



Project Update
City Council Meeting
August 24, 2009

Tonight's Agenda

1. Review draft term sheet

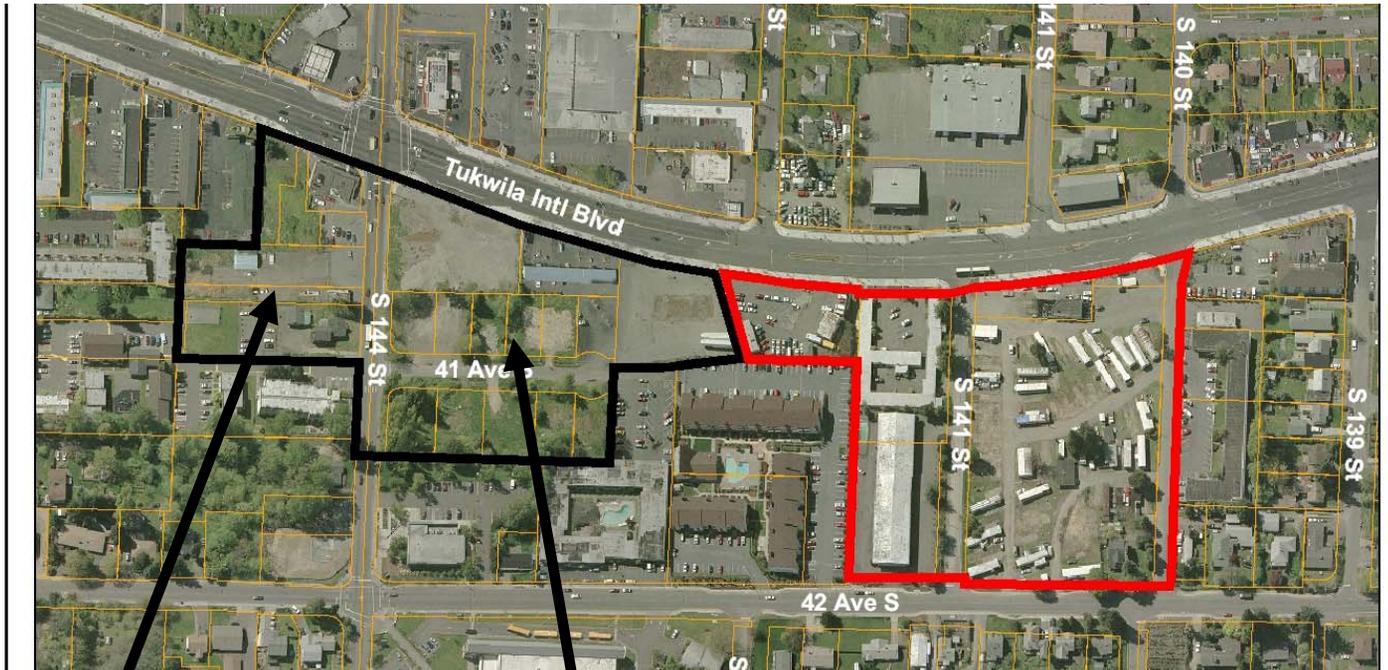
- Staff
- Tarragon

2. Council questions and discussion

No Council action is requested tonight.



Project Location



South
parcels

North
parcels



TUKWILA VILLAGE

Process to Date

1998 to 2006: Project creation, land acquisition;
developer negotiations

2006: Tukwila Int'l Blvd "Snapshots" at Showalter

2007: Gardner-Johnson Real Estate Analysis

2007: Metrovation (Ron Sher) Concept

2007: Council adopted revised vision statement

2008: RFQ/RFP process; City selected Tarragon

2008: Started negotiations; due diligence

2008: Global financial crisis

2009: Rezoning; **draft term sheet**



Next Steps in Negotiations

- 2009: Final Term Sheet
- 2009: Memorandum of Understanding (MOU)
- 2009/10: Purchase and Sale Agreement
Development Agreement



Tarragon Site Perspective



TUKWILA VILLAGE

Tarragon Ground Floor



Draft Term Sheet

1. The term sheet is a non-binding statement of intent
2. Intended to make sure “we’re all on the same page”



Draft Business Terms

1. States the vision
2. Work cooperatively
3. Developer will expend resources
4. Affordability: At least 20% of residential units for families earning up to 80% of area median income (currently \$47,200 for a one person household)



