



Project Overview
May 21, 2015



TUKWILA VILLAGE

Today's Context

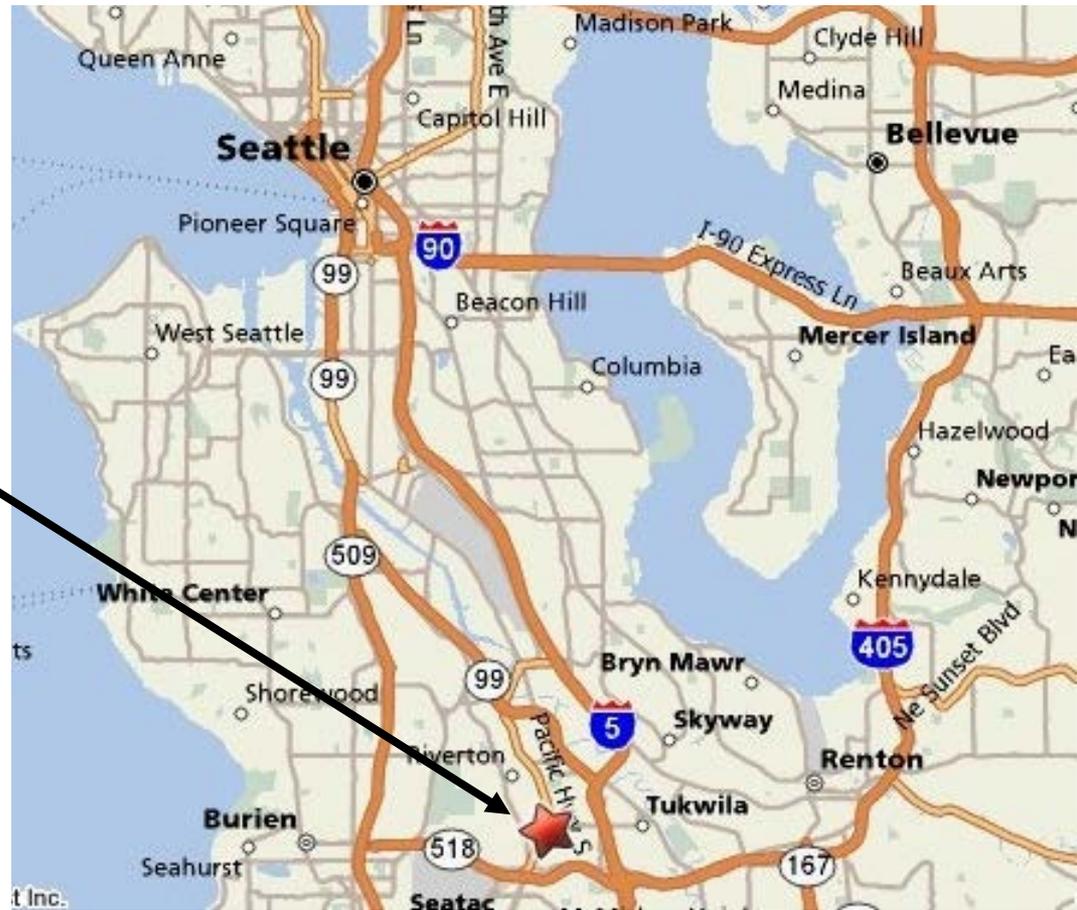


TUKWILA VILLAGE

Location

Tukwila Village

5.76 acres owned by City on two corners at Tukwila International Boulevard and South 144th Street.



TUKWILA VILLAGE

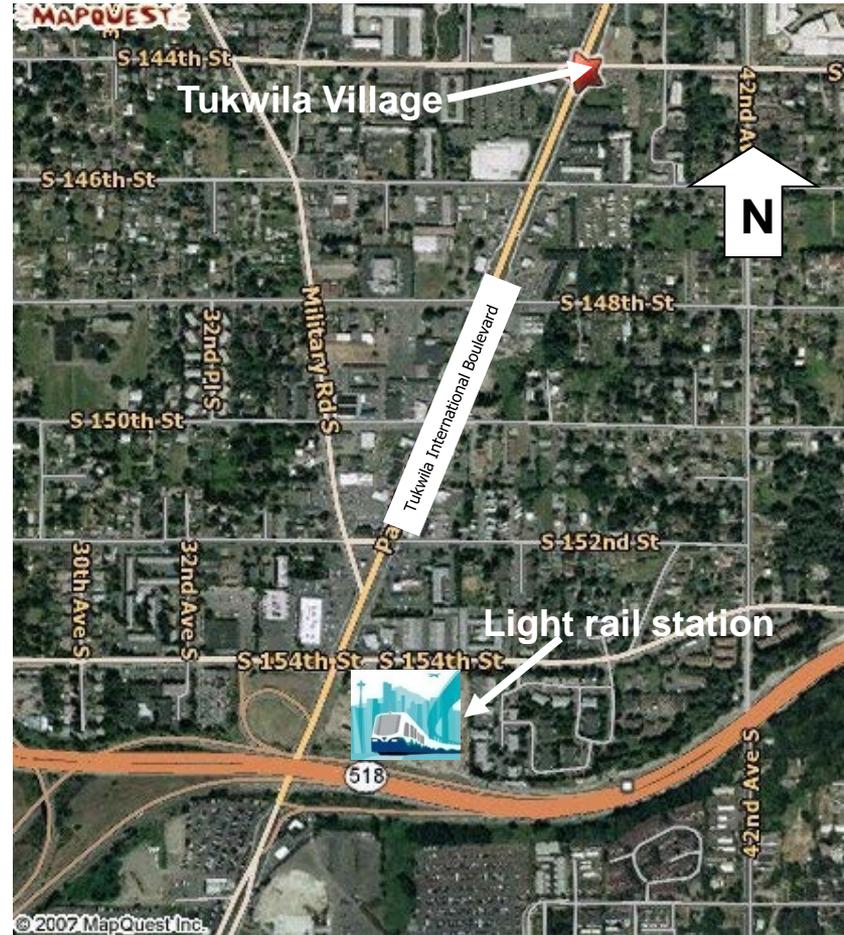
The Neighborhood

Walk to:

- Light rail station
- King County branch library
- 50,000 SF grocery store (Saar's Marketplace)
- Bartell's and Walgreen's drugstores
- City park
- High school w/400 seat auditorium
- Middle school
- Public swimming pool

Transit:

- 5 minutes by bus to light rail station
- 10 minutes by bus to Westfield Southcenter Mall
- 15 minutes by bus/light rail to SeaTac Airport
- 15 minutes by bus to Sounder commuter rail station
- 30 minutes by bus to downtown Seattle
- 30 minutes by light rail to downtown Seattle



TUKWILA VILLAGE

The Community

2000 Census data for the 5 block groups that compose the neighborhood:

- As compared to residents of King County, residents of the neighborhood were four times more likely to have lived outside the United States in 1995.
- 24% of children live under the poverty level

The Tukwila School District

- Rated by the New York Times in 2009 as the most diverse school district in the nation.
- 2,800 students
- Average student-teacher ratio of 1:25
- Students speak more than 60 world languages.
- Thirty-seven (37) percent of students qualify for English Language Learner services.
- Eighty (80) percent of students are eligible for free/reduced school meals.
- A certified staff of 184, classified staff 138, and 18 administrators, for a total of 340 full and part-time employees, serve the district. As of December 2010, the district has 39 National Board certified teachers.



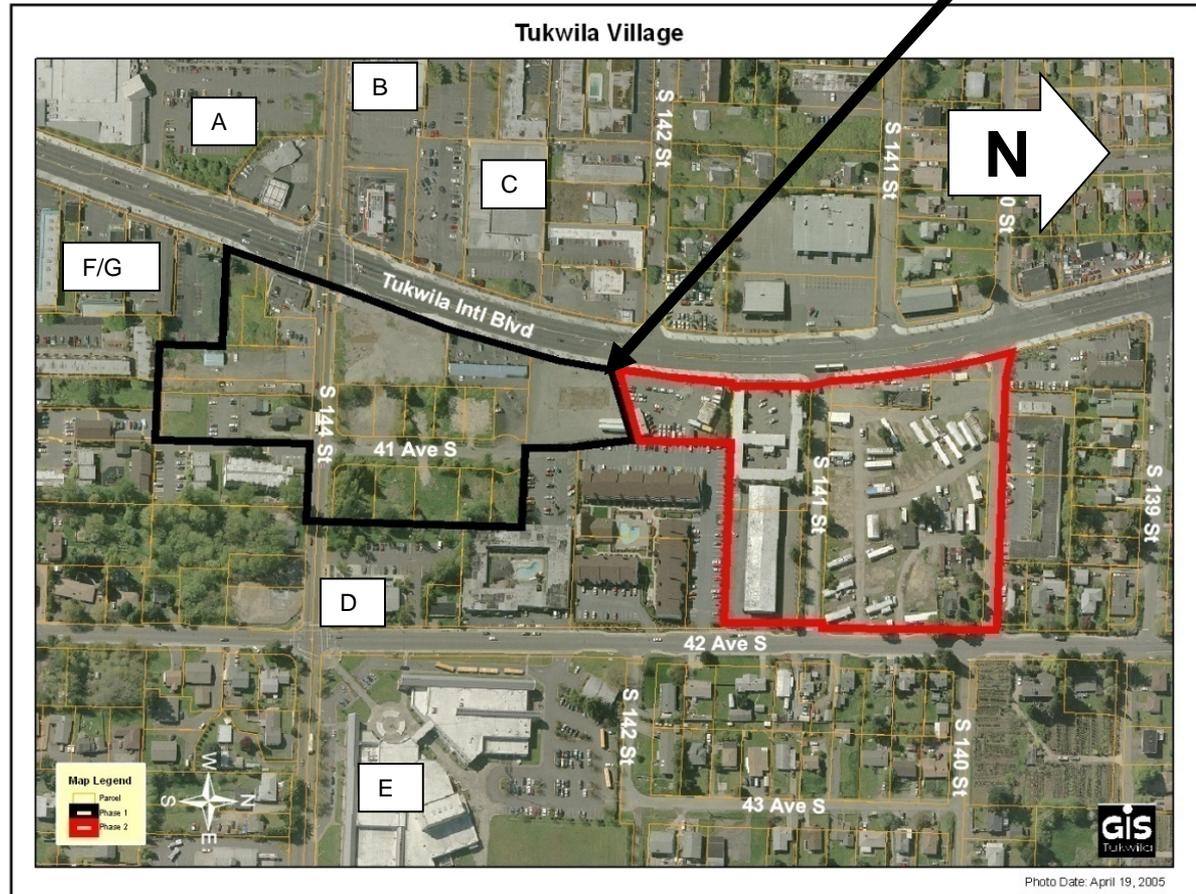
The Site

City owned
5.76 acres in
black outline

Nearby

- (A) 50,000 SF grocery store
- (B) Walgreen's
- (C) Bartell's
- (D) Existing Library
- (E) High school with 400 seat auditorium
- (F) Two of three motels seized by Federal Government in 2013.
- (G) Urban renewal project

The property outlined in red was previously identified as a second phase of Tukwila Village



The Project



TUKWILA VILLAGE

The Vision

Tukwila Village will be a welcoming place where all residents can gather and connect with each other. This mixed-use development will draw upon Tukwila's strengths and include a library, a neighborhood police resource center, retail, restaurants, public meeting space, and an outdoor plaza. The Village may also include office, live/work, and residential space. This active, vibrant place will set high standards for quality and foster additional neighborhood revitalization and civic pride.

