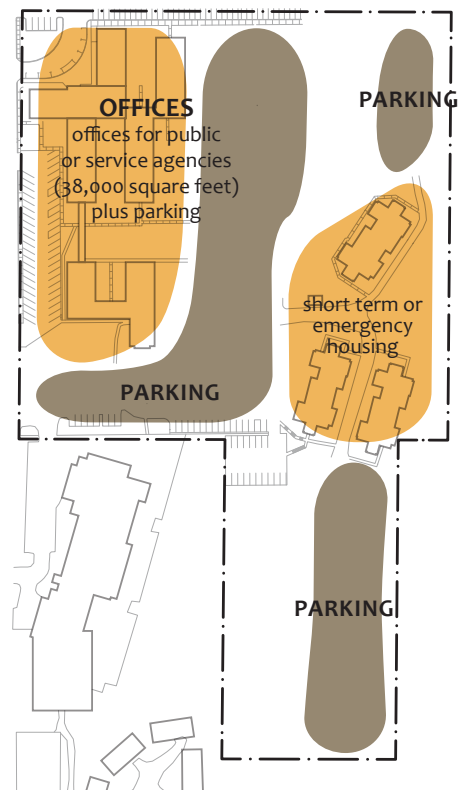
FIGURE 4-2 OPTION 2: SCHOOL CAMPUS

- No Renovation – Reuse Existing Building (DSHS/Other Users)
- Emergency/Short Term Housing/SOLA
- Renovate and Change of Use
- New Construction

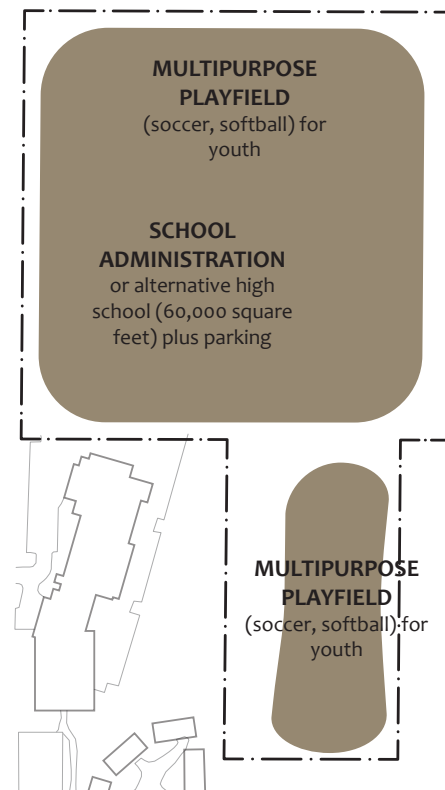
PHASE 1 (0-5 YEARS)



PHASE 2 (3-10 YEARS)



PHASE 3 (7+ YEARS)



Option 3: Multi-Service Level Special Needs Housing Community

Option 3 shows a multi-level special needs housing community which would support various housing and service needs of low-income, disabled and vulnerable populations. Residential facilities would range from independent living in duplexes to supported and assisted living and nursing home facilities.





Option 3 places emphasis on provision of a continuum of care (special needs housing and services) which for the purposes of this study, is assumed to be a non-profit operation. This Option is assumed to house and serve low-income, disabled or vulnerable populations and relates most closely to the legislative direction.

Option 3 use areas and phasing are shown in Figure 4-3.

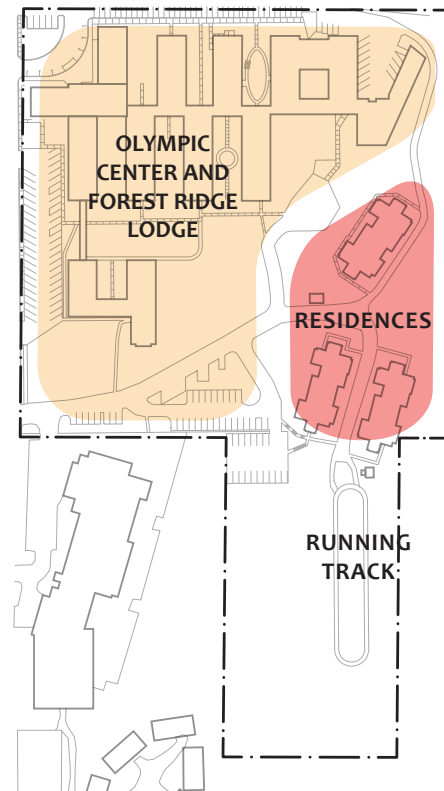
OWNERSHIP AND MANAGEMENT ASSUMPTIONS:

- Phase 1 (0-5 Years): Continued DSHS ownership. Reuse could be managed through one master lease.
- Phase 2 (3-10 Years): Long-term lease or ownership transition. Renovation costs borne by new user. Ownership transition to new primary user or DSHS has long-term lease with new user.
- Phase 3 (7+ Years): Long-term lease or ownership transition. Full site redevelopment financed, built and operated by new entity and managed by one entity such as a for profit or non-profit agency.

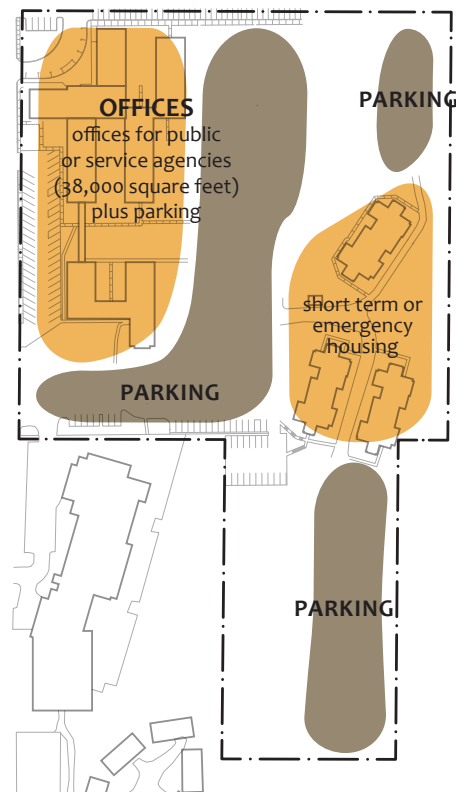
FIGURE 4-3 OPTION 3: MULTI-SERVICE LEVEL SPECIAL NEEDS HOUSING COMMUNITY

-  No Renovation – Reuse Existing Building (DSHS/Other Users)
-  Emergency/Short Term Housing
-  Renovate and Change of Use
-  New Construction

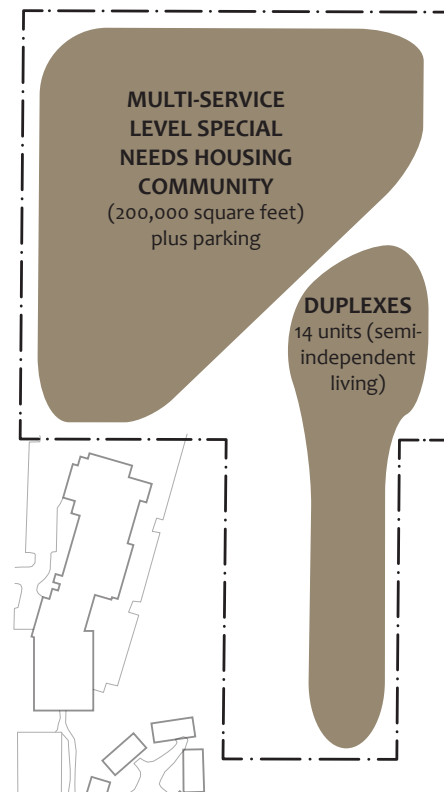
PHASE 1 (0-5 YEARS)



PHASE 2 (3-10 YEARS)



PHASE 3 (7+ YEARS)



Option 4: Single Family Residential Neighborhood





Option 4 would be a single family residential development with approximately 40 residential units, or 3.3 units/acre. Option 4 is different from Options 1-3 in that it places emphasis on for-profit site redevelopment to profit single family residences. This Option was included in the study for comparison purposes to provide the Legislature with information about the potential benefits of a one-time sale of the property.

Option 4 use areas and phasing are shown in Figure 4-4.

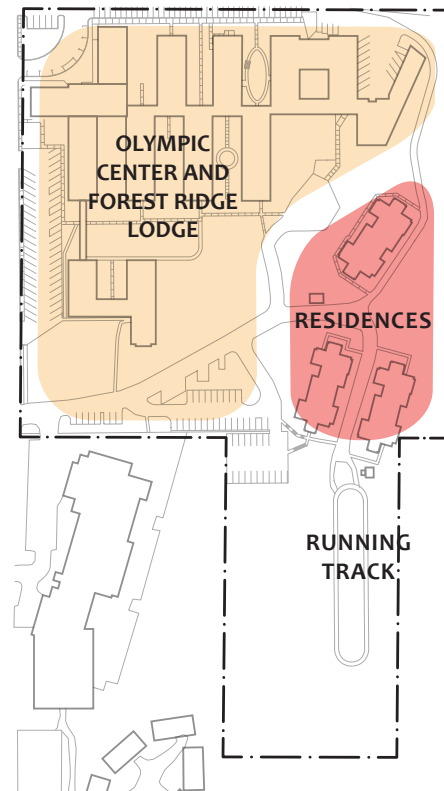
OWNERSHIP AND MANAGEMENT ASSUMPTIONS:

- Phase 1 (0-5 Years): Continued DSHS ownership. Reuse could be managed through one master lease.
- Phase 2 (3-10 Years): Long-term lease or ownership transition. Renovation costs borne by new user. Ownership transition to new primary user or DSHS has long-term lease with new user.
- Phase 3 (7+ Years): Long-term lease or ownership transition. Full site redevelopment financed, built by one entity such as a for profit or non-profit agency.

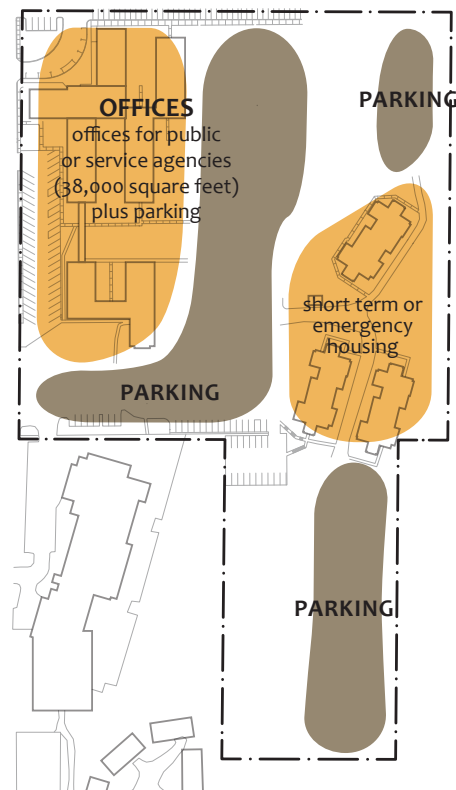
FIGURE 4-4 OPTION 4: SINGLE FAMILY RESIDENTIAL NEIGHBORHOOD

-  No Renovation – Reuse Existing Building (DSHS/Other Users)
-  Emergency/Short Term Housing/SOLA
-  Renovate and Change of Use
-  New Construction

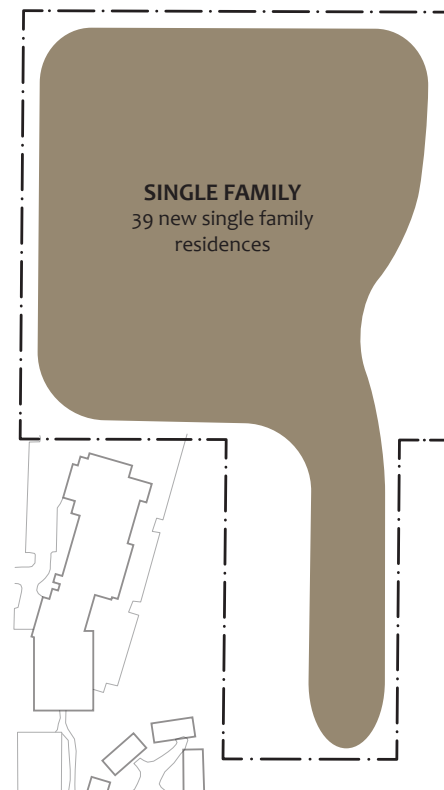
PHASE 1 (0-5 YEARS)



PHASE 2 (3-10 YEARS)



PHASE 3 (7+ YEARS)



III COST-BENEFIT SUMMARY

Overview

The facilities assessment determined that the useful life of the existing structures is limited to a few years. The estimated costs for renovation (or demolition plus new construction) are greater than expected revenues from uses proposed in the Reuse Options. Therefore, the costs associated with renovation and demolition of the structures is a financial liability that outweighs the asset value of the structure and land combined. However, given that three of the four Options are not-for profit uses which provide housing and other services to low income, disabled or vulnerable populations as directed in ESHB 1497, these Options 1-3 provide significant public and community benefit. Of these, Option 3, Multi Service Level Special Needs Housing, Option 3 most directly responds to the directives in ESHB 1497.

The State would receive economic benefits in the form of property leases or sales – after incurring the demolition costs. The State will likely need to incur demolition costs for the site to be attractive to future users. Based on this assumption, future end users would need to assume renovation and redevelopment costs. Due to availability of other sites in attractive locations which do not include these costs, interest may be low. These assumptions, made for the purposes of this analysis, may change if and when the State enters into detailed discussions with potential end users regarding any Reuse Option beyond Phase 1. Specific discussions regarding reuse would include more detailed design, permitting and financial analysis than was prepared for this report.

Property sale or lease proceeds would not be expected to exceed the cost of demolishing and disposing of the structures. Alternatively, the State could hope to pass on the demolition costs to new users, and in that scenario would need to lease the land for \$1 per year or bestow the property to a recipient with no payment expected in return.

For the purposes of this analysis, demolition and redevelopment costs are listed in aggregate for Options 1-3, because these costs would need to be offset by revenues before use is feasible, regardless of who incurs them. Similarly, revenue estimates are assumed to accrue to whoever bears the costs of demolition, redevelopment and operations. Demolition costs are listed separately for Option 4, because the most feasible scenario would be where the State incurs demolition costs in order to sell or lease the property for private development.

Direct and indirect benefits would be expected to accrue to the State, local community and business from the Options. The analysis below presents the expected costs, revenues, and benefits through all phases of each Option

Construction Cost Comparisons for FHMC

Construction cost calculations presented in each Option below are drawn from the Rider Levit Bucknall (RLB) estimates found in the appendix to this report. When comparing the cost estimates in this section to the RLB estimates, it is important to note that some reorganization of the RLB cost data was necessary to remain consistent with the planned phase and use schedules for the FHMC Reuse Options.

Specifically, for example, “Option 1B” listed in the RLB estimates (roughly \$15 million) is included as the first phase of all options shown below. For example, the Community Use Campus option below includes the RLB estimate for “Option 1B” (\$15 million), plus the costs listed under “Option 2 – Community Use Campus” (\$15 million), for a total construction costs of roughly \$30 million. The same process was used for all other options.

Option 1 – Community Use Campus

COSTS

The State is responsible for short-term continued operating costs at the site. These are estimated at between \$0 and \$3 million over Phase 1 (5 years), depending on actual use. Immediate short-term leases to unused portions of the site could help defray some of these costs.

Additional costs during later phases, cover complete demolition of existing structures, replacement of infrastructure, and new construction of a community center, multipurpose playfields and sports fields, community use buildings and parking. These costs total \$30 million in new construction and development over the later phases.

REVENUE

Non-profit organizations would be willing to pay up to about \$4 to \$6 per SF per year for leased space, based on competitive supply in the area. Bremerton has a large amount of commercial space available in the area (in and around Kitsap Way and Downtown, in particular). The Olympic Center space in Wings 500-700 for classroom activities, kitchen use and other activities in Phase 1, Space is also available for immediate short-term lease in the Forest Ridge Lodge and residential duplexes. Renting to new users for the 500, 600 and 700 wings (55,000 SF) could generate roughly \$200,000 in revenue per year (\$4 per SF).

Renovations (Phase 2) would result in approximately 70,500 SF of gross leasable area. A typical private investor would require rents of \$15 to \$17 per SF and Bremerton office and commercial space currently rents for approximately \$10 to \$12 on average. Renovations would not likely make this site competitive with downtown for office tenants, and therefore the FHMC renovated site would not be expected to yield rents of \$15 to \$17 on an open market. Revenues are expected to be collected by the end-users of the site (not the State), either through lease by building operators, or

in-kind savings if operated by end users (if building owners also operate and use their own space, they will not be earning lease revenues, but will also not pay them).

BENEFITS

Benefits of this option include the creation of a community gathering place through the construction of the Community Center, which adds 12,000 SF of meeting rooms, classrooms, gym, community/event kitchen and outdoor public gathering space. This community facility works to increase the amount of community gathering space, and community event space for community activities and events for new community and non-profit uses.

Economic activity is increased through the renovation and creation of new community kitchen space that will allow for small food production, which would have the potential to lead business startups for small food companies.

Other benefits include increased open and green spaces for the community through the creation of the multipurpose playfields and youth soccer/softball fields, and increased sustainable food options through the creation of an urban farm on the southern parcel. This could provide broad public health benefits such as exercise and healthy lifestyle opportunities, as well as sustainable disposal through composting.

New construction encourages efficient circulation on the site through improved ingress and egress, with connections to 1st Street from the south. The types of new jobs for this site include community center staff, and parks and recreation staff for maintenance and administration of the playing fields.

USERS

Potential users include school and community recreation clubs, non-profits and community groups that will be able to use the open and green space for outdoor sports. Urban farmers would use the space in addition to community groups.

CONCLUSION

The limited useful life of portions of the facility turns portions of the building into more of an economic liability than an asset, perhaps. Demolition would eliminate the liability portion and open up the remainder of the site for renovation and redevelopment.

The benefits of this option extend to the surrounding neighborhood, which could have significant benefits for the City of Bremerton. The State may wish for the City to participate in costs in this option.

Option 2 – School Campus

COSTS

The State is responsible for short-term continued operating costs at the site. These are estimated at between \$0 and \$3 million over Phase 1 (5 years), depending on actual use. Immediate short-term leases to unused portions of the site could help defray some of these costs.

Additional costs are incurred by complete site demolition of existing structures and possibly replacement of infrastructure, and new construction of an administrative building, sports fields, and parking. These costs for this option total \$45 million over all phases.

REVENUE

Primarily, revenue could be earned by end users through the leasing portions of the new administrative (or school) building to other entities. With commercial market rents of \$10 to \$12 per SF on average, renovations would not likely make this site competitive with downtown for office tenants. Renting new buildings at maximum capacity (60,000 SF) could generate approximately \$600,000 in revenue per year (\$10 per SF) if used for private office use, or \$300,000 if used for non-profit or other uses (\$5 per SF). Alternatively, in-kind savings equaling these revenue estimates would accrue to end users who also operate and maintain these buildings (if building owners also operate and use their own space, they will not be earning lease revenues, but will also not pay them).

BENEFITS

Benefits of this option include the addition of a new school and/or administration building which may add administrative jobs to the community. Open and green space contributes to better community health through access to recreation space. The sports fields allow for a more varied use of the space focused on education and community youth services.

Community education is improved through the construction of an alternative high school building, which provide education and training to the public and at-risk youth. Community gathering space is increased through the construction of the multipurpose playfields. Additional parking ensures good circulation for the property, coupled with new internal drives and road connection to 1st Street to the south. Potential new jobs for this option include administrative jobs, teaching jobs for the alternative high school and parks and recreation jobs for maintenance of the open and green space.

USERS

Potential users include students of the alternative high school, Bremerton School District, school and private athletic clubs which will be able to utilize the open and green space for outdoor sports, and community groups.

CONCLUSION

The limited useful life of portions of the facility turns portions of the building into more of an economic liability than an asset. Demolition costs, if borne by the State, would eliminate the liability portion and open up the remainder of the site for renovation and redevelopments.

The benefits of this option extend to the surrounding neighborhood, which could have significant benefits for the City of Bremerton and the Bremerton School District. The State may wish for the City and School District to participate in demolition costs, if willing, for this Option, in addition to funding new recreation facilities.

Option 3 – Multi-Service Level Special Needs Housing Community

COSTS

The State is responsible for short-term continued operating costs at the site. These are estimated at between \$0 and \$3 million over Phase 1 (5 years), depending on actual use. Immediate short-term leases to unused portions of the site could help defray some of these costs.

Costs are incurred by complete site demolition replacement of infrastructure, and new construction of a 2-story special needs, assisted living, and/or nursing homebuilding, seven duplex units, and parking. Costs for this Option total \$33 million over all phases.

REVENUE

There is potential revenue to the end user, dependent on the operator of the site and market demand. Special needs housing in Bremerton may average about 85% occupancy (Nursing homes), which suggests existing stock would need to be absorbed before there is demand growth. Revenue from this option will come primarily from non-DSHS third-party facility operators. Estimates of potential revenue for these uses are difficult to identify, and are dependent on alternative uses or locations within the state that compete for these tenants.

BENEFITS

There is an addition of nursing home jobs as a result of the nursing home/assisted living structure. Special needs housing also benefits the community by increasing affordable housing in addition to adding new stock of diversified housing. The site improves ingress and egress with

internal drives and related parking along with improved circulation with a road connection to 1st street to the south. New jobs for this option include residential support staff.

USERS

The users of this option would be special needs populations, senior citizens, and others needing supportive or other forms of assisted living. Community users and other groups may also use the community center space.

CONCLUSION

Option 3 places emphasis on provision of a continuum of care and housing for special needs populations. For the purposes of this study, is assumed to be a non-profit operation. This Option is assumed to house and serve low income, disabled or vulnerable populations and relates most closely to the legislative direction in ESHB 1497.

Option 4 – Single Family Residential Neighborhood

COSTS

The State is responsible for short-term continued operating costs at the site. These are estimated at between \$0 and \$3 million over Phase 1 (5 years), depending on actual use. Immediate short-term leases to unused portions of the site could help defray some of these costs.

In the later phase, costs are incurred by complete site demolition of existing structures and replacement of infrastructure, as well as the private development of single family homes on site. Demolition and site preparation costs for this option total \$2.75 million (demolition, site-work, and 50% general conditions costs), and an additional \$11.5 for construction costs.

REVENUE

Revenue to the state amounts to the proceeds from long-term lease or land sale. Current assessed value places the FHMC parcel at about \$700,000, and roughly \$2 million after demolition could be expected, assuming \$4 per SF. Based on median home prices in Bremerton (\$210,200), and assuming all homes could be sold in the development, a developer could assume to raise around \$7.4 million in home sales.

BENEFITS

The benefits from this Option include a potential shift in neighborhood demographics because of the addition of new housing options, which may mean a younger or more diverse population that is attracted to construction of these new homes. This Option also increases the housing choices for varying incomes in the area and adds new housing stock for current and potential residents.

USERS

The users of this Option will be the new residents of the single family development.

CONCLUSION

The State would be expected to incur the demolition and preparation for private sale and entitlements (such as master planning and rezone costs) for this option if any land sale revenue is to be expected. Selling the site for this use may offset the demolition costs the most, compared to other Options. Given current market conditions in the area, it is highly unlikely that private development would consider the site feasible if faced with demolition and infrastructure costs. No additional benefits to the State are likely besides revenue from the land sale.

TABLE 4-2 FINANCIAL NET BENEFIT

Potential Uses	Site Operator	Market Feasibility	Costs to State*
Option 1: Community Use Campus	Non-profit or Local Government operators	No market comparisons available (non-profit or non-market uses).	Uncertain operating costs borne by State for DSHS office use (5 years, up to \$3 million total). Additional demolition and potential other costs required to attract new users.
Option 2: School Campus	School District and Local Government operators	No market comparisons available (non-profit or non-market uses).	Uncertain operating costs borne by State for DSHS office use (5 years, up to \$3 million total). Demolition and potential other costs required to attract new users.
Option 3: Multi-Service Level Special Needs Housing	Private/ Non-profit development	No market comparisons available (non-profit or non-market uses).	Uncertain operating costs borne by State for DSHS office use (5 years, up to \$3 million total). Demolition and potential other costs required to attract new users.
Option 4: Single Family Development	Private development	Limited cost to State. Potential revenues from land sale or lease. Requires 60% increase in median home price for breakeven.	Uncertain operating costs borne by State for DSHS office use (5 years, up to \$3 million total). Demolition and potential costs to attract market for redevelopment.

*See report and Appendices for details on cost estimates necessary for new uses.

TABLE 4-3 COMMUNITY AND SOCIAL BENEFITS

Potential Uses	Jobs	Community and Social Benefits	Community Users
Option 1: Community Use Campus	Community center staff jobs, parks staff for the multipurpose playfields, community services staff	<ul style="list-style-type: none"> • Better circulation and ingress/egress from site with a connection to 1st street to the South • Increased food options through urban farm • Meeting space; Space for community events • Space for community use; Community gathering space • Increased economic activity through community kitchen space for small food production that allows start up local food companies • Increased open space/green space for the community through creation of multipurpose playfields and youth soccer/softball fields • Sustainable food options through urban farm and sustainable disposal (composting) • Potential benefits to low-income, disabled or vulnerable persons 	School and private athletic clubs, urban farmers, community groups
Option 2: School Campus	Administrative jobs, teaching jobs, parks and recreation jobs for field space	<ul style="list-style-type: none"> • Multipurpose playfields, youth soccer/softball fields • Increased circulation and better ingress/egress from site with internal drives and road connection to 1st street to the South • Increased parking space • Open and green space; increased educational facilities and community gathering space • Community health – open and green space allows for increased physical activity, in addition to gym space • Community education - alternative high school building, addition of skills and education to public 	Alternative high school students, school and private athletic clubs, community groups
Option 3: Multi-Service Level Special Needs Housing	Nursing and community center staff	<ul style="list-style-type: none"> • Better circulation and ingress/egress from site with a road connection to 1st street in the South • Senior Housing/Assisted Housing; Community Gathering space • Potential benefits to low-income, disabled or vulnerable persons 	New residents, senior citizens
Option 4: Single Family Development		<ul style="list-style-type: none"> • Change in demographics and diversity • Varied and new housing stock for current and future residents 	New residents

IV DECISION ISSUES FOR THE LEGISLATURE

The discussion below outlines the implications of phased reuse, renovation and redevelopment of the FHMC as they relate to continued State ownership of the property, potential lease options or property disposal.

Issue 1. Opportunities to Provide Housing or Other Services to Low-Income, Disabled or Vulnerable Populations.

ESHB 1497 suggests that one use to be considered might be the permanent use of the property for housing or other services to low-income, disabled or other vulnerable persons. All options in this report provide short-term opportunities for housing and services for such persons. On a permanent basis, Option 1 and Option 3 provide the greatest opportunity for housing and services to low-income, disabled and vulnerable persons.

Issue 2. Near Term Leases to Other Entities.

A number of entities have expressed potential interest in immediate near-term lease of the Forest Ridge Lodge and Residences. These include the Bremerton School District, Bremerton Rescue Missions, Kitsap Mental Health Services and the Weaver Foundation/George's Place. Near-term leases would provide space for needed emergency/short term housing and provide public benefit while avoiding building "cold closure" (disconnect utilities and board up facilities) which would result in immediate deterioration of the buildings and likely preclude future building reuse. It would also keep the buildings in useful use while the Legislature DD Task Force works toward recommendations on the future of all of the State's RHC by the end of 2012. Entering into immediate near term leases of unoccupied buildings (Forest Ridge Lodge, Residences) can prolong their life and usefulness for the short term while the Legislature is determining long-term future direction. Near term leasing to other users will require management and oversight resources from DSHS.

Issue 3. Future Investment in Existing Buildings & Infrastructure.

The buildings and infrastructure at FHMC are near the end of their useful life cycle. Significant capital will be required for renovation and reuse after one to two years. Renovation costs may exceed the value of the land and buildings. This level of cost to the end user will be higher than costs of comparable or newer facilities elsewhere in the Bremerton area.

Issue 4. Sale of Land.

In the current real estate market, there is unlikely to be market demand to purchase the site in an as-is condition. More favorable market conditions could be anticipated over the long-term (i.e. 10+ years at a minimum).

Property sale and redevelopment could occur earlier if the State is willing to write down the cost of land by assuming demolition and disposal costs.

It should be noted that these costs are likely to be greater than the market value of the property. However, some new users, such as a housing authority or a for profit residential developer, may be interested in the property if the site is cleared and development-ready. Such a scenario would place the costs of demolition and disposal on the State and recognizes that, in the short term, the property is a financial liability rather than an asset.

Alternatively, if the State prefers to retain the property for a period of time in lieu of taking immediate action, warm closure (vacate buildings and maintain them at a maintenance level that retains their reuse value) may be a viable option. This option would also potentially retain the property for future State or public benefit reuse if desired. It would require management and oversight resources from DSHS.

Issue 5. Surplus or Transfer of Property.

Per the formal State process, the property could be offered to other agencies for continued public use through surplus or transfer of property.

Issue 6. Long term Lease of Property.

Long-term lease of the property for reuse implies similar challenges to those of sale for development. There may be uses, however, such as the public use option, which could provide public reuse of the properties with lower development levels and costs.

Issue 7. Land Use Control for Public Benefit.

If the State were to sell the property but wish to change its use prior to sale (to ensure public benefit uses such as public services, low-income housing, parks, etc.) then a master plan, comprehensive plan designations and zoning changes should be prepared.

V TOPICS FOR FURTHER CONSIDERATION

Topic 1. DD Trust Implications of Reuse Decisions.

Potential profits from reuse, renovation or sale of DSHS Land have implications for the DD Trust. In 2005, the Legislature created a developmental disabilities community trust account in the state treasury. RCW 71A.20.170.

In 2008, the Legislature amended RCW 71A.20.170 with Engrossed Substitute Senate Bill (ESSB) 6760. After the 2008 amendment, all net proceeds from the use of excess property at DSHS owned and operated institutions—Lakeland Village, Yakima Valley School, Frances Haddon Morgan Center, Fircrest, and Rainier School— that do not impact current habilitation center operations, must be deposited into the DD community trust account. RCW 71A.20.170(1). Proceeds may come from “lease of the land, conservation easements, sale of timber, or other activities short of sale of the property.” RCW 71A.20.170(2). (See Appendix C for detailed discussion of the DD Trust).

Currently, only the investment income from the principal of the proceeds deposited into the trust account may be spent from the account. Investment income means lease payments, rent payments, or other periodic payments deposited into the trust account.

The Trust does not address what to do with any income from institutional properties if sold nor does it address if the stipulations of the trust will remain with the property if it is transferred or otherwise surplused to another public entity.

Topic. 2 Future Southern Access to Property.

Discussion. A second access from 1st Street might be needed and would be beneficial given that it would disperse traffic to and from the site.

PROJECT TEAM

STATE PROJECT NO.	2012-401A
PROJECT NAME	Predesign Study for Future Use of: Frances Haddon Morgan Center
AGENCY	Department of Social & Health Services Operations Support and Services Division (OSSD) Office of Capital Programs (OCP) Olympia, WA 98504-5848
DSHS ADMINISTRATION	Robert Hubenthal Office Chief for OCP Operations Support and Services Division (OSSD) Diana Peeples, Project Manager Office of Capital Program Don Clintsman, Assistant Director Division of Developmental Disabilities Carol Kirk, RHC Program Manager Division of Developmental Disabilities Andrew Jenkins, DSHS/OSSD/Contracts Consultant
FRANCES HADDON MORGAN CENTER	Alan McLaughlin, Acting Superintendent, FHMC Assistant Superintendent, Rainier School Ken Neubauer, Plant Manager FHMC
CONSULTANT AND TEAM	inova Planning Communications Design, LLC Seattle, WA Julia L. Walton, AICP, Principal Deborah Munkberg, AICP, Principal
ARCHITECTS	Helix Design Group, Tacoma, WA Bruce McKean, RA, AIA and Lowell Cate, RA Traho Architects, Yakima, WA Barbara Kline, AIA
ENGINEER	Berger ABAM Engineers Connie Linden, PE
MARKET AND COST-BENEFIT ANALYSIS	CAI Community Attributes International, Seattle, WA Chris Mefford, AICP and Mark Goodman
COST ESTIMATE	RLB/Rider Levett Bucknall, Seattle, WA

Graphic and formatting support provided by Jessica Stein



Report to the Legislature

**Frances Haddon Morgan Center
Predesign Study for Future Use
Appendices**

December 2011

Appendix A

ESHB 1497 Predesign for Future Reuse

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1497

*Sec
2002
2033
come from
A*

Chapter 48, Laws of 2011
(partial veto)

62nd Legislature
2011 1st Special Session

2011-2013 CAPITAL BUDGET--FUNDING OTHER THAN BOND PROCEEDS

EFFECTIVE DATE: 06/15/11 - Except sections 7022-7025 and 7027,
which become effective 07/01/11.

Passed by the House May 25, 2011
Yeas 94 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate May 25, 2011
Yeas 47 Nays 0

BRAD OWEN

President of the Senate

Approved June 15, 2011, 3:58 p.m., with
the exception of Sections 5028; 6001;
7018; and 7031, page 83, lines 32-35,
and 7031, page 83, line 36, and page 84,
lines 1-3 which are vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of
the House of Representatives of
the State of Washington, do hereby
certify that the attached is
**ENGROSSED SUBSTITUTE HOUSE BILL
1497** as passed by the House of
Representatives and the Senate on
the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

June 15, 2011

**Secretary of State
State of Washington**

PART 2
HUMAN SERVICES

NEW SECTION. **Sec. 2001. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

Minor Works Preservation: Facilities Preservation (30001291)

Appropriation:

Charitable, Educational, Penal and Reformatory

Institutions Account--State \$1,214,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$0

TOTAL \$1,214,000

NEW SECTION. **Sec. 2002. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

Frances Haddon Morgan Center (91000014)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the department of social and health services to develop a predesign with options for the future use of the Frances Haddon Morgan Center site, including the permanent use of the property to support housing or other services for low-income, disabled, or vulnerable persons. The predesign shall be delivered to the house of representatives fiscal committees and the senate ways and means committee by December 31, 2011. This predesign shall not delay any activities associated with ceasing to operate the facility as a residential habilitation center after December 31, 2012. On and after January 1, 2013, the Frances Haddon Morgan Center property must remain either in public ownership, or may be sold or leased for a nominal amount to a nonprofit organization for the permanent use of the property to support housing or other services for low-income, disabled, or vulnerable persons.

Appropriation:

Charitable, Educational, Penal and Reformatory

Institutions Account--State \$150,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$0

1 TOTAL \$150,000

2 NEW SECTION. Sec. 2003. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
3 SERVICES

4 Yakima Valley School (91000016)

5 The appropriation in this section is subject to the following
6 conditions and limitations: The appropriation is provided solely for
7 the department of social and health services to develop a predesign
8 with options for the future use of the Yakima Valley School site,
9 including the permanent use of the property to support housing or other
10 services for low-income, disabled, or vulnerable persons. The
11 predesign shall be delivered to the house of representatives fiscal
12 committees and the senate ways and means committee by December 31,
13 2011. This predesign shall not delay any activities associated with
14 ceasing to operate the facility as a residential habilitation center
15 after December 31, 2012. On and after January 1, 2013, the Yakima
16 Valley School property must remain either in public ownership, or may
17 be sold or leased for a nominal amount to a nonprofit organization for
18 the permanent use of the property to support housing or other services
19 for low-income, disabled, or vulnerable persons.

20 Appropriation:

21 Charitable, Educational, Penal and Reformatory

22 Institutions Account--State \$150,000

23 Prior Biennia (Expenditures) \$0

24 Future Biennia (Projected Costs) \$0

25 TOTAL \$150,000

26 NEW SECTION. Sec. 2004. FOR THE DEPARTMENT OF HEALTH

27 Drinking Water Assistance Program (20064001)

28 Reappropriation:

29 Drinking Water Assistance Account--Federal \$16,652,000

30 Prior Biennia (Expenditures) \$77,944,000

31 Future Biennia (Projected Costs) \$0

32 TOTAL \$94,596,000

3 NEW SECTION. Sec. 2005. FOR THE DEPARTMENT OF HEALTH

34 Drinking Water Assistance Program (30000013)

Appendix B

Legislative Task Force

Briefing Paper

Developmental Disability Service System Task Force

HISTORY

In June 2011, the Washington State Legislature passed, and the Governor signed, Second Substitute Senate Bill (2SSB) 5459. This bill is generally called the “RHC bill.”

