



## **City Council Meeting**

**December 19, 2011**

# Timeline

- 2/28/11 King County Library System presented site preference
- 3/21/11 Council approved selection process
- 6/6/11 Council selected Tukwila Village Development Associates, LLC (SHAG)
- 11/17/11 Community meeting on plaza and commons
- 12/19/11 Council reviews proposed terms and conditions
- 2/27/12 Council scheduled to approve development agreement



# Tonight's Agenda

## 1. Staff presentation

- Overview of project
- Summary of proposed terms
- Topics of continuing negotiations

## 2. Council Q&A and discussion

Staff is seeking Council questions and feedback but no action is requested tonight.



# Tukwila Village Development Associates, LLC

[Representing the Senior Housing Assistance Group (SHAG)]

## Concept

*The City's vision for Tukwila Village offers a remarkable opportunity to bring together existing and new resources that generate opportunities for all residents. The vision is a catalyst for change. With unique indoor and outdoor gathering places that bring people together, surrounded by attractive housing options for seniors and non-seniors, a library branch, retail shopping, and a healthcare facility, it is possible to create an extraordinary shared experience that will enhance the community life for the City and its residents.*



TUKWILA VILLAGE

# Developer's Concept

Use	Units	Amount
Library	SF	8,000 - 10,000
Police NRC	SF	2,000
Retail	SF	11,700
Office/Health Center	SF	20,000
Outdoor Plaza	SF	20,000
Indoor Commons	SF	2,000
Senior Apartments <sup>(1)</sup>	Units	307
Non-Senior Apartments <sup>(2)</sup>	Units	82

(1) Includes 7 live-work units of approximately 890 square feet each.

(2) Includes four live-work units of approximately 720 square feet each.



TUKWILA VILLAGE

# Apartments by Age & Income

Age and Income Restrictions	Example Maximum Household Income	Apartments
Senior		
Unrestricted	No limit	63
80% of AMI	\$55,600/two persons	38
60% of AMI	\$41,700/two persons	123
50% of AMI	\$34,750/two persons	83
None (Family)		
Unrestricted	No limit	65
80% of AMI	\$55,600/two persons	0
60% of AMI	\$41,700/two persons	0
50% of AMI	\$34,750/two persons	17
<b>Total</b>		<b>389</b>

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



# Concept Site Plan

TUKWILA VILLAGE

This site plan is a draft and has not been submitted for City approval.



# Phase One Schedule

Task/Milestone	Completion Date
Execute development agreement	March 2012
Submit for design review	June 30, 2012
Design review approval	October 31, 2012
Construction documents	January 31, 2013
Submit permit applications	January 31, 2013
Permit approvals	May 31, 2013
Escrow closing	June 15, 2013
Grading start	June 30, 2013
Foundation start	August 31, 2013
Certificate of occupancy	December 31, 2014

# City's Vision Statement

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.



TUKWILA VILLAGE

# Plaza and Commons

## Top 5 activities by survey

Plaza	Commons
Fairs/festivals	Meetings
Farmers' market	Music performances
Sitting & relaxing	Community potlucks/meals
Music	Family events
Eating & drinking	Art shows

Results per survey of attendees at community meeting held on 11/17/11.



# Negotiations Context

- Interests are generally well aligned
- Special project for City
  - Tukwila Village is for the neighborhood and city, not just itself.
- Long term relationship



# Main Proposed Terms

- Phasing
- Library parcel
- City approval process\*
- Plaza and commons size, location, and design\*
- Plaza ownership and maintenance\*

\*Staff seeks extra Council feedback



# Main Proposed Terms

- Additional height
- Police Resource Center
- Encouraged commercial tenants\*
- Price
- Completion requirements

\*Staff seeks extra Council feedback



# City 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.



# SHAG: Arrowhead Gardens



TUKWILA | VILLAGE

# Kenmore library front



TUKWILA | VILLAGE

# Kenmore library side



TUKWILA VILLAGE

# Plaza Ownership and Maintenance

Concept: City and TVDA will form a non-profit to operate plaza and indoor commons

Owner	Pro	Con
City	Traditional	City expense, lack of flexibility
Developer	Efficient	Not aligned with developer's mission
Non-Profit	High potential for activity and neighborhood health	Non-traditional, unproven business model



# Price

## Library parcel

- Price based on appraised value\*
- Close of escrow at library's request, within a time period.