Approved by Tukwila City Council 9/17/07



TUKWILA VILLAGE

The Developer

Tukwila Village Development Associates, LLC

Through partnerships with:

- Senior Housing Assistance Group (SHAG)
- Senior Housing Assistance Corporation (SHAC)
- Pacific Northern Construction Company





42nd Ave. South

FOSTER LIBRARY

NORMANDY COURT APARTMENTS

THE SAMARA APARTMENTS

Property Line

Residential over Garage

Plaza over Residential

S 144th St

RIVERTON TERRACE

Access to Adjacent Parking and Fire Lane

Existing Fire Lane

Property Line

Live-Work

Commercial Commons

Village Green

Residential Over Commercial

Residential over Garage

Live-Work

Residential over Garage

Commercial

Police

Plaza over Garage

Commercial

Commercial

Library

Medical Clinic

Surface Parking over Garage

GREAT BEAR MOTOR INN

7-ELEVEN

Tukwila International Blvd.

Medical Clinic

Residential over Medical Clinic

Medical Clinic

BOULEVARD MOTEL

JET INN MOTEL

RETAIL

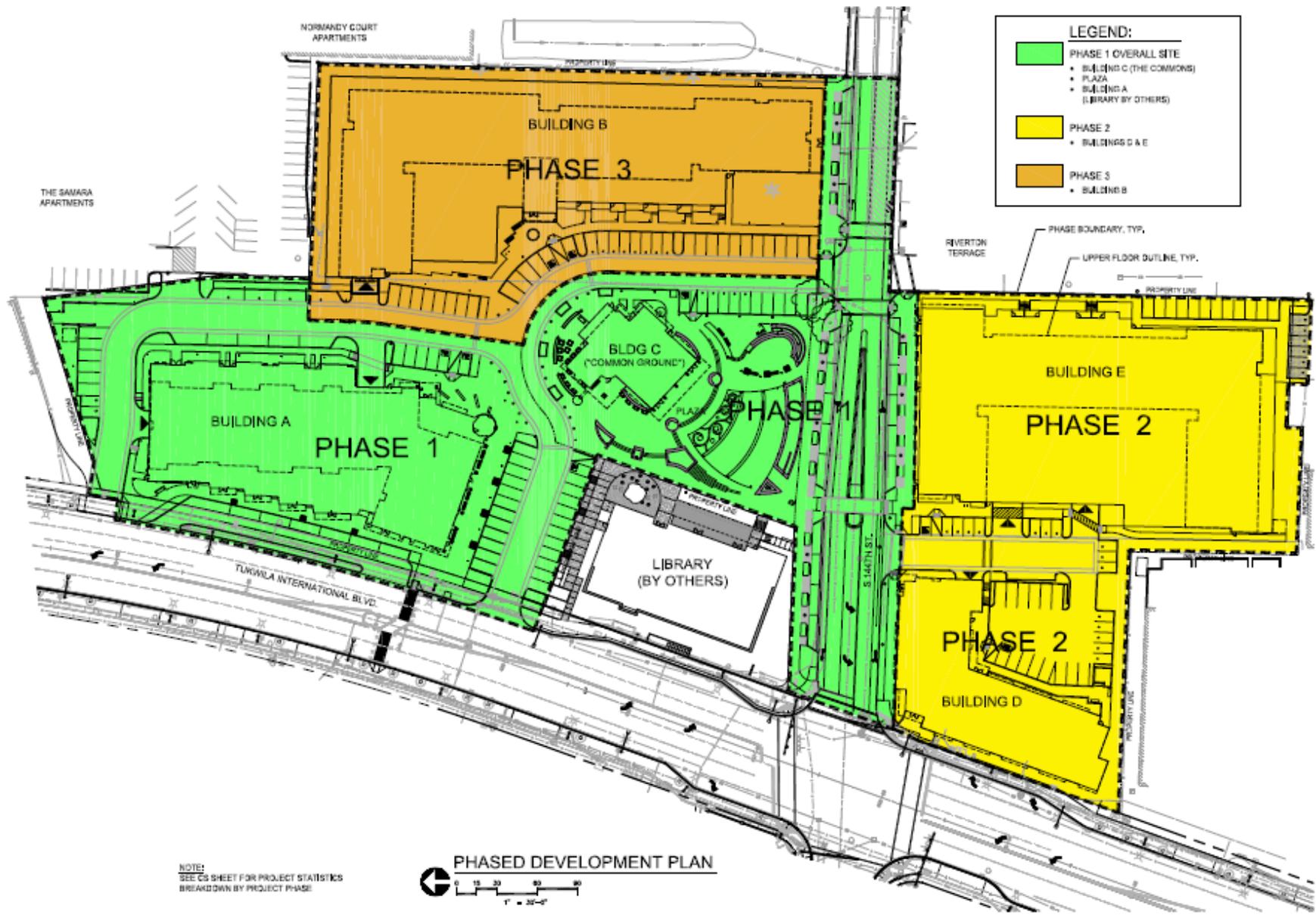
JACK IN THE BOX

TUKWILA VILLAGE

March 19, 2012



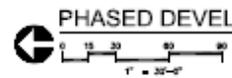
SCALE: 1" = 30'-0"



