



# TUKWILA INTERNATIONAL BOULEVARD DISTRICT

## VISION AND POLICY RECOMMENDATIONS

02.25.2015



VIA

HEARTLAND

REALRETAIL

---

## Meeting agenda:

- 1) review **VISION**
- 2) discuss **MARKET & RETAIL STRATEGIES** for achieving the vision
- 3) discuss **URBAN FORM STRATEGIES** for achieving the vision
- 4) identify near-term and long-range **OPPORTUNITIES**
- 5) summarize **COUNCIL & PLANNING COMMISSION DIRECTION**
- 6) identify **NEXT STEPS**

# 1) VISION



## What we heard:

The future vision of the Tukwila International Boulevard District is an area that is a complete neighborhood with places to live, work, shop and play.

The TIB District is a safe and walkable destination with an authentic, main street character that is connected to other destinations.



The TIB area is a **safe and walkable**



The TIB area has stable neighborhoods, residents and businesses that are actively engaged in improving the quality of life of the area.

Amenities such as transit, schools, libraries and parks are within walking distance of density.

“Tukwila is the safest city in South King County.”  
– Chief of Police vision



# destination



The TIB area is a “to” place, not a “through” place, with slower speeds, better crosswalks, and on-street parking.

TIB is a connector, not a divider. It is the “glue” that facilitates neighborhood connections.

The character of the TIB area is distinct from Southcenter and other nearby areas. Its urban design and built form entice people to want to leave the LRT station area to explore the neighborhood.



with an **authentic,  
main street character**



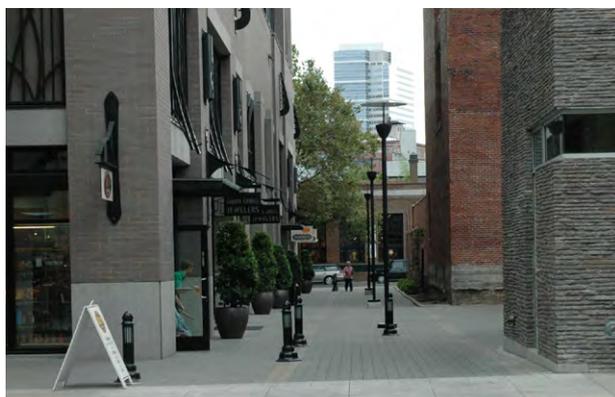
The TIB area has a distinctive streetscape identity, with banners, art, and street furniture.

The international character of the TIB area is evident in the programming of community gathering spaces. Activities leverage nearby assets, such as schools and cultural facilities.



Food trucks and a farmer's market/food court provide a place for people to gather and share a meal, inviting both residents and visitors to sample the multicultural "flavor" of the area.

that is **connected to  
other destinations.**



Multimodal trails connect the TIB area's neighborhoods and amenities.

A shuttle or streetcar provides a convenient connection between the TIB area and the light rail station, Southcenter Mall, the community center, and other areas of the City.

There are convenient and attractive transportation connections between the TIB and nearby employers.

# 2) MARKET & RETAIL

## OVERVIEW

Opportunities abound

What matters to developers?

- Location: regional vs. local
- Demographics
- Zoning
- Fundamentals

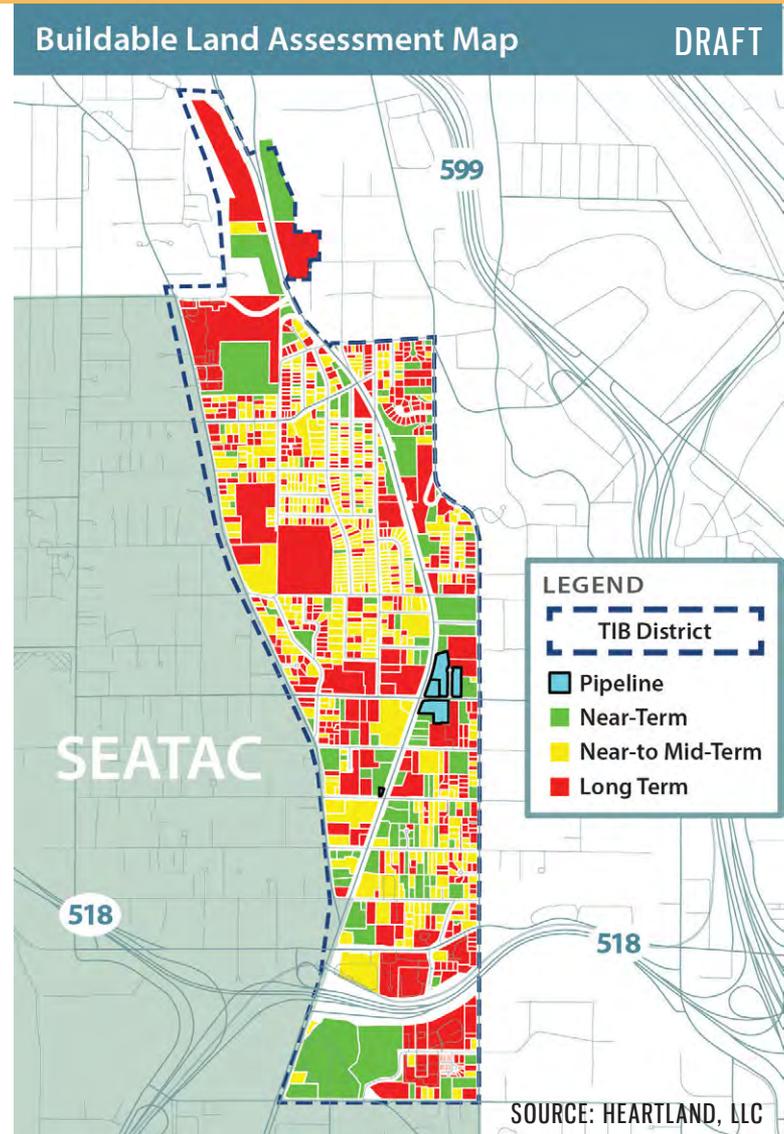
The Tipping Point

Based on current zoning and land value ratios:

- 55% of properties in the TIB District have redevelopment potential
- Potential yield at full buildout

	Estimated Potential Yield
Properties	593
Acres	260.2
Net New Units	3,900
Avg Units/Acre	11
Net New-Office	733,275
Net New-Retail	1,623,579

SOURCE: HEARTLAND, LLC



### MULTIFAMILY

#### Household formation

- Supply & demand
- Demographics

#### Market fundamentals

#### Zoning

#### Locational characteristics

- Place
- Regional access

### OFFICE

#### Employment growth

#### Market fundamentals

#### Zoning

#### Locational characteristics

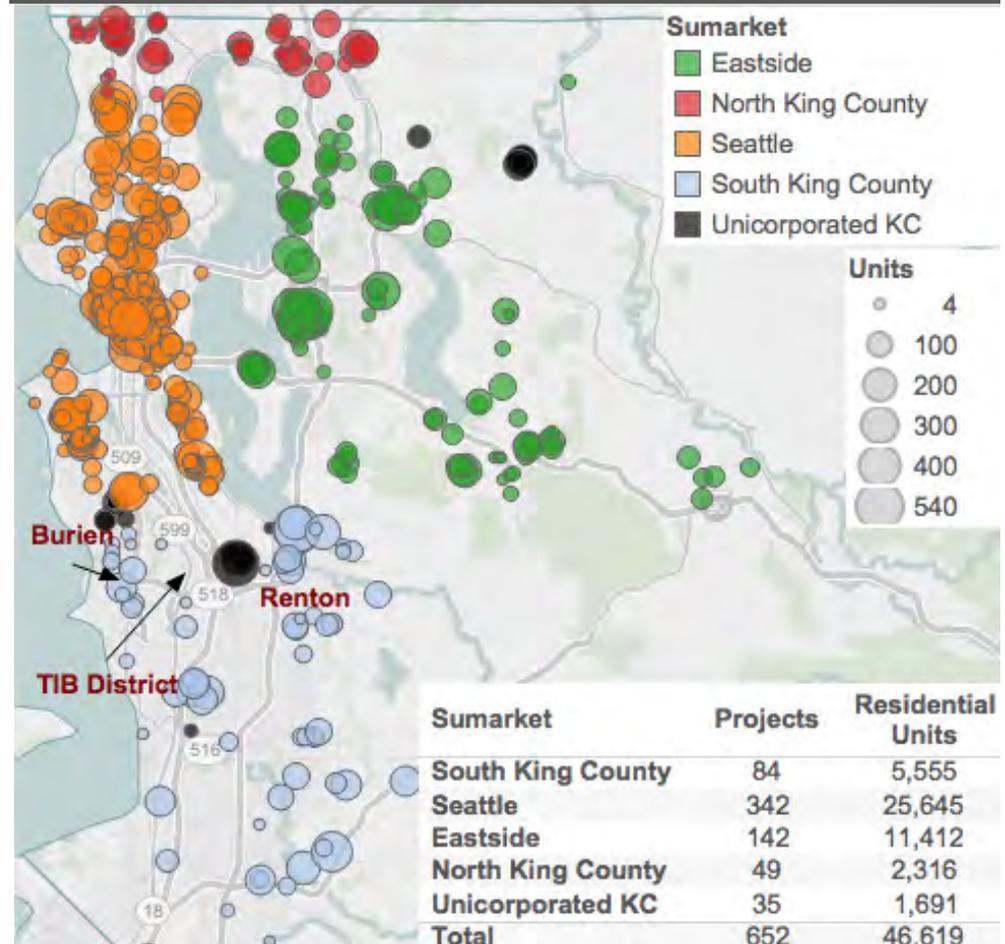
Multifamily Development (2005-2014)

TRENDS IN SUPPLY

Majority of multifamily development in Seattle and Eastside (4+ units)

South King County roughly 12% of new multifamily units since 2005

None in TIB District



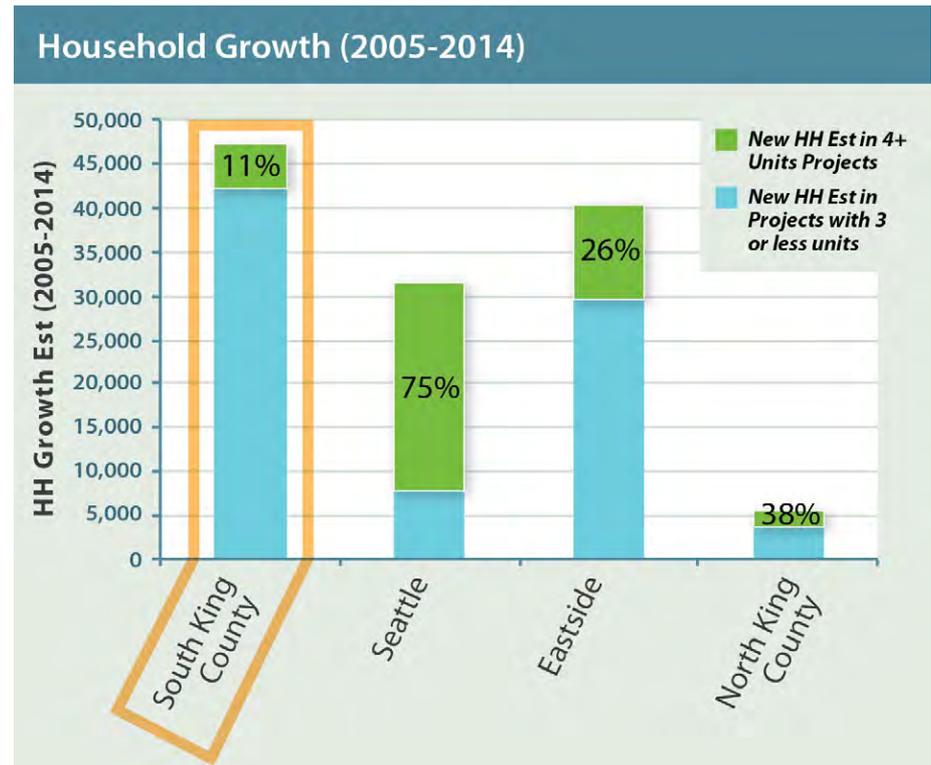
SOURCE: KING COUNTY ASSESSOR, HEARTLAND, LLC

