



Project Update
City Council Meeting
May 17, 2010

Tonight's Agenda

1. Update on current status
2. Council questions and discussion
(no Council action is being requested tonight)



Milestones

1998 - 2006: Project creation, land acquisition;
previous developer negotiations

2006: TIB “Snapshots” at Showalter

2007: Gardner-Johnson Real Estate Analysis

2007: Metrovation (Ron Sher) Concept

2007: Council adopted revised vision statement

Milestones

5/2008: City issued RFQ/RFP

9/2008: City selected Tarragon

8/2009: Draft term sheet presentation

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12/2007
U.S. recession
starts



TUKWILA VILLAGE

Milestones

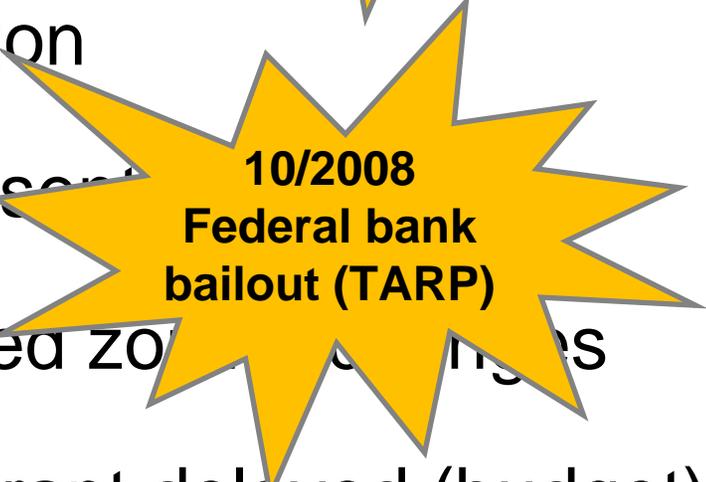
5/2008: City issued RFQ/RFP

9/2008: City selected Tarragon

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1/2010: Demolition of restaurant delayed (budget)

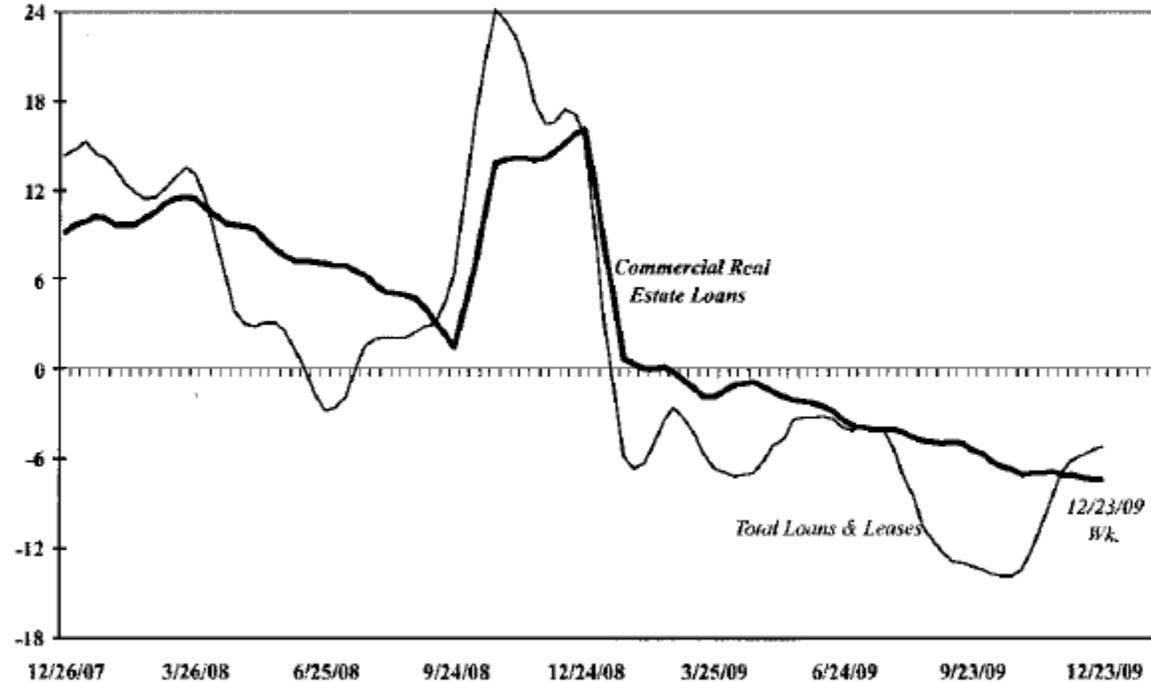


Commercial Real Estate Loans

Loan statistics

An approaching bottom to the slump in bank loans has yet extend to commercial real estate

- Commercial real estate loans started slump in 2008.