LEGEND:

- PHASE 1 OVERALL SITE
 - BUILDING C (THE COMMONS)
 - PLAZA
 - BUILDING A
 - (LIBRARY BY OTHERS)
- PHASE 2
 - BUILDINGS D & E
- PHASE 3
 - BUILDING B

NOTE:
SEE CS SHEET FOR PROJECT STATISTICS
BREAKDOWN BY PROJECT PHASE



The Lastudio LLC
ARCHITECTS

TUKWILA VILLAGE
PHASED DEVELOPMENT PLAN

PROJECT # 14-1113
FILE NAME: 141113-P1.dwg
DRAWN BY: GJL/MS

P1.1

DATE: 08/11/14



Building A



Building A

TUKWILA  VILLAGE



Commons Building





King County Library System



TUKWILA VILLAGE

Types of Uses

| Use | Units | SHAG |
|-----------------------|-------|--------|
| Library | SF | 10,000 |
| Police NRC | SF | 2,000 |
| Retail and commercial | SF | 13,000 |
| Office | SF | 13,000 |
| Outdoor Plaza | SF | 20,000 |
| Indoor Commons | SF | 2,000 |
| Senior Apartments | Units | 320 |
| Non-Senior Apartments | Units | 84 |



Apartments by Age & Income

| Age and Income Restrictions | Example Maximum Household Income | # of Units |
|-----------------------------|----------------------------------|------------|
| Senior | | |
| Unrestricted | No limit | 66 |
| 80% of AMI | \$54,800/two persons | 41 |
| 60% of AMI | \$41,100/two persons | 130 |
| 50% of AMI | \$34,250/two persons | 83 |
| None (Family) | | |
| Unrestricted | No limit | |
| 80% of AMI | \$54,800/two persons | 68 |
| 60% of AMI | \$41,100/two persons | 0 |
| 50% of AMI | \$34,250/two persons | 16 |
| Total | | 404 |

Income limits per Washington State Housing Finance Commission for King County effective 5/14/10.

Affordable Housing Income Limits

| Max % of AMI | 1 Person | 2 Persons | 3 Persons |
|--------------|----------|-----------|-----------|
| 80% | \$48,640 | \$55,600 | \$62,560 |
| 60% | \$36,480 | \$41,700 | \$46,920 |
| 50% | \$30,400 | \$34,750 | \$39,100 |

This table reflects the maximum income for households eligible to rent apartments set aside for households at 80%, 60% or 50% of the area median income.

AMI = area median income

Income limits per Washington State Housing Finance Commission for King County effective 5/31/11.



TUKWILA VILLAGE

City's Project Budget

| | Budget |
|-----------------------------------|----------------------------|
| Expenditures | \$9,000,000 |
| Property and business acquisition | |
| Demolition, site management | |
| Revenues | |
| SHAG development | \$4,000,000 to \$5,000,000 |
| Library | \$500,000 |
| | |
| Net Cost | \$3,500,000 to \$4,500,000 |



Current Status

- May 2015 Library purchased parcel from City and issued bid notice
- May 2015 Developer started grading and site work



Construction Schedule

| Building | Start | Finish |
|------------------|-------------|-----------|
| Library | July 2015 | Fall 2016 |
| Building A | Summer 2015 | Late 2016 |
| Building C | Summer 2015 | Late 2016 |
| Plaza | Summer 2015 | Late 2016 |
| Building D and E | Fall 2016 | 2017 |
| Building B | 2017 | 2018 |
| | | |



The Key Deal Terms



TUKWILA VILLAGE

Main Terms

- Preliminary Site Plan
- Development Agreement (DA)
- Vacation of 41st Avenue South
- Boundary Line Adjustments
- Police Neighborhood Resource Center Lease



Main Terms

- Temporary Construction Easement
- Phased Development Plan
- Proposed Site Plan
- TVDA and KCLS Agreement
- Statements of Purpose and Design for Plaza and Indoor Commons



Main Terms

- Residual Land Value Analysis
- Formation of community non-profit organization to manage plaza and commons
- Estoppel Certificate of Completion



Main Terms

- Uses and Sizes
- Age Restrictions
- Income Restrictions
 - Senior
 - Non Age-Restricted
- Library Architectural Style
- TVDA Rights to Library Parcel



Main Terms

- Vesting of Entitlements and Fees
- Encouraged Uses
- Quality of Construction Materials
- Renegotiation Rights/Minimum Price
- Termination Rights
- Property Re-Purchase (“Clawback”)



Main Terms

- Plaza Maintenance and Utilities
- Commons Maintenance and Utilities
- Plaza and Commons Repair
- Non-Fixed Assets Plaza and Commons
- South 144th Street Improvements
- TIB Improvements