When 2SSB 5459 was passed, the Legislature stated their intent about the developmental disabilities system. The bill states:

It is the intent of the legislature that:

- *Community-based residential services supporting people with developmental disabilities should be available in the most integrated setting appropriate to individual needs; and*
- *An extensive transition planning and placement process should be used to ensure that people moving from a residential habilitation center to a community setting have the services and supports needed to meet their assessed health and welfare needs.*

2SSB 5459 GOALS

The Legislature stated multiple goals and guiding principles about the overall system of services for individuals with developmental disabilities. The stated goals are:

- *A developmental disability is a natural part of human life and the presence of a developmental disability does not diminish a person's rights or the opportunity to participate in the life of the local community.*
- *The system of services for people with developmental disabilities should provide a balanced range of health, social, and supportive services at home or in other residential settings. The receipt of services should be coordinated so as to minimize administrative cost and service duplication, and eliminate unnecessarily complex system organization.*
- *The public interest would best be served by a broad array of services that would support people with developmental disabilities at home or in the community, whenever practicable, and that promote individual autonomy, dignity, and choice.*
- *In Washington State, people living in residential habilitation centers and their families are satisfied with the services they receive, and deserve to continue receiving services that meet their needs if they choose to receive those services in a community setting.*

Briefing Paper

Developmental Disability Service System Task Force

- *As other care options for people with developmental disabilities become more available, the relative need for residential habilitation center beds is likely to decline. The legislature recognizes, however, that residential habilitation centers will continue to be a critical part of the state's long term care options; and that such services should promote individual dignity, autonomy, and a home-like environment.*
- *In a time of fiscal restraint, the state should consider the needs of all persons with developmental disabilities and spend its limited resources in a manner that serves more people, while not compromising the care people require.*

DD SERVICE SYSTEM TASK FORCE

2SSB 5459 established a new statewide task force that will make recommendations on:

- The development of a system of services for persons with developmental disabilities that is consistent with the goals articulated above;
- The state's long term needs for residential habilitation center capacity, including the benefits and disadvantages of maintaining one center in eastern Washington and one center in western Washington;
- A plan for efficient consolidation of institutional capacity, including whether one or more centers should be downsized or closed and, if so, a time frame for closure;
- Mechanisms through which any savings that result from the downsizing, consolidation, or closure of residential habilitation center capacity can be used to create additional community-based capacity;
- Strategies for the use of surplus property that results from the closure of one or more centers;
- Strategies for reframing the mission of Yakima Valley School consistent with 2SSB 5459 that consider:
 - The opportunity, where cost-effective, to provide medical services, including centers of excellence, to other clients served by the Department of Social and Health Services; and

Briefing Paper

Developmental Disability Service System Task Force

- The creation of a treatment team consisting of crisis stabilization and short term respite services personnel, with the long term goal of expanding to include the provisions of specialty services, such as dental care, physical therapy, occupational therapy, and specialized nursing care to individuals with developmental disabilities residing in the surrounding community.

The task force shall report their recommendations to the appropriate committees of the Legislature by December 1, 2012.

The legislation identified at least twelve members of the task force as follows:

- Two members of the House of Representatives appointed by the Speaker of the House of Representatives, from different political caucuses;
- Two members of the Senate appointed by the President of the Senate, from different political caucuses;
- The following members appointed by the Governor:
 - Two advocates for people with developmental disabilities;
 - A representative from the developmental disabilities council;
 - A representative of families of residents in residential habilitation centers;
 - Two representatives of labor unions representing workers who serve residents in residential habilitation centers;
- The Secretary of the Department of Social and Health Services (or designee); and
- The Secretary of the Department of General Administration (or designee).

For more information, visit the DDD website: <http://www.dshs.wa.gov/ddd/index.shtml> or contact Don Clintsman, Assistant Director, Division of Developmental Disabilities, clintdl@dshs.wa.gov.

FINAL BILL REPORT

2SSB 5459

PARTIAL VETO C 30 L 11 E 1 Synopsis as Enacted

Brief Description: Regarding services for people with developmental disabilities.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kline, Keiser, Regala and McAuliffe).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The state operates five residential habilitation centers (RHC) established in statute to provide services and housing for persons with developmental disabilities: Rainier School in Buckley, Lakeland Village in Medical Lake, Fircrest School in Shoreline, Frances Haddon Morgan Children's Center in Bremerton, and Yakima Valley School in Selah. Today approximately 900 individuals reside in RHCs, as permanent residents, for short term or respite stays. There are 36 individuals under age 21.

Over the years there have been repeated efforts to reduce the number of people in RHCs as trends for providing services to persons with developmental disabilities have increasingly focused on doing so in community settings. Today, the Department of Social and Health Services (department) provides community-based services through a number of programs to approximately 20,000 clients. These are designed as alternatives to institutions for eligible individuals with developmental disabilities who either live with family members, in rented housing, or in contracted or licensed residential housing in the community. Besides the individuals who receive some services either through RHC or in the community, an estimated 14,000 eligible clients do not receive any paid services due to lack of available funding.

Currently the department is implementing plans to close two of the five RHCs: Frances Haddon Morgan, by June 30, 2011, and Yakima Valley School by December 31, 2012. The closure of these facilities is included in the Governor's proposed budget for the 2011-2013 biennium. All of the 50 residents of Frances Haddon Morgan will be relocated to either a community residential placement, such as a state operated living arrangement (SOLA) or to one of three remaining RHCs.

The department plans to set up three new SOLAs, and is currently working with Fircrest, Lakeland, and Rainier to accommodate residents leaving Frances Haddon Morgan who do not want a community placement.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

It is planned that the first ten residents leaving Yakima Valley School will do so by the end of 2011. The department is planning to establish crisis stabilization programs for children and adults using, where possible, institutional staff who will no longer be employed at the closed facilities.

Summary: Persons under the age of 16 may not be admitted to a Residential Habilitation Center. Persons between ages 16 and 21 may be admitted for short-term crisis or respite care.

Frances Haddon Morgan Center must close by December 31, 2011. Admissions to Yakima Valley School are frozen except for limited, short-term admissions for crisis and respite. When the resident population at YVS reaches 16 individuals, the institution will cease to exist as an RHC.

The current operation of 12 crisis stabilization and respite beds at Yakima Valley School is maintained, and these beds will stay in operation after the institution no longer operates as an RHC.

The Department of Social and Health Services must establish State Operated Living Alternatives (SOLAs) for clients who are transitioning out of RHCs and upon federal approval, must convert two cottages at both Frances Haddon Morgan Center and Yakima Valley School into SOLAs that will operate after these institutions close.

DSHS must offer RHC employees opportunities to work in the SOLAs as they are established.

Any savings achieved by the closure of Frances Haddon Morgan Center must be used for additional community resources including state-staffed crisis and respite services.

Up to eight state-staffed crisis stabilization beds and up to eight respite beds are established throughout the state.

A legislative task force is established to make recommendations on the long term need for RHC capacity; develop a plan for efficient consolidation of institutional capacity; recommend strategies for the use of surplus property that results from the closure of RHCs; and provide strategies for reframing the mission of Yakima Valley School.

Votes on Final Passage:

First Special Session

Senate	35	11	
House	63	33	(House amended)
Senate	32	13	(Senate concurred)

Effective: June 30, 2011 (Section 7).

August 24, 2011.

Partial Veto Summary: Language directing the department to institute specific client transition processes and services is vetoed. The department is not required to submit annual reports on client satisfaction, and provide turnover to the Legislature.

NEW SECTION. **Sec. 2002. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
13 SERVICES**

14 Frances Haddon Morgan Center (91000014)
15 The appropriation in this section is subject to the following
16 conditions and limitations: The appropriation is provided
solely for
17 the department of social and health services to develop a
predesign
18 with options for the future use of the Frances Haddon Morgan
Center
19 site, including the permanent use of the property to support
housing or
20 other services for low-income, disabled, or vulnerable
persons. The
21 predesign shall be delivered to the house of representatives
fiscal
22 committees and the senate ways and means committee by
December 31,
23 2011. This predesign shall not delay any activities
associated with
24 ceasing to operate the facility as a residential habilitation
center
25 after December 31, 2012. On and after January 1, 2013, the
Frances
26 Haddon Morgan Center property must remain either in public
ownership,
27 or may be sold or leased for a nominal amount to a nonprofit
28 organization for the permanent use of the property to support
housing
29 or other services for low-income, disabled, or vulnerable
persons.

30 Appropriation:

31 Charitable, Educational, Penal and Reformatory	
32 Institutions Account--State	\$150,000
33 Prior Biennia (Expenditures)	\$.00

Code Rev/AL:lcl Official Print - 13 H-2910.1/11

1 Future Biennia (Projected Costs)	\$.00
2 TOTAL	\$150,000

3 **NEW SECTION. Sec. 2003. FOR THE DEPARTMENT OF SOCIAL AND
HEALTH**

4 **SERVICES**

5 Yakima Valley School (91000016)

6 The appropriation in this section is subject to the following
7 conditions and limitations: The appropriation is provided
solely for
8 the department of social and health services to develop a
predesign
9 with options for the future use of the Yakima Valley School
site,
10 including the permanent use of the property to support
housing or other
11 services for low-income, disabled, or vulnerable persons. The
12 predesign shall be delivered to the house of representatives
fiscal
13 committees and the senate ways and means committee by
December 31,
14 2011. This predesign shall not delay any activities
associated with
15 ceasing to operate the facility as a residential habilitation
center
16 after December 31, 2012. On and after January 1, 2013, the
Yakima
17 Valley School property must remain either in public
ownership, or may
18 be sold or leased for a nominal amount to a nonprofit
organization for
19 the permanent use of the property to support housing or other
services
20 for low-income, disabled, or vulnerable persons.
21 Appropriation:
22 Charitable, Educational, Penal and Reformatory
23 Institutions Account--State
\$150,000
24 Prior Biennia (Expenditures)
. . . \$0
25 Future Biennia (Projected Costs)
. . \$0
26 TOTAL
\$150,000

**NEW SECTION. Sec. 2002. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
13 SERVICES**

14 Frances Haddon Morgan Center (91000014)
15 The appropriation in this section is subject to the following
16 conditions and limitations: The appropriation is provided
solely for

17 the department of social and health services to develop a
 18 predesign
 19 with options for the future use of the Frances Haddon Morgan
 20 Center
 21 site, including the permanent use of the property to support
 22 housing or
 23 other services for low-income, disabled, or vulnerable
 24 persons. The
 25 predesign shall be delivered to the house of representatives
 26 fiscal
 27 committees and the senate ways and means committee by
 28 December 31,
 29 2011. This predesign shall not delay any activities
 30 associated with
 31 ceasing to operate the facility as a residential habilitation
 32 center
 33 after December 31, 2012. On and after January 1, 2013, the
 34 Frances
 35 Haddon Morgan Center property must remain either in public
 36 ownership,
 37 or may be sold or leased for a nominal amount to a nonprofit
 38 organization for the permanent use of the property to support
 39 housing
 40 or other services for low-income, disabled, or vulnerable
 41 persons.

30 Appropriation:

31 Charitable, Educational, Penal and Reformatory	
32 Institutions Account--State	
	\$150,000
33 Prior Biennia (Expenditures)	
	.\$0
34 Future Biennia (Projected Costs)	
	.\$0

ESHB 1497.SL p. 14
 1 TOTAL \$150,000

2 **NEW SECTION. Sec. 2003. FOR THE DEPARTMENT OF SOCIAL AND
 3 HEALTH**

3 **SERVICES**

4 Yakima Valley School (91000016)
 5 The appropriation in this section is subject to the following
 6 conditions and limitations: The appropriation is provided
 7 solely for
 8 the department of social and health services to develop a
 9 predesign
 10 with options for the future use of the Yakima Valley School
 11 site,

9 including the permanent use of the property to support housing
 or other
 10 services for low-income, disabled, or vulnerable persons. The
 11 predesign shall be delivered to the house of representatives
 fiscal
 12 committees and the senate ways and means committee by
 December 31,
 13 2011. This predesign shall not delay any activities
 associated with
 14 ceasing to operate the facility as a residential habilitation
 center
 15 after December 31, 2012. On and after January 1, 2013, the
 Yakima
 16 Valley School property must remain either in public
 ownership, or may
 17 be sold or leased for a nominal amount to a nonprofit
 organization for
 18 the permanent use of the property to support housing or other
 services
 19 for low-income, disabled, or vulnerable persons.

20 Appropriation:

21 Charitable, Educational, Penal and Reformatory	
22 Institutions Account--State	\$150,000
23 Prior Biennia (Expenditures)	\$.00
24 Future Biennia (Projected Costs)	\$.00
25 TOTAL	\$150,000

Appendix C

State Operated Living Alternative (SOLA)

State Operated Living Alternatives (SOLA)

RCW 71A.10.020 Definition

"State-operated living alternative" means programs for community residential services which may include assistance with activities of daily living, behavioral, habilitative, interpersonal, protective, medical, nursing, and mobility supports to individuals who have been assessed by the department as meeting state and federal requirements for eligibility in home and community-based waiver programs for individuals with developmental disabilities. State-operated living alternatives are operated and staffed with state employees.

Program Overview:

SOLA programs are operated by Washington Department of Social and Health Services Division of Developmental Disabilities with state employees providing instruction and support to clients. SOLA is a residential service provider dedicated to providing opportunities for personal growth and independence. The program promotes individual worth and development for the people served by empowering individuals to make choices and take action thereby enabling them to gain and maintain effective control of their lives. The program fosters inclusion and relationships with the community by assisting to preserve relationships through education, instruction, support and supervision. In this area, the program supports seven homes located in the surrounding area. Each home is staffed 24-hours per day with state employees and nursing support. Individuals receiving services through the program are involved in their community by participating in employment opportunities, volunteer services, friendships and or community sponsored events.

Appendix D

Technical Fact Sheets

The Frances Haddon Morgan Center is:

- A 12 acre campus:
- Located in Bremerton Washington at 3423 6th Street
- Managed by the Washington State DSHS
- Landscaped with mature trees and vegetation
- Bounded by residential neighborhoods, a school and City park property

The Frances Haddon Morgan Center history:

- Established in 1972
- Originally a children's center, supporting children with autism and later became a long-term residence
- Contains buildings from the 1940s originally developed as a hospital and supporting facilities (Olympic Center and Forest Ridge Lodge)

Today the Frances Haddon Morgan Center includes:

- The Olympic Center, which houses DSHS and other state offices, kitchen and boiler facilities
- Forest Ridge Lodge and three residential buildings used as long-term residences
- A field/track area



FRANCES HADDON MORGAN CENTER
PROPERTY LINE

Feet 0 35 70 140 210 NORTH

Legislative Direction

LEGISLATIVE INTENT FOR THE DEVELOPMENTAL DISABILITIES SYSTEM (2SSB 5459)

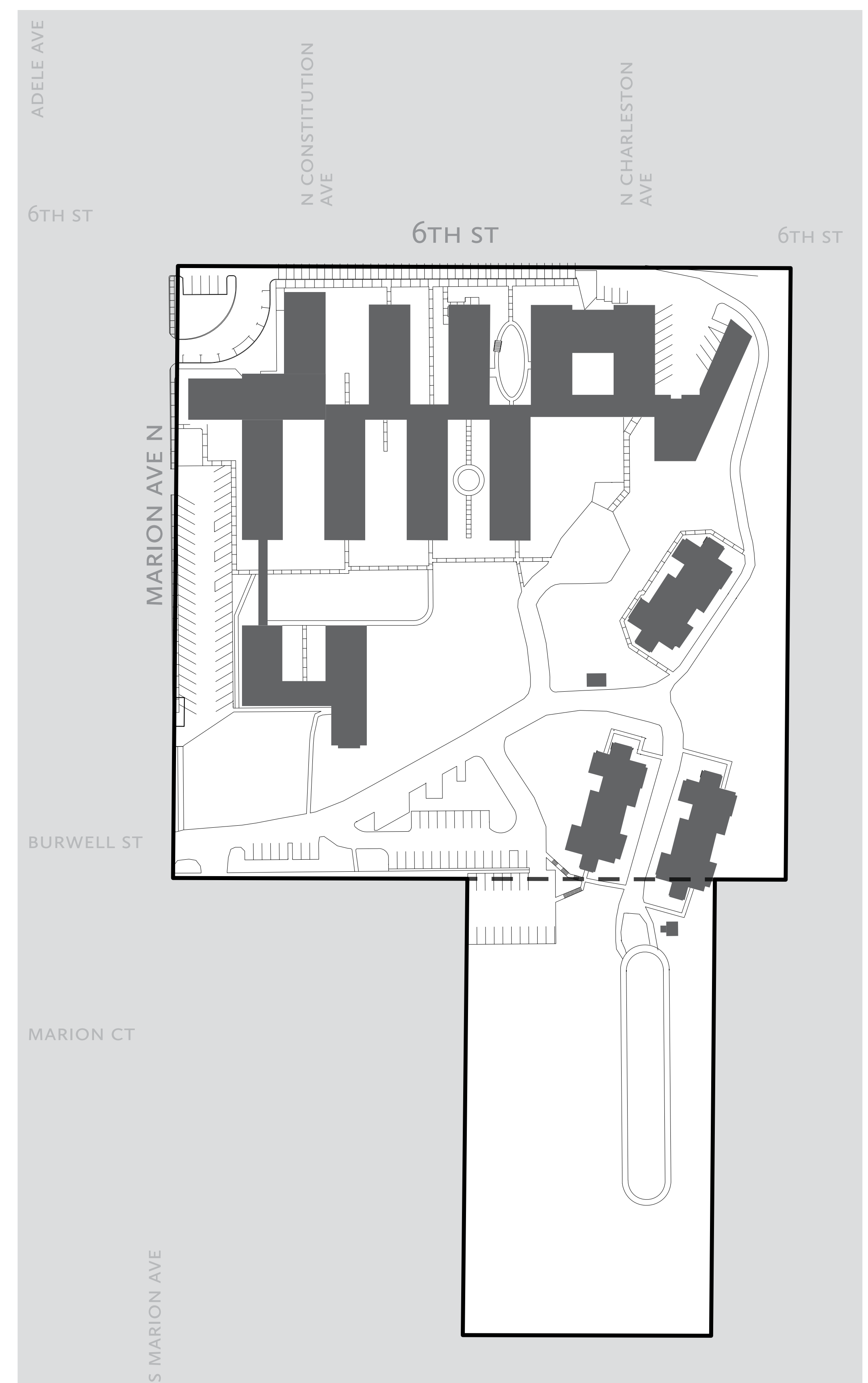
- Community-based residential services supporting people with development disabilities should be available in the most integrated setting appropriate to individual needs; and
- An extensive transition planning and placement process should be used to ensure that people moving from a residential habilitation center to a community setting have the services and support needed to meet their assessed health and welfare needs.

OPTIONS FOR FUTURE USE

- Permanent use for housing or other services for low income, disabled or vulnerable persons
- Other uses
- Report available in early 2012

FRANCES HADDON MORGAN CENTER

- Close Frances Haddon Morgan Center by December 31, 2011
- Establish at least two state-operated living alternatives (SOLA), subject to federal requirements



FRANCES HADDON MORGAN
CENTER EXISTING

- Property Line
- - - - Internal Property Line
- Building

Project Goals

PHYSICAL FEATURES:

- Preserve mature vegetation and quality of campus.
- Integrate green building principles into new development on the campus.

CIRCULATION AND ACCESS

- Improve pedestrian connections through and around the campus in order to avoid pedestrian-vehicular conflicts and to provide linkages to adjacent neighborhoods and the future park.
- Provide second access from 1st Street.

BALANCING PRIORITIES

- Balance financial return to the State with benefits to the local community
- Ensure compatibility of future uses with the surrounding area
- Within the campus, ensure compatibility of future shared uses with each other.

COMMUNITY BENEFIT

- Consider reuse options which integrate local community benefits (such as affordable housing, community services, and open space/community connections).

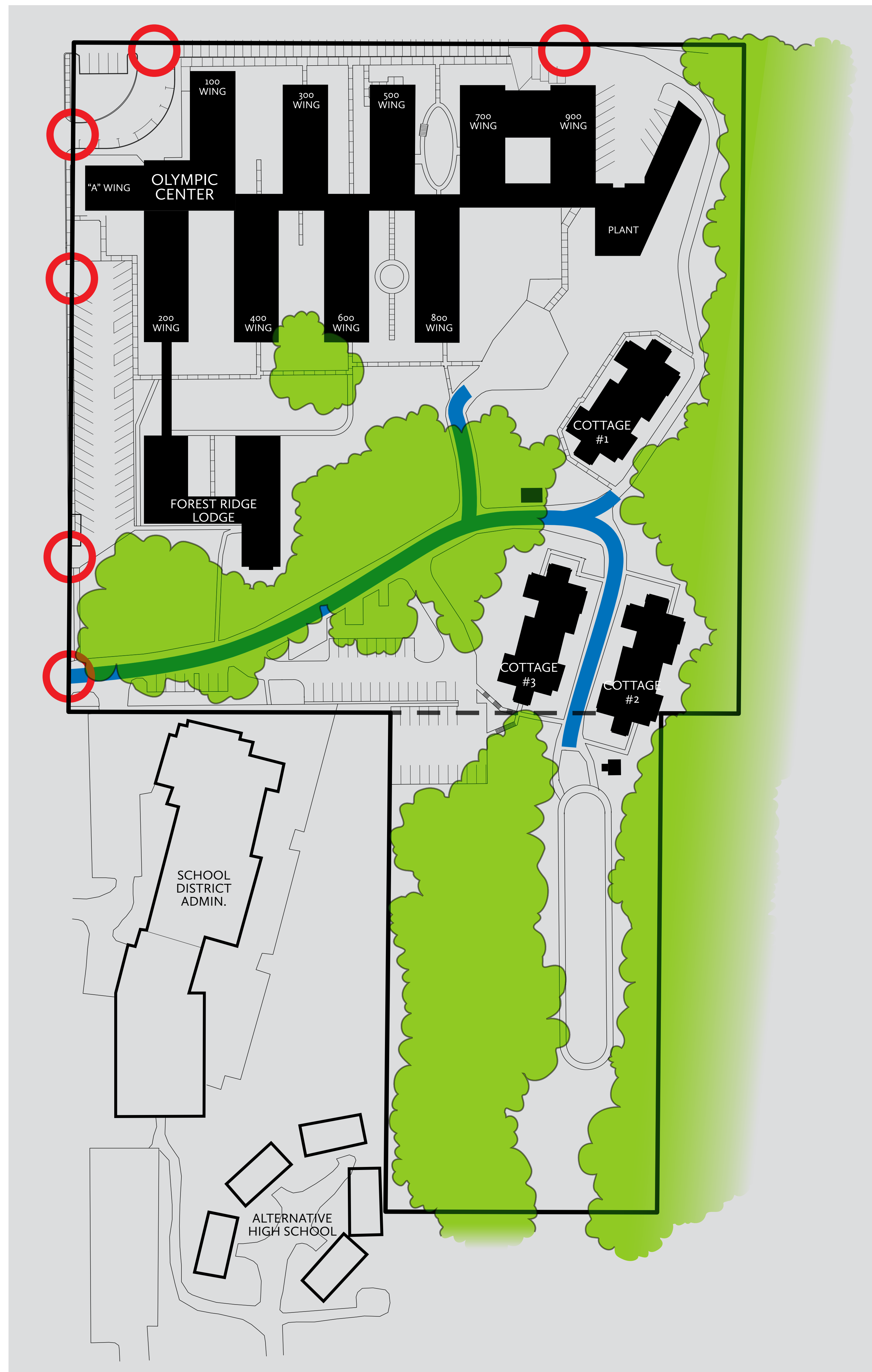
USES

- Provide for multiple and mixed uses at the school through appropriate design.
- Design for compatibility with surrounding neighborhoods.

FRANCES HADDON MORGAN CENTER TODAY

Fact Sheet

Frances Haddon Morgan Center Today



FRANCES HADDON MORGAN CENTER TODAY



- Property Line
- Campus Driveways
- Building
- Access Drive
- Existing Vegetation
- Bremerton School District Building

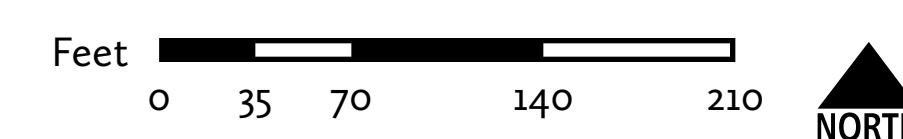
EXISTING SITE USE AREAS

Fact Sheet

Site Use Areas – Existing



FRANCES HADDON MORGAN CENTER EXISTING SITE USE AREAS
(PROPERTY LINE SHOWN IN WHITE)



- | | | |
|---|---|---|
|  Olympic Center |  Public School |  City Parkland |
|  Residential Buildings |  Forest Ridge Lodge |  Track |

Development of Preliminary Potential Reuse Options

POTENTIAL REUSES WERE IDENTIFIED BY:

- Direction from Legislature
- Campus Context
- Building & Site Suitability
 - Benefit to State Missions
- Benefit to Local Communities
- Market Trends

REUSE OPTIONS WILL ADDRESS ASPECTS OF:

- Benefit to State Operations
- Benefit to Local & Regional Community
- Financial Return to the State

TRANSITION PLANNING:

Reuse options will range from reuse and renovation of existing buildings to partial or full redevelopment of the Campus. Facilities may include reuse, renovation and redevelopment, such as:

- Reuse of Buildings – As is
- Renovation/Reuse of Existing Buildings
- Renovation/Redevelopment
- Site-Wide Redevelopment

POTENTIAL USES IDENTIFIED TO DATE INCLUDE:

- Offices
 - Non-profit Uses
 - Government Agencies (Local, State, Federal, Tribal)
 - Health or Human Services Uses
- Residential Uses
 - Affordable Housing
 - Market Rate Housing
 - Special Use Housing to Support Vulnerable Populations
 - Senior Housing
- Schools
- Other potential public, semi-public or non-profit uses

USES RULED OUT (DUE TO LOCATION, MARKET FACTORS, SITE/BUILDING SUITABILITY, COMMUNITY COMPATIBILITY, ETC):

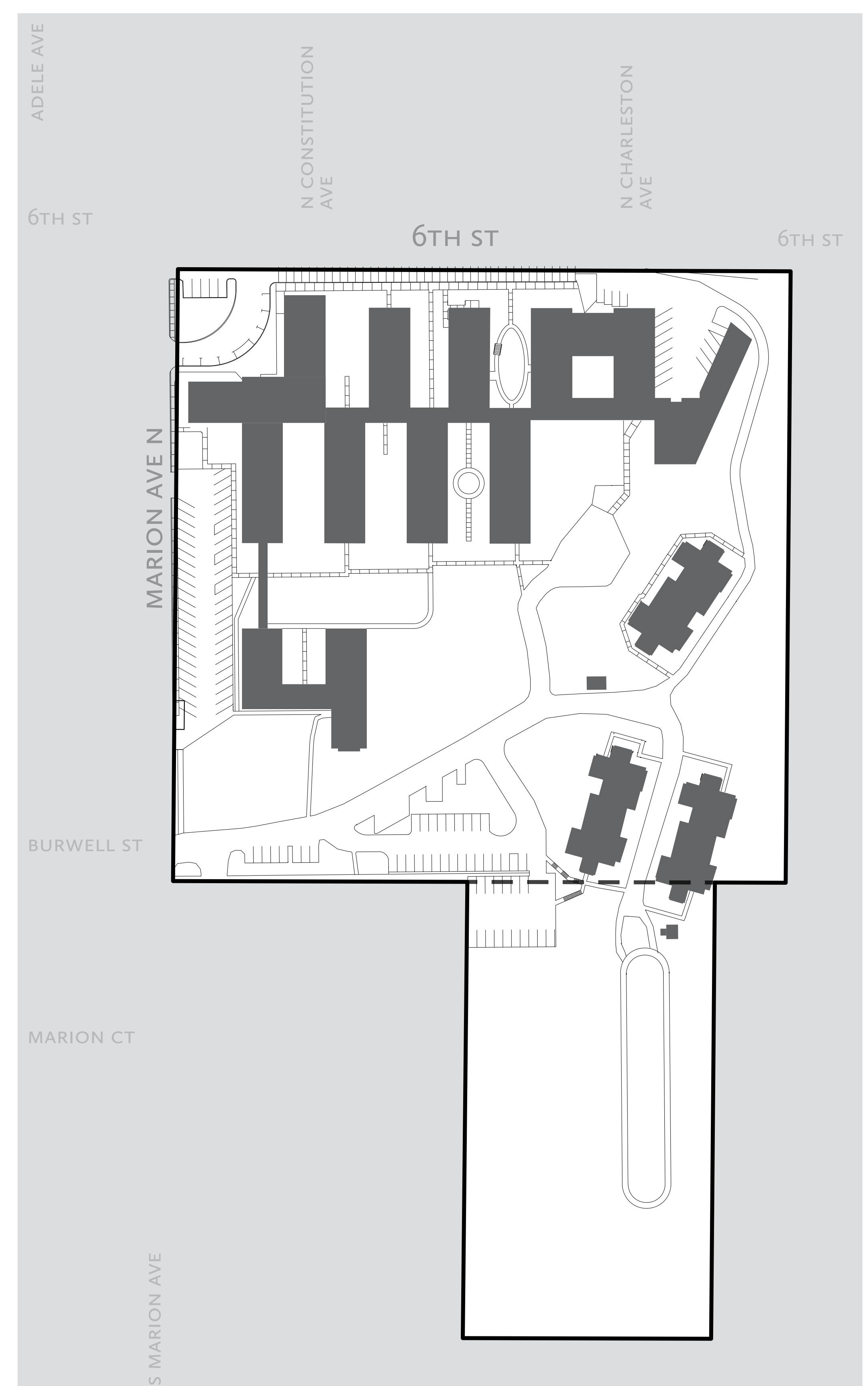
- Correctional Facilities
- Retail & Commercial Uses
- Industrial Uses

Preparation of Final Potential Reuse Options


ANALYSIS OF OPTIONS

Three reuse options will be prepared for further Feasibility and Cost Benefit analysis before they are finalized for the Report to the Legislature. Considerations included in the review and analysis will include:

- Local/Regional/State Benefits
- Community Input
- Near Term Uses That Make Use of the Site Facilities
- Uses for Which This Site is Preferred vs. Those that Could Locate Anywhere
- Employment Potential
- Financial Benefits
- Fulfillment of State Missions
- Neighborhood Compatibility
- Longer-term Uses Which Would Occur when Renovation Costs Exceed the Value and/or Life of the Buildings



FRANCES HADDON MORGAN
CENTER EXISTING

Feet 0 25 62.5 125 250 

- Property Line
- - - - Internal Property Line
- Building

FACILITY REUSE

Option 1

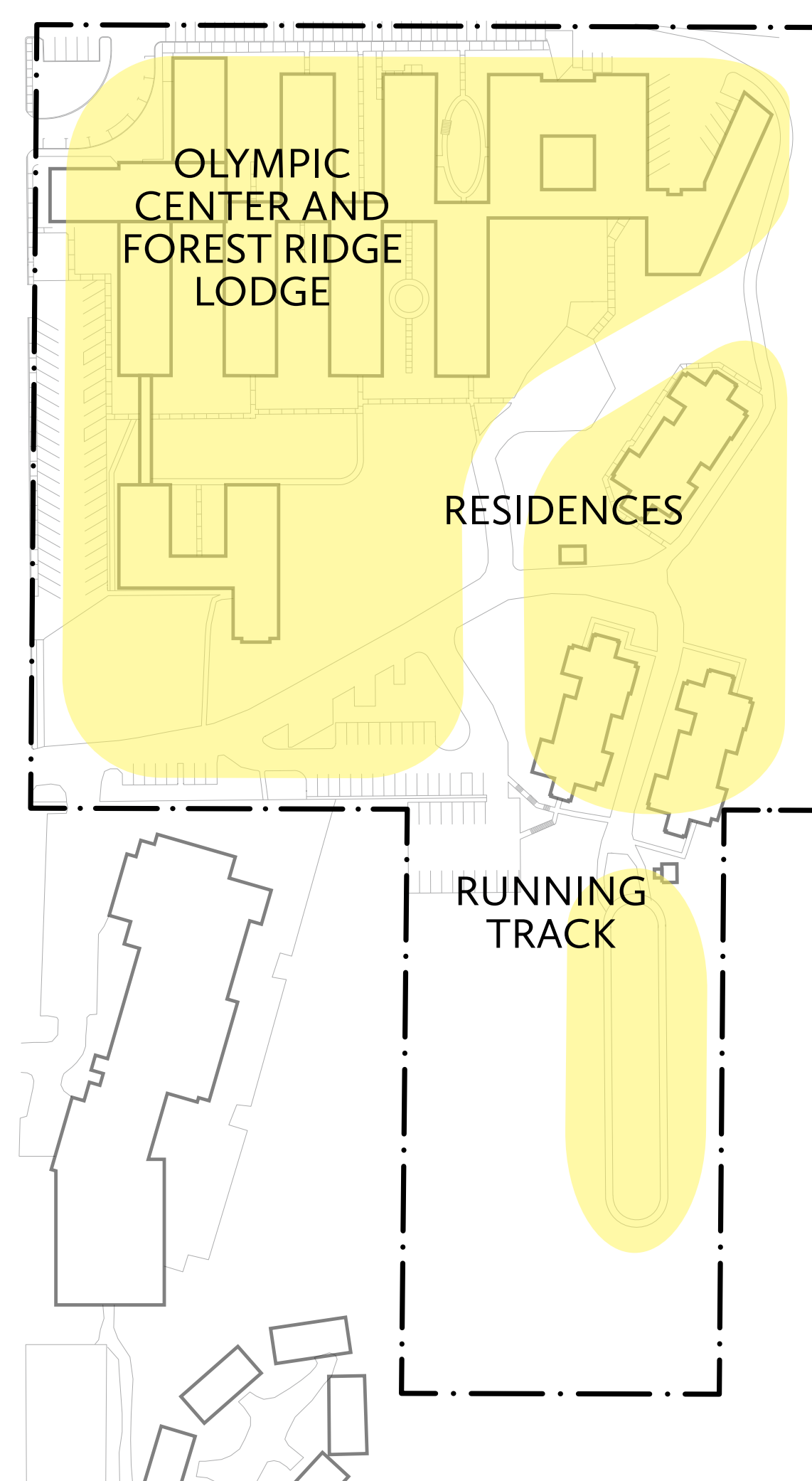
Option 1 shows a Community Use campus which would provide a community center and public use buildings with classrooms, meeting rooms, a gym and kitchens plus multipurpose playfields for soccer and softball use. An urban farm would produce food, provide education and for small food production business development.