Draft Business Terms

5. Cooperative negotiations with King County Library System to relocate Foster Library into Tukwila Village
6. Acknowledgement that KCLS will need to sell Foster Library property
7. Will collaboratively negotiate a development agreement



Draft Business Terms

8. Property may develop in phases by mutual agreement
9. Development schedule will accommodate market conditions with performance milestones and deadlines
10. City may repurchase property in event of default



Draft Business Terms

11. City to support zoning and comprehensive plan changes
12. City will support multi-family property tax exemption
13. City will seek public funding for improvements to South 144th Street
14. Developer will obtain entitlements



Draft Business Terms

15. City will identify a project coordinator to expedite permits
16. City will remain responsible and will indemnify Developer for environmental remediation required as result of pre-existing conditions
17. City to vacate 41st Street with Developer cooperation for access

Draft Business Terms

18. Developer will incorporate sustainable building practices
19. Developer will ensure all residential units are built to condo quality
20. Developer may purchase all 6 acres
21. Minimum amount of net rentable area of 500,000 square feet will be available to developer



Draft Business Terms

- 22. Initial land “takedown” will occur within xx months of certain approvals
- 23. Developer will pay fair market value (FMV) at time of purchase
- 24. FMV based on land residual analysis
- 25. FMV based on appraisal process
- 26. Confidentiality



Questions and Discussion



TUKWILA VILLAGE

Extra Slides for Questions



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

Real Estate Market

Per Gardner - Johnson 2/2007

Retail

- Up to 50,000 SF of neighborhood service through 2011
- Current rates: \$17.50 to \$25.00/SF/year NNN

Office

- Up to 50,000 SF through 2011
- 1,000 to 15,000 SF floor plates
- \$19.00 to \$21/SF/year for professional space

Attached Housing

- 45 – 60 units
- Flats between \$160,000 and \$250,000
- Townhouses between \$185,000 and \$300,000

Rental Housing

- Up to 150 units (but current rents are low)