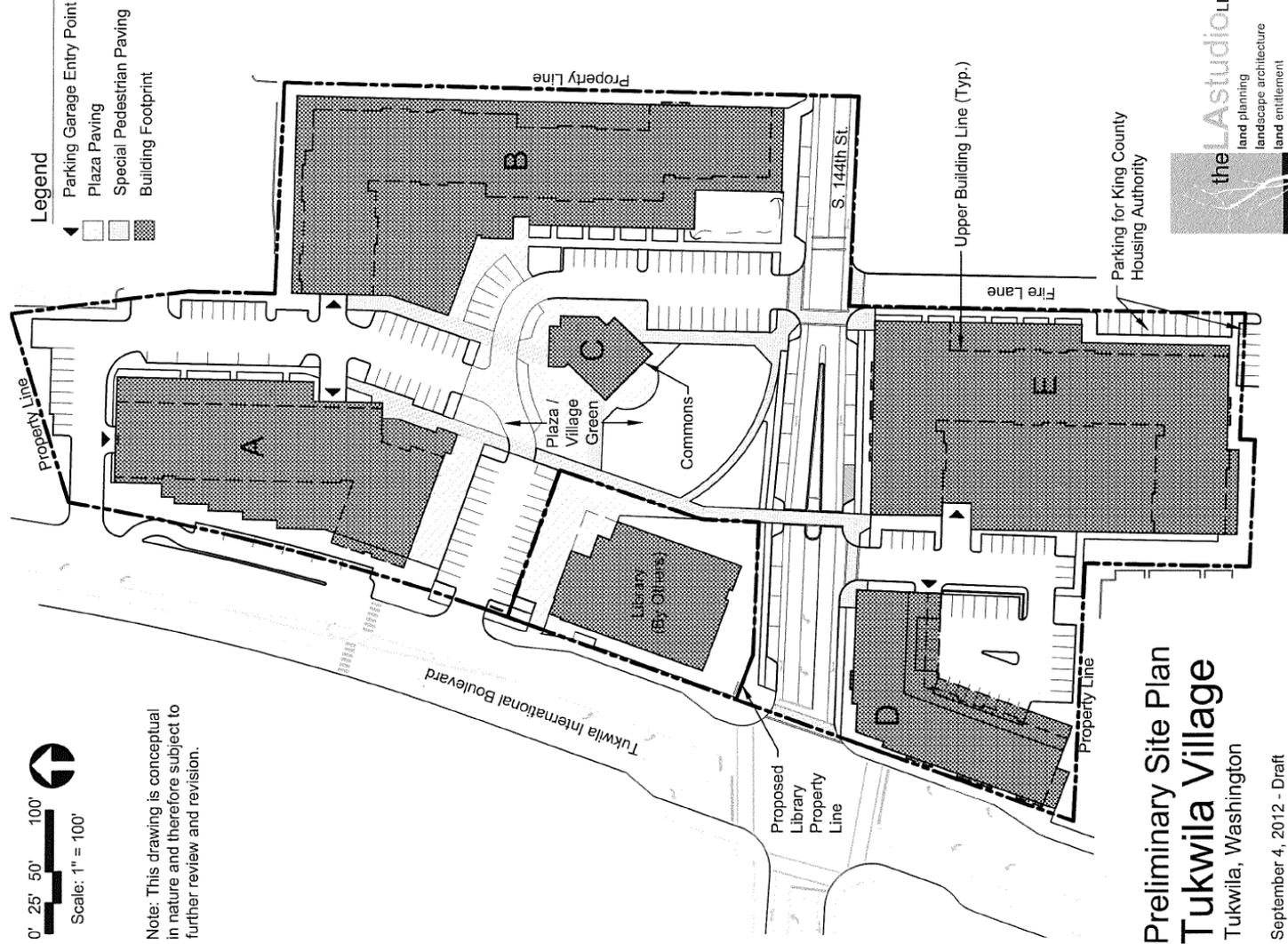


Design Approval Process

- Council approve *preliminary* site plan
- Regular approval process for everything else. E.g. Board of Architecture Review to approve *proposed* site plan and building design.
- Additional design standards for BAR.
- Plaza and commons design criteria for BAR “statements of purpose and design”



Preliminary Site Plan



Land Price

- Price based on residual land value analysis (fair market value based on the projected income and costs for this specific project).
- Price set after permit approval, financing, and construction bids and before close of escrow.
- City has right to terminate if price is under \$10,000 per residential unit plus an equivalent factor for commercial space.



Budget Impact

- Land sale
 - Staff estimate \$4 - 5 million
- Police Neighborhood Resource Center
- South 144th Street improvements



Residual Land Value Analysis

Example for a 100 unit apartment complex

| Description | Amount |
|--|----------------------|
| Gross annual rent (100 units at \$500 per month) | \$600,000 |
| Less: operating expenses (at 33%) | <u>- \$200,000</u> |
| Net annual operating income | \$400,000 |
| Divided by capitalization rate | .07 |
| Market value of leased up development | \$5,700,000 |
| Less: Cost of development | <u>- \$4,700,000</u> |
| Residual land value | \$1,000,000 |

Note: This is just a simplified example and does not reflect actual revenues, costs, or cap rates.

Library Key Terms

- Prime corner lot
- \$500,000
- Developer to provide infrastructure; KCLS to pay proportional.
- Escrow closes after building permits ready
- Some termination and clawback provisions



How Did We Get Here?



Pre-Annexation



TUKWILA VILLAGE

Past Neighborhood Milestones

- ❖ Annexation to Tukwila 1991
- ❖ Focus on safety, infrastructure, code enforcement
 - Vision Tukwila community outreach
 - 99 Task Force, Highway 99 Action Committee, etc.
 - Police neighborhood resource center
- ❖ Market analysis (1995)
- ❖ Pacific Highway Revitalization Plan (1998) after a four year effort.
- ❖ Tukwila International Boulevard Design Manual (1999)
- ❖ Urban Renewal Area with eminent domain (2000)
- ❖ Tukwila International Boulevard rebuilt
- ❖ Sign code enforcement and amortization
- ❖ Pacific Highway becomes City owned (2003)
- ❖ Light rail station opens (2009)