PHASE 3: 7+ YEARS

Community Use (New Construction)

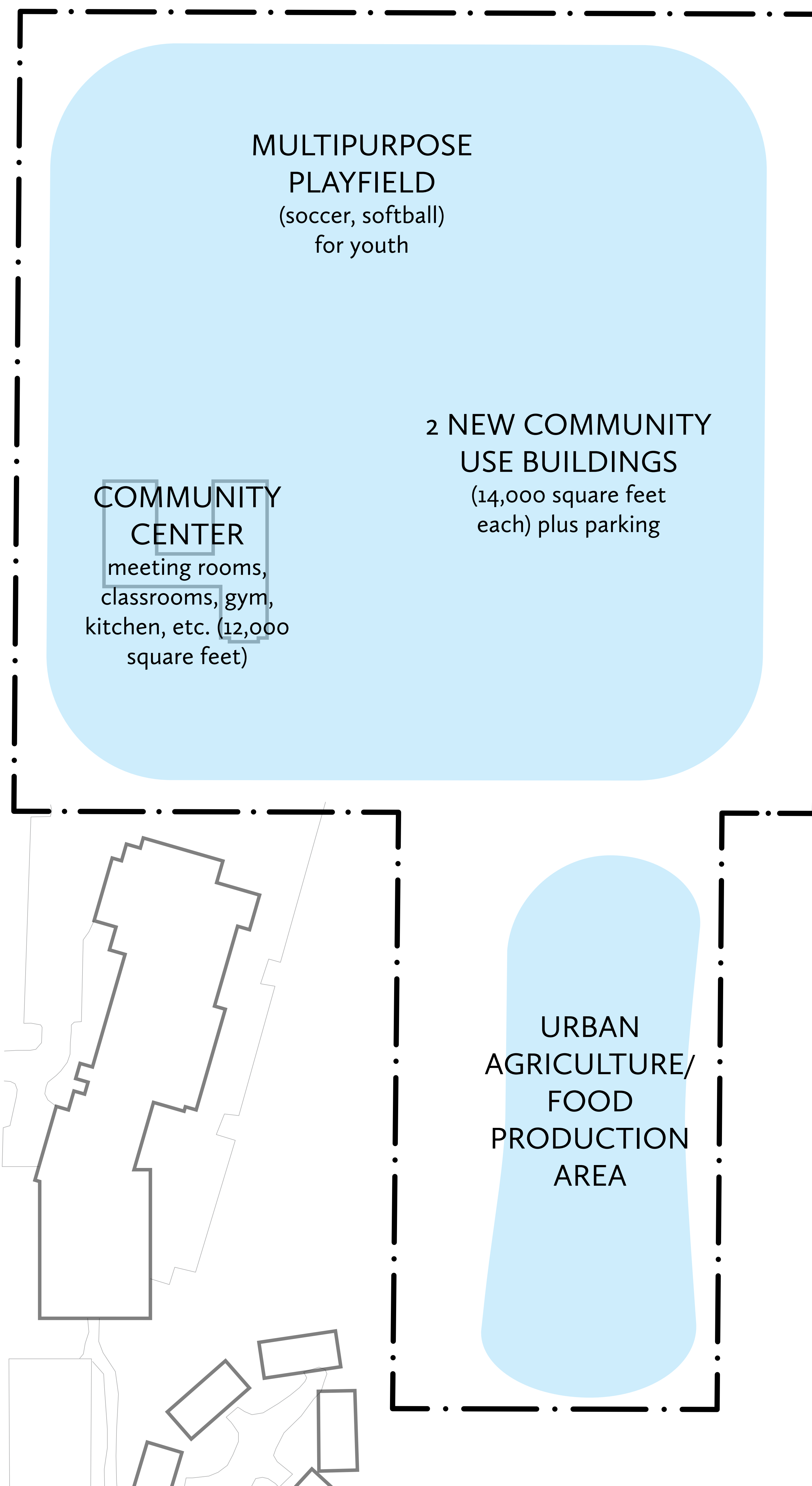
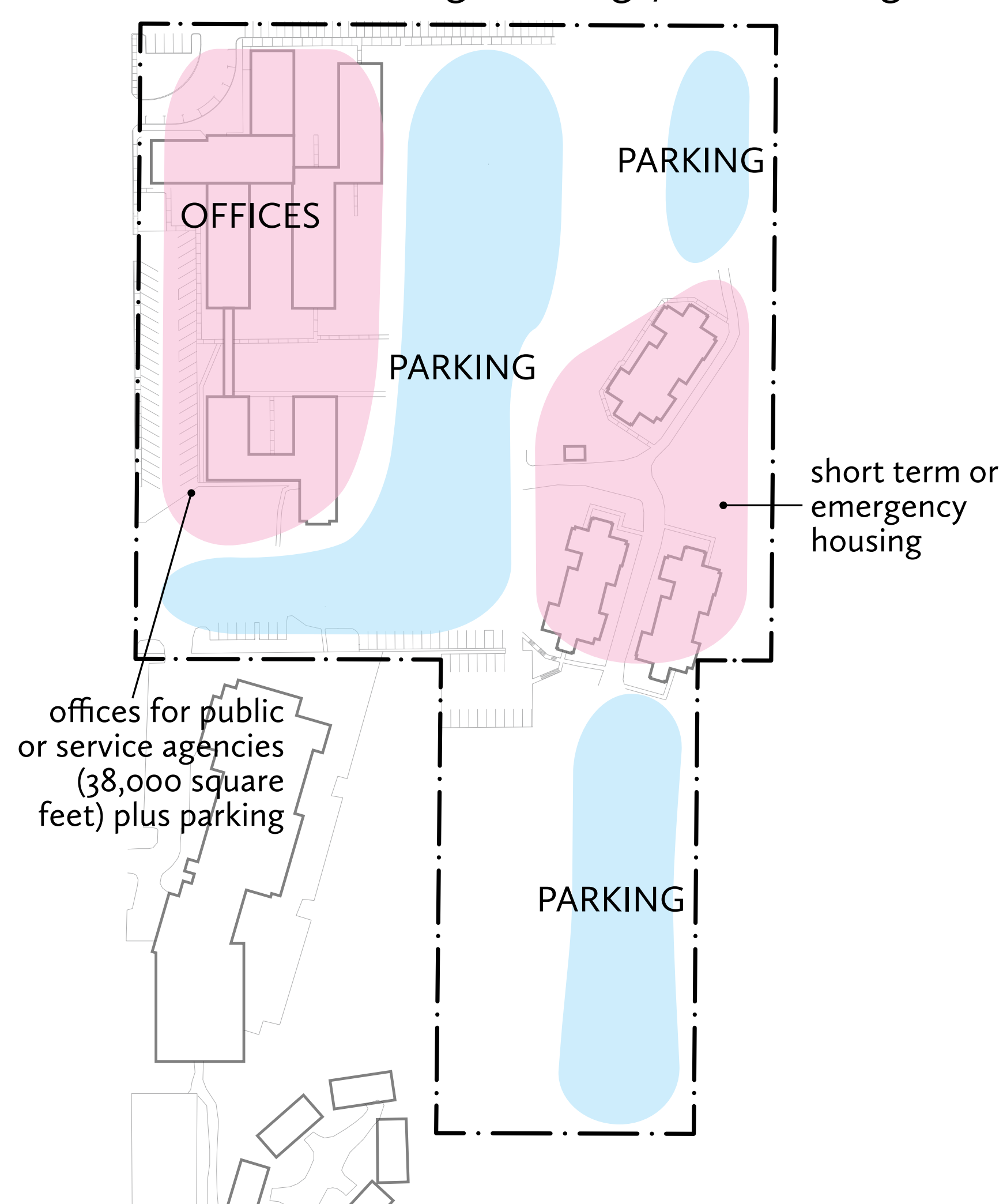
PHASE 1: 1-2 YEARS

Reuse As Is



PHASE 2: 3-7 YEARS

Renovate Existing Buildings/Add Parking



- Reuse Buildings As Is
- New Construction
- Renovate Building



SCHOOL CAMPUS

Option 2

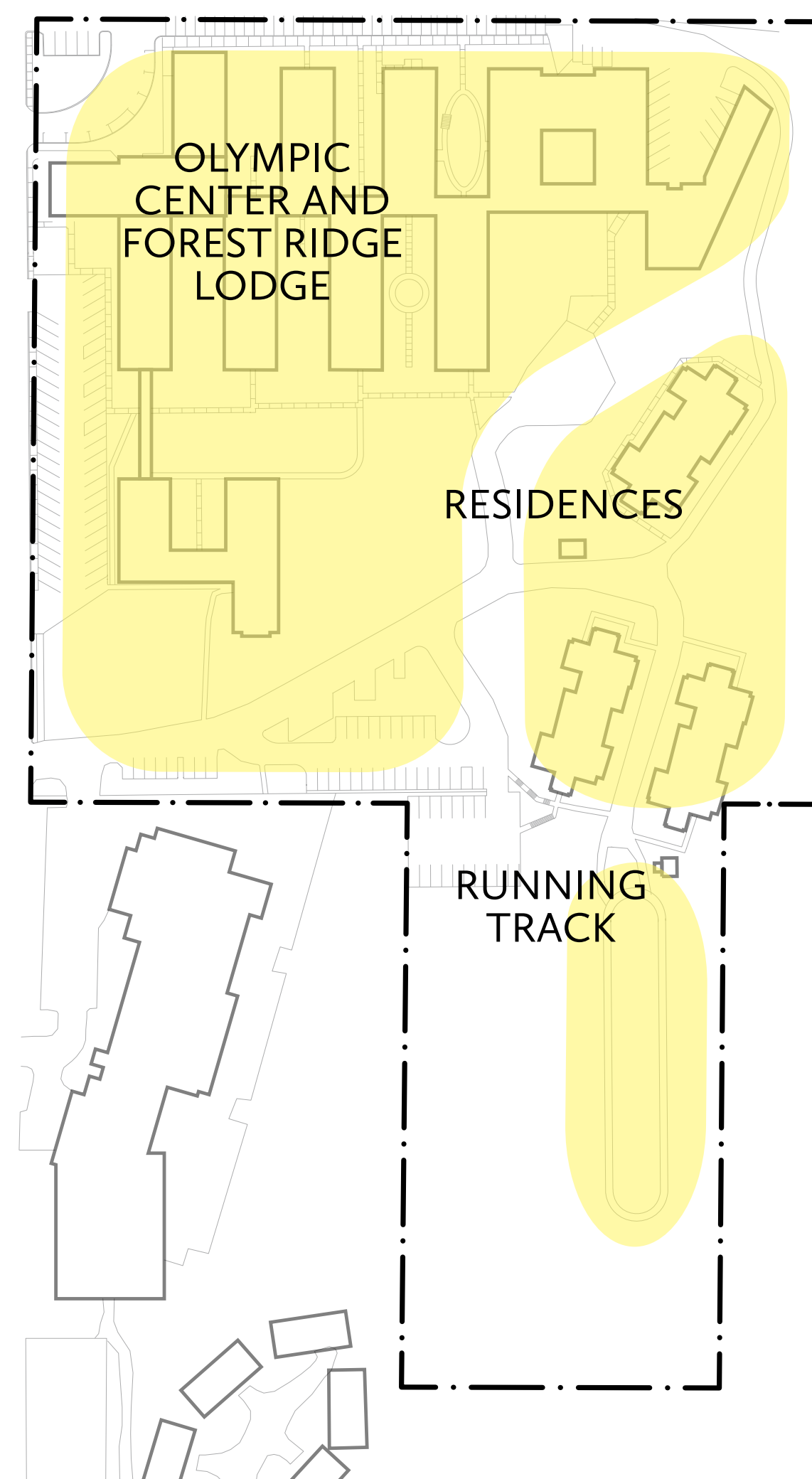
Option 2 shows a School Campus with a new administration or alternative high school building with parking, and multipurpose playfields for soccer and softball use. These new facilities combined with the adjacent Bremerton School District Buildings, would create an education campus.

PHASE 3: 7+ YEARS

School (New Construction)

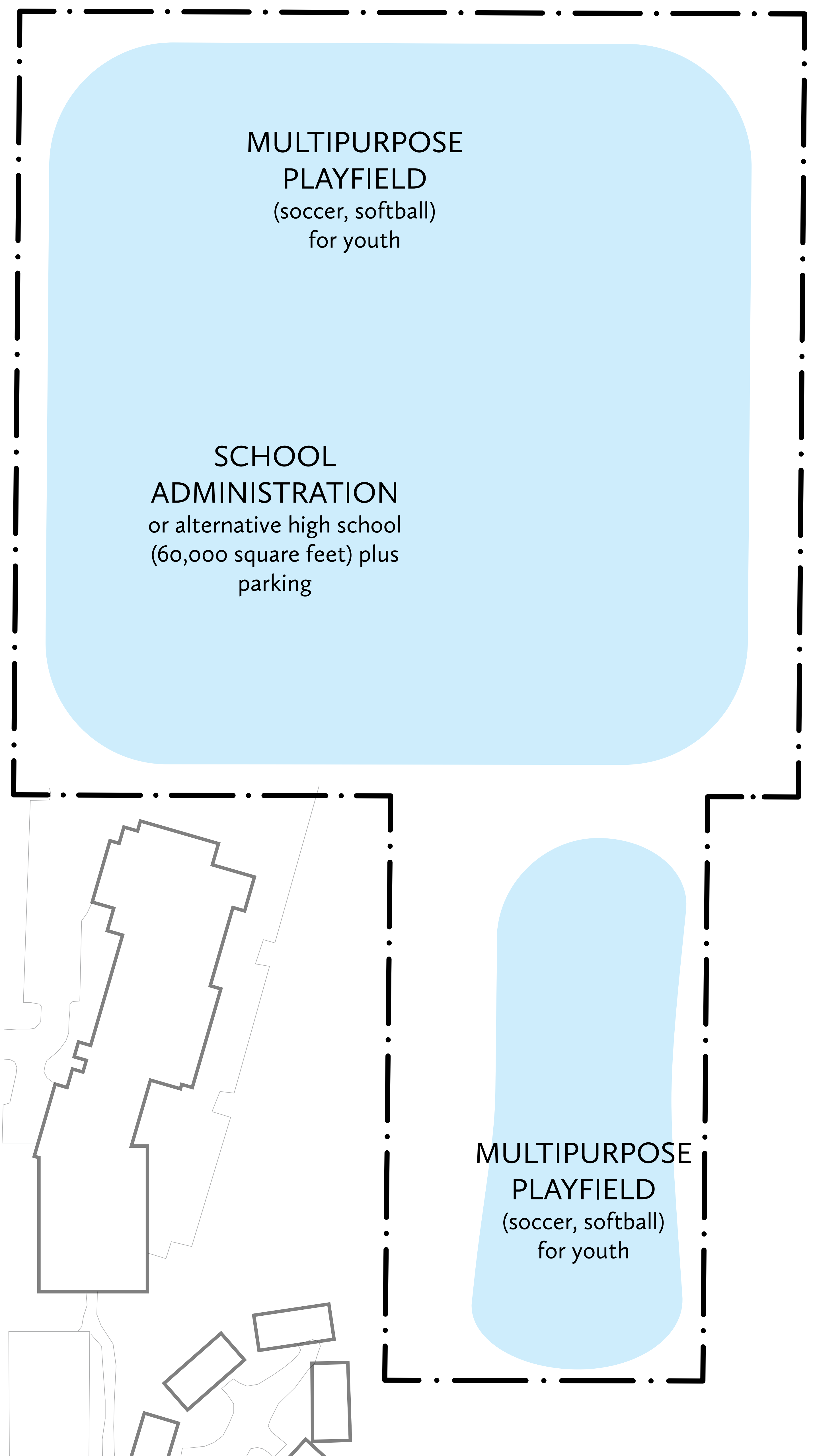
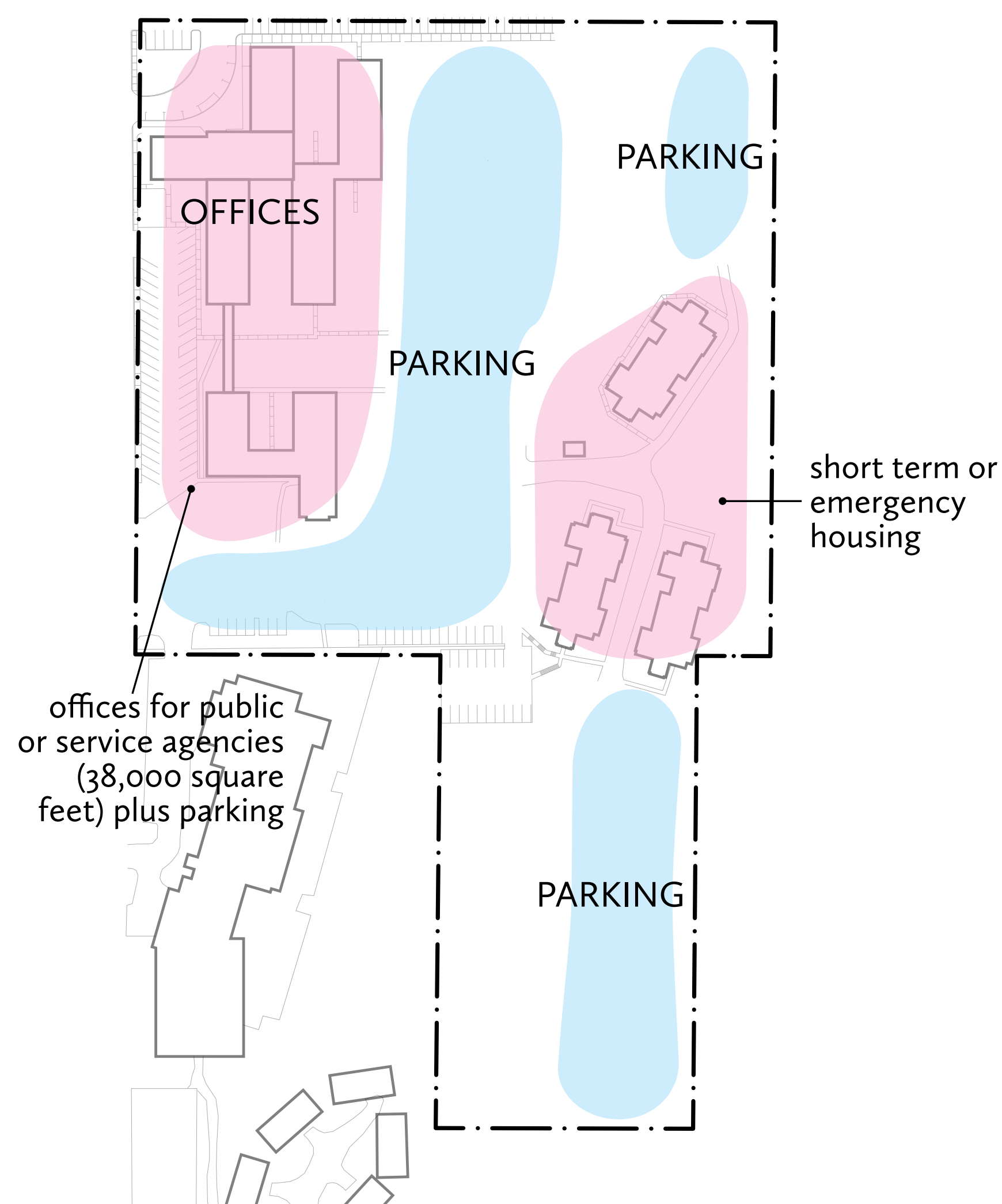
PHASE 1: 1-2 YEARS

Reuse As Is

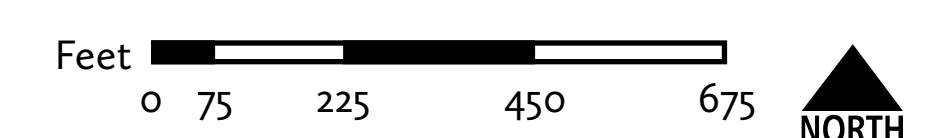


PHASE 2: 3-7 YEARS

Renovate Existing Buildings/Add Parking



- Reuse Buildings As Is
- New Construction
- Renovate Building



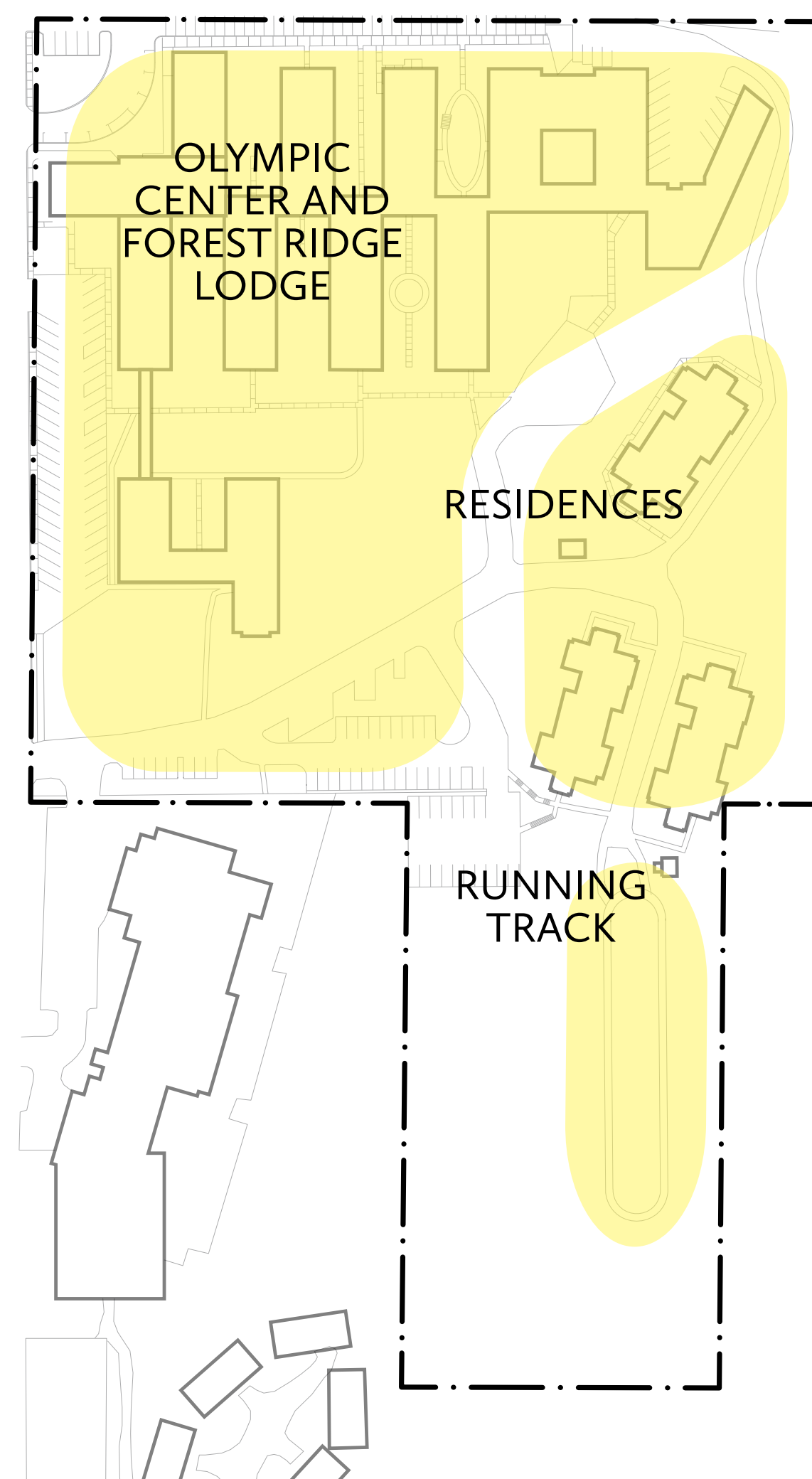
STEP DOWN SENIOR HOUSING COMMUNITY

Option 3

Option 3 shows a senior housing community with a range of housing options from independent living in duplexes to assisted living and nursing home facilities.

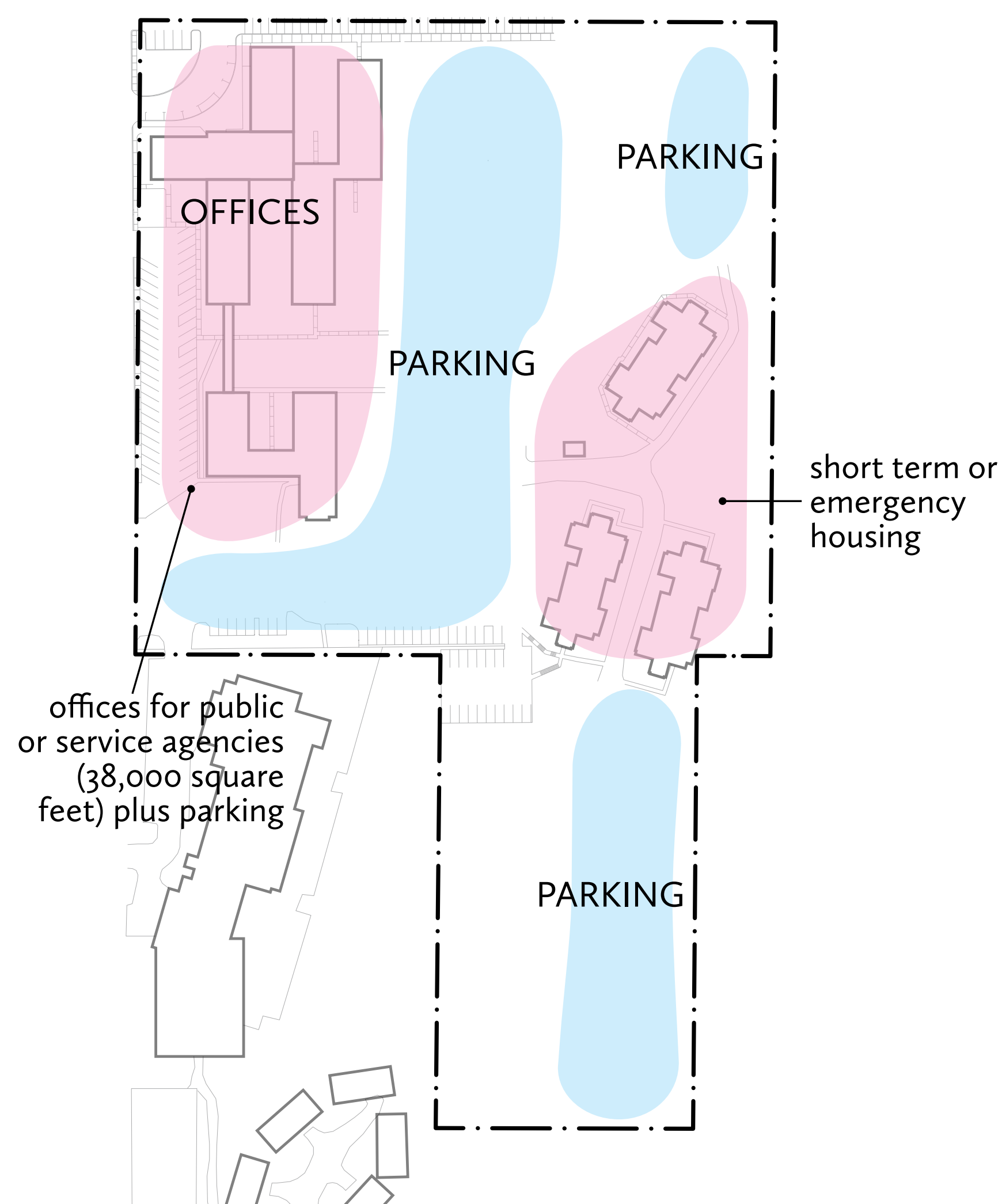
PHASE 1: 1-2 YEARS

Reuse As Is



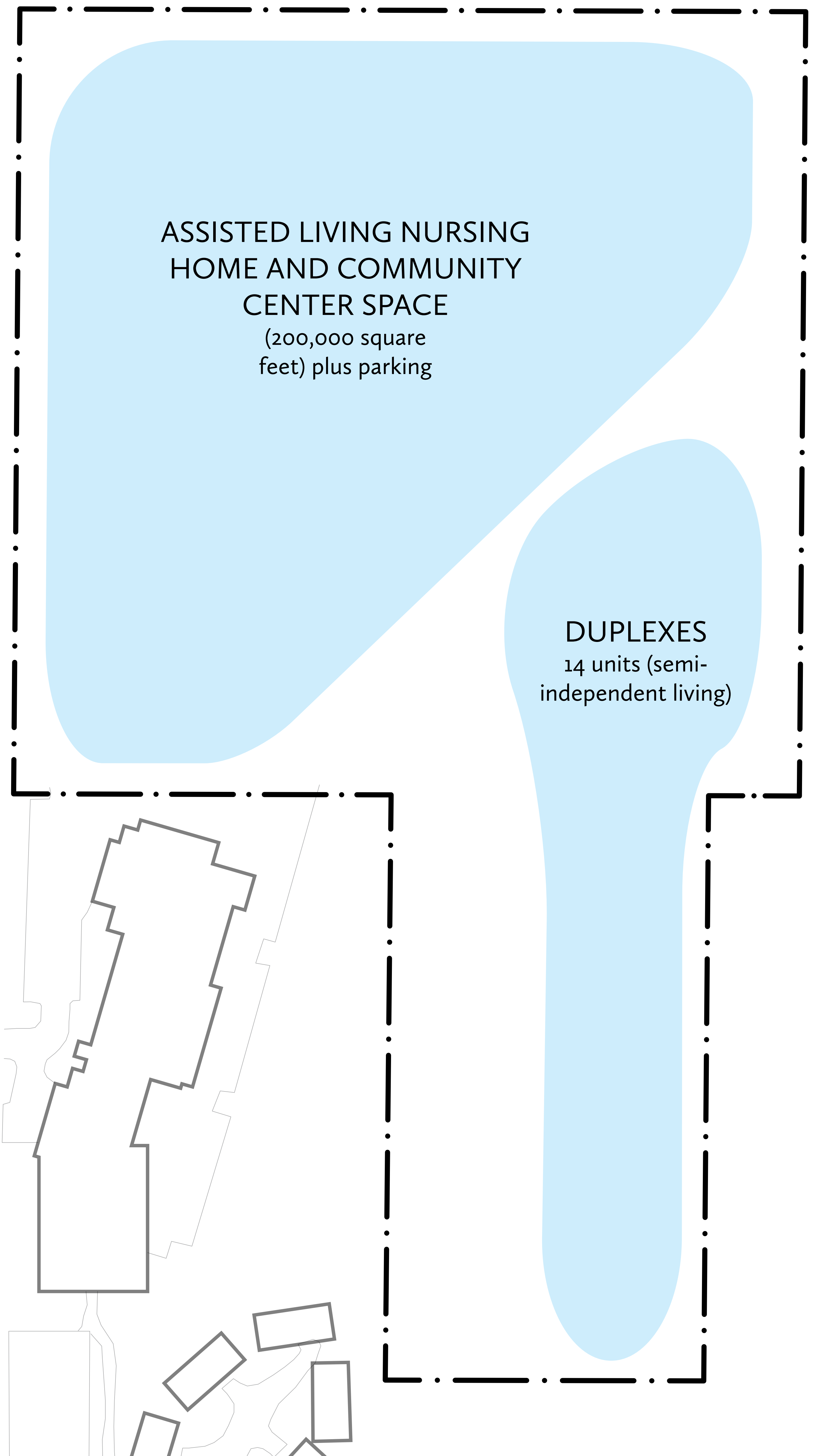
PHASE 2: 3-7 YEARS

Renovate Existing Buildings/Add Parking

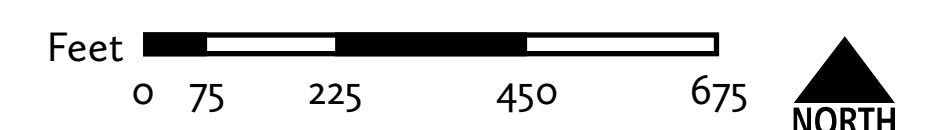


PHASE 3: 7+ YEARS

Community Use (New Construction)



- Reuse Buildings As Is
- New Construction
- Renovate Building



SINGLE FAMILY HOUSING

Option 4

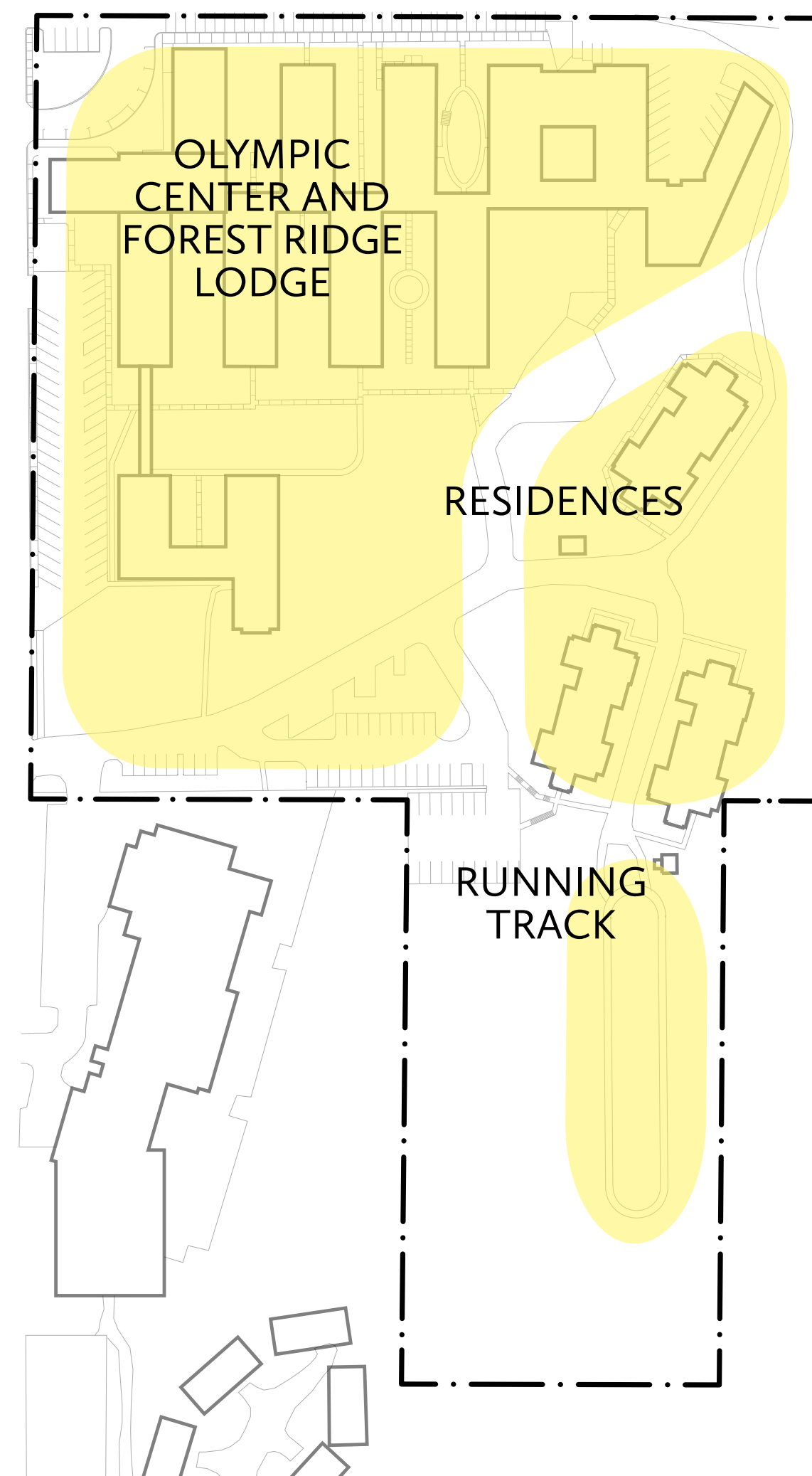
Option 4 shows a single family residential development with 39 new houses.