Example of Phasing



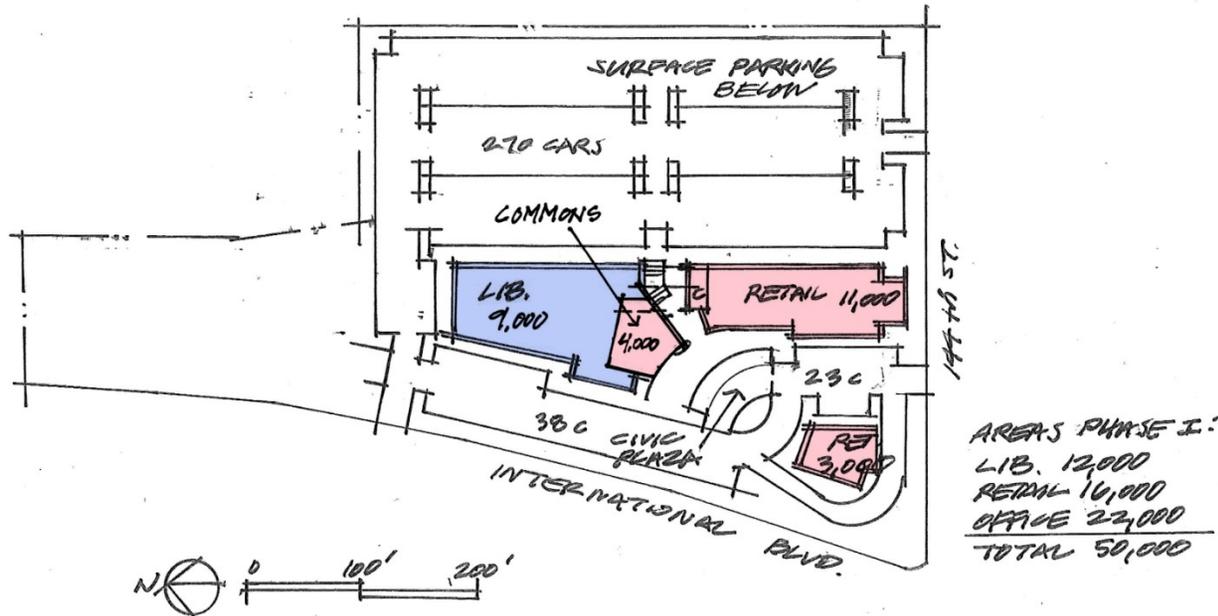
Example concept by Metrovation 2007



TUKWILA VILLAGE

Example of Phasing

Example: Metrovation's concept of first phase



6.12.07
FULLER SPARRS

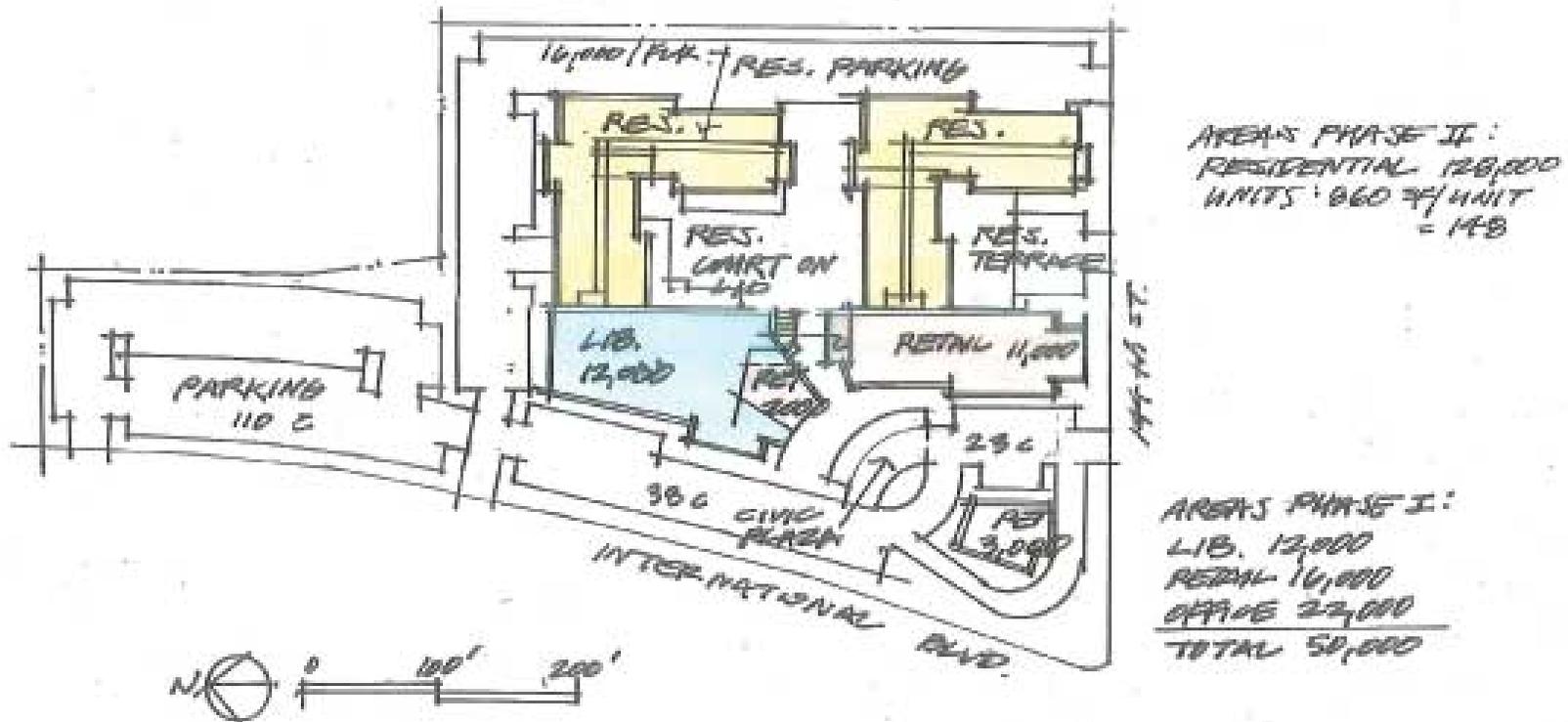
STREET LEVEL SITE DIAGRAM PHASE I
TUKWILA VILLAGE METROVATION



TUKWILA VILLAGE

Example of Phasing

Example: Metrovation's concept of showing residential phase



1-19-07
FULLER SPURS

STREET LEVEL SITE DIAGRAM PHASE I & II
TAKUMA VILLAGE METROVATION

Contact

For a copy of this presentation, or sign up for the email notification list, email Derek Speck at dspeck@ci.tukwila.wa.us.

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



TUKWILA VILLAGE