



Allan Ekberg, Mayor

INFORMATIONAL MEMORANDUM

TO:	Planning and Community Development

FROM: Brandon Miles, Business Relations Manager

CC: Mayor Ekberg

DATE: November 30, 2021

SUBJECT: Wadajir Development Agreement Update

ISSUE

Update on the Wadajir Development Agreement at 14110 Tukwila International Blvd.

BACKGROUND

On August 16, 2021 Economic Development staff provided a briefing to Planning and Community Development (PCD) regarding the proposed Wadajir project at 14110 Tukwila International Blvd. Forterra is requesting that the City enter into a development agreement regarding to address certain development issues with the property. A copy of a staff memo dated August 10, 2021 that provided background on the project is included as an attachment to this memo.

At the meeting City staff and Forterra discussed additional outreach that would be completed by Forterra during the next few months. PCD requested an update on the project prior to the end of the year.

DISCUSSION

Forterra staff will provide a presentation to PCD on the outreach completed to date. Additionally, Forterra will discuss possible option regarding parking on S. 141st Street. Please note that staff is still reviewing the various issues associated with the development agreement, including a possible vacation of S.141st Street. Staff does not have a recommendation at this time. The briefing at the December 6, 2021 PCD meeting is intended to provide a brief update to the committee. No decisions are needed as this time. Staff suggests that a briefing be provided in the new year to the full council so that all councilmembers are up to speed on the project.

FINANCIAL IMPACT

N/A.

RECOMMENDATION

Discussion only. Staff would like to schedule a briefing to the full council in early 2022.

ATTACHMENTS

- Staff memo, dated August 10, 2021
- Wadajir Presentation, prepared by Forterra staff





Allan Ekberg, Mayor

INFORMATIONAL MEMORANDUM

TO: Planning and Community Development

FROM: Brandon J. Miles, Business Relations Manager

CC: Mayor Ekberg

DATE: August 10, 2021

SUBJECT: Wadajir Development Agreement Update

<u>ISSUE</u>

Forterra is requesting the City enter into a Development Agreement (DA) for the old Knight's Inn property at 14110 Tukwila International Blvd. Staff would like to provide a briefing on the various issues related to the DA and discuss next steps.

BACKGROUND

In September of 2020 the Department of Community Development (DCD) was provided an overview of the Wadajir project to the Planning and Economic Development committee. Wadajir will be a 154,500 square foot mixed use project on the old Knight's Inn motel property, focused on supporting the environmental, social, and economic sustainability of Tukwila's East African immigrant community. A total of 100 owner occupied units will be constructed.



Figure 1, Project Site and Surrounding Area.

The project aims to provide affordable, cooperatively owned, housing for community members having annual income levels below the area median income. To achieve this affordability goal, the project proposes to use Cross Laminate Timber (CLT) technology and prefabricated modules created as a standardizes set of building units. In addition to building construction

technology, the applicant is also requesting certain deviations from the City's design and zoning standards to improve the projects financial feasibility.

DA's are permitted under Tukwila Municipal Code 18.86 and are discretionary, legislative acts of the City Council. Major development and zoning issues requested to be modified by the applicant as part of a DA for the Wadajir project include:

- 1. <u>Structured Parking.</u> The applicant is asking that the requirement to provide structure parking for the residential uses be waived.
- 2. <u>Minimum Required Parking</u>. The applicant is requesting that the required number of parking stalls required for the development be reduced from 203 total spaces to a total of 69 stalls on site and 32 spaces in adjacent city right of way.
- 3. <u>Building Setbacks.</u> The construction method of CLT and prefabricated modules creates issues with modulation. The project would not be able to meet the tiered setbacks required for the upper floors of the project.
- 4. <u>Recreation Space</u>. To meet the recreation space requirements, the applicant is requesting that they be allowed to count the required setback areas into the square footage requirement for recreation space.
- 5. <u>Design Review Process</u>. Staff is requesting that the design review process be amended for this project, should it move forward.

Note, there are other minor issues that will also need to be addressed as part of the DA. Staff wanted to highlight the major issues for the council discussion since they impact project feasibility.