Data provided by
Tracy Edgers of Wells
 Fargo Bank, 2/8/10.

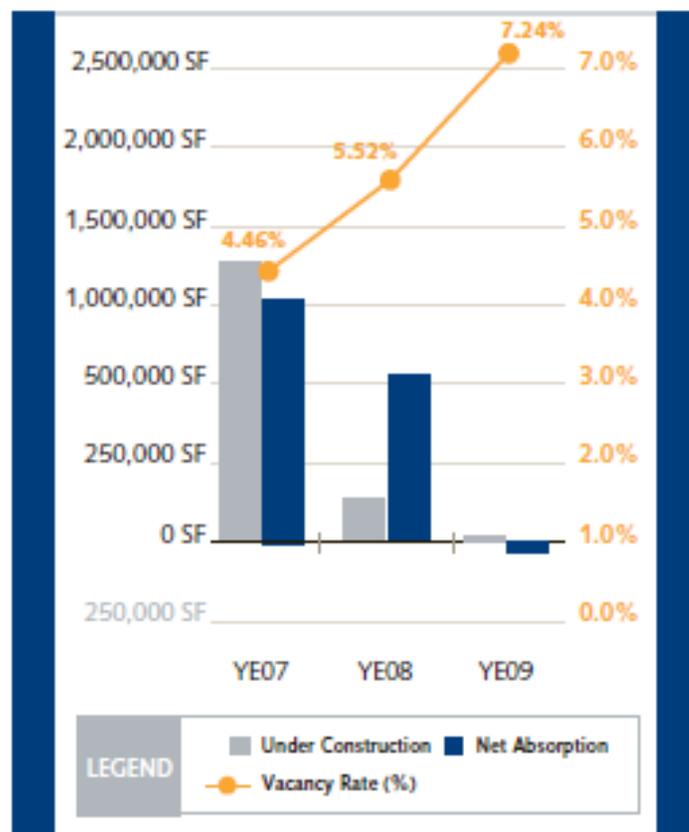
Source: Federal Reserve Board
All Banks In The U.S.; Percent Change From 13 Weeks Ago, Seasonally Adjusted Annual Rate*

Retail Statistics

“As 2009 ends and 2010 begins, there are signs that the market may have indeed bottomed out. However, if there is a recovery in the offing, its strength remains truly uncertain with employment continuing to decline.”

- GVAKM

SOUTH KING COUNTY STATISTICS



Market Forecast

OVERALL MARKET	CURRENT	PROJECTION
Vacancy	6.37%	↑
Construction	291,755 s.f.	↔
Rental Rate	Varies by Submarket	↓
Absorption	302,348 s.f.	↓