## Developer parcels

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

\*Staff seeks extra Council feedback



# 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.

# Budget Impact

- Land sale
  - Staff estimate \$4.0 - 4.5 million
- Police Neighborhood Resource Center
- South 144<sup>th</sup> Street improvements
- Plaza and commons



# Council Discussion

- Does the proposed project accomplish the City's vision?
- Feedback on proposed terms
- Feedback on topics of continuing negotiation



# Feedback on Topics of Continued Negotiations

- Site plan and design approvals
- Appraisal methodology for library property
- Plaza ownership and maintenance
- Plaza and commons location and design
- Incentives for commercial tenants
- South 144<sup>th</sup> Street improvements



# Citizen Comments



TUKWILA VILLAGE

# Extra Slides for Questions



# SHAG: Linden Place at Bitter Lake



# SHAG: Rainier Court



# Tukwila Community Center Social Hall



**Indoor  
Commons  
2,000 SF**



**Outdoor Plaza  
20,000 SF**



**South 144<sup>th</sup> Street**

**Tukwila International Blvd.**

# Plaza & Commons

**TUKWILA VILLAGE**

This site plan is a draft and has not been submitted for City approval.



Indoor Commons  
2,000 SF

Village Square  
73,000 SF  
(1.7 Acres)

Outdoor Plaza  
20,000 SF

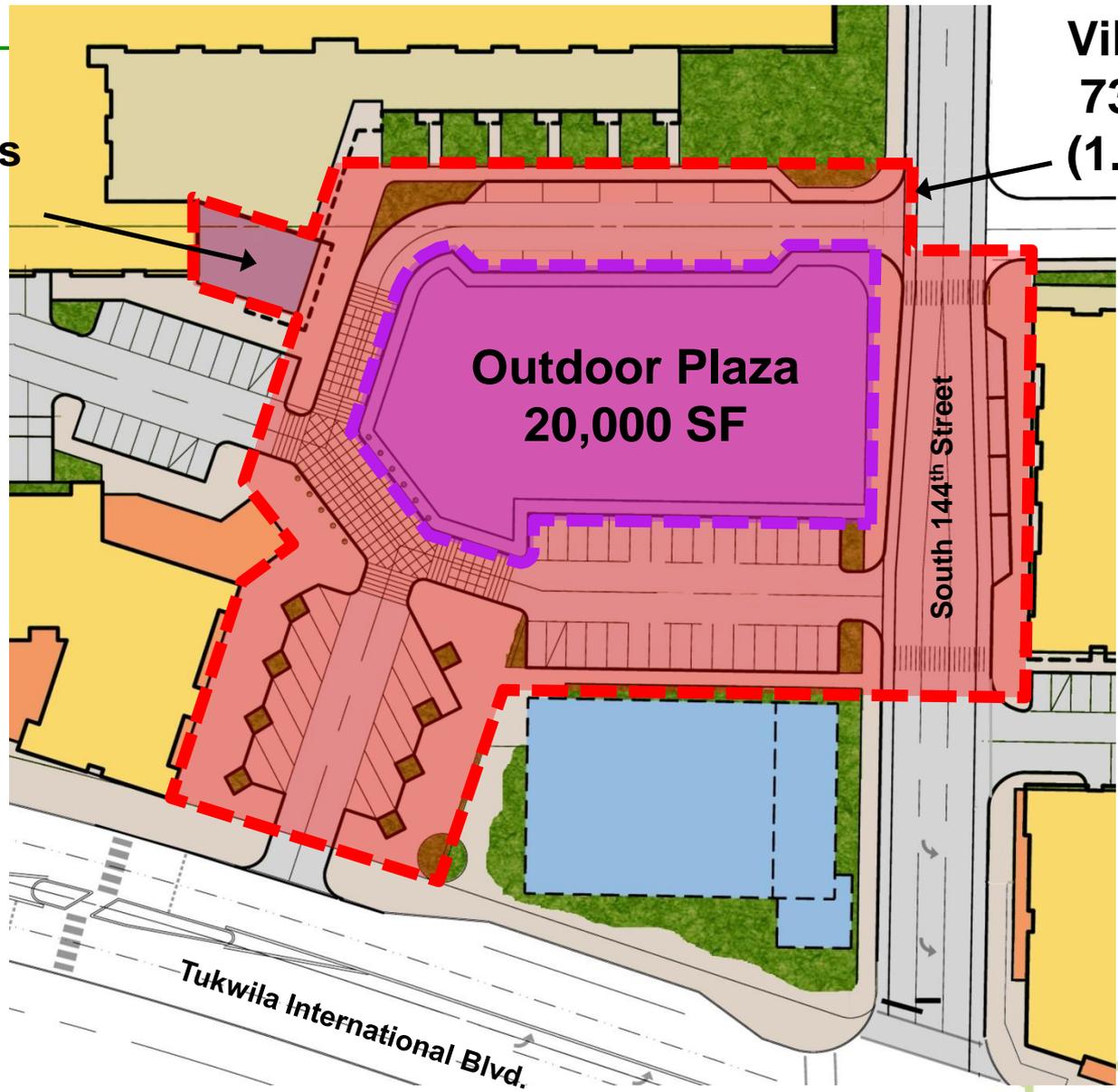
South 144<sup>th</sup> Street

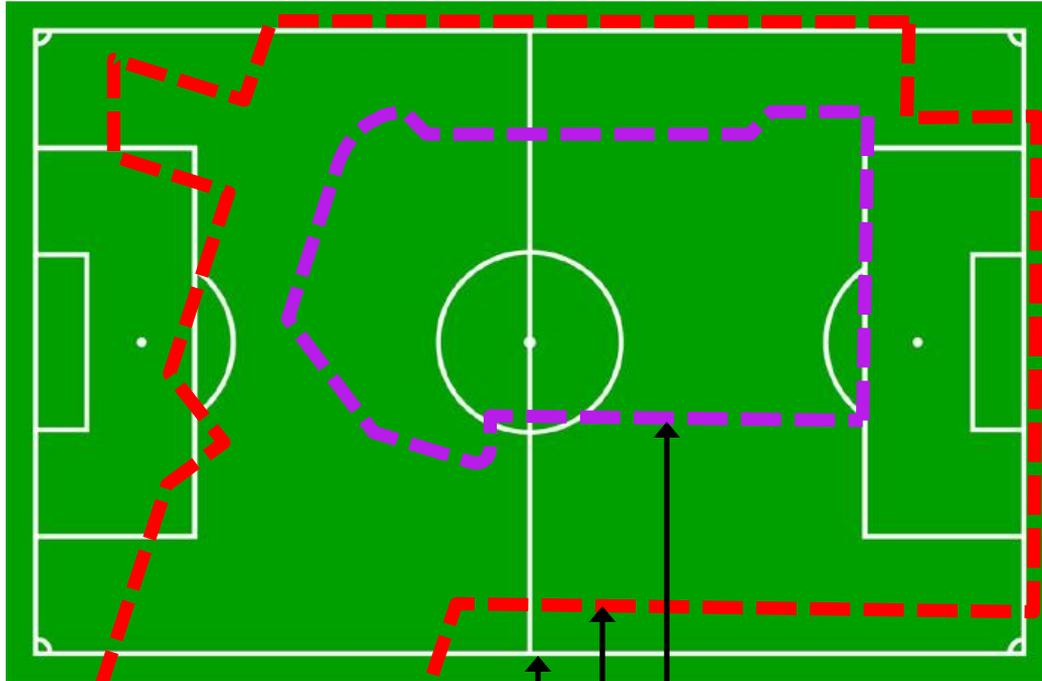
Tukwila International Blvd.