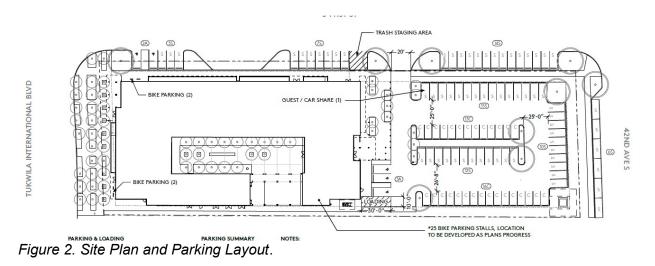
The applicant has also requested that the City reenact its Multi-Family Tax Exemption (MFTE) project to accommodate the project. The MFTE cannot be reenacted via a DA and would require a separate City Council action.

DISCUSSION

Wadajir provides an opportunity to expand the number of owner, occupied affordable housing units in south King County. As outlined above, the applicant is requesting deviations from several development standards for the project. Additional context on the request is provided below.

1. Structured Parking Requirements

TMC 18.43.070 requires that 75% of the required residential parking be in a structure, similar to what occurred at Tukwila Village. The Wadajir is proposing to provide parking via a surface parking lot. As shown in the site plan below, the parking will be located in the rear of the building along 42nd Ave South. The applicant has indicated that structured parking could make the project financially unfeasible.



Staff Response

Structured parking can add additional development costs to a project, with a rough estimate of the cost being \$30,000 to \$40,000 per stall. Thus, a 100-stall garage adding between \$3 and \$4 million to a projects cost. The goal of the structured parking is to reduce the visual impacts of large surface parking lots on Tukwila International Blvd and to allow more dense development. By locating the building along Tukwila International Blvd. the applicant is screening the parking lot from the street. However, a large parking area would be visible from 42nd Ave South.

Through the DA the City could waive 100% of the requirement that the parking be structured or waive a portion of this requirement.

Both Tukwila Village and Bellwether Housing provided structured parking for the residential components of their projects.

2. Minimum Required Parking

Per TMC 18.43 and 18.53, the project is required to meet the following standards for parking:

- 1 stall per dwelling unit per 1 bedroom, plus
- 0.5 spaces for every bedroom in excess of 1 bedroom in a dwelling units.

With 100 units, including a mix of unit types, the Wadajir project is required to have 153 stalls for the residential portion of the project.

In addition to the residential parking requirements, an additional 1 stall is required for each 100 square feet of usable floor area for the proposed restaurant and 2.5 stalls for every 1,000 usable square feet for the retail uses. Thus, the required parking stalls for the commercial uses on site is 50 stalls.

Based upon the proposed project and parking standards outlined above, the project is required to have a total of 203 stalls. The applicant is requesting a reduction of the onsite parking to 69 total on site. In addition, the applicant is requesting to get credit for 32 parking along S. 141st Street to the north.

The applicant provided a Parking Study prepared by TranspoGroup, dated March 8, 2021. The Parking Study concluded that 92 vehicle staff would be needed during peak demand, with any https://tukwilawa.sharepoint.com/sites/mayorsoffice/cc/Council Agenda Items/Mayor's Office/PCD, Dec. 6/Wadajir Update/2.0 Wadijar PCD Staff Report, 2021.08.10.doc

overflow being accommodated by on-street parking. Additional on-street parking is also available within three to four miles of the project site, with a utilization rate of 20% during a typical weekday.

Staff Response:

Staff has concerns that a 66% reduction in the onsite parking on the site could significantly impact adjacent uses and the adjacent neighborhoods. While the City has granted parking reductions for other housing projects, such as Washington Place, Tukwila Village, and Bellwether, Wadajir proposed reduction in higher than those projects. Bellwether was required to provide one stall for each unit in the development. This one-to-one requirement would not be met with the Wadajir project. In addition, as the Council is aware, the City has been dealing with addressing significant parking complainants at Tukwila Village since the first phase opened.

Wadijar is also proposing to get credit for on-street parking adjacent to the project. Since onstreet parking is not reserved for any specific property or project, the City does not give a project credit for adjacent on-street parking. In addition, Wadijar would require that the owners implement and manage a parking plan for the foreseeable future. This presents concerns with ongoing monitoring and enforcement by the City should the project not be in compliance with the parking management plan.

Staff and the applicant have considered possible mitigation measures to address a reduction in required onsite parking. These are provided for information only and neither the City nor the applicant are proposing any specific mitigation measures at this time.