## TRENDS IN DEMAND

The most household growth occurred in South King County (SKC)

Only 11% of new SKC households were supported by multifamily development

Why? Land supply, fundamentals, locational attributes



SOURCE: PSRC, OFM, ESRI, HEARTLAND, LLC

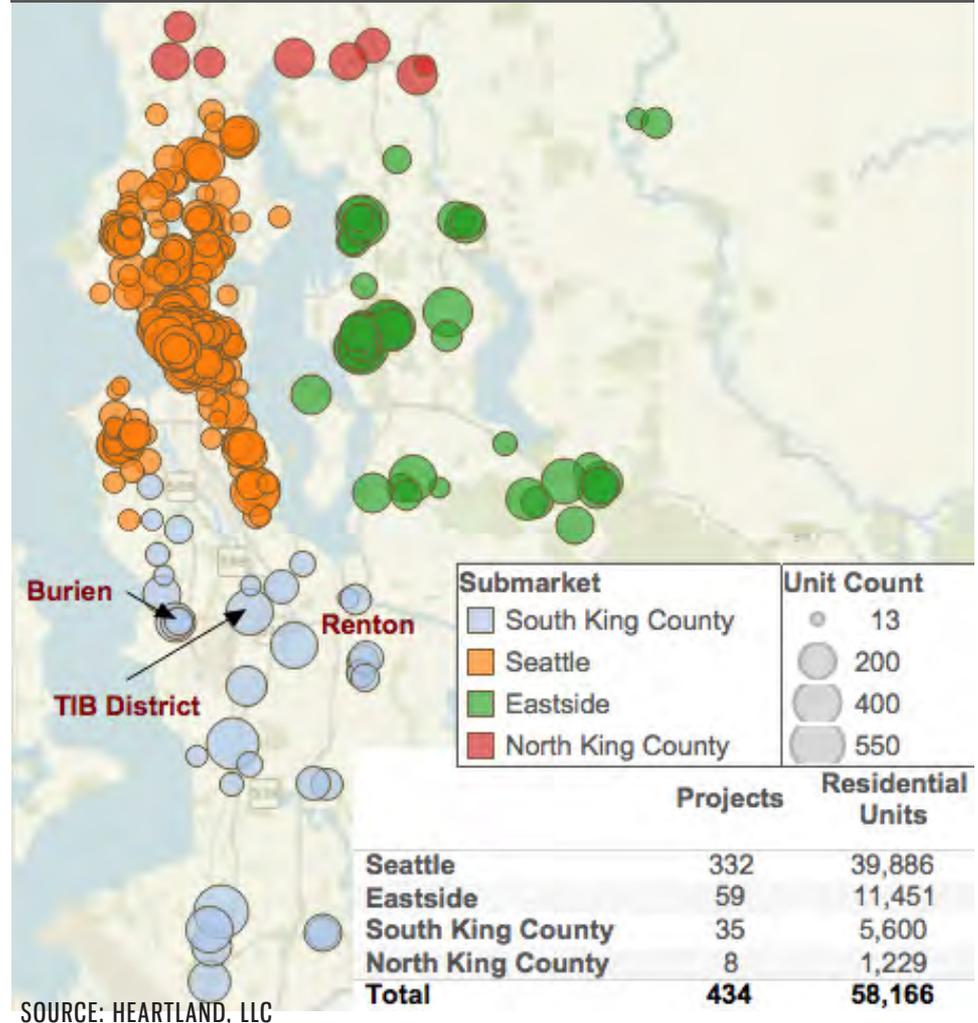
FUTURE SUPPLY

Robust County-wide pipeline concentrated in Seattle and Eastside

SKC represents roughly 10% of planned and proposed units

However...

Multifamily Development Pipeline



SOURCE: HEARTLAND, LLC

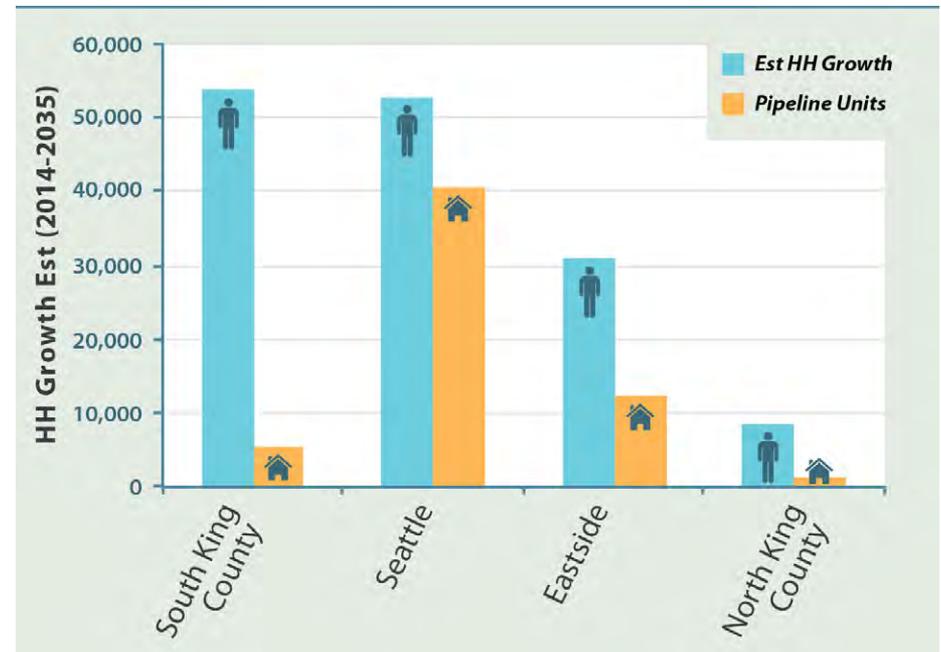
## FUTURE DEMAND VS. SUPPLY

Comparing pipeline units to estimated household growth suggests

- SKC projected to be major recipient of household growth
- Land scarcity means more multifamily development in SKC

TIB District as a recipient?

## GROWTH COMPARISON



SOURCE: PSRC, OFM

## THE TIB DISTRICT IS:

- Home to over 8,000 households (estimated to increase by 2,000 households between 2014 and 2035)

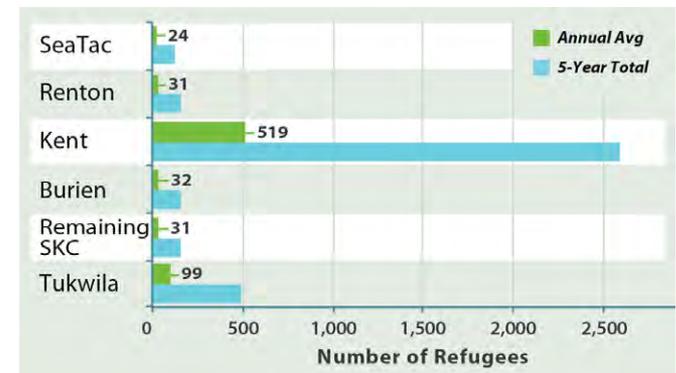
- Diverse:

	2010	2014	2019
<b>TIB District</b>	<b>84.8</b>	<b>86.2</b>	<b>87.7</b>
SeaTac	82.3	84.0	86.1
Tukwila	81.5	83.1	84.9
Burien	75.7	78.3	81.2
Kent	74.0	76.2	79.0
Renton	72.0	74.3	77.0
Remaining SKC	50.0	53.1	57.2

SOURCE: ESRI'S DIVERSITY INDEX

- Challenged with high poverty (26% of residents are below the poverty line)
- Known to have very low median incomes (at a median income of \$40k, a household can afford home payments of up to \$1k /month)

- A landing spot for refugees:

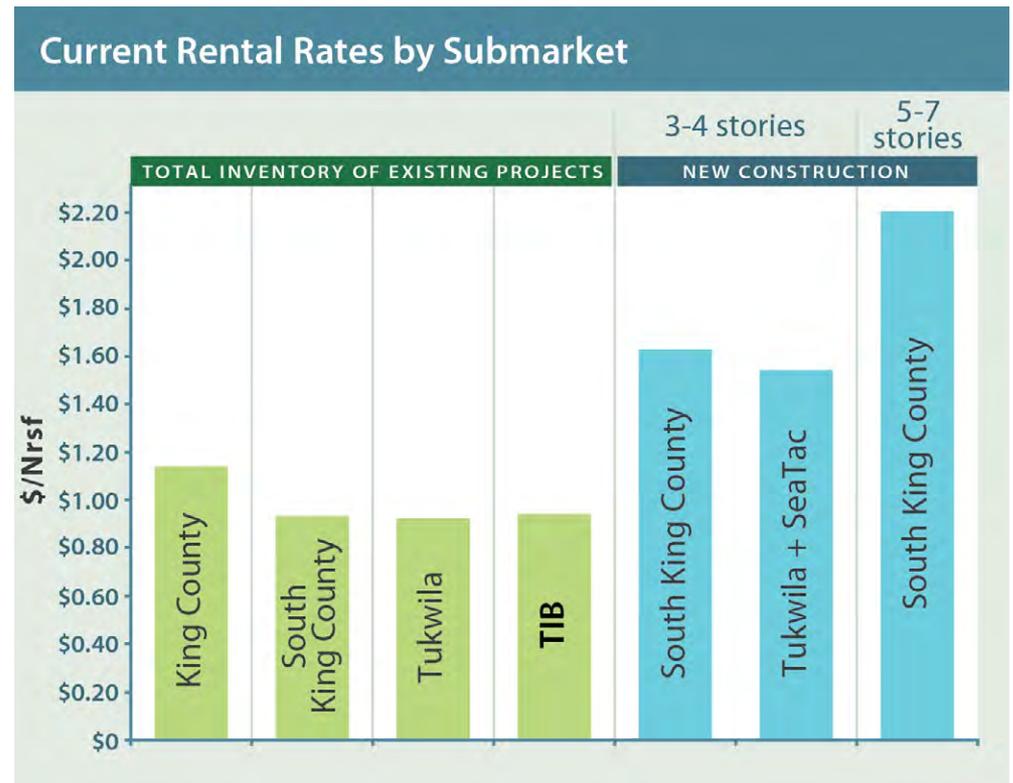


SOURCE: DEPARTMENT OF STATE BUREAU OF POPULATION, REFUGEES, AND MIGRATION

- A renter's target area (only 37% own homes compared to 63% in SKC)

## New Construction Needs

- Very low vacancy in SKC: Below 5% since 2012 and even lower in Tukwila
- Typical rental rate thresholds for market rate housing:
  - Garden style (3-4 floors): \$1.70 to \$1.80 per square foot
  - Mid-rise mixed use (5-7 floors): \$2.10 to \$2.20 per square foot
- Few 5-7 story projects have been completed in SKC
  - Rents do not support this construction type in most areas
  - Only nine projects between 5-7 stories have been built in SKC since 2006