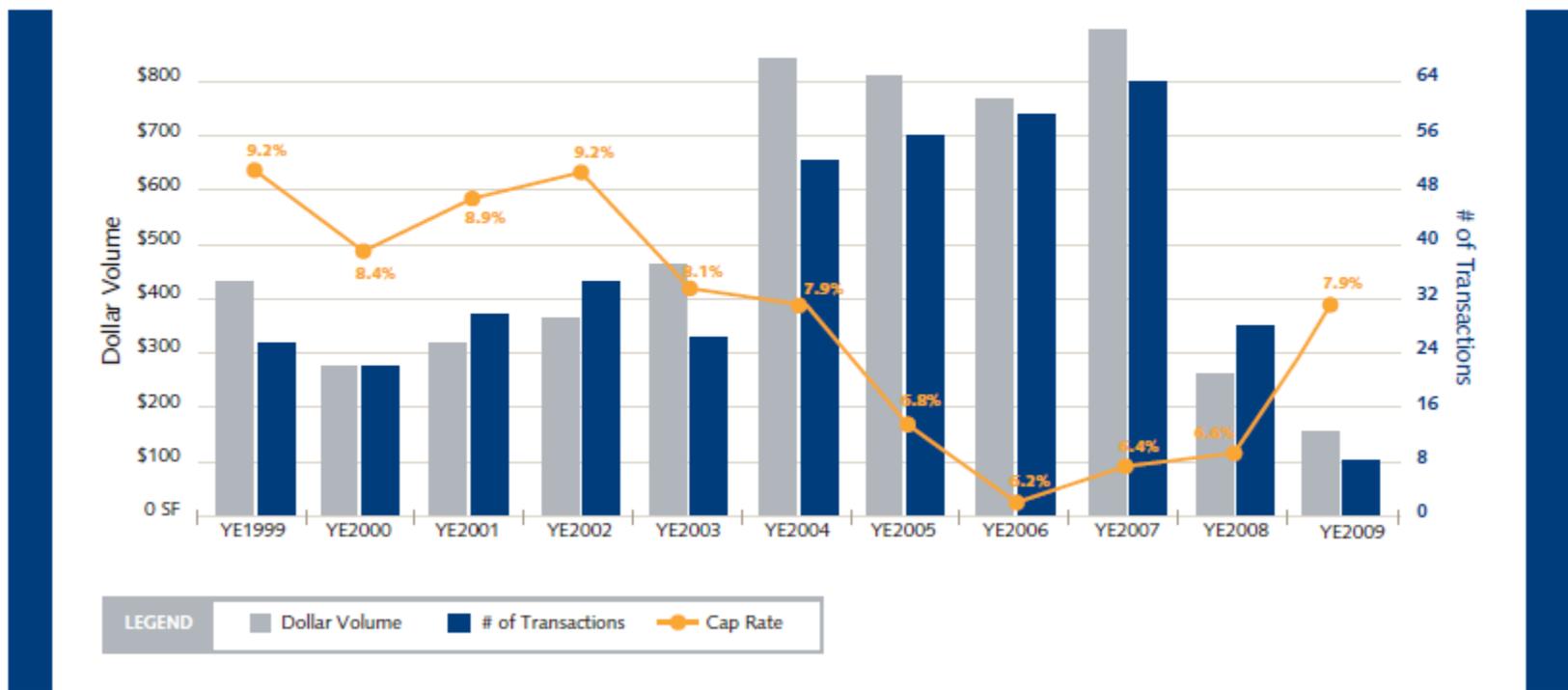
Retail Investment



"Investment activity has slowed significantly due to the general economic slowdown as well as the capital crunch, which has made leverage more difficult to obtain and more expensive if found."

- GVAKM

RETAIL TRENDS



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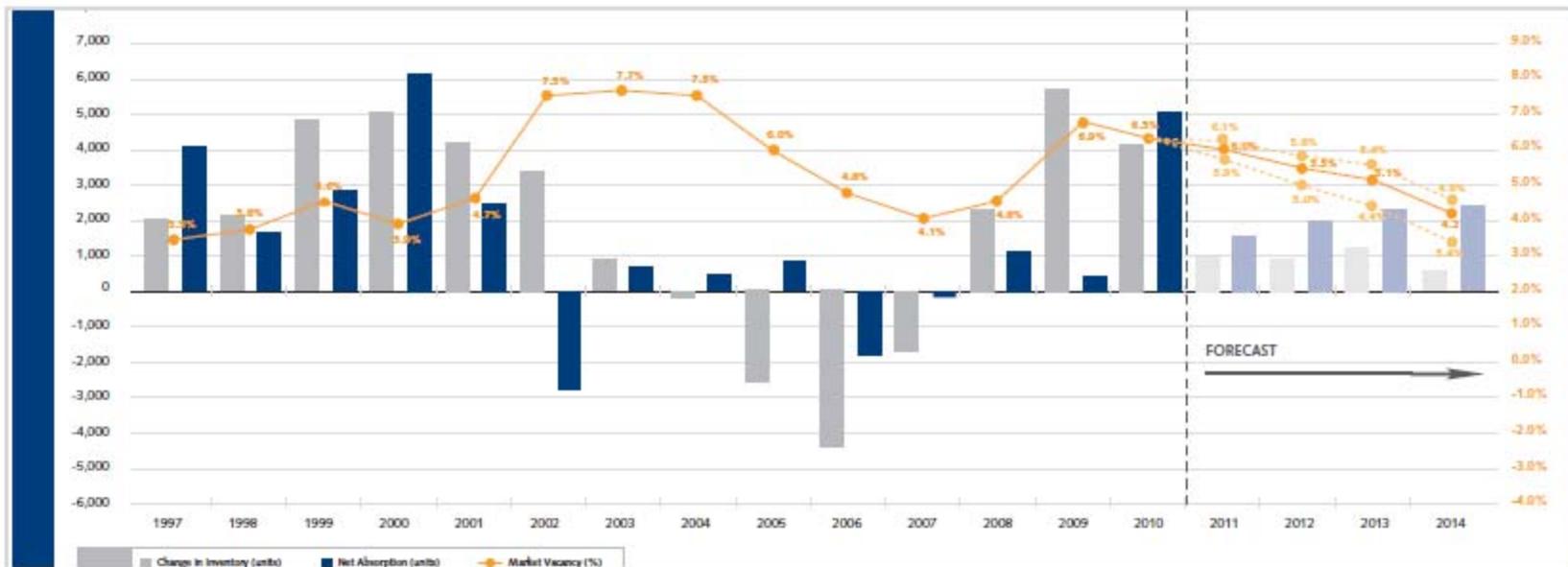
Apartments



“The regional apartment market peaked at a market vacancy rate of 7.2% last fall and has decreased to 6.2% as of the Spring 2010 [Dupree and Scott] survey. This shift in the real estate cycle coincides with the consensus that the economy has begun to turn the corner into slow but positive territory.”