Proposed Mitigation Measure	Impact	Staff Comments
Vacate S. 141 st Street.	This mitigation measure would allow for the on-street parking to be incorporated into the Wadajir property, thus the parking would be considered "onsite." The total onsite parking would now be 101. Additional parking may be able to be installed along the north side of S. 141 st Street, providing more parking.	The project's onsite parking would still be reduced 50% from what is required by code. The project could meet the one staff per unit. The property owner to the north, the mobile home park, would likely receive half of any street vacation. The project applicant and the City would need to work with the mobile home park owner to acquire the mobile home park's portion of S. 141 st Street and to address any access issues to the mobile home park. It may be possible to add additional parking along the north edge of S. 141 st street once vacated.
Leased parking	The applicant could examine securing an additional 25 long term leased offsite parking	Typically, when offsite parking needs to be secured for the project the City requires the

https://tukwilawa.sharepoint.com/sites/mayorsoffice/cc/Council Agenda Items/Mayor's Office/PCD, Dec. 6/Wadajir Update/2.0 Wadijar PCD Staff Report, 2021.08.10.doc

Car share service	spaces near the project. This would be an ongoing cost for the future residents and businesses.	parking to be an easement. This allows the parking to remain indefinitely. A concern with a lease approach is that either party would have the ability to terminate the agreement. Staff has concerns with the enforcement of this provision after the project is completed. Per code, one ride share stall
	would be reserved for a car share service for residential use.	is required to be on site. Additionally, the code states that the rideshare spaces are to be in addition to the required onsite parking.
Reduce the project scale	Reducing the total number of units and/or square footage of the commercial space would reduce the total parking demand for the project.	Forterra has expressed concerns that any reduction in total unit count could impact the project's feasibility.
Residential Parking Zone (RPZ).	RPZ's are common in parts of Seattle to manage on-street parking in dense neighborhoods, such as Capital Hill and First Hill. Parking permits are provided to residents in the area and parking is time restricted for non-residents. Residents typically pay a fee for their annual permits.	At this time, it does not appear that a RPZ is needed. The Parking Study submitted by the applicant indicates that daytime usage for on-street parking in the area is about 20%. As the area grows the City may want to consider the creation of a RPZ.
Parking Improvement District	Washington State law allows cities to create Parking Improvement Districts to manage and finance parking in neighborhoods. The District generates revenue with a parking tax and/or assessment on businesses. This revenue could be used for the acquisition and management of parking facilities or improvement of existing streets to include better managed parking.	A Parking Improvement District would need to apply to a larger area and could not apply to just one property. This could be a longer term strategy to address parking in the Tukwila International Blvd Neighborhood. It would take a significant amount of time to create a parking improvement district and to use the funds to mitigate any parking impacts associated with the Wadijar project. This would not provide immediate relieve for any parking impacts associated with the project.
Parking Mitigation Fee	Require the applicant to provide a onetime payment to allow the City to better enforce	The applicant's Parking Study notes that during the day only 20% of the current on-street

	and manage existing on-street	parking is utilized. With
	parking in the area.	funding, the City could provide
		better signage along streets in
		the area that provide on-street
		parking, such as 42 nd Ave
		South. This funding could also
		be used to help with staffing
		for a limited amount of time
		and to help set up the RPZ
		program discussed above.
Structured Parking	The applicant has requested	Structured parking would
	that the requirement for	allow the project to meet its
	structured parking be waived.	density goals while ensuring
	The City could choose not to	that sufficient parking is
	waive this requirement.	available onsite. It would also
		add a capital cost to the
		project. Both Tukwila Village
		and Bellwether housing have
		structured parking.
Mitigation managemen	would likely include several of the	antiona listad abova

Mitigation measures would likely include several of the options listed above.



Figure 3, Portion of S. 141st Street that could be vacated to provide more onsite parking.

3. Building Setbacks.

The City's design standards require tiered setbacks to provide modulation for residential projects in the Neighborhood Commercial Center (NCC) zoning. The applicant has noted that the use of modular mass timber construction hinders the ability to meet this requirement.



Figure @, Proposed Massing.

Figure 4 above shows the proposed massing for the building.

Staff response:

No comments at this time. Staff suggest this item be addressed as part of design review.

4. Recreation Space.

The project is required to provide 200 square feet of recreation space per unit. With a proposed unit count of 100 units, this results in a total of 20,000 square feet of recreation space required for the project. The applicant is proposing that just over 20,000 square feet of outdoor recreation space and just over 4,500 of indoor recreation space. Up to 50% of the required recreation space can be indoors.

The City's recreation space requirements do not allow required landscaped areas to count towards the required minimum recreation space requirements. The applicant has requested that this limitation be eliminated.