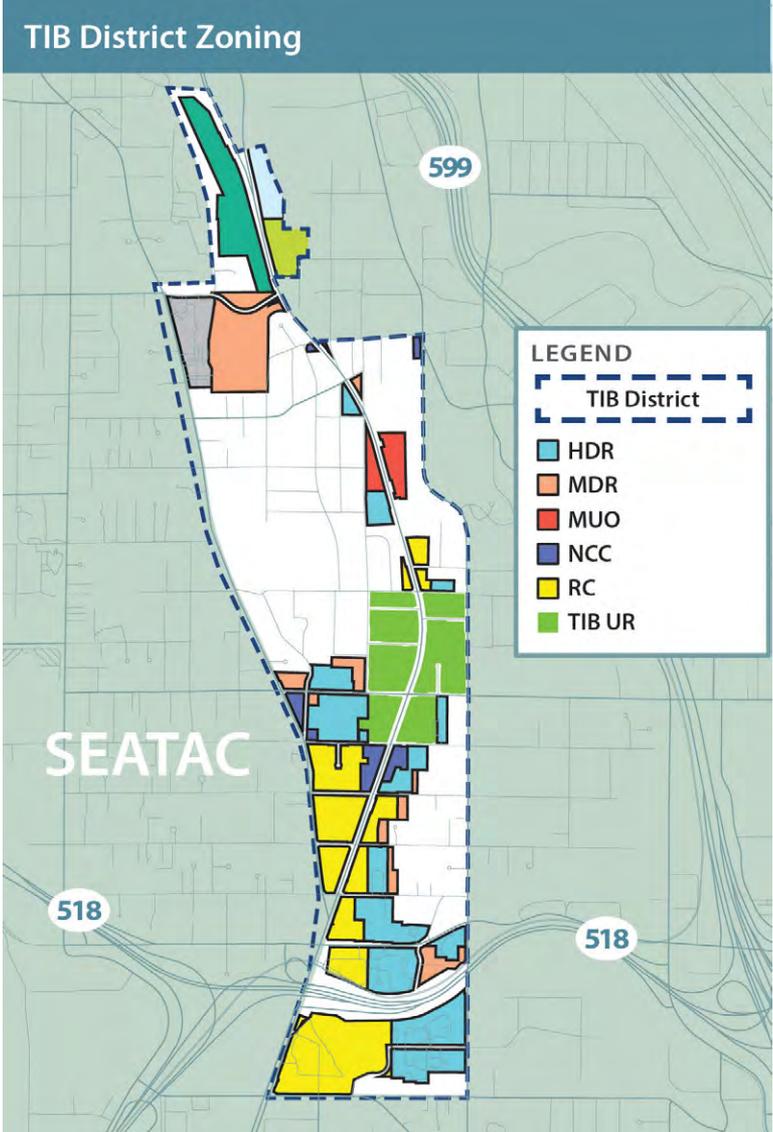


SOURCE: DUPRE & SCOTT

## MULTIFAMILY

### Zoning

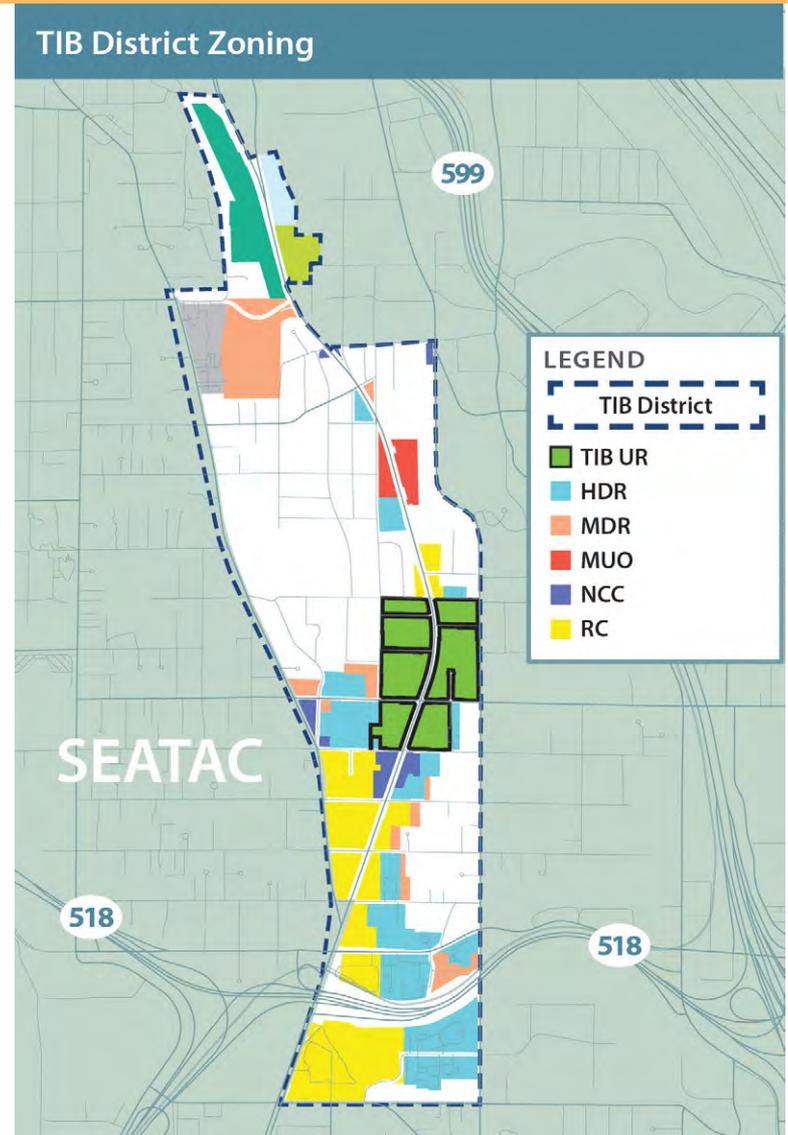
- Regional Commercial (RC), Neighborhood Commercial Center (NCC), High Density Residential (HDR), and Medium Density Residential (MDR) support townhome and walk up apartments (3 to 4 stories)
- Site programming challenges:
  - Parking requirements
  - Recreation space
  - RCC and NCC height maximum



## MULTIFAMILY

### Zoning

- Urban Renewal Overlay (URO) district encourages 5-7 story mixed use development
- Site programming challenges
  - Covered parking requirement
  - % of TIB frontage that requires “active uses” unclear
- Other UR zone comments
  - Flexible
  - Parking ratios appropriate for location
  - Live/work as active street positive



### MULTIFAMILY

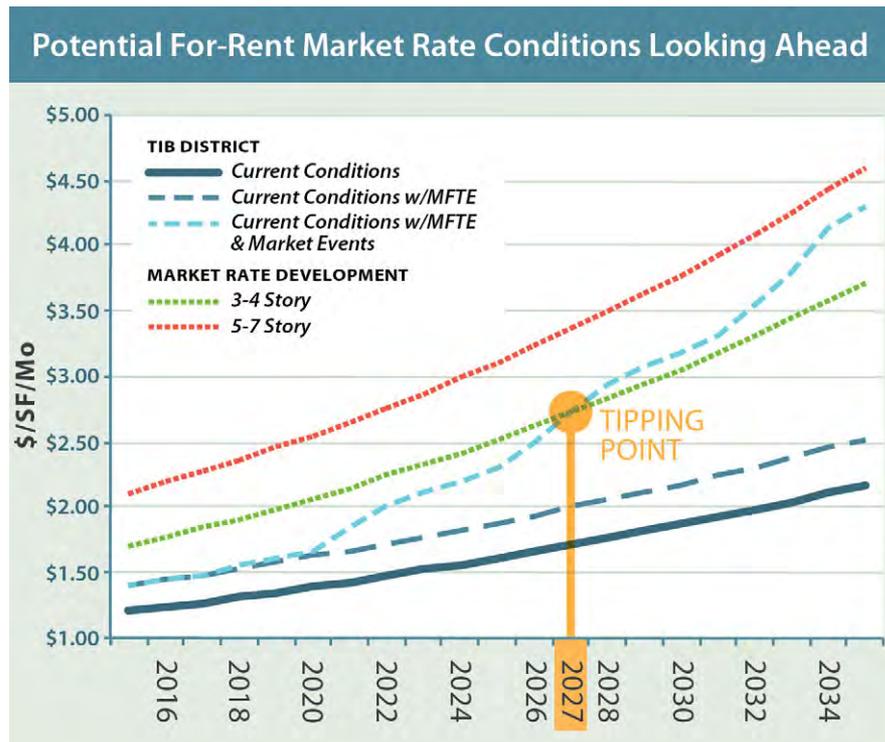
#### Market fundamentals

- Developer perspective: There needs to be a reason to live and work in the TIB District
- TOD (no more than a ½ mile from a station)
- Walkability to urban amenities
- A dynamic retail experience
- Gathering spaces such as markets
- Parks and community amenities (e.g. library)

**Examples:** Kent Station area, Angle Lake, Burien

## Feasible market rate mixed use development is years out in the TIB District

- Zoning modifications to parking requirements needed
- Multifamily Tax Exemption (MFTE) helps project performance
- Placemaking helps shifts market perception



SOURCE: HEARTLAND, LLC

## Two types of office developments

- Owner/user or purpose built
  - Headquarters
  - Medical office
- Speculative
  - Constructed during times of strong fundamentals
  - Locationally-driven

## South King County fundamentals

- Relatively tight vacancy rate as a positive indicator
- A function of low average rents compared to primary King County office submarkets

Current Office Fundamentals Snapshot						
SUBMARKET	PROPERTIES	RENTABLE BLDG AREA	TOTAL VACANT AVAILABLE SF	GROSS RENT ALL	GROSS RENT 2005+ CONST.	OVERALL VACANCY RATE
<b>TIB District</b>	<b>8</b>	<b>569,155</b>	<b>14,460</b>	<b>\$11.00</b>	--	<b>1.8%</b>
Tukwila	63	2,574,160	241,040	\$15.92	--	10.7%
Renton	108	6,956,979	331,630	\$18.29	\$32.00	11.1%
Federal Way	92	3,773,517	611,365	\$17.33	\$20.75	15.4%
Kent	59	2,488,620	451,131	\$19.03	\$20.62	12.6%
SeaTac	22	1,332,711	261,674	\$16.58	--	16.9%
Burien	23	390,518	17,298	\$13.43	\$18.00	3.0%
Other	54	1,954,062	121,383	\$18.14	\$22.45	10.5%
<b>TOTAL</b>	<b>429</b>	<b>20,039,722</b>	<b>2,049,981</b>	<b>\$18.14</b>	<b>\$22.76</b>	<b>11.8%</b>

Office employment growth in King County is primarily concentrated in Seattle and Bellevue

Big recent SKC moves in the news include Weyerhaeuser, Group Health, and the FAA (Wright Runstad proposed project)

The TIB District's future:

- Major office users more likely to locate in Southcenter due to access and amenities (see Group Health)
- Office TOD around light rail in the TIB District north of SR-518 is a future opportunity but need:
  - Zoning modifications, consider a station overlay to encourage density
  - Willing seller; Sound Transit land an opportunity and challenge

### WHAT NEEDS TO HAPPEN TO SUPPORT NEW DEVELOPMENT: DEVELOPER'S PERSPECTIVE

#### Ability to underwrite rents that support new construction

- Parking in structures and retail not often a value add
- Challenge in market area where no new development has happened

#### Improve project performance via:

- Increased achievable rents/home prices that will naturally rise as regional supply tightens and the path of development veers
- Developers compelled by the TIB District vision with a long-term investment horizon
- Need to create a story (see next slide)
- Multifamily Tax Exemption helps, but not by itself
- Access to alternative financing (e.g. EB-5, New Market Tax Credits, etc.)