PHASE 3: 7+ YEARS

Single Family Housing

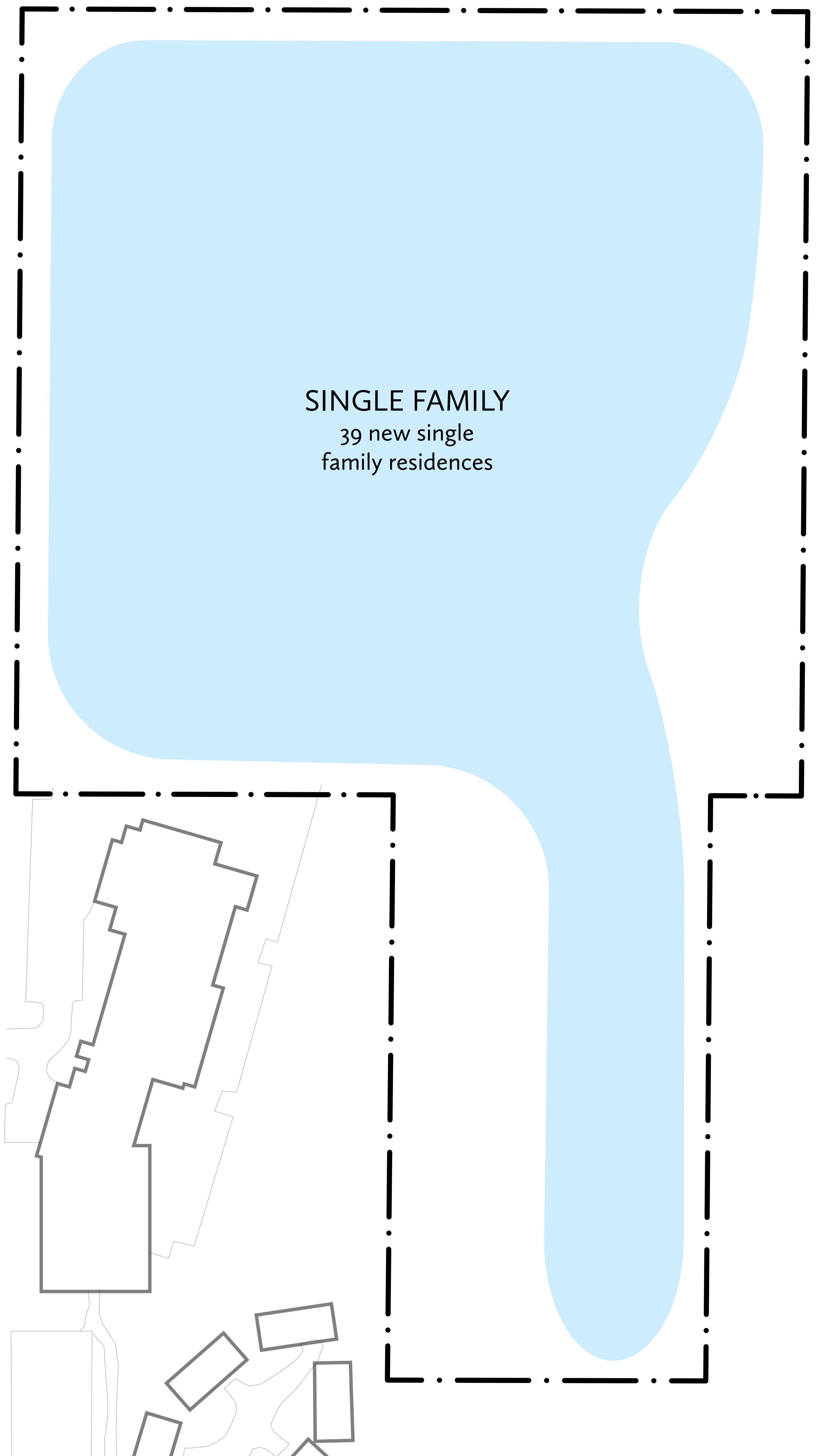
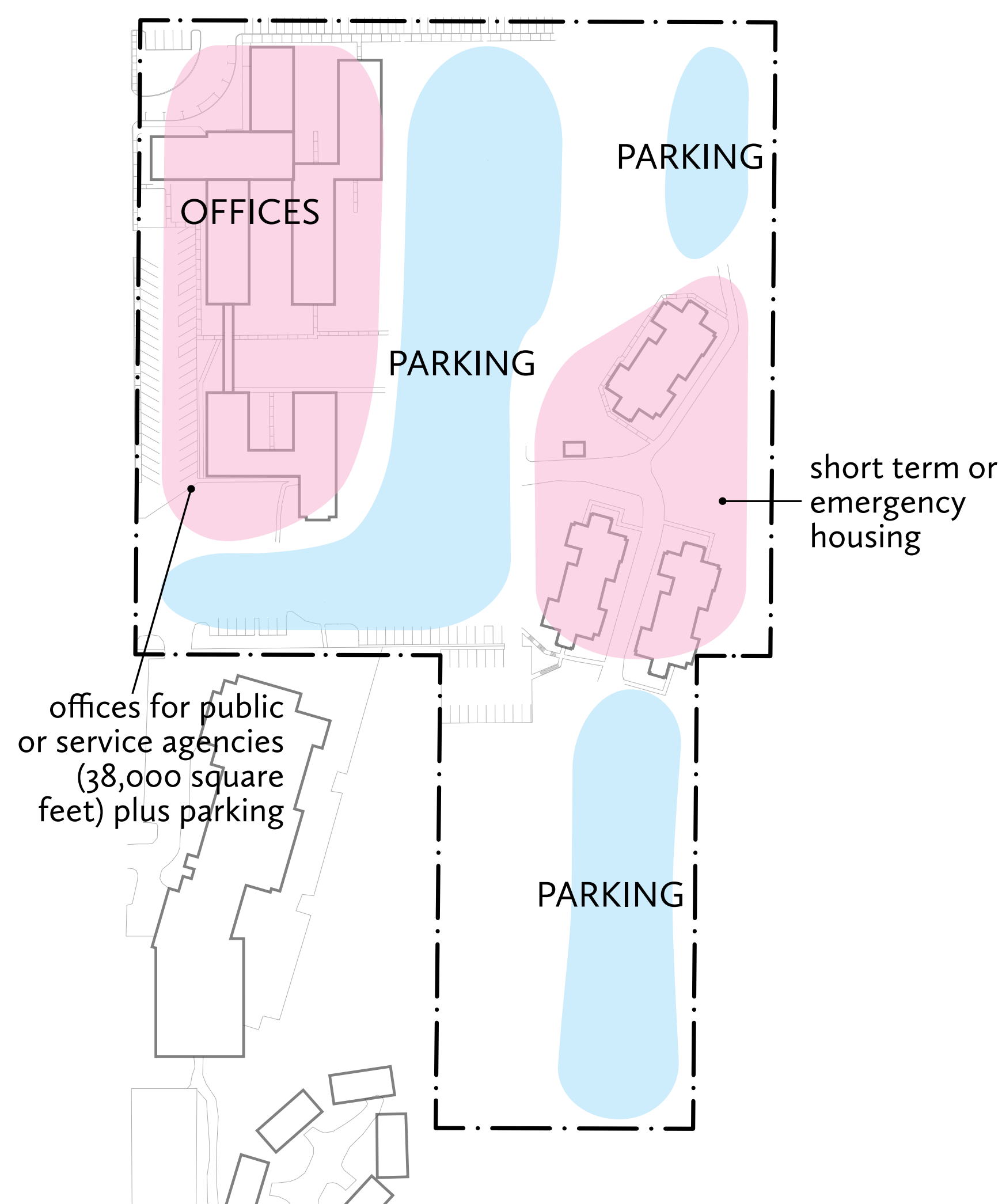
PHASE 1: 1-2 YEARS

Reuse As Is

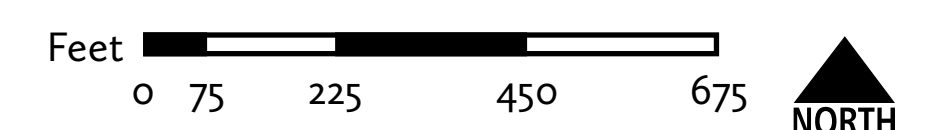


PHASE 2: 3-7 YEARS

Renovate Existing Buildings/Add Parking



- Reuse Buildings As Is
- New Construction
- Renovate Building



Appendix E

Facilities Assessment

Frances Haddon Morgan Center

Site & Buildings Assessment

Purpose of Analysis

BASIS TO DEFINE REUSE OPTIONS

- Near-term Reuse without Renovation
- Potential for Longer-term Use of Existing Facilities
- Redevelopment Potential

High Level Overview

IDENTIFY OPPORTUNITIES & CONSTRAINTS

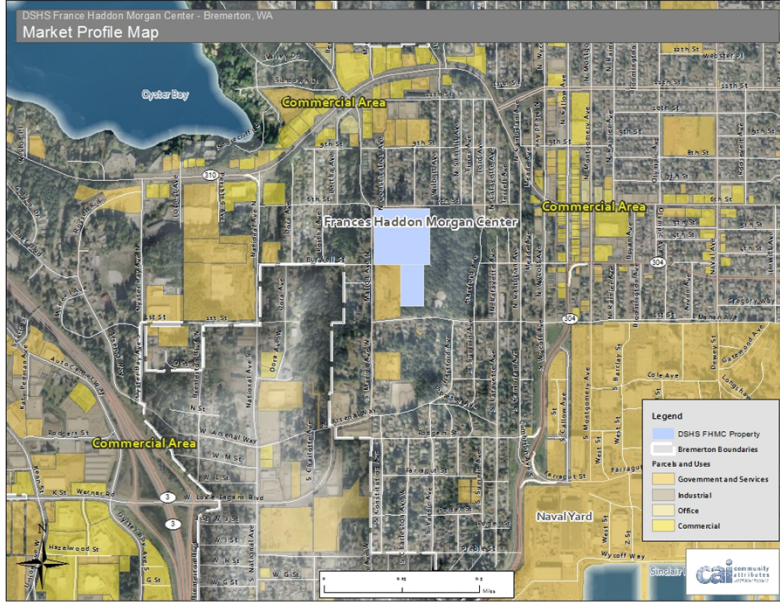
- Site Access & Parking
- Utilities
- Buildings

DEFINE MARKET TRENDS FOR REDEVELOPMENT

Basis of Assessment

- Existing DSHS Documentation
- Field Observations
- Conversations with Site & Maintenance Supervisors
- Professional Expertise

Site Vicinity



Site Overview

Land Area (Acres)	12.15
Number of Parcels	2
Assessed Value Land	\$758,450
Assessed Value Improvements	\$7,016,030
Total Assessed Value	\$7,711,900
Dates of Construction Range	1944-1984

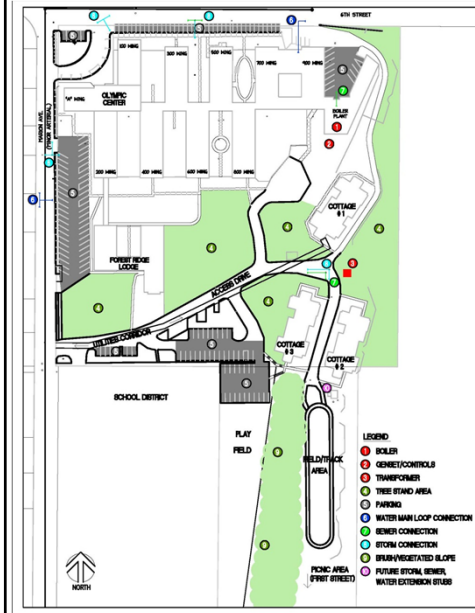
Site Overview	
Neighborhood Considerations	<ul style="list-style-type: none"> • Located in central Bremerton • Close proximity to commercial core and naval yard • Residential neighborhood • Moderate income housing • Existing park bordering to east
Zoning	Low Density Residential (R-10)
Site Considerations	<ul style="list-style-type: none"> • Mature trees/vegetation • Access from 6th St and Marion Ave • Alternative school contiguous to property
Building Square Footage	93,233
Condition	Buildings in fair to poor condition; grounds well maintained; high operational and maintenance costs

Access Considerations

ACCESS CONDITIONS

- Residential streets
- Single site access drive (connects to Marion Ave)
- Limited vehicular connections to cottages
- Access limitations from parking areas to buildings
- No vehicular access to southern parcel – Field/Track Area

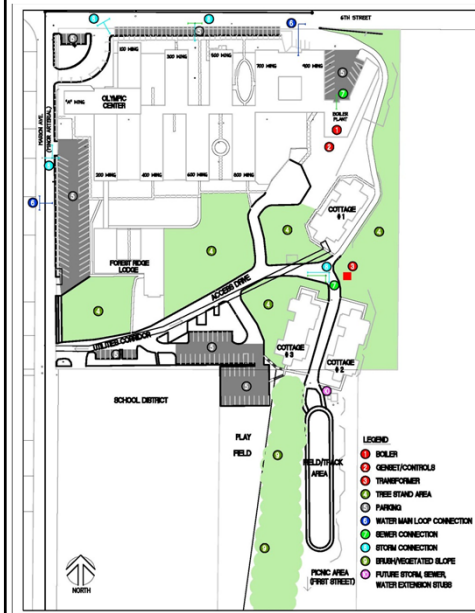
Parking Considerations



PARKING CONDITIONS

- Limited supply of on-site parking
- Sixth Street "head-in" parking abuts travel lane
- Limited parking on Marion Street
- Connectivity to Cottages limited

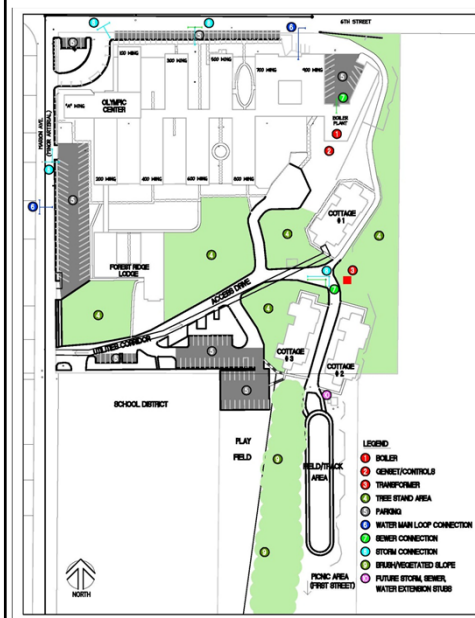
Utilities – Main Building



EXISTING UTILITIES

- Two boilers at 900 Wing - Main Bldg. Complex – 1940's construction. One boiler "moth-balled"; second operational boiler serves entire Main Bldg Complex
- Public watermain (through site)- provides domestic/fire protection
- Sewer/Storm - connects at Sixth Street and Marion Ave

Utilities – Main Building



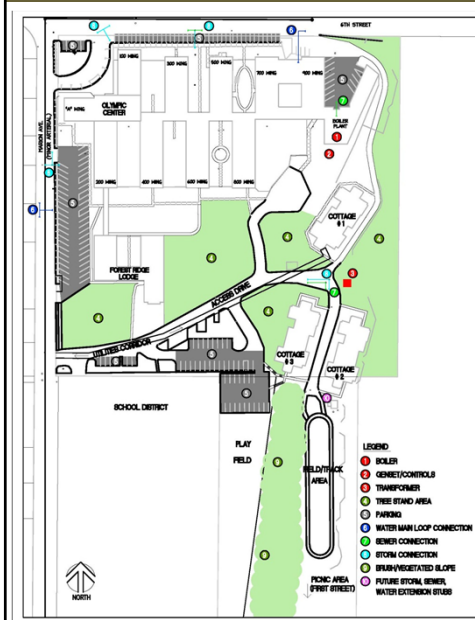
ASSETS

- Stubbed out utilities from public mains in Sixth Street and Marion Ave may be reused with redevelopment
- Gas main available in Sixth Street for future connection

CONSTRAINTS

- Age and condition (fair) of site utilities do not warrant substantial investment for change of use
- Operational boiler at Main Bldg Complex - age requires specific maintenance expertise and available parts for repairs
- Potential reuse of existing utilities limited to near term
- Redevelopment would likely require new utilities

Utilities – Forest Ridge/Cottages



EXISTING UTILITIES

- Dedicated (power) transformers
- Dedicated fire/domestic water services
- Dedicated sewer/storm services

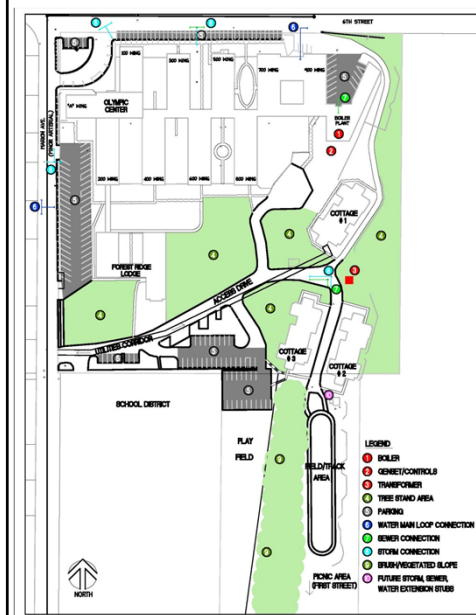
ASSETS

- Stubbed out utilities to southern (undeveloped) Field/Track Area may be reused for future development

CONSTRAINTS

- Potential reuse of existing utilities limited 5 years
- Redevelopment would likely require new utilities
- Steep slopes/retaining walls along east constrain re-development. Drainage from east (Park area) would need to be addressed.

Utilities – Site-wide



ASSETS

- Stubbed out utilities from public mains in Sixth Street and Marion Ave may be reused with redevelopment
- Gas main available in Sixth Street for future connection

CONSTRAINTS

- Age and condition (fair) of site utilities do not warrant substantial investment for change of use
- Operational boiler at Main Bldg Complex - age requires specific maintenance expertise and available parts for repairs
- Potential reuse of existing utilities limited to near term
- Redevelopment would likely require new utilities

Site Assets and Constraints



ASSETS

- 1 Re-use for housing and/or small office [city park]
- 2 Developable site
- 3 School admin facility proximity to campus
- 4 For short-term use/re-use
- 5 Mature trees

CONSTRAINTS

- 1 Street parking not allowed in re-development
- 2 Deteriorating building areas
- 3 Steam tunnel. [partial re-use option]
- 4 Steep grades
- 5 Utility easement
- 6 Playground recreation easement
- 7 No access

Olympic Center: General



A&B: 12,850 SF	500: 5,117 SF
100: 4,500 SF	600: 5,590 SF
200: 5,590 SF	700: 4,472 SF
300: 5,117 SF	800: 5,590 SF
400: 5,590 SF	900: 4,472 SF
Total: 58,888 SF	

OLYMPIC CENTER



GENERAL

- Original construction during war as hospital facility
- Wood frame construction
- Features 8 foot wide double loaded corridors originally used as patient rooms
- Single level construction except for Wing A&B
- Heating provided by hot water radiators supplied from boiler plant at NE corner of site
- General condition of repair is fair to poor with evidence of foundation damage at Wing 500

Olympic Center: Assets



A&B: 12,850 SF	500: 5,117 SF
100: 4,500 SF	600: 5,590 SF
200: 5,590 SF	700: 4,472 SF
300: 5,117 SF	800: 5,590 SF
400: 5,590 SF	900: 4,472 SF
Total: 58,888 SF	

OLYMPIC CENTER



ASSETS

- Relatively new 20 year roofing on all buildings
- Buildings retrofitted with seismic foundation ties
- Some wings renovated to replace windows and upgrade finishes (A&B, 100, 200, 300, 400)
- Elevator at second floor (Wing B)
- Fire Sprinklers throughout
- Emergency generator

Olympic Center: Constraints



A&B: 12,850 SF	500: 5,117 SF
100: 4,500 SF	600: 5,590 SF
200: 5,590 SF	700: 4,472 SF
300: 5,117 SF	800: 5,590 SF
400: 5,590 SF	900: 4,472 SF
Total: 58,888 SF	

OLYMPIC CENTER



CONSTRAINTS

- Buildings have heat but no ventilation or air conditioning aside from operable windows and small window mounted AC units. Substandard for commercial grade office use.
- Wide double loaded corridors inefficient use of space for general office occupancy.
- Wings east of Wing 300 have not had window upgrades, energy use high.
- Kitchen facility (sized for double campus capacity) not needed for change of use.
- Buildings age and condition do not warrant any substantial investment for change of use.
- Suitable for short term use for transitional occupancy only.

Power Plant: General



4F03: 3,290 SF
4F04: 1,795 SF
4F05: 3,700 SF
Total: 8,785 SF

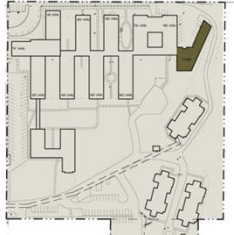
POWER PLANT



GENERAL

- Original construction during war as part of hospital facility.
- Houses maintenance shops for entire campus and boiler for Olympic Center wings.
- Emergency Generator for support of Intermediate Care Facility requirements.

Power Plant: Assets



4F03: 3,290 SF
4F04: 1,795 SF
4F05: 3,700 SF
Total: 8,785 SF

POWER PLANT



ASSETS

- Relatively new high efficiency boiler backed up by two original antiquated boilers.

Power Plant: Constraints



4F03: 3,290 SF
4F04: 1,795 SF
4F05: 3,700 SF
Total: 8,785 SF

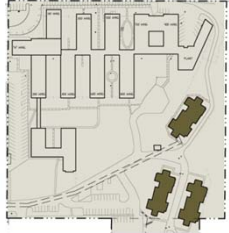
POWER PLANT



CONSTRAINTS

- Buildings built to house original boilers which were sized to support steam requirements of the original hospital uses. Building is remote from remaining office uses at NW corner of site.
- Steam tunnel routing below Olympic Center buildings interferes with new construction along 6th Street.
- Boiler sized for all Olympic Center buildings and would not likely be suitable for downsized office occupancy.
- Requires specific expertise to operate

Cottages: General



Cottage 3420: 5,357 SF
Cottage 3423: 5,716 SF
Cottage 3424: 5,687 SF
Total: 16,760 SF

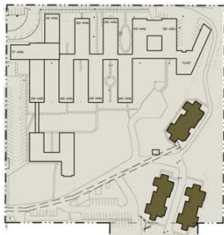
COTTAGES



GENERAL

- Original construction mid 1980's
- Single level construction
- General condition is fair to good with some deterioration at cottages in proximity to hillside.

Cottages: Assets



Cottage 3420: 5,357 SF
Cottage 3423: 5,716 SF
Cottage 3424: 5,687 SF
Total: 16,760 SF

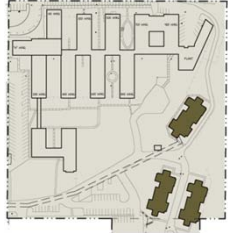
COTTAGES



ASSETS

- Fire Sprinklers throughout
- Buildings have stand-alone air based, heating ventilation systems not linked to central plant.
- Small footprint with self-contained utilities creates opportunity for low cost conversion to office use.
- Located away from other buildings with distinct community/village atmosphere.
- Adjacent to open pad site at SE which could serve as parking for commercial use.
- Current residential use and facilities (kitchen, bathing, etc.) could support other similar short term uses .

Cottages: Constraints



Cottage 3420: 5,357 SF
Cottage 3423: 5,716 SF
Cottage 3424: 5,687 SF
Total: 16,760 SF

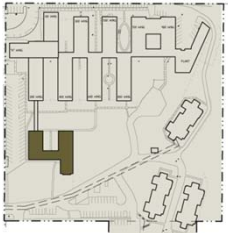
COTTAGES



CONSTRAINTS

- Requires some investment for use as office space (lighting, power, etc.).
- Lack of private bathroom facilities limits use as family support facility.
- Not near streets, limited visibility for commercial viability.
- Buildings have heat and ventilation but no air conditioning which is substandard for commercial grade office use.
- Toilet facilities require revisions for office use.

Forest Ridge Center: General



TOTAL: 3,233 SF

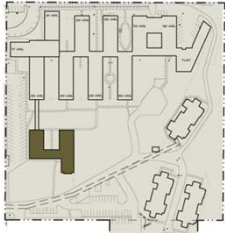
FOREST RIDGE LODGE



GENERAL

- Original construction during war as hospital facility (Nurses Residence)
- Single level construction
- General condition is fair.

Forest Ridge Center: Assets



TOTAL: 3,233 SF

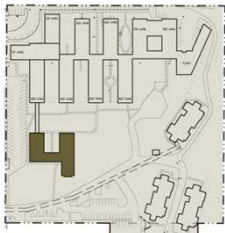
FOREST RIDGE LODGE



ASSETS

- Relatively new roof
- Renovated to replace windows and upgrade interior finishes.
- Fire Sprinklers throughout
- Buildings have stand-alone heating systems not linked to central plant.
- Small footprint with self-contained utilities creates opportunity for low cost conversion to transition office use.

Forest Ridge Center: Constraints



TOTAL: 3,233 SF

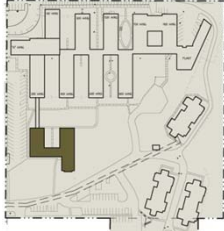
FOREST RIDGE LODGE



CONSTRAINTS

- Wide, double loaded corridors (structural configuration) are inefficient for general commercial office occupancy.
- Buildings have heat but no ventilation or air conditioning aside from operable windows and small window mounted AC units.
- Toilet facilities require revisions for office use.
- Substandard for commercial grade office use without renovation but suitable for transition use.
- Buildings age and condition do not warrant substantial investment for change of use.

Forest Ridge Center: Constraints



TOTAL: 3,233 SF

FOREST RIDGE LODGE



CONSTRAINTS

- Wide, double loaded corridors (structural configuration) are inefficient for general commercial office occupancy.
- Buildings have heat but no ventilation or air conditioning aside from operable windows and small window mounted AC units.
- Toilet facilities require revisions for office use.
- Substandard for commercial grade office use without renovation but suitable for transition use.
- Buildings age and condition do not warrant substantial investment for change of use.

Market Trends Overview

Market Demand Perspectives Market Rate Products

Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Single Family Housing	Entire Site	Low	Medium	Unlikely in short term due to low demand and values; Possible in long term due to central location within an existing residential neighborhood
Multifamily Housing	Entire Site	Low	Medium	Unlikely in short term due to low demand for multifamily housing; Possible in long term depending on market conditions
Office	Entire Site	Low	Low	Unlikely because of residential location and limited demand for new office space; more suitable sites in existing commercial areas; low rent values;
Lodging/Resort	Entire Site	Low	Low	Site location limits potential for lodging; more suitable locations in existing commercial areas

Market Demand Perspectives Non-Market Products

Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Institutional Housing	Entire Site	Medium	High	Existing facilities suitable for this use; upgrades to facilities required in near and long term
Schools/Higher Education	Entire Site	Medium	High	Existing facilities suitable for this use; upgrades to facilities required in near and long term; costs of operations will determine potential rents
Non-Profit Activity Space	Entire Site	Medium	High	Existing facilities suitable; dependent on demand for such space; costs of operations will determine potential rents
Early Learning Center	Entire Site	Medium	Medium	Existing facilities suitable; building improvements in near and long term required
Neighborhood Park	Entire Site	Medium	Medium	Benefits community; portion of site may be dedicated park; demand of recreational space in Bremerton; no costs/subsidies by state government required

Cost Benefit Analysis

Values for Consideration

Cost-Benefit Criteria: Direct Financials

Criteria	Measure
Market Feasibility	Qualitative probability / risk
Financial Cost	Ballpark costs where possible (capital and operating), otherwise order-of-magnitude understanding (qualitative)
Financial Revenues	Direct revenues to State; estimates in most cases
Fiscal Impact	On-Going net change in State fiscal benefits (estimated)
Cost Savings	Estimated cost savings to state for not relocating current uses (qualitative for some uses)

Cost-Benefit Criteria: Impacts and Benefits

Criteria	Measure
Jobs	Jobs accommodated on site
Community Users	User groups and activities expected to be accommodated
Community Benefits	Qualitative assessment of the impact on the neighboring community
Benefit to State Missions	

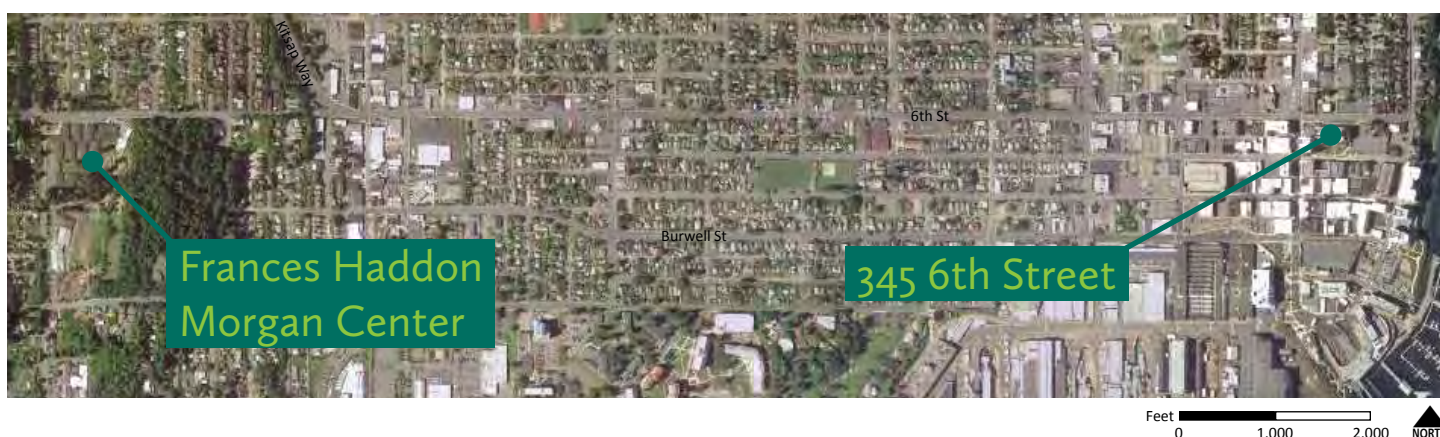
Appendix F

Public Meetings

Frances Haddon Morgan Center

OPTIONS FOR REUSE

STAKEHOLDER GROUP MEETING
FRANCES HADDON MORGAN CENTER REUSE
Wednesday, October 12, 2011
10:00 to 12:00 PM
Mayor's Office, Norm Dicks Government Center
345 6th Street, Suite 600, Bremerton



The Washington Department of Social and Health Services (DSHS) is initiating a planning study to identify options for future use of the Frances Haddon Morgan Center.

This stakeholders meeting is an opportunity for those interested in the property to learn more about the planning process and provide input on potential future use of the site.

The public is welcome to observe the stakeholders meeting or to meet informally with project staff.



FRANCES HADDON MORGAN CENTER OPTIONS FOR REUSE

STAKEHOLDER GROUP MEETING

FRANCES HADDON MORGAN CENTER REUSE

Wednesday, October 12, 2011

10:00 to 12:00 PM

Mayor's Office, Norm Dicks Government Center
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For more information, contact Diana Peeples at Diana.peeples@dshs.wa.gov or (360) 902-8347 or Alan McLaughlin, Superintendent of Frances Haddon Morgan Center, at (360) 475-3481. The Department of Social and Health Services does not discriminate on the basis of disability in any of its programs or services. Upon request, special accommodations will be provided. Please notify us at least five (5) business days before the open housing by contacting us at (360) 902-8347.

Frances Haddon Morgan Center
DSHS Predesign for Future Reuse

Bremerton Stakeholders Meeting

DRAFT Agenda

October 12, 2011

10 am – noon

Bremerton City Hall

Mayor's Conference Room

Meeting Objectives

Hear Stakeholder Group Purpose & Expectations
Provide DSHS Project Overview
Obtain Stakeholder Input on DSHS Options for Re-use

Topic	Description	Time
1. Welcome & Introductions (Mayor)	Self-introductions, Affiliations & Interests	10:00
2. Meeting Overview (DSHS)	Review Meeting Purpose, Agenda & Desired Outcomes	10:10
3. Stakeholder Group Purpose & Expectations (Mayor)	Provide DSHS Project Overview: Purpose, Schedule, Process & Outcomes	10:15
4. DSHS Project Presentation (DSHS)	Powerpoint presentation of: Legislative directive Scope of project, Schedule Site & building assessment – preliminary findings Range and timing of potential reuse options – preliminary thoughts	10:30
5. Stakeholder Questions & Input (All)	Answer Questions, Record Comments	11:00
6. Next Steps & Adjourn (Mayor)	Answer Questions, Record Comments	12:00

1. Meeting Materials

Inova to Provide:

- Sign in Sheets
- Powerpoint Presentation Handouts OR Fact Sheets
- Air Photo on Board
- Tablet & Pens for Recording Comments
- Easels Comment Forms?

City of Bremerton to Provide:

- Powerpoint setup

2. Meeting Logistics

9:30 Powerpoint Presentation & Room Setup (DSHS and City of Bremerton)

- Powerpoint Presentation
- Room
- Easels & Boards
- Handouts
- Sign in Sheets

Frances Haddon Morgan Center

OPTIONS FOR REUSE

City of Bremerton Stakeholder Group

October 12, 2011



Frances Haddon Morgan Center

OPTIONS FOR REUSE

Today's Meeting

- Provide an overview of the project and schedule
- Hear from stakeholders

Frances Haddon Morgan Center

OPTIONS FOR REUSE

IMPLEMENT 2011 LEGISLATIVE DIRECTION

- Close FHMC as Residential Habilitation Center by the end of 2011
- Explore options for future use including housing or other services for low-income, disabled or vulnerable persons
- Recommend potential reuse options to the Legislature by December 31, 2011

Frances Haddon Morgan Center

OPTIONS FOR REUSE

PROJECT SCHEDULE SEPTEMBER-DECEMBER 2011

- Building & Site Conditions Assessment
- Market Assessment
- Develop Draft Options
- Financial Analysis & Cost Benefit Analysis
- Public Meeting November 9
- Prepare Report to the Legislature

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OPTIONS FOR REUSE

Where are we now?

- Preliminary Site, Building & Market Assessments Completed
- Identified Opportunities & Constraints
- Develop Reuse Options (late October)

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OPTIONS FOR REUSE

Site Overview

- Land Area: 12.15 acres
- 2 Parcels of Land
- Dates of Construction: 1944-1984
- Moderate income residential neighborhood
- Central location
- Adjacent to school & park

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OPTIONS FOR REUSE

Site Considerations

- Mature trees and vegetation
- Buildings in fair to poor condition
- Grounds well maintained
- High operations & maintenance costs



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OPTIONS FOR REUSE

Existing Buildings

- Dates of Construction: 1944-1984
- 93,233 Total Square Feet



Frances Haddon Morgan Center OPTIONS FOR REUSE

Parking

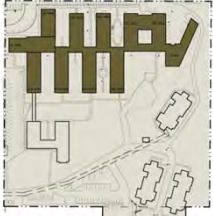
- Limited supply of on-site parking
- Sixth Street "head-in" parking abuts travel lane
- Limited parking on Marion Street
- Connectivity to residences limited

Frances Haddon Morgan Center OPTIONS FOR REUSE

Utilities


- Age and condition of site utilities do not warrant substantial investment for change of use
- Boiler requires specific maintenance expertise and available parts for repairs
- Potential reuse of existing utilities limited to near term

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A&B: 12,850 SF	500: 5,117 SF
100: 4,500 SF	600: 5,590 SF
200: 5,590 SF	700: 4,472 SF
300: 5,117 SF	800: 5,590 SF
400: 5,590 SF	900: 4,472 SF
Total: 58,888 SF	


OLYMPIC CENTER



Olympic Center


- Buildings have heat; no central air conditioning
- Evidence of foundation failure in 500 wing.
- Building age and condition do not warrant any substantial investment for change of use.
- Suitable for short term use for transitional occupancy only.

Frances Haddon Morgan Center OPTIONS FOR REUSE



Cottage 3420: 5,357 SF
Cottage 3423: 5,716 SF
Cottage 3424: 5,687 SF
Total: 16,760 SF

COTTAGES



Residences

- General condition is fair to good with some deterioration due to proximity to hillside.
- Requires some investment for use as office space (lighting, power, bathrooms etc.).
- Lack of private bathroom facilities limits use
- Not near streets/limited visibility.
- Lack air conditioning.

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OPTIONS FOR REUSE



TOTAL: 3,233 SF

FOREST RIDGE LODGE



Forest Ridge Center

- Opportunity for low cost conversion to transition office use.
- Substandard for commercial grade office use without renovation but suitable for transition use.
- Lack of air conditioning
- Building age and condition do not warrant substantial investment for change of use.

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OPTIONS FOR REUSE

Range of Options Based On:

- Direction from Legislature
- Site context
- Building & site suitability
- Benefit to State missions
- Benefit to local communities
- Market trends

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OPTIONS FOR REUSE

Reuse/Redevelopment

- Include planned phases of reuse as the on-site population decreases and operations consolidate
- Reuse options range from reuse and renovation of existing buildings to partial or full redevelopment of the campus.

	Short-term	Medium-term	Long-term
1. Reuse As-is			
2. Reuse with Renovation			
3. Reuse w/ Redevelopment			
4. Full Redevelopment			

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OPTIONS FOR REUSE

Potential Uses

- Offices: Non-profit uses, government agencies, Small health or human services
- Residential Uses: affordable housing, market rate housing (SF or MF), special uses
- Park/Community Uses

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OPTIONS FOR REUSE

What will options look like?

- Single use or combination of uses
- Long-term reconfiguration of circulation, parking, utilities
- Potential 2nd vehicular access
- Potential retention of large trees
- Potential connections to Forest Ridge Park

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OPTIONS FOR REUSE

Uses Ruled Out

- Correctional Facilities
- Retail & Commercial Uses
- Industrial Uses
- Potential 2nd Vehicular Access
- Potential Retention of Large Trees

**DUE TO LOCATION, MARKET FACTORS,
COMMUNITY COMPATIBILITY, ETC**

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OPTIONS FOR REUSE

Next Steps

- Develop 3-5 options for further analysis
- Financial feasibility analysis
- Cost/Community benefit analysis
- Community meeting on November 8
- Refine/finalize options
- Public Report early 2012

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OPTIONS FOR REUSE

THANK YOU!