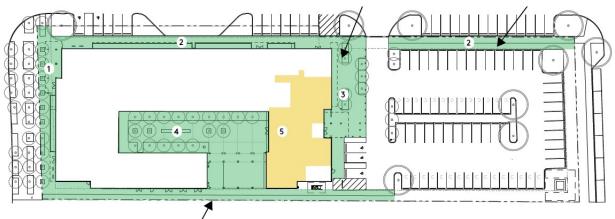


Figure 5, Recreation Space Layout.

Staff Response:

At this time staff does not know if a waiver for the landscaped area to count as recreation space is needed. Based upon the information provide it appears that the combination of both indoor and outdoor recreation space may exceed the minimum standards. If additional recreation space is needed, staff suggest that the City require a fee in lieu of instead of allowing the landscaped areas to count as recreation space. The landscaped areas are not always designed in a manner to accommodate recreation activities.

5. Design Review Process

A project of this size would require a public hearing design review process. However, since the City may approve a DA for this project, staff is requesting that the project be approved at the staff level through administrative design review.

Staff Response:

Many of the design elements such as parking, landscaped, modulation, and recreation space are being addressed through the DA, thus the scope of the design review would be limited. To assist moving this project forward, should the Council choose to approve a DA, staff recommends that design review be administrative. The public would have the opportunity to comment on the project since the DA requires a public hearing before the City Council can take final action.

Multi-Family Tax Exemption (MFTE)_

The applicant has requested that the City reenact it's MFTE program in order to help with the financial feasibility of the project. The City had a limited MFTE in place for the Southcenter District in order to encourage housing in the Transit Oriented Development area of the District. The Southcenter MFTE program sunset at the end of 2019 and the City is no longer accepting applications.

MFTE programs can provide either an 8-year property tax exemption on the residential improvements for a property or up to 12 years if an affordability component is provided. The property tax exemption would apply only to the residential portion of the structure, not the commercial portion or the land value. The City has significant flexibility in designing a MFTE and using it to encourage certain development types. For example, in the Southcenter District

the City required a minimum average size for units and limited the number of studios in a project requesting the MFTE. For example, the City could create a program just to apply to owner occupied housing within a specific area of the City.

A MFTE program cannot be created via a DA and would require a separate legislative action by the City Council. The program would also need to be developed that applies to specific development types and/or geographical areas of the City.

FINANCIAL IMPACT

N/A.

RECOMMENDATION

Discussion only. Staff would like to work with the applicant to begin public outreach in the neighborhood about the project. The outreach would include information about the project, impacts to the neighborhood, and possible mitigation measures.

ATTACHMENTS

• Letter, dated August 4, and draft plans from Forterra for the Wadajir project.

WADAJIR RESIDENCES & SOUQ

SUSTAINABLE ATTAINABLE BEAUTIFUL

DEVELOPMENT AGREEMENT UPDATE COMMUNITY OUTREACH AND PARKING OPTIONS DECEMBER 6, 2021



tnership, Forterra & Abu Bakr are asking for flexibility from the City in the development design and site plan to successfully provide equity and affordability for the residents of Tukwila	<u>Solution</u> Achieve most affordable home & business pricing	 A waiver of the structured parking requirement 	 A reduction of the minimum required parking for the project 	 Development Agreement Approval
In partnership, Forterra & Abu Bakr are asking for and site plan to successfully provide equity a	<u>Proposal</u> New, equitable mixed-use development for Tukwila	 100 Attainable Homes – 1, 2 and 3 bedroom 	 Homeownership affordable to households 70% - 110% of AMI* 	 A new International Marketplace (Soug) in 15,000 sf for locally-owned micro and small businesses

*Pricing not yet final.

FORTERRA 2

Summary

ЦŢ	At th that • C	: من O •



August PCD Meeting Follow-up

At the August 10 PCD Meeting, the Committee requested that Forterra and Abu Bakr:

- Complete additional Community Outreach to determine the Community Support for the proposed site plan
- Study the possibility of utilizing 141st St. for additional parking, if the Street were vacated.

