



REQUEST FOR PROPOSALS

FOR SALE: 3.18 Acres in Tukwila, WA

Introduction

The City of Tukwila is accepting offers to purchase and develop a 3.18 acre parcel of City-owned vacant land. The parcel is located at Longacres Way near I-405 in Tukwila and known as King County Assessor Parcel Number (APN) 242304-9034.

The City's parcel is adjacent to a vacant 4.66 acre parcel (APN 242304-9137). That parcel is also for sale and owned by Leuqar BB, LLC.

Due to shared easements and the configuration and location of both parcels, the City is interested in selling its parcel to a buyer who will purchase and combine both parcels for an integrated development. The combined parcels total approximately 7.84 acres. The City and Leuqar are coordinating the sale of both parcels so they can be purchased and developed simultaneously; however, each party retains the rights and authority for selling the parcel it owns separately.

Background

The City's parcel for sale is APN 242304-9034, which is located between I-405 and Longacres Way. It is adjacent to a vacant 4.66 acre parcel (APN 242304-9137) that is also for sale and owned by Leuqar BB, LLC. The site, which includes both parcels, is approximately 7.84 acres and served by utilities at Longacres Way. The site is unique because it has excellent freeway access and visibility, transit access, and walkability; however, it is also located between two railroads. Due to the location, configuration, and shared easements on the parcels, the City is interested in selling its parcel to a buyer who will be able to purchase and combine both parcels for an integrated development totaling approximately 7.84 acres.

The City's parcel is a 100 feet wide strip of vacant land. The City acquired a portion of its parcel in 1998 as part of a larger plan to construct a convention center. The City acquired the remainder of the parcel through land exchanges to support the relocation of the Union Pacific railroad tracks to facilitate quality development around the commuter rail station. The City is no longer attempting to move the Union Pacific tracks. The City is currently using its parcel to store public works materials and does not currently have a long-term need for the site.

Because the adjacent parcel is privately owned, the City is not making representations related to that parcel. Interested buyers should contact Leuqar BB, LLC at YaleWong@yahoo.com for information and negotiations related to that parcel.

One key reason the City desires to sell its parcel at this time is that Leuqar has indicated that it has received strong interest from potential buyers and would like to sell its parcel. Given the configuration, location, and shared easements of the two parcels, the City believes it is in the

City's interest for both parcels to be developed together. Leuqar has expressed strong interest in coordinating the sale of their property with the City's property.

Site Context

The site is located in the City's Southcenter District (District) which is a major regional commercial hub that attracts millions of people every year for work or to enjoy shopping, dining, and entertainment. The District is also one of the region's designated urban centers which are areas intended for a concentration of jobs and housing. The District is seeing its first urban style growth with the recent opening of the nineteen story Hotel Interurban/Airmark Apartments building, which is now the tallest building between Seattle and Tacoma.

Amenities: The District is anchored by Westfield Southcenter, which is the largest mall in the Pacific Northwest and houses hundreds of retailers including Nordstrom, Apple, and Uniqlo and dozens of restaurants, including Din Tai Fung, Joey's, and Moctezuma's. Near the mall are many other restaurants and retailers including Odin Brewing, Arashi Ramen, and Miyabi Sushi. The area has many unique entertainment venues such as ACME Bowl, Family Fun Center, Flying Circus, Foster Golf Links, I-Fly Indoor Skydiving, the Museum of Flight, Round One, Starfire (the region's largest soccer complex and home to the Seattle Seawolves major league rugby), and Virtual Sports. The District is served LA Fitness and by the Green River and Interurban trails which offer miles of walk and cycling.

Freeway Access: The District is located at the intersection of I-5 and I-405 which is the busiest interchange in Washington State. The site is adjacent to I-405 with excellent vehicle access.

Airport Access: The District is located two miles from SeaTac International Airport and King County International Airport (Boeing Field). The site is readily accessible to SeaTac Airport via transit.

Transit Access: The site has excellent transit access. It is across the street from the Tukwila Sounder station, which is served by 13 Sounder commuter trains between Seattle and Tacoma/Lakewood each way every weekday and offer a 20-minute ride to and from downtown Seattle. It is also served by Amtrak Cascades with service between Seattle and Portland and Amtrak Coast Starlight with service to California and Vancouver, BC. The Sounder station is also served by King County's Rapid Ride F Line providing frequent service between Burien and Renton with stops in between, including at the Tukwila light rail station. The site is a 10-minute walk to King County Metro bus route #150 with frequent service to downtown Kent and downtown Seattle. It is also the location for a stop on the future bus rapid transit that will be built along I-405.