Major Project Milestones

- ❖ Public meeting at Foster High (1998)
- ❖ Property acquisition started (1999)
- ❖ Request for Proposals issued (2001)
- ❖ Sabey selected as preferred developer (2002)
- ❖ ClearPath financial feasibility analysis (2004)
- ❖ Draft letter of understanding with Sabey (2004)
- ❖ Sabey withdraws proposal (2005)
- ❖ Centex proposed townhouse concept (2006)
- ❖ Gardner-Johnson real estate market analysis (2007)
- ❖ Metrovation (Ron Sher) provides concept (2007)



Major Project Milestones

- ❖ City Council adopted vision statement (Sept 2007)
- ❖ City issued RFQ/RFP (May 2008)
- ❖ City selected Tarragon, LLC (September 2008)
- ❖ Draft deal term sheet (August 2009)
- ❖ City Council approved “Urban Renewal Overlay Zone” (2009)
- ❖ Tarragon withdrew due to economy (2010)
- ❖ Library confirmed their continued interest and hired an architect for site analysis (Sept 2010)
- ❖ KCLS expressed site preference to City Council (2/28/2011)
- ❖ City staff presented “senior housing concept” to City Council (2/28/2011)

Recent Project Milestones

- ❖ City Council voted to start a developer selection process and support for library (3/7/2011).
- ❖ City Council approved developer selection process (3/21/11)
- ❖ City Council selected Tukwila Village Development Associates, LLC as developer (6/6/11)
- ❖ Community meeting on plaza and commons design (11/17/11)
- ❖ City Council discussion of developer deal terms (12/17/11)
- ❖ City Council approves key deal terms with library (6/25/12)
- ❖ City Council approves Disposition and Development Agreement (DDA) with TVDA (10/22/12).



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- ❖ KCLS holds community meeting on design of library (8/23/12)
- ❖ City Council approves Disposition and Development Agreement (DDA) with TVDA (10/22/12).



Recent Project Milestones

- ❖ Community meeting on design of site, plaza, and commons (11/28/12)
- ❖ City Council approves Development Agreement (DA) with TVDA (12/10/12)
- ❖ Informational community meeting on design of phase 1 and library (7/10/13)
- ❖ Board of Architecture Review approved library design (11/14/13)
- ❖ Board of Architecture Review approved design of first phase (11/25/13)
- ❖ Groundbreaking ceremony (8/1/14)
- ❖ City Council discussion on KCLS purchase and sale agreement (1/26/15)



Recent Project Milestones

- ❖ City Council approval of KCLS purchase and sale agreement (2/2/15)
- ❖ City and KCLS execute purchase and sale agreement (3/2015)
- ❖ City and KCLS execute street frontage improvement agreement (March 2015)
- ❖ City approves lot consolidation (April 2015)
- ❖ TVDA begins grading and sitework (5/6/15)
- ❖ City, TVDA, and KCLS agree on access and shared parking easement (May 15, 2015)
- ❖ City and KCLS close escrow on sale of parcel for library (May 20, 2015)
- ❖ KCLS issues notice of bids for construction (May 21, 2015)

Previous Concepts



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Sabey's Concept (2002)



TUKWILA VILLAGE

Sabey's Concept (2002)



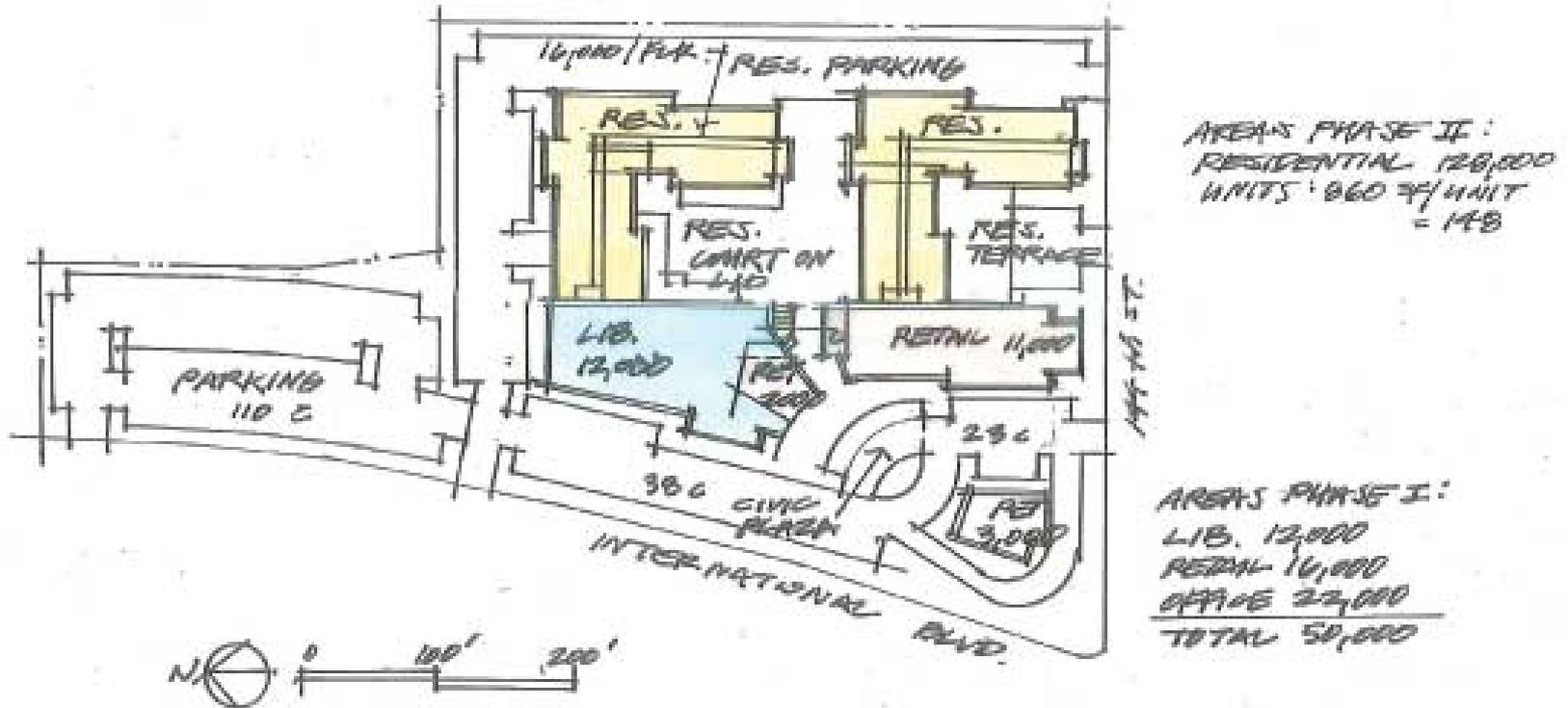
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Metrovation's Concept (2007)