FORT&RRA

	Jutreach
•	IUNITY
	mmc
	О С

Prior Community Meetings:

Open House 1 (English & Somali)

Nov 2019

Community Survey

Nov 2019

Open House 2 (English, Somali, Spanish)

- Two Virtual Meetings
- July 2020

Purpose: Increase awareness and excitement about the Wadajir project & work with Community to make design decisions about the unit mix and marketplace. 💓 FORT&RRA

Result:

Family-size homes (2 & 3 Bedroom) were increased to meet community desire \checkmark Preference for displaced businesses in housing sales as well as in Marketplace

Over 100 community members signed up as interested buyers for both housing and marketplace

reach Update	Direct Outreach:	 Project Information hand-delivered to neighbors on 42nd 	 Open House Postcards mailed to all homes within 500 feet of Wadajir (370 addresses) 	 Distribution of 100 Postcards at Abu Bakr Islamic Center 	Postcards posted at Public Library and sent electronically to City Staff	
Community Outreach	Community Meetings:	Tukwila Market (Spicebridge Anniversary) October 2021 	Open House 3 November 2021 		excitement about the Wadajir project & engage in conversation about parking options	



Sullivan Center Open House

Pricing available in 2022 with approva

TAN NO. OF COMPANY

And a second second

estimated completion 2025



WADAJIR

FORT&RRA Land for good



disla.

ATTAINABLE | QIIMO JABAN

100 homes – 1, 2 and 3 bedroom. Priced

to be attainable to Tukwila residents.

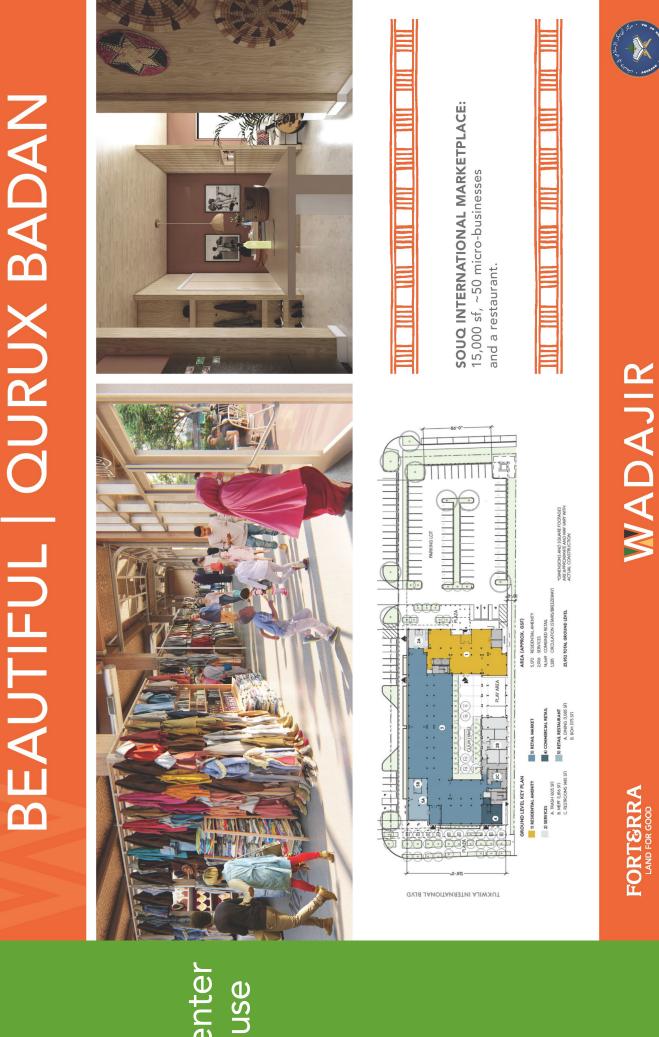
Sullivan Center Open House



...

WADAJIR

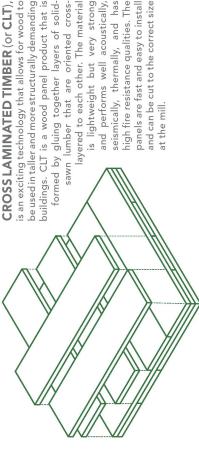
FORT&RRA LAND FOR GOOD



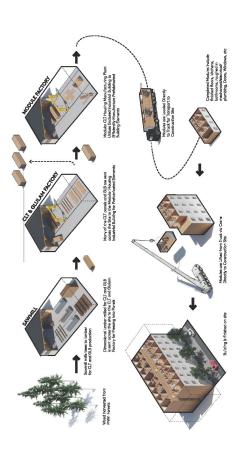
Sullivan Center Open House

SUSTAINABLE | WAARA

Sullivan Center Open House



is an exciting technology that allows for wood to be used in taller and more structurally demanding buildings. CLT is a wood panel product that is formed by gluing together layers of solidsawn lumber that are oriented crossand performs well acoustically, seismically, thermally, and has layered to each other. The material is lightweight but very strong high fire resistance qualities. The and can be cut to the correct size panels are fast and easy to install at the mill





1



FORT&RRA LAND FOR GOOD



WADAJIR ACTIVITY: THE DECISION IS YOURS!