Zoning: The site is currently zoned Tukwila Urban Center – Transit Oriented Development (TUC-TOD). The TUC-TOD district is intended to provide a more compact and vibrant mix of housing, office, lodging, and supportive retail and service uses. Examples of permitted uses are: office, multi-family and mixed-use residential, townhouses, lodging, commercial indoor recreation, general retail, personal services, athletic/health clubs, restaurants, daycare centers, commercial parking (day use only), vehicle rental and sales, educational/instructional facilities, and convention/exhibition facilities. See TMC Chapter 18.28 for detailed zoning regulations and a complete list of permitted uses. Maximum building height without incentives is 45 feet. Heights can be increased to 70 feet when the developer provides frontage improvements. Heights can be increased to 115 feet when developer provides frontage improvements in combination with either multi-family housing, LEED certification, or affordable housing. See TMC 18.28.070 for additional information on the requirements for the height incentives.

Because this site is adjacent to the commuter train station, this is a special opportunity area that could develop at even greater intensities with a wider variety of uses, such as regional serving entertainment and retail, especially those uses encouraging transit ridership.

City Vision: The City will consider selling for any use permitted by current zoning. It believes this site would be especially appropriate for developments that would leverage the excellent transit access such as office or multi-family residential. Given the site's visibility to I-405 and proximity to the Southcenter District's shopping, dining and entertainment cluster, this site would be good for retail or a regional entertainment venue or a development that includes a mixture of uses. Because the site is located between two railroad tracks, the City is interested in developments that are able to take into account the noise and vibration in a way that ensures a high-quality development and experience for people working, living, or visiting the site.

State Environmental Policy Act (SEPA): In 2014 the City adopted the Southcenter Subarea Plan and updated the development regulations for the TUC Zone. As part of that work, the City completed an area wide environmental review. This means that development proposed in the TUC will not be subject to environmental review and project specific SEPA-based administrative or judicial appeals as long as certain criteria are met. The criteria ensure the proposed development is consistent with the Southcenter Subarea Plan and that the impacts were already considered in the Plan Update. The complete description of the criteria and a consistency checklist is available in Tukwila Municipal Code (TMC) section 21.04.165 which is available on the City's website.

Parking Easement: The City's parcel has an access easement over the Leuqar parcel. Both parcels share a parking easement on a separate, privately owned parcel nearby. The City will provide copies of the easements upon request.

Environmental: The City is not aware of any environmental contamination issues that would affect the development of the site. The City will provide copies of existing environmental documentation upon request. These will be available by mid-September.

Flood Zone: As significant portion of this site is shown in Zone AH in a Special Flood Hazard Area according to the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM) dated May 16, 1995. Due to this listing, new development on the site must receive a Flood Control Zone Permit issued by the City of Tukwila. Permit requirements can be found at TMC Chapter 16.52. FEMA is revising the flood maps and it is possible the designation will change once the new maps are adopted. Contact FEMA for more information on the map revisions.

Appraisal: The City will conduct an appraisal of the property and will provide a copy upon request. The appraisal is scheduled to be completed by mid-October.

Evaluation Process

The Tukwila City Council will select a purchaser of the City's parcel based on the criteria identified in City Resolution #1927 and pursuant to Chapter 2.64 of the Tukwila Municipal Code.

The City will consider the following criteria:

- (1) Price. This is the primary criteria. The City will not consider offers below the appraised value as determined by an appraisal conducted by the City.

- (2) The buyer’s ability to purchase the adjacent parcel (APN 242304-9137) and coordinate a simultaneous closing on a timely and predictable schedule.
- (3) How well the buyer’s intended use of the site fits the City’s vision for the Southcenter District.
- (4) The buyer’s intended use of the site and its ability to generate additional tax revenue for the City relative to the City’s cost of providing services.

Please note the following conditions/anticipated terms:

- Closing on the City’s parcel will be contingent on the buyer providing proof of committed financing and release of all contingencies for the purchase of the adjacent parcel.
- If the buyer’s intended use includes multi-family residential development, the City will require at least 50% of the units be sold or rented at market value.
- The City may require an option to repurchase the parcel if the buyer does not meet certain development milestones. This provision will depend on the extent to which the City has selected the buyer based on the buyer’s intended use of the site.
- The City is storing equipment on the parcel and may require a lease to continue storing the equipment for up to one year.
- The City is interested in selling its parcel “as is” and will not consider proposals that would require the City to invest in the property.
- The City is not being represented by a real estate broker and will not pay a commission or fee to the buyer’s broker representative.

Final selection of a buyer/developer is subject to City Council approval. The City reserves the right to reject all proposals, modify or supplement the proposal requirements, or waive any irregularities in the content or timing of any proposals.