Questions or Comments?

**Frances Haddon Morgan Center
Bremerton Stakeholders' Meeting
October 12, 2011
Meeting Summary**

Participants

Mayor Patty Lent, City of Bremerton	Fred Gold, DSHS
Diana Peeples, DSHS	Beverly Kincaid, Sound Grants
Carol Kirk, DSHS	Kurt Wiest, Bremerton Housing Authority
Alan McLaughlin, DSHS, FHMC	Leann Weaver, Weaver Foundation
Ken Neubauer, DSHS, FHMC	Julia Walton, inova
Walt Le Couteur, Bremerton Rescue Mission	Deborah Munkberg, inova
Flip Herndon, Bremerton School District	Lisa Carrado, Community Attributes
Edith Hitchings, DSHS, Children;s Administration	

DSHS Project Presentation

Julia Walton presented a short overview of the project.

Stakeholder Discussion

- Consider community development center that could include opportunities and training in culinary arts, landscape maintenance, green cleaning products, office and clerical skills. Note that the Bremerton Farmers Market has interest in use of kitchen.
- Will kitchen equipment be available for future use? DSHS to confirm.
- Consider connection to Forest Ridge Park, potential for pedestrian connection.
- Recognize that there is ongoing use of the main building that will continue indefinitely
- The report will recognize categories of use and identify potential interested users, but will not propose specific users for the space. Report will consider full range of uses.
- Future lease costs will need to cover operational costs – heat, power, etc.
- What features in greatest need of improvement? Main building – built to residential standards, cracked foundation, limited electrical capacity, original windows.
- What is long term potential for green building improvements? Not a good option for main building, because renovation would exceed building value. Possibility for redevelopment. Note that the existing building has won state awards for energy efficiency – have reduced natural gas consumption, lighting efficiency, potential for solar hot water.
- How quickly could space be used if there is an immediate need? Likely that building could be used on a short-term interim basis.
- 2013 legislative decision for long term use. Allows interim short-term uses and provides time for agencies to determine long term needs.
- Potential for easement from 1st? Mayor Lent to look into potential easement.

- When looking at multiple use campus, consider complementary and conflicting services. For example, easier for clients to receive multiple services at one site. Potential need to separate uses/population – students, children, alcohol/drug treatment, etc.
- Cottages. Suitable for long term supportive housing? Could include case management services, income resources. Drexel House case study in Olympia for permanent supportive housing.
- On vacant property, would multi-level permanent supportive housing work? Anything that is demolished should be replaced with 4 – 6 stories. Don't have to disturb whole site if go vertical.
- Future public notice. Inova to provide abbreviated powerpoint to Mayor Lent for posting on website. Inova to prepare updated flyer for website posting and advertisement of November 9 meeting. City to provide address list to DSHS for notice.
- DSHS potential to clear property and put on market for sale. Discussion that there are better locations in Bremerton for office uses – location, parking, access, zoning are constraints.
- Vic Ulsh at Bradley Scott – resource for commercial real estate information.
- General discussion of potential for low scale retail – coffee shop, community café, etc.
- DSHS will be meeting with tribal groups to find out their interest.

Stakeholder Interest

Bremerton School District. Looking at Forest Ridge Lodge to expand alternative school program. Could do a short term lease starting as early as late January 2012, willing to be short-term or longer term, depending on availability. 60 students could grow up to 150 students in a year and a half. District would bear cost for minor improvements to facility.

West Sound Treatment Center. Looking for housing for people in recovery. Create job skills, employment opportunities, build basic skills. Effective in attracting grant funds to launch and sustain programs. Facilities needed include kitchen, residential, classrooms. Work in collaboration with other social service agencies.

Bremerton Rescue Missions. Homeless housing services, currently serving six, with potential to go to 10-12. Starting in January, could use one cottage on a short term (1 year) basis or longer. Need full living services. Privately funded program, may be able to maintain operational costs.

Weaver Foundation/George's Place. Currently providing 16 beds, 3 cribs, will need more. Interested in one cottage for winter or longer term use.

Bremerton Housing Authority. Would consider facility for administrative offices, consolidate staff at this location. Could be a reuse or new facility. Currently in year 2 of a 5-year lease. Would consider a master plan that provides for a social service agency campus. Authority will need potential of 15,000 to 50,000 sf of space. Not interested in lease of entire site.

City of Bremerton. Interested in long-term lease to manage whole site for use as social service campus. Interested in keeping property intact and managing it.

Kitsap Mental Health Services. Short term housing needs. Follow-up contact: Joe Rozak.

Kitsap County Housing Authority. Contact is Tony Caldwell.

FHMC Public Meeting Mailing List

Name	Address	City	State	Zip Code
Resident	3408 6th St	Bremerton	Wa	98312
Resident	3612 6th St	Bremerton	Wa	98312
Resident	3510 6th St	Bremerton	Wa	98312
Resident	3414 6th St	Bremerton	Wa	98312
Resident	3308 6th St	Bremerton	Wa	98312
Resident	3715 6th St	Bremerton	Wa	98312
Resident	3705 6th St	Bremerton	Wa	98312
Resident	3701 6th St	Bremerton	Wa	98312
Resident	3611 6th St	Bremerton	Wa	98312
Resident	3623 6th St	Bremerton	Wa	98312
Resident	3617 6th St	Bremerton	Wa	98312
Resident	3605 9th St	Bremerton	Wa	98312
Resident	3415 9th St	Bremerton	Wa	98312
Resident	3303 9th St	Bremerton	Wa	98312
Resident	3301 9th St	Bremerton	Wa	98312
Resident	637 Bertha Ave	Bremerton	Wa	98312
Resident	635 Bertha Ave	Bremerton	Wa	98312
Resident	631 Bertha Ave	Bremerton	Wa	98312
Resident	625 Bertha Ave	Bremerton	Wa	98312
Resident	619 Bertha Ave	Bremerton	Wa	98312
Resident	615 Bertha Ave	Bremerton	Wa	98312
Resident	609 Bertha Ave	Bremerton	Wa	98312
Resident	605 Bertha Ave	Bremerton	Wa	98312
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Resident	632 Bertha Ave	Bremerton	Wa	98312
Resident	634 Bertha Ave	Bremerton	Wa	98312
Resident	640 Bertha Ave	Bremerton	Wa	98312
Resident	646 Bertha Ave	Bremerton	Wa	98312
Resident	322 Bertha Ave	Bremerton	Wa	98312
Resident	316 Bertha Ave	Bremerton	Wa	98312
Resident	312 Bertha Ave	Bremerton	Wa	98312
Resident	314 Bertha Ave	Bremerton	Wa	98312
Resident	314 1/2 Bertha Ave	Bremerton	Wa	98312
Resident	308 Bertha Ave	Bremerton	Wa	98312
Resident	633 Adele Ave	Bremerton	Wa	98312
Resident	629 Adele Ave #A	Bremerton	Wa	98312
Resident	621 Adele Ave	Bremerton	Wa	98312
Resident	601 Adele Ave	Bremerton	Wa	98312
Resident	614 Adele Ave	Bremerton	Wa	98312
Resident	620 Adele Ave	Bremerton	Wa	98312
Resident	626 Adele Ave	Bremerton	Wa	98312
Resident	640 Adele Ave	Bremerton	Wa	98312

Resident	642 Adele Ave	Bremerton	Wa	98312
Resident	644 Adele Ave	Bremerton	Wa	98312
Resident	646 Adele Ave	Bremerton	Wa	98312
Resident	648 Adele Ave	Bremerton	Wa	98312
Resident	650 Adele Ave	Bremerton	Wa	98312
Resident	652 Adele Ave	Bremerton	Wa	98312
Resident	643 N Constitution Ave	Bremerton	Wa	98312
Resident	639 N Constitution Ave	Bremerton	Wa	98312
Resident	635 N Constitution Ave	Bremerton	Wa	98312
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Resident	640 N Constitution Ave	Bremerton	Wa	98312
Resident	646 N Constitution Ave	Bremerton	Wa	98312
Resident	603 N Charleston Ave	Bremerton	Wa	98312
Resident	611 N Charleston Ave	Bremerton	Wa	98312
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Resident	622 N Charleston Ave	Bremerton	Wa	98312
Resident	626 N Charleston Ave	Bremerton	Wa	98312
Resident	628 N Charleston Ave	Bremerton	Wa	98312
Resident	632 N Charleston Ave	Bremerton	Wa	98312
Resident	634 N Charleston Ave	Bremerton	Wa	98312
Resident	636 N Charleston Ave	Bremerton	Wa	98312
Resident	644 N Charleston Ave	Bremerton	Wa	98312
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Resident	619 Wilbert Ave	Bremerton	Wa	98312
Resident	617 Wilbert Ave	Bremerton	Wa	98312

Resident	613 Wilbert Ave	Bremerton	Wa	98312
Resident	607 Wilbert Ave	Bremerton	Wa	98312
Resident	603 Wilbert Ave	Bremerton	Wa	98312
Resident	611 Wilbert Ave	Bremerton	Wa	98312
Resident	351 Marion Ave N	Bremerton	Wa	98312
Resident	343 Marion Ave N	Bremerton	Wa	98312
Resident	337 Marion Ave N	Bremerton	Wa	98312
Resident	333 Marion Ave N	Bremerton	Wa	98312
Resident	327 Marion Ave N	Bremerton	Wa	98312
Resident	323 Marion Ave N	Bremerton	Wa	98312
Resident	315 Marion Ave N	Bremerton	Wa	98312
Resident	307 Marion Ave N	Bremerton	Wa	98312
Resident	305 Marion Ave N	Bremerton	Wa	98312
Resident	137 Marion Ave N	Bremerton	Wa	98312
Resident	101 Marion Ave N	Bremerton	Wa	98312
Resident	102 Marion Ave N	Bremerton	Wa	98312
Resident	3616 Burnell St	Bremerton	Wa	98312
Resident	3605 Burnell St	Bremerton	Wa	98312
Resident	3603 Burnell St	Bremerton	Wa	98312
Resident	3631 Burnell St	Bremerton	Wa	98312
Resident	3633 Burnell St	Bremerton	Wa	98312
Resident	3707 Burnell St	Bremerton	Wa	98312
Resident	102 S Marion Ave	Bremerton	Wa	98312
Resident	108 S Marion Ave	Bremerton	Wa	98312
Resident	112 S Marion Ave	Bremerton	Wa	98312
Resident	116 S Marion Ave	Bremerton	Wa	98312
Resident	122 S Marion Ave	Bremerton	Wa	98312
Resident	3401 1st St	Bremerton	Wa	98312
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Resident	3313 1st St	Bremerton	Wa	98312
Resident	3311 1st St	Bremerton	Wa	98312
Resident	3297 1st St	Bremerton	Wa	98312
Resident	3299 1st St	Bremerton	Wa	98312
Resident	3301 1st St # B-237	Bremerton	Wa	98312
Resident	3295 1st St	Bremerton	Wa	98312
Resident	3293 1st St	Bremerton	Wa	98312
Resident	105 S Yanic Ave	Bremerton	Wa	98312

Frances Haddon Morgan Center

OPTIONS FOR REUSE

OPEN HOUSE

Wednesday, November 9, 2011

6:00 to 8:00 PM

Frances Haddon Morgan Center
3423 6th Street, Bremerton

The Washington Department of Social and Health Services (DSHS) is conducting a planning study to identify options for future use of the property at Frances Haddon Morgan Center.

This informal open house will be an opportunity to learn more about the planning process, hear about the potential reuse options, and provide input on these opportunities.

You are welcome to come any time during the open house hours to meet informally with project staff. There will be a short overview presentation at 6:30 pm.



Feet
0 375 750 NORTH



FRANCES HADDON MORGAN CENTER OPTIONS FOR REUSE

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For more information, contact Diana Peeples at Diana.peeples@dshs.wa.gov or (360) 902-8347 or Alan McLaughlin, Superintendent of Frances Haddon Morgan Center, at (360) 475-3481. The Department of Social and Health Services does not discriminate on the basis of disability in any of its programs or services. Upon request, special accommodations will be provided. Please notify us at least five (5) business days before the open housing by contacting us at (360) 902-8347.

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Washington DSHS
Options for Future Use
Frances Haddon Morgan Center
Yakima Valley School

November 14, 2011



Frances Haddon Morgan Center

OPTIONS FOR REUSE

Today's Meeting

- Provide an overview of the project
- Tribal interests in future site use

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Project Schedule: September - December 2011

- Building & Site Conditions Assessment
- Market Assessment
- Develop Draft Options
- Financial Analysis & Cost Benefit Analysis
- Prepare Report to the Legislature

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Implement 2011 Legislative Direction

- Close FHMC as Residential Habilitation Center by the end of 2011
- Recognize long-term transition of Yakima Valley School
- Explore options for future use including housing or other services for low-income, disabled or vulnerable persons
- Recommend potential reuse options to the Legislature by December 31, 2011

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Where are we now?

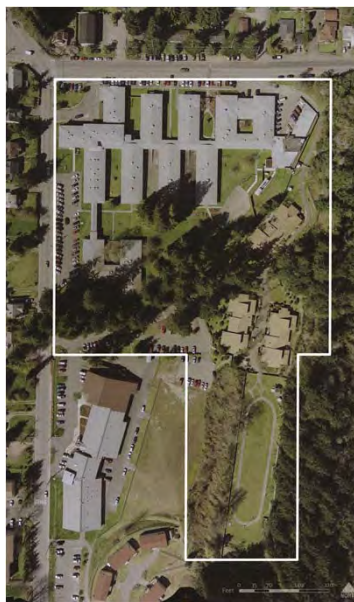
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- Identified Opportunities & Constraints
- Draft Reuse Options Developed

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Site Overview

- Land Area: 12.15 acres
- 2 Parcels of Land
- Dates of Construction: 1944-1984
- Moderate income residential neighborhood
- Central location
- Adjacent to school & park



Frances Haddon Morgan Center

OPTIONS FOR REUSE

Existing Buildings

- Dates of construction: 1944-1984
- 93,233 square feet
- Residential capacity: 56 (3 residences & Forest Ridge Lodge)
- Offices located in original Navy hospital building (Capacity approximately 120)

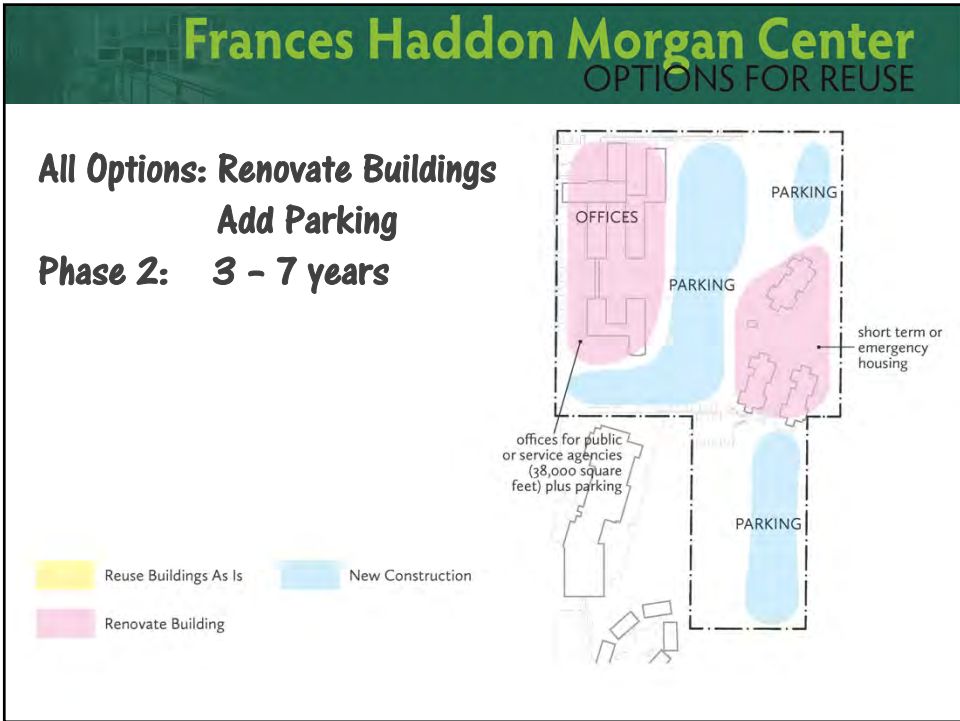
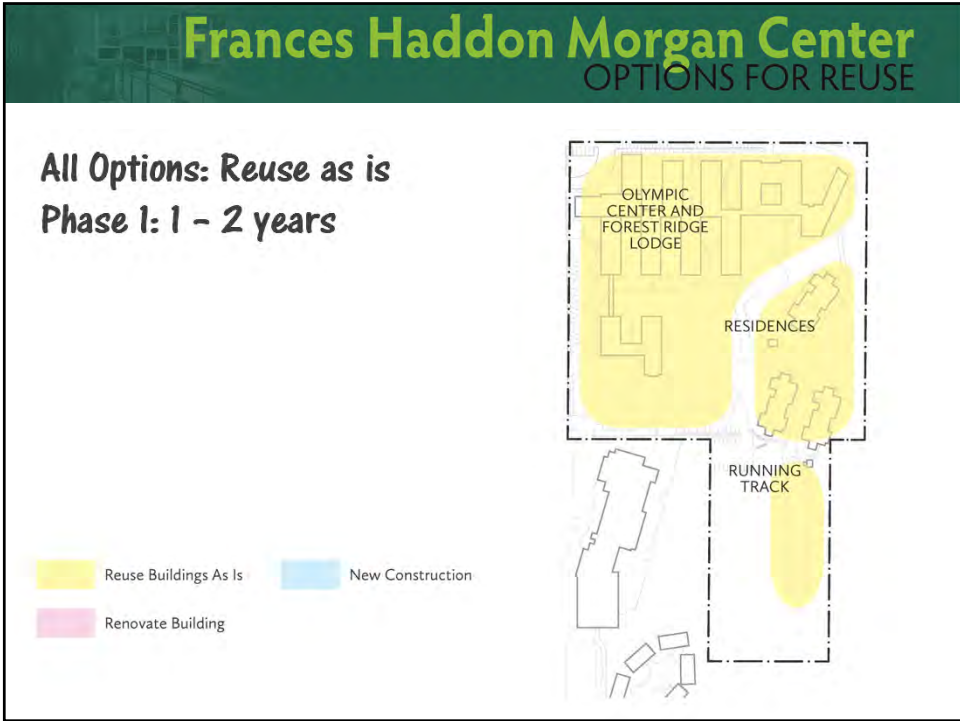


Frances Haddon Morgan Center

OPTIONS FOR REUSE

Potential Uses

1. Community Use
2. School Campus
3. Senior Housing Community
4. Single Family Development



Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 1: Community Use

- Emphasis on public, non-profit and community activities
- Community center, public use buildings, classrooms, gym, kitchen, multi-purpose playfields, urban farm
- Full site redevelopment
- Redevelopment could occur over time

Frances Haddon Morgan Center OPTIONS FOR REUSE

**Option 1: Community Use
Phase 3: 7+ years**

MULTIPURPOSE PLAYFIELD (soccer, softball) for youth

NEW COMMUNITY USE BUILDINGS (14,000 square feet each) plus parking

COMMUNITY CENTER (meeting rooms, classrooms, gym, kitchen, etc.)

URBAN AGRICULTURE/ FOOD PRODUCTION AREA

Reuse Buildings As Is New Construction

Renovate Building

Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 2: School Campus

- Combines with adjacent Bremerton School District facility to create an educational campus
- New administrative, alternative high school, parking, multipurpose playfields
- Full site redevelopment
- Redevelopment could occur over time

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Option 2: School Campus Phase 3: 7+ years

Reuse Buildings As Is
 New Construction

Renovate Building

Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 3: Senior Housing Community

- Range of housing from independent living to assisted living and nursing home care
- Full site redevelopment
- New buildings could be developed over time
- Potential for SOLA

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Option 3: Senior Housing Phase 3: 7+ years

Legend:

- Reuse Buildings As Is
- Renovate Building
- New Construction

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Option 4: Single Family Housing

- Entire site redeveloped
- 39 new houses
- Potential for SOLA use

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Option 4: Single Family Housing Phase 3: 7+ years

SINGLE FAMILY
39 new single
family residences

Reuse Buildings As Is New Construction
Renovate Building

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Next Steps

- Refine/finalize options
- Public Report early 2012

Frances Haddon Morgan Center

OPTIONS FOR REUSE

STAKEHOLDERS MEETING SIGN-IN

November 9, 2011

NAME / GROUP	ADDRESS	PHONE (optional)	E-MAIL (optional)
WALT LE CONTOUR	PO Box 1497 99337	813-5783	ExeDir@BREMERSCLUB.ORG
Diane Lutzrup	3423 6th St 98312	360 475 9575	lutrupd@edoks.wa.gov
Wayne Lindberg / BSO	134 Marion Ave N	360 473 1031	
Deanna Wiggins	4548 The Cedars	360 699-7975	lutzrupd@ADH.COM
Flip Herndun	626 Adele Ave	360 479-4738	deanna.wiggins@live.com
Maureen & Bowers	134 Marion Ave.	360-473-1004	Flip.Herndun@BrewerTrustHosk.org
Robert G Bowers	351 N. MARION AVE	377 3678	
Usula Petters	351 MARION		
Mary Chapman	3423 6th St. Broomfield 98312	360 475-3505	peur300@dshs.wa.gov
Jane Elliott	4846 Auto Center 98312	360 479-9020	mary.v.hunter.cook@gmail.com
	PO Box 3350	535-4955	mlsjellott@gmail.com

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Wednesday, November 9

Name (optional): Deanna Wiggins Email (optional): deanna.wiggins@live.com

Affiliation: Neighbor and School District Employee

What features and aspects of the Campus are important and should be considered in the planning process?

I love the idea of more playfield space for residents in Bremerton. Bremerton School District could use the space for eventually constructing a much needed additional middle school.

What are your comments about potential new uses on the Campus?

Senior housing needs are better met in the new westpark area.
Our street, Adele Ave., already has an issue with many people speeding down it.
Speed bumps to accomodate extra traffic would be wonderful.

Other comments:

OPTION ONE OR TWO would be best.
I love the idea of urban food production.

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Wednesday, November 9

Name (optional): Ivy Wiggins Email (optional): _____

Affiliation: Neighborhood resident

What features and aspects of the Campus are important and should be considered in the planning process?

I think we do need more better-cared-for play field space,

What are your comments about potential new uses on the Campus?

I ~~like~~ liked the idea of an urban agriculture/food production ~~area~~ area

Other comments:

Options 1 & 2 seem to be the most useful

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Wednesday, November 9

Name (optional): Robert Bowers Email (optional): _____

Affiliation: Home owner on MARION

What features and aspects of the Campus are important and should be considered in the planning process?

would like to see 39 New Single Family Reside
news

What are your comments about potential new uses on the Campus?

sell it and tear it Down
this is what is needed No spending
More money on a Dead Horse.

Other comments:

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Wednesday, November 9

Name (optional): George Wood Email (optional): woodg6@comcast.net

Affiliation: _____

What features and aspects of the Campus are important and should be considered in the planning process?

Community center similar to Sheridan Park.
Turn part of it into a park like Evergreen Park

What are your comments about potential new uses on the Campus?

Park & community center & some assisted living

Other comments:



STATE OF WASHINGTON

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

ADMINISTRATIVE SERVICES DIVISION

1115 SE Washington Street, PO Box 45848, Olympia, Washington 98504-5848

Date: October 27, 2011

Department of Social and Health Services

OSSD/ Office of Capital Programs

P.O. BOX 45848

Olympia, WA 98504-5848

Dear Colleen,

I'm writing to ask you and the Tribal Chairs to join with the Washington Department of Social and Health Services in a video conference about possible future property use of the Yakima Valley School, located at 609 Speyers Road in Selah, and the Frances Haddon Morgan Center, located at 3423 6th Street in Bremerton. As shown in the attached flyer, the video conference is scheduled for ***Monday, November 14 from 10:00 am to 11:30 am at: OB 2 Building, Olympia, WA, SL Conference Room # 04 for a Power Point Presentation by iNova, our selected planning consultant.***

In 2011, the Washington State Legislature directed the Department of Social and Health Services to consider options for future use of property at the Frances Haddon Morgan Center and the Yakima Valley School. As authorized the by the Legislature, options may include the permanent use of property to support housing, other services for low-income, disabled, or vulnerable persons, or other uses. At the upcoming video conference, DSHS staff would like to provide an overview of each site, describe the ongoing planning process and hear your thoughts about possible future property uses at these facilities.

Please feel free to contact me at 360.902.8347 or email: diana.peeples@dshs.wa.gov

Respectfully,

Diana Peeples

Diana Peeples, Architect 2

GA/DSHS/Capital Projects Manager

Enclosures

cc: Julia Walton, President iNova

Carol Kirk, ADSA Coordinator

Bob Hubenthal, OCP/Chief

Frances Haddon Morgan Center & Yakima Valley School

OPTIONS FOR REUSE

TRIBAL MEETING (VIDEO CONFERENCE)

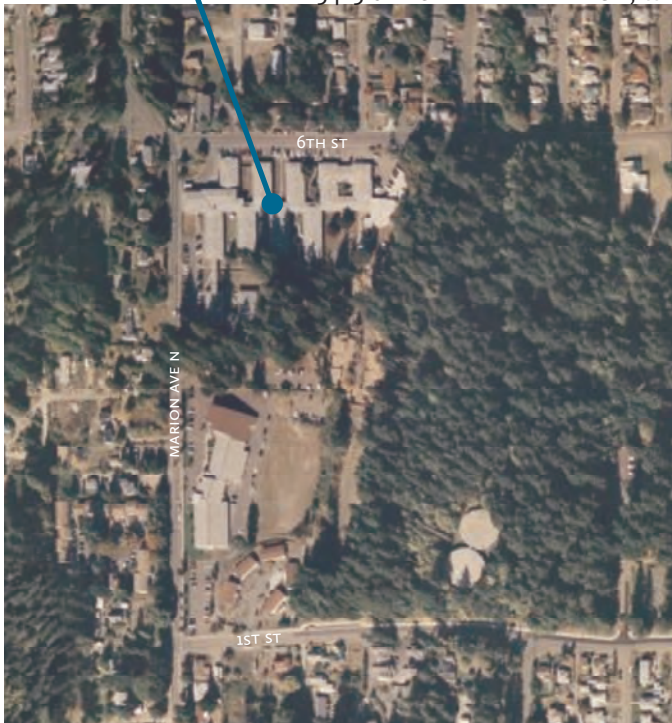
FRANCES HADDON MORGAN CENTER (BREMERTON, WA) AND
YAKIMA VALLEY SCHOOL (SELAH, WA) REUSE OPTIONS

November 14, 2011

10:00 to 11:30 AM

Frances Haddon Morgan Center

3423 6TH STREET BREMERTON, WA



Feet 0 375 750 NORTH

Yakima Valley School

609 SPEYERS RD SELAH, WA



Feet 0 375 750 NORTH

The Washington Department of Social and Health Services (DSHS) is initiating a planning study to identify options for future use of the properties at Frances Haddon Morgan Center and Yakima Valley School.

This meeting is an opportunity for those interested in the property to learn more about the planning process and provide input on potential future use of the site.

Frances Haddon Morgan Center & Yakima Valley School

OPTIONS FOR REUSE

Washington DSHS Options for Future Use

Frances Haddon Morgan Center
Yakima Valley School

November 14, 2011



Frances Haddon Morgan Center & Yakima Valley School

OPTIONS FOR REUSE

Today's Meeting

- Overview of the project
- Tribal interests in future site use

**Frances Haddon Morgan Center &
Yakima Valley School**

OPTIONS FOR REUSE

Project Schedule: September - December 2011

- Building & Site Conditions Assessment
- Market Assessment
- Develop Draft Options
- Financial Analysis & Cost Benefit Analysis
- Prepare Report to the Legislature

**Frances Haddon Morgan Center &
Yakima Valley School**

OPTIONS FOR REUSE

Implement 2011 Legislative Direction

- Close FHMC as Residential Habilitation Center by the end of 2011
- Recognize long-term transition of Yakima Valley School
- Explore options for future use including housing or other services for low-income, disabled or vulnerable persons
- Recommend potential reuse options to the Legislature by December 31, 2011

Frances Haddon Morgan Center & Yakima Valley School

OPTIONS FOR REUSE

Where are we now?

- Preliminary Site, Building & Market Assessments Completed
- Identified Opportunities & Constraints
- Draft Reuse Options Developed

Frances Haddon Morgan Center

OPTIONS FOR REUSE

Site Overview

- Land Area: 12.15 acres
- 2 Parcels of Land
- Dates of construction: 1944-1984
- Moderate income residential neighborhood
- Central location
- Adjacent to school & park



Frances Haddon Morgan Center

OPTIONS FOR REUSE

Existing Buildings

- Dates of construction: 1944-1984
- 93,233 square feet
- Residential capacity: 56 (3 residences & Forest Ridge Lodge)
- Offices located in original Navy hospital building (Capacity approximately 120)

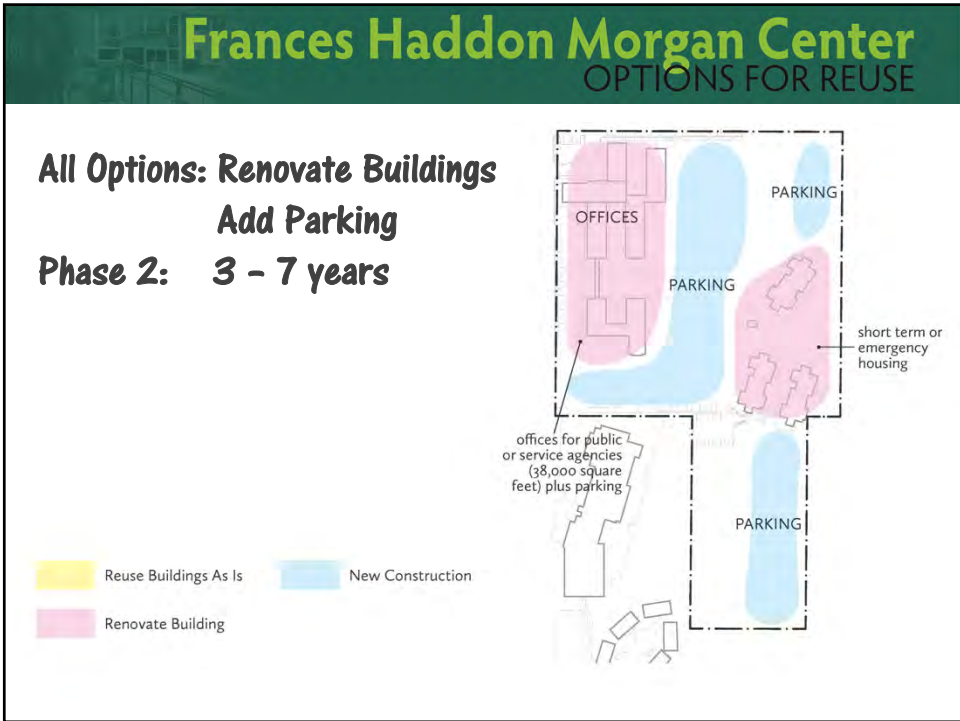
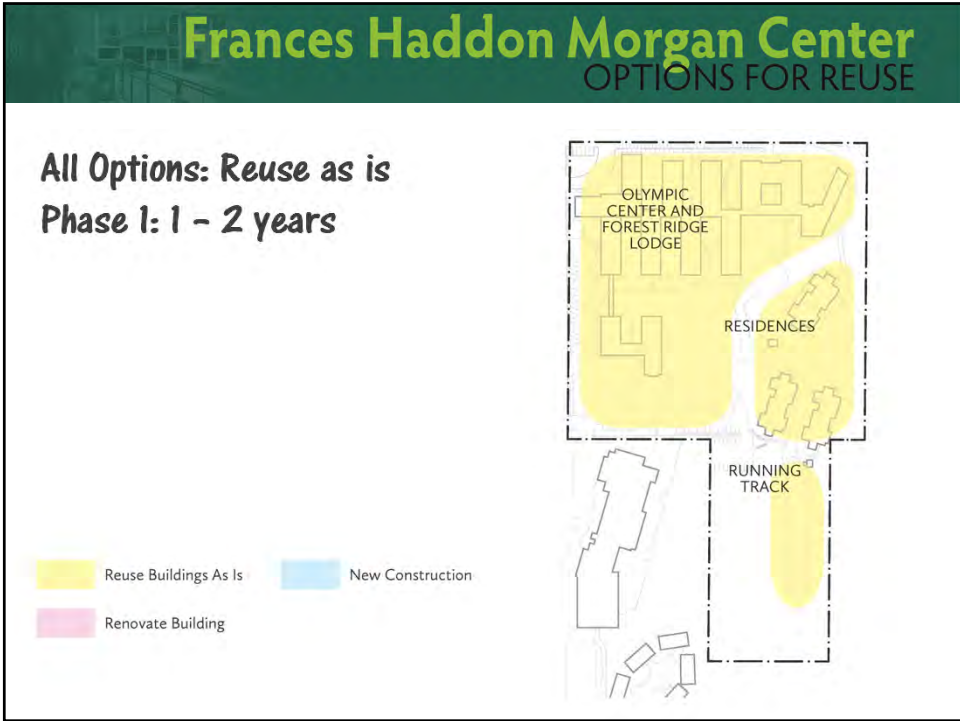


Frances Haddon Morgan Center

OPTIONS FOR REUSE

Potential Uses

1. Community Use
2. School Campus
3. Senior Housing Community
4. Single Family Development



Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 1: Community Use

- Emphasis on public, non-profit and community activities
- Community center, public use buildings, classrooms, gym, kitchen, multi-purpose playfields, urban farm
- Full site redevelopment
- Redevelopment could occur over time

Frances Haddon Morgan Center OPTIONS FOR REUSE

**Option 1: Community Use
Phase 3: 7+ years**

Reuse Buildings As Is
 New Construction

Renovate Building

Frances Haddon Morgan Center OPTIONS FOR REUSE

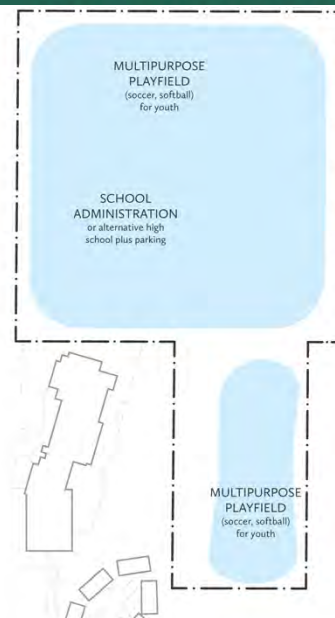
Option 2: School Campus

- Combines with adjacent Bremerton School District facility to create an educational campus
- New administrative, alternative high school, parking, multipurpose playfields
- Full site redevelopment
- Redevelopment could occur over time

Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 2: School Campus Phase 3: 7+ years

- Reuse Buildings As Is
- Renovate Building
- New Construction



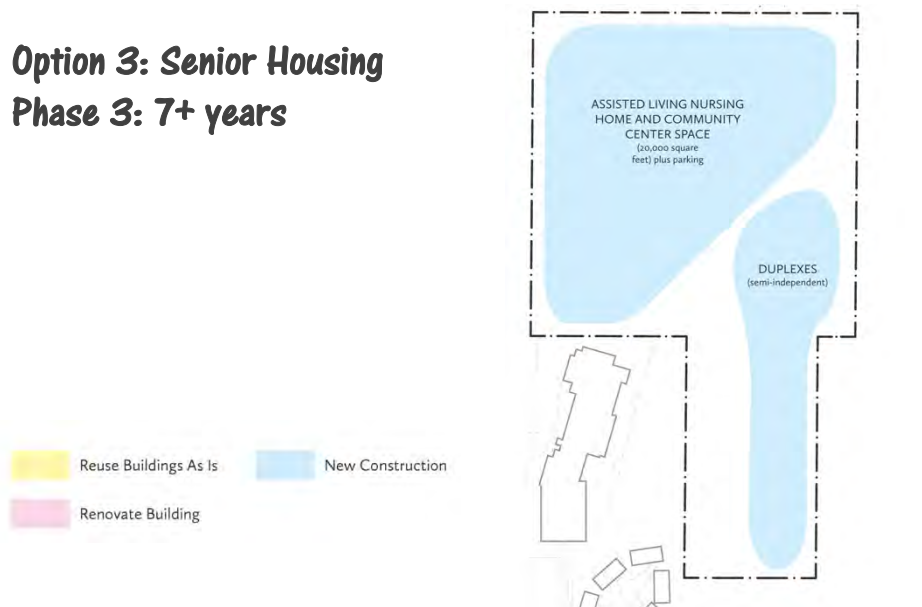
Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 3: Senior Housing Community