Market rate multifamily development is 1-2 market cycles away (10-20 years) given the TIB District's competitive location in the region

### WHAT NEEDS TO HAPPEN TO SUPPORT NEW DEVELOPMENT

#### Ways to sow the seeds:

- Help create a place; a reason to visit, support, and come back to the TIB District: Encourage improvements to existing retail experience
- Jobs and housing around the station area crucial: Consider a station area overlay that adds density
- Support the diversity of residents with housing options and quality of life amenities
  - Review townhome development standards in MDR and HDR zones: encourage new ownership housing stock
  - Embrace refugee/immigrant “safe landing” concept
  - Projects funded using low income tax credits or bonds may help usher in new product in the 3-4 story range

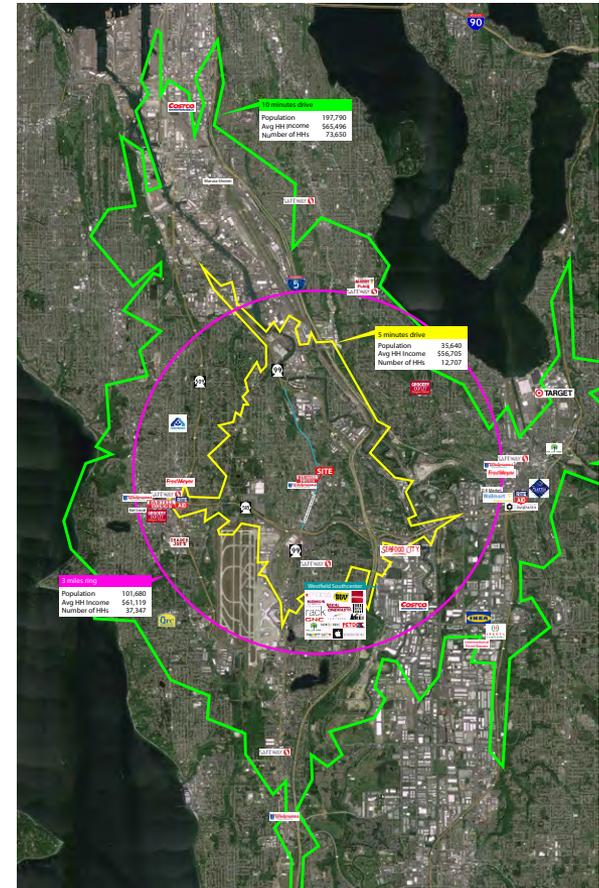
### Enable vision through development regulation and incentives

- ✓ Near term: Support neighborhood development at a scale that represents both its emerging culture and respects its roots
- ✓ Longer term: Allow for the potential of larger-scale regional development in the station area over the long term
- ✓ Consider land use code modifications to encourage multifamily, office, and retail development momentum at nodes
- ✓ The city should continue to purchase property and otherwise invest in the TIB District to enable and encourage envisioned development
- ✓ SEPA pre-approval
- ✓ Provide infrastructure in key areas to support catalyst “anchor” projects
- ✓ Continue to form public-private partnerships

MARKET AND RETAIL INSIGHTS

Findings

- Grocery stores within five-minute drive time
- Grocery stores within ten-minute drive time







# TUKWILA INTERNATIONAL BOULEVARD DISTRICT VISION AND POLICY RECOMMENDATIONS



## Columbia City

Grocery Demographics	2 Miles	5 Min Drive
Population	65,065	60,728
Households	23,896	22,204
# of Households needed to support Grocery Store	3,000	
Grocery Store Demand	8	7.4
Grocery Store Supply	4	5
Average HH Income	\$79,433	\$79,521
TIB Average HH Income	\$58,226	\$56,705
% Difference	-26%	-28%

What types/amount of commercial development is realistic to expect over the short, mid, and long term?

What actions does the City need to take to achieve these various scenarios?

Would reducing the amount of land that allows retail make for better retail in a smaller district?

What level of income/residential density is needed to support different types of retail, including grocery stores?

# 3) URBAN FORM

TIB & S 144TH ST



## Existing conditions: urban design and urban form challenges

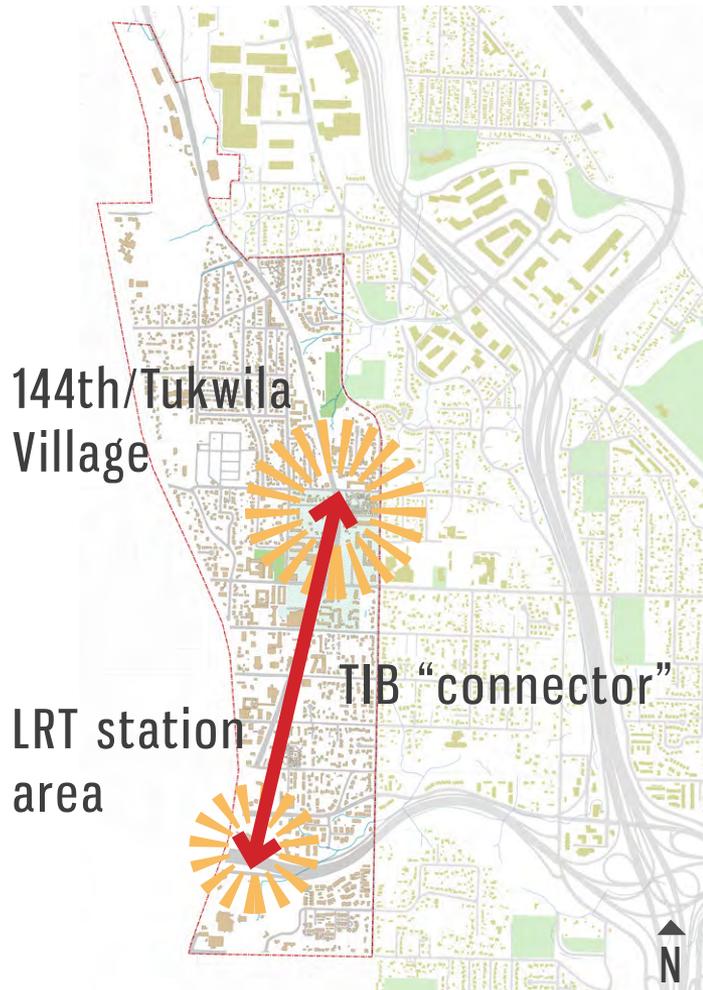
- Poor pedestrian and bicycle connectivity across and along TIB
- Lack of “there” there
- Dominant auto orientation (“highway streetscape”)

The Vision:



## Connected Nodes Concept:

A locally-oriented **third place node** at **144th** builds upon the momentum of the Tukwila Village catalyst project. **Improved connectivity along TIB** links this node to regionally-oriented development that leverages the transportation resources of the LRT station area.





# 144th/Tukwila Village

## A community “third place”

- Build on momentum of Tukwila Village project to create a node of activity
- Civic space, social space and cafes
- International market/food court/marketplace square
- Evening activities to leverage high school facilities/programs
- Conference center/training center
- Grocery store: 15,000-20,000sf (H-Mart/99 Ranch)



## LRT station area

### Transit-oriented development

- Increased heights are appropriate adjacent to the station
- Transit access reduces demand for parking
- Opportunity to coordinate with City of Seatac on their development site west of TIB
- Potential to leverage the employment base of the airport



## TIB connector

### Improved connectivity across and along

- Pedestrian-friendly sidewalk environment
- Buildings that front on the street
- “Tamed” street with on-street parking or fewer vehicle lanes
- Improved visual continuity with banners and other accessories
- Shuttle or streetcar between LRT station area and Tukwila Village





## District boundary adjustment:

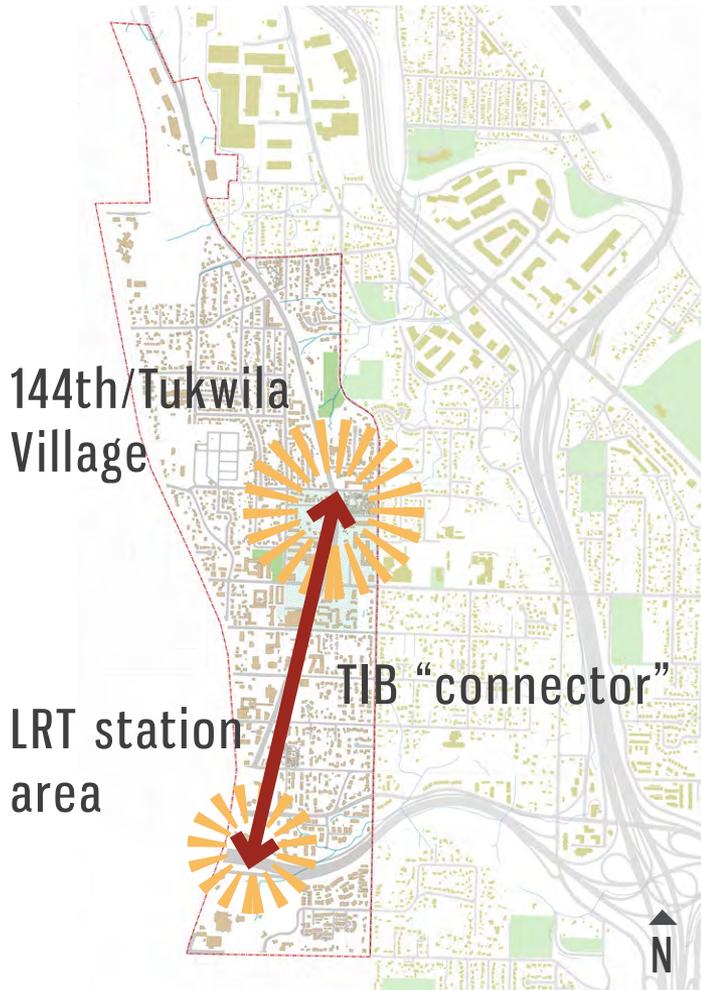
- Consider redefining the TIB District with a new northern boundary at S. 130th Street

## Vision:

The TIB District is a complete neighborhood with places to live, work, shop and play. It is a safe and walkable destination with an authentic, main street character that is connected to other destinations.

## Strategies:

- ✓ Complete and enhance vehicular and pedestrian networks
- ✓ Refine land use regulations to promote “street-oriented” development





## Walkability and connectivity:

- Expand sidewalk network; prioritize investments to catalyze redevelopment
- Create new through-block connections to increase permeability
- Improve pedestrian connections across TIB by adding traffic signals or rapid flash beacons
- Create connections between and among open spaces and other community assets



## Street-oriented development

- Allow 65'+ heights in RC, NCC and URO zones
- Consider creating a station area overlay zone with greater heights to encourage TOD
- Use Tukwila Village height transition standards as a model
- Relax recreation space requirements in NCC, RC, HDR and URO zones
- Relax ground-level commercial space requirements in the URO to improve feasibility
- Reassess commercial focus of RC zone