There are different solutions for parking and each has an impact on the cost of homes

Sullivan Center Open House

Surface Parking

- 100 parking spots onsite, including new parking spaces on 141st St.
- Keeps prices low enough to provide attainable access



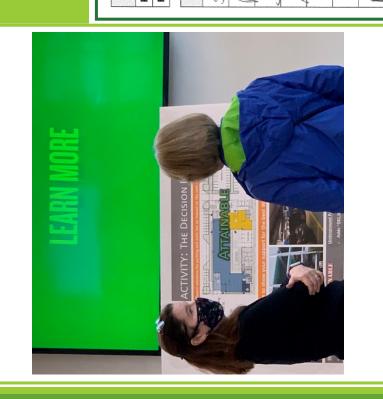
Sign here to show your support for the best Wadajir pricing



Adds ~\$81,000 to the cost of each home

Adds ~\$85,000 to cost of each home

Community Outreach Results



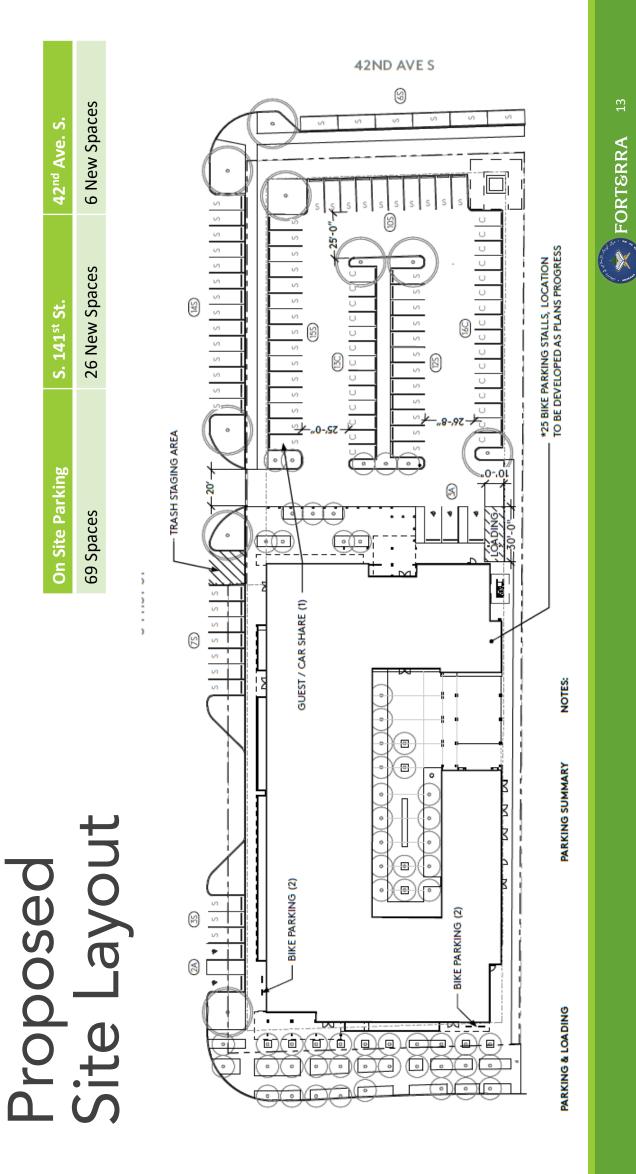
- Increase awareness for Community of Wadajir Vision and Proposed Site Plan
- Opportunity for Neighbors to engage with project team and address concerns
- 37 Signatures in support of the proposed Site Plan with 100 parking spaces
- Build community connection for future engagement