- Range of housing from independent living to assisted living and nursing home care
- Full site redevelopment
- New buildings could be developed over time
- Potential for community-based homes for people with disabilities

Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 3: Senior Housing Phase 3: 7+ years



Frances Haddon Morgan Center OPTIONS FOR REUSE

Option 4: Single Family Housing

- Entire site redeveloped
- 39 new houses
- Potential for community-based homes for people with disabilities

Frances Haddon Morgan Center OPTIONS FOR REUSE

**Option 4: Single Family Housing
Phase 3: 7+ years**

SINGLE FAMILY
39 new single
family residences

Reuse Buildings As Is New Construction
Renovate Building

Yakima Valley School

OPTIONS FOR REUSE

Site Overview

- Land area: 26.82 acres
- 3 parcels of land
- Central location
- Surrounding residential neighborhood
- Prominent site with scenic views
- Adjacent to park site



Yakima Valley School

OPTIONS FOR REUSE

Main Building

- 76,944 SF
- Generally good condition, although some delayed maintenance
- Suitable for some uses in as-is condition; limited reuse potential without significant capital improvements
- Large space; would require reconfiguration for general market appeal



Yakima Valley School OPTIONS FOR REUSE

Cottages

- Residential capacity: 112 (7 cottages with capacity for 16 persons each)
- Village character
- Reinvestment required for other uses



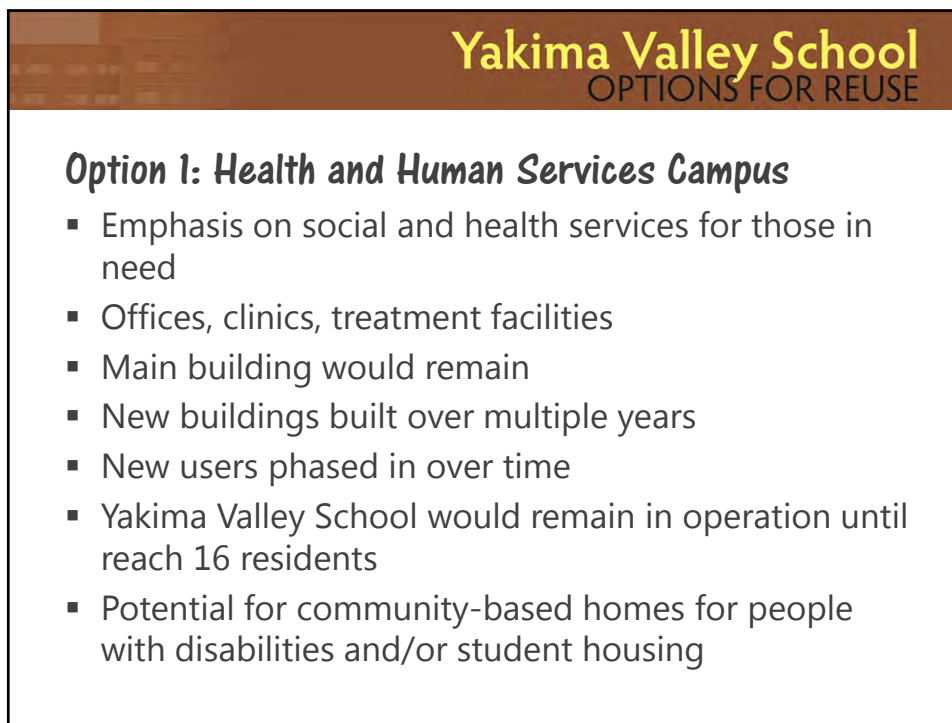
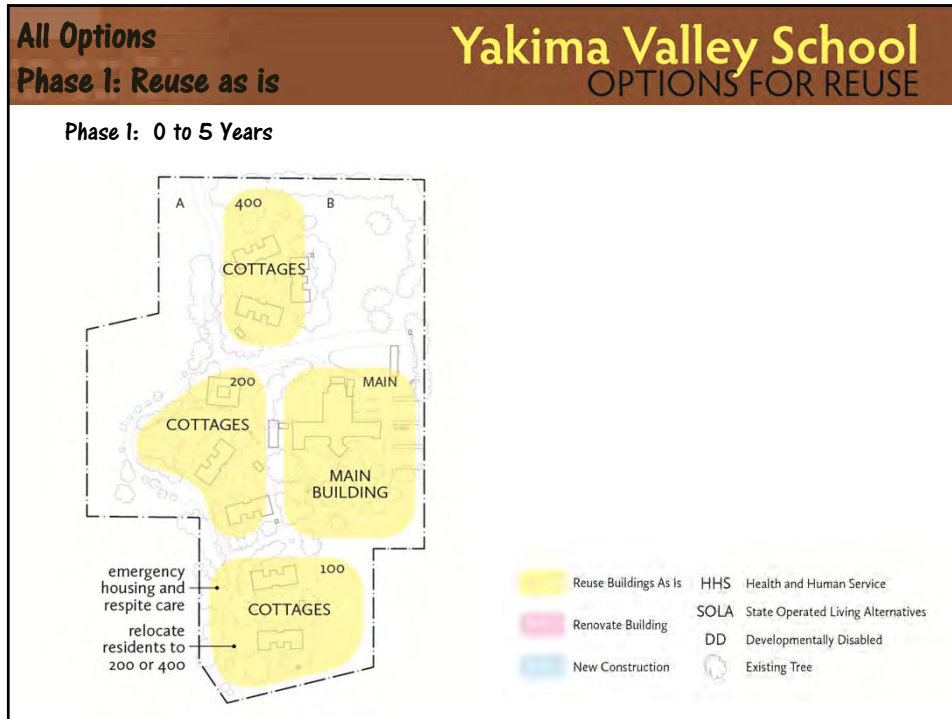
AB Building

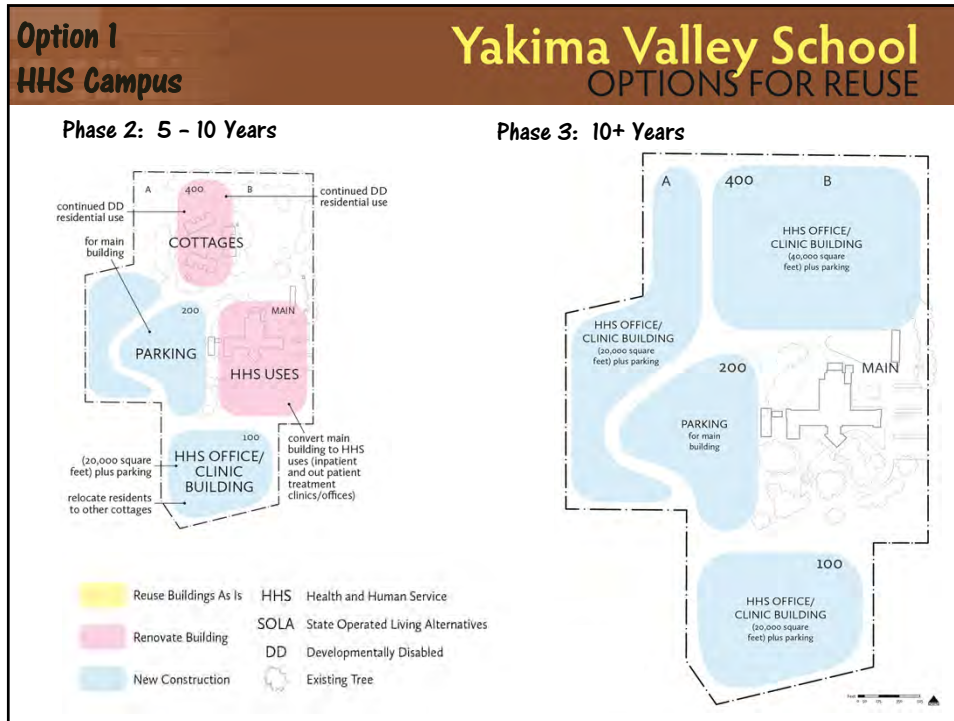
- Intended for temporary use
- Poor condition

Yakima Valley School OPTIONS FOR REUSE

4 Draft Options

1. Health and Human Services Campus
2. Technical College Campus
3. Senior Housing Community
4. Single Family Residential Development

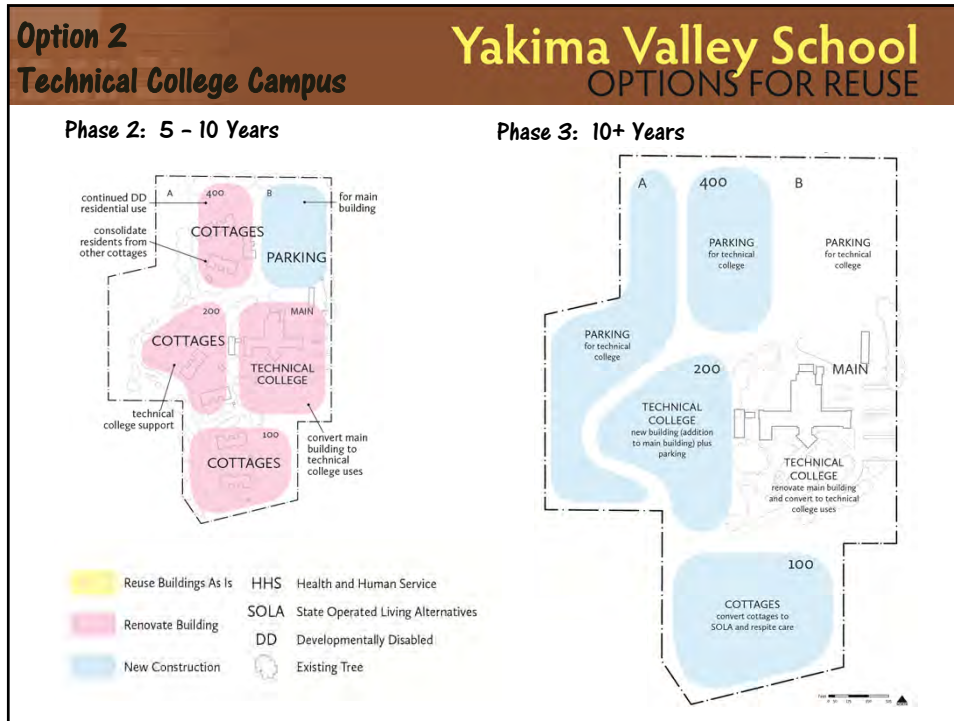




Yakima Valley School OPTIONS FOR REUSE

Option 2: Technical College Campus

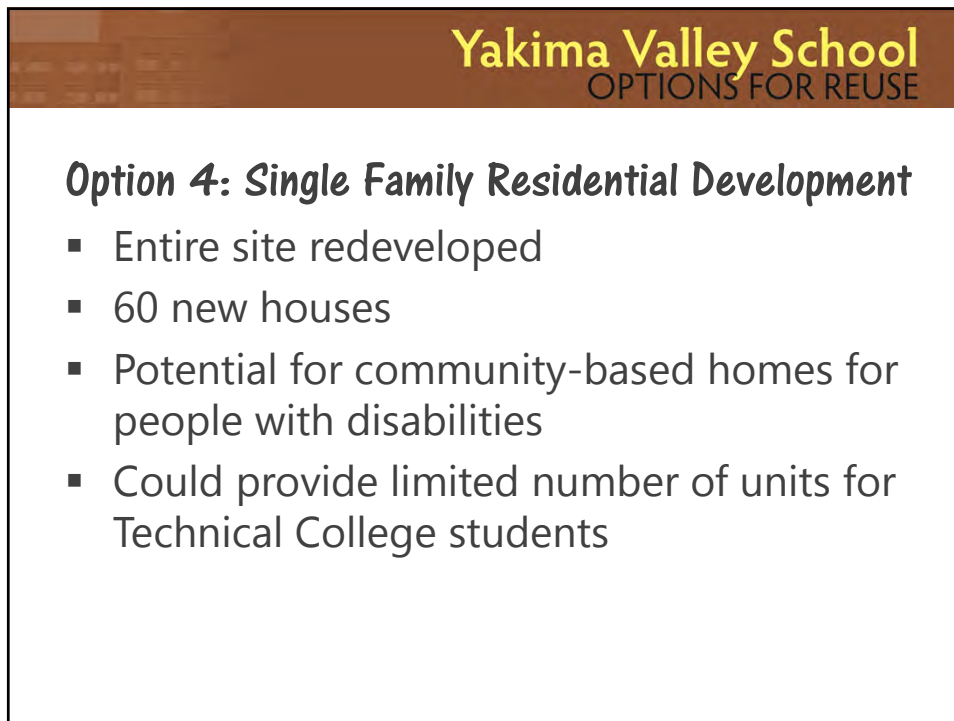
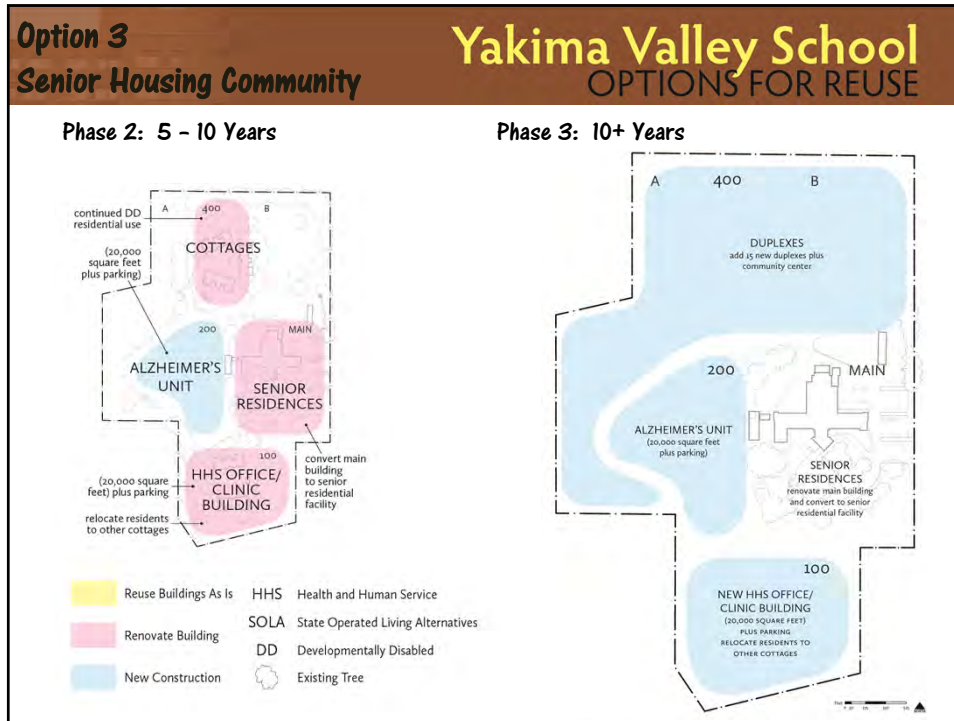
- Emphasis on job training programs
- Administrative offices, classrooms with computer labs, hands on learning areas
- Main building would remain
- New buildings built over multiple years
- New users phased in over time
- Yakima Valley School would remain in operation until reach 16 residents
- Potential for community-based homes for people with disabilities and/or student housing

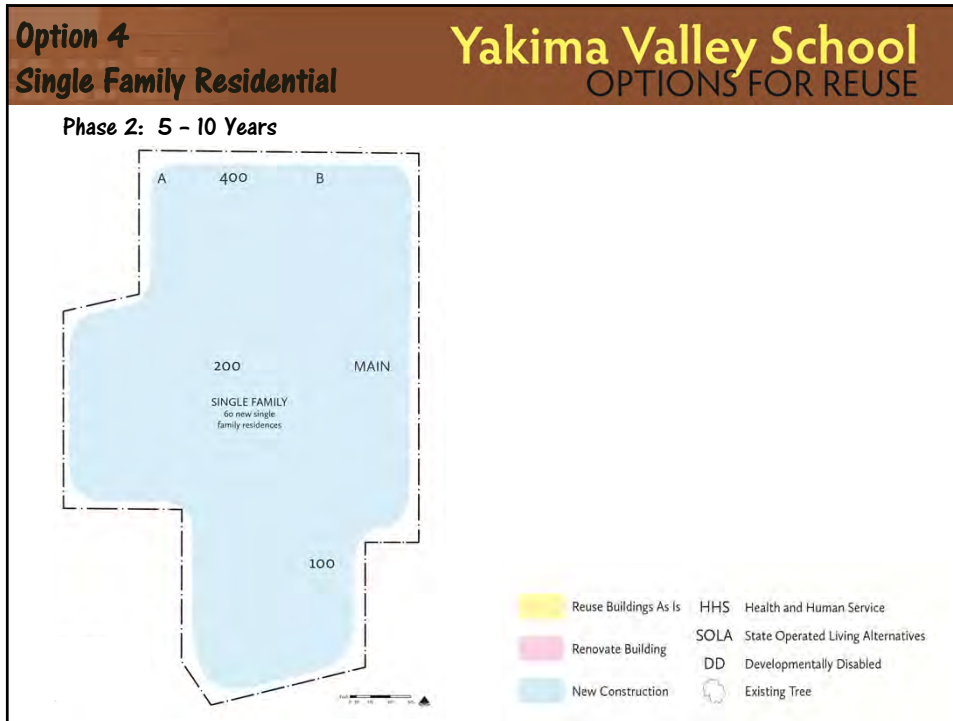


Yakima Valley School OPTIONS FOR REUSE

Option 3: Senior Housing Community

- Range of housing from independent living to assisted living and nursing home care
- Main building would remain
- New buildings developed over time
- New residents phase in over time
- Yakima Valley School would remain in operation until reach 16 residents
- Potential for community-based homes for people with disabilities and/or student housing





Frances Haddon Morgan Center & Yakima Valley School OPTIONS FOR REUSE

Next Steps

- Refine/finalize options
- Public Report early 2012

More Information

Diana Peeples, DSHS Capital Projects
360.902.8347 or diana.peeples@dshs.wa.gov

Frances Haddon Morgan Center – 3423 6th Street, Bremerton
Carol Kirk – 360.725.3450

Yakima Valley School -- 609 Speyers Road, Selah
Tammy Winegar – 509.698.1255

**Frances Haddon Morgan Center
and Yakima Valley School
Reuse Options
Tribal Chairs Meeting
November 14, 2011
Meeting Summary**

Participants

Diana Peeples, DSHS
Carol Kirk, DSHS
Bob Hubenthal, DSHS
Colleen Cawston, DSHS Office of Indian Policy
Deborah Munkberg, inova
Linda Walker, Yakama Nation
Phil Ambrose, DSHS Office of Indian Policy
Robert Ramirez, Yakama Nation

Meeting Summary

On November 14, 2011, the Department of Social and Health Services hosted a video conference with interested Tribal Chairs to describe the ongoing planning process for the future potential reuse of the Frances Haddon Morgan Center and Yakima Valley School. The meeting was hosted from Olympia and had video links to Yakima, Spokane and Tacoma. The Yakama Nation participants participated from Yakima; there were no other participants at the other locations.

The meeting began with short introductory comments and a slide show that presented information on the project process and schedule, legislative direction, the project site and building conditions, site access, utilities, and potential future use options. Because there were no participants from western Washington, the presentation and discussion focused on the Yakima Valley School site. Following the presentation, questions and comments from the participants were invited and are briefly summarized below:

- When will cost information be available? The draft report will be provided to DSHS on November 18 and will be reviewed before being finalized. The final report will be available to the public at the end of the year.
- How many residents are left at the site? About 80 long-term residents. In addition, the facility offers short-term emergency, transitional and respite care for an average of about 12 people at any one time.
- What about leasing opportunities? Short term leasing is an opportunity, longer term is less clear. There has been no formal request for use of the facility.

- Is there is interest, who from DSHS should be contacted? Interested parties should contact Diana Peeples, project manager for the reuse study, or Tammy Winegar, site superintendent of the Yakima Valley School.
- Does the aging population trend provide a basis for senior housing? The changing population composition is one factor that could contribute to making senior housing a feasible option.
- Is there any assurance that planned changes will not change back? If the site is leased for a different use, users would want some assurance that the state would not change plans and want the site back.
- Does the Yakama Nation have an interest in the site and/or buildings? Yes, there is definitely a general interest, but not a specific plan or agenda at this time. Would be looking for a use that would benefit the Nation. Cost analysis would be a key piece of data that would help inform their decisions.

Hearing no further questions or comments from the group, the meeting was adjourned.

Appendix G

Market Analysis

APPENDIX : MARKET ANALYSIS

SUMMARY OF PRELIMINARY FINDINGS

Francis Haddon Morgan Center (FHMC)

Market-Oriented Site Perspectives

Key Assets

- Attractive parcel, adorned with large trees and park-like settings
- Centrally located near downtown Bremerton
- Large parcel
- City of Bremerton oriented for economic development
- Main building is usable in most places as is, for class-room and group activities (may be attractive to non-profits)

Challenges

- Centered in a small, close-in, central neighborhood in Bremerton
- Access into neighborhood is limited and presents challenges
- Housing in area relatively lower valued, lower priced than market-wide values and prices
- Alternative school adjacent to site
- Asbestos, contaminants known on-site

Summary of Potential Uses

The following is a general summary of potential uses on site. For a breakdown of potential uses and preliminary estimates on market feasibility see Exhibits 1 and 2.

- Market interest in new development of site appears challenging for most uses, given today's economic climate
- Market rate single and/or multifamily housing would fit well on site, but current rents in Bremerton do not appear to support new development (may suit longer-term planning for site)
- Site not well suited for market rate retail or commercial uses due to residential location and more suitable commercial location within Bremerton
- Potential for park/community facilities on all or portion of site

Yakima Valley School (YVS)

Market-Oriented Site Perspectives

Key Assets

- Prominent, scenic and well maintained site
- Excellent views to south, east and north
- Centrally located within Selah
- Large parcel
- Existing infrastructure
- Two building pads with built out utilities
- Surround area/neighborhood has higher home values than regional market
- Terraced site with natural buffers

Challenges

- Steeply sloped portions of site limit developable acreage
- Limited market for commercial and office uses in Selah
- Access into neighborhood is limited and presents challenges
- Main building is large and difficult to fill
- Asbestos, contaminants known on-site
- Expensive demolition costs
- Surrounded by existing residential neighborhood

Summary of Potential Uses

The following is a general summary of potential uses on site. For a further breakdown of potential uses and preliminary estimates on market feasibility see Exhibits 3 and 4.

- Market interest in new development of site appears challenging for most uses, given today's economic climate
- There is potential for single family housing on site as surrounding neighborhood includes newly constructed single family homes
- Site not well suited for market rate retail or commercial uses due to limited market in Selah and more appropriate alternative locations
- Non market rate uses may be suitable for site based on local demand for such space and compatibility with existing uses

MARKET ANALYSIS EXHIBITS

Exhibit 1. FHMC Market Demand Perspectives - Market Rate Products

Frances Haddon Morgan Center – Bremerton, WA				
Market Demand Perspectives				FHMC: Market Rate Products
Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Single Family Housing	Entire Site	Low	Medium	Unlikely in short term due to low demand and values; Possible in long term due to central location within an existing residential neighborhood
Multifamily Housing	Entire Site	Low	Medium	Unlikely in short term due to low demand for multifamily housing; Possible in long term depending on market conditions
Office	Entire Site	Low	Low	Unlikely because of residential location and limited demand for new office space; more suitable sites in existing commercial areas; low rent values;
Retail	Entire Site	Low	Low	Unlikely because the nearby commercial areas along Kitsap Way offer superior sites, with far better access, far more customer access and established commercial activity.

Exhibit 2. FHMC Market Demand Perspectives – Non Market Rate Products

Frances Haddon Morgan Center – Bremerton, WA				
Market Demand Perspectives				FHMC: <i>Non-Market Rate Products</i>
Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Institutional Housing	Entire Site	Medium	High	Existing facilities suitable for this use; upgrades to facilities required in near and long term
Schools/Higher Education	Entire Site	Medium	High	Existing facilities suitable for this use; upgrades to facilities required in near and long term; costs of operations will determine potential rents
Non-Profit Activity Space	Entire Site	Medium	High	Existing facilities suitable; dependent on demand for such space; costs of operations will determine potential rents
Early Learning Center	Entire Site	Medium	Medium	Existing facilities suitable; building improvements in near and long term required
Neighborhood Park	Entire Site	Medium	Medium	Benefits community; portion of site may be dedicated park; demand of recreational space in Bremerton; no costs/subsidies by state government required

**Exhibit 3. Yakima Valley School Market Demand Perspectives -
Market Rate Products**

Yakima Valley School – Selah, WA		Yakima Valley School: Market Rate Products		
Market Demand Perspectives		Yakima Valley School: Market Rate Products		
Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Single Family Housing	Entire Site	Medium	High	New single family construction located adjacent to site; two existing building pads suitable for construction
Multifamily Housing	Entire Site	Low	Medium	No demand for multifamily housing in short term; limited demand in long term; low rental rates in region; higher cost to develop
Office	Main Building	Low	Low	Extremely limited office market in Selah; surrounded by residential neighborhood; more suitable locations in Selah and Yakima; high cost to upgrade facility
Lodging/Resort	Main Building	Low	Medium	Feasibility in near term low due to high construction/remodel costs; Site is uniquely situated on hillside; excellent views from site; growing tourism industry in Yakima County in long term

**Exhibit 4. Yakima Valley School Market Demand Perspectives –
Non Market Rate Products**

Yakima Valley School – Selah, WA				
Market Demand Perspectives			Yakima Valley School: <i>Non-Market Rate Products</i>	
Use	Scale	Feasibility		Notes
		Near Term	Long Term	
Institutional Housing	Entire Site	Medium	Medium	Facility readily adaptable for this type of use; high costs for upgrades and maintenance; requires substantial state funding
State Comprehensive Medical Facility	Entire Site	Medium	High	Facility adaptable for this type of use; demand for such a facility in area; high capital improvement costs for improvements, upgrades and operation
Training/Higher Education	Entire Site	High	High	Main building adaptable for education purposes; local demand for higher education
Neighborhood Park	Entire Site	Medium	Medium	Located adjacent to new park (in development); scenic and central location
Non Profit Office/Activity Space	Entire Site	High	High	Potential for multiple non-profit users; rents based on operational costs of facility; local demand for non-profit space

Exhibit 5. Yakima Valley School Site and Surroundings

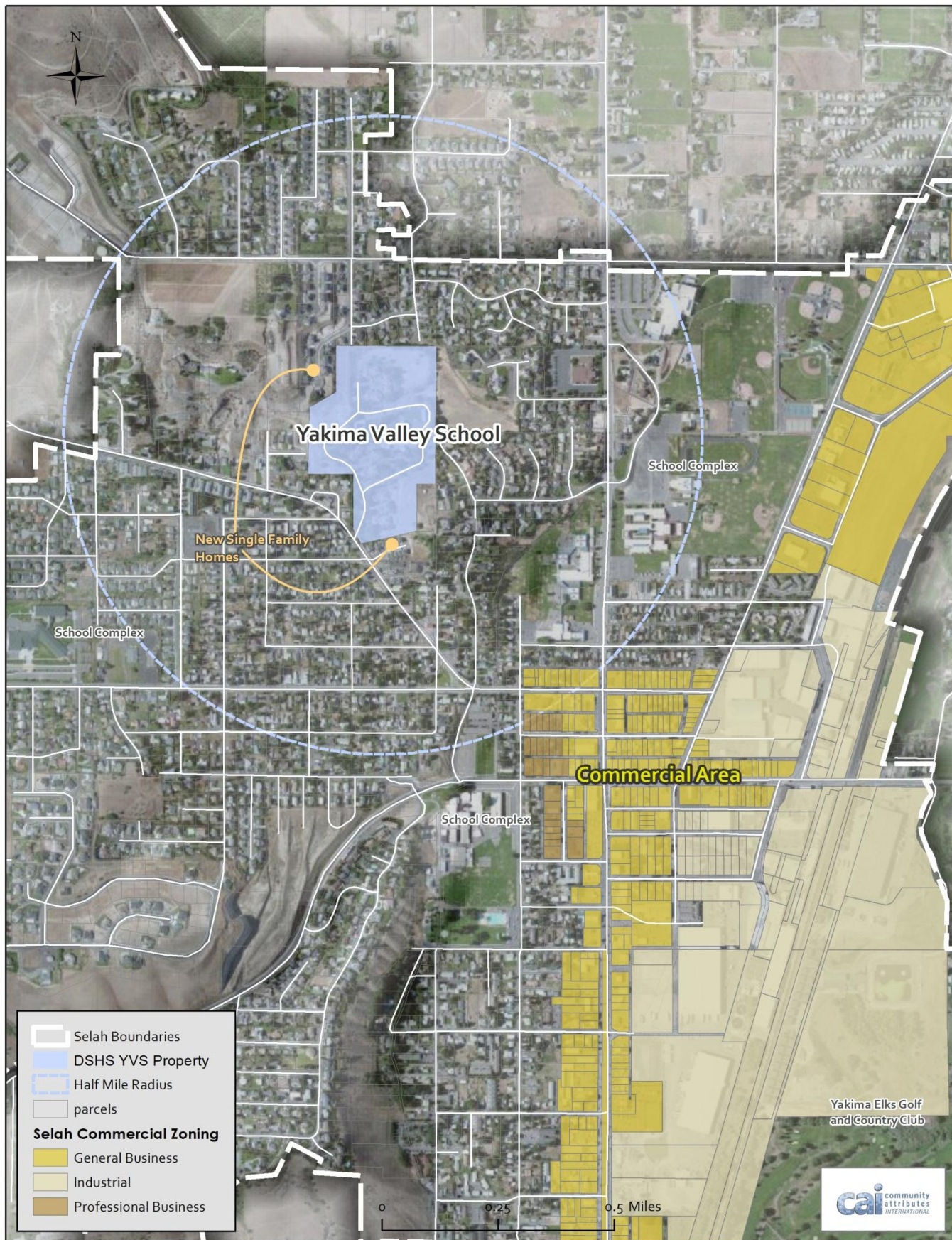


Exhibit 6. FHMC Bremerton Site and Surroundings

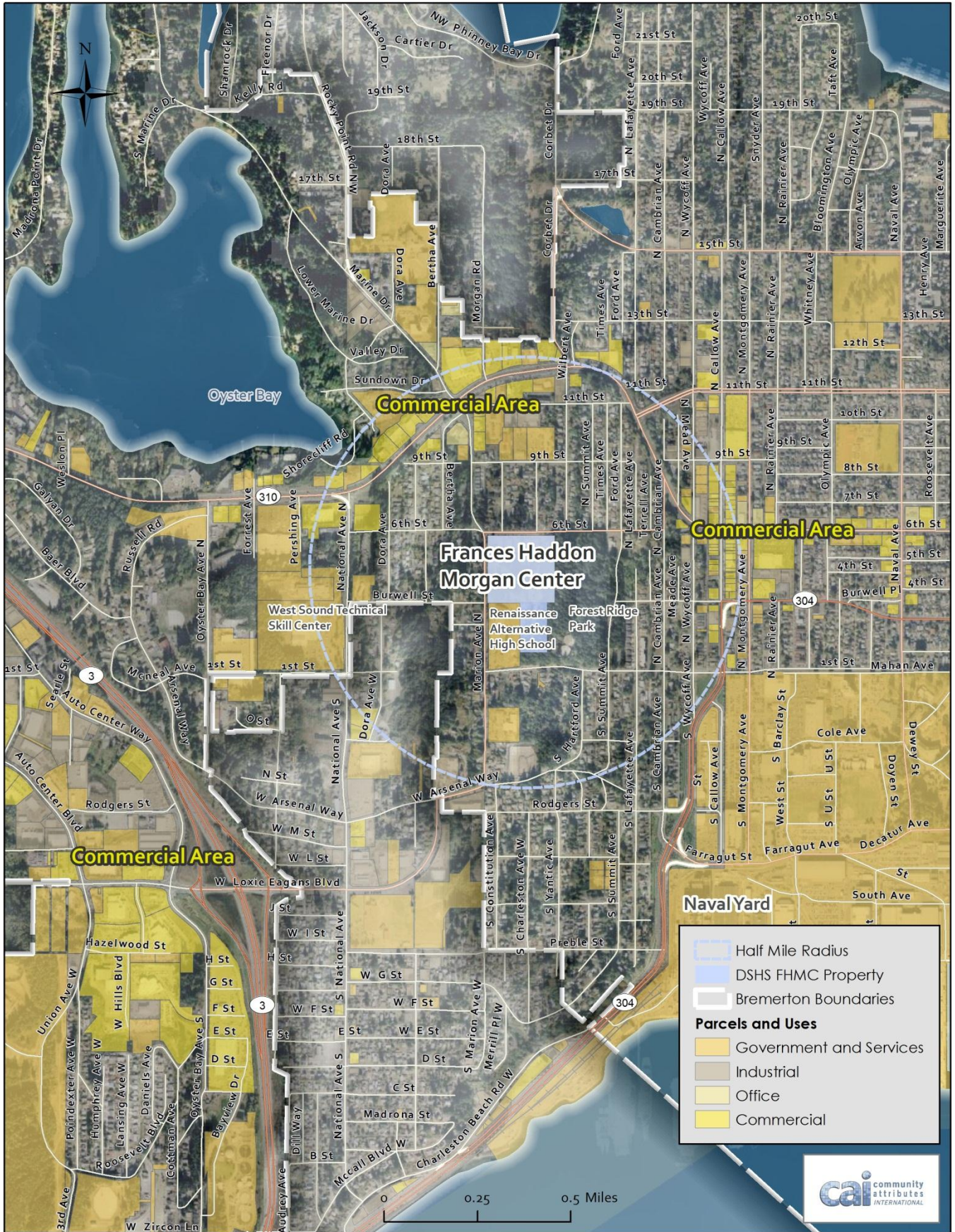


Exhibit 7. Preliminary Site Profiles

	FHMC – Bremerton	Yakima Valley School
Land Area (Acres)	12.15	26.82
Number of Parcels	2	3
Assessed Value Land	\$758,450	\$806,100
Assessed Value Improvements	\$7,016,030	\$6,905,800
Total Assessed Value	\$7,711,900	\$7,774,480
Dates of Construction Range	1944-1984	1947-1982
Neighborhood Considerations	<ul style="list-style-type: none"> • Located in central Bremerton • Close proximity to commercial core and naval yard • Residential neighborhood • Moderate income housing • Existing park bordering to east 	<ul style="list-style-type: none"> • Residential neighborhood • Centrally located • Near Selah commercial core • New public park in development adjacent to property • New residential development adjacent to property
Zoning	Low Density Res (R-10)	One-Family Residential (R-1)
Existing Land Use Designation	Government Services and Recreation	Service/Education
Site Considerations	<ul style="list-style-type: none"> • Mature trees/vegetation • Access from 6th St and Marion Ave • Alternative school contiguous to property 	<ul style="list-style-type: none"> • Steeply sloped with terraced areas suitable for development • Prominent location with scenic views from multiple locations • Two building pads with existing utilities • Single access from Speyers Rd.
Square Footage Improvements (S.F.)	99,618	141,945
Condition	Buildings in moderate to poor condition; Grounds well maintained	Main Building in good condition; Grounds well maintained; High operational and maintenance costs

Source: Community Attributes; Yakima County Assessor; Kitsap County Assessor; City of Bremerton WA; City of Selah, WA