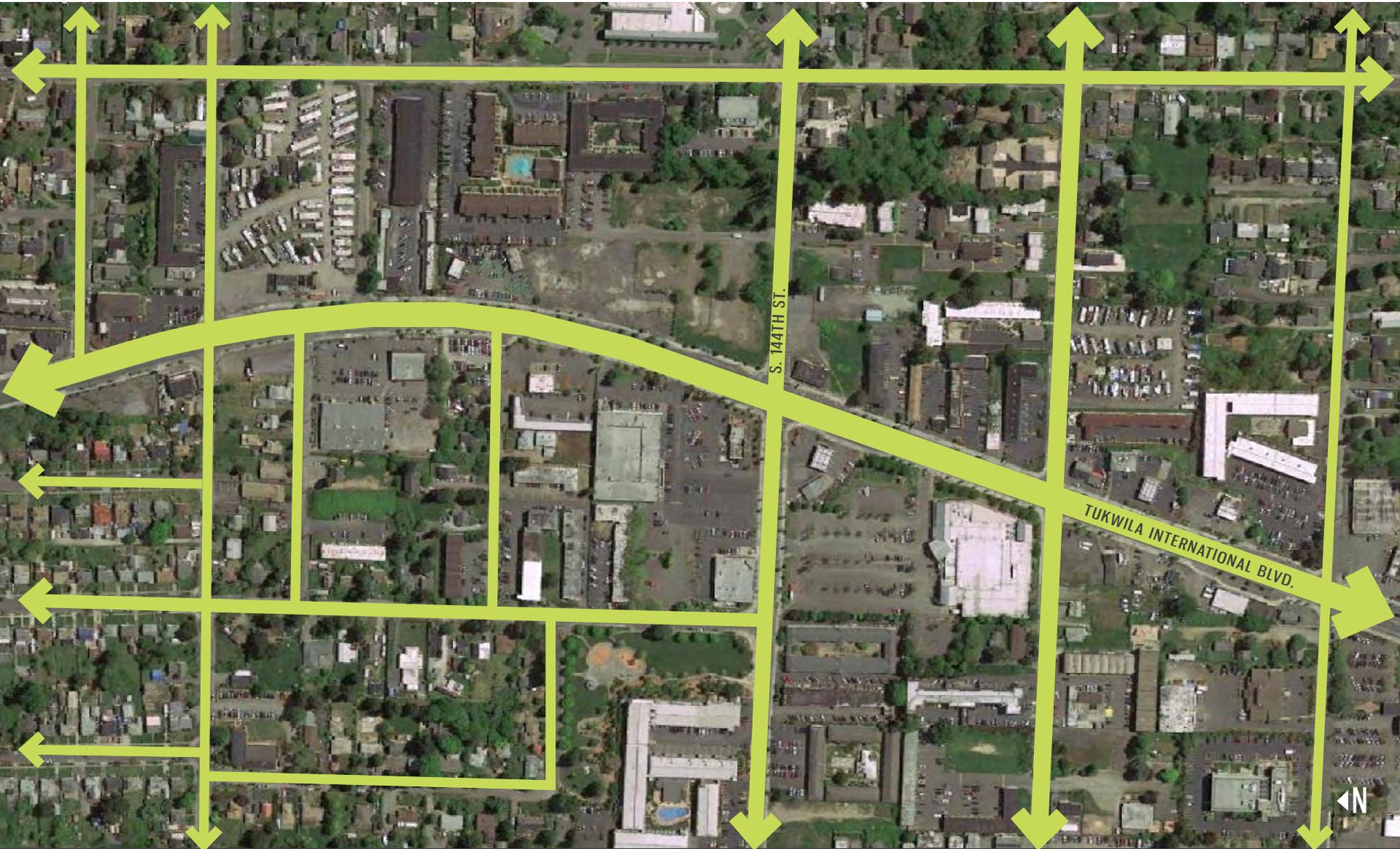


## Street-oriented development

- Update development standards to encourage urban streetwall uses (vs. parking)
- Remove or reduce parking minimums
- Relax the 25/75 surface-to-enclosed parking ratio in the URO; recommend 50/50, or 75/25 with street wall on 75% of frontage
- Add street parking on TIB (could be considered as part of off-street req's)
- Partner with the City of SeaTac to create a landscape or facade improvement program with a goal of improving the retail experience on TIB



# WALKABILITY & CONNECTIVITY: EXISTING BLOCK STRUCTURE

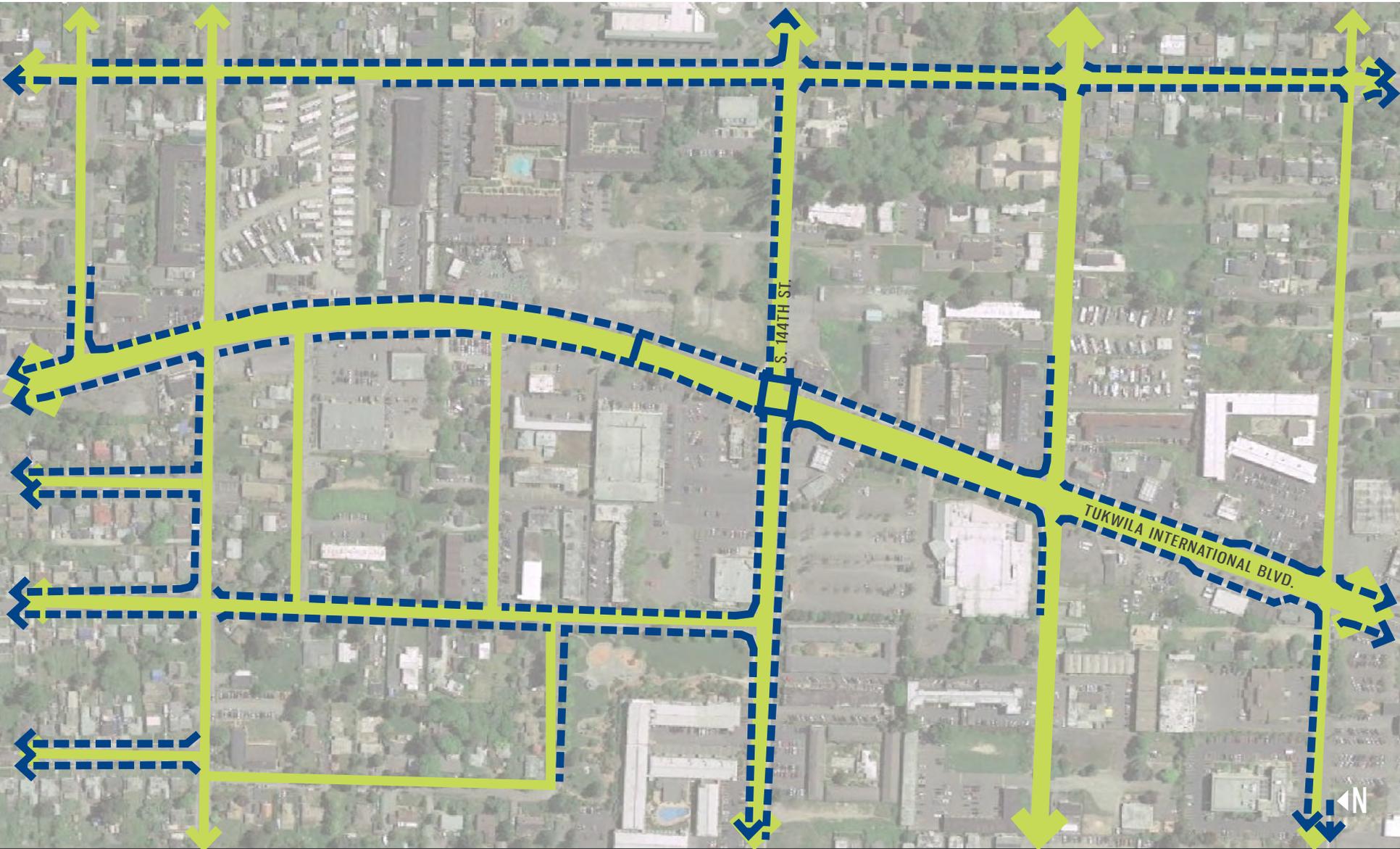


S. 144TH ST.

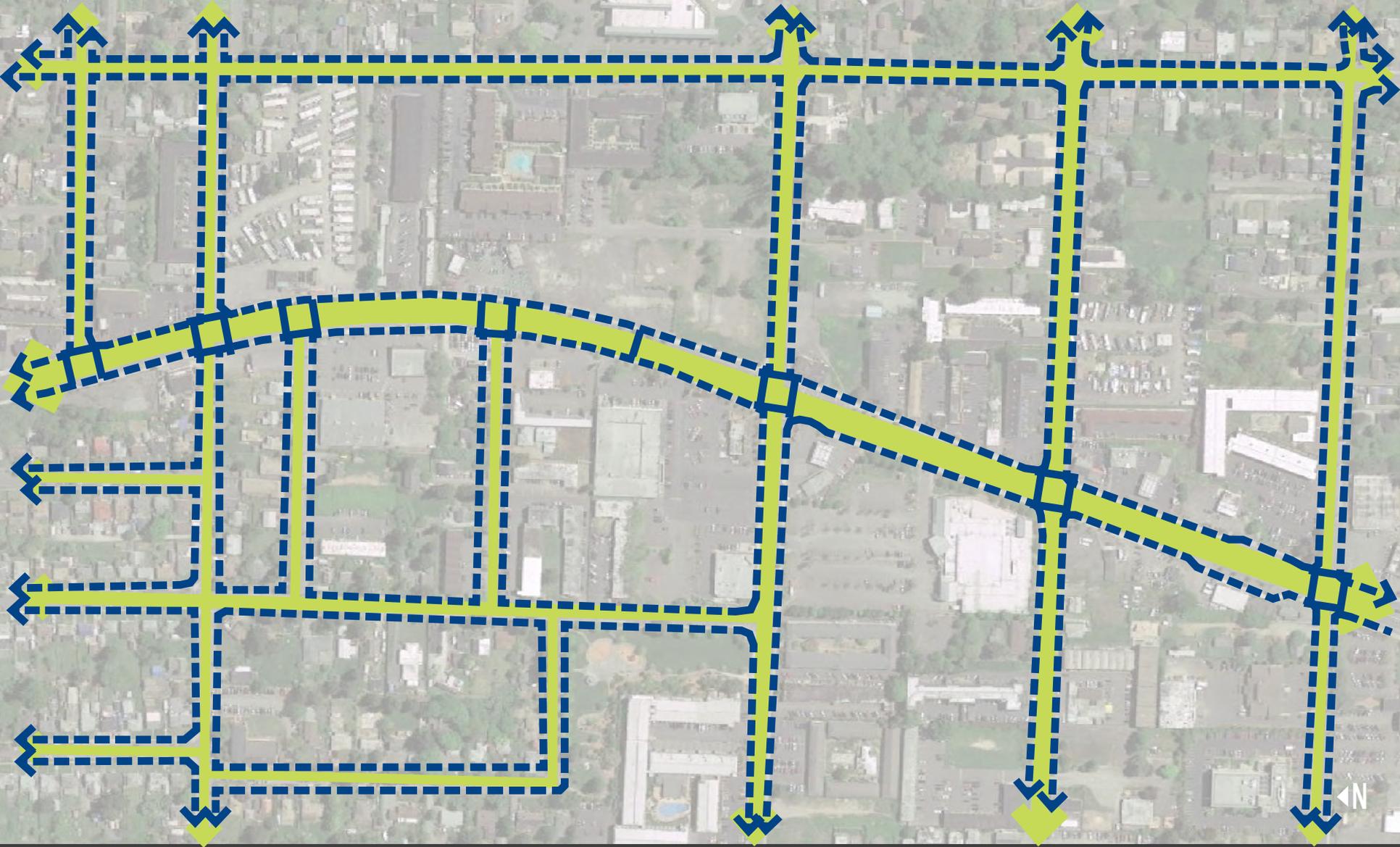
TUKWILA INTERNATIONAL BLVD.