	WADAJIR	Meeting Date:	11.13	11.13.2021
Abu Bakr Islamic Center and Forterra	and Forterra	Place/Room:	Sullivar	Sullivan Center
		EMAIL		Tukwila Resident
Sharmaarbe Muche	Shorma	Sharmarte mude @ Hotmi	Hetmai	
	Jhassan	alhassan Duiz @hotmailten	tmart	d d
	Gehallhash	Cabalbagui 1946 agmand un	m/. 60m	Ż
Ahmed Abdikedir A	the Kodir	Abdilloding 3 20 Gurai Lond	19. LZ	D
[19 for a	19 for the the a general. con	Com	à
Elmi ILussein	Strant	EKCONTIND SMANLEDN	MANLE	
Abdivahman Hussein	abdidua	abdiduaagmail.com	m	Þ
	ax weede 20	SAX WEEKE 20 QGM OIL . COM	Com	ġ
	Man 4.	Witham of Alphi 1000 hoper com	ofter Con	Þ
200	M. G. a. a. a. C.	W.gr. as 10 A mail- com	1410	Þ
HASSAN Rola YOX	NO	2		Þ
OHOMISE AFCAD	NO	(Ø
Mamed Manad	mmcaluq.	mmialigzleg & mail com	, com	Ø
Muneel ni posen	Sawer 00.	Sawel 0015 agmant. com	644	Þ
Hatim abdallat	hafe alat	hale adadultatized grown con	1/ Con	Ď
Mahy Fiew	Malad	Malael From 123 agrinution	gmenteu	, Z
Apeulater Lama	Michbert	Riftenica live . con-	1	Þ
	NO			Þ

Carking OptionS In partnership, Forterra & Abu Bakr are asking for flexibility from the City in the development design and site plan to successfully provide equity and affordability for the residents of Tukwila	Proposed Plan Advantages	 Meets demonstrated parking demand Preserve affordability of the homes and marketspace Sustainable – encourages use of public transportation and live/work proximity
Parking OptionS In partnership, Forterra & Abu Bakr are asking for and site plan to successfully provide equity	PROPOSED PLAN	 Use all available surface parking and improve adjoining streets to increase available parking for residents and marketplace Encourage business owners in marketplace to own homes in Wadajir Share parking with Abu Bakr Islamic Center outside of prayer times businesses

FORTBRRA 12

(C



Τυκωιία ιητερματιομάι βίνο

<mark>4</mark>7

48

Proposed Site Layout

The proposed Wadajir parking layout creates up to 101 new parking spaces and preserves the affordability of the project.

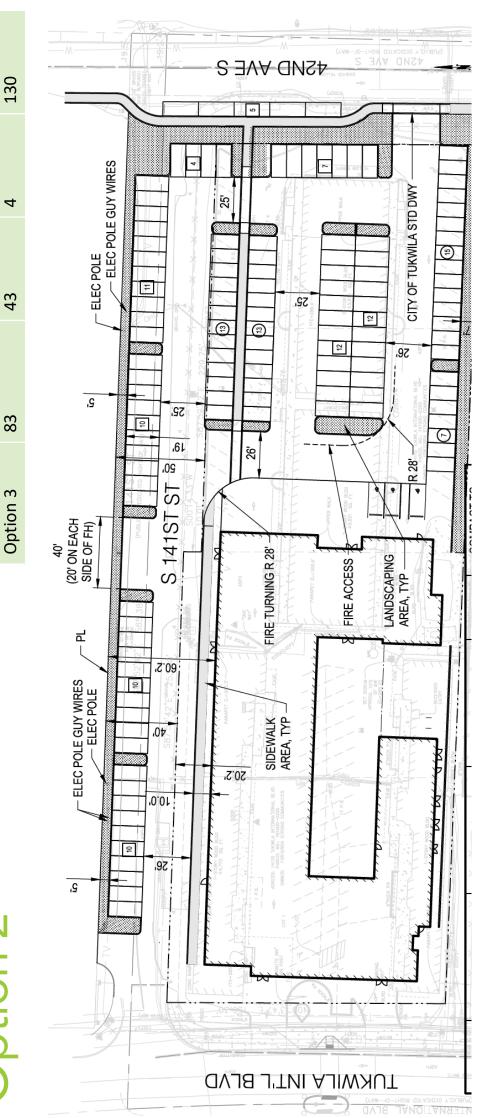
If there is spillover at any time, the Parking Study showed 117 available public spaces (80% of total on-street spaces) within a 2-3 minute walk of the site would serve the spillover.

Peak Demand Time	Observed Demand
Residential Only – 9pm	90 spaces
Residential & Commercial – 6pm	101 spaces
Available On-Street Parking (9pm)	Walking Distance from Site
117 spaces (80% of total)	2-3 minutes
222 spaces (63% of total)	5-6 minutes

. .