Exhibit 8. Income, Housing and Rental Profile

Income, Housing and Rental Profile	Bremerton	Kitsap County	Selah	Yakima County
Income (Households)				
Less than \$10,000	1998	5,127	372	6,267
\$10,000 to \$14,999	774	2,872	270	5,698
\$15,000 to \$24,999	2008	7,971	354	11,089
\$25,000 to \$34,999	2012	8,753	452	9,180
\$35,000 to \$49,999	2533	13,411	570	13,183
\$50,000 to \$74,999	2753	19,436	954	15,280
\$75,000 to \$99,999	1393	13,028	461	8,396
\$100,000 to \$149,999	1085	13,460	392	6,109
\$150,000 to \$199,999	310	4,741	119	1,393
\$200,000 or more	143	3,118	37	1,221
Median household income	\$ 38,060	\$ 59,358	\$ 49,313	\$ 41,854
Office Rent Estimates (\$/s.f./month)*				
2000 or newer price range	\$14.00 - \$20.00	n/a	n/a	\$12.00 - \$18.00
1980-1999 price range	\$9.00 - \$19.00	n/a	n/a	\$8.00 - \$15.00
1979 or older price range	\$4.00 - \$16.00	n/a	n/a	\$5.00 - \$13.00
Average new or remodeled	\$17.00	n/a	n/a	\$16.00
*Yakima County office rents based on City of Yakima available listing information				
Multifamily Apt. Rent Estimates				
Average monthly rent per s.f.	\$ 0.99	\$ 1.02	n/a	\$ 0.80
Average overall monthly rent	\$ 827	\$ 880	n/a	\$ 589
Vacancy	5.1%	n/a	n/a	5.2%
Home Price				
Owner-occupied units	6224	63,957	1,487	50,437
Less than \$50,000	2.70%	3.40%	0.61%	9.88%
\$50,000 to \$99,999	3.50%	2.80%	9.89%	16.96%
\$100,000 to \$149,999	13.10%	6.80%	27.57%	26.63%
\$150,000 to \$199,999	26.90%	13.80%	29.52%	20.90%
\$200,000 to \$299,999	30.90%	28.40%	23.27%	15.28%
\$300,000 to \$499,999	17.10%	28.80%	8.81%	8.09%
\$500,000 to \$999,999	5.10%	13.30%	0.34%	1.79%
\$1,000,000 or more	0.70%	2.70%	0.00%	0.47%
Median Value	\$ 210,200	\$ 278,600	\$ 171,800	\$ 143,200

Source: ACS 2009 5-Year Estimates, Commercial Brokers Association MLS listing services, Dupre and Scott, Washington Center for Real Estate Research

Exhibit 9: Bremerton Office Leasing Rates Sampling

Year Built/Remodel	Type	Class	Lease	Rent/s.f
1910	Retail/Office	C	NNN	\$ 10.00
1918	Retail/Office	n/a	Gross	\$ 7.40
1930	Office	n/a	NNN	\$ 9.00
1935	Office	n/a	Modified Gross	\$ 8.00
1936	Retail/Office	n/a	Gross	\$ 12.00
1940	Office	C	NNN	\$ 8.00
1944	Retail/Office	C	Modified Gross	\$ 5.90
1946	Office	A	NNN	\$ 15.00
1946	Office	n/a	NNN	\$ 10.00
1950	Office/Ind.	B	Full Service	\$ 3.90
1955	Retail/Office	n/a	Modified Gross	\$ 16.00
1955	Retail/Office	n/a	Modified Gross	\$ 9.00
1963	Retail/Office/Ind.	B	NNN	\$ 0.60
1965	Retail/Office/Ind.	C	NNN	\$ 0.30
1965	Office	A	NNN	\$ 12.00
1970	Office	A	Full Service	\$ 15.00
1970	Retail/Office	n/a	NNN	\$ 12.00
1971	Office	C	NNN	\$ 9.00
1976	Med Office	n/a	Full Service	\$ 20.00
1977	Office/Ind.	n/a	Modified Gross	\$ 8.40
1979	Office	n/a	Full Service	\$ 20.00
1980	Office	A	Full Service	\$ 19.00
1984	Office	B	Modified Gross	\$ 7.35
1984	Office/Ind.	n/a	NNN	\$ 3.44
1985	Office	C	NNN	\$ 9.50
1985	Office	B	NNN	\$ 1.15
1986	Office	n/a	Gross	\$ 21.00
1986	Retail/Office	n/a	NNN	\$ 11.00
1986	Office	n/a	NNN	\$ 8.00
1987	Retail/Office	B	Modified Gross	\$ 13.43
1990	Retail	n/a	NNN	\$ 14.00
1990	Retail/Office	n/a	NNN	\$ 6.00
1990	Office	B	NNN	\$ 16.00
1994	Retail	n/a	NNN	\$ 21.00
1994	Retail/Office	B	NNN	\$ 15.00
1997	Retail/Office	C	NNN	\$ 10.75
2001	Office	C	NNN	\$ 6.00
2001	Office	n/a	Full Service	\$ 12.00
2005	Retail/Office	n/a	NNN	\$ 13.00
2006	Office	B	Modified Gross	\$ 15.00
2006	Office	B	NNN	\$ 14.00
2007	Office	A	NNN	\$ 20.00
2007	Office	n/a	Gross	\$ 14.00
2008	Office	n/a	Gross	\$ 9.68
2008	Office/Ind.	n/a	NNN	\$ 6.86
2009	Retail/Office	n/a	NNN	\$ 18.00
2011	Office	B	NNN	\$ 14.00
2011	Office	B	NNN	\$ 14.00

Source: Commercial Mortgage Listings Services, Bremerton, WA 9/27/2011

Exhibit 10: Yakima Office Leasing Rates Sampling

Year Built/Remodel	Type	Class	Lease	Rent/s.f
1910	Office	B	NNN	\$ 10.00
1915	Office	n/a	Modified Gross	\$ 8.13
1921	Office	n/a	n/a	\$ 4.50
1915	Retail/Office	n/a	NNN	\$ 5.18
1925	Office	n/a	NNN	\$ 8.59
1925	Office	B	NNN	\$ 11.00
1927	Office	n/a	NNN	\$ 9.00
1950	Retail/Office	n/a	NNN	\$ 12.00
1965	Office	n/a	n/a	\$ 10.00
1965	Retail/Office	n/a	NNN	\$ 12.50
1965	Office	n/a	n/a	\$ 13.00
1965	Retail/Office	B	NNN	\$ 6.00
1970	Office	C	NNN	\$ 12.00
1970	Office	n/a	NNN	\$ 10.00
1974	Office	n/a	NNN	\$ 9.00
1975	Retail/Office/Ind.	n/a	NNN	\$ 4.20
1977	Office	n/a	NNN	\$ 12.00
1980	Retail/Office	n/a	NNN	\$ 12.00
1980	Office	n/a	NNN	\$ 5.50
1981	Office	n/a	NNN	\$ 10.00
1984	Office	n/a	NNN	\$ 9.00
1984	Office	n/a	n/a	\$ 14.00
1985	Office	B	Modified Gross	\$ 12.00
1985	Office	n/a	Modified Gross	\$ 9.43
1987	Office	n/a	n/a	\$ 6.72
1988	Office	n/a	NNN	\$ 10.00
1990	Office	n/a	NNN	\$ 11.83
1992	Office	A	NNN	\$ 10.61
1994	Retail/Office	n/a	NNN	\$ 14.50
1995	Retail/Office	n/a	NNN	\$ 13.00
1996	Retail/Office	n/a	NNN	\$ 9.50
1997	Office	B	NNN	\$ 12.00
1997	Office	B	NNN	\$ 13.00
1997	Office	n/a	Modified Gross	\$ 10.45
2000	Office	n/a	Full Service	\$ 14.95
2000	Retail/Office	n/a	NNN	\$ 18.00
2001	Office	n/a	NNN	\$ 12.00
2001	Office	A	NNN	\$ 16.00
2002	Retail/Office	B	NNN	\$ 12.00
2004	Office	B	Modified Gross	\$ 9.00
2004	Retail/Office	n/a	NNN	\$ 10.00
2008	Retail/Office	n/a	NNN	\$ 18.00
2009	Retail/Office	n/a	NNN	\$ 17.50

Source: Commercial MLS Listings Yakima City, WA 9/27/2011

Exhibit 11: Selah Multifamily Housing Rental Rates

Selah Rental Listings September 27, 2011					
Selah					
Rental Type	Rent	Beds	Baths	Size (s.f.)	Rent/S.F.
Single Family Home	\$1,650	3	2.5	1,925	\$0.86
Single Family Home	\$1,800	5	3	3,600	\$0.50
Condo	\$1,100	3	2	1,600	\$0.69
Townhouse	\$1,100	3	2.5	1,700	\$0.65
Condo	\$1,100	3	2	1,600	\$0.69

Source: Yakima Valley Landlords Association Listings

Exhibit 12: Yakima City Rental Estimates

Yakima city, Washington 2010 Occupancy and Rental Estimates					
	2010 Estimate	2009 Estimate	2008 Estimate	2007 Estimate	2006 Estimate
GROSS RENT					
Occupied units paying rent	15,191	13,997	13,925	12,681	13,197
Less than \$200	3.10%	2.60%	1.10%	1.70%	3.70%
\$200 to \$299	1.60%	4.60%	3.50%	2.50%	3.60%
\$300 to \$499	12.10%	16.50%	25.00%	21.40%	22.30%
\$500 to \$749	31.40%	40.00%	43.40%	38.20%	38.30%
\$750 to \$999	30.30%	18.90%	17.30%	24.50%	19.70%
\$1,000 to \$1,499	16.40%	11.60%	7.90%	9.80%	10.40%
\$1,500 or more	5.00%	5.90%	1.90%	2.00%	1.90%
Median (dollars)	757	668	623	649	638

Source: U.S. Census Bureau, 2010 American Community Survey

Exhibit 13: Bremerton Multifamily Housing Rental Rates

Apartment Rents and Vacancy - City of Bremerton						
Dupre and Scott September 2011 Survey						
Property age group: All Years	All	S	1	2BR - 1BA	2BR - 2BA	3
Market vacancy	11%	5%	8%	13%	17%	11%
Average rent	\$ 827	\$ 525	\$ 699	\$ 819	\$ 930	\$ 1,089
Rent per NRSF	\$ 0.99	\$ 1.27	\$ 1.10	\$ 0.94	\$ 0.97	\$ 0.95
Buildings surveyed	23	1	20	18	10	10
Units surveyed	2395	38	867	687	437	302
Property age group: 2010 & Newer	All	S	1	2BR - 1BA	2BR - 2BA	3
Market vacancy	20%	na	na	na	20%	19%
Average rent	\$ 1,125	na	na	na	\$ 1,073	\$ 1,184
Rent per NRSF	\$ 1.10	\$ -	\$ -	\$ -	\$ 1.13	\$ 1.08
Buildings surveyed	1	na	na	na	1	1
Units surveyed	56	na	na	na	30	26

Source: Dupre and Scott September 2011 Survey

Exhibit 14: Kitsap County Multifamily Housing Rental Rates

Apartment Rents and Vacancy - Kitsap County						
Dupre and Scott September 2011 Survey						
Property age group: All Years	All	S	1	2BR - 1BA	2BR - 2BA	3
Market vacancy	10%	6%	8%	10%	12%	10%
Average rent	\$ 880	\$ 542	\$ 748	\$ 848	\$ 973	\$ 1,115
Rent per NRSF	\$ 1.02	\$ 1.28	\$ 1.13	\$ 0.98	\$ 0.99	\$ 0.97
Buildings surveyed	57	2	49	49	28	27
Units surveyed	6496	46	2113	1929	1355	931
Property age group: 2010 & Newer	All	S	1	2BR - 1BA	2BR - 2BA	3
Market vacancy	20%	na	na	na	20%	19%
Average rent	\$ 1,125	na	na	na	\$ 1,073	\$ 1,184
Rent per NRSF	\$ 1.10	\$ -	\$ -	\$ -	\$ 1.13	\$ 1.08
Buildings surveyed	1	na	na	na	1	1
Units surveyed	56	na	na	na	30	26

Source: Dupre and Scott September 2011 Survey

Exhibit 15: Job Growth

Job Growth Trends				
	Bremerton	Kitsap Co.	Selah	Yakima Co.
Jobs				
2000	27,500	73,700	n/a	75,500
2010	28,400	82,600	n/a	76,000
2020	31,800	92,900	n/a	87,200
cagr				
2000 - 2010	0.3%	1.1%	n/a	0.1%
2010 - 2020	1.1%	1.2%	n/a	1.4%
Job Growth				
2000 - 2010	900	8,900	n/a	500
2010 - 2020	3,400	10,300	n/a	11,200

Source: Puget Sound Regional Council Forecasts, Washington State Department of Revenue Forecasts, Community Attributes, Inc., 2011.

Exhibit 16: Population Growth

Population Growth Trends				
	Bremerton	Kitsap Co.	Selah	Yakima Co.
Population				
2000	37,259	231,969	6,310	222,581
2010	37,729	251,133	7,147	243,231
2020	40,900	283,242	n/a	272,992
cagr				
2000-2010	0.1%	0.8%	1.3%	0.9%
2010-2020	0.8%	1.2%	n/a	1.2%
Pop. Growth				
2000-2010	470	19,164	837	20,650
2010-2020	3,171	32,109	n/a	29,761

Source: Puget Sound Regional Council Forecasts, Washington State Department of Revenue Forecasts, Community Attributes, Inc., 2011.

MARKET ANALYSIS PERSPECTIVES

The following is an abbreviated summary of an interview conducted in October 2011 with Vic Ulsh, President of Bradley Scott Real Estate located in Bremerton, WA. The interview was conducted in order to establish accurate real estate market data and trends for the Bremerton, WA and Kitsap County market.

Trends in Development

1. Can you tell me about recent trends in development? *The market is sleepy and slow. Builders and developers are going under. Very little new construction. Seeing owner/user development for the most part. Retail and office centers are not being built. Borrowing is extremely difficult.*
2. In the next 5 years, what type of development do you expect? *Expects multifamily development and owner/user developments.*

Multifamily

3. What is the demand for multifamily housing in this market? *There is demand for this type of housing in the market. This is an area of the market that remains fairly strong in terms of sales, rents and occupancy.*

Office

4. What does Class A office space rent for per square foot? (a range is fine) *\$12.00 – \$13.00 NNN.*
5. What is the demand for office space in this market? *The demand for office space is soft. Rents continue to fall. Vacancies are stabilizing but are still trending upwards. Still pain ahead.*
6. What is the demand for nonprofit office and meeting space? *There have been a significant number of inquiries from non-profit organizations recently. These are small users, typically needing 1000 sf to 1500 sf.*

Site-specific opportunities

7. Would office space be appropriate at this site? *Office would work at this site (FHMC). Easy access to Highway 3 is a positive, but the location is remote for office space.*
8. Would retail be appropriate at this site? *Opportunity for retail is not there. Other areas are more appropriate.*
9. Would housing be appropriate at this site? *Multifamily housing would be appropriate for this site. Single family housing would be less appropriate for the neighborhood.*

Appendix H

Reuse Options: Draft Site Plans

DSHS – Frances Haddon Morgan Center

Introduction

The site plans, program narrative and use program matrix in this appendix were prepared for the purposes of preparing the order of magnitude cost estimates and Cost Benefit Analysis. The information is general in nature and does not constitute a design.

Draft Reuse Options Program Narrative

November 7, 2011

Option 1- Reuse Existing Campus – Non-Profit, Social Services, Community Use

Phase 1a – Reuse As Is - Facility as Is - No DDD Residents. School Closed - No Renovation or New Development (Near-term; 0-5 years) **NO COST ESTIMATE NEEDED**

Olympic Center: ± 76,000 GSF including electrical plant – Continues with office uses and kitchen use as community coop kitchen.

Forest Ridge Lodge: 11,500 GSF for residential use. Reuse as is for office, Bremerton School District.

Existing Cottages (3 total) ± 7,000 GSF each.

- Three cottages, duplex residences for 16 people, 8 each side. Reuse as is, Short Term Non- DDD Emergency or Respite Housing (ie emergency housing, vets, women's shelter, etc). Capacity 16 residents/cottage, total 48 residents.

OPTION 1B - Renovation – No DDD Residents - Add New Development (0 – 5+ Years). Useful building life limited to 5 additional years.

- Olympic Center: ± 76,000 GSF – Retain 38,000 GSF (wings: A, 100, 200, 300, 400). Demolish wings 500,600,700, 800, 900 plus plant.
- Forest Ridge Lodge: 11,500 GSF for residential use. Office use, Bremerton School District.
- Existing Cottages:± 7,000 GSF each. Renovate for Short Term Non-DDD Emergency or Respite Housing use (ie emergency housing, vets, women's shelter, etc). Capacity 16 residents/cottage, total 48 residents.

Work involves demolition and disposal of approximately 35,000 SF of the existing Olympic Center building and redevelopment of all remaining structures. The work also includes the addition of about 300 parking spaces to support the redeveloped buildings and a new street connection to the south. Retain 47 existing parking stalls on site.

Option 2 – Community Use Campus – New Construction (5+ years)

Demolition: Clear Site of all buildings and infrastructure.

New Construction

- Community Center. 12,000 GSF. Meeting rooms, classrooms, gym, community/event kitchen + outdoor public gathering space. Community kitchen for small food production (start up local food companies etc).
- Multipurpose Playfields along 6th. Youth Soccer/Softball Field.
- Urban farm in southern parcel. Three fields and shelter with irrigation system, compost facility etc.
- Two new community use buildings. Two story, 15,000 GSF each. Meeting rooms, offices, general purpose classrooms with plumbing.
- 235 new parking stalls
- New internal drives and road connection to 1st street to the south.

Work involves demolition and disposal of the existing cottages, Forest Ridge Lodge and Olympic Center buildings; the addition of two new multiuse buildings and the addition of related parking. The work also includes the addition of new athletic fields, plus parking, internal drives and road connection to 1st Street to the south.

Option 3 – School Campus Development – New Construction (5+ years)

Demolition: Clear Site of all buildings and infrastructure.

New Construction

- New School Administration Building. 60,000 GSF, two floors. Office use.
- Two Multipurpose Playfields. Youth Soccer/Softball Fields, north along 6th Street and in southern Parcels.
- 235 new parking stalls (verify)
- New internal drives and road connection to 1st street to the south.

Work involves demolition and disposal of the existing cottages, Forest Ridge Lodge and Olympic Center buildings; the addition of a new school administration building, alternative high school building, two new multiuse

playfields, internal drives, related parking and and road connection to 1st Street to the south.

Option 4 – Step-down Senior Housing Village – New Construction (5+ years)

Demolition: Clear Site of all buildings and infrastructure.

New Construction

- Main 2 story building: ± 100,000 GSF, 120 units (60 assisted living, 60 nursing home and community center use), plus 160 parking stalls.
- Duplexes, 7 buildings, 14 units, 2800 GSF each with garage
- New internal drives and road connection to 1st street to the south.

Work involves demolition and disposal of the existing cottages, Forest Ridge Lodge and Olympic Center buildings; the addition of a new school main nursing home/assisted living structure, plus 7 new duplexes, internal drives, related parking and road connection to 1st Street to the south.

Option 5 – Single Family Residential Development - New Construction (5+ years)

Demolition: Clear Site of all buildings and infrastructure.

New Construction

- 39 Single Family Residences (3,000 GSF each)

Work involves the demolition and disposal of all existing buildings, creation of subdivision and the addition of related streets.

11/7/2011 DRAFT - JW

FHMC: Option 1A - Reuse As Is - Near Term

	Timeframe	Olympic Center	Forest Ridge Lodge	3 Cottages	Existing Parking
Existing Square Footage	Short-term (1-2 years)	60,000 GSF	11,000 GSF	7,000 GSF Each	
		1-2 stories	1 story	1 story	
Existing Use		Offices	Nursing Home	Duplex Cottages - DD Residents - Autism	150 Parking Stalls; 38 on street head in, 112 on-site
Potential Uses		Offices	Offices or Short-term/ Emergency housing	Offices or Short-term/ Emergency housing	

11/7/2011 DRAFT - JW

FHMC: Option 1B - Non-Profit/Service Uses - Renovate Existing Buildings

	Timeframe	Olympic Center	Forest Ridge	3 Cottages	Parking
Square Footage	Near-term (5+ years)	38,000 GSF (Renovate A, 100, 200, 300, 400 wings)	11,000 GSF	7,000 GSF Each	
		Demolish 500, 600, 700, 800, 900 wings plus plant	1 story	1 story	
Use		Offices: Non-profit/Service Uses	School District	Offices or Short-term/ Emergency housing	Demolish on-site parking except 47 stalls near Forest Ridge Lodge; Add 310 New Parking Stalls

11/7/2011 DRAFT - JW

FHMC: Option 1 - Community Use

	Timeframe	Community Center	Multipurpose Playfields	Two - Community Use Buildings	Urban Farm	Circulation	Parking
Square Footage	5+ Years	12,000 GSF with outdoor public gathering space	Adult Softball/Soccer Field?	2 2-story buildings; 14,000 GSF Each			235 new parking stalls
			Demolish Olympic Center 38,000 GSF	Demolish 3 Cottages	Define	Demolish Existing	Demolish Existing
Use			Youth Soccer/Softball Field(s)	Multipurpose meeting/classrooms, catering kitchen	Urban Agricultural Fields, Shelter/ Education Area	Driving lanes circulate through farm; walking paths connect uses	Demolish on-site parking except 47 stalls near Forest Ridge Lodge; Add 310 New Parking Stalls
Utilities - All New							

11/7/2011 DRAFT - JW

FHMC: Option 2 - School Development

	Timeframe	School Administration Building	Multipurpose Playfields	Circulation	Parking
Square Footage	5+ Years	60,000 GSF - 2-story	Youth Soccer/Softball Field(s) on 6th & on South Parcel	New Circulation Road; Connect to 1st Street to South	235 new parking stalls
		Demolish Forest Ridge Lodge	Demolish Olympic Center 38,000 GSF	Demolish Existing Roads	Demolish Existing Parking
Use			Youth Soccer/Softball Field(s)	Driving lanes circulate through farm; walking paths connect uses	Demolish on-site parking except 47 stalls near Forest Ridge Lodge; Add 310 New Parking Stalls
Utilities - All New					

11/7/2011 DRAFT - JW

FHMC: Option 3 - Step Down Senior Community

	Timeframe	Main Building	Duplexes	Circulation	Parking
Square Footage	7+ Years	100,000 GSF - 2-story. 120 units/60: assisted living, 60 nursing home,	7 duplexes; 14 units	New Circulation Road; Connect to 1st Street to South	160 Parking Stalls
		Demolish Olympic Center & Forest Ridge Lodge	2800 GSF each with garage	Demolish Existing Roads	Demolish Existing Parking
Use			Senior Housing		Demolish on-site parking
Utilities - All New					

11/5/2011 DRAFT - JW

FHMC: Option 4 - Single Family Residential Development

	Timeframe	Houses	Circulation	Parking
Square Footage	7+ Years	39	New Circulation	
			All new	
Demolish all Buildings and Infrastructure				
Utilities - All New				

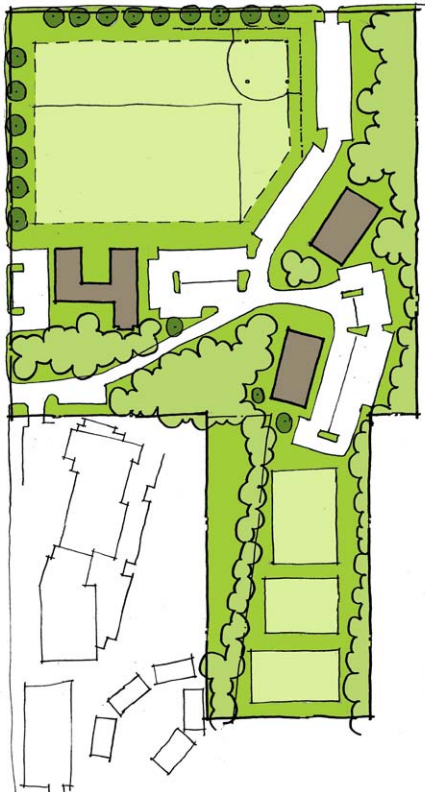
PHASE 1 (0-5 YEARS)







PHASE 2 (3-10 YEARS)



PHASE 3 (7+ YEARS)



OPTION 1: COMMUNITY USE CAMPUS

-  No Renovation – Reuse Existing Building (DSHS/Other Users)
-  Emergency/Short Term Housing/SOLA
-  Renovate and Change of Use
-  New Construction

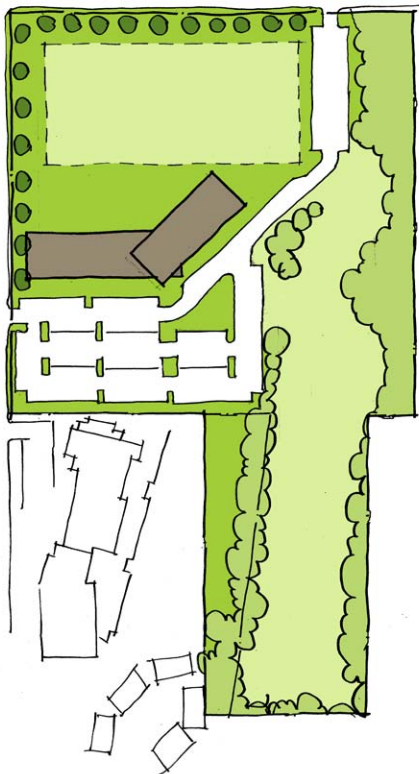
PHASE 1 (0-5 YEARS)







PHASE 2 (3-10 YEARS)



PHASE 3 (7+ YEARS)



OPTION 2: SCHOOL CAMPUS

-  No Renovation – Reuse Existing Building (DSHS/Other Users)
-  Emergency/Short Term Housing/SOLA
-  Renovate and Change of Use
-  New Construction

PHASE 1 (0-5 YEARS)



PHASE 2 (3-10 YEARS)



PHASE 3 (7+ YEARS)



**OPTION 3: MULTI-SERVICE LEVEL
SENIOR HOUSING COMMUNITY**

- No Renovation – Reuse Existing Building (DSHS/Other Users)
- Emergency/Short Term Housing/SOLA
- Renovate and Change of Use
- New Construction





PHASE 1 (0-5 YEARS)



PHASE 2 (3-10 YEARS)



OPTION 4: SINGLE FAMILY RESIDENTIAL NEIGHBORHOOD

-  No Renovation – Reuse Existing Building (DSHS/Other Users)
-  Emergency/Short Term Housing/SOLA
-  Renovate and Change of Use
-  New Construction

Appendix I

Cost Benefit Analysis and Unit Costing



1402 Third Ave, Suite 930
Seattle, Washington 98101
tel: 206.523.6683 fax: 866.726.5717

Memorandum

To: Julia L. Walton and Deborah Munkberg, Inova

From: Chris Mefford, Aaron Blumenthal, Mark Goodman, Ruby Sandher

Date: 12/21/2011

Re: FHMC Preliminary Cost-Benefit

INTRODUCTION

The proposed Francis Haddon Morgan Center (FHMC) plan offers four distinct potential Reuse Options for the FHMC. This memorandum outlines the technical methods of calculating the financial costs and benefits of each Option and summarizes the results.

SUMMARY OF FINDINGS: FHMC COST-BENEFIT ANALYSIS

From a financial perspective, the conclusions of the cost-benefit analysis show significant costs and limited revenues for each potential Reuse Option over the useful life of each project. The State will likely need to incur demolition costs for the site to be attractive to users for renovation or redevelopment because other sites are available elsewhere in locations which do not include these costs. The Reuse Options considered are:

Option 1: Community Use Campus

Option 2: School Campus

Option 3: Multi-service Level Special Needs Housing Community

Option 4: Single Family Residential Development

However, given that three of the four Options provide non-market driven, not-for profit uses which provide housing and other services to low income, disabled or vulnerable populations as directed in ESHB 1497, this conclusion is not surprising. These three options provide significant public and community benefit.

Of the Options, Option 4, Single Family Residential Development, shows the least costs compared to available revenues. Option 3, Multi-service Level Special Needs Housing would need to recover a quarter of all costs through revenues (\$10 million) to be financially comparable to Option 4, which would be nearly double the forecasted revenues for other revenue-generating Options. This conclusion suggests that Option 4 minimizes costs to the State the most, however provides the least benefit as defined in ESHB 1497. More detailed cost and revenue analysis is discussed in the following

sections and summarized in the Costs and Revenues table in the Appendix to this memorandum. While none of the Options are economically self-supporting regardless of whether the State demolishes existing facilities or writes down the land cost, there may be a wide range of non-financial benefits provided, assuming the site is used for these purposes. These are identified in detail in the Cost Benefit analysis and summary table in Section 4 of the main body of the document.

TECHNICAL DISCUSSION OF COSTS AND BENEFITS

The following section outlines the methods for constructing the financial costs and revenues for the Cost Benefit analysis. All costs and revenues reported in this document reflect the full life of the project, and not yearly costs.

Cost calculations

Costs Over Time: In this analysis, all costs are reported in nominal figures (no discounting has been applied), and cost estimates have not been adjusted for inflation and do not take into account any cost escalation.

Construction and Demolition Costs: All construction cost estimates used in this analysis were provided by Rider Levitt Bucknall, and take into account the varied use plans for the FHMC site.

Operating costs: Operating cost estimates were based on the most recent year-to-date operating and maintenance cost data provided by DSHS, which are reported as roughly \$9 million per year (June 2010, YTD) and include staff and resident support wages, supplies, operations and building maintenance. The estimates are assumed to be consistent year-to-year, discounting significant changes in proposed use. Because of the RHC closure, future FHMC operations and maintenance costs will be significantly lower and will only apply to continued DSHS office use at the Olympic Center building and property maintenance.

Only the first 5-year period (Phase 1) of all FHMC Options anticipate continued DSHS office use. This is the only period in which State operating costs can be identified. However, because proposed uses for Phase 1 assume reuse of existing facilities without renovation by potential/multiple users, no dependable estimate can be constructed for expected operating costs. Costs may range from \$0 to roughly \$3 million over 5 years, assuming DSHS uses continue at 100% capacity of the 100-500 wings of the Olympic Center and that the Forest Ridge Lodge and residential duplexes are reused and operated by other entities who pay their own operating costs during the Phase 1 for all Options. An operating cost schedule shows more detail in the Appendix to this memorandum.

Revenue Calculations

Revenue estimates, where provided, are based on the best available market data for Option 4 only (Single Family Residential Development), (the one market-driven Reuse

Option). Because many of the proposed uses for this site represent public benefit from non-market-oriented uses which vary in their revenue generation potential, limited or no market data exists or is not applicable to inform revenue estimates and projections. For some uses, broad estimates of comparable space in the Bremerton area available to non-profits and other potential tenants range from roughly \$5 to \$10 per square foot per year. Considering that private investors would require \$15 to \$17 per square foot per year to cover development costs if they undertook a similar project, it is likely any revenue will cover only a fraction of renovation and construction costs.

Depending on tenant capacity, rent, and the Option chosen, revenues could range between \$200,000 and \$600,000 per year from lease contracts for options with comparable market data. Alternatively, a one-time sale of the property to private developers may recover an estimated \$2 million (after State demolition of existing facilities). An additional \$7.4 million in revenue to private developers (not to the State) could be expected through home sales.

Non-Financial Costs and Benefits

In addition to financial costs and benefits, a number of costs and benefits exist that cannot be measured as direct financial effects to the State or local community. A complete table of these factors can be found in the Appendix summary table.

Conclusions

The financial outlook of the Options presented for the FHMC site all show costs in excess of identified revenues. Of all available choices Option 4, Single Family Residential Development, sale or long-term lease of the property for private development minimizes overall direct costs to the State. However, Options 1-3 provide the opportunity for non-monetized benefits to the local community. Of those, Option 3 most directly responds to the directives in ESHB 1497. While the impacts of these benefits are highly dependent on the demand for these uses and their value to the State and local community, a comparison of potential gains from these uses may outweigh the financial costs of construction, renovation and continued operation of FHMC.

APPENDIX

Exhibit 2. FHMC Costs and Revenues

FHMC	
Option 1: Community Use Campus	
Construction Costs	(\$30,000,000)
Operating Costs	(\$3,000,000)
2-Year Lease Revenues	\$2,000,000
Option 2: School Campus Development	
Construction Costs	(\$45,000,000)
Operating Costs	(\$3,000,000)
2-Year Lease Revenues	\$6,000,000
Option 3: Multi-level Special Needs Housing Community	
Construction Costs	(\$33,000,000)
Operating Costs	(\$3,000,000)
2-Year Lease Revenues	Unknown
Option 4: Single Family Residential Development	
Demolition Costs	(\$2,750,000)
Operating Costs	(\$3,000,000)
Sale Revenues (\$4 / SF)	\$2,000,000

All costs and benefits represent full life of the project. Operating Costs borne by State. Some revenues missing due to limited market data.

Exhibit 3. FHMC Operating Cost Schedule

	Phase 1		Phase 1-2		Phase 2		Phase 2-3		Phase 3		Total (Millions \$)
	Years 1-2	Years 3-5	Year 6	Years 7-10	Years 10+						
	% of YTD Costs	Cost (Millions \$)	% of YTD Costs	Cost (Millions \$)	% of YTD Costs	Cost (Millions \$)	% of YTD Costs	Cost (Millions \$)	% of YTD Costs	Cost (Millions \$)	
Option 1	0%-15%	0-\$3	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0-\$3
Option 2	0%-15%	0-\$3	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0-\$3
Option 3	0%-15%	0-\$3	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0-\$3
Option 4	0%-15%	0-\$3	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0-\$3



Draft ROM - Cost Estimate

DSHS - Frances Haddon Morgan Center

Bremerton, Washington

Issued dates:

November 14th, 2011

Prepared for:

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DSHS - Frances Haddon Morgan Center

Bremerton, Washington

November 14th, 2011

Table of Contents	Page
<hr/>	
Design Development - Cost Estimate	
Cost Summary	3
Recommended Escalation - In addition to base estimate	4
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DETAILS	
Option 1	5
Option 2	6
Option 3	7
Option 4	8
Option 1 to 4 - Demolition	9
Option 1 to 4 - Siteworks	10

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Frances Haddon Morgan Center
Master Plan

Summary

DSHS - Frances Haddon Morgan Center Draft Program Summary 11/14/11

Building Description	Total Floor Area	BUILDING COST		DEMOLITION/ABATEMENT PRICING (SEE TAB)	PARKING PRICING	SITework PRICING (SEE TAB)	GENERAL CONDITIONS		MARKUPS		TOTAL PRICING
		SF RATE	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Option 1 - Non-Profit, Social Services, Community Use											
Facility As Is	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option 1 Total	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option 1B - Non-Profit, Social Services, Community Use											
Phase 1 - Renovation	70,500	\$ 152	\$ 10,687,500	\$ 471,075	\$ 277,500	\$ 1,113,664	\$ 1,505,969	\$ 1,054,178	\$ 15,109,886		
Phase 2	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Phase 3	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Option 1 Total	70,500	\$ -	\$ 10,687,500	\$ 471,075	\$ 277,500	\$ 1,113,664	\$ 1,505,969	\$ 1,054,178	\$ 15,109,886		
Option 2 - Community Use Campus											
Phase 1	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Phase 2	42,000	\$ 216	\$ 9,060,000	\$ 666,000	\$ 513,375	\$ 1,993,530	\$ 1,299,311	\$ 1,438,364	\$ 14,970,580		
Phase 3	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Option 2 Total	42,000	\$ 216	\$ 9,060,000	\$ 666,000	\$ 513,375	\$ 1,993,530	\$ 1,299,311	\$ 1,438,364	\$ 14,970,580		
Option 3 - School Campus											
Phase 1	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Phase 2	60,000	\$ 205	\$ 12,300,000	\$ 666,000	\$ 504,125	\$ 1,993,530	\$ 1,855,639	\$ 2,078,315	\$ 19,397,609		
Phase 3	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Option 3 Total	60,000	\$ 205	\$ 12,300,000	\$ 666,000	\$ 504,125	\$ 1,993,530	\$ 1,855,639	\$ 2,078,315	\$ 19,397,609		
Option 4 - Single Family Development											
Phase 1	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Phase 2	119,600	\$ 113	\$ 13,568,000	\$ 666,000	\$ 148,000	\$ 1,637,543	\$ 1,281,563	\$ 1,384,088	\$ 18,685,194		
Phase 3	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Option 4 Total	119,600	\$ 113	\$ 13,568,000	\$ 666,000	\$ 148,000	\$ 1,637,543	\$ 1,281,563	\$ 1,384,088	\$ 18,685,194		
Option 5 - Single Family Development											
Phase 1	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Phase 2	117,000	\$ 85	\$ 9,945,000	\$ 666,000	\$ -	\$ 1,671,624	\$ 982,610	\$ 1,061,219	\$ 14,326,452		
Phase 3	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Option 4 Total	117,000	\$ 85	\$ 9,945,000	\$ 666,000	\$ -	\$ 1,671,624	\$ 982,610	\$ 1,061,219	\$ 14,326,452		

Escalation Chart -

The following is a recommended escalation forecast to be used for estimating purposes to the midpoint of construction.