# WALKABILITY & CONNECTIVITY: EXISTING SIDEWALK NETWORK



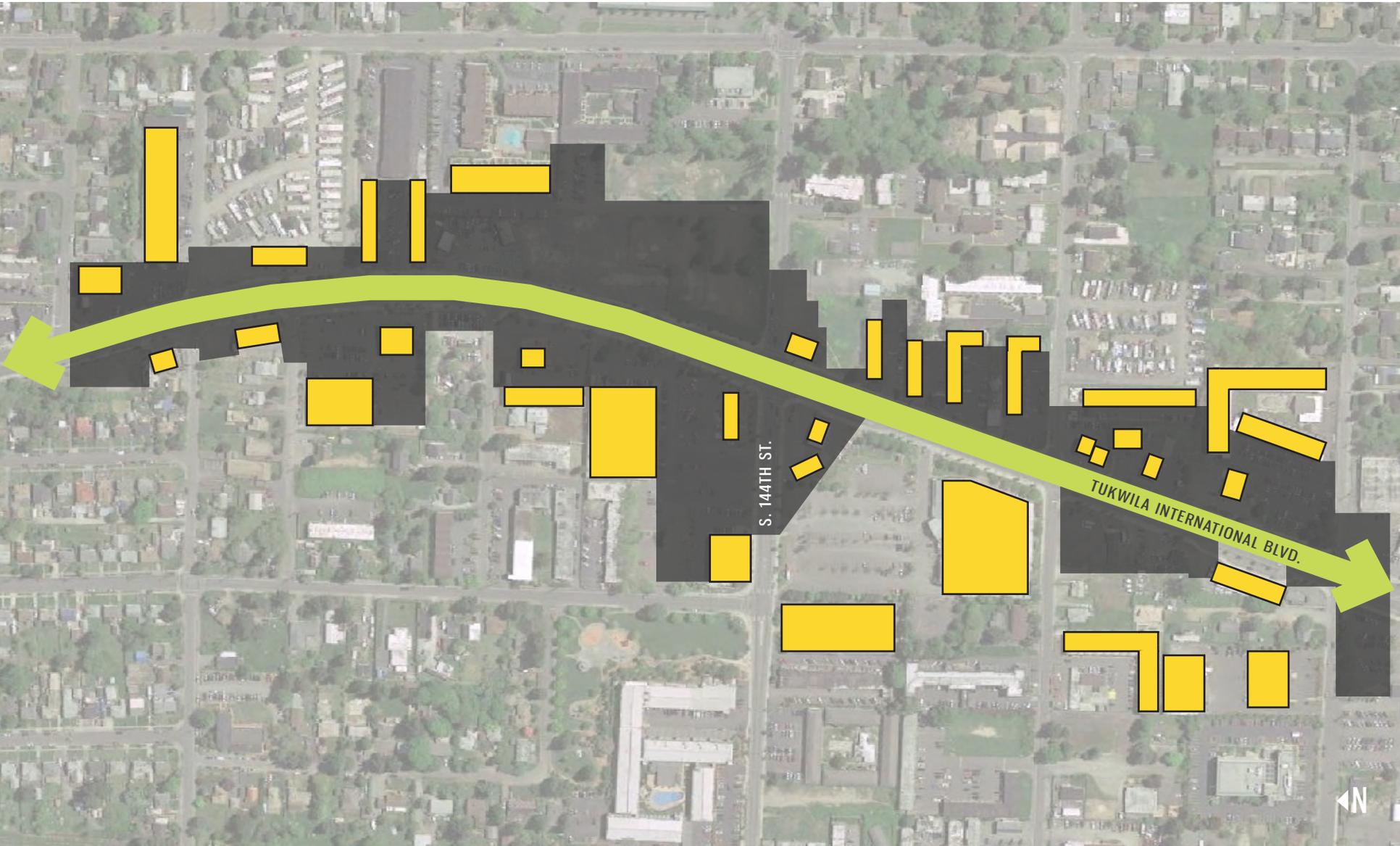
# CONCEPT: COMPLETE THE SIDEWALK NETWORK AND ADD CROSSWALKS



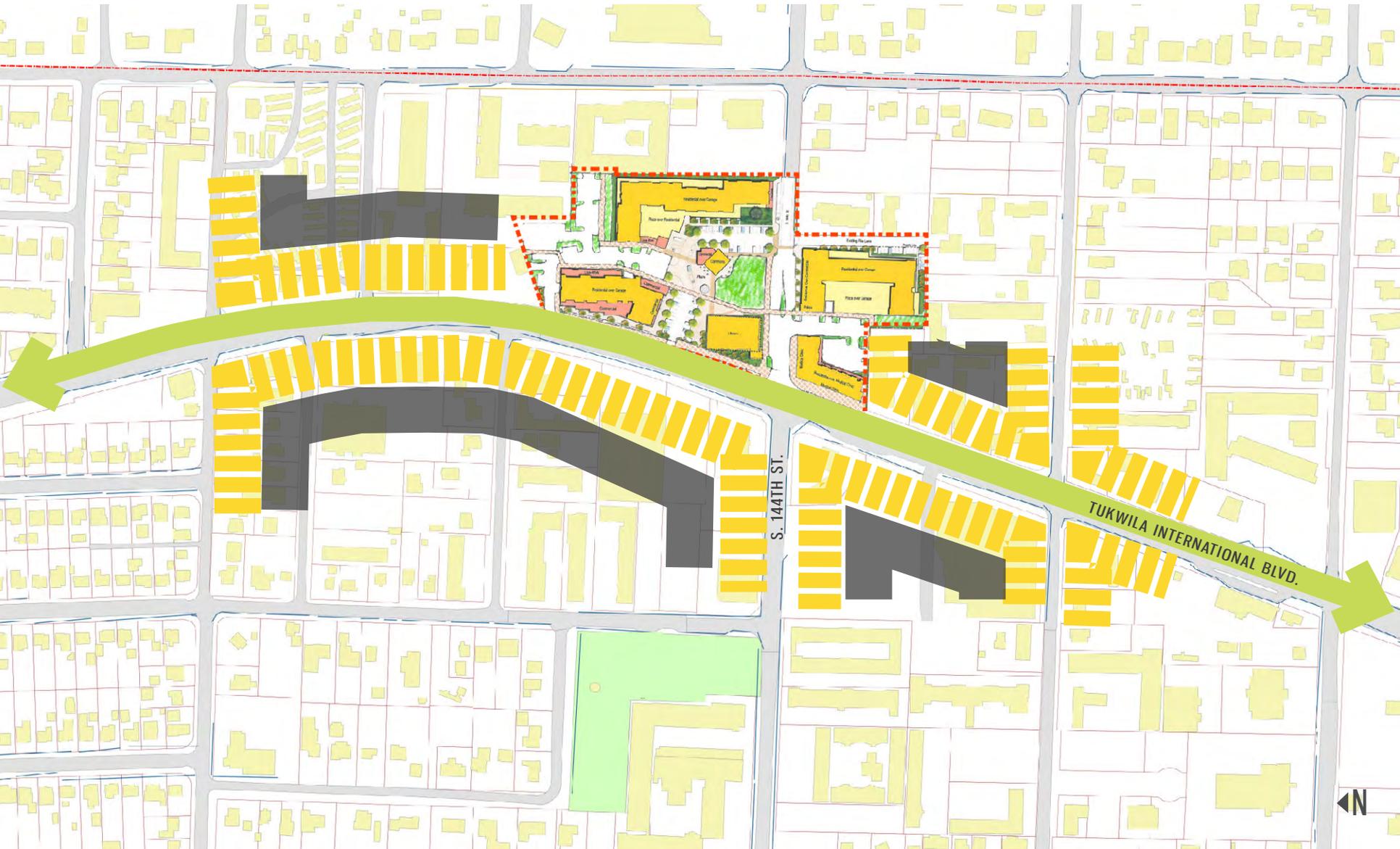
# CONCEPT: CREATE SECONDARY CONNECTIONS



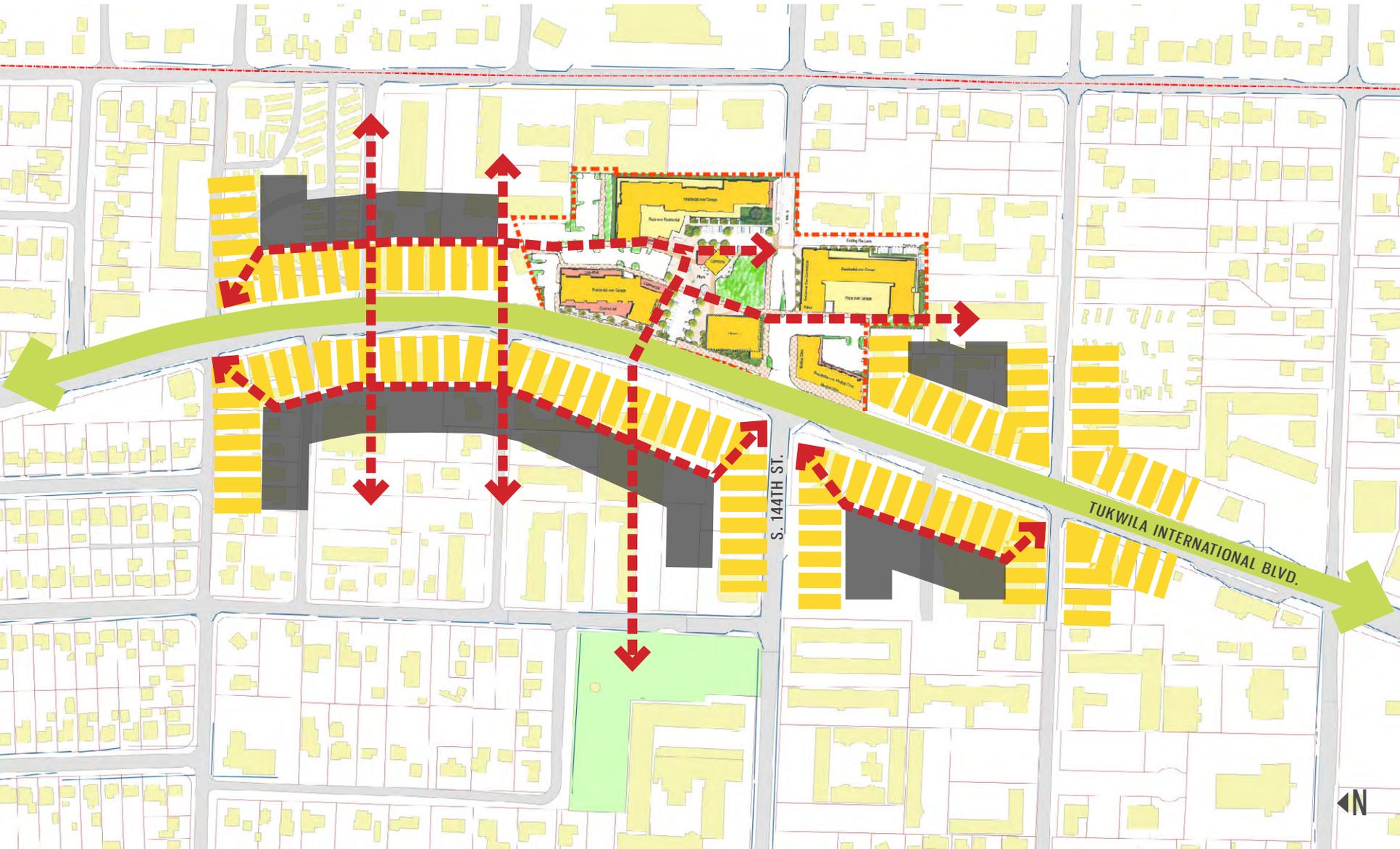
# STREET-ORIENTED DEVELOPMENT: EXISTING AUTO-RELATED URBAN FORM



# VISION: STREET-ORIENTED DEVELOPMENT



# VISION: WALKABLE & CONNECTED STREET-ORIENTED DEVELOPMENT



S. 144TH ST.

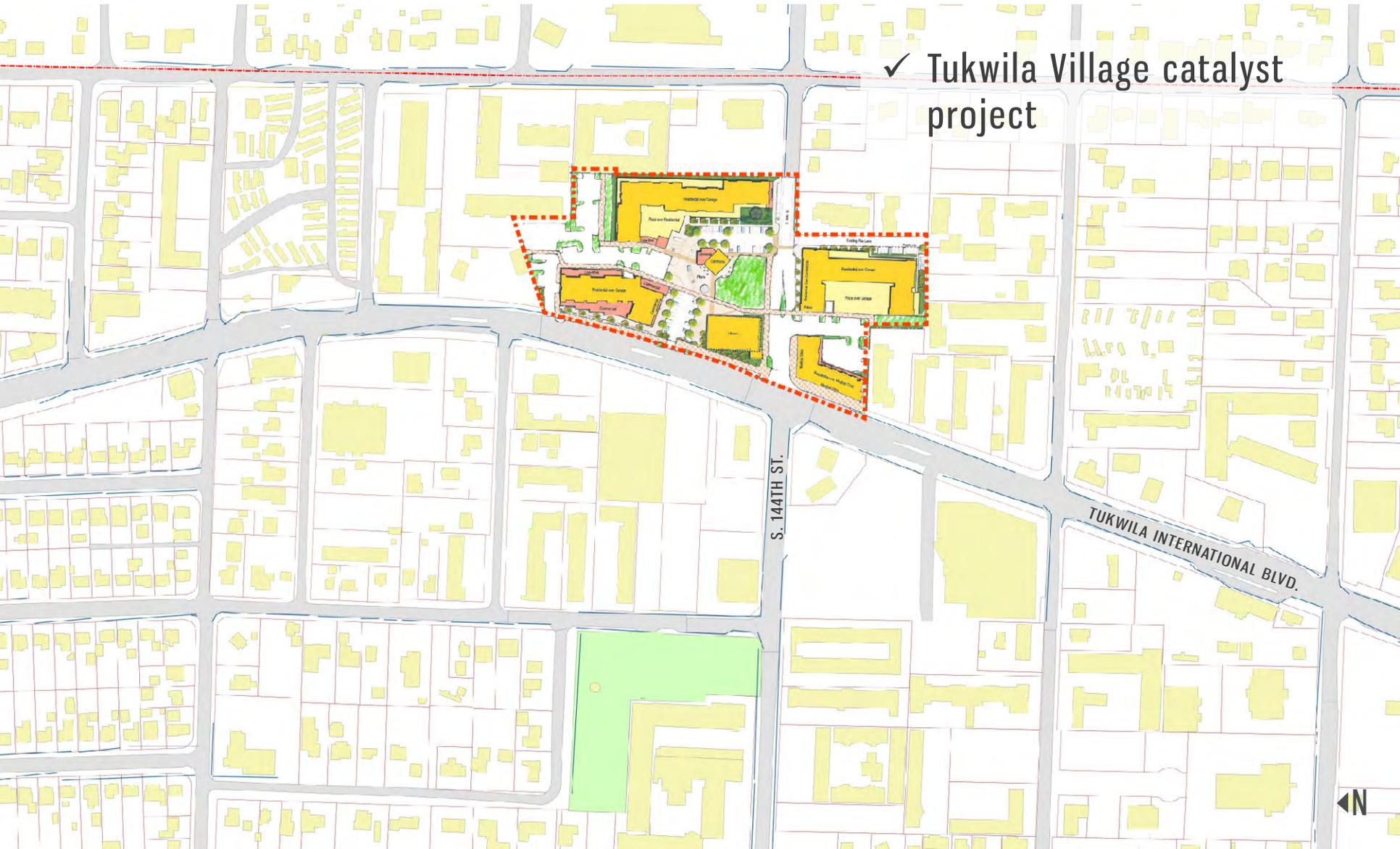
TUKWILA INTERNATIONAL BLVD.