# Plaza & Commons

TUKWILA VILLAGE

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Outdoor Plaza – 20,000 SF

Village Square – 73,000 SF

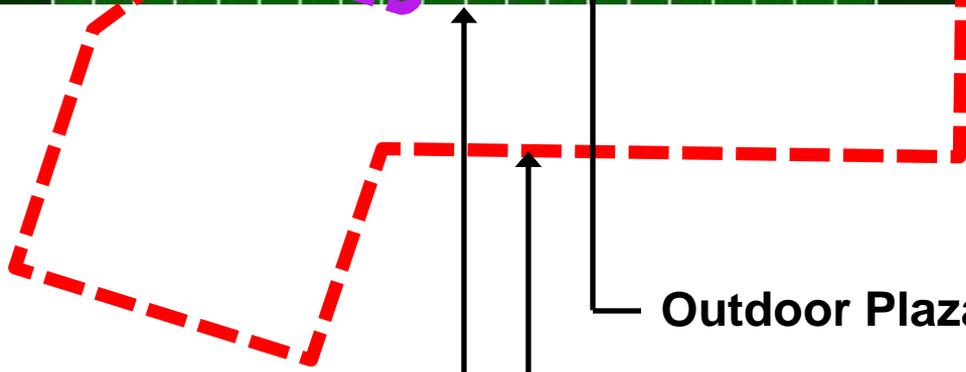
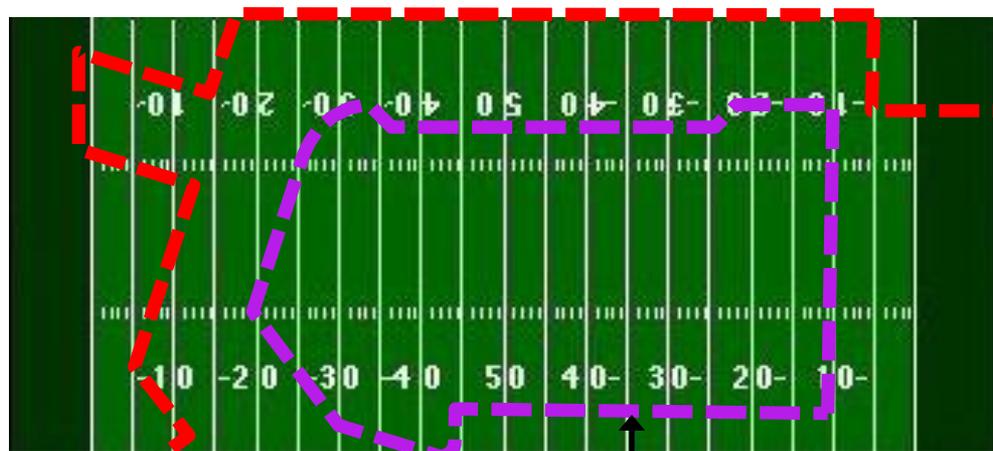
360' x 225' Soccer Field

# Plaza & Commons

TUKWILA VILLAGE



North



Outdoor Plaza – 20,000 SF

Village Square – 73,000 SF

360' x 160' Football Field

# Plaza & Commons

TUKWILA  VILLAGE



North

# **Outdoor Plaza & Indoor Commons: Potential Uses & Activities**



# Music Performances



# Dance Performances



# Fairs & Festivals



# Art Shows



# Farmers Market



# Outdoor Movies & Plays



WILA VILLAGE

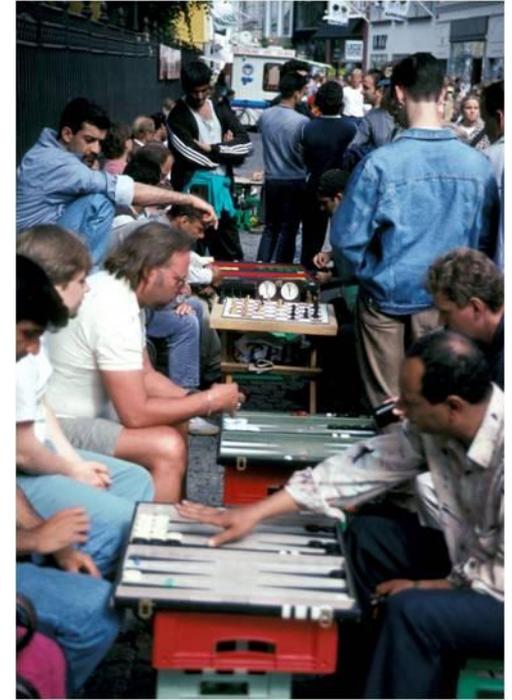
# Community Picnics



# Dance & Exercise



# Games



# Childrens' Activities



# Eating & Drinking



# Sitting & Relaxing



# 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

42nd Ave, South

FOSTER LIBRARY

NORMANDY COURT APARTMENTS

THE SAMARA APARTMENTS

② 132 UNITS / 91 GARAGE STALLS  
RESIDENTIAL ABOVE

RESIDENTIAL FRONTAGE

LIV-WORK

COFFSHAW

MAIN STREET

RIVERTON TERRACE

S 144th Street

PARK STREET

LIVE-BLOCK FRONTAGE

① 87 UNITS / 68 GARAGE STALLS  
RESIDENTIAL ABOVE

COMMERCIAL FRONTAGE

COMMERCIAL FRONTAGE

PLAZA

PARK STREET

POTENTIAL  
LIBRARY SITE

RESIDENTIAL FRONTAGE

COMMERCIAL FRONTAGE

② 133 UNITS / 87 GARAGE STALLS  
RESIDENTIAL ABOVE

POLICE

GREAT BEAR  
MOTOR INN

BOULEVARD  
MOTEL

RETAIL FRONTAGE

③ 68 UNITS / 59 GARAGE STALLS  
RESIDENTIAL ABOVE  
RETAIL FRONTAGE

7-ELEVEN

JET INN MOTEL

RETAIL

JACK IN THE BOX

TUKWILA VILLAGE

12-19-2011



SCALE: 1" = 30'-0"