💓 FORT&RRA 16





Total

S. 141st St. | 42nd Ave.

On Existing

Site

ഗ

101

9

26

69

Proposed

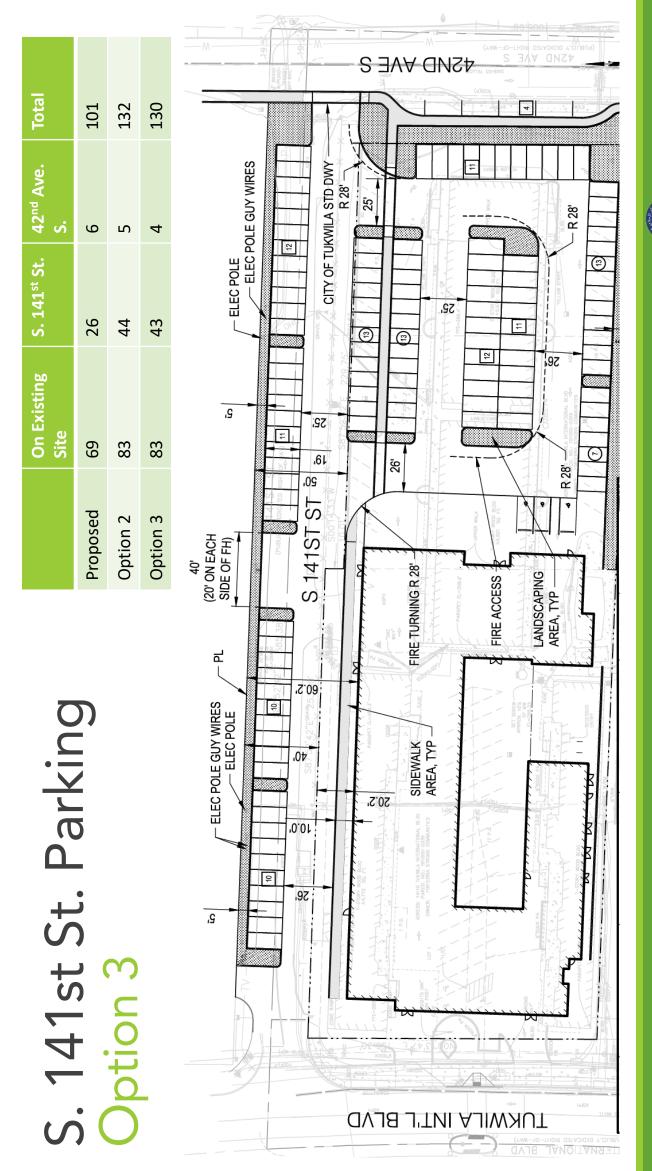
132

ഹ

44

83

Option 2



💓 FORT&RRA

	Wadajir presents a unique opportunity for homeownership in Tukwila for households at an average of 80% of AMI*
	Locally-owned businesses will benefit from secure, affordable market space on TIB
	The economics of both structured and underground parking would make affordable homeownership and marketspace impossible
Conclusion	Reducing the number of homes to limit parking impact not only increases pricing for the remaining homes, it would make the project ineligible for the HUD loan
	Vacating S. 141 st St. is a potential option to increase the number of onsite parking spaces but will require negotiating with the neighbors, increasing the project budget, and increasing the development timeline
	Forterra and Abu Bakr have worked to mitigate the parking impacts both in the site plan through design, preference for businesses, as well as in outreach with the Community parking to the development
FORTERRA	*Pricing not yet final.

Appendix

Peak Residential & Shared Use Jemana

- Peak Residential Demand = Time of day when the most number of residential parkers are expected to be on site (9pm)
- Transpo Study: Peak residential demand is 0.9 spaces/unit (90 spaces total), as counted onsite at two neighboring affordable housing developments
- **Peak Shared Use Demand =** Time of day when the most number of overlapping commercial parkers and residential parkers are expected to be on site (6pm)
- commercial activity and average residential demand at 6pm, as residents return from work Transpo Study: Peak shared use demand is 101 spaces, as calculated between expected and daytime commercial users exit and evening restaurant users arrive

🌪 FORT&RRA 20

Open House Feedback

- Conversationally, most participants in the open house discussed a desire for larger units with at least 2 bedrooms, but often 3 bedrooms or more.
- ^{-26%} of respondents made a note on their feedback forms requesting units of 4 bedrooms or more.

Unit Type Requested	# of Responses	Percentage of Total
1 Bedroom	1	1%
2 Bedroom	6	13%
3 Bedroom	62	86%

FORT&RRA 21