# 4) OPPORTUNITIES

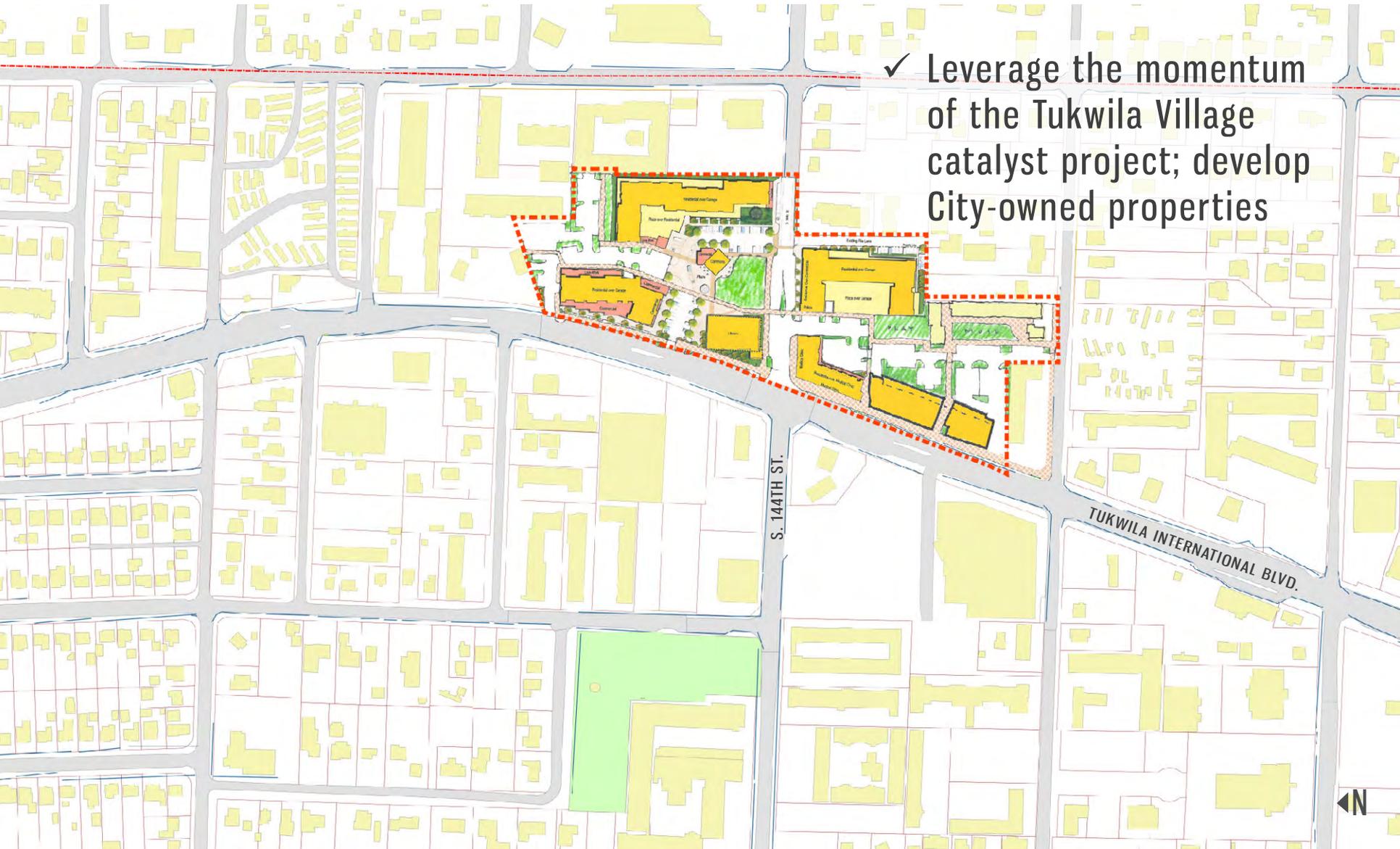
# OPPORTUNITIES

✓ Tukwila Village catalyst project



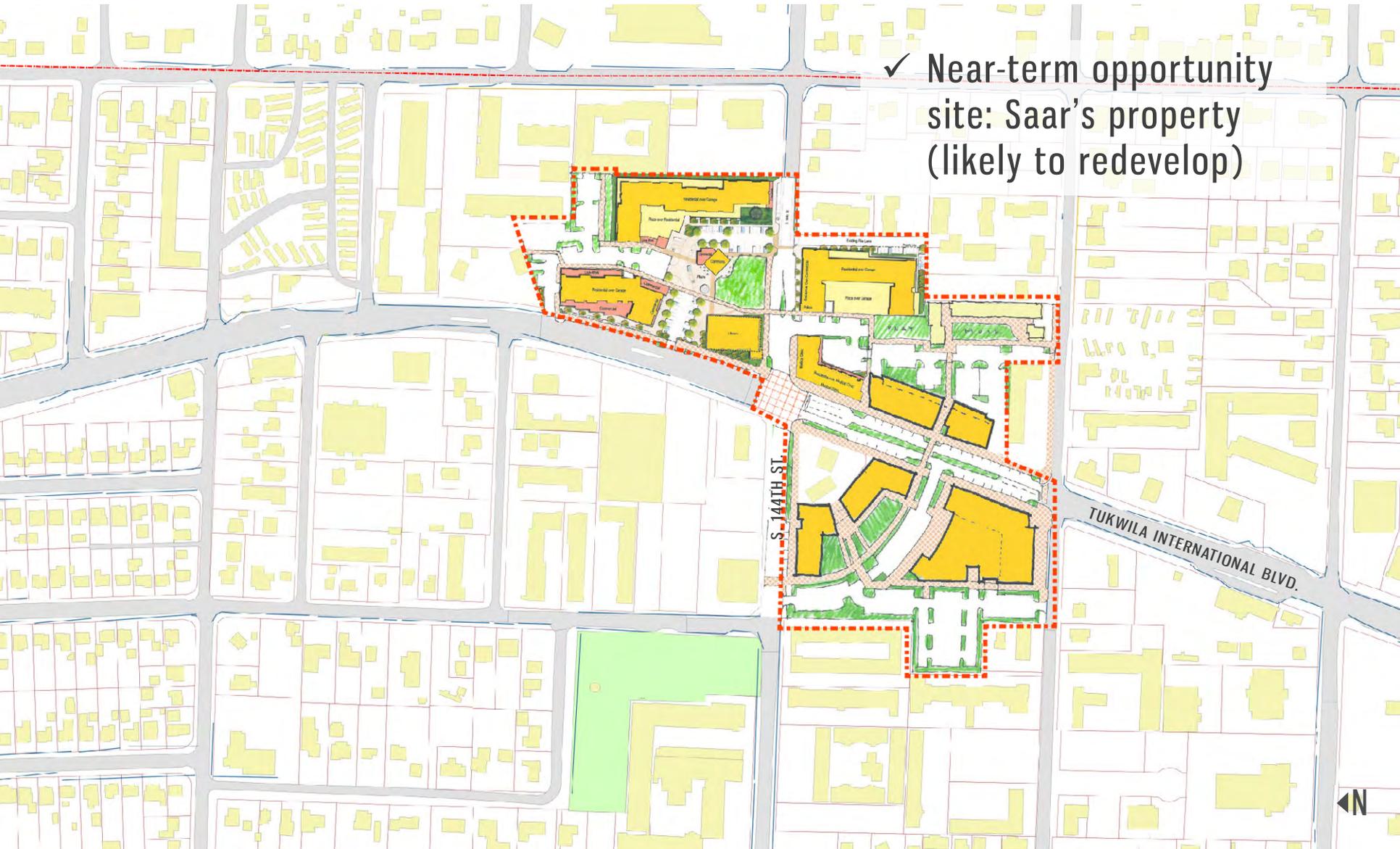
# OPPORTUNITIES

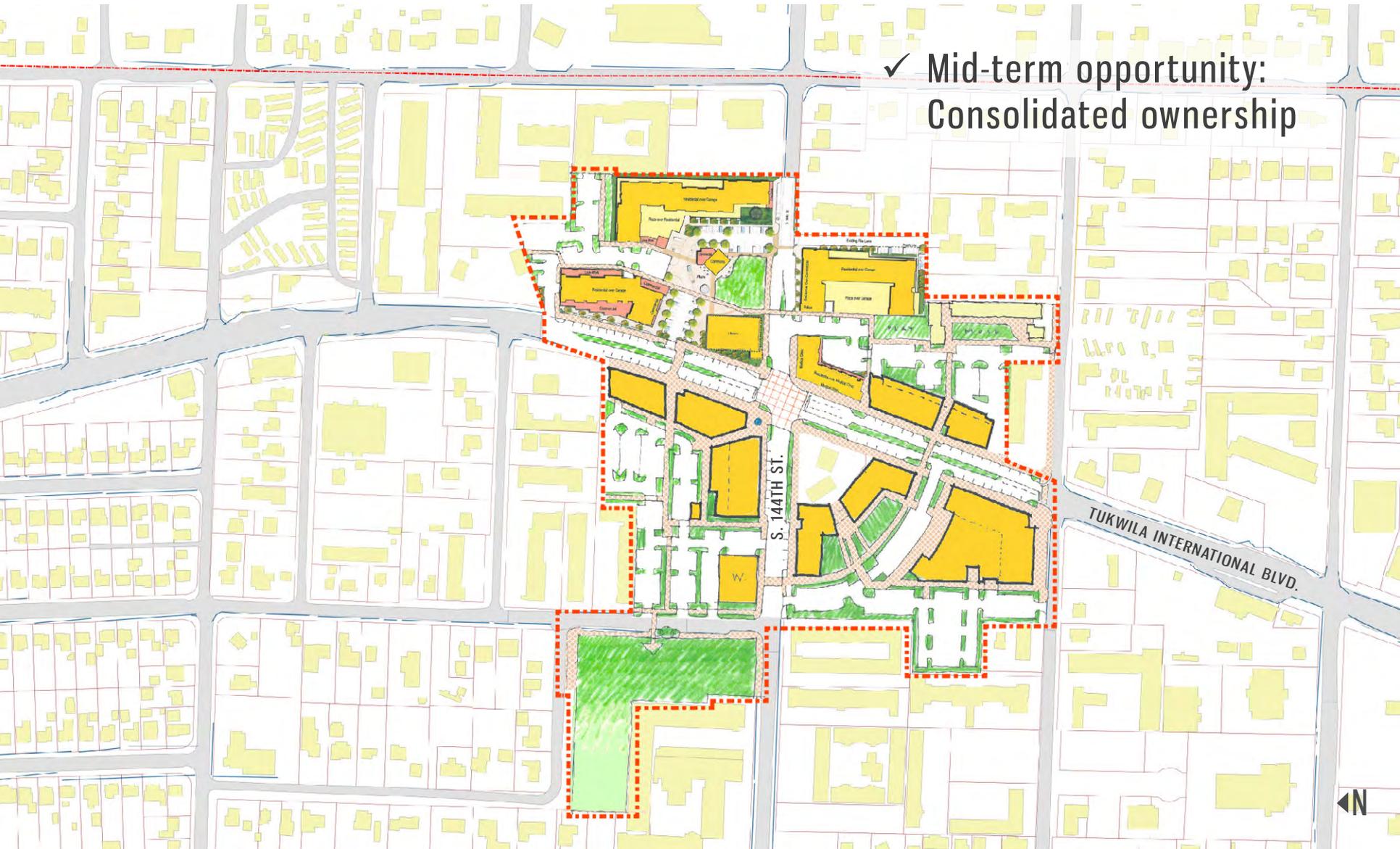
- ✓ Leverage the momentum of the Tukwila Village catalyst project; develop City-owned properties



# OPPORTUNITIES

✓ Near-term opportunity site: Saar's property (likely to redevelop)





✓ Mid-term opportunity:  
Consolidated ownership