- GVAKM

REGIONAL VACANCY & ABSORPTION FORECAST



GVA Kidder Mathews 2010 First Quarter Report for King, Snohomish, and Pierce Counties



Next Steps

	Date of Estimate		
	7/2008	8/2009	5/2010
MOU	2008	2009	2010
Dev Agreement	2008	2009 - 2010	2010
Design	2010	2010	2012
Construction	2010 - 2012	2011 - 2013	2013 - 2015
Notes:			

Notes:

(1) It is very feasible to start design by end of 2010 but this estimate predicts design will not start until 2012 after the real estate and credit markets recover more.

(2) Years reflect estimated completion except construction dates reflect estimated start and completion for the first phase of project.

(3) 7/2008 estimates provided by Tarragon. 2009 and 2010 estimates provided by Economic Development staff.



Questions and Discussion



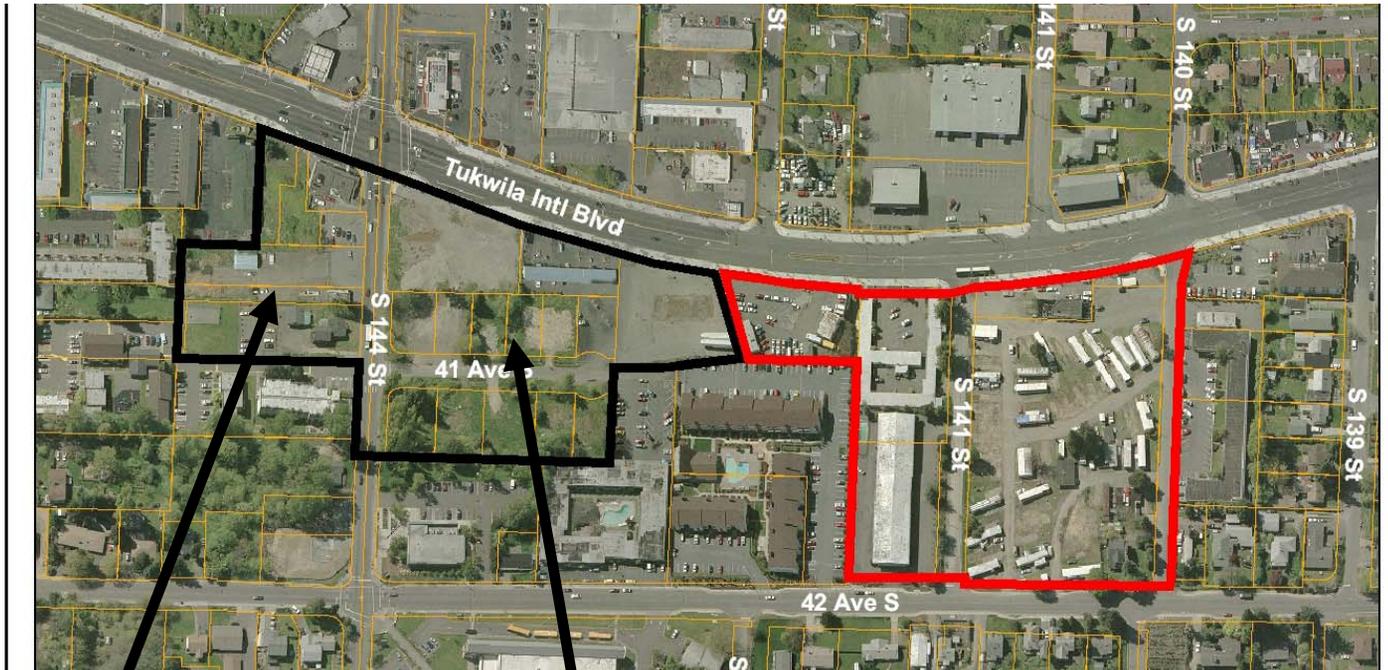
TUKWILA VILLAGE

EXTRA SLIDES FOR QUESTIONS



TUKWILA VILLAGE

Project Location



South parcels

North parcels



TUKWILA VILLAGE

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

Tarragon Site Perspective



TUKWILA VILLAGE

Tarragon Ground Floor



Contact

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For more information on Tukwila Village, visit www.ci.tukwila.wa.us/tukwilavillage.html.



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