Rider Levett Bucknall				DURATION MONTHS	PAST					CURRENT	FORECAST*			
					2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
					% PER YEAR	3.00%	3.00%	7.00%	8.75%	10.00%	9.50%	8.00%	6.75%	5.50%
				% PER MONTH	0.25%	0.25%	0.58%	0.73%	0.83%	0.79%	0.67%	0.56%	0.46%	0.42%
					2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
START	FINISH	MID POINT	MONTHS		-	-	-	-	-	2.00	10.00	-	-	-
May-08	Apr-09	Oct-08	0.00		0.00%	0.00%	0.00%	0.00%	0.00%	1.58%	6.67%	0.00%	0.00%	0.00%

Rider Levett Bucknall

T.B.A

CPI - Average				DURATION MONTHS	PAST					CURRENT	FORECAST*			
					2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
					% PER YEAR	1.90%	2.70%	2.60%	3.10%	4.10%	4.10%	4.10%	4.10%	4.10%
				% PER MONTH	0.16%	0.23%	0.22%	0.26%	0.34%	0.34%	0.34%	0.34%	0.34%	
					2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
START	FINISH	MID POINT	MONTHS		-	-	-	-	-	2.00	10.00	-	-	-
			0.00		0.00%	0.00%	0.00%	0.00%	0.00%	0.68%	3.42%	0.00%	0.00%	0.00%

T.B.A

Difference Between CPI and RiderLevett Bucknall

* Forecast is a projection of probable escalation for the future. We recommend that the escalation allowance is reviewed every month.

Frances Haddon Morgan Center Master Plan

Basic Costs

Office (Renovation)*	\$ 165.00	/ SF
Medical Clinic (New)*	\$ 225.00	/ SF
Office (New)	\$ 220.00	/ SF
Technical College (Renovation)*	\$ 260.00	/ SF
Technical College (New)*	\$ 245.00	/ SF
Senior Housing (New)*	\$ 120.00	/ SF
Community Center (New)*	\$ 205.00	/ SF
Residences (New)*	\$ 85.00	/ SF
Duplex Residences (New)*	\$ 80.00	/ SF
*Building Construction Costs		
Parking - Surface	\$ 925.00	/ STALL

DSHS - Frances Haddon Morgan Center Draft Program - Option 1 - Non-Profit, Social Services, Community Use - 11/14/11

Building Description	Bldgs	Floors Each	BLDG SF Each	Gross SF Floor Area				BUILDING COST		DEMOLITION / ABATEMENT PRICING (SEE TAB)	New Parking Stalls Supplied		PARKING PRICING	SITEWORK PRICING (SEE TAB)	GENERAL CONDITIONS		MARKUPS		TOTAL PRICING			
				In Patient Clinic	Medical Clinic	Nursing Home	Total Floor Area	UNIT RATE	TOTAL		TOTAL	New Pkg Area			New Pkg Stalls	TOTAL	TOTAL	%	TOTAL	%	TOTAL	TOTAL
Phase 1 - Short Term (0 to 5 Years)																						
Reuse Facility As Is - No Renovation or Development	5	-	-	0	0	0	0		\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Phase 1 Sub-total	5	0	0	0	0	0	0		\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Phase 2 - Medium Term (5 to 10 Years)																						
Phase 2 Sub-total	0	0	0	0	0	0	0		\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Phase 3 - Long Term (10+ Years)																						
Phase 3 Sub-total	0	0	0	0	0	0	0		\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Total	0	-	-	0	0	0	0		\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

DSHS - Frances Haddon Morgan Center Draft Program - Option 1B - Non-Profit, Social Services, Community Use - 11/14/11

Building Description	Bldgs	Floors Each	BLDG SF Each	Gross SF Floor Area			BUILDING COST		DEMOLITION / ABATEMENT PRICING (SEE TAB)	New Parking Stalls Supplied		PARKING PRICING	SITEWORK PRICING (SEE TAB)	GENERAL CONDITIONS		MARKUPS		TOTAL PRICING
				Office	Housing	Total Floor Area	UNIT RATE	TOTAL		TOTAL	New Pkg Area (SF) Total			New Pkg Stalls Total	TOTAL	TOTAL	%	
Phase 1 - Short Term (0 to 5 Years)																		
Olympic Center Renovation	1	1	38,000	38,000		38,000	\$165	\$ 6,270,000	\$ 414,200	81,749	300	\$277,500	\$ 371,221	12.00%	\$ 879,951	7.50%	\$ 615,965	\$ 8,828,837
Forest Ridge Lodge Renovation	1	1	11,500	11,500		11,500	\$165	\$ 1,897,500	\$ 20,125		0		\$ 371,221	12.00%	\$ 274,662	7.50%	\$ 192,263	\$ 2,755,771
Cottages Renovation	3	1	7,000		21,000	21,000	\$120	\$ 2,520,000	\$ 36,750		0		\$ 371,221	12.00%	\$ 351,357	7.50%	\$ 245,950	\$ 3,525,277
						0					0							
Phase 1 Sub-total	5	3	56,500	49,500	21,000	70,500	\$152	\$10,687,500	\$ 471,075	81,749	300	\$277,500	\$1,113,664		\$1,505,969		\$1,054,178	\$ 15,109,886
Phase 2 - Medium Term (5 to 10 Years)																		
Phase 2 Sub-total	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -		\$ -		\$ -	\$ -
Phase 3 - Long Term (10+ Years)																		
Phase 3 Sub-total	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -		\$ -		\$ -	\$ -
Total	0	-	-	0	0	0	\$ -	\$10,687,500	\$ 471,075	0	0	\$277,500	\$1,113,664		\$1,505,969		\$1,054,178	\$ 15,109,886

Frances Haddon Morgan Center Master Plan

Option 2

DSHS - Frances Haddon Morgan Center Draft Program - Option 2 - Community Use Campus - 11/14/11

Building Description	Bldgs	Floors Each	BLDG SF Each	Gross SF Floor Area					BUILDING COST		DEMOLITION /ABATEMENT PRICING (SEE TAB)	New Parking Stalls Supplied		PARKING PRICING	SITework PRICING (SEE TAB)	GENERAL CONDITIONS		MARKUPS		TOTAL PRICING			
				Community Center	Offices & Classroom	Housing	Nursing Home	Total Floor Area	UNIT RATE	TOTAL		TOTAL	New Pkg Area Total			New Pkg Stalls Total	TOTAL	TOTAL	%	TOTAL	%	TOTAL	TOTAL
Phase 1 - Short Term (0 to 5 Years)																							
	-	-	-	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Phase 1 Sub-total	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Phase 2 - Medium Term (5 to 10 Years)																							
Full Redevelopment									\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
New Community Center	1	1	12,000	12,000				12,000	\$ 205	\$ 2,460,000	\$ 57,500	59,625	310	\$ 286,750	\$ 996,765	12.00%	\$ 456,122	7.50%	\$ 510,856	\$ 4,767,993			
Community Buildings	2	2	15,000		30,000			30,000	\$ 220	\$ 6,600,000	\$ 608,500	39,642	245	\$ 226,625	\$ 996,765	10.00%	\$ 843,189	6.50%	\$ 927,508	\$ 10,202,587			
								0	\$ -	\$ -	\$ -		0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Phase 2 Sub-total	3	3	27,000	12,000	30,000	0	0	42,000	\$ 216	\$ 9,060,000	\$ 666,000	99,267	555	\$ 513,375	\$ 1,993,530		\$ 1,299,311		\$ 1,438,364	\$ 14,970,580			
Phase 3 - Long Term (10+ Years)																							
								0	\$ -	\$ -	\$ -		0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Phase 3 Sub-total	0	0	0	0	0	0	0	0	#DIV/0!	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total Phases 1 through 3	3	-	-	12,000	30,000	0	0	42,000	\$ 216	\$ 9,060,000	\$ 666,000	99,267	555	\$ 513,375	\$ 1,993,530		\$ 1,299,311		\$ 1,438,364	\$ 14,970,580			

DSHS - Frances Haddon Morgan Center Draft Program - Option 3 - School Campus - 11/14/11

Building Description	Bldgs	Floors Each	BLDG SF Each	Gross SF Floor Area					BUILDING COST		DEMOLITION / ABATEMENT PRICING (SEE TAB)	New Parking Stalls Supplied		PARKING PRICING	SITWORK PRICING (SEE TAB)	GENERAL CONDITIONS		MARKUPS		TOTAL PRICING
				Community Center	Offices & Classroom	Housing	Nursing Home	Total Floor Area	UNIT RATE	TOTAL	TOTAL	New Pkg Area Total	New Pkg Stalls Total	TOTAL	TOTAL	%	TOTAL	%	TOTAL	TOTAL
Phase 1 - Short Term (0 to 5 Years)																				
		-	-	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 1 Sub-total	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 2 - Medium Term (5 to 10 Years)																				
Full Redevelopment								0	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New School Administration Building	1	2	60,000		60,000			60,000	\$ 205	\$ 12,300,000	\$ 666,000	138,489	545	\$ 504,125	\$ 1,993,530	12.00%	\$ 1,855,639	7.50%	\$ 2,078,315	\$ 19,397,609
								0	\$ -	\$ -	\$ -		0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 2 Sub-total	1	2	60,000	0	60,000	0	0	60,000	\$ 205	\$ 12,300,000	\$ 666,000	138,489	545	\$ 504,125	\$ 1,993,530		\$ 1,855,639		\$ 2,078,315	\$ 19,397,609
Phase 3 - Long Term (10+ Years)																				
								0	\$ -	\$ -	\$ -		0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 3 Sub-total	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Phases 1 through 3	1	-	-	0	60,000	0	0	60,000	\$ 205	\$ 12,300,000	\$ 666,000	138,489	545	\$ 504,125	\$ 1,993,530		\$ 1,855,639		\$ 2,078,315	\$ 19,397,609

DSHS - Frances Haddon Morgan Center Draft Program - Option 4 - Senior Housing - 11/14/11

Building Description	Bldgs	Floors Each	BLDG SF Each	Gross SF Floor Area					BUILDING COST		DEMOLITION / ABATEMENT PRICING (SEE TAB)	New Parking Stalls Supplied		PARKING PRICING	SITework PRICING (SEE TAB)	GENERAL CONDITIONS		MARKUPS		TOTAL PRICING
				Nursing Home	Medical Clinic	Community Center	Housing	Duplex	Total Floor Area	UNIT RATE	TOTAL	TOTAL	New Pkg Area Total	New Pkg Stalls Total	TOTAL	TOTAL	%	TOTAL	%	TOTAL
Phase 1 - Short Term (0 to 5 Years)																				
	-	-	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 1 Sub-total	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 2 - Medium Term (5 to 10 Years)																				
Senior Housing	1	2	100,000				100,000		\$ 120	\$ 12,000,000	\$ 666,000		160	\$ 148,000	\$ 818,771	8.00%	\$ 1,090,622	6.50%	\$ 1,177,871	\$ 15,901,264
Duplex	7	2	2,800					19,600	\$ 80	\$ 1,568,000				\$ 818,771	8.00%	\$ 190,942	6.50%	\$ 206,217	\$ 2,783,930	
									\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 2 Sub-total	8	2	100,000	0	0	0	100,000	0	\$ 113	\$ 13,568,000	\$ 666,000	0	160	\$ 148,000	\$ 1,637,543		\$ 1,281,563		\$ 1,384,088	\$ 18,685,194
Phase 3 - Long Term (10+ Years)																				
									\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Phase 3 Sub-total	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Phases 1 through 3	8	-	-	0	0	0	100,000	0	\$ 113	\$ 13,568,000	\$ 666,000	0	160	\$ 148,000	\$ 1,637,543		\$ 1,281,563		\$ 1,384,088	\$ 18,685,194

DSHS - Frances Haddon Morgan Center Draft Program - Option 5 - Residential - 11/14/11

Building Description	Bldgs	Floors Each	BLDG SF Each	Gross SF Floor Area						BUILDING COST		DEMOLITION / ABATEMENT PRICING (SEE TAB)	New Parking Stalls Supplied		PARKING PRICING	SITWORK PRICING (SEE TAB)	GENERAL CONDITIONS		MARKUPS		TOTAL PRICING
				Nursing Home	Medical Clinic	Community Center	Housing	Residence	Total Floor Area	UNIT RATE	TOTAL		TOTAL	New Pkg Area Total			New Pkg Stalls Total	TOTAL	TOTAL	%	
Phase 1 - Short Term (0 to 5 Years)																					
	-	-	-	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 1 Sub-total	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 2 - Medium Term (5 to 10 Years)																					
Single Family Residences	39	2	3,000						117,000	117,000	\$ 85	\$ 9,945,000	\$ 666,000	0	\$ -	\$ 1,671,624	8.00%	\$ 982,610	6.50%	\$ 1,061,219	\$ 14,326,452
											\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phase 2 Sub-total	39	2	3,000	0	0	0	0	0	117,000	117,000	\$ 85	\$ 9,945,000	\$ 666,000	0	\$ -	\$ 1,671,624		\$ 982,610		\$ 1,061,219	\$ 14,326,452
Phase 3 - Long Term (10+ Years)																					
Phase 3 Sub-total	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Phases 1 through 3	39	-	-	0	0	0	0	0	117,000	117,000	\$ 85	\$ 9,945,000	\$ 666,000	0	\$ -	\$ 1,671,624		\$ 982,610		\$ 1,061,219	\$ 14,326,452

Buildings to be Demolished/Gutted

Option 1B - Phase 1

	Building Name	Sq Ft	\$/SF	TOTAL	Note	Building Type	Abatement Sq Ft	\$/SF	TOTAL	GRAND TOTAL
OC	Olympic Center	38,000	\$ 5.00	\$ 190,000	Complete Demo		9,500	\$ 6.50	\$ 61,750	\$ 251,750
OC	Olympic Center	38,000	\$ 2.65	\$ 100,700	Select Demo		9,500	\$ 6.50	\$ 61,750	\$ 162,450
FRL	Forest Ridge Lodge	11,500	\$ 1.75	\$ 20,125	Select Demo	Wood Framed			\$ -	\$ -
Cottages	Cottage 1	7,000	\$ 1.75	\$ 12,250	Select Demo	Wood Framed			\$ -	\$ -
Cottages	Cottage 2	7,000	\$ 1.75	\$ 12,250	Select Demo	Wood Framed			\$ -	\$ -
Cottages	Cottage 3	7,000	\$ 1.75	\$ 12,250	Select Demo	Wood Framed			\$ -	\$ -
		108,500		\$ 347,575			19,000		\$ 123,500	\$ 471,075

Option 2 - Phase 2

	Building Name	Sq Ft	\$/SF	TOTAL	Note	Building Type	Abatement Sq Ft	\$/SF	TOTAL	GRAND TOTAL
CC	Forest Ridge Lodge	11,500	\$ 5.00	\$ 57,500	Complete Demo	Wood Framed			\$ -	\$ -
CU	Olympic Center	76,000	\$ 5.00	\$ 380,000	Complete Demo		19,000	6.5	\$ 123,500	\$ 802,750
CU	Cottage 1	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
CU	Cottage 2	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
CU	Cottage 3	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
		108,500		\$ 542,500			19,000		\$ 123,500	\$ 666,000

Option 3 - Phase 2

	Building Name	Sq Ft	\$/SF	TOTAL	Note	Building Type	Abatement Sq Ft	\$/SF	TOTAL	GRAND TOTAL
Admin	Forest Ridge Lodge	11,500	\$ 5.00	\$ 57,500	Complete Demo	Wood Framed			\$ -	\$ -
Admin	Olympic Center	76,000	\$ 5.00	\$ 380,000	Complete Demo		19,000	6.5	\$ 123,500	\$ 802,750
Admin	Cottage 1	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
Admin	Cottage 2	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
Admin	Cottage 3	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
		108,500		\$ 542,500			19,000		\$ 123,500	\$ 666,000

Option 4 - Phase 2

	Building Name	Sq Ft	\$/SF	TOTAL	Note	Building Type	Abatement Sq Ft	\$/SF	TOTAL	GRAND TOTAL
	Forest Ridge Lodge	11,500	\$ 5.00	\$ 57,500	Complete Demo	Wood Framed			\$ -	\$ -
	Olympic Center	76,000	\$ 5.00	\$ 380,000	Complete Demo		19,000	6.5	\$ 123,500	\$ 802,750
	Cottage 1	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
	Cottage 2	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
	Cottage 3	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
		108,500		\$ 542,500			19,000		\$ 123,500	\$ 666,000

Option 5 - Phase 2

	Building Name	Sq Ft	\$/SF	TOTAL	Note	Building Type	Abatement Sq Ft	\$/SF	TOTAL	GRAND TOTAL
	Forest Ridge Lodge	11,500	\$ 5.00	\$ 57,500	Complete Demo	Wood Framed			\$ -	\$ -
	Olympic Center	76,000	\$ 5.00	\$ 380,000	Complete Demo		19,000	6.5	\$ 123,500	\$ 802,750
	Cottage 1	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
	Cottage 2	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
	Cottage 3	7,000	\$ 5.00	\$ 35,000	Complete Demo	Wood Framed			\$ -	\$ -
		108,500		\$ 542,500			19,000		\$ 123,500	\$ 666,000

Frances Haddon Morgan Center Master Plan

Opt 1 - 5 - Sitework

Sitework

Option 1B - Phase 1

	Description	Quantity	Unit	\$ / SF	TOTAL
	Landscaping, access paths, etc	711,975	sf	\$ 0.20	\$ 142,395
	Storm	711,975	sf	\$ 0.60	\$ 427,185
	Water/Sanitary	711,975	sf	\$ 0.05	\$ 35,599
	Site Electrical	711,975	sf	\$ 0.10	\$ 71,198
	Earthwork/Site Demo	711,975	sf	\$ 0.50	\$ 355,988
	Roadway	6,583	sf	\$ 12.35	\$ 81,300
					\$ 1,113,664

Option 2 - Phase 2

	Description	Quantity	Unit	\$ / SF	TOTAL
	Landscaping, access paths, etc	711,975	sf	\$ 0.85	\$ 605,179
	Storm	711,975	sf	\$ 0.60	\$ 427,185
	Water/Sanitary	711,975	sf	\$ 0.30	\$ 213,593
	Site Electrical	711,975	sf	\$ 0.20	\$ 142,395
	Earthwork/Site Demo	711,975	sf	\$ 0.85	\$ 605,179
					\$ 1,993,530

Option 3 - Phase 2

	Description	Quantity	Unit	\$ / SF	TOTAL
	Landscaping, access paths, etc	711,975	sf	\$ 0.85	\$ 605,179
	Storm	711,975	sf	\$ 0.60	\$ 427,185
	Water/Sanitary	711,975	sf	\$ 0.30	\$ 213,593
	Site Electrical	711,975	sf	\$ 0.20	\$ 142,395
	Earthwork/Site Demo	711,975	sf	\$ 0.85	\$ 605,179
					\$ 1,993,530

Option 4 - Phase 2

	Description	Quantity	Unit	\$ / SF	TOTAL
	Landscaping, access paths, etc	711,975	sf	\$ 0.40	\$ 284,790
	Storm	711,975	sf	\$ 0.55	\$ 391,586
	Water/Sanitary	711,975	sf	\$ 0.30	\$ 213,593
	Site Electrical	711,975	sf	\$ 0.20	\$ 142,395
	Earthwork/Site Demo	711,975	sf	\$ 0.85	\$ 605,179
					\$ 1,637,543

Option 5 - Phase 2

	Description	Quantity	Unit	\$ / SF	TOTAL
	Landscaping, access paths, etc	711,975	sf	\$ 0.30	\$ 213,593
	Storm	711,975	sf	\$ 0.45	\$ 320,389
	Water/Sanitary	711,975	sf	\$ 0.25	\$ 177,994
	Site Electrical	711,975	sf	\$ 0.15	\$ 106,796
	Earthwork/Site Demo	711,975	sf	\$ 0.60	\$ 427,185
	Roadway	34,467	sf	\$ 12.35	\$ 425,667
					\$ 1,671,624

Appendix J

Zoning and Building Code Overview

Memo

To: Department of Social and Health Services
From: Deborah Munkberg, AICP, inova
Barbara Cline, Traho Architects PS
Date: November 2, 2011
Re: Existing Zoning: Cities of Bremerton and Selah

City of Selah Zoning Summary

The Yakima Valley School site is located in the R-1 (One-Family Residential) zone. The primary permitted use is single family residential with a minimum lot size of 10,000 sf where slopes are less than 25% and water/sewer service is available and 5 acres when slopes are greater than 25% or where municipal water and sewer service is not available.

As described in Selah Municipal Code (SMC) 10.10.10, the purpose of this zoning district is to provide for single family residential uses where urban governmental services are not available or cannot be provided without excessive public cost and where such uses must function on individual on-site private wells and sewage disposal systems or interim community utility systems until municipal utility services are extended. This district is specifically intended to facilitate coordinated and collaborative public infrastructure investment. Where public water and sewer systems are available, connection is required.

SMC 10.28 identifies three classes of potential uses:

- **Class 1** uses are those that are permitted, pending administrative review to confirm that all zoning requirements are satisfied.
- **Class 2** uses provide for administrative review to ensure compatibility with the surrounding area. A Class 2 application is reviewed by the reviewing official and may be conditioned in order to ensure compatibility and compliance with the provisions of the zoning district and the goals, objectives and policies of the comprehensive plan. Occasionally, even with conditions, a Class 2 use may be incompatible at a particular location. If a Class 2 application cannot be adequately conditioned, it is denied.
- **Class 3** conditional uses are not appropriate generally throughout the zoning district but may be permitted at a particular location where it can be conditioned in such a way to ensure compatibility and compliance with the provisions of the zoning district and the goals, objectives and policies of the comprehensive plan. If a Class 3 application cannot be adequately conditioned, it is denied. Class 3 conditional use permit applications are reviewed by the planning commission at a public hearing review and a recommendation is forwarded to the legislative body recommending disposition of the application.

In the R-1 zone, **Class 1** uses include agricultural buildings used to house livestock, accessory structures, detached single family dwellings and minor home occupations. **Class 2** uses include agricultural stands,

public/private parks (passive), child or adult daycare facilities (fewer than 13 children or adults), and group homes. **Class 3** uses include active parks, cemetery, mausoleums and columbariums, churches, synagogues, temples, child/adult day care with more than 12 adults or children; municipal buildings; schools; bed and breakfast inns, communication towers, utility substations, water reservoirs; and pumping stations.

Maximum lot coverage is 35 percent, including principal and accessory structures and parking. Maximum permitted structure height is 35 feet.

Commercial Zoning Designations

Commercial zoning designations in the City of Selah provide for a broader range of uses. The City has two commercial designations:

The Professional Business (B-1) district provides for a transition between commercial and residential areas where urban governmental services are currently available or will be extended by the proponent to facilitate development at no public cost. Urban development standards are required for development in the B-1 zone. This zoning district permits specifically enumerated uses of a type designed to provide services of a personal and professional nature. (SMC 10.18)

The General Business (B-2) designation provides for day-to-day convenience shopping and service needs of persons residing in nearby residential areas. It is intended that all business establishments shall be retail, wholesale or service establishments and where all goods produced on the premises are sold at retail. The B-2 zoning district is located where urban governmental services are either available or can be extended by the proponent to facilitate the project at no public cost. Urban development standards are required for development in the B-2 zone. (SMC 10.20)

In both the B-1 and B-2 zones, medical/dental laboratories and clinics, professional offices for accountants, attorneys, engineers, government, etc, convalescent and nursing homes are permitted outright. A business and vocation or community college is subject to Class 2 review. In addition, the B-2 zone allows for a broader range of uses and includes hospital as a Class 1 use.

In the B-1 zone, maximum lot coverage is 80%, compared to 100% in the B-2 zone. In both zones, structure heights are not limited.

Planned Developments

SMC 10.24 establishes a planned development zoning district. Regardless of underlying zoning requirements, a planned development zone may permit all proposed uses and developments that are in conformance with the policies and densities established in the comprehensive plan. A planned development zone may be permitted at any location subject to the provisions of SMC 10.24. Approval of a planned development zone modifies and supersedes all regulations of the underlying zoning district.

The purpose of the Planned Development District is to allow new development that is consistent with the comprehensive plan but that would not be readily permitted in other zoning districts due to limitations in dimensional standards, permitted uses, or accessory uses. In addition, planned development zones may: Encourage flexibility in design and development that are architecturally and environmentally innovative, that will encourage a more creative approach in the development of land, and which will result in a more

efficient, aesthetic and desirable utilization of the land than is possible through strict application of standard zoning and subdivision controls.

An application for a planned development rezone is heard by the hearing examiner, who makes a recommendation to the City Council for final action.

Yakima Valley School

The Yakima Valley School Main Building was constructed in the mid-1940s; prior to adoption of the City of Selah zoning ordinance. The current uses at the main building are therefore accepted: licensed health care facility with associated office, kitchen, laundry, garage, and shop uses. The Cottages were approved by the City Council in the mid-1980s, at which time the Council approved the extension of water and sewer to them.

No special use permit is in effect or to be found in city records for the current uses on the YVS campus. One or two requests for Conditional Use Permits have been presented to the City Council in intervening years, including a request for approval of a battered women's shelter. Due to public opposition, these requests have been denied. According to the City, it is possible that if a request were made to convert the site to residential uses, or to commercial office space including doctor/dentist/attorney, or to a trade school (such as Perry Technical Institute), it would be allowed. Conversely, it is possible that if a request were made to convert uses on the site to a half-way house, alcohol/drug recovery clinic, shelter for victims of domestic violence, hospital for public use, or storage only building (for example, a moving company), it would not be allowed.

Review of any and all potential uses on site other than those now occurring, will require discussion with the City's Community Planner and with the City Council. Many issues involving future or changed land use would not be brought to light until a specific project triggers a detailed review. Cost, schedule and risk impacts would be included in the assessment of a specific project.

City of Bremerton Zoning Summary

The Frances Haddon Morgan Center site is located in the Low Density Residential (R-10) district. As described in Bremerton Municipal Code (BMC) 20.60.010, the intent of this district is to accommodate single family housing by infilling at a range of lot sizes consistent with urban growth patterns. Some attached single-family housing may be appropriate when responding to sensitive areas or with innovative design. Residential development at higher densities is encouraged at the edge of designated centers.

Permitted uses in the R-10 zone include the following:

- Cemetery
- Co-location of wireless communications
- Daycare facility of 12 or fewer persons receiving care
- Education or schools (K-12) of 12 or fewer students
- Foster home
- Group residential home, defined as up to six individuals
- Parks, playground or open space equal to or less than one-half acre
- Single unit dwelling unit, detached

- Single unit dwelling unit, attached (0 lotline)
- Religious facilities of 20,000 gross sf or less
- Incubator for business associated with a worship or religious facility or community facility, subject to conditions

Conditional uses in the R-10 zone are listed below. Conditional uses are reviewed subject to the requirements of BMC 20.58.020. The review process may be processed as a Director decision (Type II permit) or a Hearing Examiner decision (Type III permit), depending on the Director’s assessment that the use has a significant impact beyond the immediate site, is of a neighborhood or community-wide interest or is of a controversial nature.

- Bed and breakfast
- Class 1 group residential facilities (7 or more persons)
- Senior housing complex
- Nursing/convalescent homes
- Daycare facilities (13 or more persons receiving care)
- Adaptive reuse of public and semi-public buildings
- Manufactured home park
- Worship, religious or community facilities greater than 20,000 sf
- Golf course
- Schools, parks and associated uses
- Public utility facilities located above ground
- Law enforcement and fire facilities
- Neighborhood businesses
- Community facilities under 20,000 sf

Master Development Zone

BMC 20.80 establishes a master development (MD) zone to provide large-scale planned development by public entities or through public-private partnerships which provide a clear community benefit. These areas are envisioned for innovative development meeting unique community needs. Sites are to employ subarea planning efforts that address compatibility with surrounding uses and consistency with the Comprehensive Plan.

The MD zone is only applicable to lands located in the public sector redevelopment site (PSRS), employment center (EC), district center (DC), neighborhood center (NC) or downtown regional center Comprehensive Plan designations. The Frances Haddon Morgan Center is not located in any of these designations.

The process for establishing a MD zoning designation includes completion of a subarea planning process, adoption of the subarea plan by the City, and adoption of a site-specific rezone of the site to the MD zone.

Permitted uses and development standards for the MD zoning designation are established through the subarea planning process.

Frances Haddon Morgan Center

According to the City of Bremerton, there are no known conditional, special or similar land use permit approvals recorded on the site. Review of any and all potential uses on site other than those now occurring, will require discussion with the City's Department of Community Development and a typical process of subsequent evaluation. Many issues involving future and/or changed land use would not be brought to light until a specific project triggers a detailed review. Cost, schedule and risk impact would be included in the assessment of a specific project.

MEMO



To: Department of Social and Health Services

From: Barbara Cline, MS, AIA, Traho Architects, P.S.

Date: November 2, 2011

Re: Building Code Construction Types and Occupancy Groups, Yakima Valley School and Frances Haddon Morgan Center

YAKIMA VALLEY SCHOOL

Main Building

The existing building is IBC Type II Construction, concrete structure with brick veneer; it is a fire sprinklered building, approximate size 90,000 GSF. The following current occupancies apply: Floors 1-3/ Group I-2 Occupancy (Institutional); Floor 4/ Group B Occupancy (Business); Upper floors- mechanical equipment.

In reviewing possible occupancy groups that could be allowed in the Main Building, with reference to IBC Table 503, the following are potential considerations for this building, subject to a detailed code review with the city of Selah:

- Groups A-1, A-2, A-3, A-4 on floors 1-3. Typical Assembly Group occupancy includes, among others, the use of a building or portion of a building for the gathering of persons for purposes such as civic, social or religious functions or for recreation, food or drink consumption.
- Group B, on floors 1-4. Typical Business Group B occupancy includes, among others, the use of a building or portion thereof, for office, professional or service-type transactions, including storage of records and accounts.
- Group E on floors 1-3. Typical Educational Group E occupancy includes, among others, the use of a building or portion thereof, by six or more persons at any one time for educational purposes through the 12th grade; or for educational, supervision or personal care services for more than five children older than 2 ½ years of age.
- Group I-1 on floors 1-4. Institutional Group I-1 occupancy includes buildings or parts thereof housing more than 16 persons, on a 24-hour basis, who because of age, mental disability or other reasons, live in a supervised residential environment that provides personal care services. This group includes alcohol and drug centers, assisted living facilities, congregate care and convalescent facilities, group homes, halfway houses, residential board and care facilities and social rehabilitation facilities.
- Group I-2 on floors 1-2. Institutional Group I-2 occupancy includes medical, surgical, psychiatric, nursing or custodial care on a 24-hour basis of more than five persons who are not capable of self-preservation. This group includes child care facilities, detoxification facilities, hospice care centers, hospital, nursing homes and mental hospitals. (Note: Group I-2 is allowed only on floor 1 if it is determined that the building is Type II B construction, as opposed to Type II A.)

- Group I-3 on floors 1-2. Institutional Group I-3 occupancy includes buildings that are inhabited by more than five persons who are under restraint or security, such as correctional and detention centers, jails, prerelease centers prisons and reformatories.
- Group I-4 on floors 1-3. Institutional Group I-4 occupancy includes buildings occupied by persons of any age who receive custodial care for less than 24 hours by individuals other than parents or guardians, relative by blood, marriage or adoption and in a place other than the home of the person cared for. This group includes some types of adult care facilities and child care facilities.
- Groups R-1, R-2, and R-3 on floors 1-4. Residential Group R includes buildings or portions thereof for sleeping purposes when not classified as an Institutional Group I. R-1 occupants are primarily transient in nature, such as boarding homes, hotels and motels. R-2 occupants are primarily permanent in nature, such as apartment houses, boarding houses, dormitories, live/work units, (hotels and motels) and vacation timeshares. R-3 occupancies are primarily permanent and include buildings with not more than two dwelling units, adult care facilities for five or fewer persons of any age for less than 24 hours, and congregate living facilities with 16 or fewer persons.

Cottages

The seven existing cottages are assumed to be IBC Type VA construction, wood framed with fire sprinklers; single story with a basement housing mechanical equipment; approximate size 6,800 GSF each.

They are occupied as a Group I-2 Occupancy and subject to Department of Health nursing home regulations.

The following occupancy groups could be considered, subject to a detailed code review with the City of Selah:

- Groups A-1, A-2, A-3, A-4
- Group B
- Group E
- Groups I-1, I-2, I-3, I-4
- Groups R-1, R-2, R-3

YVS- Summary

Many of the details of a full building code review would not be known until a specific project triggers issues for a more formal discussion. Existing floor plan configurations may need to be altered for future uses, whether those uses are the same as those existing, or are a change from existing.

FRANCES HADDON MORGAN CENTER

a. Construction Type

Olympic Center- The existing building is assumed to be IBC construction Type VB, with wood framing and a fire sprinkler system; approximate size 66,000 GSF.

Duplex Residences- The duplex residences are assumed to be IBC construction Type VA, with wood framing and fire sprinklers; they are between 5,300 and 5,800 GSF each.

Forest Ridge Lodge is also assumed to be IBC construction Type VA, wood framed and with fire sprinklers; approximate size 3,300 GSF.

b. Occupancy Groups

Olympic Center- The Olympic Center could potentially be used by IBC Occupancy Groups A/Assembly, B/Business, E/Educational and R/Residential (occupancy groups as noted above in the Yakima Valley School discussion). The Olympic Center is now used for offices and conference rooms.

Duplex residences- The residences are now occupied as an Institutional Group I-1/R-2 Congregate Care Occupancy, and subject to Department of Health regulations. They could possibly be occupied as A/Assembly, B/Business, E/Educational, I/Institutional or R/Residential occupancies (occupancy groups as noted above in the Yakima Valley School discussion).

Forest Ridge Lodge- Forest Ridge Lodge is currently occupied as an Institutional Group I-1/R-2 Congregate Care Occupancy, and subject to Department of Health regulations. Similar to the Olympic Center and the duplex residences, possible occupancy groups that could be considered include A, B, E, I and R.

FHMC- Summary

Many of the details of a full building code review would not be known until a specific project triggers issues for a more formal discussion. Not all A, B, E, I or R occupancies could necessarily be included in a change of use, without consideration of maximum areas allowed based on the construction type. Additionally, the existing configuration of floor plans may or may not be conducive to a particular change from a current occupancy use, to a new occupancy use, even if the construction type and occupancy group are acceptable from a code standpoint.

Appendix K

Project Resources and Data List

Frances Haddon Morgan Center

Department of Social and Health Services

2003-05 Ten Year Capital Plan/Campus System Estimated Preservation Backlog, Schedules A, B and C

As-Built Drawings from the Frances Haddon Morgan Center

Briefing Paper: Developmental Disability Service System Task Force. September 27, 2011.

Briefing Report: The System of Supports for People with Developmental Disabilities. January 2011

Frances Haddon Morgan Center website: <http://www.dshs.wa.gov/ddd/FHMC.shtml>

Lands and Buildings Building Detail Report, September 26, 2011

One Department, One Vision, One Mission, One Core Set of Values. April 22, 2010.

Site survey, topography and aerial photos

Site and aerial CADD files

Personal communication with the City of Bremerton staff in the Office of the Mayor, Community Development and Public Works departments; October and November 2011

Various on-site tours and telephone discussions with FHMC staff- Administrator and Plant Manager; date September and October, 2011

Joint Legislative Audit and Review Committee (JLARC): Capital Study of the DDD Residential habilitation Centers, Report 02-12; date December 4, 2002

Office of Financial Management 2009-11 Priorities of Government Final Report (POG)