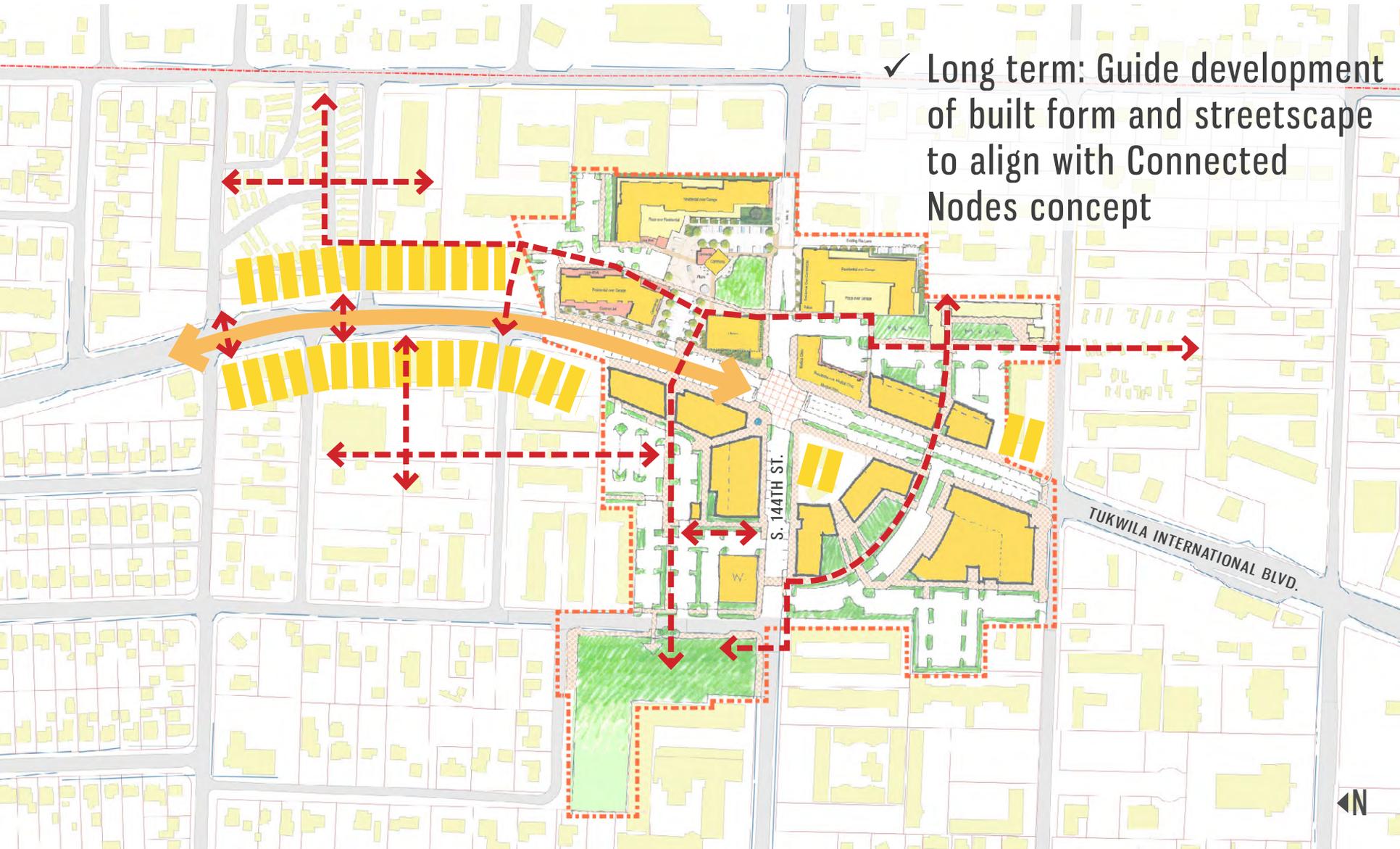
S. 144TH ST.

TUKWILA INTERNATIONAL BLVD.

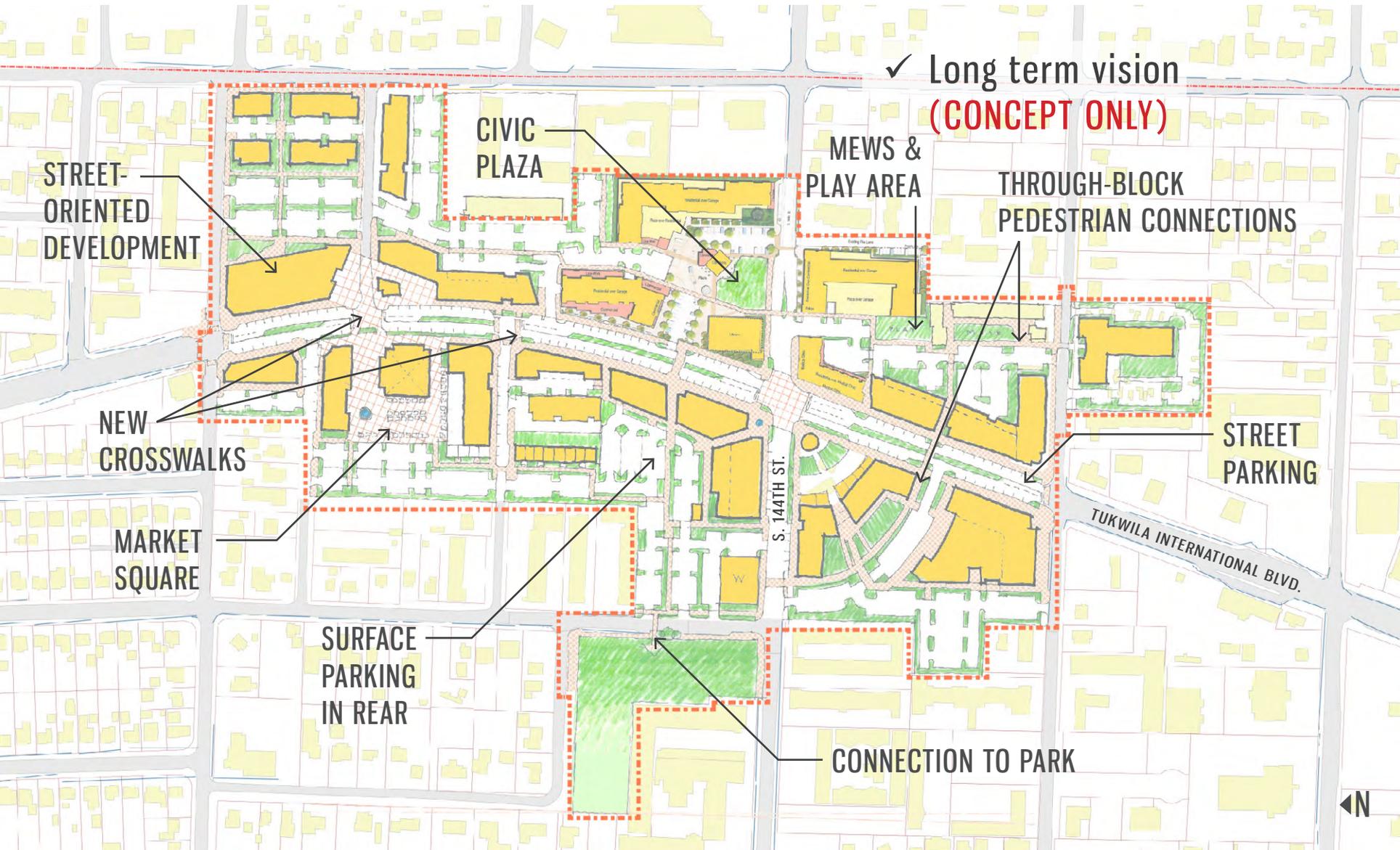


# OPPORTUNITIES

- ✓ Long term: Guide development of built form and streetscape to align with Connected Nodes concept



# OPPORTUNITIES



✓ Long term vision  
**(CONCEPT ONLY)**

# 5) NEXT STEPS



## District boundary adjustment:

- Redefine the TIB District with a new northern boundary at S. 130th Street