TUKWILA VILLAGE

Metrovation's Concept (2007)



1-19-07
FULLER SPARKS

STREET LEVEL SITE DIAGRAM PHASE I & II
TUKWILA VILLAGE METROVATION

Legacy's Proposal (2008)



- 12,400 SF library
- 16,500 SF retail
- 268 apartments
- 50 senior apartments
- 25 townhouses



TUKWILA VILLAGE

Legacy's Proposal (2008)

Site Plan

PHASE I

- Residential:** 200 apartments at an average size of 750 NRSF
- Residential Amenities and Lobbies:** 9,500sf
- Townhouses:** 25 units at an average size of 1200 NRSF. 22 parking stalls included within the townhouse structures
- Senior Housing:** 50 units at an average size of 550 NRSF
- Library:** 10,400sf with 2,000sf of expansion space
- Retail:** 10,000+sf
- Community Policing Station:** 2,000sf
- Community Commons:** 3,400sf
- Community Plaza:** 8,000sf
- Parking:**
 - 270 underground parking spaces for the market rate apartments.
 - 33 surface stalls for the Library.
 - 10 surface stalls for the Senior Housing.
 - 5 stalls for the Community Policing Station
 - 5 guest stalls for the Townhouses
 - 39 surface stalls for retail users

PHASE II

- Residential:** 68 apartments or condos
- Retail:** 6,500sf
- Parking:** 68 underground stalls and 12 surface stalls



Legacy's Proposal (2008)

Ground Floor

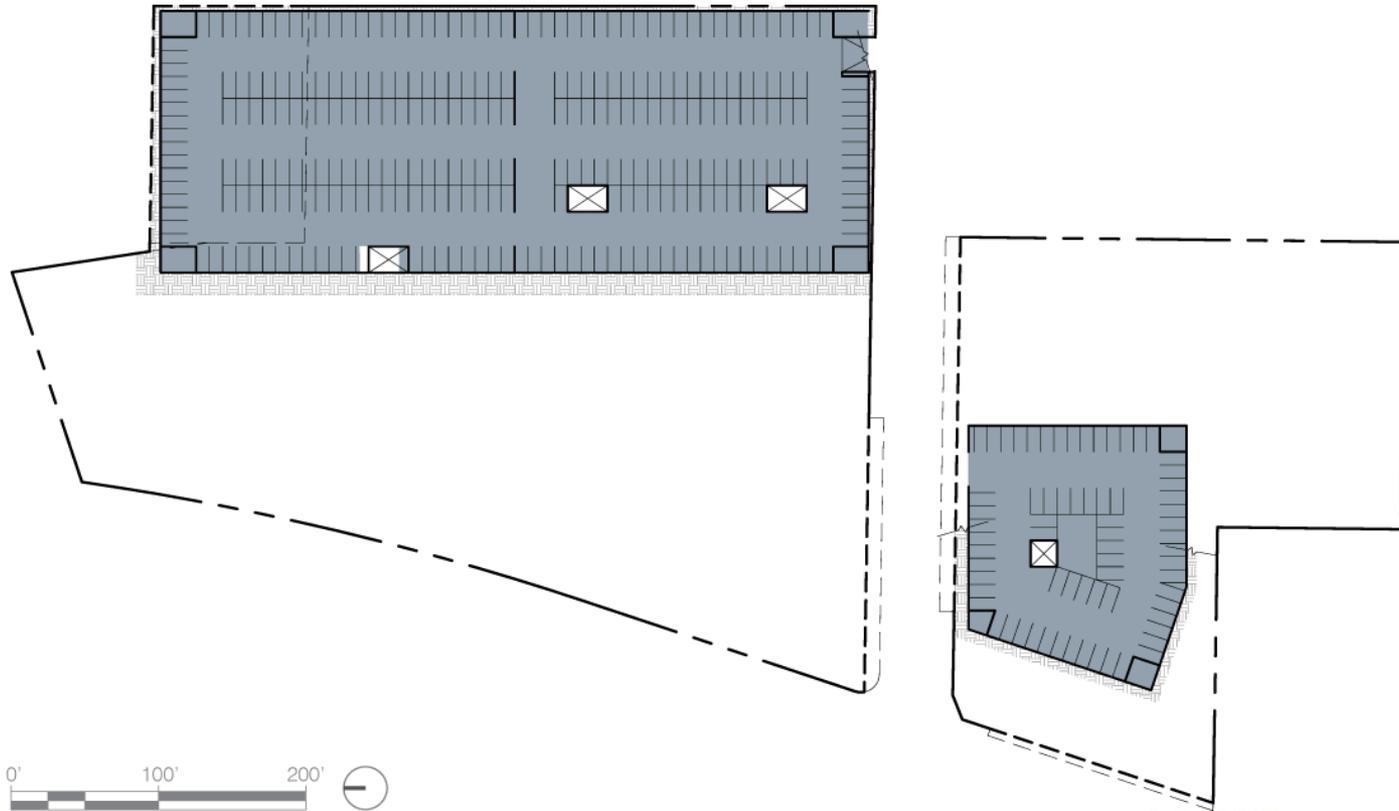
- Residential
- Senior Housing
- Townhouses
- Retail
- Community Commons
- Community Policing Station
- Library