# Housing Finance Options

## 1. Tax Exempt Bonds

- 20% of units at household income under 50% of AMI
- Applies to bonds for entire project

## 2. Federal Tax Credits

- 20% of units at household income under 50% of AMI or 40% of units at household income under 60% of AMI
- Rent restricted to 30% of actual income
- Proportional to qualifying units

## 3. Property Tax Exemption

- For senior apartments if over 50% of units below 80% AMI
- Applies to entire senior project

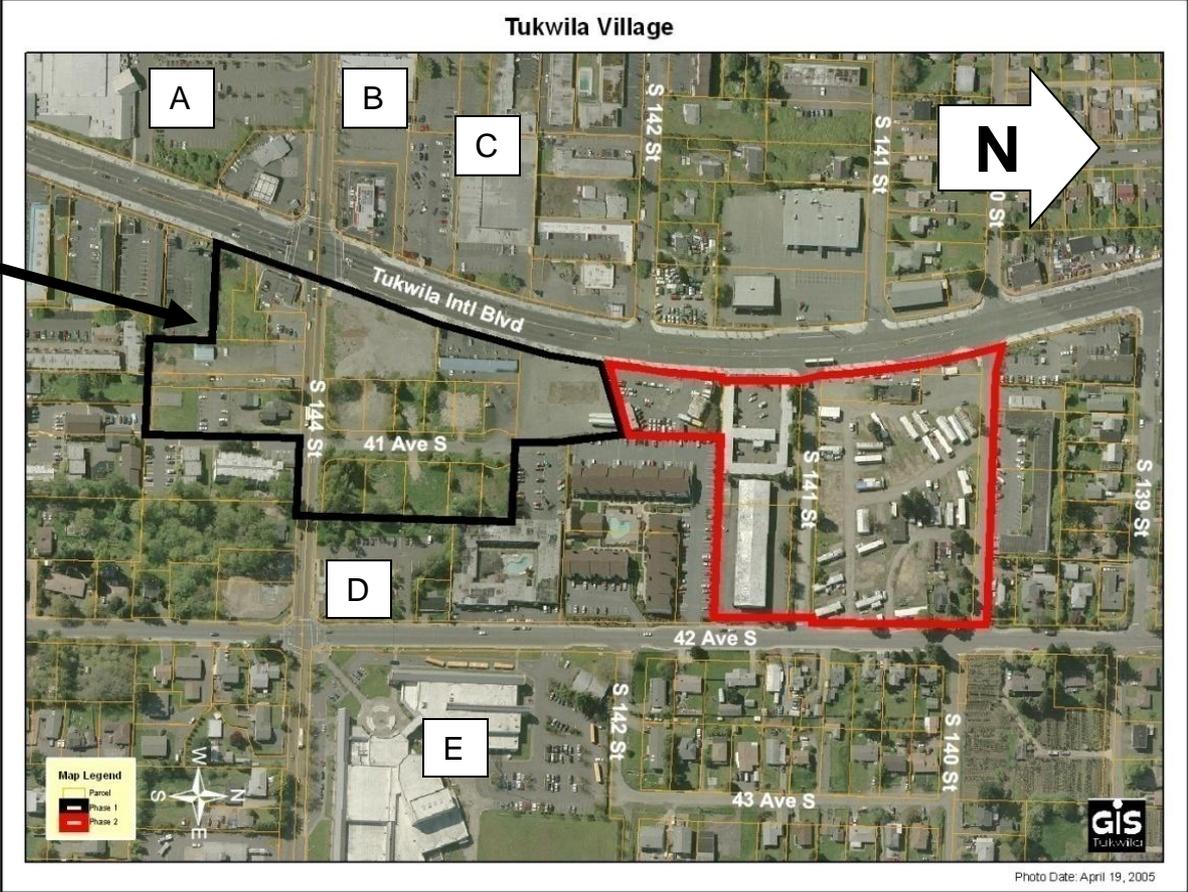
# The Site

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

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



# Tarragon's Proposal (2008)



# Contact

For a copy of this presentation, or sign up for the email notification list, email Derek Speck at [derek.speck@tukwilawa.gov](mailto:derek.speck@tukwilawa.gov).

For more information on Tukwila Village, visit [www.tukwilawa.gov/tukwilavillage.html](http://www.tukwilawa.gov/tukwilavillage.html).