Anticipated Schedule

September 4, 2018	Request for Proposals (RFP) is available to the public
October 31, 2018	Deadline to submit proposals
November 2, 2018	City Administration preliminary selection of buyer
November 13, 2018	Signed letter of intent with Leuqar BB LLC
November 16, 2018	Staff report and recommendation available for public review
November 26, 2018	City Council discussion
December 3, 2018	City Council decision

The City is interested in executing a purchase and sale agreement and closing escrow as soon as possible after the City Council has made its decision.

Note: This schedule and process is subject to change.

Submittal

Interested parties must submit proposals using the attached application form. If you would like an editable version of the form in Microsoft Word, please email Derek Speck at Derek.Speck@TukwilaWA.gov.

Proposals must be mailed or hand delivered to:

City of Tukwila Mayor's Office
6200 Southcenter Boulevard
Tukwila, Washington 98188

Please include 5 sets of copies, including attachments. Incomplete proposals may be disqualified. All documents must be on standard 8.5" by 11" letter size paper. Stapled, color and double-sided pages are acceptable.

Do NOT include visual depictions of your concept for the site. Any visual depictions for your concept (e.g. artistic renderings, conceptual drawings, schematic drawings, site plans, etc.) will **not** be included in the evaluation process.

Please note that proposals will become public records and may be included in their entirety in the Council agenda packets. **Please do not include confidential information.**

The City will not compensate applicants for submitting a proposal.

Due Date:

Proposals, whether mailed or hand delivered, must arrive no later than **5:00 p.m. on October 31, 2018, PST**. The City will not be liable for delays in delivery of responses due to handling by the US Postal Service or any other type of delivery service. Faxed or emailed proposals will not be considered.

Updates and City Contact Information

If you plan to submit a proposal and have questions or would like to be notified about updates, revisions, and clarifications in the selection process, please register with Derek Speck at Derek.Speck@TukwilaWA.gov.

Thank you for your interest in the City of Tukwila!

PROPOSAL APPLICATION FORM

Applicant Organization

Name:

Address:

Website:

Please describe the legal structure of the applicant organization (e.g. sole proprietor, general partnership, LLC, corporation, 501(c)3, etc.):

Please list the principals of the organization with name and title.

Please describe the size and staffing of the organization.

Applicant's Primary Contact Person

Name and Title:

Phone:

Email:

Criteria #1: Price:

- 1) What is your offer price and key terms? Note: the minimum offer the City will accept is the fair market value as established by the City's appraisal.

Criteria #2: Intended Use and Vision

- 1) Describe your intended use for the site.
- 2) Does your intended use include a residential component? If so, please describe it and any anticipated restrictions on age, income or rent.
- 3) Describe how your intended use for the site fits the City's vision for the Southcenter District (TUC-TOD zone)? Note: You may wish to refer to the Tukwila Urban Center – Transit Oriented Development chapter in the City's Comprehensive Plan, the City's zoning, and other related documents.
- 4) Do you anticipate requesting any changes in zoning?

Criteria #3: Adjacent Development

- 1) Would you develop the parcel in conjunction with the adjacent parcel (APN 242304-9137)?

- 2) If so, please describe your relationship or agreements with Leuqar BB, LLC to enable that collaboration. Please note that before the City selects a buyer for its parcel, it will want a letter of intent signed with Leuqar.

Criteria #4: Tax Revenue/Cost of City Services

- 1) Please estimate the tax revenue your development would generate for the City.
- 2) Would your development receive any property tax abatements?
- 3) Do you anticipate requesting any changes in public infrastructure or services?

Criteria #4: Buyer/Developer Experience, Financing Capability, Closing

- 1) Describe your prior development experience. Preferably, use examples of past projects and describe each project, its location, your organization's role in the development, other significant partner organizations, your organization's financial contribution to the project, financial partners (investors, lenders and other), and timeline. If your organization has not completed any development projects, you may describe projects that your individual team members have completed.
- 2) Describe your anticipated project timeline including due diligence, feasibility analysis, negotiations, design, construction, and sales/lease-up. When would you expect to close escrow on the purchase of the land?
- 3) Describe the financing structure you anticipate for the property purchase and for completing the entire development.
- 4) Describe the equity, or other funding, your organization has available, or intends to make available, for the development.
- 5) Describe your experience operating a development like the one you are proposing.

Additional Information

Please provide any additional information you feel would be helpful in the City's evaluation of your proposal. Feel free to attach information about your organization but please ensure any additional information or attachments meets the requirements expressed in the RFP.

I certify that I have read the Request for Proposals and supplied true and accurate information in this application.

Signature

Date

Printed Name

Title