Ground Floor

Legacy's Proposal (2008)

Below Grade Parking Plan



Legacy's Proposal (2008)

Typical Upper Floor Plan

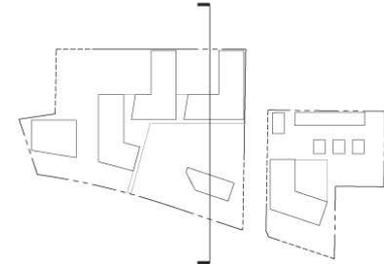
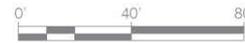


Legacy's Proposal (2008)

Site Section



- Residential
- Retail
- Parking



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Legacy's Proposal (2008)

Courtyard Perspective



TUKWILA | VILLAGE

Tarragon's Proposal (2008)



- 10,000 SF library
- 55,000 SF retail
- 298 apartments
- 4 townhouses

Looking easterly at intersection of Tukwila International Boulevard and S. 144th

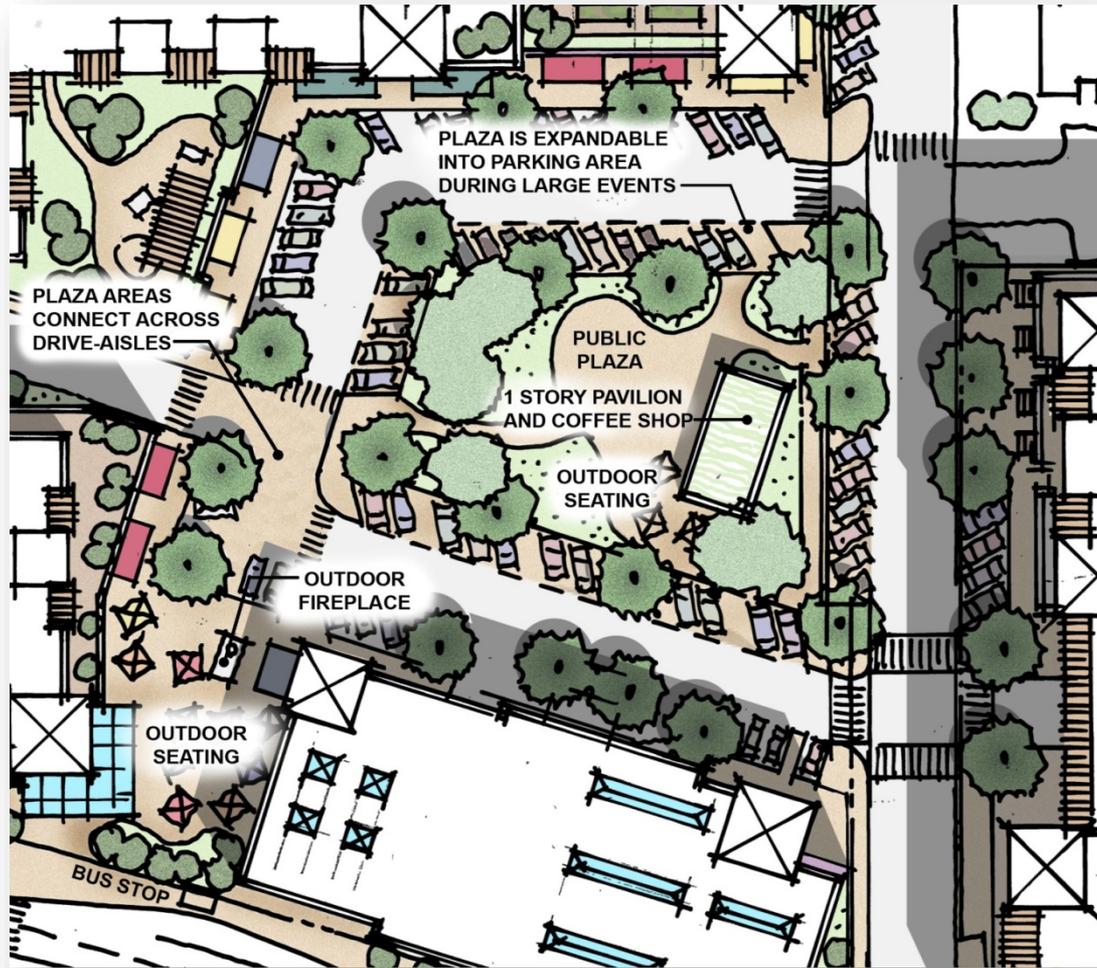
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Tarragon's Proposal (2008)



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Tarragon's Proposal (2008)



Tarragon's Proposal (2008)



Tarragon's Proposal (2008)



TUKWILA VILLAGE

Contact

For more information on Tukwila Village:

- Visit www.tukwilawa.gov/tukwilavillage.html
- Contact Derek Speck at derek.speck@tukwilawa.gov or 206-433-1832.



TUKWILA VILLAGE